

Preparing and implementing
an anti-money laundering and counter-terrorism financing (AML/CTF) program

Pubs & clubs sector



# AML/CTF program checklist

You must develop, adopt and maintain an anti-money laundering and counter-terrorism financing (AML/CTF) program. Your program needs to set out the ways your business will comply with its AML/CTF obligations and identify, mitigate and manage money laundering and terrorism financing (ML/TF) risks.

An AML/CTF program needs to include both Part A and Part B components (see below). Record keeping is also an important part of your AML/CTF obligations.

| **Component** | **Task** | **Check** |
| --- | --- | --- |
| AML/CTF program: **Part A** | 1. Complete an ML/TF risk assessment for your business
 |[ ]
|  | 1. Appoint an AML/CTF compliance officer
 |[ ]
|  | 1. Adopt an employee due diligence program
 |[ ]
|  | 1. Adopt an AML/CTF risk awareness training program
 |[ ]
|  | 1. Describe your procedures for ongoing customer due diligence, including transaction monitoring
 |[ ]
|  | 1. Describe your reporting procedures
 |[ ]
|  | 1. Complete compliance reporting
 |[ ]
|  | 1. Describe your procedures for responding to AUSTRAC feedback
 |[ ]
|  | 1. Formally adopt the program and subject it to ongoing oversight by senior management/board
 |[ ]
|  | 1. Subject program to regular independent reviews
 |[ ]
| AML/CTF program: **Part B** | 1. Set out your procedures for collecting and verifying ‘know your customer’ (KYC) information
 |[ ]
| **Record keeping** | 1. Keep records
 |[ ]

# 1. Money laundering and terrorism financing risk assessment

Understanding the money laundering and terrorism financing (ML/TF) risks your business faces is an important step in developing, implementing and maintaining effective and balanced controls, systems and procedures that mitigate and manage these risks.

## Conducting an ML/TF risk assessment

To identify your business’s [ML/TF risks](http://www.austrac.gov.au/part-amlctf-program#mltf-risk-assessment), you need to consider:

* the ‘[designated services](http://www.austrac.gov.au/definitions-and-examples-common-designated-services#gambling)’ your business provides and the methods of their delivery
* customer profile, including:
	+ the types of customers you have and their source of funds
	+ the nature and purpose of your business relationship with your customers
* the criminal threat environment and possible vulnerabilities of your business.

### Services and methods of delivery

#### What is your annual gross gaming revenue ($)?

Enter amount here

#### How many licensed electronic gaming machines (EGMs) do you have?

Enter number here

#### Do you use a TITO or TICO system?

[ ]  Yes [ ]  No

#### What are your hours of operation?

Enter opening time – Enter closing time

#### What is the location of the venue?

Street address

Suburb

State

#### Is it a high crime area?

For example, high incidence of criminal activity involving the use of cash for suspected drug trafficking, tax evasion or corruption.

[ ]  Yes [ ]  No

### Supervision of general gaming environment

#### What are the average staff numbers per customer?

Enter number of staff per customer

#### Is there CCTV installed?

[ ]  Yes [ ]  No

### Staff roles

#### How many staff?

Enter number Gaming attendants

Enter number Cashiers

Enter number Managers

### Staff turnover

#### What is the staff turnover (% per annum)?

Enter staff turnover

### Membership/loyalty cards

#### Do some players use membership/loyalty cards for playing EGMs?

[ ]  Yes [ ]  No

### Customer profile

Identify the types of customers you deal with. For example, consider the proportion of customers that are:

* members or non-members
* regulars or non-regulars
* interstate, international or local customers
* low income, high income or unemployed customers.

For each customer type, describe known gambling patterns. Some of the things you might include are:

* frequency of their gambling (daily, weekly, monthly)
* amount they gamble (in total, as well as the size of maximum bets)
* intensity of their gambling (amount of turnover within a given time frame)
* amount of time that a person spends gambling and the time of day they gamble
* difference between takings and winnings payouts.

Insert information about your types of customers

### Examples of risks to the pubs and clubs sector

The following table is a template (optional) to identify and assess possible ML/TF risks posed to your business. It includes ML/TF risks that might apply to your business, and examples of treatment strategies you should have in place to mitigate those risks.

See the *AUSTRAC compliance guide* for detailed guidance on [how to conduct a risk assessment](http://www.austrac.gov.au/risk-management-tool-small-medium-sized-businesses).

| **ML/TF risk indicators** | **Risk rating** | **Treatment/action** |
| --- | --- | --- |
| Likelihood | Consequence | Risk score |
| Customer inserts cash into a gaming machine and obtains credit via cheque, but engaged in very little or no game play |  |  |  | [ ]  Monitor game play (staff surveillance/CCTV) [ ]  Maintain centralised registers (including cheque register) of prize payouts or credit redemptions claimed by cheque[ ]  Transaction monitoring program in place and updated[ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit suspicious matter report (SMR) to AUSTRAC |
| Customer targets a specific cashier or prefers to use a wide range of cashiers, or avoids contact with cashier and transacts with Cash Redemption Terminals (CRT) only |  |  |  | [ ]  Monitor gaming staff to identify potential collusion (staff surveillance/CCTV)[ ]  Employee due diligence processes in place [ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer attempts to have a cheque drawn in the name of a third party |  |  |  | [ ]  Not allowing cheques to be drawn in the name of third parties (cheque buying prohibited) [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer requests higher denomination bills than offered when redeeming credit |  |  |  | [ ]  Limit higher denomination notes available [ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer refuses or is reluctant to produce identification when requested, or presents false identification documents  |  |  |  | [ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC [ ]  Enhanced customer due diligence/further KYC |
| Customer regularly brings in large amounts of cash even though the venue has an ATM |  |  |  | [ ]  Monitor game play (staff surveillance/CCTV) [ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer purchases winning vouchers from another customer with cash |  |  |  | [ ]  Monitor game play (staff surveillance/CCTV)[ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer has access to more money to gamble with than expected  |  |  |  | [ ]  Monitor game play (staff surveillance/CCTV)[ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer receives a greater number of cheques than the business’s cheque threshold (for example, more than 10 cheques per month) |  |  |  | [ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer receives instructions from a third party and appears to be transacting on behalf of the third party |  |  |  | [ ]  Monitor game play (staff surveillance/CCTV)[ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |
| Customer regularly cashes out amounts close to, but under, $10,000 |  |  |  | [ ]  Monitor game play (staff surveillance/CCTV)[ ]  Employee AML/CTF risk awareness training program implemented [ ]  Procedures in place to identify suspicious matters and submit SMR to AUSTRAC |

### Identify changes in ML/TF risk

You need to be able to identify changes in the external ML/TF risk environment. This is so you can respond by adjusting the administration of your services, customers, relationships and delivery methods.

The risk of your business being used for ML/TF also changes when you start to serve new or different types of customers, provide new gambling services, or change the way you provide those services. These risks must be assessed before you adopt new gambling services, products or technologies.

#### What things need to be risk assessed?

Examples of things you need to assess for ML/TF risk include:

* a new type of gaming machine or gambling product (for example, card-based gaming or electronic table games)
* a new type of automated ticket or cash dispensing kiosk, such as TITO or TICO
* a significant renovation to the layout of your gaming room or introduction of more cashier booths
* changes to prize payment amounts under relevant state or territory gaming machine legislation
* changes to the demographic of the area or clientele.

After you identify changes in the ML/TF risk environment, you will need to update your risk register accordingly. You should record the changes in risk that you identify, and update your systems and controls to manage the changed risks.

#### Who in your business is responsible for maintaining awareness of and identifying changes in ML/TF risk?

Insert person’s name

#### How will this person maintain awareness of and identify changes in ML/TF risk?

For example:

* ensure enrolment details are up-to-date to receive information from AUSTRAC
* subscribe to industry bulletins, attend industry events
* attend board meetings/senior management meetings regarding any business changes
* regularly monitor trends/methods in your operating environment.

Insert details

#### How will your business respond to changes in ML/TF risk?

For example:

* update the risk assessment
* implement new or updated policies, procedures or systems
* keep records of changes to your risk assessment and how you have addressed them.

Insert details

**Further information:** AML/CTF Rules: Part 8.1

# 2. AML/CTF compliance officer

You must appoint someone from senior management to be your [AML/CTF compliance officer](http://www.austrac.gov.au/part-amlctf-program#compliance-officer). You might want to attach the compliance officer role to a specific position in your business, rather than an individual’s name so you will not have to update your AML/CTF program if the person leaves the organisation.

#### What does the AML/CTF compliance officer have to do?

#### There are a number of responsibilities that the AML/CTF compliance officer could have, for example:

* acting as the contact point for all AML/CTF compliance matters and the day-to-day oversight of the venue’s AML/CTF program, compliance manuals, policies, procedures and systems
* reporting SMRs to AUSTRAC
* staff training
* conducting and updating the venue’s AML/CTF risk assessment
* reporting to the board or senior management
* addressing AUSTRAC feedback about the reporting entity’s AML/CTF program and procedures.

The AML/CTF compliance officer may delegate certain duties to other employees but is expected to retain responsibility for implementing and assessing the ongoing operation of the AML/CTF program.

#### Who is the AML/CTF compliance officer in your business?

*Name:* Enter name

*Title/position:* Enter title/position

#### Who is the backup person?

The backup person should assume the AML/CTF compliance officer role when the nominated compliance officer is absent.

*Name:* Enter name

*Title/position:* Enter title/position

#### If you have more than one site, provide details about how the multiple sites will report to the AML/CTF compliance officer.

Provide details

**Further information:** AML/CTF Rules: Part 8.5

# 3. Employee due diligence program

Your AML/CTF program must have an [employee due diligence program](http://www.austrac.gov.au/part-amlctf-program#employee-due-diligence) that sets out how you will screen employees who might be in a position to facilitate ML/TF.

#### Which roles in your business could give staff the opportunity to facilitate ML/TF offences?

[ ]  Venue manager

[ ]  Gaming manager

[ ]  Duty manager

[ ]  Floor staff (gaming attendants)

[ ]  Cashier

[ ]  Vault

[ ]  Counting room

[ ]  Other (please describe):

 Provide details

#### **What checks will you perform on prospective employees before you hire them?**

[ ]  Verify the identity of prospective employees (e.g. request a certified copy of driver’s licence or passport)

[ ]  Conduct work history checks and speak to previous employers

[ ]  Conduct criminal history checks (National Police Certificate)

[ ]  Conduct bankruptcy or credit reference checks to ensure that the employee is not under undue financial pressure

[ ]  Confirm currency of gaming licence

[ ]  Other (please describe):

 Provide details

#### **What additional checks will you perform on an employee who is transferred or promoted to a position which could give them the opportunity to facilitate ML/TF (for example, a promotion from floor staff to cashier)?**

Provide details

#### How will you supervise employees to ensure they follow your AML/CTF procedures and do not collude with customers to facilitate ML/TF?

Provide details

#### What will you do if an employee breaches your AML/CTF procedures?

[ ]  Issue a formal warning

[ ]  Conduct refresher training

[ ]  Reassignment of duties

[ ]  Dismissal

[ ]  Other (please describe):

 Provide details

**Further information:** AML/CTF Rules: Part 8.3

# 4. AML/CTF risk awareness training program

You need to train your employees (including any unpaid family members and friends) about your business’s ML/TF risk and your AML/CTF procedures.

Your [risk awareness training program](http://www.austrac.gov.au/part-amlctf-program#risk-awareness-training) needs to include the following elements:

* your business’s obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) and the consequences of non-compliance
* the types of ML/TF risk your business might face and potential consequences
* the processes and procedures in your AML/CTF program relevant to the work carried out by your employees.

#### Who will receive AML/CTF training?

[ ]  All staff who hold an employee gaming licence

[ ]  All staff involved in EGM services

[ ]  All staff

[ ]  Other (please describe):

 Provide details

#### How often will employees receive AML/CTF training?

Provide details

#### Who will deliver the training?

For example: the AML/CTF compliance officer, the duty manager(s), or an external service provider.

Provide details

#### How will the AML/CTF training be delivered?

For example: on-the-job training, online training and/or interactive seminar.

Provide details

#### How will you maintain records of who has completed training and whose training is outstanding?

For example: is this coordinated through Human Resources or the AML/CTF compliance officer?

Provide details

#### How will you ensure employees are kept up-to-date with new AML/CTF issues?

For example: AML/CTF issues and compliance is a standing agenda item at staff meetings.

Provide details

**Further information:** AML/CTF Rules: Part 8.2

# 5. Ongoing customer due diligence

## A. Updating, verifying and re-verifying customer information

You need to establish a risk-based system to help you determine whether—in certain circumstances—you will update, verify and/or re-verify details held about a customer. This is similar to the collection and verification of additional customer information discussed below (see ‘11. Collect and verify KYC information’). However, ongoing customer due diligence occurs *after* the relationship with the customer has been established, not *when it is being* established.

#### What circumstances would cause you to update, verify and/or re-verify customer information?

Examples include: you become aware that the customer’s address, name or employment situation changes, or there is a change in their gambling activities such as increased gambling or using cash in large amounts.

Provide details

**Further information:** AML/CTF Rules: Paragraph 15.2–15.3

## B. Monitoring your customers’ gaming transactions

You need to have a [transaction monitoring program](http://www.austrac.gov.au/part-amlctf-program#ongoing-cdd) to identify any transactions that appear to be suspicious and therefore reportable to AUSTRAC. This includes:

* complex transactions
* unusual large transactions
* unusual patterns of transactions.

The table below sets out some examples of the processes you could put in place to monitor transactions and game-play at your venue.

| **Action** | **Purpose**  | **How will monitoring activities/results be recorded?** |
| --- | --- | --- |
| **Monitor game play including using meter-reading data, CCTV footage**  | [ ]  Identify instances where money was credited in and out of a gaming machine with minimal game play[ ]  Ensure that the person claiming the credit is the person who played the EGM it was won on[ ]  Ensure no one is seeking to buy another customer’s cheques[ ]  Ensure customers who consistently bring in large amounts of cash to gamble have a legitimate claim to the cash[ ]  Other: Please specify | Provide details |
| **Review records of cheques issued on a weekly, fortnightly or monthly basis**  | [ ]  Identify customers who redeem credit by cheque more frequently than my business’s cheque threshold[ ]  Other: Please specify | Provide details |
| **Monitor gaming staff who issue cheques** | ☐ Identify potential collusion ☐ Review cheque registers to see if any customers receive a disproportionate number of cheques from a single cashier☐ Other: Please specify | Provide details |

**Further information:** AML/CTF Rules: Paragraph 15.4 – 15.7

## C. ‘Enhanced customer due diligence’ procedures

You also need to have an [enhanced customer due diligence program](http://www.austrac.gov.au/part-amlctf-program#ongoing-cdd) in place. This sets out your procedures for situations where there is a high ML/TF risk, when a suspicious matter reporting obligation arises, or where your customer is a [foreign politically-exposed person (PEP](http://www.austrac.gov.au/part-b-amlctf-program-customer-due-diligence-procedures)).

It is an offence to tell anyone apart from AUSTRAC that you have formed a suspicion about a customer. Therefore, in some circumstances it might not be appropriate to obtain further information from a customer or a third party when you cannot do so without alerting, or ‘[tipping off](http://www.austrac.gov.au/suspicious-matter-reports-smrs#tipping-off)’ the customer or third party to your suspicions.

#### What will you do in situations where the ML/TF risk is high, a suspicious matter reporting obligation arises, or your customer is a foreign PEP?

Tick all that are applicable. You must tick at least two boxes.

[ ]  Seek further information from the customers or third party sources to:

* clarify/update the customer’s information
* obtain further information about the customer
* obtain information about the source of wealth or funds the customer is using to gamble

[ ]  Undertake more detailed analysis of the customer’s information and/or transaction history

[ ]  Verify or re-verify KYC information

[ ]  Seek management approval for processing any future transactions

[ ]  Other (please describe):

 Provide details

#### Who is responsible for conducting enhanced customer due diligence?

It is likely that more than one person has responsibility—for example, gaming staff, cashiers, managers, the AML/CTF compliance officer.

Provide details

**Further information:** AML/CTF Rules: Paragraph 15.8 – 15.11

# 6. Your reporting procedures

You need to provide AUSTRAC with reports about suspicious matters and compliance with your AML/CTF obligations.

## Suspicious matter reporting

One of the most important ways businesses can help fight ML/TF is to let AUSTRAC know when you see something suspicious. A suspicious matter can relate to any crime, not just ML/TF.

You need to [report suspicious matters](http://www.austrac.gov.au/suspicious-matter-reports-smrs) to AUSTRAC about any EGM service that you provide, propose to provide, or have been asked to provide by a customer. This requirement applies whether you end up providing the service to that customer or not.

**Further information:** AML/CTF Act: Section 41, AML/CTF Rules: Chapter 18 and Part 8.9

### Time frames

You must complete an SMR and submit it to AUSTRAC within:

* 24 hours if your suspicion relates to terrorism financing
* 3 business days if your suspicion relates to money laundering, tax evasion or another crime.

Reports can be submitted electronically via [AUSTRAC Online](https://online.austrac.gov.au/ao/login.seam).

#### Scenarios of customer/transactional activity that might raise a suspicion

* You know that your customer is on Centrelink benefits or has a low-paying job, but they gamble significant sums of money. How did they get access to that kind of money?
* A customer approaches a winner and offers cash to buy the winning ticket/slip, which they use to get a cheque payment. Why do they want to convert their cash to a cheque? Where did they get all that cash from in the first place?
* A customer regularly attends your venue and brings their own cash, often several hundred or even thousands of dollars at a time, even though your venue has cash-out facilities. Why are they carrying around such large amounts of cash, instead of withdrawing it from the venue? Where did they get it?
* A customer credits a large amount of money into a gaming machine, plays a small amount of it, and then redeems the remaining credit via cheque. Why did they credit so much money into the machine if they weren’t going to bet it? Why do they want to swap their cash for a cheque?
* A customer asks the cashier to make out their cheque to a third party (family, friend or another person). Is it possible this is because they don’t want their bank or authorities to see the amounts won or received?
* A customer who requests a lot of cheques always seems anxious to have their cheque drawn by the same staff member. They may even seem to play mainly when that staff member is on duty, or have private conversations with them. Why this apparent preference for one staff member? Is it possible that the staff member is colluding in money laundering activity?

#### What do your employees do when they think a customer or matter is suspicious?

For example: inform the AML/CTF compliance officer, complete an SMR.

Provide details

#### Who is responsible for submitting SMRs to AUSTRAC?

For example: the AML/CTF compliance officer.

Provide details

#### How will you ensure that SMRs are submitted within the required time frames?

For example: daily review of suspicious matter register, providing all duty managers with AUSTRAC Online account access.

Provide details

# 7. Compliance reporting

Your business must submit a [compliance report](http://www.austrac.gov.au/amlctf-compliance-reports) to AUSTRAC to let us know whether you are meeting your obligations. AUSTRAC will let you know when the compliance report is due. It is very important that you keep your email address up-to-date so you know when you need to submit your compliance report.

#### Who at your business will be responsible for submitting a full and accurate compliance report to AUSTRAC?

For example: the AML/CTF compliance officer.

Provide details

#### How will you ensure AML/CTF compliance reports are submitted by the due date?

Provide details

**Further information:** AML/CTF Rules: Chapter 11

# 8. Responding to AUSTRAC feedback

You must have procedures in place to ensure you have regard to [feedback from AUSTRAC](http://www.austrac.gov.au/part-amlctf-program#austrac-feedback) about your AML/CTF obligations and/or compliance. This feedback can be specific to your business, or it can be general feedback to the sector or all reporting entities.

Not all feedback requires responding to AUSTRAC. Some of it will be general advice that can be considered and implemented by your venue internally. However, sometimes AUSTRAC will request a response from you. In these circumstances it is important that responses are received in a timely manner.

#### Who is responsible for keeping informed of and responding to AUSTRAC feedback? How do they ensure feedback is recorded and responded to in a timely manner, and that the board and relevant employees are notified?

For example: the AML/CTF compliance officer as part of their duties.

Provide details

**Further information:** AML/CTF Rules: Part 8.7

# 9. Adopt the AML/CTF program and ensure ongoing oversight of Part A

#### When did the board and senior management adopt and approve your AML/CTF program? How has this been recorded?

Provide details

#### How will your board and senior management oversee Part A of the program and ensure it is up-to-date and working?

For example: having AML/CTF as a standing board meeting agenda item, regular briefings by the AML/CTF compliance officer, or having the independent reviewer present their findings at a board meeting.

Provide details

**Further information:** AML/CTF Rules: Part 8.4

# 10. Establish regular independent reviews of Part A of your AML/CTF program

#### Who will conduct the independent review?

Provide details

#### How often will the review be conducted?

For example: every 12 months, every 24 months, when business practices change, or in response to a major ML/TF event.

Provide details

#### How will you ensure the [reviewer is independent](http://www.austrac.gov.au/part-amlctf-program#independent-review)?

For example:

* the reviewer is able to conduct the review without being compromised in reaching a conclusion
* they did not design, implement or manage the AML/CTF program
* they can make enquiries of any employee and access all relevant sources of information.

Provide details

#### Describe the review process

For example: what documents will the reviewer have access to? Will they come onsite? Will they speak to staff and/or the board?

Provide details

#### Describe how matters arising from the review will be addressed

For example: what time frames will you apply? What input will the board have in coming to a solution?

Provide details

**Further information:** AML/CTF Rules: Part 8.6

# 11. Collect and verify KYC information

You need to document the procedures you use to [**collect** and **verify** “Know Your Customer” (KYC) information](http://www.austrac.gov.au/part-b-amlctf-program-customer-due-diligence-procedures) about your customers.

Generally, collecting KYC information involves asking a customer to state their personal details. Verification involves confirming those details against identification documents such as a driver’s licence or passport.

As a venue with EGMs, you must collect and verify the identity of customers:

* who are paid out prize winnings of $10,000 or more; or
* about whom your enhanced customer due diligence program requires you to obtain and verify customer information (such as where a customer is high risk or you have formed a suspicion).

You also need to consider when to update and re-verify customer information (see *5. Ongoing customer due diligence* above).

## A. Collection of KYC information

#### What information do you collect from a customer?

**\*** **Mandatory information**

[ ]  Full name **\***

[ ]  Residential address **\***

[ ]  Date of birth **\***

[ ]  Phone number

[ ]  Email address

[ ]  Other:

 Provide details

**Further information:** AML/CTF Rules: Part 4.2

## B. Verification of KYC information

Verification is confirming the customer’s identification details against identification documents, such as a driver’s licence or passport. You need to be satisfied that the identification documents are both reliable and independent. The minimum identification information that needs to be **verified** for an individual is:

* the customer’s full name; and
* their date of birth **or** residential address.

#### **What types of documentation will you accept to verify your customers’ identity?**

Note: you must check the documents used to verify the customer’s information to make sure they have not expired. An Australian passport that expired in the preceding two years is acceptable.

[ ]  Drivers licence

[ ]  Passport

[ ]  Proof-of-age card

[ ]  Other government-issued photographic ID:

 Provide details

**Further information:** AML/CTF Rules: Part 4.9

## C. Politically-exposed persons

When you collect and verify the identity of a customer in the circumstances set out above, you must also determine whether the customer is a [PEP.](http://www.austrac.gov.au/part-b-amlctf-program-customer-due-diligence-procedures)

#### How will you determine whether a customer is a PEP?

For example: by conducting an internet search before paying out winnings.

Provide details

**Further information:** AML/CTF Rules: Part 4.13

## D. Additional KYC information

You need to establish a risk-based system to help you determine whether, in certain circumstances, you will collect **additional** identification details about a customer.

For example, evidence of a customer’s occupation or their source of funds can often provide further context for their activity and may **help to clarify the ML/TF risk for that customer.**

#### Describe what you would do if you formed a suspicion about a customer at the time of identification or verification.

For example: you suspect that the identification documentation is false or the customer is not who they claim to be. Would you request additional information? Would you continue to process the winnings?

Provide details

#### What additional information would you ask for and/or verify in the above situations?

For example: details about their occupation or their place of employment.

Provide details

**Note:** your obligations under the AML/CTF Act override your obligations under state legislation. If the AML/CTF Act requires you to identify a customer before paying out winnings and you cannot identify the customer, then you cannot pay out any winnings.

**Further information:** AML/CTF Rules: Paragraph 4.2.5

## E. Recording KYC information

You need to keep records of all customer identification that you undertake. This allows you to meet your legislative obligations, and provides useful information for transaction monitoring, enhanced customer due diligence and/or suspicious matter reporting. It also demonstrates you are compliant with AML/CTF Act obligations.

#### How do you record details of the identification process and verification documents?

For example: writing down the driver’s licence number, scanning and saving identification documents.

Provide details

# 12. Record keeping

[Record keeping](http://www.austrac.gov.au/chapter-8-amlctf-record-keeping-obligations) is an important part of your AML/CTF obligations. Pubs and clubs must:

* retain records of customer identification for seven years after the date they last provided a service to the customer
* keep any transaction records for seven years after the transaction is conducted
* retain a copy of their AML/CTF program (and record of the adoption of the program) for seven years after the program ceases to have effect. If the AML/CTF program is modified, a copy of the old program must be kept for seven years from the date it is superseded by the new program.

#### Describe the procedures your business will follow to ensure that records of customer identification documents will be retained for at least seven years

For example: photocopy, scan and save copies of identity documentation electronically.

Provide details

#### Describe the procedures your business will follow to record and retain transaction records for at least seven years

For example: maintain electronic copies of the payout/cheque register, photocopy, scan and save images of cheque stubs, etc.

Provide details

#### Describe the procedures your business will follow to retain records of current and superseded AML/CTF programs for at least seven years

For example: saving time-stamped electronic versions of each new AML/CTF program.

Provide details

**Further information:** AML/CTF Rules: Chapter 20