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**ENFORCEABLE UNDERTAKING TO THE CHIEF EXECUTIVE OFFICER OF THE  
AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE**

**FOR THE PURPOSES OF SECTION 197 OF THE**

***ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING ACT 2006***

**BY**

**Gold Corporation**

**ABN 98 838 298 431**

**Definitions**

**ACIP** means Applicable Customer Identification Procedures.

**AML/CTF Act** means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (as amended).

**AML/CTF Program** means an anti-money laundering and counter-terrorism financing program and has the meaning given in section 83 of the AML/CTF Act.

**AML/CTF Regulations** means the *Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008* (Cth) (as amended).

**AML/CTF Rules** means the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (Cth) (as amended) made under section 229 of the AML/CTF Act.

**AUSTRAC** means the Australian Transaction Reports and Analysis Centre continued in existence by section 209 of the AML/CTF Act.

**AUSTRAC CEO** means the Chief Executive Officer of AUSTRAC.

**AUSTRAC's Concerns** means the concerns referred to in paragraphs 6 to 12 of this Enforceable Undertaking.

**Designated Service** has the meaning given by section 6 of the AML/CTF Act.

**ECDD** means Enhanced Customer Due Diligence.

**Enforceable Undertaking** means an undertaking accepted by the AUSTRAC CEO under subsection 197(1) of the AML/CTF Act.

**Authorised External Auditor** means an Authorised External Auditor appointed in accordance with paragraph 27 below.

**Gold Corporation** means Gold Corporation ABN 98 838 298 431.

**Gold Corporation DBG** means the entities identified in paragraph 2 below, including Gold Corporation, comprising a 'designated business group' as defined in section 5 of the AML/CTF Act.

**IFTI** means International Funds Transfer Instruction and has the meaning given by section 46 of the AML/CTF Act.

**KYC information** means Know Your Customer information.

**ML/TF Risk** means money-laundering/terrorism-financing risk.

**OCDD** means Ongoing Customer Due Diligence.

**PEP** means Politically Exposed Person(s).

**Remediation Program** means the AML Remediation Program approved by Gold Corporation's Board of Directors on 31 August 2022, incorporating the Program Delivery Schedule submitted to AUSTRAC on 16 November 2023, and set out in the Confidential Annexure. .

## Introduction

- 1 Under section 3 of the AML/CTF Act, the objects of the AML/CTF Act include fulfilling Australia's international obligations designed to combat the laundering of money and the financing of terrorism. Under section 212 of the AML/CTF Act, the AUSTRAC CEO's functions include, amongst other matters, promoting compliance with the AML/CTF Act, AML/CTF Rules and AML/CTF Regulations.

## Persons giving the Enforceable Undertaking

- 2 This Enforceable Undertaking is given to the AUSTRAC CEO by Gold Corporation on its own behalf and on behalf of the following other reporting entities in the Gold Corporation DBG:
  - (a) Western Australian Mint (ABN 44 590 221 751); and
  - (b) Goldcorp Australia (ABN 49 230 812 547).
- 3 Gold Corporation trades under the registered business name The Perth Mint. Gold Corporation is a precious metals enterprise providing gold and silver refining, coin and bullion production, and precious metals storage. It is a Government Trading Enterprise, wholly owned by the Western Australian Government, established under the *Gold Corporation Act 1987* (WA).

## Background

- 4 The entities in the Gold Corporation DBG provide Designated Services of the kind set out in Tables 1 and 2 in subsection 6(2) of the AML/CTF Act and are enrolled as reporting entities for the purposes of the AML/CTF Act.
- 5 The AML/CTF Act and the AML/CTF Rules impose obligations on reporting entities to, amongst other matters, implement appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF risks that a reporting entity might reasonably face through its provision of Designated Services and to give certain reports to the AUSTRAC CEO.

## AUSTRAC's Concerns

- 6 As a result of the supervisory activities outlined below, the AUSTRAC CEO is concerned that the Gold Corporation DBG needs to take specific actions:
  - (a) in order to comply with the AML/CTF Act and the AML/CTF Rules; and
  - (b) directed towards ensuring that it does not contravene the AML/CTF Act or the AML/CTF Rules, or is unlikely to contravene the AML/CTF Act or the AML/CTF Rules, in the future.
- 7 In January 2021, AUSTRAC proactively commenced a Compliance Assessment of the Gold Corporation DBG to examine its compliance with the AML/CTF Act and the AML/CTF Rules. This included the issuance of numerous notices requiring Gold Corporation to produce information and documents to AUSTRAC relating to its AML/CTF Program and framework, and multiple virtual meetings with Gold Corporation personnel.



- 8 During the course of the Compliance Assessment, the Gold Corporation DBG also self-disclosed compliance failures relating to its GoldPass service and provision of remittance services more generally.
- 9 On 16 June 2022, AUSTRAC issued a Compliance Assessment Report to Gold Corporation which identified compliance issues of the Gold Corporation DBG relating to:
  - (a) Failure to carry out ACIP on customers;
  - (b) Failure to consider the ML/TF risk posed by its customers, including beneficial owners and politically exposed persons;
  - (c) Failure to include in its Joint AML/CTF Program appropriate risk-management systems to determine whether a customer or beneficial owner is a PEP;
  - (d) Failure to monitor its customers with a view to identifying, mitigating and managing ML/TF risk, by failing to have in Part A of its Joint AML/CTF Program appropriate risk-based system and controls to meet OCDD requirements of the Rules, including by failing to include an appropriate transaction monitoring program;
  - (e) Failure to comply with multiple sections of Part A of its Joint AML/CTF Program;
  - (f) Failure to include in Part B of its Joint AML/CTF Program risk-based systems and controls to determine when any other additional KYC information will be collected and verified in respect of a customer;
  - (g) Providing a designated service without applying in writing to the AUSTRAC CEO within 28 days after commencing to provide the designated service;
  - (h) Providing a registrable designated service while not registered as an independent remittance dealer; and
  - (i) Failure to report IFTIs to the AUSTRAC CEO.
- 10 As a result, on 30 August 2022, a delegate of the AUSTRAC CEO issued a notice pursuant to subsection 162(2) of the AML/CTF Act, requiring Gold Corporation to appoint an external auditor to carry out an audit of the Gold Corporation DBG's Joint AML/CTF Program's compliance with relevant provisions of the AML/CTF Rules and its compliance with ACIP, enrolment, IFTI reporting and OCDD obligations. Gold Corporation appointed the external auditor on 15 November 2022.
- 11 On 21 July 2023, AUSTRAC received the external auditor's final report. The report identified compliance issues that reflected or confirmed findings in the 16 June 2022 Compliance Assessment Report. For example:
  - (a) The application of Gold Corporation's Part A Program was not compliant in respect of the AML/CTF Rules regarding further KYC information and beneficial ownership, transaction monitoring and ECDD.
  - (b) Sample testing showed that the Gold Corporation DBG was unable to demonstrate it had undertaken necessary ACIP before the provision of a designated service to fifteen individual and non-individual customers.
  - (c) Gold Corporation did not include Remittance Services (Items 31 and 32 of Table 1 – Financial services) in its enrolment details with AUSTRAC.
  - (d) The Gold Corporation DBG failed to report 3,322 IFTIs in respect of at least four separate value-transfer scenarios.
  - (e) The Gold Corporation DBG was unable to demonstrate it had completed appropriate OCDD, primarily because it did not complete individual risk ratings for any customers.
  - (f) The transaction monitoring rules were not designed or applied such that the Gold Corporation DBG could appropriately monitor high ML/TF risk activity by its customers.
- 12 In light of these findings, AUSTRAC remains concerned that reporting entities in the Gold

Corporation DBG may have failed to comply, and may remain non-compliant, with provisions of the AML/CTF Act, being:

- (a) Section 81 – failure to adopt and maintain a Joint AML/CTF Program within the meaning of section 83 of the AML/CTF Act;
  - (b) Section 82 – failure to comply with Part A of its Joint AML/CTF Program;
  - (c) Section 36 – failure to conduct OCDD;
  - (d) Section 32 – failure to undertake ACIP prior to the provision of a designated service to a customer;
  - (e) Section 45 – failure to report IFTIs to the AUSTRAC CEO; and
  - (f) Section 51F – failure to advise the AUSTRAC CEO of change in enrolment details.
- 13 AUSTRAC acknowledges the co-operation and engagement of the Gold Corporation DBG throughout the Compliance Assessment. AUSTRAC also acknowledges that the Gold Corporation DBG has commenced a significant AML/CTF remediation and uplift, and has already completed a number of critical uplift initiatives as at the date of this Enforceable Undertaking.

### **Remediation Program**

- 14 In March 2021, the Gold Corporation DBG commenced an AML/CTF remediation plan to address deficiencies in its Joint AML/CTF Program and framework. This was scheduled for completion by July 2022. Having partially completed that remediation plan, the Gold Corporation DBG re-assessed the scope following an external review and receipt of the June 2022 Compliance Assessment Report from AUSTRAC. The Gold Corporation DBG subsequently developed a revised version (the **Remediation Program**) which was approved by Gold Corporation's Board of Directors on 31 August 2022.
- 15 The Remediation Program has three project work streams, representing outstanding uplift initiatives:
- (a) Customer Process Uplift;
  - (b) Customer Data Remediation; and
  - (c) Customer Lifecycle Technology and Data Uplift.
- 16 In addition to the audit required pursuant to the subsection 162(2) notice, Gold Corporation also requested the external auditor examine whether the scope of the Remediation Program was appropriate to deliver effective remediation of issues identified by AUSTRAC's Compliance Assessment Report and to identify, mitigate and manage ML/TF risks on a sustainable basis. The external auditor's report confirmed that the design and scope of the Remediation Program was appropriate to deliver effective remediation, however its ultimate effectiveness will depend on its implementation and the Gold Corporation DBG's continuing commitment to uplifting its approach to AML/CTF.

### **Acknowledgments by Gold Corporation of AUSTRAC's Concerns**

- 17 By entering into this Enforceable Undertaking, Gold Corporation, on behalf of the Gold Corporation DBG, acknowledges AUSTRAC's Concerns, and voluntarily offers the AUSTRAC CEO an Enforceable Undertaking in the terms of paragraphs 20 to 32 below, and pursuant to section 197 of the AML/CTF Act.
- 18 Gold Corporation confirms that it has obtained its own independent legal advice in relation to its obligations under, and the effect of, this Enforceable Undertaking, including the action which can be taken by the AUSTRAC CEO pursuant to section 198 of the AML/CTF Act should the AUSTRAC CEO consider that the Gold Corporation DBG has breached this Enforceable Undertaking.



## Undertakings

- 19 The undertakings in paragraphs 20 to 32 are given by Gold Corporation, on behalf of the Gold Corporation DBG, pursuant to section 197 of the AML/CTF Act.

### *Remediation Program*

- 20 Gold Corporation undertakes to complete the actions outlined in the Remediation Program, in accordance with the timeframes and standards set out in the Remediation Program.
- 21 Gold Corporation undertakes to complete the Remediation Program in full by 30 April 2025.
- 22 Gold Corporation undertakes to submit to AUSTRAC a Traceability Matrix, or other similar document used by the Gold Corporation DBG to track the completion of the Remediation Program, on the last business day of each month from the day this Enforceable Undertaking is accepted until completion of the Remediation Program.

### *Customer Data Remediation*

- 23 Gold Corporation undertakes to complete the remediation of customer data in accordance with the timeframes and standards set out in the Customer Data Remediation project work stream in the Remediation Program, the Remediation Methodology and Customer Risk Assessment Methodology.
- 24 Gold Corporation undertakes, on completion of each action according to this project work stream, to submit to AUSTRAC evidence of completion, including validated metrics of customer remediation outcomes and risk ratings applied to customers within 10 business days of completion.

### *Deviations*

- 25 Gold Corporation undertakes to advise AUSTRAC in writing of any proposed deviations to the actions or timeframes set out in the Remediation Program.
- 26 Gold Corporation undertakes not to make any material deviation to the Remediation Program without first obtaining the written consent of the AUSTRAC CEO. Whether a proposed deviation is a material deviation will be determined by the AUSTRAC CEO in their absolute discretion.

### *Authorised External Auditor*

- 27 Gold Corporation undertakes to appoint an individual who is:
- (a) authorised under section 164 the AML/CTF Act; and
  - (b) agreed to by the AUSTRAC CEO in writing—
- to act as an Authorised External Auditor for the purposes of this Enforceable Undertaking by 31 January 2024.
- 28 Gold Corporation undertakes to engage the Authorised External Auditor to complete a report on the Remediation Program every six months from the date of this Enforceable Undertaking, and continuing until each work stream of the Remediation Program has been completed. Gold Corporation undertakes to provide this report to AUSTRAC within 20 business days of the end of each six-month period.
- 29 Gold Corporation undertakes to engage the Authorised External Auditor on the basis that the report required to be completed under paragraph 28 requires the Authorised External Auditor to consider and report on:
- (a) Whether it is necessary to amend the Remediation Program to ensure that it remains fit for purpose and sustainable;
  - (b) The status of compliance with the Remediation Program, including whether Gold

Corporation has completed the actions applicable to that six-month period and whether Gold Corporation has wholly completed any individual project work streams; and

- (c) Whether the Authorised External Auditor considers the implementation of the Remediation Program to be effective and sustainable and the reasons for the Authorised External Auditor's conclusions.

30 Gold Corporation undertakes to engage the Authorised External Auditor on the basis that:

- (a) the Authorised External Auditor will notify the AUSTRAC CEO in writing within seven (7) days of identifying any breach of the Remediation Program including the nature of the breach;
- (b) AUSTRAC will have access to and correspond with the Authorised External Auditor at any time and in any manner which it deems appropriate for the purposes of monitoring or ensuring compliance with this Enforceable Undertaking during its currency.

#### *Provision of information and documents*

31 Gold Corporation undertakes to provide AUSTRAC any information or documents that AUSTRAC requests for the purposes of monitoring its compliance with this Enforceable Undertaking including the Remediation Program, on a confidential basis, within 10 business days of the date on which it receives a written request. Gold Corporation is not required to provide to AUSTRAC any documents or information subject to legal professional privilege or the provision of which would result in any member of Gold Corporation breaching a legal obligation.

32 Gold Corporation undertakes to provide any such documents or information requested will be to the AUSTRAC CEO:

- (a) in electronic form by email to [regulatoryoperations@austrac.gov.au](mailto:regulatoryoperations@austrac.gov.au) and cc: to the relevant supervision manager for Gold Corporation at that time;
- (b) in electronic form by upload to a share folder that AUSTRAC can access; or
- (c) otherwise as agreed to by AUSTRAC in writing.

#### **Completion**

33 The AUSTRAC CEO or a delegate will determine, in their absolute discretion, whether each work stream of the remediation program has been wholly completed.

#### **Acknowledgements – Operation of Enforceable Undertaking**

34 Gold Corporation, on behalf of the Gold Corporation DBG, acknowledges that:

- (a) The AUSTRAC CEO has accepted this Enforceable Undertaking based on (among other things) Gold Corporation disclosures to the AUSTRAC CEO of the material facts, matters and circumstances in relation to AUSTRAC's Concerns;
- (b) The AUSTRAC CEO's acceptance of this Enforceable Undertaking does not affect AUSTRAC's right to take any action in relation to any contraventions of the AML/CTF Act, AML/CTF Rules and/or AML/CTF Regulations;
- (c) This Enforceable Undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct committed by the Gold Corporation DBG described in AUSTRAC's Concerns or arising from future conduct;
- (d) The AUSTRAC CEO may publish a copy of this Enforceable Undertaking on AUSTRAC's website in accordance with subsection 197(5) of the AML/CTF Act;
- (e) AUSTRAC may from time to time publicly refer to this Enforceable Undertaking; and
- (f) If any part of this Enforceable Undertaking is held invalid, that part shall be severed

from this Enforceable Undertaking and the remainder of this Enforceable Undertaking will continue to be valid and enforceable.

- (g) The costs complying with this Enforceable Undertaking, including the implementation of the Remediation Program, will be borne by the Gold Corporation DBG.

#### **Commencement and duration**

- 35 Gold Corporation, on behalf of the Gold Corporation DBG, acknowledges that this Enforceable Undertaking has no operative force until accepted by the AUSTRAC CEO.
- 36 This Enforceable Undertaking ends on the date that the AUSTRAC CEO gives Gold Corporation written notice cancelling the Enforceable Undertaking under subsection 197(4) of the AML/CTF Act or the date on which the AUSTRAC CEO consents to Gold Corporation withdrawing the Enforceable Undertaking under subsection 197(3) of the AML/CTF Act, whichever is earlier.



EXECUTED BY (Gold Corporation - signature of Directors)



Signature of director

SAMUEL MAURICE COSSART WALSH  
Name of director



Signature of director / company secretary

JOHN O'CONNOR  
Name of director / company  
secretary

This 21<sup>st</sup> day of November 2023

ACCEPTED BY THE AUSTRAC ACTING CEO PETER SOROS PURSUANT TO SUBSECTION  
197(1) OF THE AML/CTF ACT.



Signature  
Peter Soros  
Acting Chief Executive Officer, AUSTRAC

This 27<sup>th</sup> day of November 2023