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

Cryptolink Pty Ltd ACN 646 989 595

Definitions

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)* (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 8 to 12 of this Enforceable Undertaking.

Crypto ATM means cryptocurrency automatic teller machines.

Cryptolink means Cryptolink Pty Ltd ACN 646 989 595.

Conditions 1 and 2 means conditions numbers 1 and 2, imposed on the registration of Cryptolink on 29 May 2025 by the Delegate of the AUSTRAC CEO.

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

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

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

TTR means Threshold Transaction Reports.

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 Cryptolink.

Background

3. Cryptolink provides digital currency exchange services and has been registered as a digital currency exchange provider under section 76E of the AML/CTF Act since 26 February 2021. It provides Designated Services of the kind set out in item 50A of table 1 in section 6(2) of the AML/CTF Act. Cryptolink is a reporting entity for the purposes of the AML/CTF Act.

4. In the course of carrying on a digital currency exchange business, Cryptolink operates a network of Crypto ATMs across Australia, which facilitate the exchange of physical currency for cryptocurrency. Cryptocurrencies allow criminals and illicit actors to move funds quickly, cheaply and pseudonymously. Crypto ATMs provide a convenient and accessible cash on-ramp to the crypto-ecosystem, and, because of this convergence between digital assets and cash, Crypto ATMs have a high ML/TF risk exposure.

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.

6. The requirement submit TTRs to the AUSTRAC CEO is a critical obligation. TTRs assist AUSTRAC to detect, deter and disrupt criminal and terrorist activity. Failure to report TTRs can deprive AUSTRAC and law enforcement of valuable intelligence and can indicate ineffective implementation of ML/TF controls.

7. In May 2025, AUSTRAC imposed a series of conditions on the registration of DCEs operating Crypto ATMs in Australia, including Cryptolink, requiring those DCEs to implement certain controls. Conditions 1 and 2 related to the imposition of daily transaction limits on the value of deposits and withdrawals. Pursuant to those conditions, Cryptolink was required to implement controls to limit withdrawals and deposits by 19 June 2025.

AUSTRAC's Concerns

8. As part of its sector-wide engagement with Crypto ATM providers through its Cryptocurrency Taskforce, AUSTRAC identified that Cryptolink may have failed to comply with its obligations to report TTRs to the AUSTRAC CEO within 10 business days, as required by section 43(2) of the AML/CTF Act.

9. In a letter to Cryptolink dated 9 May 2025, AUSTRAC identified a number of transactions meeting the cash reporting threshold which were not reported to AUSTRAC within 10 business days, during the period 11 July 2024 to 14 November 2024 (the **Relevant Period**). Consequently, AUSTRAC formed the view that Cryptolink's systems and controls with respect to its reporting obligations may be deficient.

10. Further, AUSTRAC advised Cryptolink that it had concerns with respect to the robustness of its ML/TF risk assessment, which forms the foundation for Cryptolink's risk-based approach and underpins its AML/CTF Program.

11. In subsequent engagement with AUSTRAC, Cryptolink outlined a series of actions it had taken in an effort to remediate deficiencies in its systems and controls with respect to TTR reporting, including back-capturing (late reporting) the TTRs. Cryptolink has outlined enhancements to its ML/TF risk assessment, which, in its view, more accurately reflect the inherently high risk associated with the delivery of designated services through Crypto ATMs.

12. Notwithstanding these initiatives, AUSTRAC is seeking to ensure that Cryptolink continues to address AUSTRAC's concerns, including by obtaining assurance that Cryptolink has back-captured and submitted TTRs that were not previously given to the AUSTRAC CEO, and improved its ML/TF risk assessment.

Acknowledgments by Cryptolink of AUSTRACs Concerns

13. Cryptolink acknowledges AUSTRAC's Concerns and voluntarily offers the AUSTRAC CEO an Enforceable Undertaking in the terms of paragraphs 16 to 25 below, and pursuant to section 197 of the AML/CTF Act.

14. Cryptolink provides this Enforceable Undertaking with a view to mitigating AUSTRAC's Concerns and ensuring that Cryptolink 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.

15. Cryptolink confirms that it has been offered the opportunity to seek its own independent legal advice in relation to its obligations under, and the effect of giving, this Enforceable Undertaking, including the actions which can be taken by AUSTRAC pursuant to section 198 of the AML/CTF Act should the AUSTRAC CEO consider that Cryptolink has breached this Enforceable Undertaking.

Undertakings

16. The undertakings in paragraphs 17 to 25 are voluntarily given by Cryptolink to AUSTRAC pursuant to section 197 of the AML/CTF Act.

Assurance Reviews

17. Cryptolink undertakes to engage within four weeks of acceptance of this EU by the AUSTRAC CEO, a qualified third-party (the **1st Reviewer**) to conduct the following Assurance Reviews:

    a. A review of Cryptolink's TTR reporting to the AUSTRAC CEO (**the TTR Review).** The TTR Review will validate whether Cryptolink has reported all required TTRs to AUSTRAC during the periods:

        i. 26 February 2021 to 18 June 2025; and

        ii. 19 June 2025 to the date of this Enforceable Undertaking.

    b. A review of Cryptolink's compliance with Conditions 1 and 2 concerning cash deposit and withdrawal limits, imposed by the Delegate of the AUSTRAC CEO on Cryptolink's DCE registration on 29 May 2025 and effective 19 June 2025 (**Conditions Review**). The Conditions Review must:

        i. assess whether controls giving effect to Conditions 1 and 2 are designed appropriately;

        ii. assess whether those controls are effective in practice, including whether any cash transactions greater than $5,000 have occurred through Crypto ATMs operated by Cryptolink from 19 June 2025 to the date of this Enforceable Undertaking; and

        iii. set out any recommendations related to the relevant controls, should the 1st Reviewer identify any deficiencies with respect to the design, implementation or effectiveness of those controls.

18. With respect to the identity of the 1st Reviewer:

    a. Cryptolink undertakes to provide to AUSTRAC the details of at least one person to be the 1st Reviewer within two weeks of acceptance of this EU by the AUSTRAC CEO; and

    b. the identity of the 1st Reviewer must be agreed in writing with AUSTRAC within three weeks of acceptance of this EU by the AUSTRAC CEO.

ML/TF Risk Assessment Review

19. Cryptolink undertakes to engage within four weeks of acceptance of this EU by the AUSTRAC CEO, a qualified third-party (the **2nd Reviewer**) to conduct a review of Cryptolink's ML/TF Risk Assessment (**Risk Assessment Review**). The 1st and 2nd Reviewers may be the same person.

20. The Risk Assessment Review must assess the adequacy of Cryptolink's ML/TF Risk Assessment, current as at the time the Risk Assessment Review is commenced. In particular, it must assess and provide a view on whether the ML/TF Risk Assessment:

    a. demonstrates adequate coverage of the ML/TF risks reasonably faced by Cryptolink in the provision of designated services;

    b. is based on an appropriate ML/TF risk assessment methodology;

    c. has any deficiencies which would render the ML/TF Risk Assessment ineffective or otherwise not fit-for-purpose;

    d. requires any amendments to address any deficiencies, and if so, provide recommendations to address those deficiencies.

21. With respect to the identity of the 2nd Reviewer:

    a. Cryptolink undertakes to provide to AUSTRAC the details of at least one person to be the 2nd Reviewer within two weeks of acceptance of this EU by the AUSTRAC CEO; and

    b. the identity of the 2nd Reviewer must be agreed in writing with AUSTRAC within three weeks of acceptance of this EU by the AUSTRAC CEO.

Reports to AUSTRAC

22. Cryptolink undertakes to provide to AUSTRAC, within 4 months of the date of this EU:

    a. If the 1st and 2nd Reviewer are the same person, a Report prepared by that Reviewer on the findings arising from the Assurance Reviews and the Risk Assessment Review (the **Report**).

    b. If the 1st and 2nd Reviewers are different, separate Reports prepared by each Reviewer on the findings arising from the Assurance Reviews and the Risk Assessment Review (the **Reports**).

    c. Cryptolink's response to the Report or Reports, including any remedial or uplift actions it has taken or intends to take in response to any recommendations.

Rectification of deficiencies

23. Cryptolink undertakes to provide AUSTRAC with a written report outlining the actions it has taken to address findings arising from the Report, including the remedial or uplift actions identified in its response to the Report under 22.c of this Enforceable Undertaking, by Friday 13 March 2026.

Provision of information and documents

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

25. Any documents or information requested will be provided to the AUSTRAC CEO:

    a. in electronic form by upload to a share folder that AUSTRAC can access; or

    b. otherwise as agreed to by AUSTRAC in writing.

Acknowledgements - Operation of Enforceable Undertaking

26. Cryptolink acknowledges that:

    a. the AUSTRAC CEO has accepted this Enforceable Undertaking based on (among other things) Cryptolink's 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 by Cryptolink of the AML/CTF Act and/or 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 Cryptolink 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 section 197(5) of the AML/CTF Act;

    e. AUSTRAC may from time to time publicly refer to this Enforceable Undertaking without the need to advise Cryptolink prior to that being done;

    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 wilt continue to be valid and enforceable; and

    g. the costs of complying with this Enforceable Undertaking will be borne by Cryptolink.

Commencement and duration

27. Cryptolink acknowledges that this Enforceable Undertaking has no operative force until accepted and signed by the AUSTRAC CEO.

28. This Enforceable Undertaking ends on the date that the AUSTRAC CEO gives Cryptolink written notice cancelling the Enforceable Undertaking or the date on which the AUSTRAC CEO consents to Cryptolink withdrawing the Enforceable Undertaking, whichever is earlier.

Executed by **Cryptolink Pty Ltd**
ACN 646 989 595 in accordance with
section 127 of the *Corporations Act 2001* (Cth):

[redacted]

Director

Director

Rhys Sneddon

Name of Director
BLOCK LETTERS

Mitchell Worden

Name of Director
BLOCK LETTERS

14/10/2025

Date

ACCEPTED BY THE AUSTRAC CEO BRENDAN THOMAS PURSUANT TO SECTION 197(1) OF THE AML/CTF ACT

[redacted]

Signature of Brendan Thomas, Chief Executive Officer, AUSTRAC

14/10/2025

Date