

NOTICE OF FILING

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File Title:	CHIEF EXECUTIVE OFFICER OF THE AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE v ENTAIN GROUP PTY LTD ACN 151 956 768
Registry:	NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.



Concise Statement in Response

No. NSD1814/2024

Federal Court of Australia

District Registry: New South Wales

Division: Commercial and Corporations

CHIEF EXECUTIVE OFFICER OF THE AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE

Applicant

ENTAIN GROUP PTY LTD ACN 151 956 768

Respondent

Unless indicated otherwise, capitalised terms in this Concise Response are defined in the same sense as the Amended Concise Statement (**ACS**) dated 29 August 2025. In response to the ACS, the respondent (**Entain**) says as follows:

A. INTRODUCTION

1. Entain admits a substantial proportion of the allegations made by the applicant (**AUSTRAC**) in the ACS. These are addressed in Section B.
2. The principal issues in dispute, addressed in Section C, are that Entain contends that:
 - a. it took reasonable precautions, and exercised due diligence, to avoid the contraventions of s 81 of the Act in respect of which these proceedings have been instituted, by engaging suitably qualified external consultants to regularly review its AML/CTF Program and by implementing recommendations made by those consultants, and accordingly has a defence to those allegations under s 236(2) of the Act;
 - b. it has undertaken and completed a substantial program of work to uplift its AML/CTF Program, such that from August 2024 its program was compliant with the Act and the Rules;
 - c. it has materially reduced the ML/TF risks faced by its business by closing or discontinuing certain higher risk channels, ceasing to engage with Punt Clubs,

Filed on behalf of (name & role of party)

Entain Group Pty Ltd (the Respondent)

Prepared by (name of person/lawyer)

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limiting its business to Australia, and other substantial changes to its business and culture; and

- d. in respect of a limited number of questions of construction of the Act and Rules, which affect the alleged historical contraventions, the construction adopted by AUSTRAC ought be rejected and a different construction preferred.

B. ADMISSIONS

B.1 Section 81 of the Act

- 3. Entain admits that, in providing the designated services identified in ACS [6], it faced the inherent ML/TF risks identified in ACS [7]-[9], and was required to have an AML/CTF Program with the characteristics alleged in ACS [10]-[13].
- 4. Entain admits that, prior to August 2024, Part A of its AML/CTF Program, adopted to identify, mitigate and manage the ML/TF risks identified in ACS [7]-[9], did not comply in various respects with the Rules.
- 5. Entain does not accept that its Part A AML/CTF Program was not compliant with the Rules (and therefore the Act) in each of the ways AUSTRAC alleges. However, Entain admits that:
 - a. in response to ACS [15]-[16], prior to August 2024, the risk assessments that formed part of its Part A AML/CTF Program did not meet the requirements of the Rules for appropriately assessing channel, jurisdictional and customer risk, did not include adequate criteria to assess those risks, did not include appropriate risk-based systems and controls, did not assess the effectiveness of the controls, and did not appropriately identify or assess the residual risk;
 - b. in response to ACS [17]-[18], prior to August 2024, its Part A AML/CTF Program did not include appropriate risk-based systems and controls over certain Inward Payment Channels, including with respect to Punt Clubs, international deposits, and certain third parties such as retail venues. Entain also admits that the controls it had in place with respect to monitoring customers who opened accounts in pseudonyms were inappropriate;
 - c. in response to ACS [20]-[22], until August 2024, there were deficiencies in the processes in its Part A AML/CTF Program to identify and escalate higher ML/TF risk customers;
 - d. in response to ACS [23]-[24], prior to 12 March 2024, its Part A AML/CTF Program did not have appropriate risk-based systems, controls and procedures to collect, review, update, clarify or analyse source of wealth/source of funds information with respect to a customer;
 - e. in response to ACS [25]-[26], during the Relevant Period, its TMP did not include appropriate risk-based systems and controls in its Part A AML/CTF Program to

monitor the transactions of its customers and to identify unusual or suspicious matters;

- f. in response to ACS [27]-[28], prior to August 2024, its Part A AML/CTF Program did not include appropriate risk based systems and controls to identify, escalate and assess high ML/TF risk customers for ECDD or to apply ECDD measures appropriate to the circumstances of the customer;
 - g. in response to ACS [29]-[30], the deficiencies admitted in sub-paragraphs (a)-(f) above, affected its ability to report suspicious matters; and
 - h. in response to ACS [42]-[43], the deficiencies admitted in sub-paragraphs (a)-(f) above, meant that the Part A AML/CTF Program approved and overseen by the board and senior management was deficient prior to August 2024.
6. In response to ACS [31]-[41], Entain admits that, by reason of the admitted deficiencies in paragraph 5, prior to August 2024, its Part A AML/CTF Program did not comply with rr 8.1.3, 8.1.4, 8.1.5(1), 8.1.5(3), 8.1.5(4), 8.1.6 and 8.1.7, 15.2-15.8 and 15.10-15.11 of the Rules and therefore did not comply with s 84(2)(c) of the Act.
7. In response to ACS [46]-[47], Entain admits that the historical deficiencies in its Part A AML/CTF Program were serious and that, by reason of the matters admitted in paragraph 5, it did not adopt and maintain an AML/CTF Program within the meaning of s 83(1)(a) of the Act and thereby contravened s 81(1) of the Act on each occasion that it commenced to provide a designated service to a customer.

B.2 Section 36 of the Act

8. In response to ACS [48]-[52], Entain:
- a. admits that, for each of the 17 customers, one or more of the alleged high ML/TF Risks identified in ACS [48(a) to (k)] indicated high ML/TF risk in respect of each customer, but does not admit that each of those matters, considered in isolation, was necessarily indicative of that customer posing a high ML/TF risk;
 - b. admits that it submitted suspicious matter reports to AUSTRAC in respect of each of the 17 customers which included the matters alleged in ACS [49];
 - c. admits that, prior to March 2021, its approach to ongoing due diligence, in particular conducting ECDD and making SOF/SOW inquiries in respect of the 17 customers, did not meet the requirements of the Rules and s 36 of the Act;
 - d. says that, from March 2021 to August 2024, its ongoing due diligence practices progressively improved, but did not fully meet the requirements of the Rules and s 36 of the Act; and
 - e. says that, since March 2021, accounts of the 17 customers were closed as improvements to ongoing due diligence practices took effect, with two of the 17

customers' accounts closed in 2020, another two before the end of 2021, five customers' accounts closed by the end of 2022, and a further three customers' accounts closed by the end of 2023. All of the 17 customers' accounts were suspended or closed before these Proceedings were commenced.

9. In response to ACS [51]-[55], Entain admits that it contravened s 36 of the Act on 17 occasions, once in respect of each of the 17 customers. Entain did not contravene s 36 of the Act on each occasion that it provided a designated service to each of the 17 customers during the time that appropriate risk-based customer due diligence was not conducted on that customer.

C. ISSUES IN DISPUTE

10. At all times throughout the Relevant Period, Entain sought to comply with its obligations under the Act. That gives rise to three key issues in dispute outlined in sections C.1 to C.3 below. Section C.4 summarises some legal interpretation issues in dispute.

C.1 Defence of taking reasonable precautions, and exercising due diligence, to avoid the contraventions of s 81 of the Act

11. In accordance with r 8.6.1 of the Rules, Entain engaged qualified AML/CTF external consultants to review whether the Part A AML/CTF Program was designed to meet obligations under the Act and whether it was operating effectively (**Independent Review**):
 - a. in 2018, it engaged GRC Solutions to undertake an Independent Review;
 - b. in 2020, it engaged Alice Saveneh-Murray and Rachel Waldren of Murray Waldren Consulting (**MWC**) to undertake an Independent Review;
 - c. in 2021, it engaged MWC to undertake a follow up review to assess Entain's progress in implementing recommendations contained in MWC's 2020 review; and
 - d. in 2022, it engaged MWC to undertake a further Independent Review.
12. The Independent Reviews concluded that the Part A AML/CTF Program was largely compliant with the Act and the Rules. They made recommendations for improvement, none of which was categorised as 'significant'. Prior to commencing its Uplift Program (below), Entain promptly took steps to implement recommendations made in the Independent Reviews and sought assurance from MWC that it had done so appropriately.
13. Section 236 of the Act provides that it is a defence to non-compliance with the Act if a defendant took reasonable precautions, and exercised due diligence, to avoid the contraventions. By taking the steps outlined above, Entain can avail itself of that defence in respect of the alleged contraventions of s 81 of the Act.

C.2 Uplift and 2024 Part A Program

14. Entain was first informed by AUSTRAC in September 2022 that it considered there to be potentially serious non-compliance with the Act. Since that time, Entain has undertaken a significant program of work, with external advice and assistance, to rebuild its Part A AML/CTF Program (**Uplift Program**). The output of the Uplift Program was that Entain adopted a new AML/CTF Program in August 2024, and fully implemented it by June 2025.
15. Alongside the Uplift Program Entain has:
 - a. significantly increased AML/CTF staffing;
 - b. made major investments in new systems and technology;
 - c. introduced dedicated governance and oversight structure for ML/TF risks; and
 - d. appointed new leadership across senior management, compliance and financial crime functions, including a new Chief Executive Officer.
16. Through the Uplift Program, the deficiencies outlined in paragraph 5 above were progressively addressed. The Part A AML/CTF Program adopted in August 2024 complies with the Act and the Rules and Entain accordingly denies any alleged deficiencies in so far as they are alleged in respect of its Part A AML/CTF Program in place since August 2024. The Uplift Program also caused the extent of deficiencies in the Part A AML/CTF Program to diminish over time.

C.3 Reducing ML/TF Risk

17. Alongside the Uplift Program, Entain has made significant changes to its business, including closing a number of higher risk Inward Payment Channels, closing international access to its systems, and ceasing to do business with Punt Clubs. These measures have had the effect of significantly reducing the extent to which its business was exposed to a number of the inherent ML/TF risks identified in ACS [7]-[9], and therefore the risk-based controls appropriate to mitigate and manage those risks.

C.4 Questions of construction of the Act and Rules in dispute

Primary purpose

18. Entain denies the allegations in ACS [32(b)], [34(b)], [36(b)], [38(b)], [40(b)] and [43(d)], to the effect that its AML/CTF Program did not have the primary purpose of identifying, mitigating and managing the ML/TF risks reasonably faced by Entain (**Primary Purpose Requirement**).
19. The “purpose” of a Part A program is the end sought to be achieved by that program, rather than the end in fact achieved. It is to be distinguished from effect and motive. Ascertaining this “purpose” principally involves an objective assessment, possibly informed, but not determined, by questions of subjective motives.

20. Having regard to the contents of the Part A AML/CTF Programs adopted and maintained by Entain during the Relevant Period, and the subjective motivations of Entain's Board and senior management in approving those Programs, Entain contends that the Primary Purpose Requirement was satisfied with respect to each iteration of its Part A AML/CTF Program.

Part B Program (Customer identification procedures)

21. Entain admits aspects of the allegation at ACS [45(a)] in relation to its Part B Program but denies the allegation in ACS [45(b)] and says it was not required by r 4.2.6 or 4.2.7 of the Rules (or otherwise) to verify the KYC information prescribed by r 4.2.6 of the Rules through the use of reliable and independent electronic data from at least two separate data sources, only that KYC information was required to be verified based on (1) reliable and independent documentation; (2) reliable and independent electronic data; or (3) a combination of (1) and (2).

Risk-based systems and controls

22. Rule 8.1.3 of the Rules provides that *some* of the requirements specified in the Rules may be complied with by the reporting entity putting in place appropriate risk-based systems or controls, and that, when determining and putting in place appropriate risk based systems or controls, the reporting entity must have regard to the nature, size and complexity of its business and the type of ML/TF risk that it might reasonably face and therefore Entain denies that part of the allegations in ACS [32(a)], [34(a)], [36(a)], [38(a)] and [40(a)].

Calculating the number of contraventions of s 36 of the Act

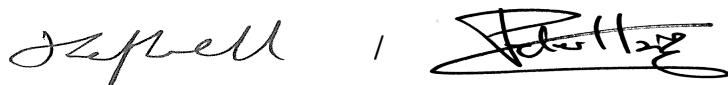
23. As noted at paragraph 9 above, Entain further contends that the deficiencies in respect of the 17 customers gave rise to one contravention in respect of each customer and accordingly denies the number of contraventions alleged in ACS [53] and [54].

D. ALLEGED HARM SUFFERED

24. In response to ACS [60] to [62] and [64], Entain:
- a. accepts that certain Inward Payment Channels obscured the source of funds, including by permitting deposits of cash, which inhibited the ability of law enforcement and AUSTRAC to trace money to its source. Less than 2% of deposits into betting accounts with Entain were processed through those Inward Payment Channels and they have been offboarded;
 - b. says that it is incorrect to equate the level of harm suffered with the total volume of money deposited through any (or all) of the Inward Payment Channels. Rather, the question ought to be what amounts would *not* have been deposited and withdrawn had Entain had in place a Part A AML/CTF Program that fully complied with the Rules; and

- c. says that its attitude to ML/TF risk is illustrated by its actions in seeking the Independent Reviews and acting on their recommendations (as set out C.1 above), the uplift program commenced in September 2022 (outlined in C.2 above) and steps to reduce its ML/TF risk profile including by closing higher risk channels (as outlined in C.3 above).
25. In response to ACS [63] and [64], Entain admits that, at least prior to 2021, it did not appropriately mitigate and manage the ML/TF risks posed by the 17 customers. Entain accepts that it ought to have ended its business relationship with some of those customers earlier than it did. Entain ended its business relationships with all of the 17 customers over time and before the Proceedings were commenced, with some customers closed in or about 2020 (see paragraph 8(e) above). However, the level of harm suffered should not be equated to the total amount of deposits or withdrawals by the 17 customers. As above, harm requires looking at the counterfactual if alternative systems and controls were in place.
26. In response to ACS [65], Entain admits that there were historical systemic deficiencies in its AML/CTF risk management processes. Entain has sought to comply with its obligations under the Act and Rules, including by seeking and following advice from qualified independent experts, progressively offboarding the 17 customers and reducing the ML/TF risks to which its business is exposed.

Date: 16 October 2025

Handwritten signatures of James Campbell and Peter Haig, separated by a vertical line.

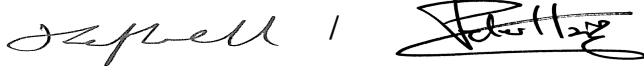
James Campbell / Peter Haig
Allens
Solicitors for the Respondent

This concise statement in response was prepared by Allens, solicitors for the Respondent.

Certificate of lawyer

We, James Campbell and Peter Haig, certify to the Court that, in relation to the concise statement in response filed on behalf of the Respondent, the factual and legal material available to us at present provides a proper basis for each allegation in the concise statement in response.

Date: 16 October 2025

Handwritten signatures of James Campbell and Peter Haig, separated by a vertical line.

Signed by James Campbell / Peter Haig

Allens

Solicitors for the Respondent