

To: Alex Fitzpatrick [REDACTED]
From: Jason Cremona [REDACTED]
Sent: Thur 8/15/2019 8:07:07 AM (UTC+10:00)
Subject: Commission Meeting today

Alex,

As discussed earlier this week, I thought I would provide you with a few dot points to hopefully assist at today's meeting re recommendation 17:

- Licensing view was consistent all along in relation to the requirement on Crown to address the suitability of the ICS's as opposed to reviewing the AML/CTF program. However recognise the need to review the program;
- Crown initially refrained from commenting on the suitability of the ICS's re AML/CTF and also was not willing to consult with AUSTRAC;
- Crown's suggested changes to the ICS's, only made as part of their submission on 1 July 2019, in Licensing's opinion, do not adequately address the 'issues' around the suitability of the ICS's, and if submitted for approval, further changes would be sought. These may include, but not limited to, adding 'implement' to the suggested section regarding the AML/CTF program, and addressing the junket participants issue;
- AUSTRAC have advised on several occasions that they have assessed the AML/CTF program and considered it suitable;
- When working through the suggested review of ICS's, Licensing do envisage reviewing the suitability of the AML/CTF program if the link into the ICS's is to be retained (including further changes noted above);
- AUSTRAC have confirmed that KYC requirements only apply to junket participants, and not the 'transactional' visibility that also applies to junket operators, as they, the operators, enter into the financial transaction with Crown. As a result, the ICS's should look to address this 'issue' or 'shortcoming', even if AUSTRAC do not see this as a requirement.
- Clearly, there would be no benefit to Crown being instructed to conduct a 'further review of the ICS's, and therefore deeming the recommendation incomplete. They have been reluctant to address the required changes to the ICS, as evident in the discussions and the body of the review report, however they have 'conducted a review', ie; met the recommendation. Therefore closing the recommendation, noting the further intensive work to come is appropriate.

Hope this helps.....good luck, and spewing I cant be there to support you!

Regards

Sent from my iPad