



VIP International Credit and debit card cash out review 6 June 2013

1. Objective

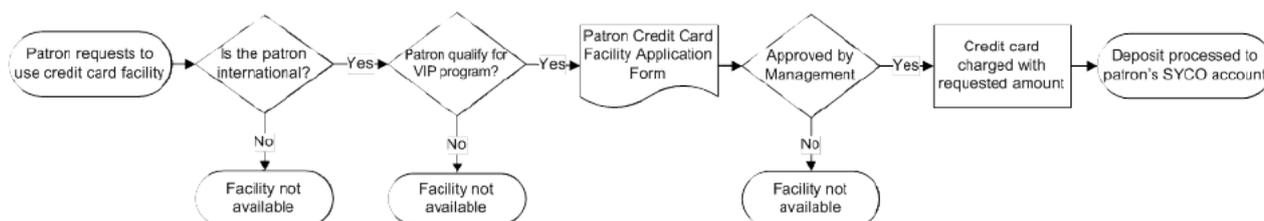
Review VIP International patron credit card cash out usage and provide recommendations on procedures to ensure we continue to comply with regulations and minimise risks.

2. Background

Since August 2012, Crown has permitted International patrons to obtain access to their funds via cash outs on credit cards. Access to these types of funds is within current regulations provided patrons are:

- international domiciled
- playing on a VIP programs
- staying at a Crown hotel; and
- the cash out terminal is more than 50m away from the Casino boundary

The current process of cash outs is summarised below:



3. Usage to date

Since being launched, 14 customers have used the facility withdrawing a total of A\$2.1m (A\$1.4m from credit accounts, A\$0.7m from debit accounts).

China Union Pay (CUP) has been the most commonly card used, accounting for A\$1.8m of the total transactions made:

Card type	No. of transactions	Value (AUD \$k)	Range (AUD \$k)
CUP (credit)	10	\$1,046	\$5 to \$450
CUP (debit)	12	\$736	\$15 to \$200
VISA	6	\$279	\$10 to \$140
Total	28	\$2,061	\$5 to \$450

To date none of the transactions have been disputed by customers / or their banks.



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4. Assessment of risks

Please refer below for a summary of risk and options to mitigate these:

Risks	Mitigations
Unauthorised usage by patron (i.e. patron uses a company credit card)	Implement a policy which only permits personal cards to be used (use of corporate / company credit cards are to be denied).
Customer disputes transaction occurred	Current policy requires copies of a patron's passport, credit card and signed opera bills / forms to be scanned and kept on file.
AML rules not adhered to	Cage to ensure that funds withdrawn from credit card are deposited into the DAB account for the same person.
Withdrawals from credit facilities more likely to default / be disputed vs. those withdrawn from debit accounts	Set a cap of \$200k for credit transactions per transaction. Monitor all withdrawals for defaults on a monthly basis and re- assess should a default occur.

5. Recommendations

Proposed adjustments to current policy include:

- a) International Sales and /or Director to ensure that customers only present a personal credit card (not a company / corporate card)
- b) policy to specify that the cage is responsible for A.M.L requirements
- c) Introduce a cap value for credit transactions of **A\$200k**
- d) Reduce the current transaction fee charge of **2.5%** to be consistent with the hotel credit card charge of **1.65%** (will ensure we are not perceived to be making a margin on transaction).
- e) Apply the below approval levels as to ensure consistency with current CCF limit approvals:

Value (AUD)	Approver required
Less than \$100k	Phil Batsakis, or VIP International GM or above
Greater than \$100k	VIP International GM or above

In addition, we propose that VIP Commercial:

- liaise with the Hotel Finance Manager on a regular basis to determine usage and customer defaults (should any arise).
- review the policy ongoing to ensure we are continue to operate within current regulations / legislation

Should the above be approved, the attached **updated** policy will be distributed to relevant staff members.



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Key steps:

1. International Sales / Director to discuss facility with patron, ensuring patron is aware that:
 - Crown is unable to ascertain card issuer limits (if any) on values of transactions.
 - only personal cards can be used (i.e. corporate / company cards are not permitted).
 - maximum of \$200k to be withdrawn for credit accounts per transaction.
2. International sales / service staff to advise a VIP Commercial team member **at least 48 hours prior** to credit card transaction, including the following information

Patron Full Name	
SYCO Patron ID	
Estimated date of transaction	
Crown Towers booking reference (if available)	
Amount requested	
Credit Card (e.g. China Union Pay, Amex etc.)	
Passport nationality & number	

3. VIP Commercial to provide Andrew Cairns (AC) and Stephen Hancock (SH) with the above information and appropriate approvals as per below:

Value (AUD)	Approver required
Less than \$100k	Phil Batsakis, or VIP International GM or above
Greater than \$100k	VIP International GM or above

AC/SH to advise teams as required

4. Processing the transaction
 - I. Sales staff/Director to notify Crown Towers Duty Manager at least 30 minutes prior to the transaction
 - II. Patron must be present for transaction with a credit card in their name and a matching valid passport
 - III. Crown Towers Duty Manager to take copy of patrons passport and raise charge on patrons room including amount requested and credit card processing fee of **1.65%**
 - IV. Crown Towers Duty Manager process credit card transaction for full amount (i.e. including credit card processing fee)
 - V. If transaction declined, reverse charge on the patron hotel room (no further action)
 - VI. If transaction approved, patron to sign credit card receipt and relevant opera forms
 - VII. Hotel to provide patron with copy of approved credit card transaction receipt and Opera invoice to present to Mahogany Room (MR) cage staff
5. Cage to validate customer for AML purposes. Upon presentation at the Cage of the approved credit card transaction receipt and Opera invoice, the Cage will raise a cage payout voucher for the amount and charge Crown Towers via account - 112540 and department code – 40085010
6. MR Cage will deposit the approved funds, (excluding credit card transaction fee) into patrons DAB account for use as required by patron.