



Subject: China Union Pay - potential AML Breach

Date:  
22/03/2021

Attached are a series of documents I have identified regarding an arrangement for patrons which was in operation prior to 2017.

Essentially, this appears to have worked as follows:

1. Patron has a bank card w/ access to funds o/s Australia
2. VIP International approve a patron for chip purchase
3. Patron presents at hotel desk and purchases through the EFT terminal. They are presented w/ a receipt stating the value of the purchase
4. The receipt is taken to the Cage and redeemed as chips, or an account deposit

My concerns are as follows:

- A. This arrangement was clearly designed to circumvent Chinese capital control laws. I do not know whether to do this is legal, but even if so, it is ethically concerning
- B. No transaction reporting (TT or IFTI) by Crown would have occurred in relation to the transactions. Had they flowed through ordinary channels, reports would likely have been lodged.
- C. This appears to also compromise the ~~the~~ bank's ability to accurately report on transactions. Where a transaction (i.e. a bank transfer) flows into a Crown account, the bank can see that it is for gaming activity. This arrangement obscures this, as a bank would construe this as being a purchase from the hotel.



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We will continue to investigate the assumptions and initial impressions noted above. This said, we would be grateful if you could consider whether the concerns on the first page are warranted, and what steps we ought to take in respect of this matter.

For completeness, we are also considering whether this arrangement is problematic from the perspective of the Casino Control Act 1991.

Feel free to give me a call to discuss.

Regards,  
Rob



Subject: China Union Pay - potential AML breach

Date: 22/03/2021

Annexures:

① Surveillance log entry report #381706

16/03/2021

- This document was circulated to me on 19 March, and triggered this enquiry
- We are investigating the two ML matters described. However, when shown to people at Crown, the second typology is often recognised and referred to as "China Union Pay"

② Pre-approved bank transactions from hotel guests - approval template

06/2016

- This document explains the process for this type of transaction. It was typically associated with China Union Pay cards and cardholders.

③ Debra Tegoni file note

17/09/2013

④ Email from Debra Tegoni to Jason O'Connor, Jacinta Maguire & Phil Batsaleis

11/09/2015

⑤ Debra Tegoni file note

21/03/2016

⑥ Email Thread between Roland Theiler & Debra Tegoni regarding CUP process

16/09/2016

- Note - not one document. Annexures gathered from the various stages of the thread.



## SURVEILLANCE LOG ENTRY REPORT

### LOG DESCRIPTION (Intelligence Only)

Information received from a Surveillance source:

During LDP Learning Block 2 on 16/03/2021 one of the attendees, Premium Service Host [REDACTED] was heard to make a large amount of remarks relating to money laundering and Crown staff being aware and assisting in money laundering activities with patrons.

Before beginning in earnest [REDACTED] remarked "we're all Crown here, so I can talk about this".

[REDACTED] then went on to make the following claims (paraphrased).

-Crown staff, presumably talking about the hosting team, were aware that international patrons were engaged in money laundering activities. "We knew there was money laundering happening"

-Hosting staff were given instruction from "higher ups" to identify, implement or create new methods of circumventing "government laws" (spoken about in the context of money laundering)

-one method of money laundering involved international patrons getting in touch with patrons based out of Australia. The first patron would transfer money (example \$5M) from their account in a Chinese bank to an account at a Chinese bank belonging to the second patron (based out of Australia). The second patron would then independently transfer the same amount from his account at an Australian Bank to an unspecified location in Australia (either an Australian bank account belonging to the first patron or straight to Crown as a 3rd party TT). This would prevent large amount of cash from crossing international lines, potentially allowing it to dodge additional government scrutiny.

- a second method involved having a high action international patron staying at a hotel (ie. Crown Towers). They (the hosting or hotel staff) would charge an "incidental charge" [REDACTED] failed to specify an amount) to the hotel invoice of the patron. The patron would then settle their hotel bill, including the incidental charge, using "tap and go". This would transfer money from an international account to Crown to settle the amount on the hotel room. The money for the incidental charge would then be made available to the patron, potentially at the cage, for the purposes of gaming.

[REDACTED] stated that the rules regarding the above were a lot looser prior to "China happening", relating to the detainment of a number of Crown, stating on more than one occasion "China changed everything".

There were fourteen staff members in attendance (including myself), plus the facilitator [REDACTED], whom the majority of the conversation was directed toward.

Also in attendance:

[REDACTED]

(others too, but did not have chance to grab names)

### EVENT DESCRIPTION



## PRE-APPROVED BANK TRANSACTIONS FROM HOTEL GUESTS - APPROVAL TEMPLATE (June 2016)

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Note: transactions are only available to patrons who have an open VIP International program (please refer to Crown's International Patron Domicile Guidelines for further detail)

Below details are to be emailed to relevant approver with a cc to the CT Hotel Duty Manager, CT Front Desk Supervisor, Melbourne Funds, VP Business Operations, Stephen Hancock and Mike Ohlmus.

**Bank transaction details:**

Patron Full Name  
International passport nationality & number  
Patron ID (per SYCO)  
International country code (per SYCO address)  
Estimated date of transaction  
Hotel room number  
Cash out amount requested (AUD)  
Card type (debit or credit)  
Bank issuer (ie China Merchant Bank)

*Requested by:*

*Date:*

**Approver Matrix:**

Transaction value (AUD)	Approver
Less than or equal to \$200k	GM- VIP Customer Service, VP International Business Ops or Group Commercial Manager-VIP International.
Less than or equal to \$500k	GEGM – VIP, SVP - International Business, Group GM - International Business Operations or Senior VP VIP Customer Relations.

**VIP INTERNATIONAL**

PRE-APPROVED BANK TRANSACTIONS FROM HOTEL GUESTS  
May 2016



Please refer below for key steps in relation to Pre-Approved Bank Transactions from hotel guests:

1. International Sales / Service staff to confirm that patron requesting facility is an internationally domiciled patron\*, has an open international program [per SYCO](#) and is staying at a Crown Hotel (patron must be checked into room before transaction is processed).
2. Patron is to be made aware that:
  - o Crown is unable to ascertain card issuer limits (if any) on values of transactions.
  - o Only personal credit / debit cards can be used (i.e. corporate / company cards are not permitted).
  - o The name on credit / debit card must match patron's [international](#)-passport and syco program name.
  - o There is a maximum withdrawal of AUD \$500k per day, per card.
3. International Sales / Service staff to complete the attached approval template and email an appropriate approver from the list below.

Transaction value (AUD)	Approver
Less than or equal to \$200k	GM - VIP Customer Service, <del>SVP International Business Ops</del> , VP International Business Ops, <del>Group Manager International Business Development</del> or Group Commercial Manager - VIP International.
Less than or equal to \$500k	GEGM - VIP, SVP - International Business, Group GM - International Business Operations, <del>EGM Table Games or Senior VP VIP Customer Relations</del> .

Approval requests must also be sent to CT Hotel Duty Manager, CT Front Desk Supervisor, Melbourne Funds, VP Business Operations, ~~Directors International Business Ops~~, and Stephen Hancock and Mike Ohlmus.

4. Processing the transaction:
  - International Sales / Service staff to notify Crown Towers Duty Manager at least 30 minutes prior to the transaction.
  - Patron must be present for transaction with a credit /debit card in their name and a matching valid [international](#) passport.
  - Crown Towers Duty Manager to take copy of patron's [international](#) passport and raise charge on patron's room including amount requested and card processing fee of 1.65%.
  - Crown Towers Duty Manager process card transaction for full amount (i.e. including card processing fee). Note, patron (card owner) must sign relevant forms and enter a valid pin number.
  - If transaction declined, reverse charge on the patron hotel room (no further action required).
  - If transaction approved, patron to sign credit / debit card receipt and relevant opera forms.
  - Hotel to provide patron with copy of approved credit / debit 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 / debit 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 complete a Chip Exchange Voucher (CEV) or deposit the approved funds (excluding card transaction fee) into patrons DAB account for use as required by patron.

Formatted: List Paragraph

\* refer to Crown's International Patron Domicile Guidelines



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Crown Melbourne Limited  
8 Whiteman Street  
SOUTHBANK VIC 3006

Telephone: + 61 3 9292 7510  
Facsimile: + 61 3 9292 7295

**LEGAL & INSURANCE DEPARTMENT**  
**LEGALLY PRIVILEGED - CONFIDENTIAL MEMORANDUM**

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To: NOTE TO FILE  
From: Debra Tegoni  
Date: 17 September 2013  
Subject: **China Union Pay**

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**QUESTION**

If the use of a China Union Pay card at Crown ultimately to purchase chips, as a legal transaction, such that it would not be at risk of being clawed back and so create a commercial risk for Crown.

**SUMMARY OF ISSUES**

1. The CBA sent an email to Crown stating that the use of China Union Pay transactions cannot be used to place bets or purchase gaming chips (stating that they don't believe this is permitted from Hotels anyway).
2. It is not clear on what basis they state this and I do not have the CBA Terms and Conditions. I do understand, however, that we are using CBA to provide the service at this point in time. There are clear risks with this.
3. By way of contrast the NAB Letter of Offer dated 13 March 2012 (presumably it is needing to be updated and new terms and conditions obtained) currently specifies that an acceptable Nominated Card includes China Union Pay cards.
4. On this basis the NAB Merchant Agreement, specifically clause 4.1(k), allows a nominated card, ie CUP card to process a "quasi-cash transaction" (a purchase of goods easily converted into cash such as gaming chips, money orders or foreign cash) as a purchase transaction, not a cash-out transaction.

Privileged and confidential  
 Memo to: Note to File  
 Subject: China Union Pay Card

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 17 September 2013

5. This needs to be taken into account when looking at the hotel accounts, as it must state that it is a purchase transaction. This clearly envisages that a CUP card can process these transactions. *We assume it's a legal transaction (of POC issue)*
6. Further, clause 4.17 also talks again about merchants conducting "quasi-cash transactions" in the same vein – therefore indicating that they are acceptable.
7. Note that a transaction will not be valid (and therefore not honoured and therefore Crown could be at risk) if the transaction is illegal pursuant to clause 9.1(a) or if the merchant has not complied with obligations under clause 3.7 (9.1(n)). Clause 3.7 provides that under no circumstances can a Union PayPal transaction be processed to give the Union Pay cardholder **cash**. Accordingly, in relation to Roland's note we need to clarify that the transaction **cannot** be used for cash under any circumstances.
8. It appears that the use of China Union Pay cards, for the purposes set out and approved by the NAB, are therefore legal and we can make that assumption. Query whether it would be preferable for us to specify or clarify with the NAB that provided we do not provide cash, we can provide chips to process a quasi-cash transaction and on the basis of that assurance, (which ideally should be documented either by email or by a note of telephone conversation). We could then rely on that to refute any transaction being invalid or illegal – but their current terms appear clear anyway. *Did we?*
9. It appears that there are little grounds upon which the transaction could be considered illegal. Gambling run by the casino here in Melbourne is legal. It is legal for any person, as far as we know, to gamble here in Australia.
10. If it is in fact illegal for a Chinese resident to gamble overseas (which I don't think is the case) then that is a matter for the individual patron. *subject to POC & NAB rules seen in.*
11. If the patron were ultimately to refute the transaction we would have to rely on documentation that supports his or her presence here and that the transactions did occur ~~ed~~ and **NOT** for cash. Presumably we would be able to verify any claim that they were not here and not part of this transaction.
12. If in fact they disputed the transaction we would not be able to enforce the debt against assets in China but it would be unlikely that this would need to occur. This presents less risk than credit for Crown.



**Privileged and confidential**

Memo to: Note to File  
Subject: China Union Pay Card

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17 September 2013

13. Overall, provided we stayed within the provisions of the *Casino Control Act* such that the transaction occurs at least 50 metres from any entrance to the casino floor (I understand at the hotel desk) it is ok. There is a technical risk that the transaction is only completed on the gaming floor (by giving the chips). We have been doing this for a long time and this has been acceptable. I think on balance we would win that argument, given that the policy behind the ATM restrictions (50 metres away from the casino floor) was really to ensure that people have the time and opportunity to reflect and this is what we have allowed them to do well and truly as they are conducting the transactions 50 metres away from the casino floor and then having to go back to obtain chips from the Mahogany Cage pursuant to a cheque purchase voucher (CPV).
14. The transaction occurs here. It is hard to see how the transaction could be illegal unless NAB have changed their Terms and Conditions or specified that using a China Union Pay card for a quasi-cash transaction such as this is now illegal and invalid. This should be clarified and a new letter of offer obtained. ✓

I advised Roland of all of this on 17/09/2013.

Did we do this?

Jan Williamson

---

**From:** Debra Tegoni  
**Sent:** Friday, 11 September 2015 10:47 AM  
**To:** Jason O'Connor; Jacinta Maguire (Careri); Phillip Batsakis  
**Subject:** FW: China Union Pay & Related Transactions - Legally Privileged & Confidential - Not For Forwarding [CM-LEGAL.FID240]  
**Attachments:** Casino Control Act (Section 68).pdf

All

Please see below as discussed.

Kind regards

**Debra Tegoni** | Executive General Manager, Legal & Regulatory Services | Crown Melbourne Limited  
 w: [www.crownmelbourne.com.au](http://www.crownmelbourne.com.au)



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**From:** Debra Tegoni [mailto: [REDACTED]]  
**Sent:** Friday, 17 October 2014 1:41 PM  
**To:** Jason O'Connor  
**Cc:** Phillip Batsakis; Jacinta Maguire (Careri)  
**Subject:** China Union Pay & Related Transactions - Legally Privileged & Confidential - Not For Forwarding [CM-LEGAL.FID240]

Jason,

Further to our conversation today, I thought that I should point out and clarify the relevant provisions of the *Casino Control Act (Vic) 1991* that we have previously discussed in the context of this issue.

See attached section 68(2)(c). This provision states that, other than is provided/permitted under the remaining parts of section 68, Crown is not permitted "in connection with any gaming or betting in the casino... to provide money or chips as part of a transaction involving a credit card or a debit card".

This was the provision I was talking about that we would have to defend in circumstances where the transitions were questioned.

We would argue that subsection 68(8) allows us to provide credit to a person who is not ordinarily resident in Australia on a premium player arrangement or as a Junket and so is effectively an exception to the above prohibition. Technically, however and as discussed, a credit card transaction is where credit is provided by the bank.

If we are providing chips as part of a credit or debit card transaction for those that are not international customers there may be additional risks involved.

In either situation (international or local customers) we would need to rely on the fact that the transaction is not "in connection with any gaming or betting in the casino" given that such transactions occur at the hotel (albeit maybe argued to be completed at the Cage).

Obviously we may fail in any defence in this manner but the way in which we agreed to undertake these transactions are designed to mitigate the risks. This is predominantly why we agreed to limit CUP card transactions to international patrons staying at the hotel etc.

To the extent we are accepting other cards for other patrons – debit and credit – we need to be aware of the restriction of section 68(2)(c).

If you have any further queries please feel free to contact me.

Thank you.

Kind regards

**Debra Tegoni** | Executive General Manager, Legal & Regulatory Services | Crown Melbourne Limited

 w: [www.crownmelbourne.com.au](http://www.crownmelbourne.com.au)



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Casino Control Act 1991  
No. 47 of 1991  
Part 5—Casino Operations

s. 67

S. 66(3)  
inserted by  
No. 114/2003  
s. 12.1.2  
(Sch. 5  
item 82).

- (3) A function of the Commission under this section may be performed by any commissioner.

**67 Operation of security equipment etc.**

A casino operator must ensure that all casino installations, equipment and procedures for security and safety purposes are used, operated and applied at all relevant times for the preservation and maintenance of those purposes.

Penalty: 50 penalty units.

**68 Credit etc.**

- (1) In this section—

*cheque* means a cheque (other than a traveller's cheque) that—

- (a) is drawn on an account of an authorised deposit-taking institution for a specific amount payable on demand; and

(b) is dated but not post-dated.

- (2) Except to the extent that this section otherwise allows, a casino operator must not, and an agent of the operator or a casino employee must not, in connection with any gaming or betting in the casino—

- (a) accept a wager made otherwise than by means of money or chips; or  
(b) lend money or any valuable thing; or  
(c) provide money or chips as part of a transaction involving a credit card or a debit card; or  
(d) extend any other form of credit; or

S. 68(1)(a)  
amended by  
No. 11/2001  
s. 3(Sch.  
item 10.3).

S. 68(2)  
amended by  
No. 36/1994  
s. 20(k).

Casino Control Act 1991  
No. 47 of 1991  
Part 5—Casino Operations

s. 68

- (e) except with the approval of the Commission, wholly or partly release or discharge a debt.
- (3) A casino operator may establish for a person a deposit account to which is to be credited the amount of any deposit to the account comprising—
- (a) money; or
  - (b) a cheque payable to the operator; or
  - (c) a traveller's cheque.
- (4) The operator may issue to a person who establishes a deposit account and debit to the account chip purchase vouchers or money, not exceeding in total value the amount standing to the credit of the account at the time of issue of the vouchers or money.
- (5) The operator may, in exchange for a cheque payable to the operator or a traveller's cheque, issue to a person chip purchase vouchers of a value equivalent to the amount of the cheque or traveller's cheque.
- (6) A cheque accepted by the operator may, by agreement with the operator, be redeemed in exchange for the equivalent in value to the amount of the cheque of any one or more of the following—
- (a) money;
  - (b) cheque payable to the operator;
  - (c) chip purchase vouchers;
  - (d) chips.

S. 68(2)(e)  
amended by  
No. 114/2003  
s. 12.1.2  
(Sch. 5  
item 83).

Casino Control Act 1991  
No. 47 of 1991  
Part 5—Casino Operations

s. 69

S. 68(7)(a)  
amended by  
Nos 11/2001  
s. 3(Sch.  
item 10.4),  
114/2003  
s. 12.1.2  
(Sch. 5  
item 83).

(7) The casino operator—

- (a) must, within the time specified by the Commission by notice in writing given to the operator for the purposes of this subsection, deposit a cheque with an authorised deposit-taking institution accepted by the operator under this section; and
- (b) must not agree to the redemption of such a cheque for the purpose of avoiding compliance with paragraph (a).

Penalty: 50 penalty units.

S. 68(8)  
inserted by  
No. 73/1996  
s. 10,  
amended by  
No. 114/2003  
s. 12.1.2  
(Sch. 5  
item 83).

(8) Despite subsection (2), a casino operator may provide chips on credit to a person who is not ordinarily resident in Australia for use while participating in—

- (a) a premium player arrangement with the casino operator; or
- (b) a junket at the casino—

if the casino operator and the person satisfy the requirements of any relevant controls and procedures approved by the Commission under section 121 in respect of a premium player or a junket player (as the case may be).

**69 Responsible Gambling Code of Conduct is a condition of licence**

It is a condition of a casino licence that the casino operator implement a Responsible Gambling Code of Conduct that has been approved by the Commission.

S. 69  
amended by  
Nos 36/1994  
s. 9, 17/1996  
s. 29,  
repealed by  
No. 114/2003  
s. 12.1.2  
(Sch. 5  
item 84),  
new s. 69  
inserted by  
No. 72/2007  
s. 57.

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## File Note – Confidential and Legally Privileged

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21 March 2016

Meeting with Barry Felstead, Debra Tegoni, Jason O'Connor and Josh Preston (via phone)

### Outcome of the meeting – agreed as follows:

1. Josh Preston will clarify with second in charge at the WA Regulator that he can do debit and credit cards on EFTPOS on the casino floor – similar process as to Crown Melbourne.
2. Acknowledged that there is a risk that the WA Regulator to talk to the Victorian Regulator.
3. In which case, Debra Tegoni will offer the explanation on section 68(2) (c) and also section 68(8).
4. If not we agreed that the amendments would wait for the modification review of the legislation and we would continue doing what we are doing with the interpretation we have adopted.
5. Commercially and to mitigate this Jason to action and get the contact at NAB that STAR use to get the \$10m daily approval limit.
6. Then Jason and Debra to talk to David Stoddart regarding the relationship with NAB and confirming those terms and conditions for the Merchant Agreement.
7. Josh Preston to confirm whether he can use NAB and so negotiated position for \$10m daily (as per STAR) could be confirmed from NAB for both Perth and Melbourne.
8. If not, Josh will check ANZ terms.
9. Once we have confirmation from NAB the daily commercial limits will be changed according to the NAB terms and conditions, and the adopted interpretation of section 68(Vic) will apply.
10. Further, Jason will reinforce that the facilities only available for truly international patrons (not those who have a permanent residency in Australia) and that any transaction where the instructions seem suspicious will be escalated and reported immediately.
11. Deb to talk to Scott Howell about reporting any suspicious transactions with regard to this.

6

**Debra Tegoni**

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**From:** Debra Tegoni  
**Sent:** Monday, 16 September 2013 7:03 PM  
**To:** Roland Theiler  
**Subject:** RE: China Union Pay

Roland

I don't have any terms and conditions from CBA other than the email below. Accordingly, I assume you don't want me to look at CBA terms unless you send them to me.

Can you please confirm whether there has been advice or other information provided by NAB (whether via email or verbally) about the specifics of the goods/services we provide that could vary their terms and conditions (as their terms would be expressly varied by any such information)? It will be critical to my advice that I have all the information that the NAB/their reps have provided to us so please check this for me please.

Do you know if the Cage report on any pre approval or intention to visit and use CUP here from an AML perspective – ie an FTI on the instruction?

I will speak with you in the morning.

Thanks

Deb

Kind regards

[Redacted] | Executive General Manager, Legal & Regulatory Services | Crown Melbourne Limited

[Redacted] | [www.crownmelbourne.com.au](http://www.crownmelbourne.com.au)

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**From:** Roland Theiler  
**Sent:** Monday, September 16, 2013 5:16 PM  
**To:** Debra Tegoni  
**Subject:** China Union Pay

Hi Deb

As discussed.

Regards

Roland

[Redacted] | SVP International Business | Crown Melbourne Limited



**Cc:** Vincent Mammarella; Panga, Julian  
**Subject:** FW: Standalone Pin Pads for Hotels

Hi Karen,

In addition to the email below and as you may already be aware, there are some unique operational considerations in relation to acceptance of Union Pay Cards that you may need to be aware of:

**Union Pay transactions:**

- Cannot be accepted in "offline" mode (Store & Forward)
- Cannot be processed via paper vouchers and click clacks
- Cannot be authorised by CBA via phone as is possible with VISA and MasterCard
- Can only be accepted when the card is present
- Cannot be used to process cash out
- Via credit cards (4% of total Union Pay cards) must be validated by a cardholder signature for (even with optional PIN entry)
- Via debit cards (96% of total Union Pay cards) must be validated by a PIN entry for (even with optional cardholder signature)
- Can be charged back by the card holder for 180 days from the date of transaction (not 120 as with other cards)
- **Cannot be used to place bets or purchase gaming chips (I don't believe this is permitted from Hotels anyway)**
- Cannot be used to purchase foreign currency (May not be relevant)

Note: The above does not apply to Union Pay co-branded cards (e.g. Union Pay/MasterCard, Union Pay/Visa) which follow the rules of the co-branded scheme.

Please let me know if you have any queries or wish to clarify/discuss further.

Regards,

Commonwealth Bank



Nicholas Kirtley  
Business Development Executive  
IB&M Transaction Banking  
14 135 Bourke Street



Our vision is to excel at securing and enhancing the financial wellbeing of people, businesses and communities.

**Debra Tegoni**

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**From:** Roland Theiler  
**Sent:** Friday, 26 July 2013 11:53 AM  
**To:** Debra Tegoni  
**Subject:** China Union Pay Procedure  
**Attachments:** CUP NAB - Chips 2.pdf; CUP NAB - Chips 1.pdf; CUP Hotel Example.pdf

Hi Deb

Some of our customers from China have been requesting to make withdrawals from their China Union Pay accounts. Our merchant acquirer is NAB but we may soon be changing to CBA.

The procedure currently employed by us to facilitate this is as follows;

1. An email is sent by the Overseas Office Representative or Service Staff Employee to Jason O'Connor requesting approval for the transaction to be completed. After the transaction is approved via email (which can be authorised by an EGM or above) the customer is escorted to the Hotel Desk to complete the transaction.
2. Once the transaction is authorised via the POS terminal at the Hotel the customer is escorted to the Cage in the Mahogany Room and the following occurs:
  - The Cage is presented with the transaction receipt and Crown Towers Opera invoice (example attached) proving that the transaction has been processed and accepted.
  - A Cage payout voucher is completed with the appropriate Hotel G/L Codes and the receipt and opera invoice is attached as supporting documentation.
  - The funds are deposited into the customer's Deposit account.
  - The customer withdraws the funds from the Deposit account either as cash or a Chip Purchase Voucher.
  - The documentation is then forwarded to Revenue Audit at the end of the trading day for coding.

Attached in the email below are certain terms of the CBA China Union Pay card facility and attached as a pdf document is an extract of certain terms of the NAB China Union Pay card facility.

I will forward other relevant documents in a separate email.

I will call you later this afternoon to discuss my question.

Thanks

Regards  
Roland

Roland Theiler | SVP International Business | Crown Melbourne Limited

[REDACTED] | [www.crownmelbourne.com.au](http://www.crownmelbourne.com.au)

**From:** Kirtley, Nicholas [mailto:[REDACTED]]  
**Sent:** Tuesday, 18 June 2013 3:43 PM  
**To:** Karen Peeris

**Debra Tegoni**

---

**From:** Debra Tegoni  
**Sent:** Monday, 16 September 2013 5:34 PM  
**To:** Debra Tegoni  
**Subject:** RE: China Union Pay Procedure

Kind regards

Debra Tegoni, Executive General Manager, Legal & Regulatory Services | Crown Melbourne Limited  
 [REDACTED] [www.crownmelbourne.com.au](http://www.crownmelbourne.com.au)

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**From:** Roland Theiler  
**Sent:** Friday, July 26, 2013 11:53 AM  
**To:** Debra Tegoni  
**Subject:** China Union Pay Procedure

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1. An email is sent by the Overseas Office Representative or Service Staff Employee to Jason O'Connor requesting approval for the transaction to be completed. After the transaction is approved via email (which can be authorised by an EGM or above) the customer is escorted to the Hotel Desk to complete the transaction. Do we complete an IFTI in relation to this instruction at all? If so who does it Cage or Credit control? Probably not needed but DT check
2. Once the transaction is authorised via the POS terminal at the Hotel the customer is escorted to the Cage in the Mahogany Room and the following occurs:
  - The Cage is presented with the transaction receipt risks of the transaction being dishonoured is what we are talking about and Crown Towers Opera invoice (example attached) proving that the transaction has been processed and accepted.
  - A Cage payout voucher is completed with the appropriate Hotel G/L Codes and the receipt and opera invoice is attached as supporting documentation.
  - The funds are deposited into the customer's Deposit account. So must be identified for AML purposes and re identified - face to face
  - The customer withdraws the funds from the Deposit account either as cash or a Chip Purchase Voucher. Check any issue with us giving cash? Or CPV?
  - The documentation is then forwarded to Revenue Audit at the end of the trading day for coding.

Attached in the email below are certain terms of the CBA China Union Pay card facility and attached as a pdf document is an extract of certain terms of the NAB China Union Pay card facility.

I will forward other relevant documents in a separate email.

I will call you later this afternoon to discuss my question.

Thanks

Regards  
Roland

Roland Thellier | SVP International Business | Crown Melbourne Limited

**From:** Kirtley, Nicholas [REDACTED]  
**Sent:** Tuesday, 18 June 2013 3:43 PM  
**To:** Karen Peeris  
**Cc:** Vincent Mammarella; Panga, Julian  
**Subject:** FW: Standalone Pin Pads for Hotels

Hi Karen,

In addition to the email below and as you may already be aware, there are some unique operational considerations in relation to acceptance of Union Pay Cards that you may need to be aware of:

Union Pay transactions:

- Cannot be accepted in "offline" mode (Store & Forward)
- Cannot be processed via paper vouchers and click clacks
- Cannot be authorised by CBA via phone as is possible with VISA and MasterCard
- Can only be accepted when the card is present
- Cannot be used to process cash out NOTE NO CASH OUT \_ SEE ABOVE
- Via credit cards (4% of total Union Pay cards) must be validated by a cardholder signature for (even with optional PIN entry)
- Via debit cards (96% of total Union Pay cards) must be validated by a PIN entry for (even with optional cardholder signature)
- Can be charged back by the card holder for 180 days from the date of transaction (not 120 as with other cards)
- Cannot be used to place bets or purchase gaming chips NOTE CBA RESTRICTION - we issue voucher that is then take to Cage to exchange for cash - CBA says no or gaming chips CBA say no – so NO can't do it with CBA (I don't believe this is permitted from Hotels anyway)
- Cannot be used to purchase foreign currency (May not be relevant) does it access local China currency and then changes to local here? If so is an exchange or do they get access via this card to local currency so only an issue if they try to change it again?

Note: The above does not apply to Union Pay co-branded cards (e.g. Union Pay/MasterCard, Union Pay/Visa) which follow the rules of the co-branded scheme. Are we dealing with just China Union pay cards alone? Assume we are

Please let me know if you have any queries or wish to clarify/discuss further.

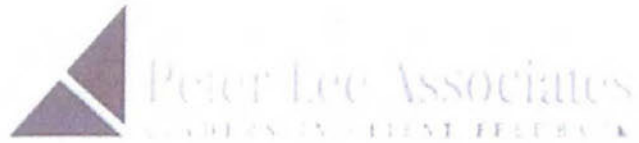
Regards,

Commonwealth Bank



Nicholas Kirtley  
 Business Development Executive  
 IB&M Transaction Banking  
 14/385 Bourke Street  
 Melbourne VIC 3124

Our vision is to excel at securing and enhancing the financial wellbeing of people, businesses and communities.



**No. 1 in Relationship Strength, Capability of Transaction Banking Specialist, New System Implementation and Transaction Banking Value for Money**  
 2012 Peter Lee Associates, Large Corporate & Institution Transaction Banking Report, Australia

**From:** Kirtley, Nicholas  
**Sent:** Tuesday, 18 June 2013 3:13 PM  
**To:** Karen Peeris  
**Cc:** Vincent Mammarella; Panga, Julian; Jenny Lang ([REDACTED]); Travis Costin ([REDACTED])  
**Subject:** Standalone Pin Pads for Hotels

Hi Karen,

Following on from our conversation yesterday, I can confirm the following:

- Union pay acceptance is available on our mobile Pin Pads therefore no new cabling is required at the Hotel desks
- EFTPOS is available on these Pin Pads
- Julian is working with Vince to obtain further information and determine whether these Pin Pads can be ready in time for the 2<sup>nd</sup> of July.

I'm aiming to have Union Pay pricing to Jenny by the end of the day.

Regards,

Commonwealth Bank



Nicholas Kirtley  
 Business Development Executive  
 IB&M Transaction Banking  
 14/385 Bourke Street

Melbourne VIC 3124

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Room No. : 1815  
 Arrival : 11/06/13  
 Departure : 24/06/13  
 Page No. : 1 of 1  
 Folio No. :  
 TA Rec. Loc. :  
 CRS No. :  
 Cashier No. : 265 SC035450

**INFORMATION COPY**

Membership No. [Redacted]  
 Company Name Crown - VIP Services  
 Group Code VIPINT2013B

Date	Description	Reference	Charges	Credits
21/06/13	UnionPay Dr	00033-8000706		10,250.00
	SAV. AUTH ID 012345			
21/06/13	Credit Card Service Fee - Manual		250.00	
21/06/13	Main Cage Paid Out*	<i>Purchase for sale - NOT on hold</i>	10,000.00	
<b>Total</b>			<b>10,250.00</b>	<b>10,250.00</b>

\* Indicates non-taxable supply  
 Crown Signature Club redemptions are not taxable supplies and therefore no GST should be claimed on these transactions.

GST 22.73  
 Total incl. GST 10,250.00  
 Balance 0.00 AUD

Guest Signature: \_\_\_\_\_  
 Please note that a service fee of 1.65% applies to accounts settled with a credit card.

nab EFTPOS

CROWN MELBOURNE LTD  
 SOUTHBANK

CUSTOMER COPY

Acquirer NAB  
 Merchant ID 30294086  
 Terminal ID F3H888  
 Country Code AU  
 Date/Time 21/06/13 15:22  
 IRN 000338000706  
 CROWN CUP  
 #####4063 (S)  
 Savings A/C

APPROVED 08  
 AUTH ID 012345  
 PURCHASE \$10,250.00  
 TOTAL AUD \$10,250.00

PLEASE RETAIN AS  
 RECORD OF PURCHASE

Crown Towers  
 8 Whiteman Street Southbank VIC 3006 Australia  
 Phone: 613 9292 8888 Fax 613 9292 6600  
 www.crowntowers.com.au www.crownmelbourne.com.au  
 Crown Melbourne Limited ABN 46 006 973 262