



What is Proliferation Financing?

Definition

Proliferation financing (PF) refers to providing funds, financial services, or economic resources to persons or entities involved in the proliferation of weapons of mass destruction (WMDs) - including nuclear, chemical, or biological weapons and their delivery systems.



Sanctions Regimes

UN Security Council and Australian autonomous sanctions target persons and entities linked to WMD programs



Why It Matters

Designated persons may attempt to access any available channel to move or conceal funds linked to proliferation



Legal Framework

From March 2026, reporting entities must identify, mitigate, and manage PF risks under Australia's AML laws



How the Club Assesses PF Risk

The Club's ML/TF/PF Risk Assessment considers a number of factors specific to proliferation financing, and scores the likelihood and consequence of each factor using the Club's risk rating system as set out in its AML/CTF Program.

Factors our PF Risk Assessment Considered

- Targeted financial sanctions (TFS) exposure
- Customer nexus to high-risk jurisdictions (DPRK, Iran)
- Foreign politically exposed person (PEP) exposure
- Cash transaction volumes and monitoring
- International transaction capability
- Dual-use goods or services exposure
- Beneficial ownership identification

Our Assessment Approach

In conducting our assessment, we have had regard to AUSTRAC's PF National Risk Assessment, as well as the lower inherent risks for our industry given our land-based, domestic focus and the types of services we provide to our customers.

Sanctions Screening & Escalation



Sanctions Screening

The Club screens customers against the Department of Foreign Affairs and Trade (DFAT) Consolidated Sanctions List. This screening takes place alongside the checks your Club runs to identify whether a customer is a Politically Exposed Person.

This ensures that designated persons or entities subject to UN Security Council or Australian autonomous sanctions do not access Club gaming services.



If Something Unusual Arises

If you observe anything unusual or have concerns about a customer, transaction, or screening result, you must escalate the matter promptly to your Line Manager, or to your AML/CTF Compliance Officer (your AMLCO for short).

Do not attempt to resolve the matter yourself. Do not alert the customer.

The AMLCO will determine appropriate next steps, including whether a report to AUSTRAC is required.

If in doubt, escalate. Your vigilance is a critical part of the Club's compliance and risk framework.



What PF Could Look Like in a Club

There are no documented cases of proliferation financing through an Australian club. However, staff should remain alert to the following scenarios, which represent some potential ways PF risk could present in a venue environment.

1

Sanctioned person accessing gaming services

A person listed on the DFAT Consolidated Sanctions List presents at the venue and attempts to use gaming machines, obtain a loyalty card, or cash out winnings. Without screening, the Club could inadvertently provide designated services to a sanctioned individual.

2

Third party acting on behalf of a designated person

A customer uses the venue's gaming facilities on behalf of someone else - for example, inserting cash, accumulating credits or cashing out winnings for an undisclosed third party who may be a sanctioned person seeking to move or conceal funds.

3

Unusual cash activity with no apparent gambling purpose

A customer repeatedly inserts large amounts of cash into gaming machines and cashes out after minimal play. While this is a well-known ML indicator, it could also represent an attempt to convert cash linked to proliferation networks into a less traceable form.

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