



Setting the Scene: Jurisdictional Risk and Location Risk

Before scoring jurisdictional and location risk, it helps to be clear about what these factors measure - and how they sit alongside customer, product and channel risk in your EWRA. We recommend you read this alongside the Customer, Product and Channel Risk slides available on our website.

01. JURISDICTIONAL RISK

Jurisdictional risk examines the ML/TF risk presented by the geographic territories relevant to your business - where your customers come from, and where funds originate or are sent.

For gaming venues, key inputs are:

- Jurisdictions of origin of your customer base.
- Sanctions regimes relevant to customers or funds.
- Cross-border payment instruments transacted at the venue.

AUSTRAC typology guidance and intelligence holdings on specific jurisdictions are very helpful here.

02. LOCATION RISK

Location risk examines the specific physical setting of your venue within Australia and what that geography tells you about ML/TF exposure. Think of it this way: if you are a reporting entity with multiple venues, where does most of your risk lie?

For gaming venues, relevant considerations include:

- Urban, suburban, regional or rural classification.
- Proximity to international transport infrastructure, local tourism and patron transience levels.
- Cash economy indicators in the surrounding area.
- Competitive venue density (enabling venue-hopping).

03. HOW THEY INTERACT

Jurisdictional and location risk are alike, but different.

Jurisdiction looks offshore at country risk; Location looks at the risk from your positioning within Australia (geography risk) and then enables you to assess risk across venues (where you have more than one).

Location is highly relevant when you think about your criminal threat environment (which will be the subject of another set of slides!)

04. IN THE EWRA

Your EWRA must assess relevant ML/TF risk factors - including the nature, size and complexity of your business and the methods by which designated services are delivered.

Jurisdictional and location risk are important inputs. AUSTRAC guidance for pubs and clubs explicitly identifies geographic risk - including tourist precincts, border proximity and cross-border patron profiles - as relevant risk drivers.

Your controls framework and risk appetite statement must reflect your position on these factors. From a risk based approach, it is sensible to focus on the highest risk areas first.

Jurisdictional Risk Sub-Factors You Might Consider



You might consider the following non-exhaustive list of sub-factors when assessing your jurisdictional ML/TF risks (about your **customers**, and any **counterparties** that you might do business with offshore). What countries present a higher risk, and does this risk present itself in your venues?

FATF STATUS AND SANCTIONS	AML/CTF REGULATORY EQUIVALENCE	CROSS-BORDER CUSTOMER EXPOSURE	CROSS-BORDER PAYMENT AND REMITTANCE
<ul style="list-style-type: none"> ■ FATF listing: is the relevant jurisdiction identified on the FATF grey or black list, or subject to a call for enhanced due diligence? ■ Sanctions exposure: are UN, OFAC or Australian autonomous sanctions relevant to the jurisdiction of customer origin or fund destination? 	<ul style="list-style-type: none"> ■ Regulatory framework: does the foreign jurisdiction have an AML/CTF regime broadly equivalent to Australia's, including a functional FIU and reporting obligations? ■ Mutual evaluation outcomes: what do FATF mutual evaluation reports indicate about technical compliance and effectiveness deficiencies in the relevant jurisdiction? 	<ul style="list-style-type: none"> ■ Customer origin: what proportion of your customer base originates from or maintains financial connections to higher-risk jurisdictions? ■ Transient foreign patron profile: do you regularly serve non-resident patrons from jurisdictions with elevated ML/TF risk indicators? 	<ul style="list-style-type: none"> ■ Foreign payment instruments: does your venue receive or disburse funds via foreign credit cards, foreign-issued cheques or international remittance channels? ■ Source of funds traceability: can the origin and destination of funds transacted through your designated services be traced to a known jurisdiction?
PEP AND HRC JURISDICTION RISK	THIRD-PARTY JURISDICTION EXPOSURE	AUSTRAC INTELLIGENCE AND TYPOLOGIES	PROLIFERATION FINANCING EXPOSURE
<ul style="list-style-type: none"> ■ PEP jurisdiction overlap: are PEPs from higher-risk or sanctioned jurisdictions accessing your designated services, and can your CDD processes identify and manage them? ■ HRC origin concentration: do your high-risk customers present concentrated exposure to any particular higher-risk jurisdiction? 	<ul style="list-style-type: none"> ■ Third-party counterpart jurisdiction: do any payment processors, gaming platform operators or other third parties relevant to your designated services operate from higher-risk jurisdictions? ■ Beneficial ownership jurisdiction: does your own beneficial ownership structure or that of related entities involve higher-risk jurisdictions? 	<ul style="list-style-type: none"> ■ AUSTRAC guidance: do AUSTRAC typology guides, sector risk assessments or strategic intelligence holdings identify ML/TF risk linked to relevant jurisdictions? ■ ACIC and AFP intelligence: are there known organised crime, money laundering or terrorism financing networks linked to the relevant jurisdiction operating domestically? 	<ul style="list-style-type: none"> ■ Sanctions and PF risk: does the jurisdiction present proliferation financing risk relevant to your customer base - for example through links to sanctioned states or WMD procurement networks? ■ PF typology indicators: are there known PF typologies associated with the relevant jurisdiction that may be relevant to your venue's operations?

Location Risk Sub-Factors You Might Consider



You might consider the following non-exhaustive list of sub-factors when assessing the ML/TF risk presented by the physical location of your venue. A proper location assessment, informed by relevant internal and external data sources, allows you to best position your resources and controls to mitigate/manage your risks.

VENUE LOCALITY AND CLASSIFICATION	PROXIMITY TO TRANSPORT INFRASTRUCTURE	TOURISM AND TRANSIENT PATRON PROFILE	CASH ECONOMY INDICATORS
<ul style="list-style-type: none"> ■ Urban vs regional setting: is the venue in a major CBD, inner suburban, outer suburban or regional/rural location, and what ML/TF risk characteristics does each present? ■ Socioeconomic profile: what does data indicate about the income profile, employment mix and financial literacy of the surrounding area? How old is this data? 	<ul style="list-style-type: none"> ■ International transport hubs: how close is the venue to an international airport, seaport or land border crossing, increasing exposure to transient cross-border patrons? ■ Domestic transit access: is the venue easily accessible by public transport or major road networks in a way that facilitates anonymous or transient patronage? 	<ul style="list-style-type: none"> ■ Tourist precinct location: is the venue located in or adjacent to a tourist precinct, entertainment district or major hotel and accommodation cluster? ■ Patron transience: to what extent is the patron base comprised of short-stay visitors, interstate travellers or international tourists rather than known local members? 	<ul style="list-style-type: none"> ■ Local industry mix: is the venue surrounded by industries associated with higher cash turnover - hospitality, market trading, construction, transport or similar sectors? ■ Informal economy prevalence: do local economic indicators or AUSTRAC intelligence suggest elevated informal or cash-based economic activity in the surrounding area?
COMPETITIVE VENUE DENSITY	PROXIMITY TO FINANCIAL SERVICES	LOCAL CRIME AND ML TYPOLOGY INDICATORS	PHYSICAL SURVEILLANCE AND OVERSIGHT
<ul style="list-style-type: none"> ■ Venue-hopping risk: are there multiple gaming venues in close proximity that could enable structuring across venues - for example, multiple TITO cash-outs below identification thresholds? ■ Gaming machine concentration: does the local gaming machine density create a high-intensity environment with elevated throughput and transaction volume? 	<ul style="list-style-type: none"> ■ ATM and cash infrastructure: is the venue near a high density of ATMs or cash-out facilities that could facilitate structuring or cash cycling adjacent to the venue? ■ Money service businesses: are there money remitters, foreign currency exchanges or other reporting entities nearby that could be used in combination with venue transactions? 	<ul style="list-style-type: none"> ■ AUSTRAC regional intelligence: do AUSTRAC sector risk assessments, typology guides or SMR intelligence identify particular ML/TF risk linked to your geographic region? ■ Local crime environment: do ACIC, AFP or state police intelligence holdings (or local media reports) indicate organised crime, drug trafficking or other crime in the area? 	<ul style="list-style-type: none"> ■ Entry and exit controls: does the physical layout of the venue limit staff oversight - for example, multiple unmonitored entry points or isolated gaming areas with poor line of sight? ■ CCTV coverage and monitoring: does the venue's physical infrastructure support adequate surveillance of gaming, cash-handling and patron identification activities across all relevant areas?

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