

IN THE MATTER of the Gambling Act 2003
AND on an application by
**CHRISTCHURCH CASINOS
LIMITED** for approval to open an
overseas bank account

BEFORE THE GAMBLING COMMISSION

Members: G L Reeves (Chief Gambling Commissioner)
L M Hansen
R D Bell
D C Matahaere-Atariki
W N Harvey

Date of Application: 18 October 2017

Date of Decision: 8 December 2017

Date of Notification
of Decision:  December 2017

**DECISION ON AN APPLICATION BY CHRISTCHURCH CASINOS LIMITED
FOR APPROVAL TO OPEN AN OVERSEAS BANK ACCOUNT**

Introduction

1. Christchurch Casinos Limited ("CCL") applied to the Commission for approval, under condition 20 of its venue licence and condition 37 of its operator's licence, to open a bank account in Australia.
2. The relevant licence conditions are as follows:

CCL's venue licence

20. The Licence Holder, its parent company, or any subsidiaries of the Licence Holder or parent company, shall not open any bank account overseas to facilitate, or in connection with, the operation of the Casino without the approval of the Commission.

CCL operator's licence

37. The Licence Holder, its parent company, or any subsidiaries of the Licence Holder or parent company, shall not open any bank account overseas to facilitate, or in connection with, the operation of the Casino without the approval of the Commission.

Submissions by CCL

3. CCL submitted, in summary, as follows:
 - (a) It seeks approval to open an overseas bank account in Australia in order to meet customer expectations at a VIP level. It has Australian VIP customers who can visit other casinos and complete their transactions directly with a bank account



domiciled in their home country. To remain competitive it would like to be able to offer the same service.

- (b) It currently operates with the BNZ whose parent company is National Australia Bank ("NAB"). BNZ advises that it should open a NAB account, as it will be set up on the equivalent NAB platform as its Internet Banking for Business that it uses with the BNZ. This will allow it to both enquire and transact on the Australian Account from New Zealand.
- (c) All transactions will still require the same treatment in terms of the AML/CFT Act, however it is more convenient for the customer. From a business perspective it would also have the advantage of knowing immediately that funds had been transferred by checking via Internet banking.

The Secretary's submissions

4. The Secretary submitted, in summary, as follows:

- (a) There is an inherent money laundering risk associated with foreign holding accounts. In the absence of a New Zealand based withdrawal of deposited funds, the movement of those funds would not be subject to New Zealand anti-money laundering legislation, but rather to that of the foreign country. As such, any request for an overseas casino bank account must be dealt with on a case-by-case basis, taking into account the jurisdiction involved and the banking institution.
- (b) He has discussed the application with the Financial Intelligence Unit ("FIU") of the NZ Police. The FIU has provided no adverse information with regard to this application.
- (c) He has no objections to the application.

CCL's submissions in response

5. In response, CCL submitted, in summary, as follows:

- (a) The Secretary has noted risks associated with an overseas bank account. CCL is well aware of these risks and confirms that it is working with the regulators to ensure ongoing compliance in relation to all the points raised.

Analysis

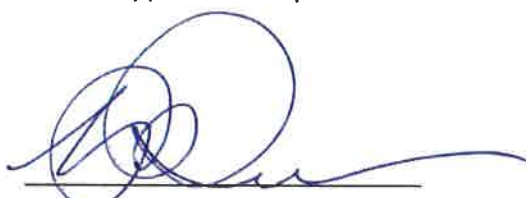
6. CCL has sought Commission approval to open a bank account in Australia in order to cater better to patrons from that country.



7. The Commission has previously granted other applications to open foreign bank accounts. The outcome of applications is always dependent on the individual circumstances.
8. As the FIU is aware of no adverse information and the Secretary has no concerns with this application, the Commission is prepared to authorise opening the proposed account.

Decision of the Commission

9. The Commission approved, under condition 20 of CCL's venue licence and under condition 37 of CCL's operator's licence for the Christchurch casino, the Applicant's application to open a bank account in Australia.



Graeme Reeves
Chief Gambling Commissioner

for and on behalf of the
Gambling Commission

14th December 2017

