



**ASX/MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
30 May 2022**

## **VGCCC – CHINA UNIONPAY INVESTIGATION PENALTY**

**MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown)** refers to its announcement of 6 April 2022 regarding the investigation by the Victorian Gambling and Casino Control Commission (VGCCC) into the findings of the Victorian Royal Commission relating to the China UnionPay process and the VGCCC's consideration of what disciplinary action should be taken.

Crown has today been informed by the VGCCC that it has taken disciplinary action in relation to the China UnionPay process by imposing a fine in the amount of \$80 million on Crown Melbourne Limited, payable in 28 days from the date of the decision (being 27 May 2022). Crown Melbourne has also been ordered to pay the VGCCC's costs of this disciplinary action, which are yet to be advised.

The VGCCC has indicated it continues to consider "further disciplinary proceedings against Crown related to the other findings of the Royal Commission, which may each attract a fine of up to \$100 million". A copy of the media release issued by the VGCCC is attached and the decision can be found at <https://www.vcglr.vic.gov.au/gaming-decisions-2022>.

Crown acknowledges its historic failings. The China UnionPay process ceased in 2016. Upon becoming aware of this historical conduct, Crown's Board immediately commissioned an independent investigation and shared the findings with the Victorian Royal Commission, the Victorian Commission for Gambling and Liquor Regulation (the predecessor to the VGCCC) and other regulators.

Crown's Board and senior management are committed to the delivery of a comprehensive reform and remediation program to ensure Crown delivers a safe and responsible gaming environment and continues to cooperate with the VGCCC on all matters arising from the Victorian Royal Commission Report.

### **ENDS**

This announcement was authorised for release by the Chairman.

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### **COPIES OF RELEASES**

Copies of previous media and ASX announcements issued by Crown are available on Crown's website at [www.crownresorts.com.au](http://www.crownresorts.com.au).

## Media release

Date: 30 May 2022

# VGCCC imposes \$80 million fine on Crown Melbourne for China Union Pay process

The Victorian Gambling and Casino Control Commission has taken disciplinary action against Crown Melbourne for the China Union Pay process, imposing a fine of \$80 million.

Between 2012 and 2016, Crown Melbourne allowed patrons to use credit or debit cards to access funds to gamble at the Melbourne Casino. This illegal conduct facilitated access to nearly \$164 million, from which Crown derived an estimated revenue of more than \$32 million.

The Royal Commission into the Casino Operator and Licence found that the China Union Pay process was illegal, and in breach of sections 68(2)(c) and 124(1) of the *Casino Control Act 1991*.

Crown Melbourne admitted the CUP process was illegal and 'completely unacceptable', and acknowledged it was appropriate for the VGCCC to impose a fine. In taking disciplinary action, the VGCCC had regard to Crown's cooperation and contrition.

This is the first time the VGCCC has used its stronger enforcement powers under legislative amendments to the Casino Control Act, with the maximum allowable fine now \$100 million – up from \$1 million.

Chairperson Fran Thorn said that while Crown deserved some credit for its cooperative approach to the disciplinary proceedings, the record \$80 million fine was appropriate and necessary because of the seriousness of Crown's illegal conduct.

"Crown's CUP process was a clandestine, deliberate process, which not only breached the Casino Control Act but was also devised to assist patrons to breach China's foreign currency exchange restrictions", Ms Thorn said.

"Crown was aware of the risk that the CUP process could be illegal but decided to run that risk. In doing so, it showed no regard for upholding its regulatory obligations. Indeed, it went to some lengths to hide what it was doing."

"Crown benefited handsomely from its illegal conduct. The fine will ensure that Crown is stripped of the revenue it derived from the CUP process and will send a clear message that it must comply with its regulatory obligations."

During these disciplinary proceedings it became apparent that, in addition to the CUP process, there were other mechanisms that persisted after 2016 that enabled cards to be used to access cash at Crown Hotels, which was then potentially used for gambling. Consideration of these transactions did not form part of the current disciplinary proceedings, and Crown Melbourne considers these transactions do not contravene the Casino Control Act. The VGCCC has decided to undertake its own investigation into these transactions and form its own view about whether further breaches have occurred in the period after 2016.

The VGCCC is also considering further disciplinary proceedings against Crown related to the other findings of the Royal Commission, which may each attract a fine of up to \$100 million.

## Background

Details of the China Union Pay process are set out in Chapter 13 of the Royal Commission's Report.

Section 68 of the Casino Control Act prohibits Crown from providing money or gambling chips in a transaction involving a credit or debit card, as it did with the China Union Pay and other credit and debit cards. This aims both to avoid gambling derived from criminal funds, and to support responsible gambling and minimise harm.

Section 124 requires Crown to keep accurate accounting records, helping to ensure that the handling of money in the Melbourne Casino is effectively supervised, and so that Crown's taxes and other financial obligations to the State and public are paid in full.

## Victorian Gambling and Casino Control Commission