



## **SUBMISSION TO THE SELECT COMMITTEE ON THE PERTH MINT AND COMMONWEALTH REGULATORY COMPLIANCE FROM GOLD CORPORATION**

### **Introduction**

Gold Corporation trading as The Perth Mint (**The Perth Mint**) is a government owned trading enterprise and part of the State of Western Australia (**State**).

The history and governance of The Perth Mint is outlined in the submission made by the State to this Committee and our website also provides detailed information about our Board and executive, policies and governance and other matters relevant to the Committee's Terms of Reference: <https://www.perthmint.com/about/>.

The Perth Mint endorses and adopts the submission made by the State. The purpose of this submission is to provide some additional detail on matters which we hope will assist the Committee.

### **Anti-Money Laundering and Counter-Terrorism Financing**

The Perth Mint treats all its compliance obligations, including in relation to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)*, with utmost seriousness and is continually identifying and acting on areas for improvement.

As the Committee is aware, on 30 August 2022, the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) announced it had ordered the appointment of an external auditor to audit The Perth Mint's compliance with the AML/CTF Act and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (AML/CTF Rules)* over the period 14 January 2021 to 30 August 2022. The external auditor's final report was submitted to AUSTRAC on 21 July 2023.

As noted, The Perth Mint adopts the State's submission which addresses AUSTRAC's appointment of an external auditor. For further context, we make the following observations:

1. The Perth Mint welcomed the audit as an opportunity to support and inform our ongoing efforts to maintain strong AML/CTF measures. We commenced a comprehensive AML Remediation Program in March 2021 and are proud of the changes that we have implemented to date. The audit and subsequent report provide an important opportunity to continue and enhance our existing program of improvement to our AML/CTF policies and practices.
2. We worked transparently and cooperatively with the auditor and with AUSTRAC and will continue to do so whenever required.
3. The auditor did not investigate The Perth Mint for directly facilitating money laundering or financial crime, nor has AUSTRAC raised concerns of this nature. The auditor audited The Perth Mint's compliance with the AML/CTF Act and AML/CTF Rules.
4. Since July 2021, The Perth Mint has only accepted cashless payment methods at its premises. Further, The Perth Mint requires customers purchasing bullion products worth AUD 2,000 or more to present appropriate identification documentation prior to sale. This represents a stricter threshold than what is prescribed by the AML/CTF Act, which requires regulated entities to conduct applicable customer identification procedures for purchases of bullion products worth AUD 5,000 or more.



## Shanghai Gold Exchange

The Perth Mint adopts the State's submission which addresses the incorrect and misleading media reports from March 2023 concerning The Perth Mint's alleged non-compliance with the Shanghai Gold Exchange (SGE) specifications in 2021. For further context, we make the following observations:

1. Reports that the Perth Mint sold 'diluted gold' were incorrect and misleading. Indeed, the SGE labelled the media reports 'false information' in an announcement released on its Chinese-language website on 8 March 2023.
2. The SGE requires gold bars to be at least 99.99% gold. In 2021, the SGE did raise with The Perth Mint questions about the amount of silver in the 0.01% of the bar which is not gold. The Perth Mint took prompt steps to address the queries regarding silver content. There has been no suggestion that the gold bars in question contained less than 99.99% gold.
3. At no time has there been any suggestion by the SGE that any practice of The Perth Mint has adversely impacted the value of its one-kilogram gold bars.

The Perth Mint has at all times been transparent and proactive in rejecting and correcting the misleading suggestions that it sold 'diluted gold'. In particular, we refer the Committee to media announcements titled '[The Perth Mint responds to ABC TV allegations](#)' and '[Statement from Sam Walsh AO, Non-Executive Chairman of The Perth Mint](#)' dated 8 March 2023 and 21 March 2023.

## Conclusion

The Perth Mint is fully committed to ensuring that we operate in accordance with regulatory best practice and, to that end, we are implementing a fully funded AML/CTF Remediation program and engaging constructively and transparently with regulators and other stakeholders. In parallel, we are ensuring that we continue to play an important role in providing services to and supporting our stakeholders, including Australia's gold mining industry and the community of Western Australia.