GOLDEN ISLAND HOSPITALITY PVT. LTD.
"MAJESTIC PRIDE CASINO SRI LANKA"

COMPREHENSIVE POLICY ON

KNOW YOUR CUSTOMER (KYC)
ANTI-MONEY LAUNDERING (AML)
COUNTERING THE FINANCING OF TERRORISM (CFT)

Version 2.0

Approved By:
Mr. Ramesh Budhrani,
Chief Compliance Officer
Effective Date: 1 September 2025
Next Review Date: 1 September 2026

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1. INTRODUCTION & OBJECTIVES

Introduction:

This policy establishes a framework to prevent Golden Island Hospitality Pvt. Ltd. ("the Casino") from being exploited for money laundering (ML), terrorist financing (TF), or proliferation financing (PF) activities, in compliance with:

- Sri Lanka's *Financial Transactions Reporting Act No. 6 of 2006* (as amended)
- *Casino Business (Regulation) Act No. 17 of 2010*
- FATF Recommendations (2023)
- Directives from Sri Lanka's Financial Intelligence Unit (FIU) and Central Bank.

Objectives:

- Verify customer identity and assess risk profiles.
- Detect and report suspicious transactions.
- Maintain robust records for regulatory scrutiny.
- Foster a culture of compliance through training.

1.1 Legal Foundation

This policy is established under:

- *Financial Transactions Reporting Act No. 6 of 2006* (Sections 3, 4, 6)
- *Casino Business (Regulation) Act No. 17 of 2010* (Sections 23-27)
- *United Nations (Financial Prohibitions, Arms Embargo, and Travel Ban) Regulations 2012*
- FATF Recommendations 2023 (Recommendations 10, 12, 20, 24)
- FIU-Sri Lanka Circular No. 02/2023 on DNFBP Compliance

1.2 Scope

Applies to all:

- Employees (permanent/contract)
- Departments (Cage, Surveillance, Accounts, VIP Services)
- Transactions (cash, chips, EFTs, wire transfers)
- Customer interactions (onboarding, gaming, cashouts)

1.3 Core Objectives

- **Prevention**: Mitigate ML/TF risks through robust controls
- **Detection**: Identify suspicious activities via monitoring & staff vigilance
- **Reporting**: File CTRs/STRs with FIU-Sri Lanka within statutory timelines (as and when tools for Casinos are made available from CBSL/FIU)
- **Compliance**: Adhere to all regulatory requirements under penalty of:
    - Fines up to LKR 100 million (FTRA Sec. 13A)
    - License revocation (Casino Act Sec. 29)
    - Imprisonment up to 5 years (FTRA Sec. 14)

2. GOVERNANCE & OVERSIGHT FRAMEWORK

2.1 Three Lines of Defense

Line	Function	Responsibility	
1st	Operations	Cage Managers, Dealers	Daily CDD, transaction monitoring
2nd	Compliance	CCO, Principal Officer	Policy implementation, STR filing
3rd	Audit	Internal/External Auditors	Independent testing

2.2 Chief Compliance Officer (CCO)

Mr. Ramesh Budhrani (Indian Passport: Z5653606) holds overall responsibility for AML/CFT compliance, including:

- Implementing and enforcing this policy.
- Reporting to the Board of Directors quarterly.
- Liaising with regulators (FIU, Central Bank, Police).

- **Authority**: Direct access to Board, power to suspend transactions

- **Key Duties**:
  1. Quarterly risk assessment reports to Board
  2. Liaise with FIU, Central Bank, and Police Financial Crimes Division (KYC/AML/CFT)
  3. Approve EDD for PEPs/high-risk customers
  4. Oversee Compliance Audits
  5. Implement Systems & Controls
  6. Policy & Procedure Development
  7. Training & Awareness Programs
  8. Data Analysis

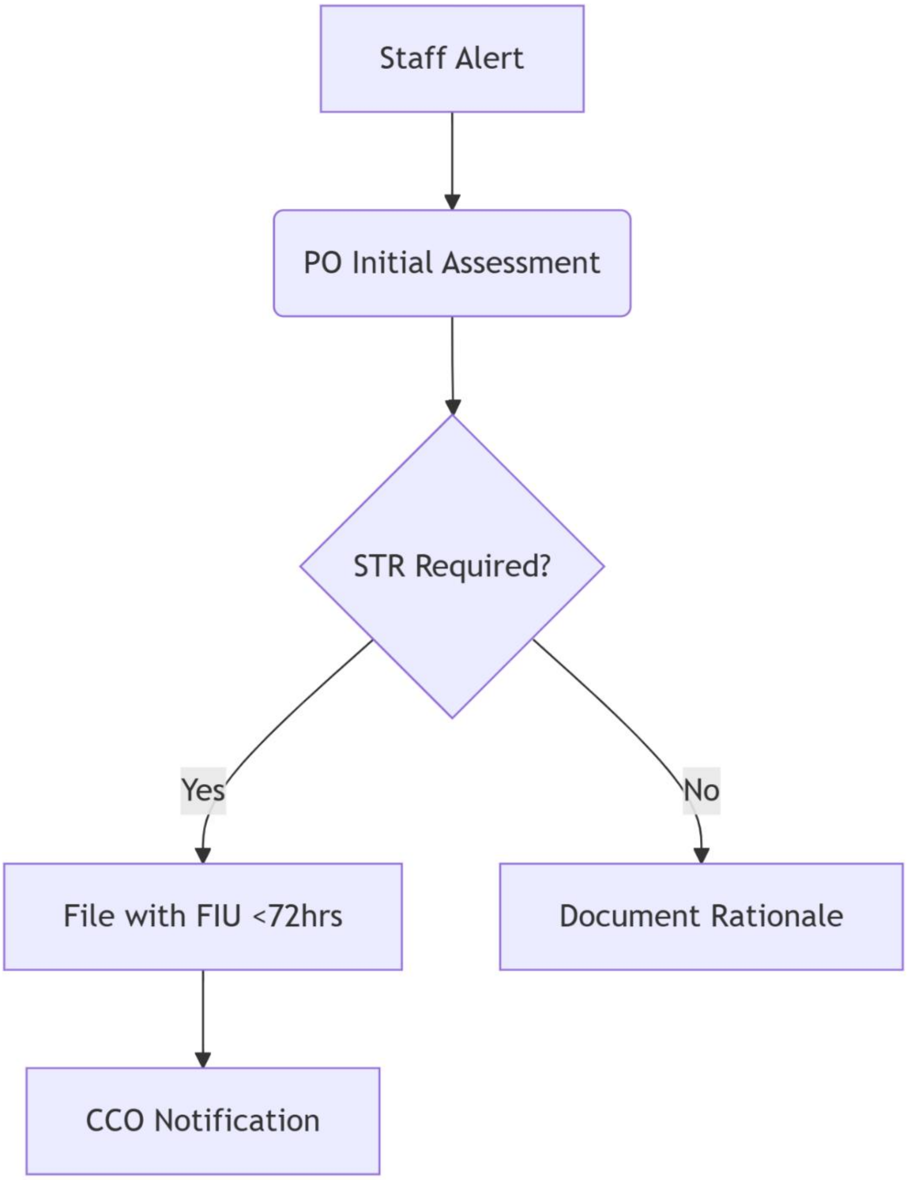
2.3 Principal Officers (PO)

1. ***Mr. Gihan Godagamage***
2. ***Mr. Joseph Fonseka***

- **Appointment**: CCO-appointed

- **Daily Operations**:
  - Screen players using *CBSL/FIU* developed sanction system tool
  - File CTRs/STRs through *goAML Sri Lanka* portal (as and when available for the Casino Industry)
  - Maintain sanctions screening logs
  - Monitor Systems & Controls

- **Escalation Protocol**:



2.4 Board of Directors

- **Duties**:
  - Review quarterly compliance metrics
  - Allocate yearly budget to AML infrastructure
  - Approve high-risk customer relationships
  - Ultimate Binding Responsibility for Implementation

3. RISK-BASED APPROACH (RBA)

3.1 Risk Categorization Matrix

Risk Factor	High	Medium	Low
Geography	FATF Black & Grey List* countries	Neighbouring countries	Sri Lanka
Customer	PEPs, cash businesses	Corporate accounts	Salaried individuals
Product	Anonymous chips >LKR 5M	EFTs	Restaurant purchases
Channel	Third-party agents	Online bookings	Walk-in

*** Current FATF Blacklist (June 2025):**
Democratic People's Republic of Korea (DPRK), Iran, and Myanmar,

*** Current FATF Grey List (June 2025)**

- Algeria
- Angola
- Bolivia (Added)
- Bulgaria
- Burkina Faso
- Cameroon
- Côte d'Ivoire
- Democratic Republic of Congo
- Haiti
- Kenya
- Lao PDR
- Lebanon
- Monaco
- Mozambique
- Namibia
- Nepal
- Nigeria
- South Africa
- South Sudan
- Syria

- Venezuela
- Vietnam
- Virgin Islands (UK) (Added)
- Yemen

3.2 Risk Mitigation Measures

- **High-Risk**:
    - Mandatory EDD (Section 5)
    - Biometric processes (photographing)
    - Periodical transaction reviews
- **Medium-Risk**:
    - Address verification via ID check
    - Periodical reviews
- **Low-Risk**:
    - Simplified CDD (NIC/passport only)
    - Periodical reviews

4. CUSTOMER DUE DILIGENCE (CDD) PROCEDURES

4.1 Identification Requirements

Customer Type	Documents Required	Verification Method
Sri Lankan Resident	Original NIC	NIC Security Marks check
Foreign National	Passport + Valid visa + Entry stamp	Passport + Visa + Entry Stamp thorough check
Corporate Client	Not Applicable (Company Cheques, Credit/Debit Cards or Company account Bank Transfers are not accepted. Only personal accounts matching with casino membership details accepted).	

4.2 Beneficial Ownership Identification

Not Applicable (Refer section 4.1 Corporate Client)

4.3 Anonymous Transactions Prohibition

- **Absolute Ban**:
  - No chip sales without CDD
  - No casino access without biometric registration

5. ENHANCED DUE DILIGENCE (EDD) FRAMEWORK

5.1 High-Risk Categories

1. **Politically Exposed Persons (PEPs)**:
   - **Domestic**: Ministers, MPs, Supreme Court judges, Senior Government Officers
   - **Foreign**: Equivalent ranks from high-risk jurisdictions
2. **High Rollers**: Single transaction >LKR 30M or monthly >LKR 300M (Industry benchmark)
3. **Sanctioned Jurisdictions**: Refer section 3.1

5.2 EDD Documentation

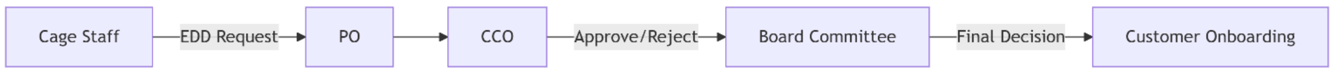
Mandatory Customer declaration form to be filled and signed accepting responsibility and providing assurance of legitimate source of wealth and funds brought to the casino and absolving and indemnifying Majestic Pride Casino of any legal implications whatsoever.

This declaration will mean to include the following:

- **Source of Wealth**:
  - Tax returns paid
  - Property deeds
  - Business ownership proofs

- **Source of Funds**:
  - Bank statements
  - Loan agreements
  - Inheritance documents

5.3 Approval Workflow



6. ONGOING MONITORING & TRANSACTION ANALYSIS

6.1 Internal Monitoring System

- **Documentary Records**

- **Alert Parameters**:
  - Structuring detection (e.g., 5x LKR 5.9M transactions)
  - Geographic red flags (e.g., Iran-originated EFTs)
  - Behavioural anomalies (e.g., 500% above betting pattern change)

6.2 Manual Monitoring Procedures

- **Cage Department Checklist**:
  1. Verify chip purchase vs. stated occupation
  2. Note cash denomination patterns
  3. Document third-party fund providers

- **Surveillance Collaboration**:
  - Cross-reference betting behaviour with CDD profiles

7. SANCTIONS SCREENING & UNSCR COMPLIANCE

7.1 Screening Protocol

- **Databases**:
  - UN Consolidated List (ISIL/Al-Qaida, Taliban)
  - FIU-Sri Lanka Domestic Watchlist

- **Frequency**: Real-time screening + Periodical batch updates

7.2 Positive Match Procedure

1. Entry and Onboarding Disallowed
2. Notify CCO within 15 minutes
3. File STR with FIU within 24 working hours
4. Preserve evidence for 10 years

8. SUSPICIOUS TRANSACTION REPORTING (STR)

(As and when CBSL/GoAML tool available for the Casino Industry)

8.1 STR Indicators (Per FIU-Sri Lanka)

- **Identity Red Flags**:
  - Forged NIC/passport detected by document scanner
  - Customer matching INTERPOL Red Notice
- **Behavioural Red Flags**:
  - Insistence on anonymity despite CTR threshold
  - Frequent cashouts without gaming activity

8.2 Reporting Timeline

Activity	Timeline
Staff detection → PO	≤2 hours
PO investigation	≤48 hours
STR filing with FIU	≤72 hours

8.3 Tipping-Off Prevention

- Staff prohibition: "Your transaction is under investigation"
- Approved phrasing: "Additional verification is required for compliance"

9. CASH & EFT CONTROLS

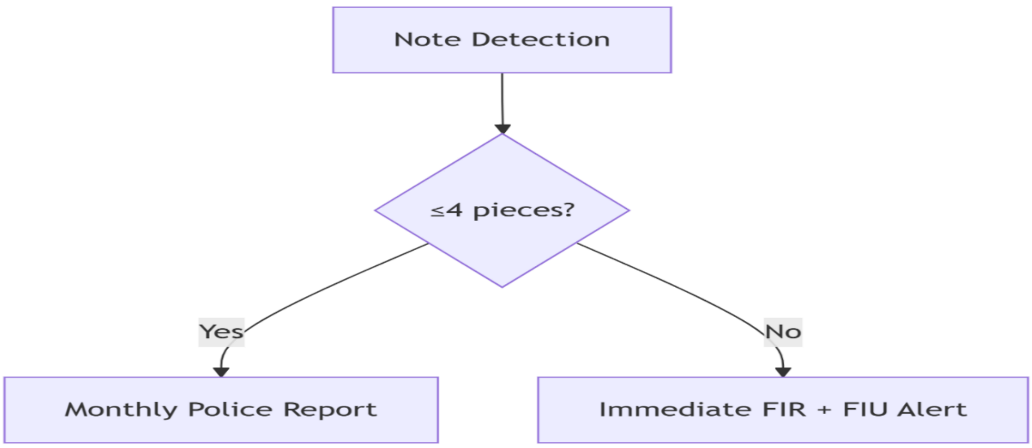
(As and when CBSL/GoAML tool available for the Casino Industry)

9.1 Cash Handling Procedures

- **>LKR 30M Transactions**:
  1. Verification by Cage Supervisor
  2. Log book for cash deposits

- **Counterfeit Currency**:

  - Detection protocol:



9.2 EFT Compliance Standards

- **FATF Rule 16 Compliance**:
  - Reject payments lacking:
    - Originator name/address
    - Beneficiary account number
    - Transaction purpose code

- **Wire Transfer Audit Trail**:
  - Maintain SWIFT MT103 copies for 10 years

10. RECORD KEEPING & DATA PROTECTION

10.1 Retention Schedule

Record Type	Retention Period
KYC/EDD documents	7 years post-relationship
STR/CTR filings	10 years
Transaction logs	7 years

10.2 Data Security Measures

- **Physical**: Safes for document storage
- **Digital**: Encrypted Records
- **Access Control**: Role-based permissions

11. TRAINING & AWARENESS PROGRAM

11.1 Curriculum

Role	Content	Frequency
Frontline Staff	Red flag recognition	Quarterly
Cage Managers	EDD documentation	Biannual
Senior Management	Regulatory updates	Annual

11.2 Certification

- Mandatory AML exam
- FIU-Sri Lanka accredited training modules

12. INTERNAL & INDEPENDENT AUDIT

12.1 Internal Audit Framework

- **Checklist Items**:
    1. CDD file completeness
    2. STR decision audit trail
    3. Sanctions screening logs
- **Reporting**: Findings to Board within 15 working days

12.2 External Audit Requirements

- **Qualified Auditors**
- **Scope**:
    - Test 20% high-risk customers
    - Verify 100% STR filings

13. POLICY REVIEW & AMENDMENTS

- **Annual Review**: Led by CCO with legal counsel
- **Amendment Triggers**:
    - FATF recommendation changes
    - New FIU circulars
    - Audit findings
- **Approval Process**: Board resolution required

15. DEFINITIONS

- **Beneficial Owner**: Natural person exercising ultimate control
- **Structuring**: Intentional transaction fragmentation to evade reporting
- **PEP**: Individual entrusted with prominent public functions

16. REGULATORY REFERENCES

1. *Financial Transactions Reporting Act No. 6 of 2006*
2. *Casino Business (Regulation) Act No. 17 of 2010*
3. FIU-Sri Lanka Guidance Note 7/2024
4. FATF (2023), *International Standards on Combating Money Laundering*

17. DOCUMENT HISTORY

Version	Date	Changes
1.0	Apr 2025	Initial Policy
2.0	Sep 2025	Added EDD protocols, SANCTIONS screening

CERTIFICATION

We hereby adopt this policy as of 1 September 2025 and confirm full implementation of this policy across all operations.

Mr. Ramesh Budhrani (Jim)
Chief Compliance Officer
Golden Island Hospitality Pvt. Ltd.

Modelled as per: *FIU-Sri Lanka DNFBP Guidelines*