

Dear Colleague,

EU Anti Money Laundering Directive (AML) Guidance - APRIL 2017

As you are already aware, in October 2016 Licence Condition 12.1.1 *Prevention of money laundering and terrorist financing* was introduced; requiring all gambling businesses, including on-course, to carry out a money laundering and terrorist financing risk assessment of their businesses. The Gambling Commission may request to see a copy of your risk assessment as part of their regulatory activity. **We have therefore produced guidance information that has been prepared on your behalf to enable you to comply with the Gambling Commission and Government requirements. (Once amended by you for your business)**

Licence Condition 12.1.1 *Prevention of money laundering and terrorist financing* states:

1. *Licensees must conduct an assessment of the risks of their business being used for money laundering and terrorist financing. Such risk assessment must be appropriate and must be reviewed as necessary in the light of any changes of circumstances, including the introduction of new products or technology, new methods of payment by customers, changes in the customer demographic or any other material changes, and in any event reviewed at least annually.*
2. *Following completion of and having regard to the risk assessment, and any review of the assessment, licensees must ensure they have appropriate policies, procedures and controls to prevent money laundering and terrorist financing.*
3. *Licensees must ensure that such policies, procedures and controls are implemented effectively, kept under review, revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidelines published by the Gambling Commission from time to time.*

You may wish to use the template below to produce your own ‘Money Laundering Risk Assessment’ document for your own business. Don’t forget – this is **YOUR** risk assessment for **YOUR** business. The risks and controls provided are designed to inform your thinking. Please select the appropriate risks and controls to **YOUR** business – adding further risks, controls and detail where applicable. Please complete and amend as **appropriate** by taking the following steps:

1. Select from the greyed list (in italics) and add risks that are relevant to your business.
2. Select from the greyed list (in italics) and add any controls relevant to your business.
3. Select a risk rating of high, medium or low, for each money laundering risk, to your business.
4. Select an overall rating of high, medium or low money laundering risk for your business.

This template assists you in identifying the money laundering risks to your business, analysing the factors that control or limit the risk occurring and evaluate whether the risk is high, medium or low (each risk and overall risk).

Money Laundering Risk Assessment

Version	
Last updated	

For: *(insert name)* _____

Licence condition 12.1.1 requires all gambling businesses, including on-course, to carry out an assessment of the risks of their business being used for money laundering and terrorist financing. This risk assessment will:

- be in relation to the risks posed to the above and amended accordingly to our business
- be reviewed in light of any changes to circumstances (e.g. new products, technology, methods of payment, customer demographic)
- be reviewed **annually**
- inform our policies, procedures and controls to prevent money laundering and terrorist financing

To carry out this risk assessment the above has identified, analysed and evaluated the money laundering and terrorist financing risks associated with the business and takes into account risks identified by the Gambling Commission’s assessment of Money Laundering and Terrorist Financing risk within the British gambling industry.

This risk assessment considers the following categories of risk:

- Customer and geographic risks: money laundering and terrorist financing risks associated with our customers
- Product risks: money laundering and terrorist financing risks associated with the products that are offered.
- Transactional / Means of payment risks: money laundering and terrorist financing risks associated with the types of transactions or means of payments that are offered.

Customer and Geographic Risks	Customer and Geographic Controls	Risk level (low, medium, high)
<i>Unknown/ anonymous customers laundering (which includes simply spending criminal proceeds) criminal proceeds through on-course gambling</i>	<ul style="list-style-type: none"> Using effective interaction, customers are monitored to satisfy age restriction requirements and for the detection of problem gamblers. We apply the same approach in order to be alert to suspicious monetary transactions. Capped stakes due to the management of commercial liabilities mitigates some of the money laundering risk. If we elect to offer debit or credit facilities, we are fully conversant with the terms and conditions imposed by the relevant clearing houses. A request for payment by cheque, that included the original stake, will be refused. 	
<i>High spending customers laundering (which includes spending) the proceeds of crime</i>	<ul style="list-style-type: none"> We are alert to bank notes with 'markings' that could indicate they were the proceeds of crime e.g. damaged by dye stains... We do not accept Euro notes with a denomination exceeding 100 Euros. 	
<i>Disproportionate spenders; customers who appear to be spending beyond their means</i>	<ul style="list-style-type: none"> All racecourses are licensed by local authorities and have a high level of security and police presence. AGT Ltd who administrate for bookmakers on course, keep us advised of any suspicious activity. Very occasionally, bookmakers' interaction may provide knowledge of a customer with a criminal background and lead to closer scrutiny and monitoring of such customers. 	
<i>Casual customers spending the proceeds of crime</i>	<ul style="list-style-type: none"> We will report any suspicious activity to the Betting Ring Manager (BRM). 	
<i>Regular customers with changing or unusual spending patterns laundering (which includes spending) the proceeds of crime</i>	<ul style="list-style-type: none"> We will also submit reports to the National Crime Agency (NCA) where we have knowledge or suspicion of money laundering. http://www.nationalcrimeagency.gov.uk/about-us/what-we-do/economic-crime/ukfiu/how-to-report-sars. Staff members receive regular training to be competent in their role. Training records are maintained to evidence this. Add additional controls relevant to your business. 	
<i>Add additional risks</i>		

Product Risks	Product Controls	Risk level (low, medium, high)
<i>Low risk wagering or backing all outcomes of an event (a customer may wager criminal funds by covering all outcomes of the event or betting on low risk)</i>	<ul style="list-style-type: none"> Using effective interaction, customers are monitored to satisfy age restriction requirements and for the detection of problem gamblers. We apply the same approach in order to be alert to suspicious monetary transactions. Capped stakes due to the management of commercial liabilities mitigates some of the money laundering risk. If we elect to offer debit or credit facilities, we are fully conversant with the terms and conditions imposed by the relevant clearing houses. A request for payment by cheque, that included the original stake, will be refused. 	
<i>Add additional risks</i>	<ul style="list-style-type: none"> We are alert to bank notes with 'markings' that could indicate they were the proceeds of crime e.g. damaged by dye stains... We do not accept Euro notes with a denomination exceeding 100 Euros. All racecourses are licensed by local authorities and have a high level of security and police presence. AGT Ltd who administrate for bookmakers on course, keep us advised of any suspicious activity. Very occasionally, bookmakers' interaction may provide knowledge of a customer with a criminal background and lead to closer scrutiny and 	

	<p><i>monitoring of such customers.</i></p> <ul style="list-style-type: none"> • <i>We will report any suspicious activity to the Betting Ring Manager (BRM).</i> • <i>We will also submit reports to the National Crime Agency (NCA) where we have knowledge or suspicion of money laundering.</i> http://www.nationalcrimeagency.gov.uk/about-us/what-we-do/economic-crime/ukfiu/how-to-report-sars. • <i>Staff members receive regular training to be competent in their role. Training records are maintained to evidence this.</i> • <i>Add additional controls relevant to your business.</i> 	
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Transactional/ Means of Payment Risks	Transactional/ Means of Payment Controls	Risk level (low, medium, high)
<i>Cash transactions</i>	<ul style="list-style-type: none"> • <i>Using effective interaction, customers are monitored to satisfy age restriction requirements and for the detection of problem gamblers. We apply the same approach in order to be alert to suspicious monetary transactions.</i> • <i>Capped stakes due to the management of commercial liabilities mitigates some of the money laundering risk.</i> • <i>If we elect to offer debit or credit facilities, we are fully conversant with the terms and conditions imposed by the relevant clearing houses. A request for payment by cheque, that included the original stake, will be refused.</i> • <i>We are alert to bank notes with 'markings' that could indicate they were the proceeds of crime e.g. damaged by dye stains...</i> • <i>We do not accept Euro notes with a denomination exceeding 100 Euros.</i> • <i>All racecourses are licensed by local authorities and have a high level of security and police presence.</i> • <i>AGT Ltd who administrate for bookmakers on course, keep us advised of any suspicious activity.</i> • <i>Very occasionally, bookmakers' interaction may provide knowledge of a customer with a criminal background and lead to closer scrutiny and monitoring of such customers.</i> • <i>We will report any suspicious activity to the Betting Ring Manager (BRM).</i> • <i>We will also submit reports to the National Crime Agency (NCA) where we have knowledge or suspicion of money laundering.</i> http://www.nationalcrimeagency.gov.uk/about-us/what-we-do/economic-crime/ukfiu/how-to-report-sars. • <i>Staff members receive regular training to be competent in their role. Training records are maintained to evidence this.</i> • <i>Add additional controls relevant to your business.</i> 	
<i>Debit or credit facilities</i>		
<i>Dye stained notes</i>		
<i>Fraudulent notes</i>		
<i>Add additional risks</i>		

Overall level of risk	<i>(high, medium, low)</i>
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Completed by (Print name)	
Signed	
Date completed	
Next assessment due date	<i>(Assessments should occur every 12 months and contents shared with all employees)</i>

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