



FACT SHEET ON AML/CFT OBLIGATIONS FOR CASINOS AND GAMING HOUSE “A”

This fact sheet is intended to provide an overview of the Anti-Money Laundering and Counter Terrorism Financing (AML/CFT) obligations for casino and gaming house A operators which have become subject entities since the year 2002. These obligations form part of Mauritius national framework which aimed at combatting money laundering, associated criminal activity and terrorism financing.

CORPORATE GOVERNANCE

The casinos and gaming houses Board of Directors are ultimately responsible for overall business strategy and are in position to advocate a compliance culture in line with AML/CFT obligations, to determine the right approach and identifying the potential risks that casinos and gaming houses may be exposed to.

The casino and gaming house A operator shall be obliged to:

- Appoint a senior rank officer to act as Money Laundering Reporting Officer (MLRO) and Compliance Officer;
- Allow the MLRO to report any compliance issue to the Board of Directors to develop and maintain a high standard of AML/CFT frameworks, in view of detecting ML/TF threats and typologies which are pertinent to the Gaming sector;
- Develop and implement AML/CFT compliance policies, controls and procedures to identify and mitigate ML/TF risks;
- Provide AML/CFT training program;
- Conduct an independent AML/CFT audit on a yearly basis and
- Conduct ongoing screening checks.

Casino and gaming house A operators shall also ensure that record keeping of all transactions and customer due diligence documents are kept for a minimum period of 7 years from the termination date of a business relationship.

RISK ASSESSMENT

Casino and gaming house operators shall undertake to adopt a risk-based approach, taking into account the nature and size of the business.

The Business Risk Assessment (BRA) shall enable casino and gaming house A operators to identify, monitor, assess and mitigate money laundering and terrorist financing risks.

Casino and gaming house operators shall maintain a continuous analysis of their BRA and are expected to review same, at least once a year depending on the risk rating (that is high risk, medium risk or low risk) or whenever new products, technologies, markets and business models are introduced which could hinder the existing AML/CFT framework.



SUSPICIOUS TRANSACTIONS REPORTING

Casino and gaming house A operators shall file a Suspicious Transaction Report (STR) to the Financial Intelligence Unit (FIU) whenever they have reasonable ground to believe that a transaction is suspicious in the prescribed form, not later than 5 working days after the suspicion arose.

Reporting under the United Nations (UN) Sanctions Act

Casino and gaming house operators shall disclose any information to the GRA and FIU in relation to a designated party or listed party under UN Sanctions Act 2019. Moreover, casino and gaming house operators shall not enter into a business relationship with or make available funds or other assets to, any designated or listed party under this Act.

Registration with Financial Intelligence Unit (FIU)

Casino and gaming house A operators shall immediately register with the FIU as soon as the operations begin or within such limit as determined by the FIU. Information on how to register is available on the website of the FIU: (www.fiumauritius.org).

A special helpdesk for assisting Subject Entities has been set up.

Email: goamlhelpdesk@fiumauritius.org

Telephone: +230 454-1423

Casino and gaming house A operators shall set up an on-going monitoring mechanism to:

- (i) Detect complex, significant unusual transaction or behaviour pertinent to ML/TF.
- (ii) Establish the relevant thresholds for any transaction pursuant to AML/CFT laws and regulations.

ASCERTAINING IDENTITY AND CUSTOMER DUE DILIGENCE (CDD)

Casino and gaming house A operators shall adopt adequate customer due diligence measures for identification and verification purposes.

Such measures shall apply when:

- An operator engages in a financial transaction¹ with a customer equal to or above 20,000 rupees or an equivalent amount in foreign currency;
- A person is claiming a winning equal to or above 20,000 rupees;
- The operator becomes aware that the circumstances of an existing customer risk profile has changed during the course of a business relationship; or
- An occasional transaction² is made which is equal to or above 20,000 rupees.

¹ For the purpose of this guidance, a 'Financial Transaction' consists of the wagering of stakes, including: the purchase from, or exchange with, the casino of tokens for use in gambling at the casino or a direct payment both in cash or digital, for the use of gaming machines. For the avoidance of doubt, a 'Financial Transaction' shall exclude any bonuses, winnings or other financial benefits which are granted by the Casino or Gaming Houses during the course of a business relationship or an occasional transaction.

² "occasional transaction" means any transaction carried out other than in the course of a business relationship;



Notwithstanding the above, casino and gaming house A operators are obliged to file an STR to the FIU when they suspect a customer is conducting a suspicious transaction even when the financial amounts do not meet or exceed the above-mentioned thresholds.

Customer Due Diligence process shall include measures to verify and identify a customer profile by using reliable source such as: an official Identity Card, a valid Passport or a valid Driving License.

THIRD PARTY DETERMINATION

Where a beneficial owner is represented by another third party, casino and gaming house A operators are obliged to conduct the relevant customer due diligence procedure to identify and verify the identity of the true beneficial owner.

For the avoidance of doubt, when a third party is allowed to act on behalf of another customer (such as in the case of Casino Junkets), casino and gaming house A operators shall:

- Verify that the person is authorised to act on behalf of the customer through signed declaration form and other means which are sufficiently acceptable for casinos and gaming houses; and
- Verify the person's identity card or passport or doing independent check to obtain additional information through reliable and independent sources.

ENHANCED DUE DILIGENCE

Casino and gaming house A operators shall apply enhanced due diligence (EDD) measures and conduct ongoing monitoring to mitigate the ML/TF risks on the following circumstances:

- Where the operator is incredulous of the customer's information or otherwise has reasonable grounds to suspect that a customer has provided false information or a stolen identity of another individual;
- Where a transaction is complex, unusually large or there is an unusual pattern of transactions and the source of fund appears suspicious or unjustified;
- Whenever casinos and gaming houses enter into a business relationship with a Politically Exposed Person;
- Whenever there is suspicion that the customer is subject to sanctions or freezing of assets as identified by the United Nation Consolidated List;
- When a natural person or a legal person has direct affiliations with a high-risk jurisdiction with the following characteristics:
 - Having significant levels of corruption; or
 - A sanctioned or embargoed jurisdiction issued by the European Union or the United Nations; or
 - Having direct links to and/ or supports, terrorism groups of international independent bodies.
- When the product or transaction favours anonymity;
- When payments are received from an unknown or an unrelated third party of the customer;
- When the transaction involves a significant amount of cash;
- Whenever a transaction is conducted in unusual circumstances;



- In any other case where a transaction is considered to be of a higher ML/TF risk by the casino and gaming house operators;

POLITICALLY EXPOSED PERSONS (PEPs)

The definition of a Politically Exposed Person (PEP), as per the Financial Intelligence and Anti-Money Laundering Regulations 2018, includes domestic PEP, Foreign PEP, International Organisation PEP, Family members and close associates.

The FIAML Regulation 2018 requires casino and gaming house A operators to conduct Enhanced Due Diligence measures when entering a business relationship with a PEP which entails the additional verification and understanding of their Source of Wealth and Source of Funds (SOF/SOW), as the case may be.

When casino and gaming house operators have established a business relationship with a PEP, the operator must assess the extent of enhanced due diligence measures that are to be applied. Enhanced due diligence shall depend on the risk profile of the customer including the risk tolerance and the relevant control mechanism to:

- Have in place an appropriate risk management systems and procedures to determine whether a customer (or the beneficial owner of a customer) is a PEP, or a family member or known close associate of a PEP;
- Have the relevant approval mechanisms in place from senior management for the establishing or continuing a business relationship with PEPs;
- Take adequate measures to establish the SOW/SOF which involved in the proposed 'business relationship' or 'occasional transaction' with PEPs;

INDUSTRY INNOVATION AND NEW PRODUCTS

Industry innovation and new products may expose operators to new emerging ML/TF threats and vulnerabilities and thus a regular assessment of risks shall be important before implementing new product, system, processes and business developments.

Additional information on how to comply with these guidelines are available on the Gambling Regulatory Authority Website: www.gra.govmu.org.

This includes:

a) Guidelines on The Prevention of Money Laundering and Combatting the Financing of Terrorism for casino and gaming house operators (www.gra.govmu.org)

b) The AML/CFT Guidance on Suspicious Transaction Report (http://www.fiumauritius.org/English/Reporting/Documents/Guidance%20Note_310817.pdf)