



**Annual AML/CFT Statistical Return Guidance
for Gambling Operators 2024**

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Version Control

Version	Date Published	Comments
1.0	January 2024	Issuance of Guidance document alongside the first annual return using STRIX portal.

1.0 About this document

This document had been prepared by the GSC and contains information and guidance on how to complete returns on the GSC's portal, STRIX, this information is not exhaustive and it is anticipated this document may need to be updated from time to time as and when users raise appropriate queries and identified issues.

This guidance also includes information relevant to the completion of the annual Statistical Return (the "Return") and provides important definitions.

2.0 About the Return

The GSC may from time to time issue returns in line with Part 2 Paragraph 6 of Gambling (Anti- Money Laundering And Countering The Financing Of Terrorism) Act 2018 and other AML/CFT related questionnaires to the industry in order to continue with effective regulation, the development of National Risk Assessments and other purposes including the establishment of trends and best practices.

In order to be able to submit the Return, all relevant sections must be completed – where no information is available please enter 0 if a numerical field or "N/A" if non-numerical. This should automatically remove further fields in that section - if for any reason these fields do not disappear after the negative input, please select the top available option (if blank field cannot be used as an option) and note the same in the comments.

All relevant questions on the Return must be completed by all who hold a licence issued under any of the following:

- Online Gambling Regulations Act 2001 (as amended);
- Casino Act 1986 (as amended); and
- Gaming, Betting and Lotteries Act 1988 (as amended) - Betting Office Permit Holders Only.

Hereinafter ("Operator" or "Operators")

Portal account activation - The registration begins when the GSC inputs the mailing list addresses in the back-end of the system and the registration process can be finalised when the appropriate return is sent out prompting the user to finalise the registration by setting up a password. This process will only need to be completed once per user unless details are changed (such as name or e-mail address changes).

The portal requires you to set a password and also uses Multi Factor authentication. This login is specific to you, and should not be shared with others. Should you wish to

add another separate user please contact GSC (gscamlinspections@gov.im) requesting the same, the request should contain the individual's name, position and rationale for the addition (i.e. request for access is being made as the individual is the DMLRO and may need to submit the information to the GSC in MLRO's absence.)

Some of the questions are based on your answers to the previous sections, therefore not all questions/sections will be applicable and as a result may not be available for 'completion'. Please complete all sections that are available to you.

The Return will be sent to all Operators who held, or were granted, a licence in the return period. If the Operator was not live or live for only part of the period, then please complete the Return with as much information as possible where applicable.

Please email gscamlinspections@gov.im if you have any problems logging on, or have any queries regarding the completion of this return.

Return deadlines – The dates that each return will need to be completed by will be confirmed in the email.

Return reporting period – This information can be located under the 'Current Questionnaires' section after logging in and before opening the return.

Fields - Some fields may only have numerical input and are restricted, where you wish to add a description or further information in relation to a figure, you may do so by adding comments at the bottom of each section. The comment section should note the relevant question number for ease of reference.

The questions in the Return have been created with consideration given to the variety of products and services offered across the industry, therefore some questions may not be applicable to you or utilise different terminology (i.e. 'Standard' Risk instead of 'Medium' Risk). In such instances please use your discretion to convert the terminology used to your processes and procedures, where you believe this causes a material incorrect representation please advise us of this in the comments sections of the Return.

Most of the questions will have text in **bold**, this has been done to draw the reader's attention to some of the key aspects of the question and highlight where the requested information is different (i.e. '**in the reporting period**' vs '**at the end of the reporting period**').

3.0 About the GSC

The GSC is responsible for regulatory oversight of the gambling sector including operators' compliance with legislation such as the Gambling Acts and the Code. The GSC is an independent statutory board of Tynwald and comprises the Inspectorate and the board of the Commission.

The board of the Commission consists of six independent members drawn from various professions and backgrounds. The board of the Commission conduct monthly hearings into all matters that pertain to gambling in the Isle of Man and are supported by their Inspectorate.

The Inspectorate is managed by the Chief Executive of the GSC.

We can be contacted via the details at the foot of the page.

4.0 Definitions and Interpretations

The term “**customer**” is used throughout this guidance for ease and consistency rather than punter, player, gamer, gambler, participant, etc.

“**The Code**” – refers to the Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code 2019.

Paragraph 3 of the Code (Interpretation) provides a list of defined terms used in the Code and spans pages 3-10 of the Code. This part of the guidance highlights some of the key terms and important definitions used throughout for ease of reference, for any interpretations not listed below please refer to the Code.

“**customer**” of an operator means a person -

- (a) seeking to form an ongoing customer relationship or to carry out an occasional transaction; or
- (b) carrying on an ongoing customer relationship or carrying out an occasional transaction with an operator who is carrying on gambling business in the regulated sector;

“**customer due diligence**” (except in the expression “enhanced customer due diligence”) means the measures specified in Part 4 of the Code (Customer Due Diligence)

“**ongoing customer relationship**” is the applicable term for online gambling business as this means a customer account.

“**Politically Exposed Person**” or “**PEP**” means any of the following –

- (a) a natural person who is or has been entrusted with prominent public functions (“P”), including-
 - (i) a head of state, head of government, minister or deputy or assistant minister;
 - (ii) a senior government official;
 - (iii) a member of parliament;
 - (iv) a senior politician;
 - (v) an important political party official;
 - (vi) a senior judicial official;
 - (vii) a member of a court of auditors or the board of a central bank;
 - (viii) an ambassador, chargé d’affaires or other high-ranking officer in a diplomatic service;
 - (ix) a high-ranking officer in an armed force;
 - (x) a senior member of an administrative, management or supervisory body of a state-owned enterprise;
 - (xi) a senior member of management of, or a member of, the governing body of an international entity or organisation;

- (b) any of the following family members of P-
 - (i) a spouse;
 - (ii) a partner considered by national law as equivalent to a spouse;
 - (iii) other known close personal relationships not covered by sub-paragraphs (i) or (ii) such as a partner, boyfriend or girlfriend;
 - (iv) a child or the spouse or partner of a child;
 - (v) a brother or sister (including a half-brother or half-sister);
 - (vi) a parent;
 - (vii) a parent-in-law;
 - (viii) a grandparent; or
 - (ix) a grandchild;
- (c) any natural person known to be a close associate of P, including -
 - (i) a joint beneficial owner of a legal entity or legal arrangement, or any other close business relationship, with P;
 - (ii) the sole beneficial owner of a legal entity or legal arrangement known to have been set up for the benefit of P;(
 - (iii) a beneficiary of a legal arrangement of which P is a beneficial owner or beneficiary; or
 - (iv) a person in a position to conduct substantial financial transactions on behalf of P;

“Domestic PEP” means a PEP who is or has been entrusted with prominent public functions in the Island and any family members or close associates of the PEP, regardless of the location of that natural person, those family members or close associates; and

“Foreign PEP” means a natural person in (a) who is or has been entrusted with prominent public functions outside of the Island and any family members or close associates of the PEP, regardless of the location of that natural person, those family members or close associates.

“unusual activity” means any activity or information received in the course of an ongoing customer relationship, occasional transaction or attempted transaction where:-

- (a) a transaction has no apparent economic or lawful purpose, including a transaction which is —
 - (i) complex;
 - (ii) both large and unusual; or
 - (iii) of an unusual pattern;
- (b) the operator becomes aware of anything that causes the operator to doubt the identity of a person it is obliged to identify;
- (c) the operator becomes aware of anything that causes the operator to doubt the good faith of a customer or beneficial owner of a customer.

5.0 Operator Information

5.1 Building your Return

Please state the name of the Operator, and confirm the type of gambling that is permitted under your licence.

6.0 Customer Risk

6.1 Size and significance of customer base of the Operator

There are four categories of AML/CFT risk utilised in this question, being very high risk, high risk, standard risk, or low risk. These questions seek information on the AML/CFT risk profile of the Operator's customers as assessed by the Operator. State the number of customers, as at the reporting reference date, which fall into each risk category and confirm whether the customers are:

- Customers (natural persons);
- Legal Persons (such as a corporate body) – applicable only to OGRA; or
- Legal Arrangement (such as trust) – applicable only to OGRA.

6.2 PEPs

These questions relate to whether the Operator accepts PEPs as customers.

The PEP categories in the Questionnaire reference the definitions under Paragraph 3, under "politically exposed person" or "PEP" title, sub-paragraph 'a' of the Code. For any other PEPs please put 'Other'.

Information on the PEPs or Associates of PEPs is split into Domestic or Foreign (as defined in paragraph 13 of the Code) at the reporting reference date.

"domestic PEP" means a PEP who is or has been entrusted with prominent public functions in the Island and any family members or close associates of the PEP, regardless of the location of that natural person, those family members or close associates; and

"foreign PEP" means a natural person in (a) who is or has been entrusted with prominent public functions outside of the Island and any family members or close associates of the PEP, regardless of the location of that natural person, those family members or close associates.

Please provide a breakdown of number by PEPs by categories.

For the unique Domestic and Foreign PEP relationships reported above, please indicate **all** PEP categories held using the drop-down list

For information on the nationality and residency of unique PEPs reported, please split out the positions held, the Nationality and the Residency of each PEP; if unknown please state the same. If you do not see a specific country consider if it may be officially known by another name (i.e. Vatican = Holy See, Holland = Netherlands, North Korea = Democratic People's Republic of Korea etc)

7.0 Products & Services Risk

7.1 Funding Methods

This section is to understand the payment methods accepted or utilised by operators for incoming and outgoing funds from customers in respect of all regulated business carried out.

For each of the stated payment methods, and for each of the incoming and outgoing flows, please provide the payment method and frequency using the drop down menu options:

- "Usually" This method is used more frequently as part of business as usual this could be more than one method;
- "Occasionally" Whilst considered to be a method within business as usual the frequency is less; "By exception" Not a method utilised within business as usual;
- "Never" Method is not utilised by the business;
- "Unknown" Indicate here if a payment type has been approved but the frequency not identified (i.e. utilized, however has only recently been adopted so too early to say).

The frequency options attempt to establish what you know to be the most used methods of funding. You may have more than one 'frequent option' which are usually accepted for instance bank transfers, credit / debit cards and virtual currency, in such cases use the option 'Usually' for all appropriate choices.

It is anticipated that the 'Unknown' option is utilised on a very rare occasion (such as a recently introduced payment deposit method) in such cases please indicate why this option was selected in the Comments section (quoting the relevant question number).

7.2 Peer to Peer

Further questions relating to peer to peer relationships will be addressed in the Controls section of the questionnaire in respect of OGRA only.

8.0 Financial Crime Risk

This section provides information about internal and external disclosures, blocked / frozen accounts, and declined / terminated relationships/transactions.

8.1 Financial Sanctions

In this section please state the number, and value in GBP, of accounts/transactions that have been blocked or frozen / released as at the end of the reporting period for financial sanctions purposes.

8.2 Other Blocked/Frozen Accounts

In this section please state the number, and value in GBP, of accounts/transactions that have been blocked or frozen / released as at the end of the reporting period for reasons **other than** for financial sanctions purposes (Money Laundering, Terrorist Financing or Proliferation Financing)

8.3 Declined and Terminated Customer Relationships

These questions seek information on the number of potential customer relationships that were declined or terminated for either Financial Sanctions, Money Laundering, Terrorist Financing or Proliferation Financing reasons.

9.0 Controls

The questions in this section are to better understand the Procedures and Controls of Operators.

9.1 Understanding the Operator

The following questions relate to personnel engaged by the Operator

Please provide the number of Isle of Man resident directors, officers, employees, workers and contractors (including through group service companies where applicable) in respect of the Isle of Man business operations, including the full time equivalent number, and the number of those positions that were vacant as at the reporting period end.

Provide the number of compliance personnel engaged by the Operator and the full time equivalent of those persons (including the MLRO/DMLRO (if appointed) /AML/CFT Compliance Officer) and the number of those positions that were vacant at the reporting period end.

Provide the number of individuals who received annual AML CFT training during the reporting period (as required under paragraph 27 of the Code), and provide the number of individuals who received specialist training during the reporting period (this relates to AML/CFT training, but falls outside of the annual training requirements). For the latter, this should reflect any training provided to the MLRO, DMLRO (if appointed), the AML/CFT Compliance Officer, and to any individuals who have decision making responsibility or oversight for the AML/CFT risk and control framework adopted by the Operator, which is in addition to the annual education and training.

9.2 Activities

This question provides the GSC with some basic information about outsourced activity, and the approach to monitoring and testing compliance of the AML/CFT internal control environment.

Indicate whether any of the activities or functions were undertaken by the Operator, outsourced to a fellow group entity or was outsourced to a third party during the reporting period. Where activities were undertaken by both the Operator **and** were outsourced, then whichever party undertook the majority of the work should be selected.

9.3 Screening & Monitoring

“**PEP screening**” is where a Operator seeks to establish whether a customer is, or is associated with, a PEP by comparing the identity of the customer to a database of politically exposed persons.

“**Sanctions list**” means the list of persons who are subject to international sanctions which apply in the Island which is maintained by the Customs and Excise Division of the Treasury of the Isle of Man. This can also include persons on sanctions list that the Operator adheres to (such as OFAC).

“**Negative Press**” media screening is where an Operator seeks to establish whether a customer is negatively portrayed in the press or other public arena.

“**Other screening**” Operators are to provide information on any other screening objectives in the additional comments at the end of the section.

9.4 Screening Providers & Trigger Details

These questions seek to collate some additional information in connection with screening. Operators should input the names of screening providers utilised, and also indicate (Yes or No) whether they are subscribed to a sanctions notification service.

9.5 Review of PEP Information

This question seeks to collate information about the timing and frequency of screening objectives in respect of PEPs.

Please indicate the frequency for each of the ongoing monitoring activities listed using the drop down boxes:

- Constant/Daily;
- At least once a year (or at trigger events if more frequent);
- On trigger event only;
- Less frequent than once a year; or
- Never.

9.6 Review of Customer Information

This question seeks to collate information about the review of customer due diligence and transactions. Please indicate the frequency of reviews using the drop down boxes:

- Constant/Daily;
- At least once a year (or at trigger events if more frequent);
- On trigger event only;
- Less frequent than once a year; or
- Never.

9.7 Peer to Peer Transfers (P2P)

In this section the questions relate to the total number of customers that have conducted, sent and acted as affiliates in relation to peer to peer transactions.

This section also asks for a split of customers and these transaction to be provided as well as the amounts sent and received in the reporting period.

9.8 Themis

Using the drop down list, indicate whether or not the Operator's current MLRO is registered with THEMIS.

If an MLRO is not registered on Themis please confirm in the comments section if someone else is and the rationale for the same (i.e. appointment of new MLRO in process which will be completed by 'date')

9.9 Disclosures to MLRO and FIU

In this section please provide details of disclosures made by the Operator for the reporting period, internal and external disclosures made in the year split between Money Laundering SARS and Financing of Terrorism SARS, together with the number of Section 24 disclosures made to the FIU during the year.

9.10 Enquiries from competent authorities

Please also state the number of enquiries received in the year from law enforcement, and other competent authorities, split between Money Laundering, Financing of Terrorism, Financial Sanctions and others.

In respect of "other or unknown reasons" please list the number for each individual query. Any 'Other' authorities, not listed in the drop down boxes should be noted in the Comments box at the end of the section.

9.11 Sanctions disclosures and values

Individuals and operators have an obligation to notify the FIU if they are aware of the presence of funds or other assets owned or controlled by, or on behalf of, a person or entity on any sanctions list.

In this section state the number of internal and external disclosures made in the year in relation to sanctions matters, and also state the number of disclosures made for suspected breaches of sanctions (if any). For each category, also provide the aggregate value, in GBP, of the applicable monetary amount relevant to the reported disclosures.

10.0 Signatories

The Return can be submitted by a registered user, the GSC prompts for the Return to be signed-off by two signatories (the completed return can be printed off), namely:

- Signature 1 is expected to be the AML/CFT Compliance Officer, Nominated AML/CFT Officer, MLRO or similar.
- Signature 2 is expected to be a Director, Operations Manager or Designated Official.

The signatories should be two different individuals.