



ANTI-MONEY LAUNDERING
PROCEDURE MANUAL

6 February 2017

Game Network

The role of gambling operators

As a gambling business we have a responsibility to uphold the three licensing objectives set out in the Gambling Act 2005 (the Act), which are:

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- ensuring that gambling is conducted in a fair and open way
- protecting children and other vulnerable people from being harmed or exploited by gambling.

Money laundering in the gambling sector takes two main forms:

Exchanging money acquired criminally for money that appears to be legitimate or 'clean' by gambling on low risk outcomes.

The use of criminal proceeds to fund gambling as a leisure activity (so called criminal or 'lifestyle' spend).

We should report money laundering to the National Crime Agency (the NCA) and, where appropriate consent is requested, wait for such consent to deal with a transaction or wait until a set period has elapsed before proceeding.

The Anti Money Laundering reference legislation for Remote Gambling in UK is the following:

- Proceeds of Crime Act 2002 (Part 7)
<http://www.legislation.gov.uk/ukpga/2002/29/contents>
- The Money Laundering Regulations 2007
<http://www.legislation.gov.uk/uksi/2007/2157/contents/made>
- Fourth Money Laundering Directive
<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L0849>

The Proceeds of Crime Act 2002

POCA creates several principal offences that apply to everyone and criminalise any involvement in the proceeds of any crime if the person knows or suspects that the property is criminal property. These offences relate to the concealing, disguising, converting, transferring, acquisition, use and possession of criminal property, as well as an arrangement which facilitates the acquisition, retention, use or control of criminal property. For example, in the gambling industry, this may involve taking cash, cheque, or card payments, based on funds which are the proceeds of crime, in the form of a bet or wager, or holding money on account for a customer.

Customer relationships

We are aware that some risk indicators (for example, a pattern of increasing spend, spend inconsistent with apparent source of income or unusual patterns of play) could be indicative of money laundering, but also equally of problem gambling, or both (or, possibly, neither).

Given that we have the responsibility to prevent gambling from being associated with crime and disorder and protecting vulnerable people from being harmed by gambling, we carry out appropriate enquiries and assessments. That is why we continually access and understand information relating to gambling activity by the same customer in different parts of the business so that we have a fuller picture of the risks to which we are exposed.

Customer relationships consist of the following three aspects:

- establishment of the business relationship with the customer
- monitoring customer activity, including account deposits and withdrawals
- termination of the business relationship with the customer

In all instances of the relationship it is necessary to consider whether the customer is engaging in money laundering, including criminal spend, and to report suspicious activity and seek appropriate consent with the NCA, as well as considering any risk to the licensing objectives.

Game Network

Our duties under the Proceeds of Crime Act 2002

POCA imposes duties on all operators to:

- disclose instances where we know or suspect that a person is engaged in money laundering
- make disclosures in the prescribed form and manner
- obtain appropriate consent to carry out a prohibited transaction.

In all instances where customer funds are known or suspected of having criminal origins, we will send a report to the NCA at the earliest opportunity.

Appointing a nominated officer

The Concessionaire has appointed a nominated officer between it and the Gambling Commission, Mr. Tiziano Tonti tiziano.tonti@gamemedianetwork.it tel. 02413031.

This officer is responsible for all aspects relating to procedures for identifying laundered funds, and thus for management and prevention.

There is also an assistant officer, which is responsible for the same activities when the main nominated officer is absent or unavailable.

The officer is responsible for:

- the compliance of the Company's internal procedures with anti-money laundering provisions;
- acting as a point of contact between the Company's procedures and any events or investigations relating to anti-money laundering;
- reporting on anti-money laundering procedures and any related events;
- revising and enhancing procedures where necessary;
- conducting an annual review of existing procedures along with the other departments involved, and modifying and updating them where necessary;
- storing and retaining all information for at least ten years.

Suspicious activity reporting

All operators are required to report where they know, or suspect, that a person is engaged in money laundering, including criminal spend.

In order to provide a framework within which suspicious activity reports (SARs) may be raised and considered:

- we ensure that our employees make reports to the nominated officer
- the nominated officer considers each report and determines whether it warrants the submission of a SAR
- we ensure that our employees are appropriately trained.

Training

Under POCA, our employees face criminal penalties if they are involved in money laundering, unless they make a report of known or suspected money laundering activity.

Our employees are aware of:

- money laundering risks
- procedures for managing those risks
- identity and responsibilities of the person responsible for making reports to the NCA
- potential effect of a breach of POCA on your gambling business and your employees.

