

AML/CFT Facts to be Known by Employees of Casinos

Presented by the DNFBP Supervision of FIU-SL

Financial Intelligence Unit of Sri Lanka (FIU-SL)

- FIU-SL works against the money laundering and terrorist financing (ML/TF) activities in Sri Lanka.
- Entities come under the definition of Institutions of the Financial Transactions Reporting Act No. 06 of 2006 (FTRA) are monitored by the FIU-SL to ensure whether they have proper policies and procedures to act against ML/TF.
- Casinos are one of such Institutions.
- Accordingly, FIU-SL responsible to regulate AML/CFT functions of the casino business.
- FIU-SL has powers to get actions including fines & warnings against casinos if, required policies and procedures are not implemented by the casinos.



Money Laundering and Terrorist Financing Risk of Casinos

- Money Launderers can use casinos to clean their dirty money.
- Terrorist Financiers may also use casinos to transfer their funds to terrorist activities/ terrorist groups.
- Therefore, casinos have to know their customers very well to identify money launderers and terrorist financiers.
- To know about customers casinos need to collect customers' information.



Identify Your Customer

- The following minimum information of customers of casinos need to be collected before accepting them as customers or members.
 - The full name of the customer
 - Permanent residential or mailing address
 - Occupation, name of the employer, business or principal activity
 - An official personal identification number or any other identification document that bears a photograph of the customer or beneficial owner such as the national identity card, passport or driving license
 - Date of birth
 - Nationality
 - Source of funds
 - Purpose of transaction
 - Telephone numbers (residence, office or mobile)
- All the above customer details should be taken from online gaming customers as well as visiting customers of the casinos.



Identify Your Customer (Contd.)

- If the customer is spending or winning an amount of USD 3000 or any similar value in any other currency unit, casinos are needed to collect all information about such players/customers.
- If failed to collect such information due to any reason, casinos are required to inform to the Compliance Officer (CO) regarding the inability and thereafter, CO will get relevant actions as required by the FIU.



Verify Identity of Customer and Retaining Records

- Verify the customer's Personal Identification Number such as passport or National Identity Card (NIC) or driving license number by obtaining the original document and making a copy of the said document.
- Collected information on customers and their transaction details should be retained for 6 years from the date of collection.



Profile Your Customers

- Casinos are required to profile their customers as high or low as per the ML/TF risk that customers will bring in to the casino business based on following areas.
 - Customers Category.
 - Whether the customer is;
 - an individual or a company.
 - local/foreign/non-resident/dual citizen.
 - non-face-to-face or face to face customers.
 - Politically Exposed Person (PEP).
 - Geographic Location of Business/Country of Origin/Country of Residence.
 - Conduct transactions with customers from countries with AML/CFT deficiencies.
 - Locations that have designated terrorist organizations operating within their country.
 - Products/Services/Transactions/Delivery Channels.
 - Cash intensive businesses and cross border transactions.
 - Other Important Areas.
 - Whether the customer or business operates in sectors that are inherently vulnerable to ML/TF risk.
- The collected information under the identification of your customers is required to use in customer risk profiling.



Pay Your Special Attention for:

- Customers rated as high risk

Customer who identified as high risk customer during the risk profiling done by the front desk staff belongs to this category.

- Politically Exposed Persons

Following persons can be categorised as PEPs

- individuals with prominent public functions either domestically or a foreign country,
- a head of a State or a Government,
- a politician,
- a senior government officer,
- judicial officer or military officer,
- a senior executive of a State Owned Corporation, Government or Autonomous body



Pay Your Special Attention:

- Non-face to face customers

When granting membership without physically seen the customer those customers belongs to this category

- Customers from the high risk countries

The list of countries which are rated as high risk is available at FATF, APG and FIU-SL websites.

You need to get approval from the higher management to grant membership for such customers.



Customer Due Diligence

The above explained process of identifying, verifying, profiling customers and conducting on going due diligence is called as Customer Due Diligence.



For Front Desk Staff

- Casino businesses cannot allow customers who are recognized as designated persons or entities by the United Nations Security Council (UNSC). Therefore you need to check whether names of the customers are matching with the listed names in the following lists;
 - ✓ List of terrorists at national level
 - ✓ ISIL & Al-Qaida Terrorist List
 - ✓ Taliban Terrorist List
 - ✓ Designated Persons & Entities in Iran
 - ✓ Designated Persons & Entities in North Korea
- These lists are time to time updated by the UNSC and shared by the FIU-SL.
- If you found a matching or similar name immediately inform to the CO and do not accept him/her as a member of the casino.
- The updated lists can be downloaded from www.fiusrilanka.gov.lk.



Suspicious Transactions Reporting

- If you notice that customer is behaving in a suspicious manner, you need to inform it immediately to your CO.
- Examples for such suspicious behaviors are as follows;
 - Customers who do not like to give the customer identification information.
 - Customer who do not present passport or NIC or driving license to prove their identity.
 - Customer spending time without playing games.
 - Customers requesting to change small denominations of currencies in to large denominations.
 - Customers who do not like to expose the source of income.
 - Customers requesting to funds/winning proceeds in to different bank accounts.
 - Customer who is spending for group of players.
 - Customer who is spending on behalf of another player.
 - Customers who unnecessarily question about AML/CFT practices and procedures of casinos.



THANK YOU



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Financial Intelligence Unit
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