The 2019 REQ Review

Gaming

14 February 2020

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Financial Intelligence Analysis Unit
2019 REQ: Agenda

- 2019 REQ Statistics
- Common Mistakes
- Administrative Penalties & the Enforcement Process
Statistics: 2019 REQ

Gaming Companies

Land-Based Casinos

Remote Gaming Operators
Statistics: REQ Submissions – Gaming Companies

Land-Based Casinos

- 100% REQ Submitters
- 0% Non-Submitters

Remote Gaming Companies

- 73% REQ Submitters
- 27% Non-Submitters
Have you / your institution performed a Business Risk Assessment?

- Land-Based Casinos: 100% Yes, 0% No
- Remote Gaming Companies: 80% Yes, 20% No
Do your / your institution’s internal procedures provide for a regular update of the Business Risk Assessment, or for a periodic assessment verifying that the risk assessment is still complete and up to date?

- Yes: 72%
- No: 4%
- Not Applicable: 24%
What is the schedule/frequency for performing audits with regard to proper compliance with the Maltese AML/CFT regulations?

<table>
<thead>
<tr>
<th>Schedule/Frequency</th>
<th>Gaming Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Needed</td>
<td>30%</td>
</tr>
<tr>
<td>Monthly</td>
<td>1%</td>
</tr>
<tr>
<td>Quarterly</td>
<td>1%</td>
</tr>
<tr>
<td>Annually</td>
<td>36%</td>
</tr>
<tr>
<td>Between 1-3 years</td>
<td>8%</td>
</tr>
<tr>
<td>Every 3 or more years</td>
<td>1%</td>
</tr>
<tr>
<td>No Audit Performed</td>
<td>5%</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>18%</td>
</tr>
</tbody>
</table>
If the FIAU requests specific customer or alert investigation records, are you / is your institution in a position to retrieve such records immediately?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Yes, Always</th>
<th>Yes, most of the time</th>
<th>Depending on the request</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaming Companies</td>
<td>6%</td>
<td>0%</td>
<td>39%</td>
<td>28%</td>
<td>23%</td>
<td>4%</td>
</tr>
</tbody>
</table>
REQ Statistics: Customers

Breakdown of total customers identified: Please list % of "high risk" customers.

- 0-19%: 70%
- 20-39%: 2%
- 40-100%: 2%
- Not available: 26%

Gaming Companies
Of the total number of customers, how many PEPs and/or close associates and family members (collectively referred to as PEPs) are in your / your institution's customer base (including BOs)?
Of the total number of PEPs (if applicable), what is the % of foreign (non-EU or non-EEA) PEPs in your / your institution's customer base as at 31/12/2018 (including BOs)?

![Bar chart showing distribution of foreign PEPs as a percentage of total PEPs, with 65% in the 0-19% range, 3% in the 20-39% range, 3% in the 40-79% range, 2% in the 80-100% range, and 27% marked as Not Applicable.]

Gaming Companies
Of the total number of transactions, what percentage were single deposits of €2,000 or more for providers of gambling services in 2018?
Of the total number of transactions, what percentage were transactions that met the €2,000 threshold within 180 days (cumulative)?
Statistics: Reporting

Were records of all "internal reports" or "alerts" received during 2018 maintained by the MLRO?

STR Submissions 2016-2019

- Land-Based Casinos
- Remote Gaming Companies
Question: Of the total number of transactions, what percentage were single deposits of €2,000 or more for providers of gambling services in 2018?
Answer: 1

Question: Of the total number of customers, what percentage of customers submitted single deposits of €2,000 or more for providers of gambling services in 2018?
Answer: 0

Question: Breakdown of total customers identified: Please list % of "high risk" customers.
Answer: 4

Question: Breakdown of total customers identified: Please list % of "medium risk" customers.
Answer: 6

Question: Breakdown of total customers identified: Please list % of "low risk" customers.
Answer: 83

Question: Does a percentage of your customer base have a risk rating outside of the "high", "medium" and "low" categories?
Answer: No
**REQ 2019 – Common mistakes**

**Question:** What percentage of the institution's customers are considered VIP customers?

**Answer:** 1

**Question:** Of the total number of VIP customers (as stated above), what percentage of VIP customers are resident in Malta?

**Answer:** Not Available

**Question:** Of the total number of VIP customers (as stated above), what percentage of VIP customers are resident in an EU or EEA jurisdiction other than Malta?

**Answer:** 100

**Question:** Of the total number of customers, what percentage were on-boarded on a non-face-to-face basis.

**Answer:** 35563

**Question:** Have you / your institution performed a Business Risk Assessment?

**Answer:** No

**Question:** Did the Business Risk Assessment conducted take into account: the risks and controls related to your / your institution’s customers?

**Answer:** Yes
**Question:** Please list the total number of customers as at 31/12/2018. [Relates to Remote Gaming Operators only]

**Answer:** 125300

**Question:** Please list the total number of new customers in 2018. [Relates to Remote Gaming Operators only]

**Answer:** 222943

**Question:** Please provide percentage of total customers who employed the following funding methods: Cash

**Answer:** 94

**Question:** How many customer master account arrangements does the institution have?

**Answer:** Not Available
Non-Submission
Potential breach of Regulation 19 of the PMLFTR
Presentation of case to the Compliance Monitoring Committee
Imposition of administrative measures

Periodical Reporting
Regulation 19 of the PMLFTR - In fulfilment of its supervisory functions under the Act, the Financial Intelligence Analysis Unit may require subject persons to submit periodical reports on the measures and procedures they maintain and apply pursuant to regulation 5 and any other information or documents as the Financial Intelligence Analysis Unit may consider necessary.
The imposition of administrative penalties and the enforcement process

Imposition of administrative measures

Failure to submit the REQ 2019 or not submit the REQ in a timely manner has led to the issuance of a potential breaches letter on a total of 207 subject persons.

Currently:
Ongoing process of receiving representations, presentation to the CMC and issuance of letters reflecting the administrative measure to be taken.
Sli.do event code: J782

WIFI
User: IC Meeting
Password: meeting247