



Gaming & the AML Package

What News?

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Legal Affairs Section

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Recap: content of the package

AML/CFT Regulation (AMLR)

- Rules applicable to the private sector

6th AML/CFT Directive

- Rules applicable to competent authorities

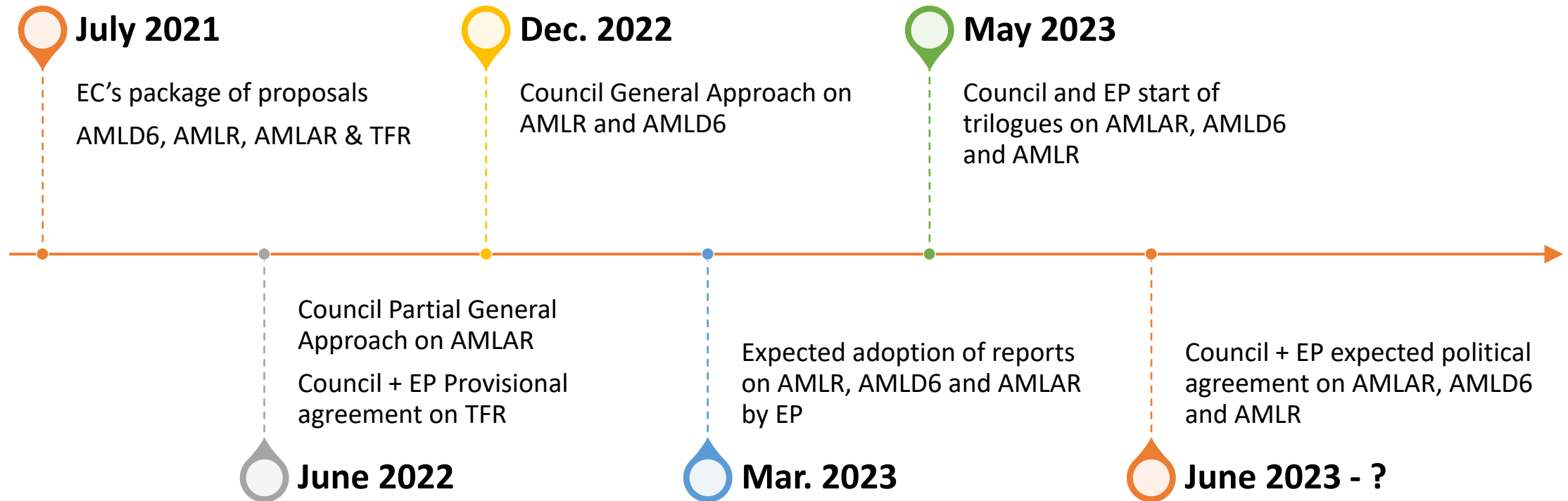
Transfer of Funds Regulation recast

- Traceability of crypto-asset transfers

Regulation creating an AML/CFT Authority (AMLAR)

- Oversight of EU AML/CFT architecture

Timeline – Council and EP negotiations



Anti-Money Laundering Authority Regulation (AMLAR)



The New AML Authority (AMLA)

- It is essential to address the current shortcomings in AML/CFT supervision within the EU;
- It will become centerpiece of an integrated AML/CFT supervisory system.

MAIN FUNCTIONS

A supervisory function through either directly/indirectly supervising Obligated Entities

Supporting & Coordinating role vis-à-vis FIUs.



Supervisory functions, powers and tasks

- ✓ Setting up a harmonized AML/CFT supervisory methodology;
- ✓ Develop instruments & convergence tools to promote common supervisory approaches and best practices;
- ✓ Coordinate thematic reviews across the Union;
- ✓ Establish a central AML/CFT database.

EU Parliament: Proposed wider role with regards to EU restrictive measures.



Powers vis-à-vis Non-Financial AML/CFT Supervisors

- ✓ Conduct periodical peer reviews of AML/CFT Supervisors; and
- ✓ Investigate possible breaches or non-application of EU Law by AML/CFT Supervisors.

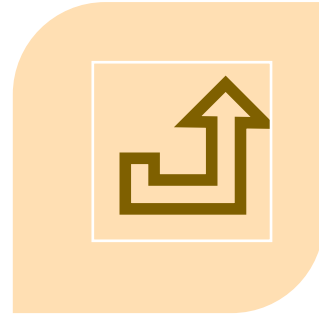
EU Parliament: Proposed creation of AML/CFT Supervisory Colleges for the Non-Financial Sector

Main issues discussed at
Council level

Anti-Money Laundering Regulation



AMLR: Main aspects of relevance to the Gaming Sector



EXEMPTION FROM
OBLIGATIONS – POSSIBLE
RESTRICTION BEYOND
CASINOS



PARLIAMENT PROPOSAL – **SPECIAL
MEASURES FOR ONLINE GAMBLING
OPERATORS**



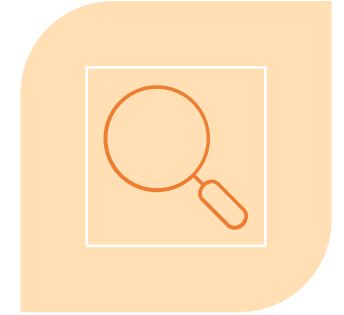
APPLICATION OF CDD –
**DIFFERENT THRESHOLDS FOR
LAND-BASED AND REMOTE
OPERATORS**



PROHIBITION – **PSP NOT TO
PROCESS TRANSACTIONS FOR
NON-EU LICENSED OPERATORS**



LIMITATION ON CASH –
**POSSIBLE IMPACT ON LAND-
BASED OPERATORS**



OTHER OBLIGATIONS
CLARIFIED – **OUTSOURCING,
COMPLIANCE STRUCTURES,
GROUPS ETC.**



AMLR: main issues discussed — Outsourcing

MSs views on original COM proposal –
different but prevailing opinion = strict
prohibitions set out in current proposal
to be loosened



Council mandate → only following explicit list of tasks shall not
be outsourced under any circumstances:

Approval of the OE's risk assessment	Approval of OE's policies, controls and procedures	Reporting of STRs/threshold-based declarations UNLESS: <ul style="list-style-type: none">• group; or• partnerships for information sharing; or• Collective investment undertakings
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AMLR: main issues discussed

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SDD

Where the business relationship/transaction presents a **low degree of risk**, OEs may apply the following SDD measures:

- a) Verify the identify of the customer & BO after the establishment of the business relationship, provided that the specific lower risk identified justified such postponement but no later than **3 months or the period set out in regulatory technical standards or what is appropriate with regards to RBA, whatever is shorter**, of the relationship being established;
- b) Use source of info to verify the identification data of natural or legal persons, with proportionately **lower degree of reliability & independence**;
- c) For the purposes **of verifying the information on the BO(s), only consult the central registers**, insofar the OE is reasonably satisfied that the information therein is correct and there are no grounds for suspicion.



Third Country policy and ML/TF threats from outside the Union

Article 23:

(1) Third countries that are **subject to a Call for Action regarding the application of EDD measures or counter measures by the FATF**, are to be identified by the Commission and designated as 'high-risk third countries, **provided:**

- a. **CION remains member of the FATF; and**
- b. **Those third countries suffer from strategic deficiencies in their regimes to counter ML/TF and financing of proliferation of weapons of mass destruction.**

(2) In order to identify the countries referred to in para 1, Commission is empowered to adopt delegated acts . The Commission shall **review any delegated acts adopted hereunder within 10 working days from a change to the FATF's 'high-risk jurisdictions subject to a call for action' document.**



The 6th Anti-Money Laundering Directive (AMLD6)



Main Scope of the Directive

Establishes the public authorities' framework with regards to AML/CFT:

- ☐ Sets out what are the responsibilities and tasks of Financial Intelligence Units (FIUs);
- ☐ Sets out what are the responsibilities and tasks of bodies involved in the supervision of obliged entities;
- ☐ Regulates cooperation between competent authorities under the AMLD and cooperation with authorities covered by other EEA acts;
- ☐ Regulates the set-up and access to beneficial ownership, bank account and real estate registers;
- ☐ Sets out how ML/TF risk is to be assessed at EEA and Member State levels.



Relevance to the Gaming Sector

- ❑ **Regulation of 'gambling operators'** – sets out an obligation to determine whether BOs and senior management are fit and proper [Article 4 & Article 6]
- ❑ **Carrying out of the NRA** – obligation on Member States to carry out the same at least once every four (4) years [Article 8]
- ❑ **Transaction Suspension Powers** – covers both transactions and 'business relationships' with different proposals as to timeframes by EU Commission and EU Council [Article 20]



Relevance to the Gaming Sector

- ❑ **Feedback from FIUs** – Obligation explained in more granular detail [Article 21]
- ❑ **Pecuniary Penalties** – Council introduced administrative penalties for failure to carry out corrective actions [Article 41]
- ❑ **AML/CFT Colleges** – EU Parliament proposing the introduction of AML/CFT Colleges for the Non-Financial Sector



Thank you!

We're here to help. Drop us a line on:

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