



# 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

## 6<sup>th</sup> AML/CFT Directive

- Rules applicable to competent authorities

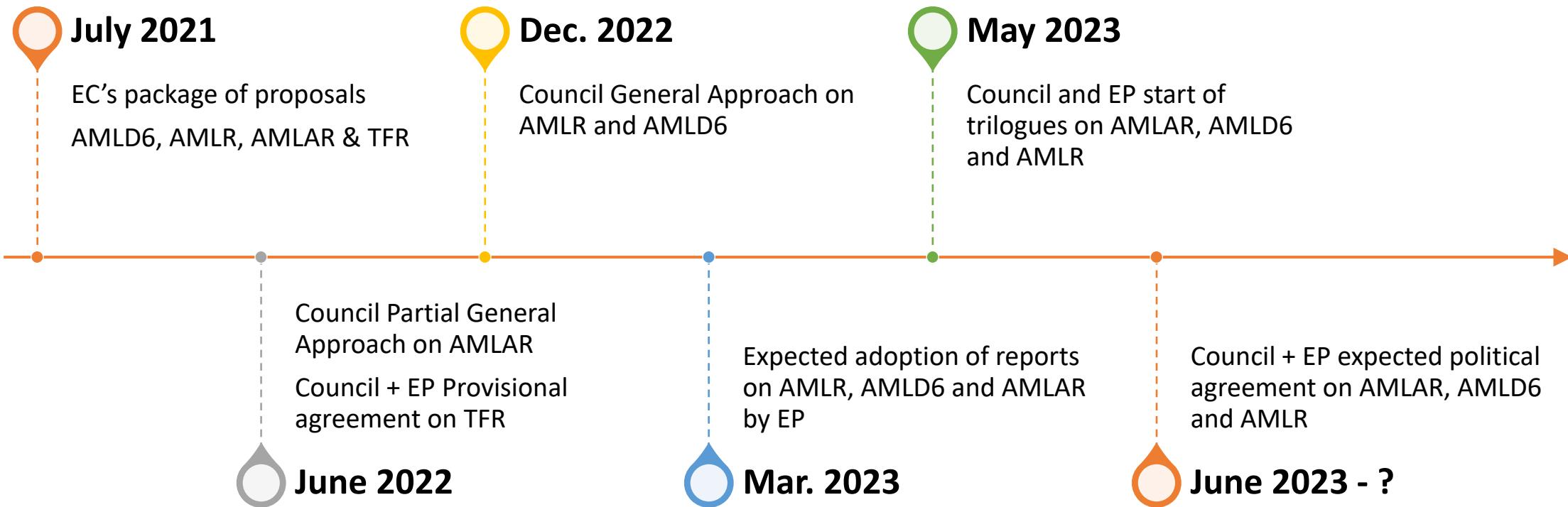
## Transfer of Funds Regulation recast

- 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 Obliged 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

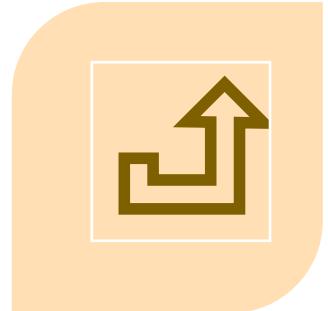
- ✓ Conduct periodical peer reviews of AML/CFT Supervisors; and
- ✓ Investigate possible breaches or non-application of EU Law by AML/CFT Supervisors.

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

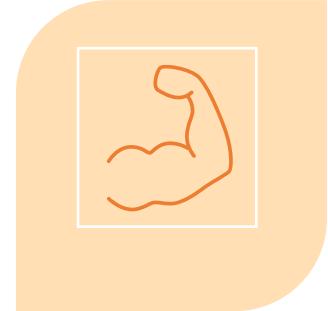
Main issues discussed at  
Council level

Anti-Money Laundering  
Regulation

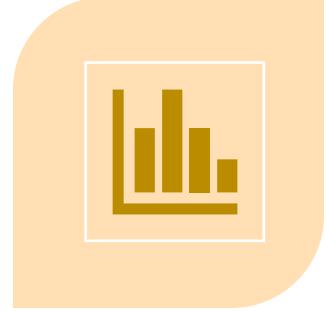
# AMLR: Main aspects of relevance to the Gaming Sector



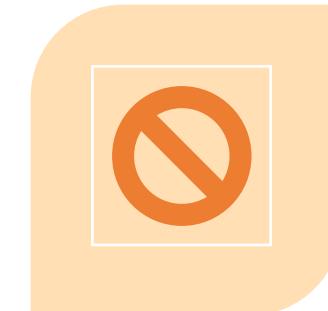
EXEMPTION FROM  
OBLIGATIONS – POSSIBLE  
RESTRICTION BEYOND  
CASINOS



PARLIAMENT PROPOSAL – SPECIAL  
MEASURES FOR ONLINE GAMBLING  
OPERATORS



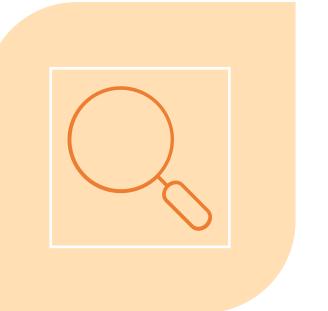
APPLICATION OF CDD –  
DIFFERENT THRESHOLDS FOR  
LAND-BASED AND REMOTE  
OPERATORS



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

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## 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:

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