

Anti-Money Laundering And Anti-Terrorist Financing Controls

Pursuant to section 3(d) of the Proceeds of Crime (AML/ATF) Supervision and Enforcement Act, 2008 (the Act) the Bermuda Gaming Commission is designated as the supervisory authority with responsibility for casino operators. As a supervisor, the Act at section 5 mandates that the Commission must effectively monitor, on a risk-sensitive basis, the relevant persons and financial groups in casino gaming and take necessary and effective measures for the purpose of securing compliance with directions or licence condition, AML/ATF regulations as well as international sanctions obligations.

Section 11A of the Act incorporates a “fit and proper” test requirement for all persons who direct or control a casino. Fit and Proper has been explained at 11a (2) of the Act to include a person’s:

1. Probity,
2. Competence
3. Soundness of judgement for fulfilling the responsibilities of that position, to the diligence with which he is fulfilling or likely to fulfil those responsibilities and
4. To whether the interests of the non licensed AML/ATF regulated financial institution or regulated non-financial business or profession are, or are likely to be, in any way threatened by his holding that position.

The Commission as a supervisor is responsible for ensuring that the Casino operator has robust AML and ATF controls incorporated in their internal controls document. As a part of that duty the Commission accepts that sector requires monitoring to ensure that The Operator is adhering to those internal standards. The Act and associated regulation provide a wide range on tools that the commission may employ to exercise effective controls.

The Gaming (Casino) Regulations, 2018, require that the casino operator’s Internal Control document shall set out a comprehensive and robust AML/ATF compliance policy, that is risk-based and will ensure compliance with all the casino operators’ AML/ATF obligations.

The casino operator shall conduct a risk assessment to identify any areas of its casino operations at risk for money laundering and terrorist financing and the AML/ATF compliance policy shall specify the measures to address those risks.

The risk assessment shall cover, but not be limited to, the risks involving:

- casino patrons generally, which may include whether a patron
 - has sources of wealth or income commensurate with his gaming activity;
 - has provided personal, financial or business information that can be readily verified;

- has fiduciary obligations that may create a risk of misappropriation of funds;
- is associated with individuals or entities known to be connected to the illicit generation of funds or the laundering of such funds;
- has been made bankrupt;
- has a prior history of criminal or dishonest conduct; or
- is a politically exposed person;
- casino gaming, eGaming and betting generally;
- products and services offered by or on behalf of the casino operator;
- employees in the proper performance of their functions and duties and as a voluntary or involuntary part of any AML/ATF scheme;
- the use of foreign holding accounts where funds are held in a foreign jurisdiction for use in a casino in Bermuda;
- the use of third-party marketing agents and junkets;
- the ownership structures and integrity of intermediaries and associated businesses such as junket promoters, agents, gaming manufacturers, financial service providers;
- criminal activities and proceeds of crime generated domestically as well as generated abroad but laundered domestically;
- financial services offered by the casino operator or by an intermediary; and
- the use of slot machine or kiosks that accept cash.

The AML/ATF compliance policy shall include:

- procedures for using all reasonably available information to determine:
 - the full name, date of birth, and residential address, and verification of the same, of a patron of the casino, when required by the Commission or any other law enforcement agency to provide such information; and
 - whether a suspicious activity report needs to be filed;
- the creation and maintenance of any records required under;
- internal testing for compliance with the requirements of the gaming and AML/ATF law;
- appropriate, ongoing training of casino personnel in AML/ATF matters;
- a clear reporting line and escalation path;
- responsibilities of the compliance officer in relation to AML/ATF matters;
- a clear procedure for the review and implementation of any compliance officer recommendations or reports;
- integrating and sharing data as appropriate and feasible among:
 - different parts of the casino and integrated resort;
 - any other casino operators;
 - other entities providing gaming, betting or lottery services; and
 - affiliates in other jurisdictions;
- consideration of all remuneration and employee incentive policies and structures to ensure that no person is rewarded as a result of failing to comply with the AML/ATF compliance policy;
- procedures to ensure that high risk or politically exposed persons are identified so that appropriate sign-off is obtained for transactions involving those persons;

- procedures to implement such measures as are necessary to assist any law enforcement or regulatory authorities in Bermuda with any investigations or enabling those authorities to freeze or seize assets where permitted by law;
- the use of any cashless wagering systems to monitor the variety, frequency and volume of transactions; and
- clear policies and procedures to prevent to the greatest extent practicable the purchase of chips from 'clean' patrons at a premium.

The casino operator shall review its risk assessment and compliance policy at regular intervals and in light of any changes of circumstances, including the introduction of new products or technology, new methods of payment by customers, changes in the customer demographic or any material changes, and in any event at least annually.

The casino operator shall:

- consider such amendments to the AML/ATF compliance policy as may be recommended; and
- make such amendments as may be required by:
 - those persons carrying out the review pursuant to paragraph (5);
 - the Commission; or
 - the independent entity providing the opinion pursuant to Regulation 154.

The casino operator shall keep a record that demonstrates that:

- it takes all relevant risk factors into account when determining the level of AML/ATF risk; and
- AML/ATF risk assessments are not unduly influenced or compromised by the potential profitability of new or existing patron relationships.

The casino operator shall seek, through its AML/ATF compliance policy and otherwise, to create to the greatest extent possible a culture where significant importance is attached to AML/ATF.

The casino operator shall seek to utilize any cashless wagering system or patron account information to aid in complying with the provisions of these Regulations.

The casino operator shall ensure that adequate resources are allocated to ensure compliance with all AML/ATF requirements.

The casino operator shall ensure that any employees in a jurisdiction other than Bermuda comply with all record keeping and recording requirements set out in the Act or these Regulations.

A casino operator shall ensure that its AML/ATF compliance policy is reviewed and an opinion prepared by an independent entity approved by the Commission prior to the opening of the casino and at such intervals as the Commission may by written direction require. The opinion

shall address the compliance of the AML/ATF compliance policy with the requirements of these Regulations and any other provisions of law relating to AML/ATF. The costs of complying with this regulation shall be borne by the casino operator.

Pursuant to section 49 (2) (eg) of the Proceeds of Crime Act 1997 the Executive Director of the Commission is designated as a member of the National Anti-Money Laundering Committee (NAMLC). Additionally, the Bermuda Casino Gaming Commission was recognized in the 2020 Mutual Evaluation Report as the regulator for gaming and a part of the AML/CFT institutional framework. The Commission is an active member of the NAMLC group.