



INSTRUCTION (NO.1) TO LICENSEES AND CERTIFICATE HOLDERS

RISK

Instruction made under Section 22(3)(b) of the Alderney eGambling Ordinance, 2009.

1. Background

The Alderney Gambling Control Commission (“AGCC”) is committed to meeting established international standards on Anti Money Laundering and Counter Terrorist Financing (“AML/CFT”).

2. Consultation with industry on risk

In a recent consultation with the eGambling industry based on Alderney it was identified that the following areas are considered by the industry to pose *the greatest risk of Money Laundering and Terrorist Financing (ML/TF)*:-

- Payment method fraud
- The manipulation of events in event based wagering
- Concerns in relation to Jurisdictions
 - Customer location
 - Whether to offer gambling services
 - Reliability (or lack thereof) of Identification and Verification services

and of these risks payment method fraud is considered by industry to pose the highest risk of ML/TF.

The AGCC notes that Suspicious Transaction Reports (“STRs”) submitted by licensees and certificate holders to the Guernsey Financial Intelligence Service (“FIS”) correlates directly with this as concerns about payment methods account for approximately half of all STRs submitted.

3. Action to be taken

The Board of each Licensee and Certificate Holder must as soon as reasonably practicable and not later than 1st April, 2014:

- (a) consider the risks to their business posed by the issues raised in this Instruction,
- (b) ensure that their Business Risk Assessments accurately reflect any such risks by making any necessary changes, and seeking approval for the any such relevant changes to the Internal Control System from the AGCC.

The action taken by each Licensee and Certificate Holder under this Instruction will be reviewed during on-site inspections and by other means as necessary.

28th November, 2013.