



## **INSTRUCTION (NO.2) TO LICENSEES AND CERTIFICATE HOLDERS**

### **SUSPICIOUS TRANSACTION REPORTS**

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. Making of Suspicious Transaction Reports ("STRs")**

This Instruction is being issued as a result of the findings in the most recent AML/CFT assessment on Guernsey, where the IMF highlighted the importance of effective STR reporting in the eCasino sector. The assessors identified that the monitoring regime, AML/CFT training requirements, and identity verification procedures of Licensees and Certificate Holders are important factors in ensuring that an effective suspicious transaction detection framework is in place.

#### **3. Action to be taken**

In order to ensure that an effective suspicious transaction detection framework is in place, the Board of each Licensee and Certificate Holder must:

- (a) review the policies, procedures and controls set out in the Internal Control System ("ICS") on the –
  - (i) reporting of suspicion of money laundering and the financing of terrorism by employees to the MLRO and the licensee's disclosures to the Guernsey Financial Intelligence Service ("FIS") to ensure the effective handling, reporting and disclosure of suspicions,
  - (ii) monitoring of transactions to ensure that there is an effective monitoring regime in accordance with paragraph 6 of the Alderney eGambling Regulations, 2009 ("Regulations")<sup>1</sup>,
  - (iii) AML/CFT training requirements so as to verify that they are in accordance with paragraph 8 of the Regulations, and
  - (iv) use of additional forms of customer due diligence and identity verification procedures to supplement identification verification software to ensure that verification is performed in accordance with paragraph 5A(b) of the Regulations;

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<sup>1</sup> Category 1 eGambling licensees are required to perform ongoing monitoring of *all transactions* (including the Category 2 eGambling licensees gambling transactions) in accordance with paragraph 6(1)(c) of the Regulations. Category 2 eGambling licensees and certificate holders are also required to perform ongoing monitoring of gambling transactions and report all written findings to the Category 1 eGambling licensees in accordance with paragraphs 6(1A) and 6(4) of the Regulations.

- (b) reiterate to all employees *their* obligations to internally report suspicions to their MLRO or Nominated Officer under the Disclosure (Bailiwick of Guernsey) Law, 2007 and the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 ("the Laws");
- (c) direct the MLROs and Nominated Officers to consider their reporting obligations under the Laws so as to ensure that suspicions are appropriately reported to the FIS and copied to the AGCC in a timely manner in accordance with their obligations under the Laws; and
- (d) as soon as reasonably practicable have taken the necessary action –
  - (i) to remedy any identified deficiencies arising from this Instruction (and where necessary, seek approval for any necessary changes to the ICS from the AGCC) and,
  - (ii) to comply with the requirements of this Instruction.

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.

29<sup>th</sup> November, 2013.