



**BETTING GAMING AND LOTTERIES  
COMMISSION**

**Minimum Standards  
For Gaming Lounges  
Anti-Money laundering  
Programme**

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## Background

Globally, member countries are expected to comply to the international standard on anti-money laundering and anti-financing of terrorism proposed by the Financial Action Task Force (FATF). Money laundering activities are monitored through the FATF 40+ recommendations especially on Recommendations for Designated Non-Financial Institutions.

The Caribbean Financial Action Task Force (CFATF)<sup>1</sup> is the regional intergovernmental body responsible for ensuring that standards relating to anti-money laundering and countering the financing of terrorism (“AML/CFT”) are implemented and maintained across the Caribbean and Central American region. This body was created with the signing in 1992 of the Kingston Declaration in Jamaica. In the declaration, regional governments committed to adopting FATF’s 40+ recommendations on anti-money laundering.

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<sup>1</sup> The Caribbean Financial Action Task Force is an organisation of states and territories of the Caribbean Basin, including Jamaica, which has agreed to implement the FATF's Recommendations as common countermeasures against money laundering and terrorism financing.

## **Objectives**

The purpose of the BGLC Minimum Standards for Anti-Money Laundering is to ensure Gaming Lounges take all the appropriate steps to prevent and detect money laundering activities. Gaming lounge operators shall ensure that all appropriate steps are taken to inform themselves about developments in money laundering that might affect them, train their staff, adopt anti-money laundering and terrorist financing policies, apply appropriate due diligence procedures to their customers and report those who engage in suspicious activities to the Financial Investigation Division (FID).

In order to be fully compliant, your business Compliance Programme must meet the Minimum Standards, the BGLC Anti-Money Laundering Guidance Notes and the provisions of the Proceeds of Crime (Money Laundering Prevention) Regulations, 2007.

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# The BGLC Minimum Standards for Gaming Lounges Anti-Money Laundering Programme

The BGLC requires that all gaming lounge operators adopt **written** AML Compliance Programme that is reasonably designed to ensure proper recordkeeping and reporting of certain transactions, and to prevent your business from being used to launder money.

**Your AML Compliance Programme must include, at a minimum, the following:**

**A. Adoption of a written risk-based AML Programme with internal policies, procedures and controls for:**

- Customer Due Diligence (CDD) and Enhanced Due Diligence for high risk customers including known Politically Exposed Persons (PEPs).
- Comprehensive reporting to senior management by the Nominated Officer
- Handling Suspicious Transactions Reports (STRs) (i.e. those reported by employees at all locations and transmission to the Financial Investigations Division (FID)).
- Mechanism for confidential contact/communication between the Nominated Officer and law enforcement or FID including the circumstances in which appropriate consent should be sought.
- Recordkeeping
- Employee Due Diligence and Employee training
- Monitoring and management of compliance with policies and procedures

**B. The designation of a Nominated Officer who is responsible for:**

- i. Development and implementation of programmes, policies, procedures and internal controls
- ii. Training and education of employees - orientation and refresher training
- iii. Reporting
- iv. Monitoring compliance

**C. An ongoing employee training Programme** provided to employees who have direct interaction with patrons/customers or who handle or review customer transactions subject to the POCA. The extent and intensity of the training should vary according to the responsibilities of the employee. Operators are required to take appropriate steps so that all relevant employees are:

- Made aware of the law relating to money laundering and terrorist financing
- Understand the policies and procedures
- Provided with annual training in how to recognise and deal with transactions and other activities which may be related to money laundering or terrorist financing.

**D. Periodic Review of your AML Programme:**

- The review should be at least once per year and be as thorough as needed based on the risks specific to your business and the requirements of the Regulations.

## Quick Checklist

Steps recommended to meet the BGLC minimum standard requirements

<b>Step 1</b>	<b>Appoint a Nominated Officer</b>
1.1	<p>The Nominated Officer must be designated as the responsible officer for compliance with POCA and AML requirements, policies and training and fully knowledgeable of the POCA and all related regulations. Additionally, the Nominated Officer should also understand the gaming lounge's products, services, locations and the potential money laundering and terrorist financing risks associated with those factors.</p> <p>The Nominated Officer must be vested with appropriate authority and resources to implement the AML Programme and assist the operator in managing risk.</p>
<b>Step 2</b>	<b>Document your AML policies and procedures:</b>
2.1	<p>Know the threshold amount and incorporate in your written programme, systems and controls at all premises. The Nominated Officer should assess whether an IT system is necessary given the size of the operations.</p> <p><b>De Minimis amount/threshold is US\$3,000* (proposed)</b></p>
2.2	<p><b>Customer Due Diligence (CDD)</b> - Collect and verify customer identification.</p> <p>Gaming Lounge Operators may choose to identify customers upon entry (e.g. in the case of a membership or loyalty programme or routine registration of players and defer verification until threshold is reached).</p> <p>However, CDD <b>must</b> be done when a customer pays US\$3,000* (or the J\$ equivalent) or more into the gaming machine (s) during any period of 24 hours. The threshold amount does not include winnings or promotional/bonus credits. Identification and verification of customer must be done before or immediately after the customer pays US\$3,000* or more.</p>
2.3	<p>Appropriate procedures must be implemented to <b>monitor and record the total money paid/used on account in the gaming machines</b>. Where there are multiple premises, appropriate mechanisms must exist to monitor gaming patterns in each location.</p>

\* - Awaiting Approval for the Ministry of National Security, Jamaica

## Quick Checklist

- 2.4 **Identification and Verification:**  
**CDD measures:** To establish true identity the following information is needed: first and last name, permanent address in proper form (no P.O. Box), date and place of birth, nationality.  
 Acceptable Forms of identification:
- Local residents
- current valid driver's licence issued by Tax Administration Jamaica (TAJ) or,
  - current valid passport issued by Government departments/authorities in the country in which the person is a resident or,
  - current valid voters identification with photograph
- Visitors
- current valid passport issued by Government departments/authorities in the country in which the person is a resident or,
  - current valid driver's licence issued by the Government departments/authorities in the country in which the person is a resident
- A copy of the relevant ID is to be taken. In addition, customer's address can be obtained verbally if such information is not on the Government issued ID. Please note that only one (1) form of Government issued ID is required.
- Refer to Step 6 for the different forms of retention which is not limited to physical copies.
- ID must be carefully examined to ensure as far as reasonably, forgeries are not accepted. Licensees are required to implement appropriate encryption and access controls for protecting the privacy of customer's personal and sensitive information.
- 2.5 **Enhanced Due Diligence** - For high risk customers, it is acceptable to verbally obtain the customer's occupation and/or industry of work as a means of determining source of funds. Operators are not required to verify source of funds. Information concerning source of funds will help the operator to assess whether a customer's spending profile is in keeping with his/her appropriate income.

<b>Quick Checklist</b>	
2.6	<p><b>Politically Exposed Persons (PEP) -</b>            If there are PEPs, a risk-based approach is to be taken - the customer may be allowed to game (this does not incriminate individuals or the gaming lounge operator) and measures implemented to carry out enhanced due diligence.            New and existing customers may not initially meet the definition of a PEP, but that position may change over time. Establishing whether PEPs are in your establishment is not straightforward. Therefore, being alert to public information as far as practicable could help. If there are PEPs, the customer's source of funds must be established. It is acceptable that PEPs source of income is derived from their post of employment. You are not required to go further to prove source of funds.</p>
<b>Step 3</b>	<p><b>Risk Assessment of high-roller customers</b>            Determine and implement risk assessment policies and procedures.</p>
3.1	<p><b>Create a customer profile.</b> For example, factors could be based on frequency of play, high rollers, high volume, PEPs, frequency of high dollar value transactions, customers' behaviour (e.g. coordination of game with other customers); use of membership/loyalty cards.</p>
3.2	<p><b>Risk rate customers</b> into 2 categories - High Risk and low risk</p>
3.3	<p><b>Determine policies and procedures for High Risk customers</b></p>
<b>Step 4</b>	<p><b>Employee Due Diligence</b></p>
4.1	<p>Gaming lounge operators must implement processes to ensure continued maintenance of a high level of integrity and competence among staff. These include:</p> <ul style="list-style-type: none"> <li>a) Establishment of a Code of Ethics to guide employee conduct;</li> <li>b) Regular review of employee's performance and adherence to AML requirements;</li> <li>c) Imposition of disciplinary actions for breaches of the Operator's AML policies;</li> <li>d) Careful scrutiny and investigation of employees who display suspicious behaviour, for example: lifestyle changes, unusual transaction activities, inappropriate patron relationships, association with persons known to be involved in criminal activities, refusal to take holidays.</li> <li>e) New staff members are to receive training in AML within three (3) months of joining the establishment as part of their orientation and all staff members are to receive training on an on-going basis, at least annually;</li> <li>f) Regular review of employee's performance and adherence to AML requirements</li> </ul>
4.2	<p>Prescribed premises workers once licensed by BGLC will have the flexibility to work in any of the gaming establishment. As soon as the licensed prescribed premises worker terminates his/her employment with a specific gaming lounge, the BGLC is to be notified. Additionally, the receiving gaming lounge operator shall request clearance/confirmation from the BGLC prior to employing this individual.</p>

Quick Checklist	
<b>Step 5</b>	<b>Training and Awareness</b>
5.1	Develop training policy and procedures to ensure relevant employees are aware of their legal obligations in respect of preventing money laundering and terrorist financing.
5.2	Develop training material and train all relevant employees - orientation and refresher training. This training must be provided to all relevant employees at all prescribed location island-wide. Content, regularity and assessment of competence following training are to be determined and assessed.
5.3	<p>Relevant employees includes:</p> <ul style="list-style-type: none"> <li>• Those engaged in the operation of slot machines including slot machine repairers</li> <li>• Cashier cage employees</li> <li>• Surveillance employees</li> <li>• Senior Management</li> <li>• Gaming floor Supervisors/Managers and or Manager for specific location</li> <li>• All other persons with direct interaction with the customers.</li> </ul> <p>It does not include ancillary staff such as janitorial, catering and bar staff.</p>
<b>Step 6</b>	<b>Record Keeping</b>
6.1	<p><b>Document Record keeping policy and procedure</b> covering records in the following areas: customer identification and verification information; employee training records; STRs; information not acted on by Nominated Officer stating reasons why no further action was taken; nominated officer's reports to senior management; how compliance has been monitored by nominated officer; records connected to appropriate consent. Retention of customer records - identification and verification - 7 years based on the last date on which the customer visited the gaming lounge. Retention of supporting documents - 7 years.</p> <p>Occasional or one-off gaming machine transaction over US\$3,000* - especially with tourists - retention of supporting documents - 7 years.</p> <p>Records can be kept in any one or a combination of the following forms: Original documents, photocopies of documents, computerized or electronic form, scanned form</p>
<b>Step 7</b>	<b>Suspicious Transaction and Reporting</b>
	All Suspicious transaction Reports are to be submitted to the Designated Authority - addressed to the Chief Technical Director, Financial Investigations Division. Employees are required to make a report where they know, where they suspect or where they have reasonable grounds for knowing or suspecting that a person is engaged in money laundering.
7.1	Implement mechanism where employees at different premises of the gaming lounge operator can report to the designated nominated officer

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