

Executive summary

- 1.1** The Gambling Commission's money laundering and terrorist financing risk assessment 2017 highlights the core risks associated with each of the sectors within Great Britain's (GB) licensed gambling industry.
- 1.2** This purpose of this risk assessment is to:
- act as a resource for the industry in informing their own money laundering and terrorist financing (ML/TF) risk assessments
 - meet our statutory anti-money laundering supervisor responsibilities
 - advise HM Government on risks in the industry; and
 - inform and prioritise our compliance activity to raise standards in the industry.
- 1.3** This assessment has been developed in consultation with sector and industry specialists. The Commission has liaised with law enforcement, including the National Crime Agency (NCA), and considered approaches taken by other AML supervisory authorities, such as the Financial Conduct Authority (FCA). The Commission also considers HM Treasury's National Risk Assessment (NRA) of money laundering and terrorist financing 2017 when assessing the key threats posed by the risks identified in the GB gambling industry.
- 1.4** In summary, the risk ratings for each gambling sector are as follows. Note that the overall risk ratings have not changed since the previous risk assessment, published in March 2017:

Arcades (non-remote)	Betting (non-remote)	Bingo (non-remote)	Casinos (non-remote)	Gaming machines (remote and non-remote)	Lotteries (remote and non-remote)	Remote (casinos, betting and bingo)
Medium	Higher	Medium	Higher	Lower	Lower	Higher

- 1.5** The gambling industry is not immune to ML/TF. It is highly segmented, with a wide range of operators based both domestically and overseas, offering diverse products, in different environments, to different types of customers, with various payment methods. Criminals are increasingly looking for alternative ways to launder criminal proceeds and the gambling industry needs to be alert to this.
- 1.6** This assessment is a key tool in ensuring that the Commission is focussing its resource and expertise on the highest risk areas of ML/TF in the GB gambling market. We expect all operators to have an awareness of the vulnerabilities, controls and consequences associated with the ML/TF risks in gambling. This document is intended to act as a valuable resource for the industry in informing their own ML/TF risk assessments.
- 1.8** It is imperative that gambling operators comply with the requirements of the Gambling Act 2005 (the Act) and the Licence Conditions and Codes of Practice (LCCP) to ensure that they have effective policies, procedures and controls in place to prevent ML/TF, and continue to raise standards and that regard.

Embargoed Executive Summary- not to be shared any wider than the intended recipient, no public release of these details up to and including 12.00pm (noon) Monday 26 March 2018. Embargo is lifted at 12.01pm Monday 26 March 2018, upon which a full version of the risk assessment will be available on the Gambling Commission's website.