

## <sup>7</sup> Record Keeping

Entities should develop strong and accessible record keeping systems and processes to retain records for at least 20 years after a transaction, and 20 years after end of business relationship

- <sup>1</sup> See FI Act section 12 (1), a, ,c ,d ,e,(2)a, b, c, d, e ,f
- <sup>2</sup> See FI Act section 11(1),a ,b ,c ,d ,(2),(3),(4),(5),(6),(7)
- <sup>3</sup> See FI Act sections 12(1)c
- <sup>4</sup> See FI Act section 14,15,16,17,18,21,23,24
- <sup>5</sup> See FI Act, sections 25&26
- <sup>6</sup> See FI Act, sections 33,34,35,37,38,39,40,41,42,43
- <sup>7</sup> See FI Act, sections 27,28,29,30,31&32



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Botswana Gambling Authority

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The Gambling Authority's  
**Compliance Obligations**  
in Terms of the Financial  
Intelligence Act



## Gambling Authority

The Gambling Authority (“the Authority”) is a body corporate established under an act of parliament with the primary objective of issuing gambling licenses and regulating the gambling industry in Botswana. The Authority further ensures fair and safe gambling in Botswana and compliance with license conditions through the Gambling Act, 2012 (“the Act”), Gambling Regulations, 2016 (“the Regulations”) and other statutes such as the Financial Intelligence Act 2019 and Financial Intelligence Regulations, 2019 (“F.I. Regulations”).

## The Financial Intelligence Act, 2019

The Financial Intelligence Act (FI Act) and Regulations (FI Regulations) were enacted for the primary purpose of combatting the money laundering, the financing of terrorism and proliferation as well as other related activities.

The FI Act and Regulations were amended in 2018 for alignment with international standards. The amendments widened obligations for specified party (Casinos), introduced stringent penalties for non-compliance, and broadened certain definitions such as suspicious transaction and prominent & influential persons among other changes.

Specified Parties as defined by the FI Act include all Casinos as regulated by the Authority.

### Obligations Imposed on The Gambling Authority by the FI Act

The Gambling Authority as a Supervisory Authority has obligations enshrined under Section 44 of the F.I. Act which are as follows:

- regulate and supervise a specified party for compliance with this Act including through on-site examinations,
- in consultation with the Agency, issue instructions, guidelines or recommendations

to help a specified party comply with this Act,

- in cooperation with the Agency, develop standards or criteria applicable to the reporting of suspicious transactions that shall take into account other existing and future pertinent national and international standards,
- maintain statistics concerning compliance measures adopted or implemented by the specified party and sanctions imposed on such specified party, under this Act and
- conduct risk-based supervision of anti-money laundering, counter-financing of an act of terrorism and counter-financing of proliferation of arms of war or NBC weapons.

### The Authority may also:

- issue a directive, penalising a specified party by imposing an appropriate, prescribed fine where the specified party has without reasonable excuse, failed to comply in whole or in part with any obligations under this Part; or
- enter into an agreement with a specified party to implement an action plan to ensure compliance of the specified party's obligations under this Act.

### Obligations Imposed on Casinos the FI Act

#### <sup>1</sup> Governance

Casinos should designate an adequate AML/CFT&P compliance function and officer(s) (AMLCO) proportionate to the size and risk level of an entity. To enable the successful oversight of the AML function, the AMLCO must have sufficient independence from the business lines to prevent conflicts of interest and unbiased advice and counsel. Audits should be conducted to evaluate the effectiveness of the function, including where external auditors are used.

#### <sup>2</sup> AML/CFT&P Risk Management System & Controls

Casinos should conduct institutional risk assessment, understand their risk and determine the level of controls to be implemented which should include AML/CFT&P policies, systems, internal procedures and rules.

#### <sup>3</sup> Training

Casinos should train their staff members on AML/CFT&P at least once a year. The training content should emphasise obligations under the FI Act, Regulations, other relevant legislation, and sector/entity-specific risks.

#### <sup>4</sup> Due Diligence

Casinos should maintain strong processes for identification and verification (CIV) of their customers/business partners/beneficial owners and their representatives, beneficiary and their employees at least every 2 years. Processes and/or systems to screen business relationships for prominent & influential persons, high risk persons, businesses & Jurisdictions. CIV should include proof of addresses, sources of income and wealth should be in place.

#### <sup>5</sup> Transactions & Monitoring

There should be ongoing due diligence to monitor and understand business relationships and report UNSC sanctioned persons/jurisdictions, suspicious or uncharacteristic transactions and activities.

#### <sup>6</sup> Reporting

Casinos must maintain reporting line for all Cash Transactions (CTR) and Wire Transfers (WTR) of over P10 000.00, as well as Suspicious Activity (SAR) and UNSC sanctioned persons/jurisdictions with the Financial Intelligence Agency (FIA). CTR and WTR should be done no later than 2 working days, while SAR and matches with sanctioned persons/jurisdictions should be reported as soon as possible, but not later than 5 working days.