



Any Casino that fails to conduct a Risk Assessment and to take appropriate measures to manage and mitigate the risk of a financial offence identified shall be liable to a fine not exceeding P1,000,000 as may be imposed by the Gambling Authority as a Supervisory Authority.

# Casinos Anti-Money Laundering and Terrorism Financing Risk Assessment

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+267 395 7672

[www.gamblingauthority.co.bw](http://www.gamblingauthority.co.bw)

Botswana Gambling Authority

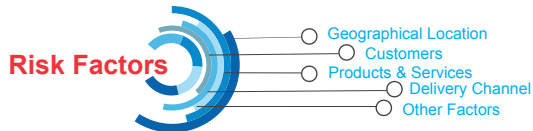
West Wing, Fairgrounds Office Park, Gaborone

## What are Casinos Obligated to do?

In accordance with the Financial Intelligence Act 2019, Section 11(1) Casinos are required to conduct an assessment of financial offences and take appropriate measures to manage and mitigate risks. The assessment should cover 5 risk factors; Products and services, Customers, Delivery Channel, Geographical Location, and other factors.

Risk Assessment is conducted to evaluate a casino's risk management systems to understand the casino's money laundering, terrorism and proliferation financing risks so as to implement mitigating controls to avert identified risks.

### Factors to Consider when Assessing AML/CFT Risks



#### i) Products & Services

A Casino should consider the type of products and services they offer to their customers and their potential vulnerability to ML/TF/P threats.

#### ii) Customers

Casinos are required to understand the customers they do business with in-order to understand what ML/TF/P risk they pose to their business. Customers may be classified as high/medium/low risk customers depending on their risk. This will ultimately determine how the casino monitors the customers and the level of due diligence to apply when dealing with the customer. Example Politically Exposed Persons (PEPs) may be considered as high-risk customers considering the fact that they are vulnerable to Money Laundering risks and simplified due diligence where the risk of commission of a financial offence is considered low.

#### iii) Geographical Location

A Casino's location may escalate ML/TF/P risks considering the group of people that are domicile in the particular area. Moreover, where the Customer originates influences the ML/TF risk vulnerability of a Casino.

#### iv) Delivery Channel and Other Factors

When carrying out a risk assessment Casinos are expected to consider the various ways they use to deliver their products and services to their customers. This will enable the Casino to understand the risks associated with the modes of delivery and assist in adequately implementing effective mitigation controls. Example, if Casinos use day cards to enable clients to gamble such may pose a risk of ML/TF to the casino as the day cards promote client anonymity, that is they cannot be linked to any particular customer.

## Risk Rating the Identified Risks

After consideration of the risks the Casino is expected to risk rate the risks according to High, medium or low risk. This will assist the Casino to apply a Risk-based-Approach to manage the risk identified.

## Failure to Conduct Risk Assessment

The Financial Intelligence Act 2019, Section 11(6) states that any Casino as a Specified party that fails to conduct a Risk Assessment and to take appropriate measures to manage and mitigate the risk of a financial offence identified shall be liable to a fine not exceeding P1,000,000 as may be imposed by the Gambling Authority as a Supervisory Authority.