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Partnership for Good Governance II

Project “Enhancing the systems of prevention and combating corruption, money laundering and terrorist financing in Georgia”

TECHNICAL PAPER

Guidance on Anti-money laundering and counter terrorist financing compliance for the gambling sector

The European Union and Council of Europe Partnership for Good Governance Programme (hereinafter: PGG) is a cooperation programme for Eastern Partnership Countries funded by the European Union and Council of Europe and implemented by the Council of Europe.

PGG builds on the two organizations policy priorities in the context of Eastern Partnership and on the CoE expertise in standard-setting, monitoring and cooperation methodologies. It aims to improve implementation of key recommendations of relevant Council of Europe monitoring and advisory bodies in the areas indicated in the Statement of Intent signed on 1 April 2014 by the Secretary General of the Council of Europe and the European Union Commissioner for Enlargement and European Neighbourhood Policy.

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Disclaimer:

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The views and opinions presented herein are those of the authors and should not be taken as to reflect the official position of the European Union and/or the Council of Europe.



TABLE OF CONTENTS

ABBREVIATIONS	4
1 EXECUTIVE SUMMARY	5
2 INTRODUCTION TO GEORGIA’S APPLICABLE LEGISLATIVE FRAMEWORK	6
3 RISK-BASED APPROACH TO AML/CFT	9
3.1 Business risk assessment.....	9
3.2 Customer risk assessment.....	10
3.3 Relevant risk factors for business and customer risk assessments	11
3.4 Technology risk assessment	17
4 CUSTOMER DUE DILIGENCE, POLITICALLY EXPOSED PERSONS REQUIREMENTS AND ENHANCED DUE DILIGENCE	18
4.1 Identifying customers (ID).....	21
4.2 Verification of identity (V).....	21
4.3 Nature and purpose.....	23
4.4 Scrutiny of transactions and keeping ID&V updated.....	24
4.5 On-going monitoring.....	24
4.6 EDD – Additional information.....	25
4.7 EDD – Frequent ID&V updates	25
4.8 EDD/PEPs – Source of funds and source of wealth	25
4.9 EDD/PEPs – Senior management approval.....	26
4.10 Enhanced Due Diligence (EDD) - Enhanced on-going monitoring	26
4.11 Enhanced Due Diligence (EDD) - Consideration of other measures.....	26
4.12 Acting on behalf of another person - Letter of Authority	27
4.13 Acting on behalf of another person - ID&V underlying customer	28
4.14 Legal persons and arrangements - Ownership and control.....	28
4.15 Legal persons and arrangements - ID&V beneficial owners	28
5 SCREENING SYSTEMS – PEPs, SANCTIONS & NEGATIVE PRESS	29
6 UNUSUAL AND SUSPICIOUS ACTIVITY	30
6.1 Unusual activity	30
6.2 Reporting suspicions	31
6.3 Prohibition on disclosure (“tipping off”) and protections for reporters	31
7 SUMMARY OF GENERAL REQUIREMENTS	33
7.1 Record keeping.....	33
7.2 Compliance system.....	33
7.3 Group-wide compliance function.....	33
8 SUPERVISION OF AML/CFT REQUIREMENTS	35
ANNEX I: SELF-ASSESSMENT CHECKLIST	36



ABBREVIATIONS

AML/CFT	Anti-Money Laundering/Countering Financing of Terrorism
AML Law	Law of Georgia on Facilitating the Prevention of Money Laundering and Terrorist Financing
CCD	Customer Due Diligence
EDD	Enhanced Due Diligence
FATF	Financial Action Task Force
FMS	Financial Action Task Force
ID & V	Identification and verification of identity
ML/TF	Money Laundering/Terrorist Financing
MLCO	Money Laundering Compliance Officer
NBG	National Bank of Georgia
NRA	National Risk Assessment
PEP	Politically Exposed Person
RBA	Risk Based Approach
VIP	Very Important Person



1 EXECUTIVE SUMMARY

The gambling business is a rapidly growing industry in Georgia, and it has emerged as an important sector of the country's economy in recent years. According to the 2019 National anti-money laundering and counter-terrorist financing risk assessment Report of Georgia, this sector poses a high money laundering and terrorist financing risk. The current guidelines are designed to assist the gambling business operators to comply with the requirements of Georgia's law on "Facilitating the prevention of money laundering and financing of terrorism" by putting in place controls to cover the risks from money laundering and terrorist financing.

This technical paper has been developed having regard to the Georgian anti-money laundering and counter-terrorist financing (AML/CFT) legislative and institutional framework, the revised recommendations of the Financial Action Task Force and the EU Anti-Money Laundering Directives.

The paper focuses on the risk-based approach, customer due diligence measures, including enhanced due diligence and measures carried out regarding the politically exposed persons. Sections are dedicated to AML/CFT obligations of obliged entities, and supervisory and regulatory institutions. A checklist contained in the annex of the paper will help the gambling business operators to assess and manage the sectorial risks inside the institution for ensuring further compliance with AML/CFT requirements. It has been finalized based on outcomes of the training on "AML/CFT compliance for the gambling sector," organized within the EU/CoE Partnership for Good Governance Project "Enhancing the systems of prevention and combating corruption, money laundering and terrorist financing in Georgia" in cooperation with Georgia's Financial Monitoring Service and Ministry of Finance, in Tbilisi, in October 2019.

