

2 - Introduction

Regulation 17 places an obligation on supervisory authorities to carry out a risk assessment of their supervised sector. The Commission is the supervisory authority for casinos and this obligation is met by this risk assessment. The Commission will also continue to use this risk assessment to inform HM Government of the level of risk of Money Laundering (ML) and Terrorist Financing (TF) within the entire gambling industry in Britain.

The Government acknowledges that a variety of factors can cause vulnerabilities and risks attributed to a particular gambling sector to become higher or lower risk over time. Consequently, where a gambling sector can no longer be deemed low risk (including where the sector fails to effectively manage the Money Laundering (ML) and Terrorist Financing (TF) risks within that sector), then it will likely lead to their inclusion within the provisions of the Regulations, subjecting that sector to its requirements.

A risk assessment is extensively recognised as the key requirement to understanding the Money Laundering (ML) and Terrorist Financing (TF) risks that a business is exposed to. This is done through the identification, assessment, management and where possible, the mitigation to control and, or as well as, prevent ML and TF. By knowing and understanding the risks to which the gambling industry is exposed, HM Government, law enforcement, the Commission and operators can work together to ensure that gambling in Britain is a hostile place for money launderers and terrorist financiers seeking to exploit it.

In June 2019 we published our previous Money Laundering (ML) and Terrorist Financing Risk Assessment (TF). The money laundering vulnerabilities in the previous assessment were evidence-based and achieved through analysis of a variety of information sources. Each assessment builds upon the previous one. It is therefore recommended that this year's assessment should be read in conjunction with the previous risk assessment: [Money laundering and terrorist financing risk assessment within the British gambling industry: 2019 \(PDF\)](#) as the previous publications provide further information on the inherent risks within Great Britain's gambling industry by sector.

This report is set out by firstly reviewing existing inherent and emerging risks, which the previous risk assessment highlighted. Then the report assesses any additionally applicable inherent and new emerging risks.

Each of the risks have been reassessed using internal and external information sources such as enforcement, licensing and intelligence case work, compliance assessment analysis, HM Treasury's National Risk Assessment, FATF recommendations, combined with qualified professional judgement by the Commission's AML/CTF experts.