

# Gambling entities fulfil a key role in the fight against financial crime by reporting suspicious activity



The reporting of suspicious and unusual transactions by gambling entities to the Financial Intelligence Centre (FIC) is of utmost importance, as part of South Africa's regime for combating money laundering, terrorist financing and proliferation financing.

The submission of suspicious and unusual transaction reports (STRs), cash threshold reports (CTRs) and terrorist property reports (TPRs) to the FIC is central to assisting in the detection of money laundering, terrorist financing and proliferation financing.

The FIC analyses these regulatory reports and other data it receives from institutions such as gambling entities in preparing financial intelligence reports. Where necessary, financial intelligence reports are shared with law enforcement, investigative and other agencies. Financial intelligence reports assist these and other competent authorities in criminal investigations, prosecution, and applications for forfeiture of assets.

**The gambling entity must file an STR when it becomes aware of certain facts or situations which give rise to a suspicion, this includes when it knows or suspects an activity or transaction:**

- Is linked to the proceeds of unlawful activity
- Facilitates the transfer of proceeds of unlawful activities
- Has no apparent business or lawful purpose
- May be relevant to the investigation of evasion or attempted evasion of a duty to pay tax
- Relates to the offence of financing of terrorist and related activities
- Is in contravention of the prohibition of providing finance to a sanctioned person under section 26B of the FIC Act
- Is structured with the intent to avoid being reported in terms of the FIC Act.

When a transaction has not taken place, but the client's behaviour raises the suspicion that the institution or person may be abused for money laundering, terrorist financing or proliferation financing, the activity must be reported in a suspicious or unusual activity report (SAR).

It is imperative that STRs and SARs are filed as soon as possible without delay, and no later than 15 days from when the person becomes aware of the suspicious or unusual transaction or activity.

The gambling entity must file a CTR when cash amounts exceeding R24 999.99 is paid or received by the gambling entity. CTRs must be sent to the FIC as soon as possible but no later than two days after the person has become aware that a cash transaction or series of cash transactions has taken place, that has exceeded the amount of R24 999.99.

Lastly, the gambling entity must file a TPR with the FIC when it knows that it possesses or controls property of a person or entity which:

- Has committed or attempted to commit a specified offence as defined in the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act 33 of 2004) (POCDATARA Act)
- Is identified in a notice issued under section 25 of the POCDATARA Act
- Is a person or an entity identified in a United Nations resolution, see section 26A(1) of the FIC Act.

TPRs must be filed with the FIC as soon as possible but no later than five days after the gambling entity establishes that it has property associated with terrorist or proliferation financing and related activities in its possession or under its control.

The more information the gambling entity provides in regulatory reports the better it is for analysis purposes. Furthermore, there is certain mandatory information that must be included in the reports as set out in the Money Laundering and Terrorist Financing Control Regulations to the FIC Act. It is important that reporters file detailed and accurate reports timeously to the FIC.

## Registration

Gambling entities must register as accountable institutions under item 9 of Schedule 1 to the FIC Act on the FIC's registration and reporting system, goAML. All reports must be filed via the goAML, which is accessible via the FIC website.

The FIC Act requires gambling institutions fulfil various obligations. Provincial licensing authorities conduct FIC Act inspections regarding gambling entities' fulfilment of filing of STRs, CTRs, TPRs and other obligations. The FIC Act authorises provincial licensing authorities to conduct inspections upon the gambling industry. Where gambling entities are found to be non-compliant, administrative sanctions may be applied. ■

## FOR MORE INFORMATION AND GUIDANCE

- Contact the FIC Compliance Contact Centre +27 12 641 6000
- Visit [www.gov.za](http://www.gov.za) for the FIC guidance notes 4B, 5B and 6A and the user guides regarding reporting
- Log an online compliance query on the FIC website or following this link <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx>