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FINANCIAL TRANSACTIONS REPORTING (GAMING) REGULATIONS, 2014

Arrangement of Regulations

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MINISTRY OF FINANCE

S.I. No. 81 of 2014

**FINANCIAL TRANSACTIONS REPORTING ACT
(CHAPTER 368)**

**FINANCIAL TRANSACTIONS REPORTING
(GAMING) REGULATIONS, 2014**

The Minister, in exercise of the powers conferred by section 51 of the Financial Transactions Reporting Act (Ch. 368), makes the following Regulations —

1. Citation.

These Regulations may be cited as the Financial Transactions Reporting (Gaming) Regulations, 2014.

2. Interpretation.

In this Act —

“**Act**” means the Financial Transactions Reporting Act;

“**cash**” means any coins or paper-based currency customarily used and accepted as money;

“**licence holder**” means a person referred to in section 3(1)(e) of the Act;

“**player**” means a participant in a gaming activity other than the holder of a licence issued under the Gaming Act, 2014;

“**player account**” means an electronic ledger established, operated and maintained by a licence holder in which information relative to interactive gaming transactions is recorded on behalf of the player in whose name the account is established, including, but not limited to information in respect of —

(a) deposits;

(b) withdrawals;

(c) amounts wagered;

(d) amounts paid on winnings; and

(e) adjustments to the player account;

“**relevant legislation**” means the Financial Transactions Reporting Act, the Financial Transactions Reporting Regulations, the Financial Intelligence Unit Act, the Financial Intelligence (Transactions Reporting) Regulations, the Proceeds of Crime Act and any other

legislation in force in The Bahamas relating to the prevention and detection of money laundering and counter-terrorist financing; and
“threshold amount” means any amount of money specified in Item 1 of the *Schedule*.

3. Obligation to implement procedures and controls.

- (1) A licence holder shall implement procedures and controls that are designed —
 - (a) to detect and prevent transactions that may be associated with money laundering, terrorist financing, fraud and other criminal activities; and
 - (b) to ensure compliance with all relevant legislation.
- (2) Any internal control standards established pursuant to section 83 of the Gaming Act, 2014, shall comply with the provisions of these Regulations.

4. Prohibited transactions of licence holders.

- (1) Subject to regulation 6, a licence holder shall not —
 - (a) exchange cash for cash, except to enable a player to participate in gaming where cash is used as the stake or for the purpose of converting cash won by the player as a result of participation in gaming for different denominations of cash;
 - (b)
 - (i) issue a cheque or other negotiable instrument; or
 - (ii) effect any transfer of funds to or on behalf of a player, in exchange for cash allegedly won by that player, unless the licence holder has satisfied itself that the player has become legally entitled to such funds as a direct result of participation in gaming;
 - (c) knowingly allow, and shall take all reasonable steps to prevent, the circumvention of any of the provisions of the relevant legislation by —
 - (i) multiple transactions with a player; and
 - (ii) multiple transactions with a player or a player’s agent or accomplice, which individually construed do not exceed the threshold amount, but which when combined exceed the threshold amount;
 - (d) establish more than one player account for any player; or
 - (e) permit any funds standing to the credit of any player account to be transferred to —
 - (i) any other player account established by that licence holder;

- (ii) any player account established by any other licence holder; or
 - (iii) any other person; provided that a licence holder may, on the request of the player, remit funds standing to the credit of such player's player account to an account with a financial institution held in the name of such player and nominated by such player for this purpose, subject to compliance with the requirements of all legislation applicable to player accounts.
- (2) Where any conduct referred to in paragraph (1)(c) is detected by a licence holder, such licence holder shall, for reporting purposes —
- (a) aggregate all cash transactions between itself and the player;
 - (b) aggregate all cash transactions between itself and the player and the person whom the licence holder knows or reasonably suspects to be the player's agent or accomplice; and
 - (c) where subparagraph (b) applies, file the report referred to in regulation 5.

5. Licence holders to report suspicious transactions.

A licence holder shall file a suspicious transaction report referred to in section 14 of the Act, in the manner and form required by that section, and shall comply with all provisions of the Act regarding the reporting of suspicious transactions, in respect of —

- (a) any series of transactions referred to in paragraph (4) which the licence holder knows, suspects or has reasonable grounds to suspect have been entered into for the purpose of avoiding or circumventing the reporting requirements applicable to transactions in excess of any threshold amount;
- (b) any transaction, wager or bet, regardless of the amount thereof, which the licence holder knows, or it or its directors, officers, employees or their agents have reasonable cause to suspect, is being attempted to be placed or has been placed in violation of, or as part of a plan to violate or evade, any provision of the relevant legislation; and
- (c) any transaction, wager or bet, regardless of the amount thereof, which has no business or apparent lawful purpose or is not the sort of transaction, wager or bet which the particular player concerned would normally be expected to conduct or place, and the licence holder can identify no reasonable explanation for such transaction, wager or bet after examining the available facts, having regard to the background thereof.

6. Exemptions from provisions of Ch. 368.

A financial institution referred to in section 3(1)(e) of the Act shall be exempt from compliance with the provisions as specified in the *Schedule*.

SCHEDULE

1. Parts II and IV of the Act in respect of an occasional transaction concluded with a player, whereby—
 - (a) credit or any representation of value is issued or sold by the institution to be used for gaming, and is provided directly or indirectly to the player for a consideration not exceeding \$15,000, or
 - (b) an amount not exceeding \$15,000 is provided directly or indirectly to the player in exchange for any representation of value which is issued or sold by the institution for use in gaming; or
 - (c) an amount not exceeding \$15,000 is received from the player—
 - (i) as a deposit for gaming;
 - (ii) as a repayment of credit previously extended; or
 - (iii) as a wager at any gaming activity in which a representation of value issued or sold by the institution for use in gaming is not customarily used for wagering;
 - (d) cash, a cheque or other negotiable instrument or funds are exchanged by, or on behalf of the player, for cash, a cheque or other negotiable instrument or funds which are to be transferred, to the amount not exceeding \$15,000;
 - (e) an amount not exceeding \$5,000 is received from the player as a single wager at any gaming activity in which a representation of value issued or sold by the institution for use in gaming is customarily used for wagering; and
2. section 8 of the Act, concerning the particulars referred to in that section in respect of every occasional transaction which is not subject to the exemption referred to in paragraph 1 of this Schedule;
3. the Act, in respect of all activities of such an institution which may be performed without the institution being required to hold an operator licence under the Gaming Act, 2014.

Made this 18th day of November, 2014.

Signed
PERRY G. CHRISTIE
Minister Responsible for Finance