



KNOW WHERE YOUR CLIENT'S MONEY COMES FROM

Criminals may use your business for money laundering and terrorist financing.

BE aware where the money comes from
ACT on your instinct
DISRUPT crime



Financial
Intelligence Centre

#Be.Aware

CRIMINALS BETTING ON CASINOS TO CLEAN DIRTY MONEY

Due to the movement of cash at gambling institutions, criminals may seek opportunities for laundering their illicit funds at such institutions.

Gambling activities can seemingly also provide a level of anonymity for illicit transactions with casino value instruments such as coins and chips, often being used for converting illicit funds into 'legitimate' currency.

Left unchecked, financial crimes such as money laundering and terrorist financing can cause considerable damage to the economy, society and to businesses like gambling institutions, providing criminals an incentive for their illegal activities.

It is therefore important that the gambling sector remains aware and alert to how financial criminals may use their sector for money laundering purposes. These institutions can then take measures to safeguard against the risks of unknowingly being drawn into criminal activity.

For the sector to reduce their vulnerability, they need to use their industry knowledge and understanding of how their patrons behave, be aware of what habits and actions are normal and usual and be alert to behaviours and transactions that may hint at criminal activity.

As the first line of defence in the fight against financial crime, gambling institutions must follow an effective approach to combating money laundering and terrorist financing and meet certain mandatory obligations.

Gambling institutions are listed as accountable institutions in the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). The Act places certain obligations on accountable institutions so that the Financial Intelligence Centre (FIC) can contribute to identifying the proceeds of crime, combating money laundering and terrorist financing.

If gambling institutions have reasonable grounds to suspect that funds being used are the proceeds of a criminal activity, or are related to terrorist financing, they are required by law to report suspicions to the FIC. In terms of the FIC Act, there are different types of regulatory reports that gambling

institutions must file with the FIC. These include cash threshold, suspicious and unusual transaction/activity, and terrorist property reports.

The FIC uses the reported information to develop financial intelligence which is shared with law enforcement, prosecutorial and other competent authorities for their investigations and applications for asset forfeiture, where necessary.

The FIC has launched an awareness campaign aimed at equipping the gambling sector with the tools and know how to help identify and mitigate the risk of money laundering and terrorist financing. The campaign encourages these institutions to assist in the fight against financial crime and follow three basic steps:

Step 1: Be aware of the origin of clients' money and other money laundering threats to which the sector may be exposed.

Step 2: Act – take by filing a report with the FIC when a transaction or activity “does not feel right”.

Step 3: Disrupt crime, which is what the sector can do by meeting their FIC Act compliance obligations.

The FIC will unpack these three aspects of the campaign through articles, posters, podcasts, videos and other information channels which will be released to gambling institutions and role players in the sector over the next period. All the information released will be accessible on a dedicated campaign page on the FIC's website (www.fic.gov.za/campaign).

Information released during the campaign will cover topics including: what is money laundering, the threats money laundering poses to the sector, how gambling institutions and role players can mitigate these risks and the role of the FIC in ensuring the integrity of South Africa's financial system. Updates will be available on the dedicated FIC campaign webpage and the FIC's LinkedIn page. For queries related to the campaign, please e-mail communications@fic.gov.za or visit www.fic.gov.za to find out more about the work of the FIC.