

# Enhanced Due Diligence Source of Wealth reports for the gaming industry

In a rapidly evolving regulatory landscape, gambling operators can expect their anti-money laundering controls to come in for sharper scrutiny. Successfully identifying the sources of a customer's wealth allows operators to mitigate any identified risks associated with financial crime.

## Keeping abreast of the regulatory curve in a challenging industry

In many countries, the gaming industry already falls within the regulated sector and must comply with various Know Your Customer (KYC), Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT/CTF) legislations including:

- The U.S. Bank Secrecy Act (BSA)
- The European Union Money Laundering Directive (EUMLD)
- The UK Money Laundering Regulations/Proceeds of Crime Act (POCA)
- The Canada Proceeds of Crime (Money Laundering) and Terrorist Financing Act
- The Macau Gaming Inspection and Coordination Bureau Instruction 1/2016

Trying to navigate a constantly changing regulatory landscape is challenging. Casinos and gaming operators are often targeted by criminal networks seeking to legitimize their illicit money. With large sums of money moving in and out of an establishment quickly, it can be difficult to monitor from where the money originates.

## Risk-based approach

Taking into account regulatory burden and vulnerability of the sector, it is key for gaming operators to ensure that their due diligence processes follow a risk-based approach (RBA). For example, gaming operators should employ enhanced due diligence in particular circumstances when:

- The customer is a politically exposed person (PEP)
- The customer comes from a high-risk jurisdiction
- There is any other situation which can present a higher risk of money laundering, such as an increase in frequency or spend by a customer or their inclusion on a sanctions list

When it comes to PEPs, some countries require approval at the operator's executive level before a PEP is allowed to commence play. In these circumstances – and for large monetary transactions over a certain threshold – the source of funds must be established prior to allowing the transaction to take place.

Successfully identifying the sources of a customer's wealth allows gaming operators to mitigate risks related to money laundering and financial crime. Although uncovering the exact source of wealth is not always straightforward, it is already a regulatory requirement in many jurisdictions. Apart from reputational damage, the penalties for noncompliance may include: large fines and legal prosecution, increased scrutiny and monitoring by the regulator, suspension of operating licenses or even being shut down completely.

## Source of Wealth (SoW) identification is integral to Enhanced Due Diligence

Our Enhanced Due Diligence (EDD) reports provide detailed background checks on individuals and entities as part of wider anti-money laundering compliance programs.

An essential part of thorough EDD involves uncovering the sources of wealth – in other words, those activities that generate the total net worth of a person's assets.

Examples of information retrieved in the course of SoW research:

- Money invested in a deposit account and interest gained
- Investment originating from the sale of property/business
- Inheritance
- Compensation payment
- Accumulated cash from trading profit
- Shares owned
- Assets (including real estate, luxury goods and vehicles)
- Divorce/alimony settlement
- Individual subject's wealthy family members (if available)
- Derogatory information, e.g., sanctioned countries and sanctioned parties

## Make informed decisions

In line with a risk-based approach, we offer a range of SoW identification services to help you enhance your compliance process and protect your firm's reputation.

By using our EDD reports, organizations go beyond a tick-box approach and make good business decisions. We simplify the process by providing the accurate information you need, when

you need it, in a well-structured format supporting your specific compliance requirements in a variety of delivery methods.

We provide quality research that delivers a full and comprehensive picture of any subject – including the source of wealth or funds – anywhere in the world.

## Report types

SOW REPORT (5-7 WORKING DAYS)	STANDARD SOW REPORT (10-12 WORKING DAYS)	PREMIUM SOW REPORT (15-18 WORKING DAYS)
<p>This report provides quick and crisp insight into a subject's source of wealth status.</p> <ul style="list-style-type: none"> <li>• Global compliance checks through World-Check® database</li> <li>• Comprehensive public domain checks to identify and analyze the known sources of wealth and funds, including directorship, property ownership and corporate ownership checks</li> </ul>	<p>Our best-in-class Standard SoW Report provides comprehensive Enhanced Due Diligence checks and a full picture of the subject's net worth.</p> <ul style="list-style-type: none"> <li>• Global compliance checks through World-Check database</li> <li>• Comprehensive public domain checks to identify and analyze the known sources of wealth and funds, including directorship, property ownership and corporate ownership checks</li> <li>• An executive summary</li> <li>• An at-a-glance risk table, detailing all direct and indirect risks (e.g., PEP or money-laundering risk flags), including indirect country-related risk factors</li> <li>• Background on the subject and specified associated individuals (including personal details, directorship check, source of wealth and other available information)</li> <li>• Comprehensive public domain research on the subject and specified associated individuals</li> <li>• Our trained bi- or trilingual analysts conduct extensive Internet research and check multiple Refinitiv sources, such as Eikon and World-Check, and external databases as well as news aggregators; records of misconduct or any past accusations of involvement in illegal activities will be included</li> <li>• Litigation, bankruptcy, law enforcement and regulatory checks</li> </ul>	<p>Our Premium SoW Report provides the most detailed insight into the subject's sources of wealth and funds, and general background derived from public and nonpublic sources.</p> <ul style="list-style-type: none"> <li>• Global compliance checks through World-Check database</li> <li>• Comprehensive public domain checks to identify and analyze the known sources of wealth and funds, including directorship, property ownership and corporate ownership checks</li> <li>• An executive summary</li> <li>• An at-a-glance risk table, detailing all direct and indirect risks (e.g., PEP or money-laundering risk flags), including indirect country-related risk factors</li> <li>• Background on the subject and specified associated individuals (including personal details, directorship check, source of wealth and other available information)</li> <li>• Comprehensive public domain research on the subject and specified associated individuals</li> <li>• Our trained bi- or trilingual analysts conduct extensive Internet research and check multiple Refinitiv sources, such as Eikon and World-Check, and external databases as well as news aggregators; records of misconduct or any past accusations of involvement in illegal activities will be included</li> <li>• Litigation, bankruptcy, law enforcement and regulatory checks</li> <li>• Highest ethical standard of collecting human intelligence via the most comprehensive network of sources in the market provides access to original intelligence not available through the public domain, giving our clients a crucial competitive advantage</li> </ul>