

Approach and guiding principles for PMLTPF inspections by Lotteries and Gambling Supervisory Inspection

On the basis of Section 45, Paragraph one, Clause 7 of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (hereinafter – the Law on PMLTPF), the Lotteries and Gambling Supervisory Inspection (hereinafter – the Inspection) is an institution supervising and controlling operators of lotteries and gambling. The Inspection is responsible for developing a methodology for regular inspections and, in accordance with this methodology, conducting regular inspections to assess compliance with the requirements of the Law on PMLTPF by operators of gambling and lottery. The developed inspection approach ensures equal implementation of prevention of money laundering and terrorism and proliferation financing (hereinafter – MLTPF) inspections and the most efficient use of the Inspection’s supervisory and control resources. Inspections are divided into scheduled and unscheduled inspections, which in turn are divided into on-site and off-site MLTPF inspections. Planned MLTPF inspections are conducted in accordance with a work plan developed and approved by the Inspection and according to the MLTPF risk levels of gambling and lotteries operators, which are determined in accordance with a risk profiling matrix. Operators of lotteries and gambling that are identified as high risk according to the risk profiling matrix are subject to a full annual inspection. Unscheduled MLTPF inspections are carried out on the basis of operational or risk information. On-site inspections that prevent MLTPF are carried out at the premises where the gambling or lottery is operated – gambling halls, casinos, betting and wagering shops, bingo halls, lottery ticket points, the gambling or lottery operator’s office. The MLTPF off-site inspection shall cover the documents of or information on the gambling or lottery operator ensuring compliance with and application of the requirements of the Law on PMLTPF, or the interactive gambling or lottery system of the interactive gambling or lottery operator. The topics for MLTPF inspections are scheduled on the basis of the national risk assessment report, the risk assessment of the gambling and lotteries sector, the MLTPF risks identified in the “Guidelines on Money Laundering and Terrorism and Proliferation Financing Risks and Management Thereof in the Gambling and Lottery Sector”. In addition, the recommendations of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism of the Council of Europe (Moneyval) and the Financial Action Task Force (FATF) are taken into account.