



NATIONAL
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AUTHORITY

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Directive on the Prevention and Suppression of Money Laundering

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1 PART I – INTRODUCTORY PROVISIONS

1.1 Short Title

This Directive will be cited as the Directive on the Prevention and Suppression of Money Laundering.

1.2 Interpretation

“authorised agent” means a person who offers betting services on behalf of a Class A Bookmaker;

“Board” means the bookmaker’s board of directors;

“Bookmaker” means either Class A or Class B licenced bookmaker under the Betting Law;

“business relation” means a business, professional or commercial relationship which is connected with the professional activities of an obliged entity and which, at the point of the relationship establishment, is expected to be ongoing;

“Class A bookmaker” means Class A licenced bookmaker under the Betting Law;

“Class B bookmaker” means Class B licenced bookmaker under the Betting Law;

“land based betting” means betting conducted at licenced premises;

“Law” means the Prevention and Suppression of Money Laundering Law;

“MOKAS Unit” means the Unit for Combating Money Laundering established under section 54 of the Law;

“NBA” means the National Betting Authority;

“(EU) Regulation 2016.679” means the EU act titled Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;

“Sanctions Law” means the Implementation of the Provisions of the Resolutions or Decisions of the United Nations Security Council (Sanctions) and of the Decisions and Regulations of the Council of the European Union (Restrictive Measures) Law of 2016;

“utility bill” means a utility bill issued by:

- a) telecommunications providers for the provision of internet, pay-TV or landline services only and does not include a bill for mobile phone services,
- b) the Electricity Authority of Cyprus (EAC),

- c) Water and Sewage Boards,
- d) local authorities only for garbage collection fees, property tax or any other tax payment.

Any other terms the meaning of which is not defined in the current Directive bear the meaning attributed to them by the Law, unless stated otherwise.

1.3 Application Context

The current Directive applies on all obliged entities.

1.4 Supervisory Authority on the Directive Application

The Supervisory Authority for the purposes of the application of the current Directive is the National Betting Authority, as defined by article 59 of the Law.

2 PART II – OBLIGATIONS OF OBLIGED ENTITY

2.1 Approval of policies and controls by senior administrative officers

According to article 58C of the Law, the senior administrative officers of the bookmaker should approve the policies, procedures and controls applied by the obliged entity in relation to money laundering and terrorism financing, as well as monitor, and where necessary, enhance the measures adopted.

2.2 Responsibilities of Board of Directors

The bookmaker's Board of Directors is responsible to:

- a) define, record and approve the general policies of the bookmaker regarding suppression of money laundering and/or terrorism financing and to inform the Compliance Officer accordingly;
- b) ensure compliance to the requirements of the Law, to the current Directive and to the Betting Law, as well as the application of appropriate, efficient and effective control systems for fulfilling these requirements;
- c) assign a member of the Board of Directors, who will be responsible for the application of the Law, the current Directive and any other relevant EU acts;
- d) approve the bookmaker's policy regarding suppressing money laundering and terrorism financing prepared by the Compliance Officer according to [paragraph 3.2.1\(a\)](#);
- e) approve the bookmaker's policy regarding players' acceptance, which is prepared by the Compliance Officer according to [paragraph 5.1](#);
- f) approve the Class A bookmaker's policy regarding the acceptance of agreement with the authorised agent, which is prepared by the Compliance Officer according to [paragraph 5.4.2](#);
- g) appoint a Compliance Officer and, where necessary, a Deputy Compliance Officer, who are responsible to define their duties and responsibilities as they are described in the risk management and procedures manual, according to [paragraph 3.2.1\(c\)](#);
- h) ensure that the Compliance Officer and the Deputy Compliance Officer (where applicable), as well as any other person responsible for applying the procedures on the prevention and suppression of money laundering and terrorism financing, have full and direct access to all information and data of players and authorised agents (where

applicable), transaction documents and any other documents and information kept by the bookmaker, so as to be able to respond to their duties fully;

- i) approve the risk management and procedures manual, as provided in [paragraph 3.2.1\(c\)](#), which circulates among all personnel and authorised agents (where applicable) who process, monitor or control in any way the customers transactions and have the responsibility for the rightful application of practices, measures, procedures and controls;
- j) ensure that all the employees and authorised agents (where applicable) of the bookmaker are informed as to who the Compliance Officer and Deputies are, and that they may report to them regarding any kind of information they consider suspicious of money laundering and/or financing terrorism;
- k) define a clear and direct communication process for the transfer of information on suspicious transactions or actions to the Compliance Officer, either directly or via the Deputy, and request that the Compliance Officer includes this process in the risk management and procedures manual, as provided in [paragraph 3.2.1\(c\)](#);
- l) ensure that the Compliance Officer has access to sufficient resources, including adequately trained personnel and technological equipment, in order to be able to fulfil their duties;
- m) assess and approve the Annual Compliance Report, as provided in [paragraph 3.4](#), and take all necessary measures under the circumstances to tackle any potential shortages or/and weaknesses that are identified in the Annual Compliance Report;
- n) assess and approve any other report or manual or circular or directive or information that is sent by the Management for examination;
- o) ensure that all the requirements of the Law for the Protection of Natural Persons against the Processing of their Personal Data and the Free Movement of Such Data Law of 2018 are applied diligently.

2.3 Internal Audit Department

2.3.1. The bookmaker's Internal Audit Department inspects and assesses the adequacy and efficiency of policy, measures, procedures and control mechanisms that are applied to prevent and suppress money laundering and terrorism financing at least on an annual basis.

2.3.2. The findings, comments and remarks of the above-mentioned assessment report (hereafter "Internal Audit Report") are shared to the bookmaker's Board of Directors as part of the Compliance

Officer's Annual Report of [paragraph 3.4](#). Upon studying the Internal Audit Report, the Board of Directors decides on the measures that need to be taken in response to any shortages and/or weaknesses that may have been reported.

2.3.3. The Internal Audit Report and the minutes on the relevant decisions of the Board of Directors are submitted to the NBA within three (3) months from the end of every calendar year.

2.3.4. In the absence of Internal Audit Department for a bookmaker, the responsibilities and duties presented in the current part are undertaken by the Compliance Officer.

2.4 Independent Service of Internal Audit

2.4.1. According to article 58B of the Law, the NBA has the right to impose the creation of an independent service of Internal Audit on a bookmaker, if it considers it appropriate based on the size and type of the bookmaker's activities.

2.4.2. The findings, comments and remarks of the above-mentioned assessment report (hereafter "Independent Internal Audit Report" are shared with the bookmaker's Board of Directors which may make comments, remarks and suggestions.

2.4.3. The Independent Internal Audit Report, along with the comments, remarks and suggestions made by the bookmaker's Board of Directors, is submitted to the NBA within three months from the end of every calendar year.

3 PART III – COMPLIANCE OFFICER

3.1 Compliance Officer Appointment

3.1.1. According to article 69, the bookmaker appoints a senior administrative officer as a Compliance Officer who will be responsible for the execution of the duties and tasks, as described in [paragraph 3.2](#).

3.1.2. The Compliance Officer should:

- a) be a senior administrative officer of the bookmaker,
- b) have the capabilities, knowledge and experience to apply the provisions of the Law and of the current Directive efficiently,
- c) carry out their duties objectively and independently, have direct access to all documents, data and information that may be helpful for their tasks,
- d) has not been convicted of a relevant offence, as described in the Gambling Law of 2019 (37(I)/2019).

3.1.3 The bookmaker submits a completed [APPENDIX I](#) form to NBA within ten (10) days from the appointment of the Compliance Officer. The form includes detailed identification data, a CV, the description of the legal relation between the Compliance Officer and the bookmaker as well as the date of assuming his duties.

3.1.4 Where necessary, taking into account the volume and/or the regional expansion of the bookmaker's activities, a Deputy Compliance Officer is appointed to provide assistance to the Compliance Officer, to substitute the Compliance Officer in his/her absence, and to submit internal reports to him/her. The NBA should be notified about the appointment of the Deputy Compliance Officer within ten (10) days from the appointment day.

3.1.5 In the case of a group of companies with more than one obliged entity, the Compliance Officer of the largest company of the group is appointed and communicated as Coordinator Compliance Officer, following the procedures of [paragraph 3.1.4](#), and is responsible to ensure the implementation of the Law and the Directive by all the companies of the group. The Coordinator Compliance Officer cooperates, coordinates and exchanges information with the Compliance Officers of the companies of the group.

3.1.6 NBA may demand the replacement of the Compliance Officer in case it considers that the conditions of the [paragraph 3.1.2](#) are not fulfilled.

3.1.7 In the event of termination or resignation of the Compliance Officer, the bookmaker should inform the NBA about the reasons of termination or resignation promptly.

3.2 Compliance Officer's duties and tasks

3.2.1 Internal Procedures and Control

The Compliance Officer should:

- a) draft the internal policy, the measures, the procedures and controls that are related to the prevention of money laundering and/or terrorism financing along the general principles of [paragraph 2.2\(a\)](#), define and assign the purpose and areas of responsibility for each department which is involved in the abovementioned fields;
- b) constantly assess the risks that may arise from current or new players, current or new services, and recommend to the Board of Directors and to the bookmaker's chief executive person specific measures, additions or modifications to the systems and procedures applied for the efficient management of the identified risks;
- c) prepare a risk management and procedures manual on preventing money laundering and/or financing terrorism;
- d) develop and prepare a players' acceptance policy according to [paragraph 5.1](#), which should be submitted to the bookmaker's Board of Directors for approval;
- e) develop and prepare an authorised agents' acceptance policy according to [paragraph 5.4.2](#), which should be submitted to the bookmaker's Board of Directors for approval (for Class A bookmakers);
- f) supervise the Internal Audit Department of [paragraph 2.3](#), which monitors and assesses the rightful and efficient implementation of all policies, practices, measures, procedures and controls that are mentioned above and apply suitable monitoring mechanisms to assess the compliance to the existing procedures and controls by employees and authorised agents (where applicable);
- g) provide guidance for corrective measures in the case of detected inadequacies and/or weaknesses in the implementation of the required practices, measures, procedures and controls, and inform the Board of Directors when necessary;

- h) prepare and submit a Monthly Statement to NBA, as described in [paragraph 3.3.2](#);
- i) prepare the Annual report and submit it to the Board of Directors of the bookmaker for approval, as defined in [paragraph 3.4.2](#);
- j) ensure that the Board of Directors receives written reports and recommendations regularly and at least on an annual basis.

3.2.2 Report of suspicious activity

The Compliance Officer should:

- a) collect information and data from the bookmaker's employees and authorised agents related to reasonable suspicion or knowledge about money laundering or terrorist financing or which may be related to such activities. The collection of such information is conducted through the submission of a form by the bookmaker's employees or authorised agents to the Compliance Officer, based on the template provided in [APPENDIX II](#) (hereafter "Internal Report");
- b) assess and examine the importance and severity of the information of [paragraph \(a\)](#). The Compliance Officer should examine and based on his judgment discuss this information with the person who submitted it and the person's supervisors, if necessary. The assessment of the information is conducted on a specific form, following the template in [APPENDIX III](#) (hereafter "Internal Assessment Report");
- c) in the case that following the assessment described in [paragraph \(b\)](#), the Compliance Officer decides to inform the MOKAS Unit, a "Compliance Officer's Report to MOKAS Unit" should be submitted promptly through the GoAML system (accessible on the website <https://reports.mokas.law.gov.cy/live/Home>). Following the submission of the Compliance Officer's Report to MOKAS Unit, all the involved players' accounts and other related accounts (in Class B) are closely monitored by the Compliance Officer and the Deputy Compliance Officer, along with all relevant transactions, and, following MOKAS instructions, scrutinizes all the transactions of the said accounts;
- d) in the case that the Compliance Officer decides not to inform the MOKAS Unit, following the assessment described above, the justification of this decision is reported in detail in the "Internal Assessment Report" of [APPENDIX III](#);

- e) act as the first contact point to MOKAS Unit, during the whole case investigation, respond to all MOKAS requests and questions and provide all the required information and clarifications, showing full cooperation;
- f) keep record of all the reports mentioned in [paragraphs \(a\) and \(b\)](#), along with all relevant information, including documentation that supports the thorough assessment of the reports of [paragraph \(a\)](#).

3.3 Monthly statement

3.3.1 The purpose of the monthly statement is to assess and enhance the control and monitoring systems of the activities/transactions of a bookmaker, in order to detect potential risks of money laundering and/or financing terrorism.

3.3.2 The Compliance Officer prepares a form with a brief description and information on the Internal Reports and Compliance Officer's Reports to MOKAS Unit, which are described in [paragraphs 3.2.2\(a\) and 3.2.2\(c\)](#) respectively, and submits it to NBA, as described in [paragraph 3.2.1\(h\)](#), on a monthly basis.

3.3.3 The form should be submitted to NBA within fifteen (15 days) from the end of each calendar month.

3.4 Compliance Officer's Annual Report

3.4.1 The purpose of the Annual Report is to assess the bookmakers' compliance level to their duties and responsibilities that derive from the Law and the current Directive.

3.4.2 According to [paragraph 3.2.1\(i\)](#) the Compliance Officer prepares an Annual Report and submits it to the Board of Directors of the bookmaker for approval within two months from the end of every calendar year.

3.4.3 After the Annual Report is reviewed and approved by the bookmaker's Board of Directors, it is submitted to the NBA, along with the minutes of the meeting that discussed and approved the report. The minutes should include the measures decided to address any kind of weaknesses or matters pointed out in the Annual Review with clear deadlines. The Annual Report and minutes are to be submitted to

the NBA within a month from the meeting date and no later than three months from the completion of the calendar year.

3.4.4 The Annual Report covers issues related to suppressing money laundering and financing terrorism within the reported year, and should include at least the following:

- a) information on the measures and the procedures adopted to comply with new provisions of the Law, the current Directive or the Betting Law, with regard to combating money laundering and terrorism financing;
- b) assessment of the competence, adequacy and efficiency of the policy, measures, procedures and control mechanisms that are applied for the suppression of money laundering and financing terrorism, reporting on significant weaknesses and dangers that have been detected. The assessment should provide information on the controls and inspections conducted, the level of weaknesses and their subsequent risks, as well as on suggestions and recommendations for amending or improving the current situation;
- c) the number of Internal Reports that were submitted by the personnel and authorised agents (where applicable) of the bookmaker to the Compliance Officer, according to [paragraph 3.2.2\(a\)](#), along with any accompanying comments;
- d) the number of Compliance Officer's Reports submitted to MOKAS Unit, according to [paragraph 3.2.2\(c\)](#), along with brief data and information on the main reasons of the suspicions and potential trends observed;
- e) information and comments with regard to the communication with the bookmaker's personnel and authorised agents (where applicable) on matters related to suppression of money laundering and financing terrorism;
- f) information on the systems and processes applied by the bookmaker for the continuous monitoring of deposits, withdrawals, and the players' activity in general;
- g) numbers and information on players from high-risk countries, with which there is a business relation or transaction;
- h) annual summary of transactions or deposits that exceed €2.000, along with a brief comparison with the previous year. In case of substantial differences, the Compliance Officer needs to add relevant comments;
- i) information on the measures and procedures adopted for the introduction of new products or services;

- j) information on the policy, measures, practices, procedures and controls applied by the bookmaker on players and authorised agents (where applicable) of high risk, as well as on the methodology of the applied internal risk rating system;
- k) information on the measures applied for the bookmaker's compliance to the Law and the current Directive when offering services outside the European Economic Area;
- l) information on the educational seminars attended by the Compliance Officer, along with any training material provided;
- m) information on training, relevant programs and material offered to the personnel or/and the authorised agents (where applicable) during the year, referring to the number of lectures/seminars within the year, their duration, the number and position of participants, the names and qualifications of the trainers, whether the training was prepared internally or was offered by an external organisation or consultants;
- n) assessment of the sufficiency of the trainings provided to the personnel and authorised agents (where applicable);
- o) information on the upcoming trainings of the year;
- p) information on the structure and personnel of the Internal Audit Department, as described in [paragraph 2.3](#), on the additional needs in personnel and technical equipment, as well as suggestions and timeframes for their completion.

4 PART IV – IMPLEMENTATION OF MEASURES AND PROCEDURES ON A RISK BASED APPROACH

4.1 Implementation of measures and procedures on a risk based approach

4.1.1 The bookmaker and authorised agent apply effective measures and procedures on a risk based approach, focusing their efforts on the sectors that require more attention with regard to suppressing money laundering and financing terrorism.

4.1.2 The risk based approach:

- a) acknowledges that the risk of money laundering and financing terrorism is different for every player, authorised agent, country, service and financial method;
- b) allows the bookmaker and the authorised agent to address players based on the risks that derive from their actions;
- c) allows the bookmaker's Board of the Directors to apply its own approach on policies, procedures and controls, taking into account the circumstances of the market and of the bookmaker;
- d) helps to achieve the desired outcome with less effort and cost;
- e) helps to prioritize the bookmaker's efforts and actions to minimize possibilities of crimes related to money laundering and financing terrorism through the provided services.

4.1.3 The risk based approach requires the adoption of certain measures and procedures on assessing a cost-effective way to deal with the possible risks of money laundering and financing terrorism faced by the bookmaker.

Such measures and procedures are:

- a) detecting and assessing risks of money laundering and financing terrorism that derive from certain customers, services, financial methods and geographical regions where the bookmaker and/or their customers operate;
- b) recording the policies, measures, procedures and controls in the risk management and procedures manual of [paragraph 3.2.1\(c\)](#), aiming at their uniform application by the bookmaker and, wherever applicable, by the authorised agents and by any persons defined by the Board of Directors;

- c) managing and minimizing potential risks through the application of effective and efficient measures, procedures and controls;
- d) continuous monitoring and taking measures for the improvement of policies, procedures and controls.

4.1.4 During the risk assessment of money laundering and financing terrorism, and during the application of measures and procedures based on risk assessment, bookmakers should take into consideration the Common Guidelines and the Guidelines issued by the Financial Action Task Force, among others.

4.2 Risk detection, recording and assessment

4.2.1 The implementation of measures on a risk based approach requires clear communication of the measures and procedures that have been decided, through the introduction of strict mechanisms for their efficient implementation, the prompt detection of weaknesses and the application of corrective measures. According to [paragraph 3.2.1\(b\)](#) the Compliance Officer is responsible for detecting, recording and assessing all potential risks.

4.2.2 The implementation of measures and procedures on risk based approach follows the detection, recording and assessment of risks that are being managed. The bookmaker estimates and assesses the potential risks that relate to money laundering and financing terrorism. The bookmaker's conditions define the most suitable procedures and measures that are applied to address and manage potential risks.

4.2.3 The implementation of suitable measures and the nature and size of the procedures along the risk based approach depend on various factors.

Some indicative features that help towards the detection and assessment of risks are:

(a) Risk deriving from bookmaker's players:

- i. Certain player categories that may be of higher risk:
 - Regular players with fluctuations or remarkable alteration in their regular betting activity
 - Casual players (including tourists and local players who rarely bet)
 - Players who try to avoid the limit of €2.000

- Politically exposed persons
 - Players who are reluctant to provide information or documents
 - Citizens or residents of third countries of high risk or who are connected to high risk countries with regard to corruption or financial crime
 - Players from non-complying or high risk countries
 - Players who appear on international sanctions lists
- ii. Doubts with regard to the truthfulness or accuracy of player's data
 - iii. Difficulties in retrieving the players' source of income and assets

(b) Risk deriving from players' deposit and withdrawal methods:

- i. Volume and size of transactions
- ii. Services that allow payments to third persons
- iii. Country of origin and destination of money

(c) Risk deriving from offering a specific betting product, service or transaction

(d) Risk deriving from authorised agents of Class A bookmaker:

- i. Legal entity ownership structure
- ii. Persons who control the legal entity
- iii. Shareholders of legal entity
- iv. Politically exposed persons
- v. Large transactions in cash
- vi. Financial profile of authorised agent
- vii. Financial feasibility
- viii. Other business activities

4.3 Design and application of measures and procedures on managing and minimizing risks

4.3.1 Upon the completion of risk detection, recording and assessment procedures, as defined in chapter 4.2, the required measures and procedures are designed and implemented so as to manage and minimize the risks. These measures require the verification of players' identification, data collection for creating their financial profile and monitoring their transactions and activities.

4.3.2 The type and extent of measures taken and procedures implemented for risk management and minimization are defined based on the bookmaker's risk assessment. The measures and procedures should include at least the following:

- a) due diligence on customers and authorised agents adjusted to the risk of money laundering and financing terrorism they present,
- b) implementation of minimum standards on quality and extension of required identification data on every category of players or authorised agents (e.g. documents from independent, reliable bodies, information from third parties, evidence),
- c) request for additional information and data by players and authorised agents, where necessary, in order to achieve accurate and comprehensive knowledge on their activities and source of income, as well as to deal with increasing risks that may occur from the given business relation or transaction,
- d) constant monitoring of transactions and activities of high risk players or authorised agents.

4.4 Monitoring and improving measures and practices

4.4.1 The bookmaker monitors and assesses the efficiency of measures and procedures that have been implemented for purposes of compliance to the current Part on regular basis.

4.5 Dynamic risk management

4.5.1 Risk management is a constant procedure that is conducted dynamically and actively. Risk assessment should not be a unique short-term procedure. The measures, procedures and controls should undergo regular revisions, in order to maintain constant and effective response to risks that derive from changes in the features of current and new players or authorised agents, services and financial methods.

4.6 Simplified due diligence

4.6.1 According to article 63 of the Law, the bookmaker may apply simplified due diligence about a player/authorised agent in case the business relation or transaction indicates a lower risk level, and provided that there is no suspicion of money laundering and terrorism financing. The bookmaker is obliged to collect adequate information that allows them to decide whether a business relation is of lower risk level. In the context of the aforementioned risk assessment process, the bookmaker should pay attention to every activity of these players/authorised agents and to every transaction that may be considered suspicious of money laundering and terrorism financing due to their nature.

4.7 Enhanced due diligence

4.7.1 According to article 64 of the Law, the bookmaker applies enhanced due diligence and verification of identification of players/authorised agents with regard to the cases mentioned in article 64 of the Law, as well as with regard to other cases which indicate a high risk of money laundering and terrorism financing and are considered high risk by the bookmaker based on the policy of accepting customers or authorised agents, as these are described in [paragraphs 5.1](#) and [5.4](#) respectively.

4.8 Use of virtual currencies

4.8.1 The use of virtual currencies as a transaction method, it is only allowed if the bookmaker secures the approval of the NBA. In this case, the bookmaker should comply with the guidelines issued by the NBA, with regard to the creation of a testing environment for the acceptance of virtual currencies.

5 PART V – DUE DILIGENCE ON PLAYERS - CLASS A & B

5.1 Players acceptance policy

5.1.1 According to [paragraph 3.2.1\(d\)](#), a clear acceptance policy, which is fully aligned to the provisions of the Law and of the current Directive, is developed and applied. This policy is prepared following a meticulous risk assessment of the bookmaker's customers according to this Part, and clearly defines the following points among others:

- a) Class A Bookmaker: requirements for players registration and the conduct of a single transaction over €2.000;
- b) Class B Bookmaker: categories of players whose registration is not accepted;
- c) criteria for classifying players in three categories based on risk assessment:
 - i. Low risk
 - ii. Medium risk
 - iii. High risk

5.1.2 Players' classification should be based on criteria that reflect the potential risk, while each category should undergo the relevant due diligence, regular monitoring and controls.

Low risk category includes cases of players that the bookmaker has decided to classify them as such, as defined in article 63 of the Law, provided that the bookmaker has already ensured that the business relation or transaction is of low risk and provided that there is no suspicion of money laundering and terrorism financing.

High risk category includes cases of players that are defined as high risk in article 64 of the Law, as well as any other cases of players which the bookmaker has decided to classify as such.

5.1.3 Statements on the players categories are prepared and kept, and include information such as the following: names of players, number and date of account registration (in case of registered players) and number of betting slips along with betting dates (in case the transaction equals or exceeds the amount of €2.000). Moreover, the statements should be updated regularly with additional information received by or submitted to the bookmaker. The bookmaker should fully comply to the Protection of Natural Persons with regard to the Processing of Personal Data and the Free Movement of Such Data Law of 2018.

5.1.4 The bookmaker should be able to prove to NBA that the measures, procedures and controls applied on the players correspond to their respective potential risks, at any given time.

5.2 Due Diligence: Class A

5.2.1 Introduction

5.2.1.1. Class A bookmakers are obliged to assess the risk of money laundering and terrorism financing for every player and apply due diligence according to the risk level presented, as described in [paragraph 5.1](#).

5.2.1.2. Class A bookmakers are responsible for the competence of every authorised agent and person in charge of premises to decide when, how and what kind of due diligence should apply for each player.

5.2.1.3 The holder of premises license is responsible for the following:

- a) offer the player the option to make a transaction through a debit card and
- b) give the betting slip and payment receipt to the player once the transaction is completed.

5.2.2 Land based betting risk indicators

5.2.2.1. In order for the Class A bookmakers to assess the risks of money laundering and terrorism financing, according to Part IV, they should take into account the following, among others:

- a) anonymity of land based betting;
- b) betting activity by a person who visits the premises for the first time:
A person who visits the premises for the first time or who does not belong to the regular clientele is not necessarily a high-risk player. Yet, special attention should be paid to such players who bet high amounts of money, especially when there is no evident betting purpose or when the holder of the premises licence considers their betting activity “abnormal”.
- c) betting slip resale risk:
Winning betting slips of high value should be considered an indicator of high risk for money laundering and terrorism financing.

5.2.3 Due diligence on land based betting

5.2.3.1. With regard to betting conducted in licenced premises, due diligence applies only –

- a) when a player exceeds the amount of €2.000,
- b) during player registration (business relation).

5.2.3.2. Class A bookmakers should apply due diligence on every player whose transaction equals or exceeds the amount of €2.000. In such cases, the player's anonymity is not acceptable, since the holder of premises license should collect information on the player, as defined in [paragraph 5.2.4](#).

5.2.3.3. Alternatively, due diligence applies in case of player registration to a Class A bookmaker. The registration could be in the form of adding the player in a members scheme or a benefit scheme or any other way that registers the players' identity for purposes of participation to the aforementioned schemes. This means that upon registration, the relation is expected to be ongoing. In such case, a business relation is formed between Class A bookmaker and the player.

Case A: Monitoring the limit of €2.000

5.2.3.4. Class A bookmakers should have efficient mechanisms that monitor each player's betting activity so as to be able to detect a transaction that exceeds the limit of €2.000 or connected transactions the sum of which exceeds the limit of €2.000.

5.2.3.5. The limit of €2.000 applies for the betting activity or the collection of winnings and should be implemented regardless whether it is related to a single transaction or to transactions that seem to be connected. This means that if a player makes a series of connected transactions lower than €2.000, the holder of premises license is obliged to apply due diligence as described in [paragraph 5.2.4](#), if the sum of the individual transactions exceeds the aforementioned amount. Transactions are considered connected if they are made by the same player and are identical or repeated bets. License holders should examine whether the player has divided or broken their bets or winnings in various transactions on purpose, in an attempt to avoid due diligence procedures. License holders should also ensure that the amount limit is not exceeded through similar betting activities by a group of people who coordinate their bets.

5.2.3.6. The bookmaker should be able to prove to NBA that they have the methods and competences to detect connected transactions, i.e. identical or/and repeated bets, and to alert the holder of the premise licence when the bets or winnings exceed the amount of €2.000.

Case B: Player's registration and creation of business relation

5.2.3.7. A business relation is created during the player's registration to a Class A bookmaker. The registration may be conducted in the form of adding the player to a members or benefits scheme or any other scheme requires the player's identity for future participation in betting services provided by the bookmaker.

5.2.3.8. A player completes a registration form and consents to the use of his personal data for the creation of his personal account.

5.2.3.9. Class A bookmakers:

- a) should ensure that the documents, data and information kept in relation to the player's account are updated. More specifically:
 - i. bookmakers should require the submission of new identity verification documents if the ones they already have are expired. The submission of new documents is conducted based on the player's risk level or in relation to a certain trigger event;
 - ii. if for any reason the data and information collected by the bookmaker are contradictory or inconsistent to the existing data, the bookmaker reviews and reassesses the information and documents;
 - iii. even if points (i) and (ii) do not apply, bookmakers should regularly review and update the information and data they have in their possession, based on the player's risk level;
- e) should examine the transactions conducted during the business relation, to ensure that they match the financial profile and risk level of the player.

5.2.3.10. Class A bookmakers create only one account for each player, which carries the player's unique number.

5.2.4 Player's identification and identity verification

Player's identification at premises

5.2.4.1. The player's identification may be conducted through collecting various data, including the name, former and current home addresses, date of birth, place of birth, nationality, external appearance features, professional and financial background, and identity card information.

5.2.4.2. The Class A bookmaker and authorised agent are responsible to collect at least the following data, for identification purposes:

- a) player's full name
- b) date and place of birth
- c) nationality
- d) home address
- e) contact details (phone number and/or email)

Player's identity verification at premises

5.2.4.3. The information relating to the player's identity should be verified through documents, data and information that derive from reliable and independent sources.

5.2.4.4. Documents that are issued by governmental services or authorities and carry a photo are considered reliable and are accepted for due diligence purposes. When the player's identity is verified by the license holder at the premises with the physical presence of the player and the submission of an identity card or passport or other suitable document, the verification procedure enables most persons to respond to this requirement for prevention of money laundering and financing terrorism purposes.

Therefore, the NBA considers any of the documents described in [paragraph 5.2.4.5](#) satisfactory for identity verification purposes, provided that:

- a) it is verifiable that the player is the person he claims to be during the identity verification process;
- b) the authorised agent or the person in charge of premises who examines the identification documents is convinced of the identity of the player.

5.2.4.5. Class A bookmaker and authorised agent are obliged to collect at least the following documents for verification purposes and for due diligence:

- a) identity card or
- b) passport or
- c) immigration registration slip for foreigners.

5.2.4.6. Alternatively, if the license holder is not convinced based on the provisions of [paragraph 5.2.4.5](#), he may ask the player to submit further documents, issued by a governmental authority or organisation supervised by the government, in order to verify the player's identity and home address.

For this purpose, a utility bill is sufficient.

5.2.4.7 The authorised agent or person in charge of premises who conducts the identity verification process makes copies of the collected documents, on which he records the transaction number and date. All copies should carry the name and signature of the person who conducted the verification process.

Electronic player's identity verification

5.2.4.8. The player's registration and personal data verification may be conducted online and remotely. Moreover, the bookmaker may request further documents and information in hard copies or in electronic form, in the context of their obligation to monitor and comprehend the purpose and nature of the business relation, depending on the risk level of the player.

In case the option of player's electronic registration is available, the bookmaker follows the same procedures as those described in [paragraphs 5.3.3.5](#) and [5.3.3.6](#).

Diagram 1: When the player intends to exceed the amount of €2.000

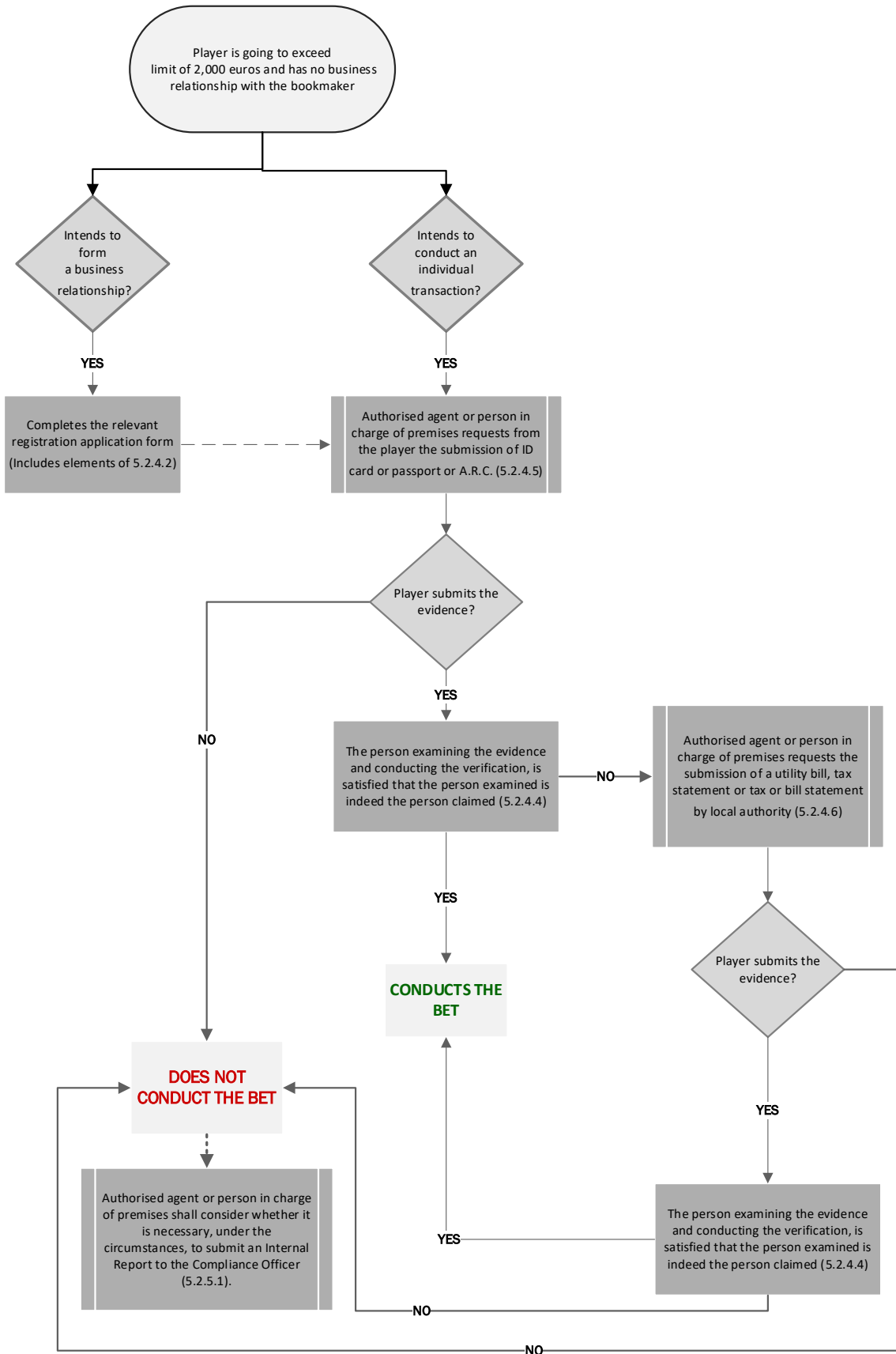
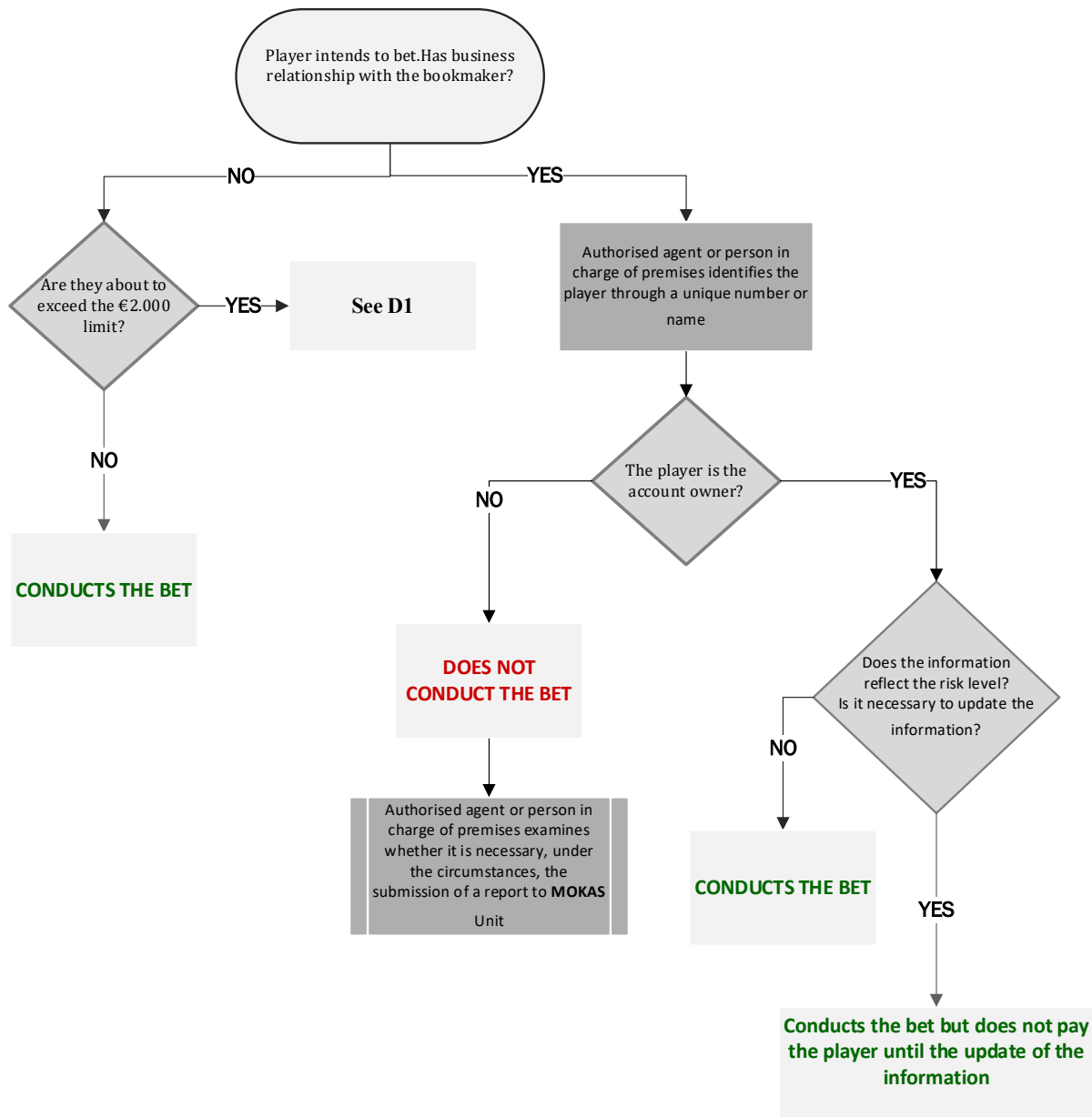


Diagram 2: **Placing a bet in licensed premises**



Personalisation of betting slips

5.2.4.9. The bookmaker and authorised agent are responsible to personalise all betting slips and payment receipts by registered players or for transactions that equal or exceed the amount of €2.000. Personalisation is conducted by writing the player's name on the betting slip and the payment receipt, and by matching the betting slip's number with the player's information that is entered in the system.

5.2.5 Refusal to submit documents

5.2.5.1. In case the player refuses to submit the required documents and information for identification and identity verification purposes prior to his registration or the completion of a transaction that equals or exceeds €2.000, without adequate excuse, it is reasonable to assume or suspect that the player might be involved in money laundering or terrorism financing activities. In such cases, Class A bookmaker should not proceed to form a business relation and the authorised agent should not proceed with the transaction. Moreover, the authorised agent or person in charge of premises examines whether it is necessary to submit an Internal Report to the Compliance Officer, under the given circumstances.

5.2.5.2. If during the business relation the registered player refuses or neglects to submit the required identification documents and information that should be submitted according to [paragraph 5.2.4.6](#) within reasonable time, Class A bookmaker should interrupt the business relation immediately, while the Compliance Officer should examine whether it is necessary to submit a Report to MOKAS Unit, under the given circumstances, as defined in [paragraph 3.2.2\(c\)](#).

5.3 Due diligence: Class B

5.3.1 Introduction

5.3.1.1. Class B bookmakers are obliged to assess the risk of money laundering and terrorism financing for every player and apply due diligence based on the risk level presented, as described in [paragraph 5.1](#).

5.3.1.2. Participation to Class B online betting is allowed only for players who are already registered to the bookmaker. A player needs to have completed an electronic application with his identity details; he needs to confirm that he is over 18 years old and that he has been informed regarding the terms and methods of online betting. When creating an account, Class B bookmakers should verify the player's identity, according to article 60(4) of the Betting Law, through collecting certain data, as defined in [paragraph 5.3.3](#).

5.3.1.3. A player is not allowed to have more than one accounts with every bookmaker. In case the bookmaker realises that a player has submitted false or misleading information or forged identification documents, he should cancel the player's registration immediately and should consider whether it is necessary to submit a relevant report to MOKAS Unit, as described in [paragraph 3.2.2](#).

5.3.2 Online betting risk indicators

5.3.2.1. In order for the Class B bookmakers to assess the risks of money laundering and terrorism financing, they should take into account the following:

5.3.2.1.1. Player's risk

Money laundering and terrorism financing related risks differ significantly among the different types of players. Risk assessment of a physical person is based on the person's financial activity and/or the source of his income. A player with a single source of income entails lower risks for money laundering and terrorism financing than a player with multiple or irregular sources of income because:

- a) multiple or irregular sources of income are more difficult to be identified and verified;
- b) during continual monitoring, it is very difficult for the bookmaker to identify whether the deposited amounts for betting purposes derive from the verified sources of income.

5.3.2.1.2. Transaction risk

Certain account credit methods, which are considered of higher risk of money laundering and terrorism financing, should be considered as high-risk indicators. These methods include prepaid cards, virtual currencies (cryptocurrency) or any other similar or anonymous account credit methods, which do not allow or complicate the capital control procedure and allow the player to act under a partial or even full degree of anonymity.

The use of accounts or debit/credit cards on other names should also be considered a high-risk indicator by the bookmaker.

In contrast, when a player credits his account through a bank account or a card which is connected to a bank account under his name at a financial institution in a low-risk state or in the EU, the risk of money laundering and terrorism financing is reduced.

Class B bookmakers should apply the classification presented in [APPENDIX V](#).

5.3.2.1.3. Geographical risk

Geographical risk derives from the geographical location of the player and from the source of his income and wealth. The player's nationality and permanent address are factors that should be taken into account, as they might be indicators of increased geographical risk.

Countries that are considered high-risk:

- a) countries that do not have at all or do not apply adequate anti-money laundering procedures,
- b) countries that are known to have high levels of corruption,
- c) countries that suffer from international sanctions with regard to terrorism and proliferation of weapons of mass destruction,
- d) countries where it is known that terrorism organisations operate.

In contrast, countries that do not fall under the above categories are considered low or medium risk in relation to money laundering and terrorism financing.

5.3.3 Player's identification and identity verification

Player's identification

5.3.3.1. Class B bookmakers apply simplified due diligence for every new player who is registered on their website. For every new registration, the bookmaker should collect at least the following information, for identification verification purposes:

- a) player's full name
- b) number of identity card or passport
- c) date and place of birth
- d) nationality
- e) permanent residence address
- f) email address

5.3.3.2. Nevertheless, in high-risk cases, the bookmaker may decide to request additional information from the player, for the purposes of risk mitigation. The bookmaker's purpose should be to identify and verify that the registered player is the person he claims to be, and that the player's registration is not based on falsified data or fraud.

5.3.3.3. The bookmaker's system may have the capacity of collecting further information which allow the bookmaker to identify and verify the player's location and other personal details. If, during such system checks, the bookmaker detects inconsistencies between the data and documents submitted based on [paragraph 5.3.3.6](#), the bookmaker reassesses the player's risk level and examines whether further due diligence is required. For instance, when the IP address or the location of the player's financial institution are in a different country from the one registered as country of permanent residence by the player, the bookmaker should conduct further investigation. In any case, the player's identity verification should be conducted through information, data and documents that are received from independent and reliable sources.

When is the player's identity verified?

5.3.3.4. Class B bookmakers should verify the player's identity in the following cases:

- a) within 30 days from the player's registration date;
- b) when the player exceeds the amount of €2.000;

- c) the limit of €2.000 is calculated only based on the player's deposits. It applies in relation to the amount of money deposited by the player in his account, either in a single or in a number of transactions. Class B bookmaker should not calculate and should separate the player's deposits from any other amounts, like winnings and promotional bonuses.
- d) when the player requests to withdraw money from his account.

Diagram 3: When is the player's identity verified?

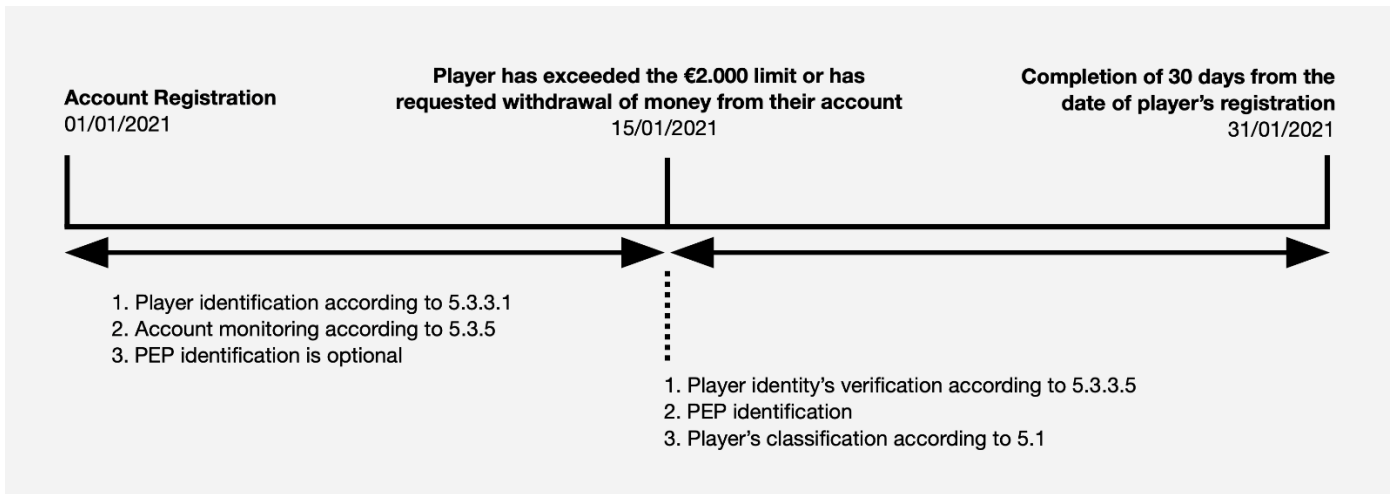


Diagram 4: When does the player complete or exceed the limit of €2.000?

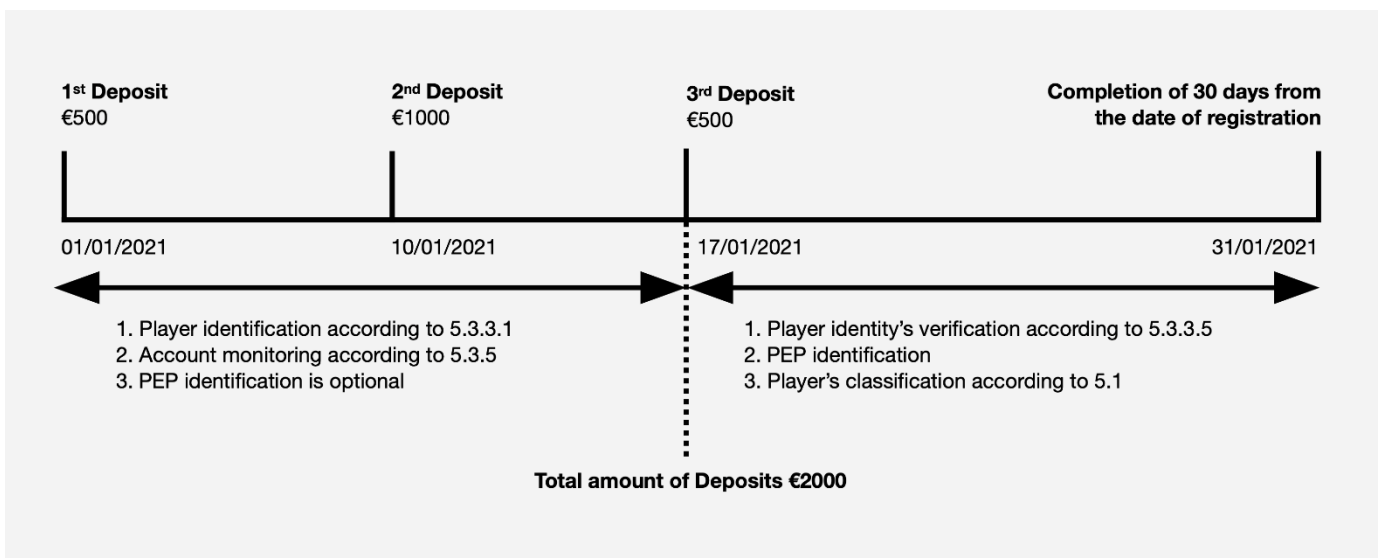
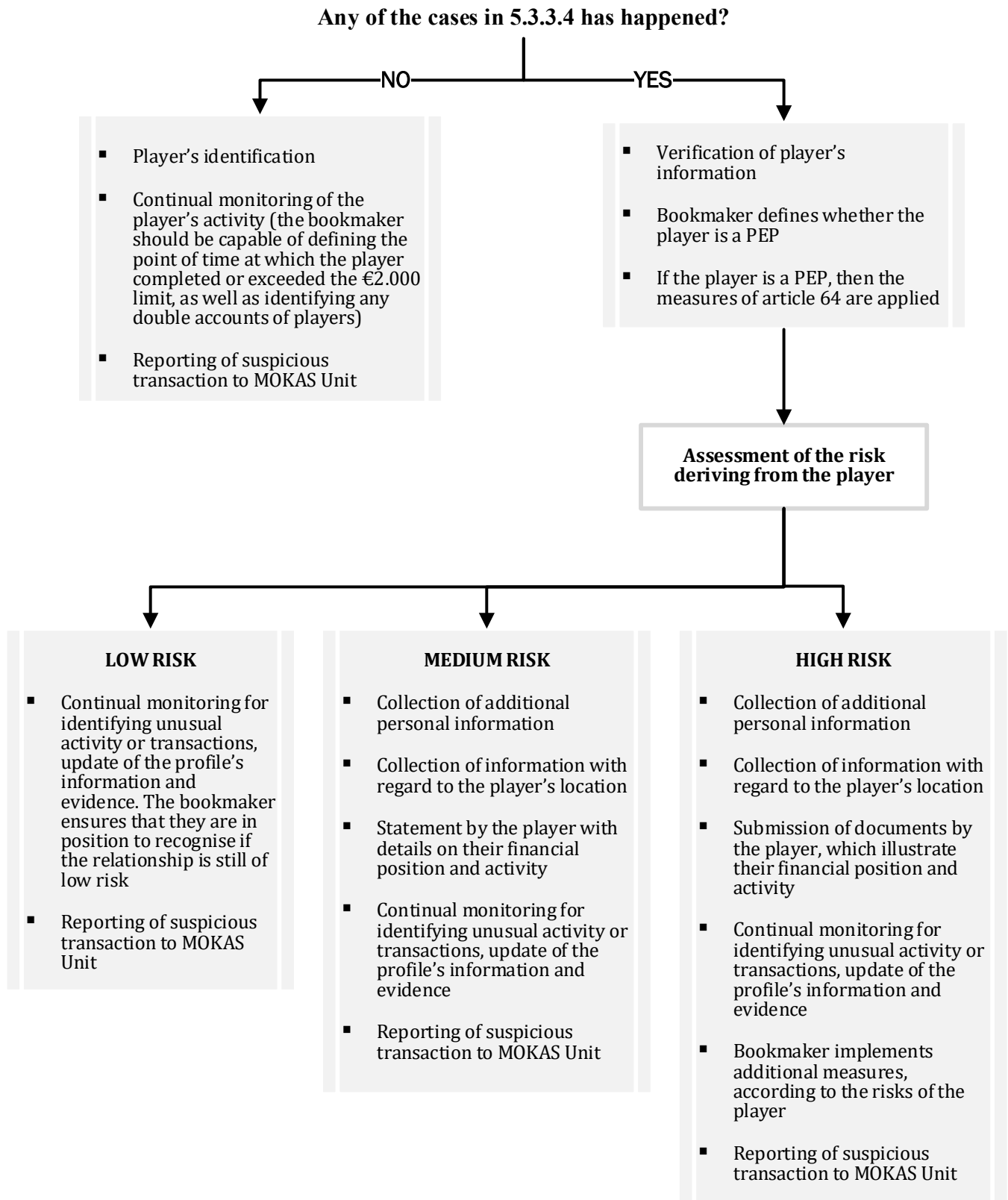


Diagram 5: **Player's categorization**



How is the player's identity verified?

5.3.3.5. The information related to the player's identity should be verified through documents, data and information that derive from a reliable, independent source.

5.3.3.6. The verification of the player's personal details should be conducted through the submission of the following documents or in the following ways:

- a) Submission of documents that verify the information a-d of [paragraph 5.3.3.1](#). The submission of one of the following is considered satisfactory:
 - i. identity card
 - ii. passport
 - iii. immigration registration slip for foreigners

Moreover, the bookmaker may request:

- i. player's photo with a relevant document
 - ii. photo or short video of the player's face
- b) Submission of document that verifies the player's permanent address. The submission of a utility bill is satisfactory:

Alternatively, the bookmaker may verify the player's address by mailing special verification codes to the player's address. Upon receiving the codes, the player should insert them in the bookmaker's system. This correspondence is confidential, and the envelope used does not have any logo or indication of the bookmaker.

- c) The player's email can be verified by sending him an email with instructions to be followed, such as access codes or a link.

5.3.3.7. However, the player's identification verification should not be based only on document submission but should also ensure that the player is the person identified in the document. The bookmaker collects information and data from the player's device, such as geolocation and IP address, which allow verification of the information presented in the documents. Biometric checks and player's photos, with him holding either the identification document or a code or a proof of the date defined by the bookmaker may be used to verify that the player is the person he claims to be.

5.3.4 Purpose and nature of business relation

5.3.4.1. Comprehending the purpose and nature of the business relation is a requirement of the due diligence that the bookmaker is obliged to apply, as defined in article 61 of the Law. If the player is registered in betting services, though, such obligation does not apply and no data or information collection is required to this end, since the purpose of registration is considered self-evident.

5.3.4.2. Nevertheless, the bookmaker is obliged to assess every single player and classify him based on risk level, as defined in [paragraph 5.1](#). In order for this assessment to be achieved, the bookmaker collects sufficient information and data, which will allow the bookmaker to detect any irregular activity by the player during their business relation, i.e. while the account is active.

5.3.4.3. As far as the range of information that needs to be collected is concerned, it should be done based on the risk levels that derive from the player's assessment. For low-risk players, a statement by the player about his financial background (e.g. occupation / business/ annual salary, etc.) is sufficient. Social media (e.g. Facebook, LinkedIn) may also be used as information verification sources. However, if the risk of money laundering and financing terrorism is higher or if the bookmaker is in doubt regarding the accuracy of information or data submitted by the player, then the information needs to be verified by independent, reliable sources.

5.3.4.4. In order to assess the risks involved with every player, instead of setting a general limit in the player's transactions (when exceeded, the source of money detecting procedures are initiated automatically), the bookmaker may examine the possibility of using statistical data to develop behavioural models, based on which the bookmaker will compare each player's betting activity.

If a bookmaker applies this approach, he may collect data and information from:

- a) official financial indicators, such as average national income, disposable income per capita, etc., as these are issued by public bodies or reliable financial organisations. These indicators allow the bookmaker to define the average wagering power of players depending on country of residence or even age (e.g. student, pensioner, etc.)
- b) data collected by the bookmaker which allow him to create the "average player" profile. These data do not relate to statistical data of a specific player, but statistical data received about a number of registered players. Therefore, the bookmaker adopts this alternative method only if the client database is large enough to allow the creation of an "average profile".

5.3.4.5. It is important to note that the use of statistical data cannot apply to players of high-risk profile, as the transaction pattern will not follow the average behaviour. In such cases, personalised collection of data is required to detect the source of the player's money.

5.3.5 Constant monitoring of players' activity

5.3.5.1. Class B bookmaker should be equipped with systems that allow constant monitoring of the players' betting activity.

Through these systems, bookmakers should make sure that:

- a) they are capable to detect the moment a player exceeds the limit of €2.000;
- b) they are capable to detect the player's account that is utilized by more than one persons or by a person other than the one registered.

Class B bookmakers should have systems that record information and details related to the players and the devices used for their transactions. They should be able to doublecheck this information and detect inconsistencies between that information and the information submitted by the player under [paragraph 5.3.3.6](#). The systems should check information such as IP addresses, device location and other information that may deter the registration of multiple accounts by the same person, either under the same name or by using personal information of other people, or by submitting forged documents. The bookmakers:

- a) should reject the account registration of a person who has submitted false information and details;
- b) should ensure that the documents, data and information related to the player's account are updated. Specifically:
 - i. the bookmaker should request the submission of new identification documents, if the ones already acquired have expired. The collection of new documents should be conducted either based on the player's risk level or following a trigger event;
 - ii. if for any reason the player's data and information collected by the bookmaker are inconsistent or contradictory to other information that the bookmaker has, the bookmaker should review and reassess the information and documents;
 - iii. even if the points (i) and (ii) do not apply, the bookmaker should review and update the information and data related to the player based on the risk-level on a regular basis;

- c) should examine the transactions made and ensure that they match the player's financial profile and risk-level.

5.3.5.2. The bookmaker should be fully aware of the regular activity of the registered players' accounts, as well as of the general financial profile (purpose and nature), in order to be able to detect transactions that seem irregular, complicated, out of the norm, or without an evident betting purpose. Without such knowledge, the bookmaker does not comply with the legal obligation to detect and report suspicious transactions to MOKAS Unit, as defined in [paragraphs 3.2.2\(c\)](#) and [6.2](#).

5.3.6 Refusal or neglect to submit documents

5.3.6.1. If the player refuses or neglects to submit the required documents and information for identification and identity verification purposes or for creating his financial profile, when his transaction exceeds €2.000 or within the period of 30 days from his registration, without adequate excuse, it is reasonable to assume or suspect that the player might be involved in money laundering or terrorism financing activities. In such cases, the Class B bookmaker should not proceed to form a business relation and the Compliance Officer should examine whether to submit a Report to MOKAS Unit, under the given circumstances, as defined in [paragraph 3.2.2\(c\)](#).

5.3.6.2. If during the business relation the registered player refuses or neglects to submit the required identification documents and information that should be submitted according to [paragraph 5.3.3.6](#) within a reasonable period of time, the Class A bookmaker should interrupt the business relation immediately, while the Compliance Officer should examine whether to submit a Report to MOKAS Unit, under the given circumstances, as defined in [paragraph 3.2.2\(c\)](#).

5.4 Due diligence: Authorised agent

5.4.1. Obligation to apply due diligence

5.4.1.1. Class A bookmakers should apply due diligence on any person, legal or physical, who will offer services as an authorised agent for and on their behalf. Due diligence should be applied by the bookmaker before any representation agreement or contract is signed.

5.4.1.2. For the purposes of this Directive, the business relation between Class A bookmaker and agent is active once the contract is signed, provided that the person involved has already received their license as an authorised agent.

5.4.2. Authorised agent acceptance policy

5.4.2.1. According to [paragraph 3.2.1\(e\)](#), a Class A bookmaker who intends to offer services through authorised agents should develop and apply a clear policy for accepting authorised agents, which is fully aligned with the provisions of the Law and the current Directive. This policy is prepared following a thorough assessment of the risks involved regarding the authorised agents, based on the current Part/Chapter, and sets clear guidelines with regard to the following:

- a) acceptance criteria
- c) categories of legal or physical persons who cannot be accepted
- d) criteria for the classification of agents based on the estimated risk in at least three categories:
 - i. low risk
 - ii. medium risk
 - iii. high risk

5.4.2.2. The classification of authorised agents should be based on criteria that reflect the potential risk factors, and for each category there should be corresponding due diligence, regular monitoring and controls. Low risk category of authorised agents involves cases which the Class A bookmaker has decided to classify as such, according to article 63 of the Law. This means that the Class A bookmaker is confident that the business relation is of low risk and that there is no suspicion of money laundering or financing terrorism. High risk authorised agents involve cases that are defined as high risk in article 64 of the Law, as well as any other case which the Class A bookmaker has decided to classify as such.

5.4.2.3. The Class A bookmaker should be able to prove to NBA that the range of due diligence procedures applied on authorised agents is adjusted to the risks involved at any time.

5.4.3. Authorised agent's identification and identity verification

Due diligence when the authorised agent is a physical entity

5.4.3.1. During their due diligence on physical entities according to [paragraph 5.4.1.1](#), Class A bookmakers should collect at least the following information and documents:

- a) agent's identity information
- f) home address in the Republic

- g) contact details (mobile phone number and email address)
- h) bank details certification letter for the agent's special account
- i) reference letter from bank
- j) certificate of total gross income for the last three years from the Social Insurance Department
- k) two passport photos
- l) a curriculum vitae (CV).

Due diligence when the authorised agent is a legal entity

5.4.3.2. During their due diligence on legal entities according to [paragraph 5.4.1.1](#), Class A bookmakers should collect at least the following information and documents:

- a) memorandum and Articles of Association,
- b) board of Directors' resolutions and minutes,
- c) certificates of Directors and Secretary, Shareholders, Registered Office of company or branch of company in the Republic,
- d) documents that verify the identity of all officers and beneficial owners of the entity (submission of information as defined in 3.1.1. excluding (e) and (f) for all entities),
- e) audited financial statements of the last three years (where applicable) and
- f) contact details (phone number and email address).

5.4.4. Verification of information of authorised agent

5.4.4.1. The bookmaker should verify the identity of the person, as well as the authenticity of all the information and documents submitted under [paragraphs 5.4.3.1](#) and [5.4.3.2](#). The verification is conducted based on documents, data or information that are issued by or received from an independent and reliable source.

5.4.4.2. For a physical entity's identity verification, a passport, identity card or alien registration card is required. No other document can be accepted for identity verification purposes. Moreover, in case of doubt for the authenticity of any submitted document (passport, national identity card or home address verification documents), verification of identity should be requested from the Embassy or

Consulate of the issuing country or from a reliable bank or financial institution in the customer's country of residence.

5.4.4.3. In order to verify the permanent address of a physical entity, a utility bill should be submitted. For the purposes of this paragraph, the bookmaker may accept a utility bill in the name of a third party, only if the bill is accompanied by one of the following documents:

- a) in the case of submitting a utility bill in the name of the spouse, the document must be accompanied by a copy of the relevant marriage certificate,
- b) in the case of submitting a utility bill in the name of a person with whom he/she lives or cohabits, the document must be accompanied by either –
 - i. an affidavit in which the relationship between them is clarified and in which his/her permanent address is confirmed, or
 - ii. a certificate signed by the President of the Community Council, confirming that his/her permanent address is as stated in the utility bill,
- c) a certificate from the President of the Community Council confirming his/her permanent address.

5.4.4.4. All the documents and certificates that are submitted under [paragraph 5.4.3](#) and [5.4.4](#) should comply to the requirements of [paragraphs 7.3.3](#) and [7.3.4](#).

5.4.4.5. Criminal records that are submitted under [paragraph 5.4.3](#) should be issued –

- a) In case of a physical entity by –
 - i. the Republic of Cyprus,
 - ii. the country of nationality,
 - iii. the country of residence and
 - iv. the country of professional or business activity
- b) In case of a legal entity by –
 - i. the Republic of Cyprus
 - ii. the country of registered office or headquarters and
 - iii. the country of main professional or business activity.

5.4.5. Simplified due diligence

5.4.5.1. After the due diligence is conducted, the bookmaker assesses the risk of money laundering and financing terrorism of the potential agent. Following that, the bookmaker classifies the potential agent in the corresponding risk level category, according to [paragraph 5.4.2](#). The candidate's classification reflects the level and frequency of monitoring that will be applied by the bookmaker.

5.4.5.2. Following the business relation agreement – licencing of the authorised agent, the bookmaker should monitor the agent's activity, thoroughly examining the transactions conducted under their business relationship, ensuring that the transactions match with the information and data he possesses, the business and risk level, and, if necessary, the source of money. He should also ensure that all relevant documents, information and data are updated. Therefore, the bookmaker may reassess the risk level of the authorised agent and move him to a different risk category, at any point of the business relationship.

5.4.5.3. According to article 63 of the Law, the bookmaker may apply simplified due diligence about an authorised agent in case the business relation indicates a lower risk level, and provided that there is no suspicion of money laundering and terrorism financing.

5.4.5.4. The bookmaker is obliged to collect adequate information that allows him to decide whether a business relation is of lower risk level. In the context of the aforementioned risk assessment process, the bookmaker should pay attention to every activity and transaction conducted from the authorised agent's special account, as defined in [paragraph 5.4.8](#), that may be considered suspicious of money laundering and terrorism financing due to their nature. In addition, the bookmaker collects information and is kept informed in relation to all persons in charge of premises of the authorized representative. Specifically, the bookmaker keeps a copy of the "Declaration of the Person in Charge of Premises" (EAΣ/EA/2016/08/A) and the documents attached to it, as submitted to the NBA, for each person in charge a premise of the authorized representative.

5.4.5.5. The bookmaker should monitor the agent closely to be able to detect irregular or suspicious transactions.

5.4.6. Enhanced due diligence

The cases when enhanced due diligence should apply on an authorised agent

5.4.6.1. While the bookmaker may have classified the authorised agent/person in charge of premises as a low risk at the stage of entering into the business relationship, he may later reassess this classification.

5.4.6.2. The factors that may classify an authorised agent as high risk include, but are not limited to, the following:

- a) politically exposed person
- b) person without clean criminal record
- c) person accused in a criminal case
- d) person on whom an administrative fine has been imposed
- e) person who has been involved in illegal betting
- f) person whose financial profile does not match his business activity
- g) person against which there are frequent reports and complaints by players
- h) person who refuses to submit all required or additional information to the bookmaker
- i) person who does not fulfill the license requirements.

If any of the above factors applies to a person in charge of premises of an authorized representative, then, for the purpose of recategorizing the representative's risk, it shall have the same effect as if it applied to the representative himself.

Enhanced due diligence from bookmaker on authorised agent

5.4.6.3. The bookmaker should apply the following due diligence in case the authorised agent falls under the high risk category:

- a) receive an approval from the Compliance Officer on conducting or preserving a business relation with such a person;
- b) conduct adequate due diligence that detects the source of assets and income that are related to their business relation and transactions with this person; for instance,
 - i. collect data, information and documents about the source of funds that will be invested in the creation and operation of premises;

- ii. collect data, information and documents on the source of wealth of the authorised agent and assess whether this is justified adequately from the nature of activities and transactions conducted in the licensed premises;
 - iii. examine the history and purpose of all complicated and irregularly high transactions, as well as of all irregular transaction types, that are conducted without apparent financial or legal purpose. In particular, they should intensify the extent and nature of the monitoring process of the business relationship in order to detect whether these transactions or operations are suspicious;
- c) monitor the business relation closely and constantly;

To this end, the bookmaker may request the submission of additional documents, data and information he may consider necessary, in case that the circumstances of the authorised agent have altered significantly.

5.4.6.4. The Class A bookmaker should apply the due diligence as described in [paragraph 5.4.6.3](#) on close family members and close associates of politically exposed persons.

5.4.7. Authorised agent's financial profile

5.4.7.1. Without affecting articles 62(2) and (3) of the Law, the data and information are collected before the business relation is activated, in order to create the financial profile of the authorised agent, which should include at least the following:

- a) the projected account movement, the nature of transactions, the expected source of the income credited to the account and expected destination of outgoing payments;
- b) the size of assets and annual income, the detailed description of the main business activities.

5.4.7.2. The data and information that form the financial portrait of the authorised agent – legal entity – consist of the following but not only: company name, country of incorporation, central office address, names and identity data of beneficial owners, officers, authorised signatories, financial data, information on the group of companies that the entity is part of (country of incorporation of parent, subsidiary and associated companies, main activities, financial size). The above data and information are recorded separately and are filed in the agent's file, along with all other relevant documents and with relevant memos on the minutes taken during the meetings with the agent. These data are updated regularly or whenever new information or modifications on the information occur that relate to the agent's financial profile.

5.4.7.3. If the authorised agent is a physical person, relevant information is collected, and relevant procedures are followed, similar to the ones described above.

5.4.7.4. The transactions conducted by the agent are assessed compared to the projected movement of the special bank account of the authorised agent, as defined in [paragraph 5.4.8](#), to the regular turnover of the agent and to his financial profile data. In case of significant discrepancies, there should be relevant investigations, the outcomes of which are filed in the agent's file. Transactions that may not be justified based on the existing information should be examined further in order to decide whether there are suspicions of money laundering or financing terrorism, whether it is necessary to submit an internal report to the Compliance Officer, according to [paragraph 3.2.2\(a\)](#), and whether the Compliance Officer should submit a report to MOKAS Unit, according to [paragraph 3.2.2\(c\)](#).

5.4.8. Special bank account of authorised agent

5.4.8.1. The authorised agent keeps a special bank account of agent, for the sole purpose of receiving commission, depositing the revenue from betting and conducting the bank transactions that are related to the operation of the licensed premises and the provision of betting services on behalf of the bookmaker.

5.4.8.2. The use of the special bank account for personal purposes or any other transactions that are not related to the ones described in [paragraph 5.4.8.1](#) is not allowed.

5.4.8.3. The bookmaker deposits any commission or remuneration related to the agent's licence only in the agent's special bank account.

6 PART VI – SUSPICIOUS ACTIVITY ASSESSMENT AND REPORTING

6.1. Assessment of suspicious activity

6.1.1. Reporting of suspicious activities to MOKAS Unit

6.1.1.1. Without affecting the provisions of article 70 of the Law, in case that the bookmaker knows or has reasonable suspicions that a transaction is connected to illegal activities or to financing terrorism, he should take initiative and report the suspicion to MOKAS Unit through the Compliance Officer. The obligation to report suspicious transactions to MOKAS Unit also involves attempts to conduct such suspicious transactions.

6.1.2. Reporting a player

6.1.2.1. Due to the nature of the bookmaker's activities and the exponential technological evolution, it is practically impossible to define or list the types of suspicious transactions. A suspicious transaction is usually incompatible to the regular activity of the player and/or his financial profile as created by the bookmaker, and may also involve alternative deposit or withdrawal ways. The bookmaker should ensure that he collects adequate information and is aware of the activities of his players, being able to detect whether a transaction or a series of transactions is irregular or suspicious.

6.1.2.2. A list of examples of suspicious transactions/activities that may be related to money laundering and financing terrorism is attached in [APPENDIX IV](#). However, the list is not exhaustive and should be considered merely as a tool of identifying the most common ways of money laundering and financing terrorism.

6.1.3. Reporting an authorised agent

6.1.3.1. The nature of cooperation between a Class A bookmaker and an authorised agent allows the monitoring of all transactions that are related or derive from the operation of the licenced premises and the provision of betting activities on behalf of the bookmaker. For the purposes of the current Part, the bookmaker monitors the activity of the agent through a computer system and through the special bank account of the authorised agent, as this is described in [paragraph 5.4.8](#), comparing the data with the agent's profile, as this is formed according to [paragraph 5.4.7](#). The bookmaker ensures that he collects adequate information and is aware of the activities of his agents, so as to be able to detect irregular or suspicious transactions or series of transactions.

6.2. Compliance Officer's Report to MOKAS Unit

6.2.1. The Compliance Officer submits all the reports described in [paragraph 3.2.2\(c\)](#) to MOKAS Unit, through goAML portal and the website <https://reports.mokas.law.gov.cy/live>.

6.2.2. According to article 48 of the Law, the bookmaker does not notify the player or authorised agent or any other person about the submission of information on suspicious transactions to MOKAS Unit. Moreover, it is forbidden to reveal any information to the player or authorised agent that may hinder or have a negative effect on the Authorities' investigation. Therefore, if the bookmaker wishes to discontinue his relation with the player or authorised agent in order to avoid risks of potential continuation of the relationship, he should do so discreetly.

6.2.3. Following the submission of the report, the bookmaker follows all the instructions given by MOKAS Unit, especially with regard to completing a transaction or keeping a certain player's account active. According to article 26(2)(c) of the Law, MOKAS Unit may instruct the bookmaker not to complete or to delay the player's orders, without this being considered violation of any legal or other obligation.

6.2.4. If a report to MOKAS Unit is not submitted, the bookmaker should avoid proceeding with any transaction of which he knows or suspects relation to money laundering and financing terrorism. Nevertheless, if it is not possible to avoid completing the transaction or if the avoidance may hinder the player or authorised agent's prosecution, the bookmaker may proceed with the transaction and inform MOKAS Unit accordingly.

6.2.5. The Compliance Officer monitors closely any other player's account may be related or associated with the player or authorised agent under investigation.

6.3. Submitting information to MOKAS Unit

6.3.1. The bookmaker ensures that during a MOKAS investigation of a suspicious transaction, he submits all information outlined in [paragraph 7.5.1](#) promptly and without any delay.

6.3.2. The Compliance Officer responds to all requests and questions, submits all requested information and cooperates fully with MOKAS and NBA. Moreover, he immediately notifies NBA about any report submitted to MOKAS Unit.

7 PART VII – RECORD KEEPING

7.1 Record keeping and period of record keeping

7.1.1. According to article 68 of the Law, the bookmaker should keep records of all the data and information relating to players and authorised agents.

More specifically:

- a) players' records are to be kept for a period of five (5) years from the account's closing date or from the date of a transaction over €2.000. The records may be deleted only after approval by NBA.
- b) authorised agents' records are to be kept for a period of five (5) years from the termination of the business relation.

7.1.2. Regardless of the above provisions, and as provided in article 68 of the Law, the data are not to be deleted if there is sufficient reason to keep them for prevention, detecting or investigation of cases related to money laundering or financing terrorism: It is clear that data and information related to ongoing investigations are kept until MOKAS Unit informs the bookmaker that the investigation has been concluded and the case has been closed.

7.2 Form of data

7.2.1. The data is to be kept only in electronic form. Information retrieval should be able to be done timely, without any delay, and the bookmaker should be able to provide any data to NBA or MOKAS Unit at any time, following their request or for purposes related to [paragraph 6.3](#).

7.2.2. The bookmaker defines his policy on record keeping, taking into account the requirements of the Law, of the current Directive and of the Betting Law of 2019, as well as the potential needs of MOKAS Unit and NBA.

7.3 Document verification

Class A

7.3.1. Identification documents of players should be verified by an authorised agent or by a person in charge of the licenced premises who verifies the player's identity, as defined in [paragraph 5.2.4.7](#).

7.3.2. All copies are kept in electronic form for purposes of the [paragraph 7.2.1](#): Copies should be kept in high resolution and coloured form, they should be clear, legible and difficult to forge or modify.

Authorised agent and persons in charge of premises

7.3.3. Copies of identification documents of the authorised agent and the persons in charge of premises are submitted either in their original form or, in the case of copies, submitted after being certified by a certifying officer or if sent by email, provided that they bear a certified electronic signature.

7.3.4. All documents and certifications that are submitted under [paragraphs 5.4.3 and 5.4.4](#) should be issued within six months from the submission date. The audited financial statements of the authorized representative are not subject to the this obligation.

7.4 Data processing

7.4.1. According to article 70B of the Law, personal data processing under the provisions of the Law should comply with the provisions of the EU General Data Protection Regulation 2016/679, of the Protection of Natural Persons with regard to the Processing of Personal Data and the Free Movement of Such Data Law.

7.4.2. Personal data that are processed by bookmakers for the purposes of the provisions of the current Law should not undergo any other discordant processing. Personal data processing for purposes other than the ones provided by the Law, such as commercial or other purposes, is not allowed.

7.4.3. The bookmaker should inform the new players before they create an account or before they make a transaction that equals or exceeds €2.000 about the potential processing of their personal data, as defined by the provisions of Law against money laundering and terrorism financing. The bookmaker should also provide the players with all information required by article 13 of the GDPR EU Regulation 2016/679. This information is part of the account application procedure or of the application for a single transaction equal to or, over €2.000; it is expressed in simple language, in a clear and comprehensible way. The same kind of information should also be provided to the authorised agents before the beginning of their business relationship. The information procedure is part of the contract between the Class A bookmaker and the authorised agent.

7.4.4. The right of a player to access his data may be partly or fully revoked, according to the provisions of the EU Regulation 2016/679, the Protection of Natural Persons with regard to the Processing of Personal Data and the Free Movement of Such Data Law –

- a) for purposes of fulfilling the obligations of a bookmaker and the supervisory authorities as these are defined by the Law; or
- b) to prevent hindering of official or legal investigations, research or procedures related to the current Directive, ensuring that prevention, investigation and detecting money laundering and financing terrorism are not obstructed.

7.5 Bookmaker's archive

7.5.1. MOKAS Unit requires sufficient data and information to be able to trace the route of illegal money and to create the financial profile of the investigated person. In order to achieve this, bookmakers should ensure that during an investigation of a suspicious transaction by MOKAS Unit, they should be able to provide the information of [APPENDIX VI](#) promptly.

7.5.2. According to article 68 of the Law, the following documents and information should be kept in the bookmaker's archive:

- a) copies of documents and information required for due diligence of player and authorised agent (where applicable);
- b) relevant evidence and documents related to transactions which are necessary for transactions detecting;
- d) documents related to correspondence with players and authorised agents (where applicable) with which there is a business relationship.

8 PART VIII – PERSONNEL OBLIGATIONS AND TRAINING

8.1. Personnel obligations

8.1.1. According to article 64 of the Law, the bookmaker is obliged to implement procedures that allow the personnel, authorised agents and persons in charge of premises to report violations internally through a specialised, independent and anonymous system.

8.1.2. The above-mentioned persons should cooperate with the Compliance Officer and report, without any delay, any information regarding transactions that might carry even the slightest suspicion of money laundering or financing terrorism through the Internal Report, as defined in [paragraph 3.2.2\(a\)](#).

8.1.3. The submission of the Internal Report of [paragraph 3.2.2\(a\)](#) by the aforementioned persons is considered as fulfilment of the legal obligation of revealing suspicions of money laundering or financing terrorism, according to article 26 of the Law.

8.2. Education and training programs

8.2.1. The Class A bookmaker should ensure that the personnel, authorised agents and persons in charge of premises are well aware of their legal obligations that derive from the Law, the current Directive and the GDPR (EU) 2016/679 provisions, through a comprehensive training program.

8.2.2. The Class B bookmaker should ensure that the personnel is well aware of their legal obligations that derive from the Law, the current Directive and the GDPR (EU) 2016/679 provisions, through a comprehensive training program.

8.2.3. The time and content of the training offered to the personnel and authorised agents are adjusted according to the needs of each bookmaker. The frequency of training should align with the amendments in the law and/or regulations and the personnel duties. Trainings should be repeated at least on an annual basis.

8.2.4. Trainings should aim at informing the personnel and authorised agents on the recent developments on suppressing money laundering and financing terrorism, on practical methods and trends in this sector, especially in the field of betting and gambling. The trainings should focus on ways

to detect and deal with transactions and activities that are potentially connected with offences of money laundering and financing terrorism.

8.2.5. Trainings should have different content and structure for new personnel, current personnel, different departments and authorised agents, based on the services they provide. Trainings should be repeated regularly to ensure that the personnel and authorised agents are always aware and up to date regarding their obligations and the latest developments in the sector.

8.2.6. Detailed information on the training program for the personnel and authorised agents should be included in the annual report, described in [paragraph 3.4](#).

8.2.7 Apart from participating at internal trainings, the Compliance Officer is obliged to attend seminars offered by professionals and seminars offered by NBA, so as to be kept informed and up to date. A detailed description of the training programs and seminars attended by the Compliance Officer should be included in the annual report described in [paragraph 3.4](#), with all necessary copies of participation certificates, where available.

Authorised agent

8.2.8. The authorised agent provides services on behalf of the bookmaker, only after having received the required training and being able to apply the AML policy of the bookmaker efficiently.

8.2.9. The bookmaker should ensure that the authorised agent provides services on his behalf only after having received the training defined in [paragraph 8.2.5](#) and NBA has been informed about the training completion.

8.2.10. The participation of the authorised agent at the training programs and/or specialised seminars organised by the bookmaker or NBA is compulsory.

9. PART IX – SANCTIONS LAW

9.1 The bookmaker designs and applies measures and procedures so as to detect actions that violate or may violate the provisions of the Resolutions or Decisions of the United Nations Security Council which are adopted pursuant to Chapter VII of the United Nations Charter (Sanctions) and/or the Decisions and Regulations of the EU Council, as well as their amendments and revisions which are adopted pursuant to Article 29 of Chapter 2 of Title V of the Treaty on the Functioning of the European Union (Restrictive measures), as defined in the Sanctions Law.

9.2 The bookmaker records in the risk management and procedures manual of [paragraph 3.2.1\(c\)](#) the measures and procedures that are applied to detect actions that violate or may violate the provisions of Sanctions or Restrictive Measures.

10. PART X – GENERAL PROVISIONS

10.1 This Directive was approved by the Authority's Board of Directors during session 345/2022, which took place on the 13th July 2022 and comes into force on the 14th July 2022. This Directive repeals the "Directive on the Prevention and Combating of Money Laundering from Illegal Activities of the National Betting Authority" - DIRECTIVE 15.2021.

10.2 Class A and B bookmakers, authorised agents and persons in charge of premises are obliged to attend all training seminars organised by NBA with regard to the application of this Directive within the period between its publication and activation.

10.3 The NBA may, at its absolute discretion, decide to extend any deadline set in this Directive in the event that the conditions prevailing in the Republic affect the licensees' ability to comply with them.

APPENDICES

APPENDIX II**INTERNAL REPORT ON SUSPICIONS OF MONEY LAUNDERING AND TERRORISM
FINANCING****REPORTING PERSON**

- Authorised agent
- Premises officer (in case the bookmaker is the owner of the premises licence)
- Bookmaker's employee / Department:

Name:

Title/position:

Phone number: Fax number:

Email:

PLAYER'S DATA

Full name:

Address:

Date of birth: Phone number:

Passport number: Nationality:

ID number: Phone number:

Email:

Other identity data:

Occupation:

Employer's data:

INFORMATION/SUSPICIONS

Brief description of facts/transaction:

.....
.....
.....
.....

Reasons of suspicion:

.....
.....
.....
.....

Reporting person's signature: Date:

TO BE USED BY COMPLIANCE OFFICER

Receiving date: Receiving time: Ref.

MOKAS Unit notified: Yes/No Date of notification: Ref.....

COMPLIANCE OFFICER'S SIGNATURE:

APPENDIX III

**INTERNAL ASSESSMENT REPORT ON SUSPICIONS
OF MONEY LAUNDERING AND FINANCING TERRORISM**

Report:

Player's data:

Reporting person:

Department:

INVESTIGATION CONDUCTED (brief description)

.....
.....
.....

ATTACHED EVIDENCE

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.....
.....
.....

COMPLIANCE OFFICER'S DECISION

.....
.....
.....

FILE NUMBER:

DATE:

COMPLIANCE OFFICER'S SIGNATURE

.....

APPENDIX IV

INDICATIVE SUSPICIOUS ACTIVITIES

This Appendix provides an indicative list of common suspicious activities at licensed premises. The list aims at assisting the premises licence holder and the personnel to identify suspicious activities and decide whether it is necessary to submit an Internal Report according to [paragraph 3.2.2\(a\)](#):

- a) players with strange, irregular or suspicious activities, trying to befriend members of the premises personnel;
- e) difficulties in due diligence of player:
 - i. player refusing to submit identity verification data;
 - ii. data submitted are fake or modified;
 - iii. player insists on using a name or nickname that does not appear on submitted identification documents;
 - iv. identity verification documents are in third person;
- f) players requesting cheques or bank transfers to be issued on a different name;
- g) players requesting cheques or bank transfers on money that is not bet winnings;
- h) players trying to cash a betting slip which is not under their name;
- i) remarkable change in the regular betting activity of a player, such as:
 - i. higher betting amounts than usual,
 - ii. betting amounts that do not match the reported income, wealth and financial situation of the player.

APPENDIX V

This Appendix outlines all possible ways to credit an account of a registered player of a Class B bookmaker, classified according to risk levels:

- a) low risk
 - i. bank transfer (EEA or states with similar security levels)
 - ii. credit or debit cards issued by bank (EEA or states with similar security levels)
- j) low-medium risk
 - i. credit or debit cards issued by licenced financial institutions
- k) medium risk
 - i. payment service provider (PSP) licensed in EEA
- l) medium-high risk
 - i. payment service provider (PSP) licensed in EEA who may debit the account with cash or quasi-cash
 - ii. payment service provider (PSP) not licensed in EEA
- m) high risk
 - i. prepaid cards
 - ii. voucher coupons

APPENDIX VI

SUBMITTING INFORMATION TO MOKAS UNIT

Class A

Regarding Class A bookmaker player's account and transactions equal to, or over €2.000:

- a) player's identity information and any documents, data and information collected during due diligence, as described in [paragraph 5.2.4](#), including the identity of the person who made the data verification;
- b) betting slips or any other data or information that illustrate the player's betting activity, the way each bet was paid, the method of payment of winnings to the player and the money destination, if applicable;
- c) data related to the premises where the betting was conducted;
- d) any correspondence between bookmaker and player.

Class B

Regarding Class B player's account:

- a) player's identity information and any documents, data and information collected during due diligence, as described in [paragraph 5.3.3](#);
- b) betting slips or any other data or information that illustrate the player's betting activity;
- c) evidence and records on player's deposits and withdrawals, the method used for deposits and withdrawals and the money destination;
- d) connected accounts;
- e) any correspondence between bookmaker and player.

Authorised agent

Regarding authorised agent:

- a) identity information of authorised agent, persons in charge of premises and any documents, data and information collected during due diligence, as described in [paragraph 5.4.3](#);
- b) betting slips or any other data or information that illustrate the betting activity at the licenced premises of the authorised agent;

- c) information and data on the authorised agent's expenses which are related to the operation of the licenced premises and the betting services offered on behalf of the bookmaker;
- d) evidence and records on authorised agent's special bank account deposits and withdrawals;
- e) any correspondence between bookmaker and authorised agent.

**In case of discrepancies the Greek version supersedes*