

## Guidance – Remote Gaming Operators REQ

In terms of the Regulation 19 of the PMLFTR, the Financial Intelligence Analysis Unit ("FIAU") can require subject persons to submit periodical reports on the AML / CFT measures, policies, procedures and controls they are implementing. This is being done through the annual Risk Evaluation Questionnaire ("REQ"). Unless otherwise stated, all subject persons, including those that were licensed in 2019 and are still licensed as of 28 February 2020, are bound to complete and submit the REQ through the CASPAR system by the deadline communicated to subject persons by the FIAU against payment of the applicable administrative fee. Failure to do so may result in the imposition of administrative sanctions by the FIAU.

This document clarifies the interpretation of specific questions and provides more information on the data being requested in particular sections within the REQ. Please go through this document prior to the completion and submission of the REQ. Subject Persons are invited to call the FIAU at any time during office hours on 21231333 or send an e-mail to: [caspar@fiumalta.org](mailto:caspar@fiumalta.org)

*This REQ covers the period 01 January 2019 to 31 December 2019. Reference to prior calendar year throughout the REQ should be taken to refer to 01 January 2019 to 31 December 2019.*

*Subject persons are required to complete the questionnaire in respect of the activity that falls within the definition of "relevant activity" and "relevant financial business" in accordance with Regulation 2 (1) of the PMLFTR.*

*Various questions in this REQ have also been applied across other different sectors. As a result, generic terminology such as "you / your entity" and "entity" has been applied and should therefore be taken to refer to the subject person completing this REQ.*

*Unless otherwise stated, reference to monitoring system throughout the REQ should be interpreted to refer to both manual and automated systems.*

### Abbreviations

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| AML / CFT | Anti Money Laundering / Combatting the Funding of Terrorism  |
| BO / UBO  | Beneficial owner / Ultimate beneficial owner   |
| BRA       | Business Risk Assessment   |
| CASPAR    | Compliance and Supervision Platform for Assessing Risk   |
| CDD       | Customer Due Diligence   |
| CRA       | Customer Risk Assessment   |
| ECB       | European Central Bank  |
| EDD       | Enhanced Due Diligence   |
| EEA       | European Economic Area   |
| EU        | European Union   |
| FATF      | Financial Action Task Force  |
| FIAU      | Financial Intelligence Analysis Unit   |
| FTE       | Full-time equivalent   |
| IPs       | The Implementing Procedures issued in terms of Regulation 17 of the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR) |
| MFSA      | Malta Financial Services Authority   |
| MGA       | Malta Gaming Authority   |
| ML/FT     | Money Laundering / Funding of Terrorism  |
| MLRO      | Money Laundering Reporting Officer   |
| NRA       | National Risk Assessment   |
| PEP       | Political Exposed Person   |
| PMLFTR    | Subsidiary Legislation 373.01 Prevention of Money Laundering and Funding of Terrorism Regulations  |
| RTP       | Return to player   |
| SDD       | Simplified due diligence   |
| SNRA      | Supranational Risk Assessment  |
| SP        | Subject person   |
| STR       | Suspicious transactions report   |

## FAQs

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| If a subject person was previously registered in CASPAR, should the subject person register again or can the previous credentials be used? | Subject persons do not need to register again and can use the same credentials  |
| I am the MLRO of an entity that obtained its license in 2020. What should we do now?   | Once the appointment of the MLROs is duly approved by the relevant supervisory authority, where applicable, the appointment and any subsequent changes thereto must be notified to the FIAU through CASPAR. The MLRO should register on CASPAR and create a Subject Person. Guidance on the registration process is available on the FIAU website. The first REQ in this case will be due in 2021 and will cover the period 1st January 2020 to 31st December 2020. |
| If there was a change in MLRO in 2020, is it correct to assume that the current MLRO has to submit the REQ for 2019?                       | Yes, the current MLRO has to submit the REQ.  |
| If the MLRO resigned some time ago and an interim MLRO has been appointed quite recently, can the designated employee submit REQ instead?  | The REQ can only be submitted by the MLRO.  |
| Does a REQ need to be completed even if operations have just started?  | The 2020 REQ covers the operating period January – December 2019, therefore subject persons who obtained their license in or prior to 2019 have to complete the 2020 REQ. Subject persons who do not require to be licensed have to complete the REQ depending on the day when they commenced operations. Registration on CASPAR is compulsory.   |
| Does an entity which was liquidated in 2019 or is currently in the process of liquidation need to complete and submit a REQ?               | As long as the entity is still licensed, it is still required to submit the REQ for the year 2020.  |
| Is a separate REQ required to be completed for different entities?   | Yes, each subject person has to complete a separate REQ and provide information that is specific to that subject person. Even if entities form part of the same group and controls may be the same, a separate REQ has to be completed and the inherent risk questions have to be completed to cover for the specific risk exposures of that subject person.  |
| Are legal entities which hold a B2B MGA license required to submit a REQ?  | B2Bs are not subject persons in terms of the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR). Thus, registration to CASPAR and the submission of the REQ are not required.   |

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| The REQ for remote gaming operators includes a series of questions on customers. In the case where the gaming entity holds both a B2B and a B2C license, do these questions apply to both operations?            | Due to the fact that B2Bs are not subject persons in terms of the PMLFTR, questions are solely related to end users and do not apply to B2B customers.   |
| I am the MLRO of two gaming entities which both individually hold a MGA licence. One of the entities was set up to solely process payments on behalf of the other. Can we submit one REQ covering both entities? | Since both entities hold a MGA licence, both subject persons must be created on CASPAR and a REQ submitted for each gaming entity.   |
| I am the MLRO of a gaming entity which is registered in Malta but is licensed and operates solely in another EU jurisdiction. Is a REQ required to be completed and filed?                                       | The submission of REQs is required by those who qualify as subject persons under the PMLFTR, which means by those legal or natural person carrying out either relevant financial business or relevant activity. The activities of gaming licensees are encapsulated under the definition of "relevant activity" in Regulation 2(1) of the PMLFTR. If the gaming entity is licensed by the Malta Gaming Authority, then the entity is still considered to be a subject person and is required to complete and submit the REQ. On the other hand, if the gaming entity is not licensed by the MGA, the entity is not considered to be a subject person and should refrain from submitting a REQ. |
| Are operators who hold an EU license (Spain, Italy, etc) and have a recognition notice from the MGA, considered to be subject persons?   | No they are not considered to be subject persons as the PMLFTR only makes reference to gaming licensee. To be considered a subject person an operator has to have a license issued by the Malta Gaming Authority. Gaming operators are only considered to be subject persons if they provide games of chance or games of change with an element of skill through their Maltese acquired license.   |
| How should subject persons answer questions that require a monetary value?   | All questions requiring the subject person to give monetary values require an answer in Euro. The rate of conversion that has to be utilised depends on the type of question that is being answered. If the value requested is the value at year end, then the subject person should use the last official exchange rate available for the year under review. On the other hand, where the value represents the sum total of a number of transactions which took place during the year, the subject person may either utilise the official daily exchange rate or in the absence thereof the official monthly / annual average exchange rates.   |

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| <p>What is the difference between the "Not Available" and the "Not Applicable" answer options provided?</p>   | <p>The "Not Applicable" option should only be selected in those instances where the question does not apply to the subject person answering the REQ, such as where the subject person does not offer a specific product / service or where the subject person may have only recently commenced operations. If however a Subject Person does provide the service / product but registered no activity in the prior calendar year, then the respondent should input a '0' value.</p> <p>The "Not Applicable" option may also be availed of where the main question upon which all subsequent questions depend was answered in the negative.</p> <p>The "Not Available" option should only be selected in those instances where the subject person cannot reply to the question as it does not have the required or sufficient information at its disposal.</p>   |
| <p>When the question requires an answer in numbers, currency or percentages, what is the difference between inputting "0", and selecting the 'not applicable' or 'not available' option?</p>                              | <p>Inputting "0" means that the question applies to the subject person, however the subject person had nothing to report.</p> <p>The 'Not Applicable' option should only be selected in instances where the question does not apply to the subject person answering the REQ such as where a product is not offered or the subject person has only recently commenced operations. The 'Not Applicable' option can also be availed of where the main question upon which all subsequent questions depend was answered in the negative.</p> <p>The 'Not Available' option should be selected in those instances where the question applies to the subject person, however the entity does not have sufficient information at its disposal to answer the said question.</p> <p>When a number/percentage is required to be input and the 'Not Applicable' option is not available, a '0' value should be input.</p> <p>Example: "What percentage of total customers are resident or otherwise incorporated or their principal place of business is in a non-EU / EEA jurisdiction?"</p> <ul style="list-style-type: none"> <li>- Subject persons who do not accept customers from non-EU / EEA jurisdiction, should select "Not Applicable";</li> <li>- Subject persons who accept customers from non-EU / EEA jurisdictions, however did not have any customers from such jurisdiction as at the end of the prior calendar year, should input "0";</li> <li>- Subject persons who have customers from the mentioned jurisdictions, but the requested information may not be extracted, should choose the "Not Available".</li> </ul> |
| <p>If an entity has two licenses, but only one license is being used. The second license is not used, has no activity (no customers and no products) and is not being marketed. What information need to be provided?</p> | <p>If an entity has two licenses, then the categories chosen upon registration of said entity is to reflect the two licenses. In this manner, the REQ will reflect questions pertaining to the two licenses. If one of the two licenses is not being used, then this shall be stated in the 'General Remarks' tab at the beginning of the REQ and all questions relating to this particular licence are to be answered with either "0" / "Not Applicable" inputs. The control based questions in the REQ should be completed by the subject person, independently of the level of activity of the licensee.</p>  |

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| Why is there a reference to the Basel Index in the REQs?   | <p>The 2019 REQ required subject persons to make their own determination to identify high risk jurisdictions when answering related questions. This introduced an element of subjectivity that undermined the ability of the FIAU to compare data. The FIAU included the reference to the Basel Index, together with other lists, to reduce this element of subjectivity.</p> <p>Subject persons should however note that reference to the Basel Index is only being made for the purposes of this exercise and should not to be considered to have any form of official endorsement by the FIAU. Subject persons are still required to make their own informed and autonomous decision as which jurisdictions represent a given level of risk. While they can make use of the Basel Index to inform their judgement, they are not to automatically rely thereon.</p> <p>Subject persons are expected to make use of the public version of the Basel Index.</p> |
| In light of Brexit how should the UK be treated?   | During the year under review (2019), the United Kingdom was still considered to be a member state of the European Union and therefore should be treated as such when completing the REQ.  |
| Should all questions involving customers be taken to also include beneficial owners?   | Unless the question makes specific reference to beneficial owners, reference to customers should only be taken to refer to the person or entity (excluding the BOs of the legal person) to whom the subject person provides the service.  |
| Where a question refers / relates to subsidiaries, should we include all entities with common ownership?   | <p>The definition of subsidiary shall be construed to have the same meaning as referred to in the entities Act. Only entities that have the same ownership and share a common parent should be included. Simply having common ownership does not make a company a subsidiary, a common parent company is required.</p> <p>Where the REQ makes reference to a subsidiary of the subject person, only those subsidiaries that undertake a relevant activity / relevant financial business, should be taken into consideration in the subject person's response to the question.</p>   |
| I am a sole practitioner / MLRO of a legal entity with no registered employees. How should I answer all employee-related questions in the REQ?   | <p>The term 'employees' should not only refer to individuals who have a contract of employment with the subject person but should be interpreted to also include individuals who are engaged by the subject person to carry out aspects of its business involving relevant activity or relevant financial business.</p> <p>Subject to the above, all questions related to employees should be marked as 'Not Applicable'.</p>   |
| During the prior calendar year (2019), the subject person terminated all its customer relationships and is in the process of winding up its business activity. Should the BRA be marked as 'Not Applicable'? | <p>Subject persons had an obligation to have a BRA with effect from January 2018.</p> <p>Where the subject person has already provided a copy of its Business Risk Assessment with the 2019 REQ submission, has reviewed the said BRA and concluded that no changes thereto are required, the subject person is not required to upload another copy of the BRA. In this case the subject person will be required to upload a signed declaration stating that following the review of the BRA, no updates were required since the BRA still covered all the ML / FT risks to which the subject person is exposed to. The signed declaration may be an extract from the Board minutes certified by the company secretary or in the case of sole practitioners a signed declaration by the MLRO.</p>   |

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| If an engaged agent met the client face-to-face, but not the management of the entity directly, would this be considered as face-to-face relationship?   | Yes, this is considered as a face-to-face relationship   |
| Are remote gaming entities required to carry out customer due diligence on affiliates?   | Affiliates are considered as important contributors to gaming operators since they promote the operators' websites and therefore direct players to particular gaming operators. The affiliate does not usually communicate directly with the players but simply promotes and directs traffic to the remote gaming operator's website. It is also usually up to the player to decide whether to proceed with entering the gaming operator's website and to register and play. For this reason there is no requirement to carry out customer due diligence on affiliates, in so far as it relates to the remote gaming operator's local AML / CFT obligations.   |
| To what extent can adverse media reports influence the classification of a client as high risk?  | Not each and every adverse article found online should result in the increase of the subject person's risk classification. Adverse information should first be analysed before any changes to the risk classification is made.   |
| Is the internal audit function obligatory? If so, what is the expected frequency that audits are carried out and are there any firms authorised to provide these services?   | Regulation 5(5)(d) of the PMLFTR provides that "every subject person shall implement, where appropriate with regard to the size and nature of the business, an independent audit function to test the internal measures, policies, controls and procedures". The Revised Implementing Procedures in Section 3.4 further provide that this need not result in the creation of an internal audit function, since it is possible for the subject person to engage an external consultant independent of the subject person to evaluate the adequacy of its internal controls, policies and procedures. This task may also be assigned internally to a person other than the MLRO or anyone else involved in the implementation or operation of the subject person's AML / CFT compliance programme. |
| Does a business risk assessment by an independent firm cover the internal audit requirement?   | Internal audit or independent testing is necessary to test the effective implementation of one's policies, controls, and measures.<br><br>Through the carrying out of a business risk assessment one obtains an understanding of the risks that affect operations and the measures to manage such risks. On the contrary the internal audit or independent testing, in the context of the requirements of the PMLFTR, assesses the adequacy of the measures (controls) the subject person put in place to manage its risk exposure to ML/FT risk.  |
| In response to AML / CFT training of employees, which employees are required to undergo training. We have a complement of 10 Full Time Equivalents. If 2 of these are a courier and a cleaner should we include all of them in the calculation of this percentage? | Reference can be made to Chapter 7 of the Implementing Procedures, Part I which indicates that awareness and training shall be provided to employees whose duties include the handling of either relevant financial business or relevant activity. It is safe to assume that members of staff holding the position of courier/cleaner do not fall within the definition provided under Chapter 7 of the Implementing Procedures, Part I and can therefore be excluded for the purposes of calculating the required percentage.   |

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| For how long should documents be kept in order to comply with FIAU's implementing procedures and regulations?   | As per Regulation 13(2) of the PMLFTR and Section 9.3 of the Revised Implementing Procedures, subject persons are to maintain records for a period of five years. The FIAU, relevant supervisory authorities or law enforcement agencies are entitled to demand that records, including personal data, is retained for longer periods, when this is considered to be necessary for the purposes of the prevention, detection, analysis and investigation of money laundering or financing of terrorism activities by the FIAU, relevant supervisory authorities or law enforcement agencies. The FIAU can extend the retention period for a period of up to 10 years in total.   |
| How should player deposits, wagered amounts and cash-outs be calculated for the purpose of completion of the REQ?   | The answer is best explained through an example. If a player deposited €100 but played only €20, the total player deposit is €100 while the total value wagered is €20. If this same player won €200 and played an additional €100, the total player deposit is still €100 while the total wagered is €120. If the player decides to cash-out the value on his account would be equivalent to €180.  |
| The REQ refer to 'Player Deposits' and 'Deposits'. What is the distinction between the two?   | There is no difference between the two terms.  |
| When providing the number of high risk clients, should the answer take into consideration the inherent risk or the residual risk following controls?                        | When providing the number of high risk clients, the subject person should only take into consideration the inherent risk.  |
| Does total number of customers encompass those registering under MGA license or the entire database (including customers registering under other licenses)                  | Gaming Operators are expected to only include customers whom are serviced under the MGA license and exclude any customers serviced under any other foreign license   |
| If players with deposits of less than €2k do not classify as relevant activity, should such deposits be included in any reporting figures, such as total number of players? | In determining whether a customer should be included or otherwise in the figure to answer total number of players, gaming operators are first required to make a distinction between business relationships and occasional transactions.<br>In the cases where business relationships are formed, Section 3.3.2 of the Implementing Procedures Part II for Remote Gaming Operators outlines that licensees are still required to apply a minimum level of CDD measures prior to the said threshold being reached. Therefore, not reaching the said threshold is not tantamount to the customer not being exposed to services that fall within the definition of relevant activity but rather the contrary. Each business relationship formed (whether exceeding the €2,000 threshold or otherwise) should still be considered to be relevant activity and for the purposes of answering the REQ should be included in determining the number of players. |
| In view of the fact that player deposits also includes winnings, how is it possible to determine the actual player deposits?  | Player deposits refers to real money deposits made by the player converted to Euro. Resultantly it excludes winnings, bonus monies or other similar promotional rewards received. The definition of "player deposits" is different to "amounts wagered". The latter refers to the total value of stakes placed by a player which may also include player winnings are subsequently played.   |



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| Which Government, Parastatal entities, Local Council office holders or employees fall under definition of a PEP?                                    | <p>Regulation 2(1) of the PMLFTR defines a PEP as a natural person who is or has been entrusted with a prominent public function, other than middle ranking or more junior officials. The PMLFTR does not define what constitutes a "prominent public function" since they may vary depending on a number of factors, such as the type, size, budget, powers and responsibilities associated with a particular public function and the organisational framework of the government or international organisation concerned, as the specific jurisdiction concerned. The PMLFTR do provide a non-exhaustive list of public functions that are considered to be prominent public functions and would therefore render the holder thereof a PEP. This list is not exhaustive and subject persons are required to assess on a case by case basis whether a particular public function presents characteristics that would fall to be considered as a prominent public function in terms of the PMLFTR and the Implementing Procedures.</p> <p>The prominent public functions which would render the holder a PEP include the following:</p> <ul style="list-style-type: none"> <li>- Heads of state, heads of government, ministers, deputy or assistant ministers, and parliamentary secretaries</li> <li>- Members of the Parliament or similar legislative bodies including the Speakers and all members of the House of Representatives</li> <li>- Members of the governing bodies of political parties which are those parties represented in the House of Representatives. However, this definition does not include regional or town representatives.</li> </ul> |
| When does a person cease to be classified as a PEP?   | The Revised Implementing Procedures issued in 2019 provide that the application of EDD to PEPs, their family members and close associates is mandatory as long as a PEP remains entrusted with a prominent public function, and for at least, a subsequent 12-month period from when he/she ceases to be so entrusted.   |
| Basel index: there are various country risk databases of equal reliability. Is there a reason reference is only made to the Basel Index in the REQ? | The Basel Index was deemed to be the most frequently used. Whereas other indexes are also considered as reputable, the BASEL index was chosen purely for consistency patterns across the REQ.  |

### Definitions

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| Basel Index | <p>Reference made to the Basel Index is only included for the purpose of this exercise and should not be taken or construed as being an exhaustive list of jurisdictions considered as non reputable or high risk in line with their obligations under the relevant AML / CFT obligations. Subject persons are obliged to carry out the necessary jurisdiction risk assessments to understand the risk posed by such jurisdictions.</p> <p>The jurisdictions in the Basel Index can be found through the following link:<br/> <a href="https://www.baselgovernance.org/sites/default/files/2019-08/Basel%20AML%20Index%202019.pdf">https://www.baselgovernance.org/sites/default/files/2019-08/Basel%20AML%20Index%202019.pdf</a></p> <p><a href="https://www.baselgovernance.org/sites/default/files/2019-08/Basel%20AML%20Index%202019.pdf">https://www.baselgovernance.org/sites/default/files/2019-08/Basel%20AML%20Index%202019.pdf</a></p> |
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| Beneficial owner / ultimate beneficial owner                            | <p>The interpretation of Beneficial Owners should be applied in accordance with the PMLFTR and the guidance in the IPs.</p> <p>Regulation 2(1) of the PMLFTR defines a beneficial owner as:</p> <p>a) any natural person or persons who ultimately owns or controls the customer; and / or</p> <p>b) the natural person or persons on whose behalf a transaction or activity is being conducted.</p> <p>With respect to trusts reference to beneficial owner should extend to settlor / protector / trustee / beneficiaries / any other natural person actually exercising effective control over the trust.</p>  |
| Betting syndicates  | "Betting syndicates" refers to a group of people who pool their resources to attempt to make a profit betting, therefore enabling larger and presumably more bets to be placed, potentially through a betting shop.   |
| Customers   | <p>Customer is defined as natural person or a legal person / entity with whom the subject person has a business relationship or for whom the subject person carried out an occasional transaction. In this context, customers refers to active customers as at the end of the prior calendar year.</p> <p>Reference to customers is made in respect of those clients that were provided with a relevant activity or relevant financial business by the subject person.</p>  |
| Employees / relevant staff  | <p>"Relevant staff" refers to employees and other company officials whose duties include the handling of either relevant financial business or relevant activity (as defined in the PMLFTR), irrespective of their level of seniority. This includes but is not limited to:</p> <p>(a) directors;</p> <p>(b) senior management;</p> <p>(c) the MLRO and designated employee(s);</p> <p>(d) compliance staff; and</p> <p>(e) all members of staff involved in the activities of the subject person that fall within the definition of 'relevant financial business' and 'relevant activity'.</p> <p>The term 'employees' should not only refer to individuals who have a contract of employment with the subject person but should be interpreted to also include individuals who are engaged by the subject person to carry out aspects of its business involving relevant activity or relevant financial business (such as temporary or contract staff).</p> |
| EU List identifying high risk 3rd countries with strategic deficiencies | <p>The jurisdictions in the EU list identifying high risk 3rd countries with strategic deficiencies can be found through the following link:</p> <p><a href="https://ec.europa.eu/info/policies/justice-and-fundamental-rights/criminal-justice/anti-money-laundering-and-counter-terrorist-financing/eu-policy-high-risk-third-countries_en#evolutionoftheeulistonhighriskthirdcountries">https://ec.europa.eu/info/policies/justice-and-fundamental-rights/criminal-justice/anti-money-laundering-and-counter-terrorist-financing/eu-policy-high-risk-third-countries_en#evolutionoftheeulistonhighriskthirdcountries</a></p>   |
| EU List of Non-Cooperative Jurisdictions for Tax Purposes               | <p>The EU list of Non-Cooperative Jurisdictions is a list that includes non-EU countries or territories that failed make sufficient commitments in response to EU concerns in terms of tax good governance. The list can be found in the following link:</p> <p><a href="https://cfr.gov.mt/en/inlandrevenue/tcu/Pages/EU-List-of-non-cooperative-jurisdictions.aspx">https://cfr.gov.mt/en/inlandrevenue/tcu/Pages/EU-List-of-non-cooperative-jurisdictions.aspx</a></p>   |

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| Face-to-face           | Face-to-face basis refers to the cases when the customer is physically present for verification purposes. Where a subject person makes use of video conferencing tools to onboard customers in accordance with the guidance provided in the IPs to onboard customers, these should be considered to have been onboarded on a face-to-face basis.  |
| FATF Lists             | <p>The Financial Action Task Force (FATF) identifies jurisdictions with strategic deficiencies in their frameworks to combat money laundering and the financing of terrorism and proliferation. It periodically publishes lists with high risk jurisdictions subject (black list) to a call for action and jurisdictions with strategic deficiencies (grey list).</p> <p>The jurisdictions in the FATF lists can be found through the following link:</p> <p><a href="https://fiumalta.org/FATF">https://fiumalta.org/FATF</a></p>  |
| Inherent risk          | Inherent risk is the risk a subject person is exposed to prior to adopting and applying any mitigating measures, policies, controls and procedures. Likelihood and impact will lead to the determination of the level of inherent risk a subject person is exposed to.  |
| Introducer             | <p>The term introducer refers to an individual / entity that introduces a customer/s to a subject person. The introducer does not represent or act on behalf of the customer. The relationship between an introducer and the subject person may or may not be governed by an agreement. The subject person may remunerate (e.g. commission / finders fee) for their service.</p> <p>With respect to the remote gaming industry, the definition of introducers should include affiliates and intermediaries.</p>   |
| Non-face-to-face       | Non-face-to-face refers to the cases when the customer (or its agent) was not physically present for verification purposes. It excludes those customers that were onboarded by the subject person through the use of video conferencing tools in accordance with the guidance provided in the IPs.  |
| Occasional transaction | <p>The PMLFTR defines an occasional transaction as any transaction or service carried out or provided by a subject person for his / her customer, other than a transaction or service carried out or provided within a business relationship, and includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>a) a transaction amounting to €15,000 or more carried out in a single operation or in several operations that appear to be linked;</li> <li>b) a transfer of funds, as defined under Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 which exceeds €1,000 in a single operation or in several operations that appears to be linked;</li> <li>c) a transaction in cash amounting to €10,000 or more, carried out by a natural person or legal person trading in goods in a single operation or in several operations that appear to be linked;</li> <li>d) a transaction amounting to €2,000 or more, carried out by gaming or casino licensees in a single operation or in several operations that appear to be linked;</li> <li>e) the provision of tax advice; and</li> <li>f) the formation of a company, trust, foundation or a similar structure.</li> </ul> <p>[some of the above may also be carried out in the context of a business relationship]</p> |
| Offshore               | The term offshore refers to jurisdictions that have distinctive characteristics such as low or zero taxation, tax secrecy and possibly lack of transparency. You are kindly requested to refer to the EU list of Non-Cooperative Jurisdictions for Tax Purposes. The list can be found in the following link:   |

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|                            | <a href="https://cfr.gov.mt/en/inlandrevenue/tcu/Pages/EU-List-of-non-cooperative-jurisdictions.aspx">https://cfr.gov.mt/en/inlandrevenue/tcu/Pages/EU-List-of-non-cooperative-jurisdictions.aspx</a>  |
| Onboarding                 | "Onboarding" refers to the process through which a business relationship is established or an occasional transaction is carried out.   |
| Outsourcing                | <p>Outsourcing refers to outsourced activities directly relating to the entity's relevant activity / relevant financial business and in the connection with its AML / CFT obligations. Chapter 6 - Outsourcing of the IP provides guidance to subject persons on what activities constitute outsourcing, the extent of outsourcing allowed and the conditions to which outsourcing should be subject.</p> <p>Subject persons whose AML / CFT obligations are, in whole or in part, undertaken by an entity forming part of its group should, irrespective of the legal and commercial arrangements consider this to be an outsourced operation.</p>  |
| PEP measures               | <p>Regulation 11 (5) of the PMLFTR states that:</p> <p>Subject persons shall ensure that the risk management procedures maintained in accordance with Regulation 5(5)(a) are conducive to determine whether a customer or a beneficial owner is a politically exposed person, and when undertaking occasional transactions for, or establishing or continuing business relationships with politically exposed persons shall:</p> <ul style="list-style-type: none"> <li>(a) require the approval of senior management;</li> <li>(b) take adequate measures to establish the source of wealth and source of funds; and</li> <li>(c) conduct enhanced ongoing monitoring of such business relationships.</li> </ul>  |
| Politically Exposed Person | <p>The definition of a PEP should be construed in accordance with the PMLFTR and the guidance in the IPs</p> <p>Regulation 2(1) of the PMLFTR defines a PEP as a natural person who is or has been entrusted with a prominent public function, other than middle ranking or more junior officials. The PMLFTR provide a non-exhaustive list of public functions that are considered to be prominent public functions and would therefore render the holder thereof a PEP.</p> <p>Regulation 11(8) of the PMLFTR defines the term "family members" as including:</p> <ul style="list-style-type: none"> <li>(i) the spouse, or a person considered to be equivalent to a spouse;</li> <li>(ii) the children and their spouses, or persons considered to be equivalent to a spouse; and</li> <li>(iii) the parents.</li> </ul> <p>The list of "family members" is not an exhaustive list and therefore subject persons should consider whether other family relationships in specific circumstances may be considered to be similar to those under the indicative list in the PMLFTR.</p> <p>Regulation 11(8) also defines the term "close associates" as:</p> <ul style="list-style-type: none"> <li>(i) a natural person known to have joint beneficial ownership of a body corporate or any other form of legal arrangement, or any other close business relations, with that politically exposed person;</li> <li>(ii) a natural person who has sole beneficial ownership of a body corporate or any other form of legal arrangement that is known to have been established for the benefit of that politically exposed person.</li> </ul> |

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| Relevant activity / Relevant financial business | Relevant activity and relevant financial business carry the same meaning as defined in Regulation 2 (1) of the PMLFTR .  |
| Reliance on other subject persons               | The PMLFTR permit subject persons to rely on the CDD measures carried out by other subject persons or by certain other third parties. A reliance arrangement can be set up between entities when those entities are servicing the same customer, or when that same customer is in contact with multiple entities to a transaction, with each entity being under a legal obligation to carry out CDD measures on the customer. Subject persons should take adequate steps to ensure that, on request, the entity relied on immediately forwards relevant copies of the identification and verification documents on the CDD measures undertaken. In this regard, subject persons should have a written formal agreement with the entity, signed by both parties, that would regulate the procedures and conditions on these requests to ensure that the data is made available immediately. |
| Residence                                       | "Residence" refers to the customer's principal country of residence or for a legal entity the jurisdiction where it is incorporated or has its principal place of business. With respect to trusts and similar legal arrangement the country of residence should be the jurisdiction of the laws governing the trusts and / or similar legal arrangement.  |
| Residual risk                                   | Residual risk is the level of risk left after applying the mitigating measures, policies, controls and procedures to the level of inherent risk identified.<br><br>Level of inherent Risk – Mitigating Measures = Level of Residual Risk   |
| Senior management                               | The definition of "senior management" will depend on the type of body corporate or organisation setup of the entity. It intends to capture those individual(s):<br>(a) who are responsible for taking strategic decisions that fundamentally effect the business operations or general direction of that entity; and<br>(b) who exercise executive control over the daily or regular affairs of the entity through a senior management position.<br><br>Paragraph (b) includes individuals at C-level who have executive functions or are otherwise responsible for the management of the entity, such as executive directors, chief executive officers (CEOs) and chief financial officers (CFOs), and who require the approval, prior to appointment, of the MFSA or MGA, respectively.  |
| Subsidiary entity                               | The definition of subsidiary shall be construed to mean the same as explained in the Companies Act. Companies that have the same ownership and share a common parent should be included within the definition of a subsidiary. On the other hand, entities simply having common ownership do not constitute a subsidiary, since there is no common parent entity.  |
| Total number of player deposits                 | Total number of player deposits refer to the amount (count of transactions) of real money deposits made by players.  |
| Total number of wagers made by players          | Total number of wagers made by players refer to real money wagers. Real money wagers should exclude player incentives, jackpot contributions and bonus wagers.   |

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| Total percentage of player winnings (RTP)             | Total percentage of winnings (RTP) refers to the % of total player winning calculated on the total value wagered by all players. RTP should be calculated on the real monies won by players and should exclude bonus winnings or other winnings that are not instantly redeemable.  |
| Total value of player deposits                        | Total value of player deposits refer to value of real money deposits expressed in monetary terms, converted to € at the daily exchange rate or in the absence thereof, at the average monthly / annual ECB exchange rate (or other reputable source) for the prior calendar year.   |
| Total value of winnings for player / Return to player | <p>Total value of winnings (RTP) refers to the value of total player winning converted to € at the official daily exchange rate or in the absence thereof, at the average monthly / annual ECB exchange rate (or other official source) for the prior calendar year.</p> <p>RTP should be calculated on the real monies won by players and should exclude bonus winnings or other winnings that are not instantly redeemable.</p>   |
| Total value wagered by players                        | <p>Total value wagered by players means the total amount of real money that was gambled / bet by the player expressed in monetary terms converted to € at the official daily exchange rate or in the absence thereof, at the average monthly / annual ECB exchange rate (or other official source) for the prior calendar year.</p> <p>Real money wagers should exclude player incentives, jackpot contributions, bonus wagers and other player financial incentives.</p> |
| VIP Customer  | The player classification status of VIP is widely used across the remote gaming industry. There is however no standard industry definition of what constitutes a VIP. Respondents are required to reply to this question on the basis of their own internal classification as drawn up by their entity's procedures.  |

### Specific Guidance

| No   | Question   | Guidance  |
|------|--|---|
| 1.05 | If your entity is a subsidiary of a foreign traded company or a subsidiary of a privately held foreign company, is the parent company located in EU / EEA jurisdictions or non-EU / EEA jurisdictions? | If the entity is directly controlled by a natural person (ultimate beneficial owner) then the 'Not Applicable' option should be selected.   |
| 1.06 | Please indicate total annual turnover according to the latest available audited financial statements and / or tax declaration.   | <p>Respondents are required to indicate turnover on the basis of the latest available financial statements or submitted tax return. Where the latest available audited financial statements or submitted tax return does not correspond to the prior calendar year, subject persons are required to provided the required information from the latest available financial statement or submitted tax return available.</p> <p>In those instances where the subject person's financial statements are not reported in Euro, the reported turnover in foreign currency amount should be translated into Euro at the average annual exchange rate for the given accounting reference period as published by the European Central Bank.</p> <p>Annual average exchange rates may be accessed through the following link:<br/> <a href="https://www.centralbankmalta.org/average-exchange-rates">https://www.centralbankmalta.org/average-exchange-rates</a></p> |

| No   | Question  | Guidance  |
|------|---|---|
| 1.08 | Please indicate the total number of employees (including partners, executive directors, associates and staff), expressed in full time equivalents ("FTEs"), working for you / your entity as at the end of the prior calendar year. | <p>Employment in full-time equivalent ("FTE") is a conversion method used to measure the number of employees according to the number of hours worked. When using FTE, a full-time employee working a 40 hour week is equivalent to 1, whereas a person who works 20 hours per week is equivalent to 0.5. Self employed should be included in the FTEs calculation. How is this different from the below?</p> <p>Employees should include persons who are directly employed by subject persons including directors and employees employed within the same group but working directly for the SP or who are self-employed persons but working for the SP.</p> |
| 1.10 | Does your entity have any subsidiaries, branches, affiliates, representative offices and agencies in other EU / EEA countries?  | <p>This question applies only to subsidiaries, branches, affiliates that carry out services equivalent to relevant activity or relevant financial business.</p> <p>If you entity is part of a Group, the other subsidiaries / branches / affiliates / representative offices / agencies forming part of and directly owned / controlled by other entities within the Group, should not be considered as your entity's subsidiary, branch, affiliate, representative office or agency.</p>   |
| 1.11 | Does your entity have any subsidiaries, branches, affiliates, representative offices and agencies in non-EU / EEA countries?  | <p>This question applies only to subsidiaries, branches, affiliates that carry out services equivalent to relevant activity or relevant financial business.</p> <p>If you entity is part of a Group, the other subsidiaries / branches / affiliates / representative offices / agencies forming part of and directly owned / controlled by other entities within the Group, should not be considered as your entity's subsidiary, branch, affiliate, representative office or agency.</p>   |



| No   | Question  | Guidance  |
|------|---|---|
| 1.13 | Does your entity have any subsidiaries, branches, affiliates, representative offices and agencies in jurisdictions listed in the FATF lists and / or the EU list identifying high risk 3rd countries with strategic deficiencies and / or jurisdictions featuring in the top 20 countries of the Basel Index? | <p>This question applies only to subsidiaries, branches, affiliates that carry out services equivalent to relevant activity or relevant financial business.</p> <p>If your entity is part of a Group, the other subsidiaries / branches / affiliates / representative offices / agencies forming part of and directly owned / controlled by other entities within the Group, should not be considered as your entity's subsidiary, branch, affiliate, representative office or agency.</p>  |
| 1.16 | Please list all persons (name and surname) who are considered as your entity's beneficial owners as defined in the PMLFTR.  | <p>Regulation 2(1) of the PMLFTR defines a beneficial owner as: (a) any natural person or persons who ultimately owns or controls the customer; and/or (b) the natural person or persons on whose behalf a transaction or activity is being conducted. A body corporate, body of persons, trust or other legal arrangement can never qualify as a beneficial owner. The beneficial owner, when there is one, must always be a natural person.</p> <p>In case of a publicly listed entity, please specify the name of the stock exchange where the company is listed e.g.: Malta Stock Exchange.</p> |
| 1.17 | Does your entity have nominee shareholders in its ownership structure?  | <p>Nominee shareholding refers to those instances where the shares of an entity are held by a person for the benefit of another person (beneficial owner). A nominee shareholder may be an individual or a body corporate.</p> <p>In replying to this question, subject persons are required to consider their whole ownership structure irrespective of country of incorporation or jurisdiction.</p>  |

| No   | Question  | Guidance   |
|------|---|--|
| 1.20 | Has your entity undergone significant changes in its management and control structure during the prior calendar year?                                     | <p>"Management and control structure" refers to those bodies or individuals within the entity that either set the general direction of the entity in the pursuance of its activities (e.g. Board of Directors, Partners' Committee etc.) or that manage the entity's activities on a day-to-day basis (C-level e.g. Chief Executive Officer, Chief Financial Officer, Managing Partners etc.) and who require the approval, prior to appointment, of the MFSA or MGA, respectively. Control structures refer to the entity's governance structures and their related setup and should exclude control structures established for the day-to-day operations of the entity.</p> <p>"Significant changes in its management and control structure" means any change to the governing body or to the management of the entity. For licensed subject persons (including CSP and Trustees) change to governing body or management refers to those positions that require prior approval and / or notification of the Malta Financial Services Authority or the Malta Gaming Authority respectively.</p> |
| 2.05 | How many staff members, expressed as FTEs, are part of the AML / CFT team (if one exists)?  | <p>"AML / CFT team" refers to individual/s who are part of an organised setup within the entity whose responsibilities include the assistance / execution, in part or in whole, of the entity's obligations arising from the PMLFTR and IPs and the entity's policies and procedures.</p> <p>Employment in full-time equivalent is a conversion method used to measure the number of employees according to the number of hours worked. When using FTE a full-time employee working a 40 hour week is equivalent to 1, whereas a person who works 20 hours per week is equivalent to 0.5. Self employed should be included in the FTEs calculation. The reported number should exclude the MLRO.</p>   |
| 2.06 | Is any of the AML / CFT team staff responsible for other roles and responsibilities not attributable to AML / CFT (e.g. front office, back office, etc.)? | <p>"AML / CFT team" refers to the staff members other than the MLRO.</p> <p>"Roles and responsibilities" relate to those responsibilities which are part of the first line of defence in the three lines of defence model. This may include front office, back office responsibilities but excludes compliance and risk management roles.</p>  |

| No   | Question   | Guidance   |
|------|--|--|
| 3.05 | Did the Business Risk Assessment conducted take into account the results of the SNRA and NRA?  | "NRA" refers to National Risk Assessment<br>"SNRA" refer to Supranational Risk Assessment  |
| 4.01 | Upon or prior to reaching the €2,000 deposit threshold, does your entity perform a customer risk assessment ("CRA") prior to undertaking customer due diligence? | The €2,000 threshold is to be applied for funds deposited into a customer account, whether in a single transaction or a number of transactions adding up to the said amount. To the extent that a subject person can distinguish between customer deposits and funds made available by the subject person itself (e.g. bonus monies), the €2,000 threshold should be calculated only on the basis of deposits made by the customer. The €2,000 deposit threshold should be calculated either:<br>a. On a daily basis taking into account all deposits effected by a customer since the establishment of the business relationship; or<br>b. On the basis of a rolling period of 180 days. In the latter case, a licensee would have to consider whether a customer's overall deposits in the previous 180 days have met or exceeded the €2,000 threshold, with licensees being able to make said determination either each time a customer effects a deposit or at the end of each day in which a customer effects one or more deposits. |
| 4.04 | Do policies and procedures specify hierarchical authorisation levels within your entity to, on a risk basis, accept a customer or approve a transaction?         | The application of hierarchical authorisation levels refer to both customers accepted at on-boarding stage and resulting from changes in customer risk assessment throughout the business relationship.  |

| No   | Question  | Guidance   |
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| 4.08 | Do your entity's policies and procedures require EDD to be applied in high risk situations? | <p>Subject persons are required to establish the variables and risk parameters, in line with its risk appetite and as applied in the customer risk assessment, to identify and determine those instances and circumstances that result in a "higher risk situation". This should be appropriately documented in the entity's policies and procedures.</p> <p>The PMLFTR require subject persons to carry out enhanced due diligence when dealing with PEPs and also with complex and unusually large transactions.</p> <p>Further to the above, Regulation 11 of the PMLFTR requires the application of EDD in relation to the following situations:</p> <p>a) In relation to activities or services that are determined by the FIAU to represent a high risk of ML / FT, having taken into consideration the findings of any national risk assessment and any other relevant factors, as may be deemed appropriate;</p> <p>b) Where, on the basis of the risk assessment carried out in accordance with Regulation 5(1) of the PMLFTR, the subject person determines that an occasional transaction, a business relationship or any transaction represents a high risk of ML / FT;</p> <p>c) When dealing with natural or legal persons established in a non-reputable jurisdiction as defined in Regulation 2(1) of the PMLFTR, other than branches or majority-owned subsidiaries which comply with group-wide policies and procedures, as required under Regulation 6 of the PMLFTR, in relation to such branches or majority-owned subsidiaries EDD is to be applied when these present a high risk of ML / FT.</p> |

| No   | Question  | Guidance   |
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| 4.12 | Where customer due diligence cannot be completed at the onboarding stage, do the policies and procedures require you / your entity to consider whether there is a need to file a STR with the FIAU and only proceed with the cancellation / termination of the business relationship once it is determined that there is no suspicion justifying the filing of a STR? | The IPs require subject persons to consider terminating the business relationship / the carrying out of an occasional transaction when CDD cannot be completed only after taking into consideration whether an STR needs to be filed. Section 4.7 of the IPs provides further guidance on subject persons' obligations on this matter.   |
| 4.16 | How often do you / your entity review the customer risk assessment?   | Subject persons' obligation to review the customer risk assessment is only applicable in those instances where a business relationship is established. Where the subject person only undertakes occasional transactions, they should select the 'Not Applicable' option in their reply.  |
| 5.01 | Is your entity's process / system for monitoring transactions fully automated, partially automated or manual?   | <p>"Fully Automated" refers to relying on automated systems that require little or no human intervention. "Partially Automated" refers to relying on automated systems requiring human intervention regularly, whilst "Manual" refers to relying on control system data, manual / scheduled reports and intensive employee intervention.</p> <p>This question should be marked as 'Not Applicable' by those entities who solely undertake occasional transactions.</p> |

| No   | Question   | Guidance  |
|------|--|---|
| 5.02 | Does your monitoring system utilise any of these techniques to monitor customer activity?    | <p>"Rule-based criteria" refers to a set of pre-established rules that are applied in a system. The monitoring system will take a pre-defined action (flag, block etc.) on any transaction / activity that meets the criteria within the rule/s.</p> <p>"Profiling" refers to the process of construction and application of user profiles generated through the analysis of data. This typically relates to the use of algorithms or other mathematic techniques that allow for the discovery of patterns or correlation in large quantities of data. When these patterns or correlations are used to identify or represent persons they are referred to as profiles.</p> <p>The 'Not Applicable' option should be only selected by subject persons who do not have business relationships but only occasional transactions.</p> |
| 5.03 | How often are the criteria and rules utilised by the monitoring system reviewed and updated? | Respondents who solely undertake occasional transactions should mark their reply to this question as 'Not Applicable'.  |
| 5.05 | Are there customer transactions that are not screened by the monitoring system?              | Subject persons who only have occasional transactions and who do not have business relationships, should select the 'Not Applicable' option in the response.  |
| 5.07 | Does your entity have an expected transaction profile for every customer?                    | <p>An expected transaction profile is created on the basis of information obtained at customer onboarding stage and throughout the business relationship in order to establish a profile of the expected activity for a particular customer.</p> <p>This question should be marked as 'not applicable' by those entities who solely undertake occasional transactions</p>   |

| No   | Question  | Guidance  |
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| 5.10 | Does your entity have systems in place to detect instances where services and / or products may be accessed by persons other than the customer?           | <p>An example of system controls that a subject person may have in place includes the identification of when a service / product is used from several IP addresses at the same time.</p> <p>The 'Not Applicable' option should be only selected by subject persons who do not have business relationships but only occasional transactions.</p>   |
| 5.11 | How many alerts were generated by the monitoring system during the prior calendar year?   | <p>The number should reflect the total number of alerts that were raised by the system and resulted in an analysis / investigation by the subject person to be able to determine whether these should be cleared or whether they should be escalated further through the filing of an internal report.</p> <p>The 'Not Applicable' option should be only selected by subject persons who do not have business relationships but only occasional transactions.</p> |
| 5.20 | What is the total number of customer accounts / business relationships blocked or suspended in view of AML / CFT concerns during the prior calendar year? | <p>Blocked or suspended accounts do not include those accounts that are blocked due to the fact that they reached the €2k threshold and are pending the completion of customer due diligence.</p> <p>The 'Not Applicable' option should be only selected by subject persons who do not have business relationships but only occasional transactions.</p>  |

| No   | Question  | Guidance  |
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| 7.03 | Have you / your entity, given the size and nature of its business, appointed an independent audit function to test its AML / CFT measures, policies, controls and procedures? | <p>The PMLFTR requires subject persons to consider whether, given the size and nature of their business, the conduct of ongoing monitoring on one's own measures, policies, controls and procedures needs to be strengthened through:</p> <p>(a) the appointment of an officer at management level whose duties are to include monitoring of the day-to-day implementation of the measures, policies, controls and procedures adopted by the subject person; and</p> <p>(b) the implementation of an independent audit function to test the said internal measures, policies, controls and procedures from time to time.</p> <p>The latter need not necessarily result in the creation of an internal audit function, since it is possible for the subject person to engage an external consultant independent of the subject person to evaluate the adequacy of its internal controls, policies and procedures. Alternatively, the subject person may assign this task internally to a person other than the MLRO or anyone else involved in the implementation or operation of the subject person's AML / CFT compliance programme.</p> |
| 8.04 | From the internal reports raised in the prior calendar year, how many cases are still open?   | <p>An internal report is considered as still open where the MLRO has not yet made a determination as to whether an STR is to be filed with the FIAU or otherwise.</p> <p>The 'Not Applicable' answer is only to be used where the subject person replied '0' to the question: How many internal suspicious reports were raised during the prior calendar year?"</p>   |



| No   | Question   | Guidance   |
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| 8.06 | Were records of all "internal reports" raised during the prior calendar year and the analysis conducted thereon maintained by you / your entity?         | <p>The internal reporting procedures of a subject person should set out the steps to be followed when one of its employees knows or suspects that a person or a transaction is connected to ML / FT. The procedures should clearly state that when an employee has any such information, he / she is to report the matter to the MLRO without delay.</p> <p>Internal reports should be submitted in writing, preferably using a standard template, together with all relevant information and documentation available to the employee so as to assist the MLRO to determine how best to proceed.</p> <p>Following the receipt of an internal STR, the MLRO may conclude, for justifiable reasons that the report does not give rise to knowledge or suspicion of money laundering. In such cases, the MLRO should keep a copy of the internal STR together with the rationale of why the report did not warrant a submission to the FIAU. It is the MLRO's responsibility to consider internal reports of money laundering and decide if there is sufficient grounds for suspicion to file a suspicion transaction report ("STR").</p> |
| 8.08 | How many requests for information from the Maltese authorities did you / your entity receive about any of your customers during the prior calendar year? | <p>The term "Maltese authorities" refers to: Financial Intelligence Analysis Unit (FIAU), Malta Financial Services Authority (MFSA), Malta Gaming Authority (MGA), The Malta Police Force, Sanctions Monitoring Board and the Asset Recovery Bureau.</p> <p>Reference to customers is made with respect to current clients (active or inactive), customers who no longer have a business relationship with the entity and those for whom an occasional transaction was carried out.</p>  |
| 9.04 | Please provide the % of staff outside the AML / CFT unit that completed AML / CFT training throughout the prior calendar year.                           | Staff outside the ML / CFT unit refers to employees of the entity who undertake relevant activity / relevant financial business. Self-employed persons who principally work for the entity should all be included in your response.  |

| No    | Question  | Guidance   |
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| 9.08  | Where tasks relating to AML / CFT compliance are outsourced (within or outside the Group), what % of the provider's staff directly servicing you / your entity, received training on AML / CFT throughout the prior year? | <p>The term "group" refers to a parent undertaking and all its subsidiary undertakings.</p> <p>Subject persons whose AML / CFT obligations are, in whole or in part, undertaken by an entity forming part of its group should, irrespective of the legal and commercial arrangements in place, also respond to this question.</p>  |
| 10.01 | Do you / your entity have policies and procedures in place providing for compliance with the record keeping obligations arising from the PMLFTR?  | <p>Chapter 9 – Recordkeeping Procedures of the IPs states that subject persons must have procedures in place and apply the same, so as to ensure that the following records are maintained:</p> <ul style="list-style-type: none"> <li>a) records of the actions taken to adopt and implement the risk-based approach;</li> <li>b) the CDD information and documents obtained for identification and verification of identity purposes;</li> <li>c) records containing details relating to the business relationship that is formed and all transactions carried out in the course of a business relationship or an occasional transaction;</li> </ul> <p>Subject persons should also retain the following records required as evidence of compliance with the PMLFTR and for statistical purposes:</p> <ul style="list-style-type: none"> <li>a) internal reports made to the MLRO;</li> <li>b) a record of any written determinations made by the MLRO and the designated employee, including the reasons for not filing an STR with the FIAU;</li> <li>c) STRs made by the subject person to the FIAU and any follow-up submissions made in connection thereto;</li> <li>d) a record of AML / CFT training attended by sole practitioners / provided to employees;</li> <li>e) records of conduct certificates or other documentation obtained in carrying out employee screening;</li> </ul> |

| No    | Question   | Guidance  |
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|       |  | <p>f) records of any outsourcing agreements entered into and other documentation that provides evidence of the subject person's adherence to its obligations under Chapter 6 of these Implementing Procedures, Part I;</p> <p>g) records of any reliance agreements entered into and of any related assessments undertaken on the other subject person or third party in terms; and</p> <p>h) other important records, including: any reports by the MLRO, records of consideration of those reports made to senior management and of any action taken as a consequence thereof, records of any internal audit reports or assessments dealing with AML / CFT issues, and any other records that are necessary to demonstrate compliance with the obligations under the PMLA, the PMLFTR and any Implementing Procedures.</p> <p>Subject persons are required to maintain records for a period of 5 years, however in specific cases subject persons may be requested to retain their records for longer periods. The 5 year retention period commences from the date on which the business relationship is terminated or the occasional transaction is carried out.</p> |
| 11.16 | What was the total value (€) of player deposits originated from EU or EEA jurisdictions in the prior calendar year?  | <p>Player values are to be reported at a % of total player deposits translated in €. Where applicable, player deposits should be converted to € at the official daily exchange rate or in the absence thereof, at the average monthly / annual ECB exchange rate (or other official source) for the prior calendar year.</p> <p>Average exchange rates may be accessed through the following link:<br/> <a href="https://www.centralbankmalta.org/average-exchange-rates">https://www.centralbankmalta.org/average-exchange-rates</a></p>   |
| 12.1  | Please provide percentage of total customers who employed the following funding methods during the prior calendar year:<br>Debit / credit cards issued by banks (EU, EEA or equivalent safeguards, or other licensed financial institutions) | Customers using debit / credit cards issued by financial institutions other than banks should also be included in calculation of customers required for this question.  |

| No   | Question   | Guidance   |
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| 12.2 | Please provide percentage of total customers who employed the following funding methods during the prior calendar year:<br>EU or EEA-licensed PSP that can be funded with cash or quasi-cash | Quasi-cash is a kind of product that is representative of actual cash. It includes prepaid cards or other e-money products which can be easily transferred from one holder to another. Other forms could include money orders, traveller's cheques, casino gaming chips and lottery tickets.   |
| 12.2 | Please provide percentage of total customers who employed the following funding methods during the prior calendar year:<br>Virtual Financial Assets  | <p>Virtual digital assets (virtual currencies) are a digital representation of value that can be digitally traded and functions as:</p> <ul style="list-style-type: none"> <li>(1) a medium of exchange; and/or</li> <li>(2) a unit of account; and/or</li> <li>(3) a store of value, but does not have legal tender status (i.e. when tendered to a creditor, is a valid and legal offer of payment) in any jurisdiction.</li> </ul> <p>Virtual currencies are not issued nor guaranteed by any jurisdiction, and fulfils the above functions only by agreement within the community of users of the virtual assets.</p> <p>Virtual currencies are distinct from e-money, which is a digital representation of fiat currency used to electronically transfer value denominated in fiat currency.</p> <p>Digital currency can mean a digital representation of either virtual currency (non-fiat) or e-money (fiat) and thus is often used interchangeably with the term “virtual currency”.</p> |

| No    | Question   | Guidance   |
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| 12.2  | Please provide percentage of total customers who employed the following funding methods during the prior calendar year:<br>Internet-based payment systems (e.g., PayPal, Alipay, ApplePay, Google Checkout, etc.) or other e-money services (as defined by FATF) | <p>Internet-based payment services provide mechanisms for customers to access, via the Internet, pre-funded accounts which can be used to transfer the electronic money or value held in those accounts to other individuals or businesses which also hold accounts with the same provider. The recipient then redeems the value from the issuer by making payments or withdrawing the funds. Many Internet-based payment services use a variety of business models. These services are referred to as digital wallets, digital currencies, virtual currencies or electronic money.</p> <p>E-money is a digital representation of fiat currency used to electronically transfer value denominated in fiat currency i.e., it electronically transfers value that has legal tender status.</p> |
| 12.22 | Does your entity allow its customers to hold multiple accounts with the same brand?  | A brand refers to websites / apps offering gaming services that are duly authorised by the Malta Gaming Authority. Gaming service means making a game available for participation by players, whether directly or indirectly, and whether alone or with others, as an economic activity.   |
| 12.23 | Does your entity allow its customers to register and play on different brands which it offers?   | A brand refers to websites / apps offering gaming services that are duly authorised by the Malta Gaming Authority. Gaming service means making a game available for participation by players, whether directly or indirectly, and whether alone or with others, as an economic activity.   |
| 13.11 | What was the total number (#) of player deposits which originated from EU or EEA jurisdictions in the prior calendar year?   | Subject persons are required to report the % number of deposits calculated on the total number of deposits made during the prior calendar year.  |
| 13.12 | What was the total value (€) of player deposits which originated from non-EU or non-EEA jurisdictions in the prior calendar year?  | <p>Player values are to be reported at a % of total player deposits translated in €. Where applicable, player deposits should be converted to € at the official daily exchange rate or in the absence thereof, at the average monthly / annual ECB exchange rate (or other official source) for the prior calendar year.</p> <p>Average exchange rates may be accessed through the following link:<br/> <a href="https://www.centralbankmalta.org/average-exchange-rates">https://www.centralbankmalta.org/average-exchange-rates</a></p>  |

| No    | Question   | Guidance   |
|-------|--|--|
| 13.1  | What was the total value (€) of player deposits which originated from jurisdictions listed in the FATF lists, EU lists identifying high risk 3rd countries with strategic deficiencies and / or the jurisdictions featuring in the top 20 countries of the Basel Index during the prior calendar year? | Player values are to be reported at a % of total player deposits translated in €. Where applicable, player deposits should be converted to € at the daily exchange rate or in the absence thereof, at the average monthly / annual ECB exchange rate (or other reputable source) for the prior calendar year. Average exchange rates may be accessed through the following link: <a href="https://www.centralbankmalta.org/average-exchange-rates">https://www.centralbankmalta.org/average-exchange-rates</a>   |
| 14.01 | Of the total number of customers, what percentage were onboarded face-to-face?   | Reference to onboarding of customers by remote gaming operators should be interpreted to be those customers that reached the €2,000 threshold as prescribed by the IPs or where applicable at a prior stage in accordance to their policies and procedures.  |
| 14.02 | Of the total number of customers, what percentage were onboarded on a non-face-to-face basis?  | Reference to onboarding of customers by remote gaming operators should be interpreted to be those customers that reached the €2,000 threshold as prescribed by the IPs or where applicable at a prior stage in accordance to their policies and procedures.  |
| 14.08 | How many customer master account arrangements does your entity have?   | "Master accounts" generally refer to gaming activity generated through land-based intermediaries through a master player account held with the licensed remote gaming entity. Master account arrangements refer to the agreements in place between the licensee and the various master account holders.  |
| 14.09 | For what percentage of total customers was CDD carried out by a third party with whom a reliance arrangement was in place in terms of Regulation 12 of the PMLFTR?   | <p>Third parties may be used by a subject person during the onboarding process of its customers. Some examples of how third parties may be used include:</p> <ul style="list-style-type: none"> <li>a) reliance on the CDD measures of another subject person or third party;</li> <li>b) use of third party software to carry out some aspects of identity verification;</li> <li>c) outsourcing any part of identify verification to a third party.</li> </ul> <p>A third party refers to a natural person that is not in the direct employment of the entity or to a legal person that is not connected to the subject person either as part of the same group or through common beneficial owners.</p> |