



# How Gaming Entities Might Approach Their PRAs



Under Australia's AML laws, reporting entities must assess the ML/TF (and PF) risks posed by the designated services they provide. AUSTRAC's guidance makes clear that product risk is a primary risk driver - the design features of a product, not just the people who use it, can create or amplify vulnerability to money laundering, terrorism financing and proliferation financing. A documented product risk assessment is foundational to a compliant and effective AML/CTF Program.

## 01 MAP EVERY DESIGNATED SERVICE

Which designated services do you provide? Look at **Tables 1 and 3 of section 6 of the AML Act**.

List out those designated services.

Then list out each of the products you offer related to those designated services. Look at your gaming room floor and put them all on the list and work backwards.

Examples include EGMs, MTGMs, cash redemption terminals (**CRTs**), TITO, hand pays, short pay tickets, loyalty cards, gaming cheques and cashier transactions.

## 02 ASSESS AT THE RIGHT LEVEL

If you operate more than one venue, you should look at your product suite **per venue** and then as **a reporting entity**.

Where the same product operates identically across all venues, you might conduct the assessment at Group level because the assessment will be consistent. Where products vary by venue (e.g. EGM count, BNA configuration, CRT fleet size), conduct per-venue assessments and synthesise to a Group view.

## 03 SCORE AGAINST SUB-FACTORS

A sub-factor breaks your product category down into individual dimensions that can actually be examined, scored and compared.

So instead of asking "is this product risky?", you ask "does this product accept cash anonymously?", "does it generate bearer instruments?", "can it be used by a third party without detection?" - each of those is a sub-factor.

Sub-factors force granularity and help you get into the detail about *where the risk really lies* – and then you can target your controls directly to address that risk.

# Sub-Factors You Might Consider



## ANONYMITY

- Customer identification at point of use: *can the machine be played anonymously?*
- Source of funds / audit trail transparency: *do you know the provenance of the funds played?*

## CASH INTENSITY

- Cash acceptance capability (BNA / cashier): *how easily does the machine take cash (hint: cash is required)*
- Cash output and bearer instrument generation: *do you have TITO set up at your venue?*

## LAYERING CAPABILITY

- Ease and speed of cash placement: *how quickly can you get cash in?*
- Multi-step value transformation potential: *how many times can value change hands or shape on a gaming floor?*

## CONVERSION POTENTIAL

- Cash-to-credit-to-cash/cheque cycling capacity: *can this product convert cash to another instrument?*
- Volume and value capacity per transaction: *how much cash can you move through this product?*

## CROSS-BORDER RISK

- Cross-venue value transfer capability: *does the product allow you to move cash between venues?*
- International or cross-jurisdictional reach: *does this product enable you to move cash across borders incl. out of the country?*

## THIRD-PARTY TRANSFER

- Surrogate play and third-party use exposure: *does this product present third party risks?*
- Beneficial ownership verifiability: *does this product give rise to risks of persons playing on behalf of another? (i.e. who beneficially owns the funds played?)*

## OVERSIGHT CAPABILITY

- Transaction data capture and retention: *what visibility do you have on both 'carded' and 'uncarded' data?*
- Product and detection capability: *how easy/difficult is it for staff to understand what the product has done with value? What is unusual?*

## PEP / HRC VULNERABILITY

- Accessibility to politically exposed persons: *could a PEP use/get a product without being detected?*
- Accessibility to higher-risk customers: *could an HRC use/get a product without being detected?*

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