



HM Government of Gibraltar

Gambling Division

Date: 13 March 2025

Regulatory Settlement

We have reached a regulatory settlement with a Gibraltar licensee in respect of AML/CFT failings relating to a limited cohort of international (non-UK) customers; the operator will pay £35,000 to the Government of Gibraltar Consolidated Fund in lieu of any financial penalty that may have been imposed following any formal proceedings.

The operator has been fully cooperative and has furnished a remediation plan to the Gambling Division and is in the process of implementing that plan.

Some control failings were identified on a previous site visit, a subsequent visit identified that advice to tighten controls (particularly trigger thresholds being geared to the customer base) had not been pursued quickly enough. There were also some material technical breaches.

The learning points for the wider industry are as follows:

- Regulatory advice contained in AML Assessment findings letters should always be acted on in a timely manner;
- Operators must periodically employ a qualified third party or independent internal audit unit to carry out a review of AML/CFT controls. Had this been done the operator would have been likely to have identified and remediated control failings of their own volition;
- The exposure to sanctions breaches by way of introducing a financial threshold for checks increases the risk of breaches as, even at a *de minimus* level, doing business with a sanctioned individual is a reportable strict liability offence. It is noted that no substantive sanctions breaches took place;
- Where dual regulated, operators should be clear in their reporting obligation to the GFIU as well as the jurisdiction in which the customer is based;

An aggravating feature of this case was that the failings have been the subject of learning points to the industry in previous public statements. It is stressed that, whilst the operator is undergoing a period of enhanced monitoring, it is already working towards remediating the

failings and achieving satisfactory compliance with the relevant aspects of the Proceeds of Crime Act and the Commissioner's AML Code.

The Operator is considered fit and proper to hold a licence and the Gambling Commissioner and Licensing Authority will not be making any further comment on this matter.