

Regulatory Challenges for Non-Financial Regulators and How These are Overcome

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Presentation Outline

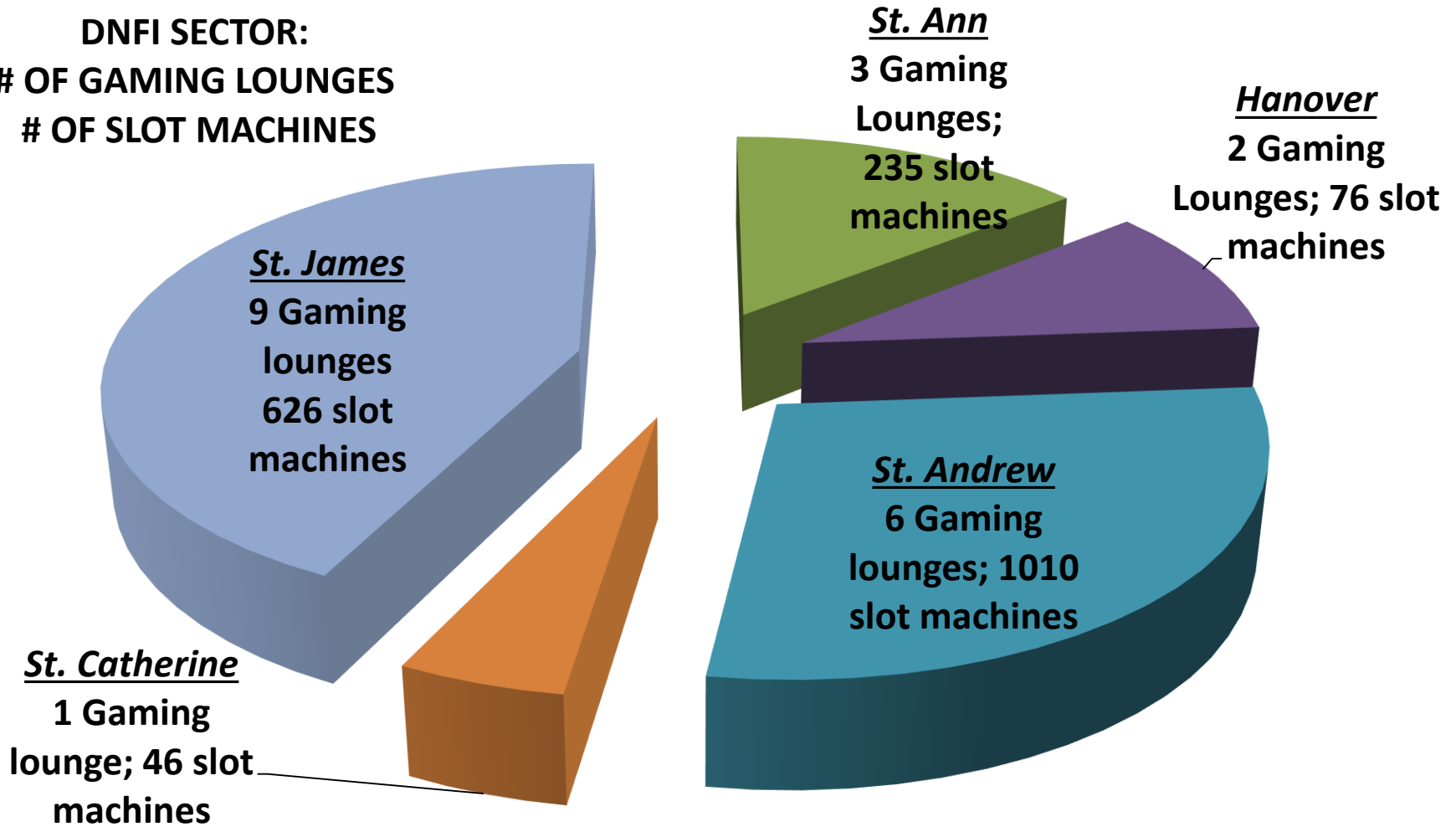
- The DNFI segment of Jamaica's Gaming Industry
- Regulatory Challenges
- Strategies & Solutions
- Emerging Risks & Solutions

The Jamaica Gaming DNFI Industry

- Gaming Machine Operators with 20 -225 slot machines
- 12 Licensees
- 22 Locations island-wide with 11 in hotels
- Industry Group – The Jamaica Gaming Association (comprising 7 Gaming Lounges):
- Collaborate with BGLC to enhance effectiveness

The DNFI segment of Jamaica's Gaming Industry

DNFI SECTOR:
OF GAMING LOUNGES
OF SLOT MACHINES



— **Regulating Facilitating Enabling** —

Industry Regulatory Compliance

YTD Assessment:

- Adequate KYC and on-boarding procedures implemented
- Improvement in filing STRs
- Tourists in hotels have embraced KYC requirements. More work is needed.
- Most gaming lounges have made an effort to invest in an automated solution
- Improvement in training
- Nominated Officers working in partnership with the BGLC

Regulatory Challenges

- Enhanced Due Diligence for Entertainment industry (Source of funds verification)
- Nominated Officers – some gaming lounges experiencing high staff turnover; learning curve challenges

Regulatory Challenges

- Limited Standard Operating Procedures to complement AML Policy & Procedures
- Some gaming machines not compatible with a monitoring system

Regulatory Challenges

- Training and development specific to the gaming industry
- Knowledge retention by some front line gaming staff
- Code of Conduct & Ethics
- Underutilization & or limited access to system reports for continuous monitoring

Regulatory Challenges

- Manual operations – Not all gaming lounge operators have an electronic system to track their customer gaming activity
- Slow pace in implementing an electronic solution to capture and monitor customer gaming activity. This will impact TPA obligations

Regulatory Challenges

- Inexperience in identifying suspicious transactions
- Credit card and debit card fraud detection and prevention controls
- Inconsistent KYC data capture and periodic updates

Regulatory Challenges

- Insufficient gaming lounge industry typologies
- Capacity development of regulatory staff
- De-risking
- De Minimis Order for US\$3,000 not yet approved

Strategies & Solutions

- Issue Minimum Standards simplifying the requirements
- Require gaming lounges to document Standard Operating Procedures
- Workshop with the Jamaica Gaming Association

Strategies & Solutions

- Recommend training through FID
- Issue letters of deficiency with specific timelines for improvement
- Provide of advisory services
- Update Guidance Manual
- Technical assistance

Emerging Risks & Solutions

- Other operators in the gaming industry not classified as DNFI offering products via player account wagering.
- Player account wagering requires Know Your Customer (KYC) information
- **Solution:** Issue Minimum standards for customer on-boarding procedures

Emerging Risks & Solutions

- Bitcoin or other Cryptocurrency
- Data Security
- **Solution:** Policy & Legislation

Thank You

Questions?