



Proliferation Financing Survey Report

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Gambling Supervision Commission
Ground Floor, St George's Court
Myrtle Street
Douglas
Isle of Man
IM1 1ED

Contact

	Contact
Telephone Number:	+44 (0)1624 694331
Facsimile Number:	+44 (0)1624 694344
E-mail:	gaming@gov.im
Website:	www.isleofmangsc.com/gambling

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Douglas
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Glossary of Terms

Term	Meaning in this Report
AML/CFT	Anti-Money Laundering / Countering the Financing of Terrorism
BRA	Business Risk Assessment
The Code	The Gambling Anti-Money Laundering and Countering the Financing of Terrorism Code 2019
Customs	Isle of Man Customs and Immigration Division
FATF	Financial Action Task Force
FIU	Isle of Man Financial Intelligence Unit
FSA	Isle Of Man Financial Services Authority
ML	Money Laundering
MLRO / DMLRO	Money Laundering Reporting Officer / Deputy Money Laundering Reporting Officer
NO	Nominated Officer
NRA	National Risk Assessment
Operator	The holder of an online gambling licence, issued under the Online Gambling Regulation Act 2001; The holder of a casino licence, issued under the Casino Act 1986; The holder of a bookmaker's permit, issued under the Gaming, Betting and Lotteries Act 1988; and The holder of a betting office licence, issued under the Gaming, Betting and Lotteries Act 1988.
PF	Proliferation Financing
SMT	Senior Management Staff
TF	Terrorist Financing

Executive Summary

Out of the **90** surveys issued,

86 gambling Operators have submitted their responses.

Executive Summary

All gambling Operators licenced by the Isle of Man Gambling Supervision Commission (GSC) operating during **1/1/2023 - 31/12/2023** were asked to complete the Proliferation Financing ("PF") Survey.

The Survey was split into 2 sections:

'Awareness' – Which was aimed at understanding the industry's knowledge, how the sector stays 'up to date', the communication styles and references within internal documents in respect of PF; and

'Training' – Which was aimed at establishing If, How, to Whom and Where training was provided and what specific factors did it consider.

Awareness Findings

- The gambling sector has good awareness of PF;
- Communication of PF to staff is limited;
- Effectiveness of training and communication could be improved;
- Inclusion of PF consideration in Business Risk Assessments and AML/CFT Manuals would be beneficial;
- A good, varied number of techniques are utilised to stay up to date with PF developments;

Training Findings

There is a need for training to be conducted across the gambling industry in relation to PF, however this could be applied differently according to the level of relevance to staff;

For the gambling Operators that do provide training, the majority make training relevant to their business and include relevant risk factors.

The results of the 2025 PF Survey will be issued alongside feedback received via the GSC's ongoing outreach with gambling Operators.

Survey Objectives

“Proliferation financing refers to the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligation.”

For government factsheets on PF and other financial crime including Money Laundering and Terrorist Financing please [view our guidance](#).

The purpose of the PF Survey was to:

- Establish the understanding and awareness of PF in the gambling sector;
- Identify any gaps, issues or risks and address these accordingly;
- Develop and enhance the GSC’s role in this area through feedback; and
- Assist Cabinet Office with the preparation of PF Risk Assessment for the Isle of Man;

The data from the PF Survey has been used to dictate the GSC’s next steps as outlined in the ‘Outcome’ section in the Executive Summary and redacted and anonymised data has been shared with the Cabinet Office for the purpose of assisting with the creation of the PF Risk Assessment.



Outcomes

Operators were given an opportunity to provide comments and feedback at the end of each section.

These included requests for the GSC to provide:

- Examples of 'red flags', real-life scenarios and typologies;
- How to construct a PF risk assessment with examples/typologies;
- More workshops and guidance.

To encourage proportionate industry communication and an increase in effective training being rolled, the GSC will....

- Conduct appropriate outreach such as videos, further communication, forums, and will address the relevant comments and feedback provided by the industry;
- Update Guidance documents;
- Seek further feedback on progress through the use of AML Forum(s);
- Issue a similar PF Survey in 2025 to ascertain if appropriate improvements have been made and if further action is required.

The PF Survey was developed with cross-agency input from the Cabinet Office, Financial Services Authority and the GSC using information and guidance from internationally recognised bodies.

One of the GSC's regulatory objectives relating to gambling is to prevent gambling from being a source of crime or disorder, associated with crime or disorder or, used to support crime

In discharging its functions the Commission must have regard to the implementation and application of recognised international standards.



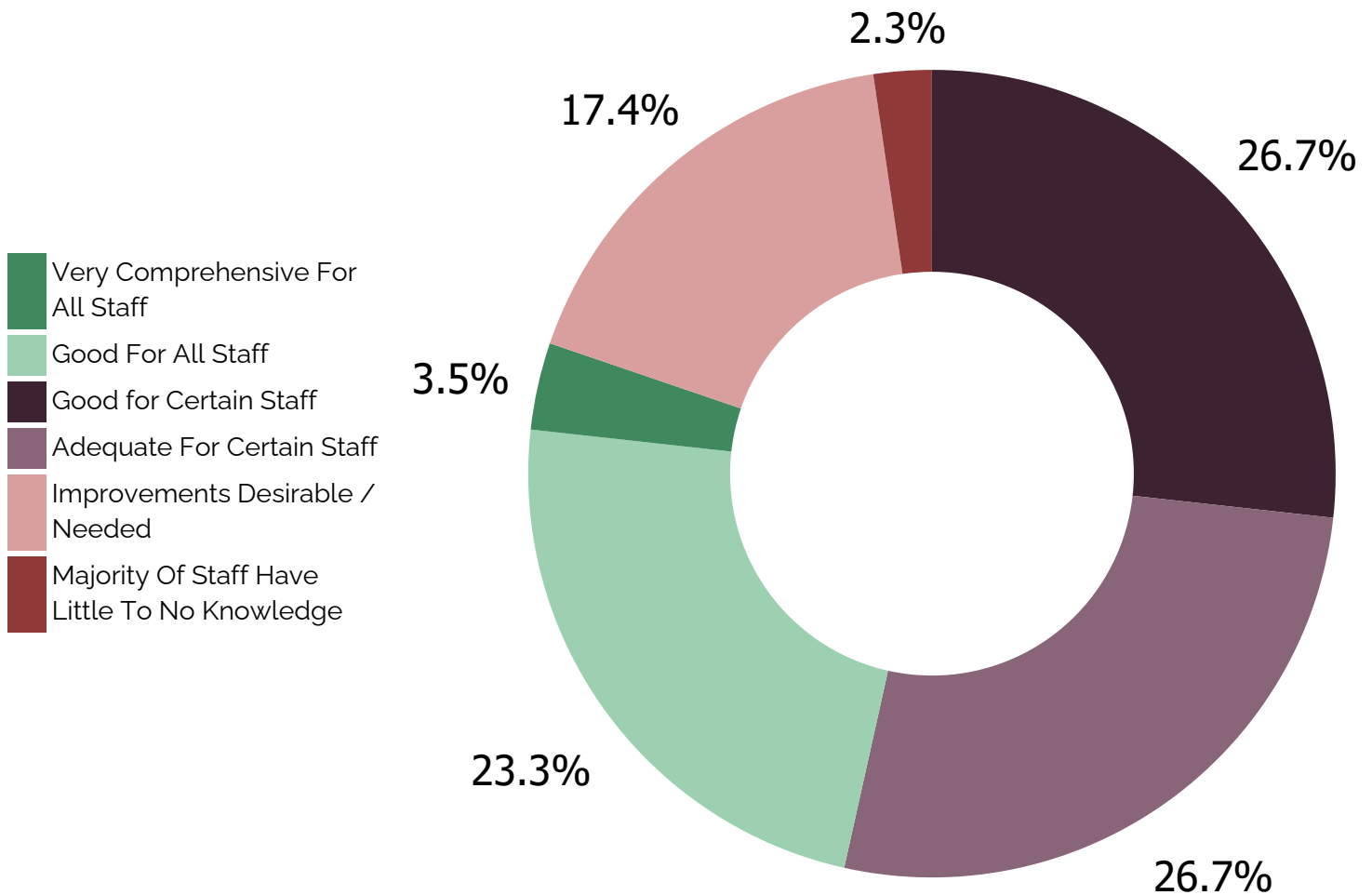
Table of Contents

<u>Glossary of Terms</u>	<u>1</u>
<u>Executive Summary</u>	<u>2</u>
<u>Survey Results</u>	<u>7</u>
<u>Awareness Section</u>	<u>8</u>
<u>Training Section</u>	<u>14</u>
<u>Appendix</u>	<u>21</u>

Survey Results

The first section of the survey covered awareness of Proliferation Financing within the organisation,

Which of these statements best reflects the awareness of PF within your organisation?

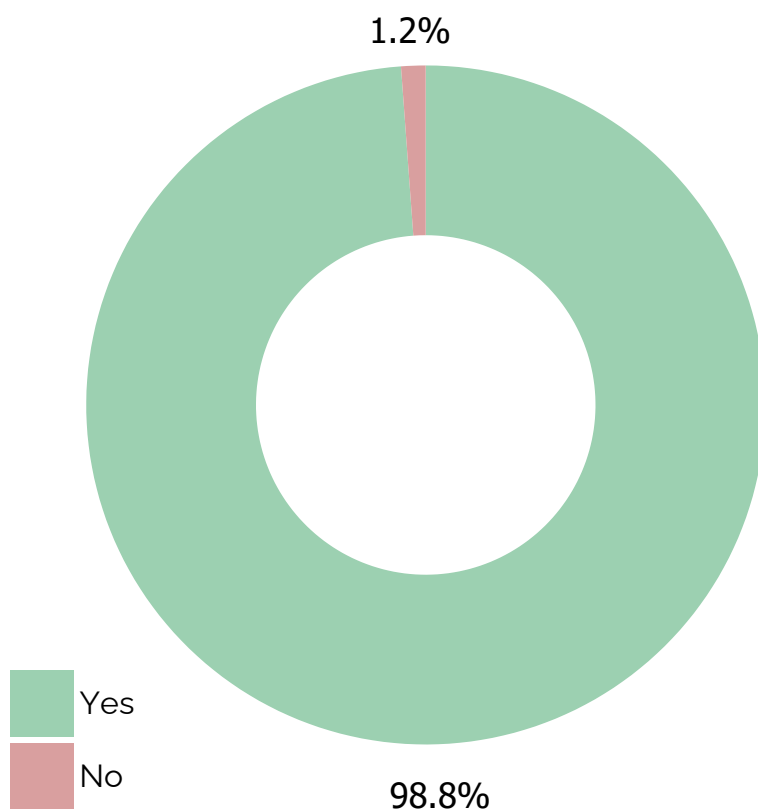


The majority of Operators (**80.2%**) noted a positive response in regards to the awareness of PF.

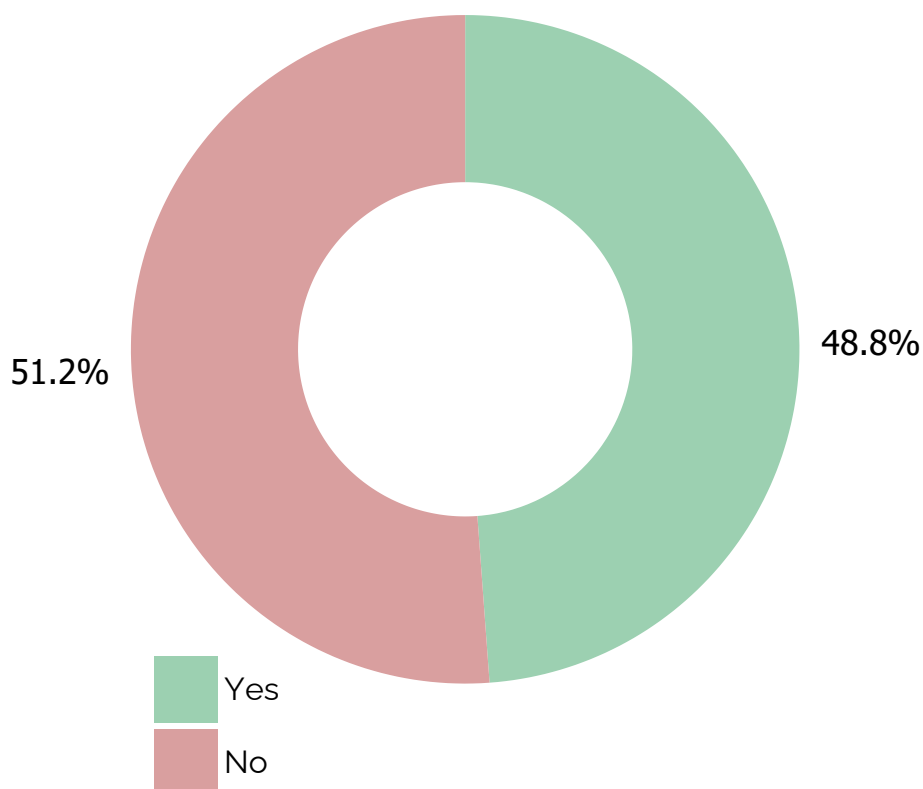
Discussions, whether in a formal or informal setting, around financial crime is a good way to engage all involved parties and raise awareness in matters that may be less familiar to some, such as PF, and the relevant risks associated with this globally, operationally or even personally.

Do you know what is meant by the term 'Dual Use Goods'?

The term '**dual use**', frequently coined alongside Proliferation or Proliferation Financing, is understood well by the gambling sector, complimenting in part the awareness of PF in the industry.



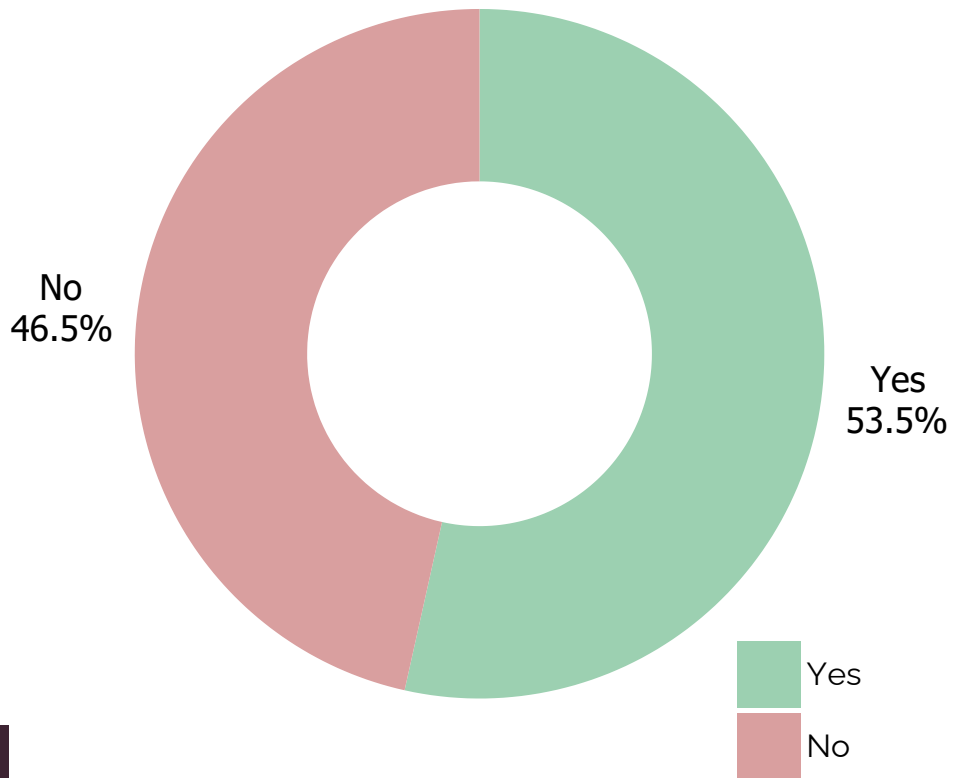
Is PF generally included in communication from senior management about financial crime?



32% of those who stated 'No' to receiving communications from senior management relating to PF also stated that improvements are desirable/needed in relation to Awareness of PF.

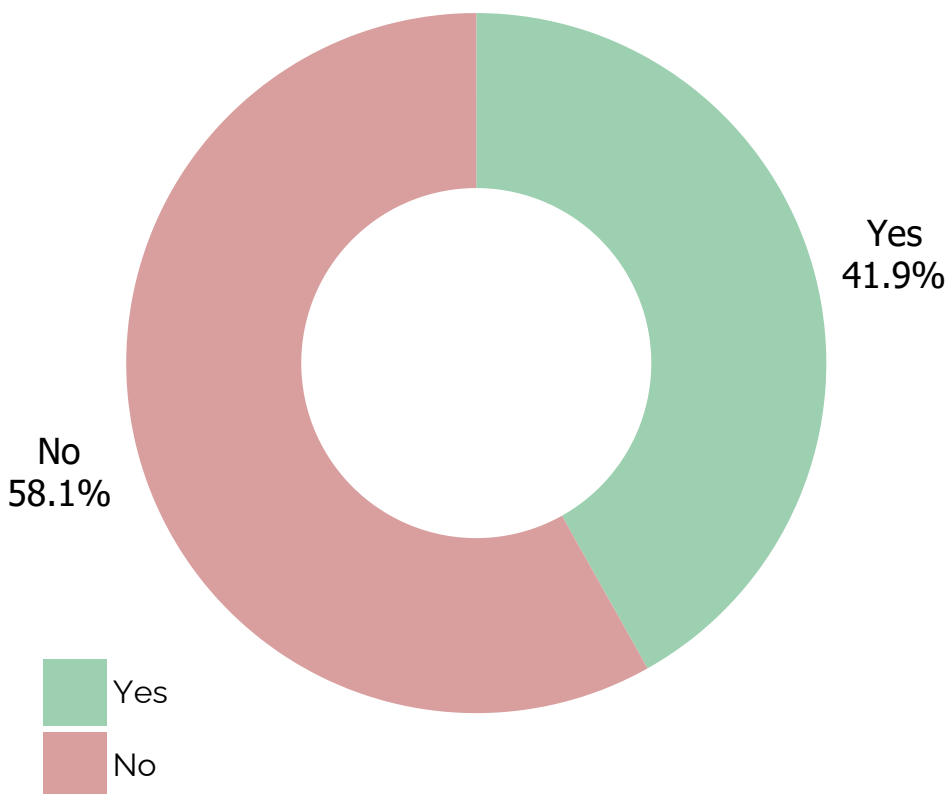
Does your AML/CFT Manual make specific reference to PF?

Out of those **53.5%** Operators that do reference PF in their AML/CFT Manual, the majority (**63%**) reference it separately.



More Operators reference PF in the AML/CFT Manual than in the BRA.

Does your Business Risk Assessment refer specifically to PF?



Of those Operators who do reference PF in either documentation:

71%

Reference PF in both BRA and AML/CFT Manual.

4%

Reference PF in BRA only.

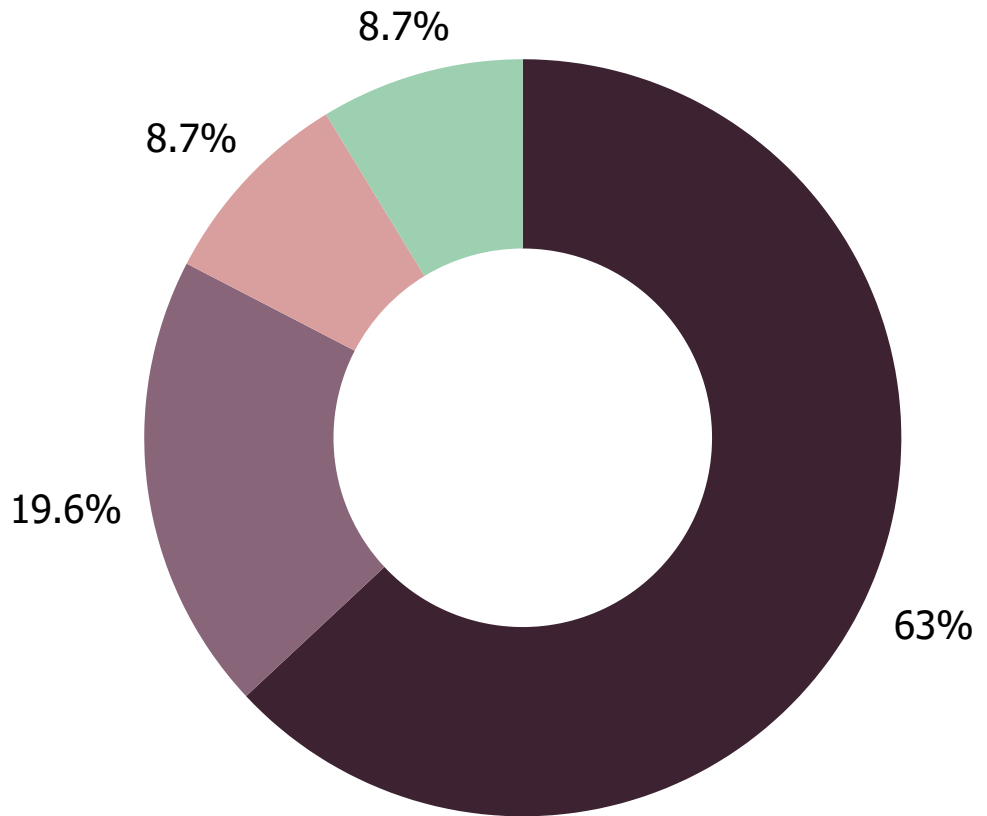
25%

Reference PF in AML/CFT Manual only.

Where does the AML/CFT manual reference PF?

In addition, Operators are encouraged to consider referencing and splitting PF out in its documents as 'good practice'.

The benefits may include 'ease of reference', 'clear and specific topic consideration' and 'impact on awareness'.



- Other
- TF Includes PF
- PF is referenced alongside TF
- PF is referenced separately

How does your business remain up to date with developments regarding PF?

Operators utilise a variety of methods to remain up to date with developments regarding PF including but not limited to:

Training Methods:

- Training, whether internal or external.

Regulatory and Government Updates:

- Regular monitoring of updates from GSC, FATF, and wider IOM Government.

Industry Events and Forums:

- AML forums and industry events are commonly attended for updates.

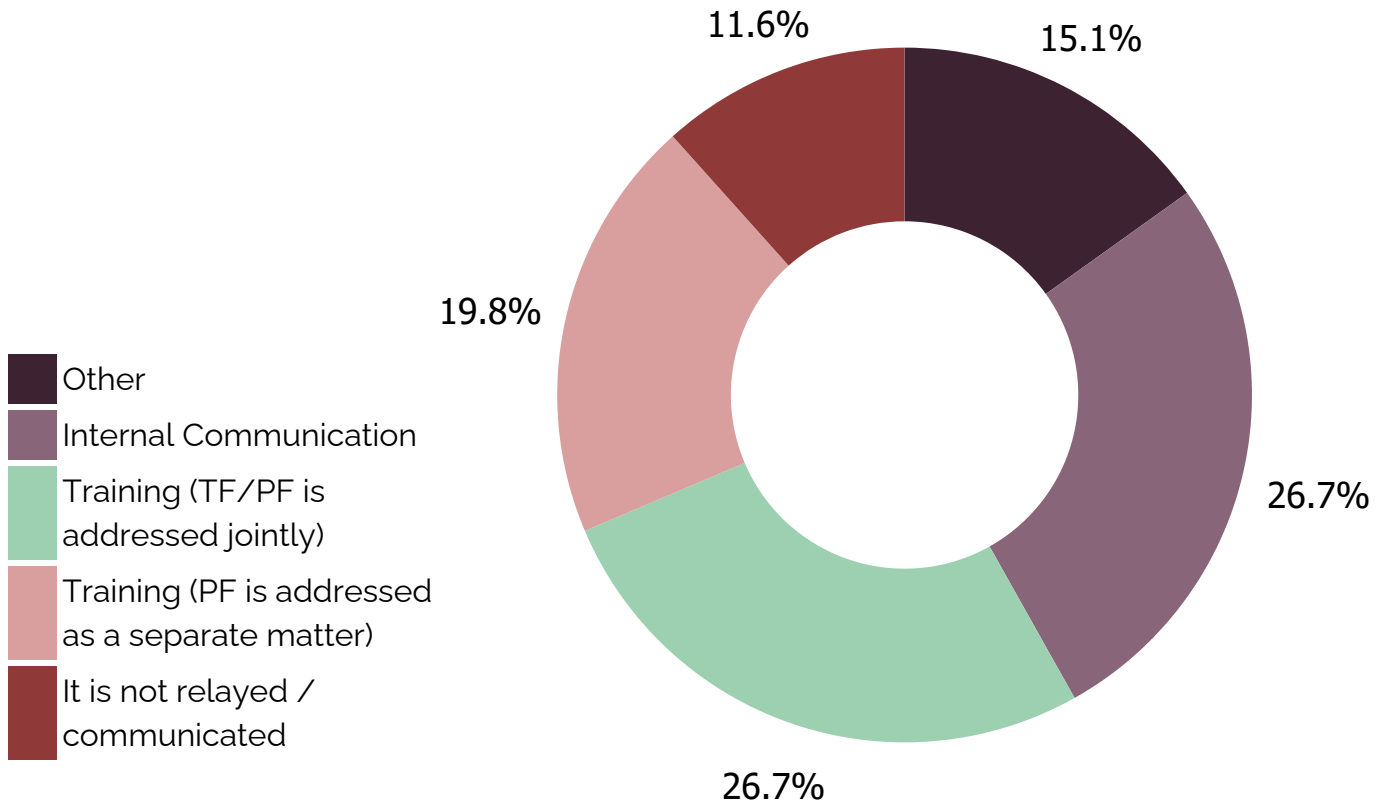
Subscriptions/Alerts:

- Emails from regulatory bodies, online RSS subscriptions and Social Media.

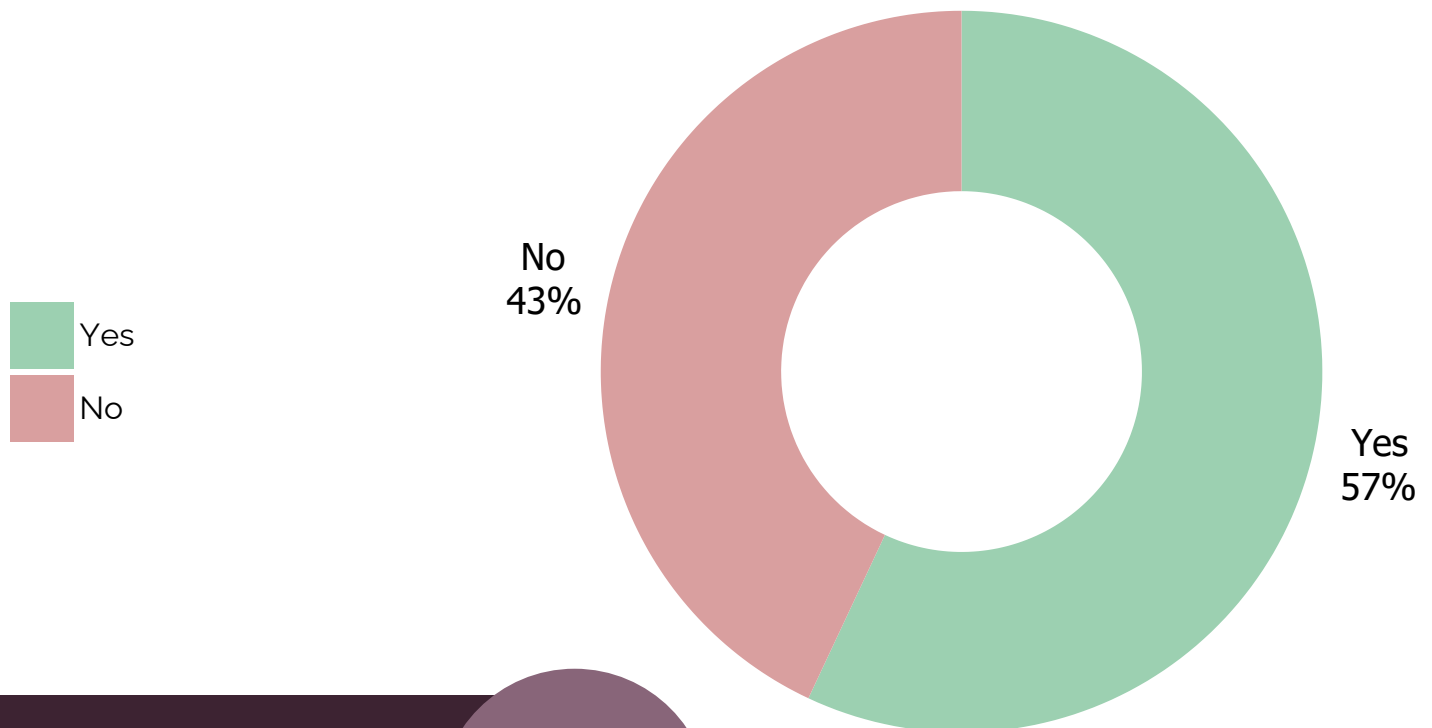
55%

Of total Operators include references to Proliferation Financing in both their Business Risk Assessments and in their AML/CFT Manuals.

How does your business communicate developments regarding PF to staff?



Is there any additional guidance that the GSC could provide that would be helpful?



Of total respondents advised that additional guidance from GSC would be welcomed.

57%

Is there any additional guidance that the GSC could provide that would be helpful?

Operators were asked to provide examples of what they would like to see enhanced within GSC guidance. This included:

Typologies/Case Studies:

- Real-life scenarios and typologies;
- Identifying 'red flags'; and
- How to construct a PF risk assessment with examples/typologies.

Workshops:

- More Q&A workshops; and
- Workshops for compliance staff;
- Industry-Specific.

Guidance/Examples:

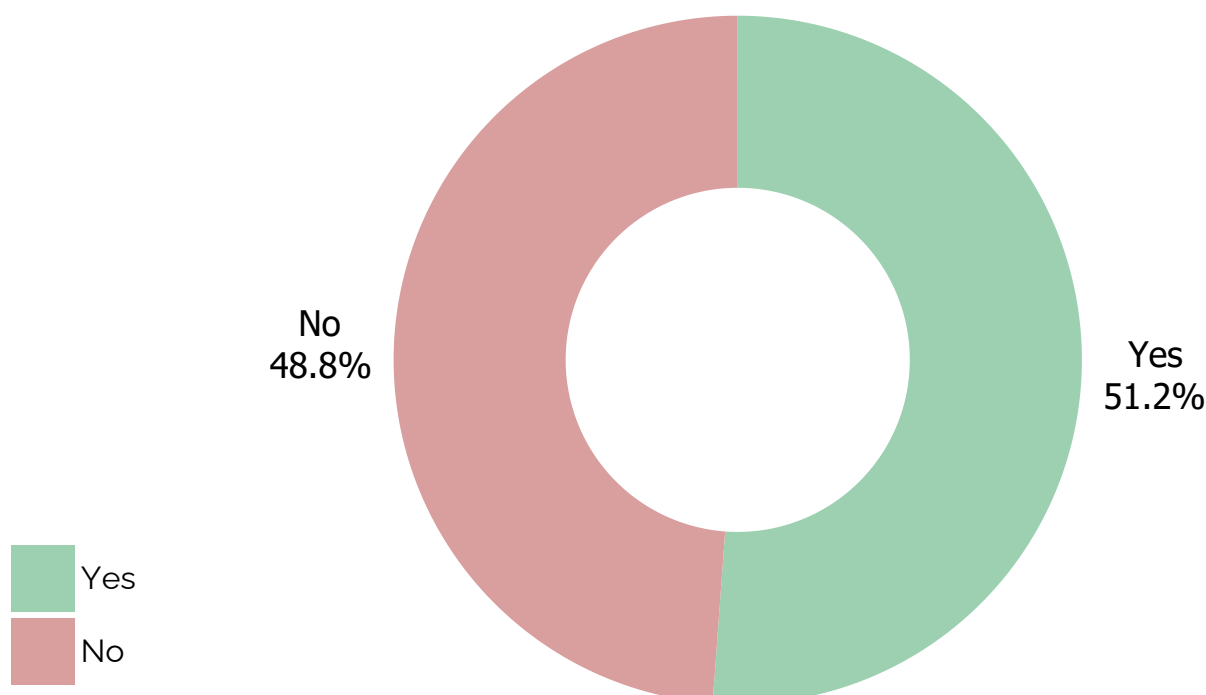
- Specific guidance applicable to each license type;
- How to spot PF on customer-submitted documentation; and
- Provide industry knowledge regarding sector vulnerabilities.

Best Practices/General:

- The level of knowledge expected by different level of staff;
- What the GSC expects to be included in the BRA, AML/CFT Manual, and related policies and procedures; and
- Guidance on striking the right balance between 'overloading staff' and effectively communicating risks.

The GSC will be updating its guidance, publishing videos regarding PF and the findings of this survey in collaboration with other Government agencies such as the FSA, Customs and the Cabinet Office and will look to reissue a similar survey in 2025 to establish if improvements have been made and if further action is required by the GSC.

Do you provide training to your staff on Proliferation and Proliferation Financing?



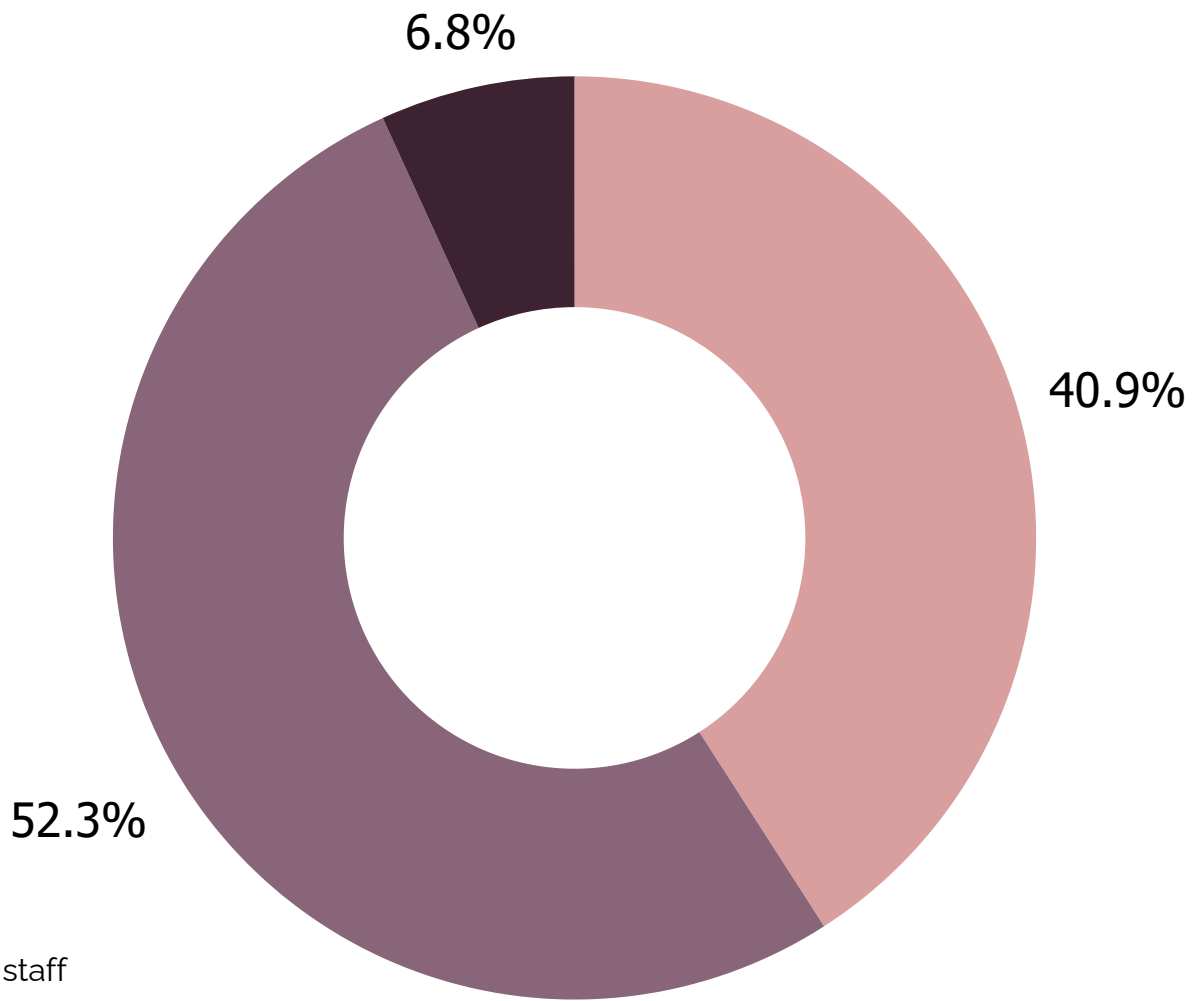
From those who did not conduct training on PF, **23%** stated that they will begin to incorporate PF training and guidance in the near future and a further **9%** stated that they include PF as part of other training but do not focus on it specifically.

AML/CFT [includes PF] training is a **legal requirement** and essential for managing financial crime risk. Employees, particularly those that are customer facing or deal with financial transactions, are at the forefront of identifying unusual or suspicious activity.

It is at the discretion of Operators to determine how training is provided to staff based on what is most suitable for their organisation. However it is expected that the AML/CFT Compliance Officer be involved in creating, delivering or supervising AML/CFT/CPF training to ensure that it meets the Code requirements, is in line with the business' risks and is effective. The MLRO should contribute in the areas of suspicious activity reporting.

Paragraph 27 of **the Code** requires for education and training, including refresher training, at least annually, to be provided. The training must make those aware, among other things, of AML/CFT legislation, personal obligations, policies / procedures and controls and any new developments.

Who receives PF Training?



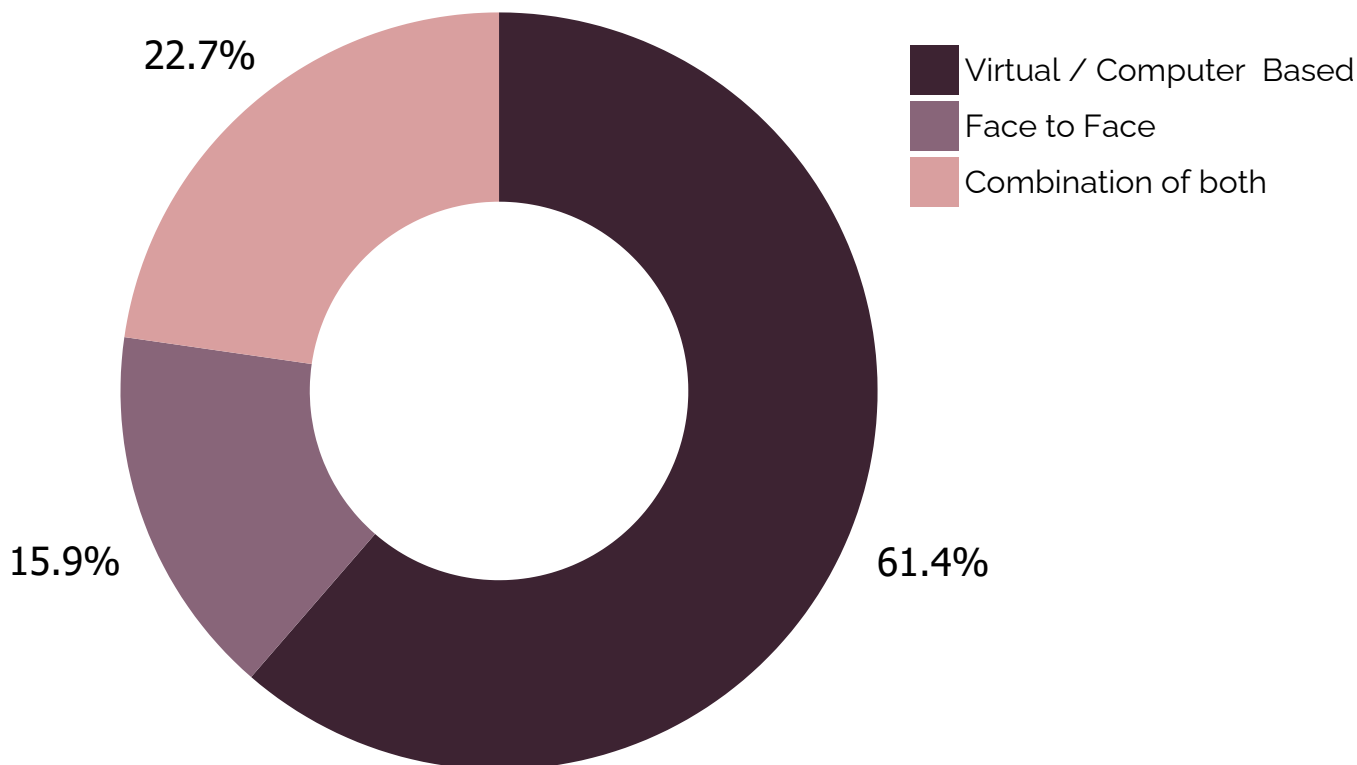
- All staff
- Officers, Senior Management (SM) and appropriate staff
- Other

Of those who responded **'Other'**, training was provided to a selection of staff (For example, 'Senior staff', 'Compliance' and 'certain Customer Service staff').

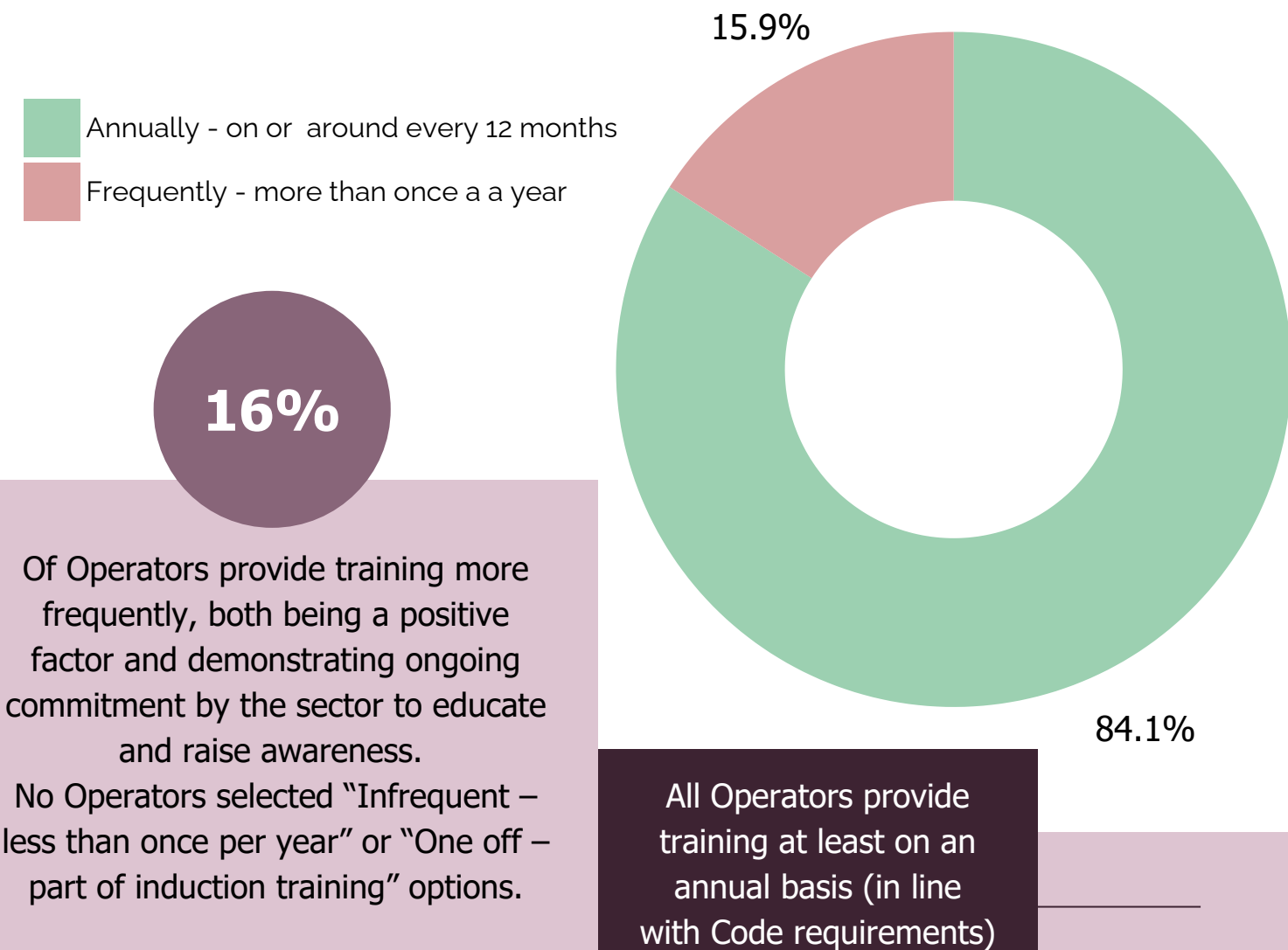
Wherever possible testing of the topic should be considered and feedback from the participants sought. This can greatly help and enhance future training sessions and help with the understanding of the matter by facilitating engagement and conversations with the staff.

Consideration should also be given to splitting out certain training, such as **PF** and **TF**, especially when the recipient of the training material has misunderstood important factors / differences.

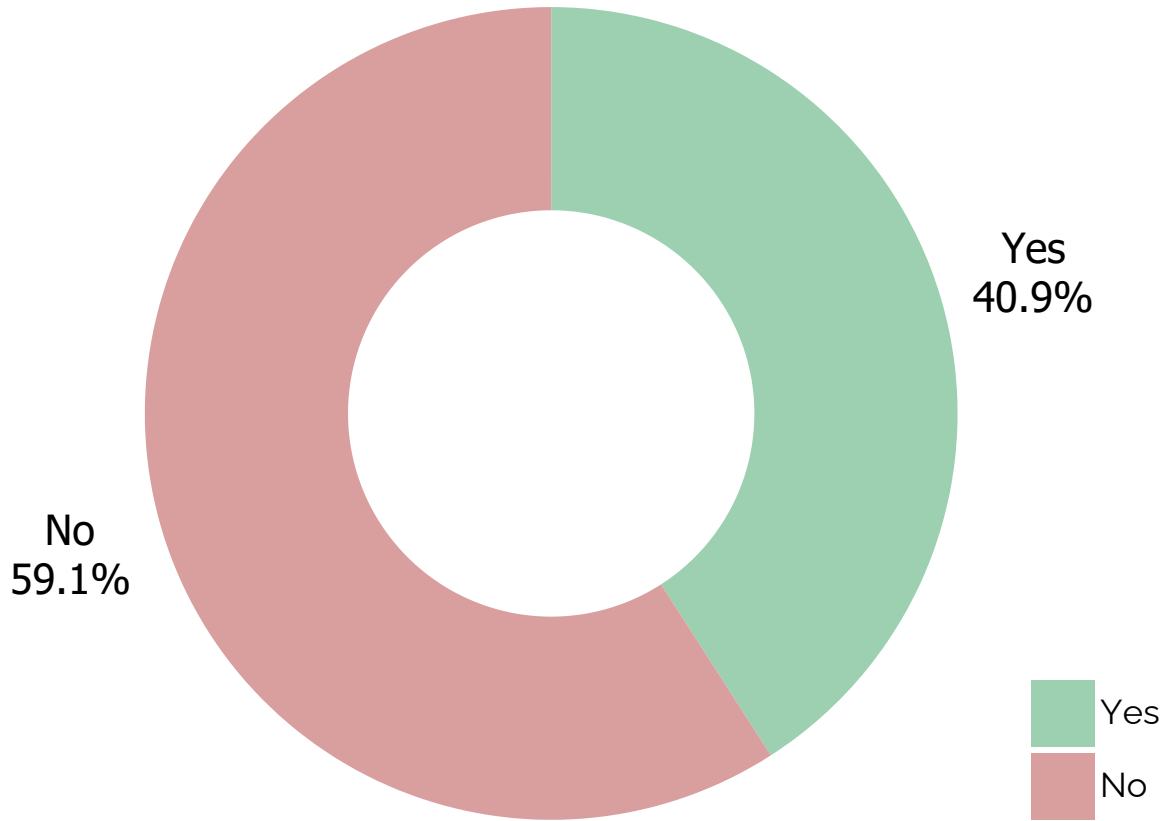
What is the primary method of training?



How often is training for PF delivered?



Is training provided by a 3rd party, or in conjunction with a 3rd party?

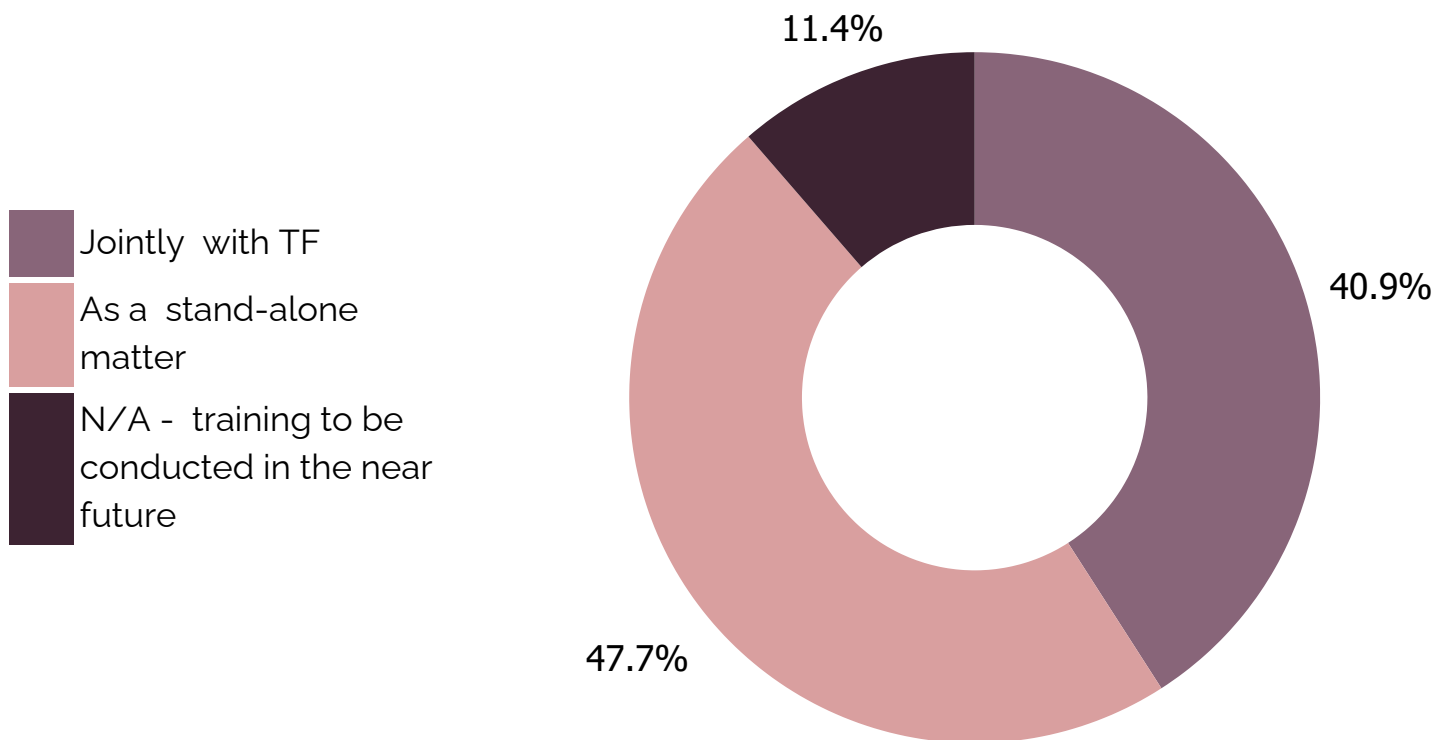


Out of those who responded 'Yes' to conducting training via a 3rd party, a variety of platforms were utilised for training.

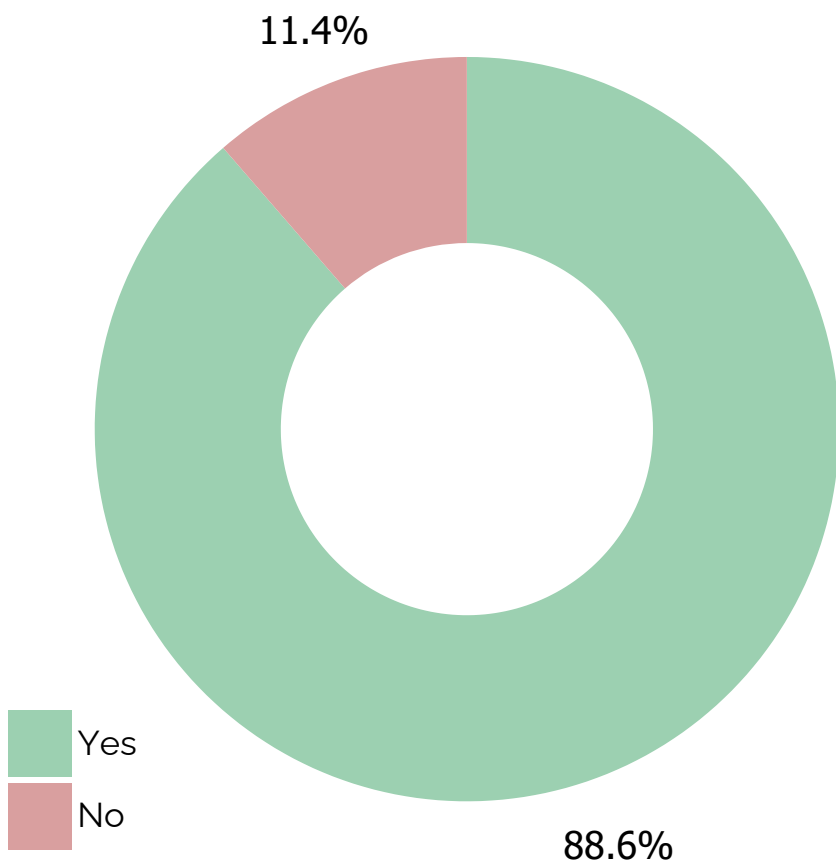
These platforms were all online based, some of which are in the process of rolling out enhanced Proliferation Financing training.

3rd Party	Internal	
13	14	Provide training virtually
0	7	Provide training face to face
5	5	Use a combination of both

How is training for PF provided?

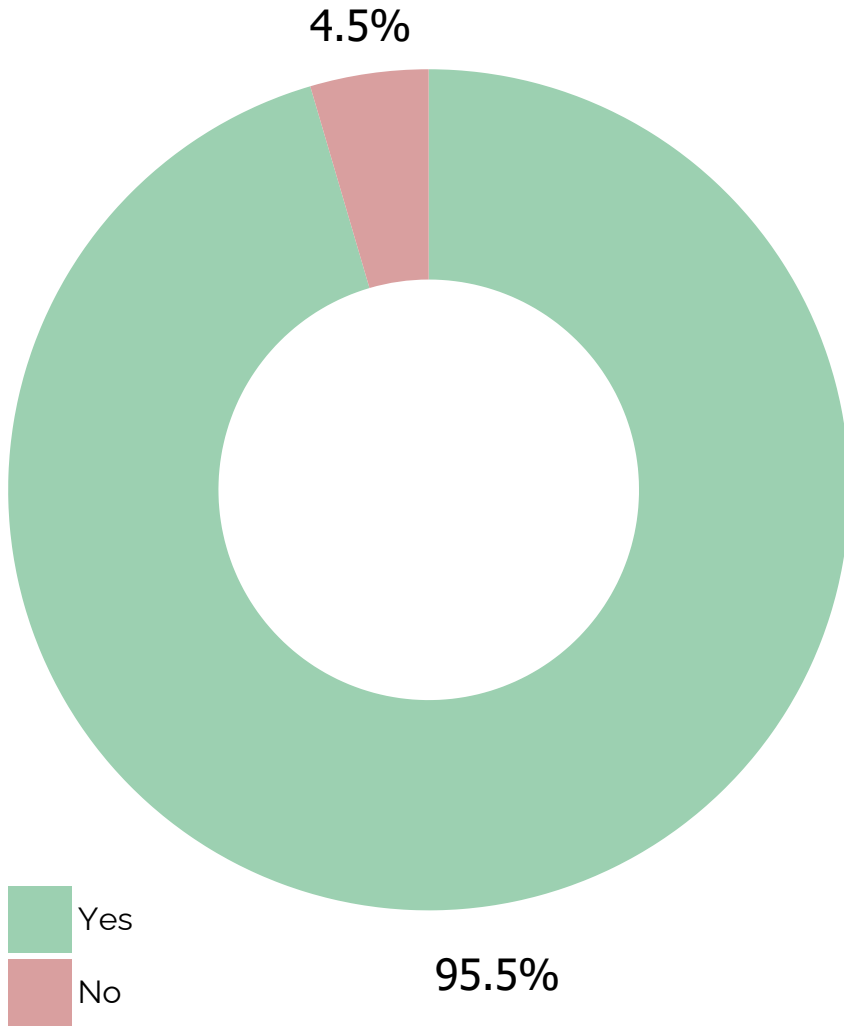


Does the training cover Sanctions?



Isle of Man Customs and Excise have published a series of detailed documents on [Financial Sanctions Guidance](#) in relation to proliferation financing which the GSC recommends Operators familiarise themselves with. The GSC also recommends Operators familiarise themselves with the ['Sanctions Relating to PF' webpage](#) on the Isle of Man Government website.

Does the training cover potential risks for you as the Operator / the group arising from PF?



Almost all Operator training covers risk and mitigations relevant to the Operator / the Group arising from PF. In addition to making training relevant, this also may assist the staff with identifying certain risk factors more efficiently, narrowing down the potential threats, and ultimately assist the individual and the Operator in undertaking the correct steps to address and mitigate the same.

There are a number of risk factors that should be considered.

Such as, but not limited to:

Country or Geographical Risk

For example countries that may not have FATF compliance frameworks / having credible sources of significant levels of corruption / sanctions;

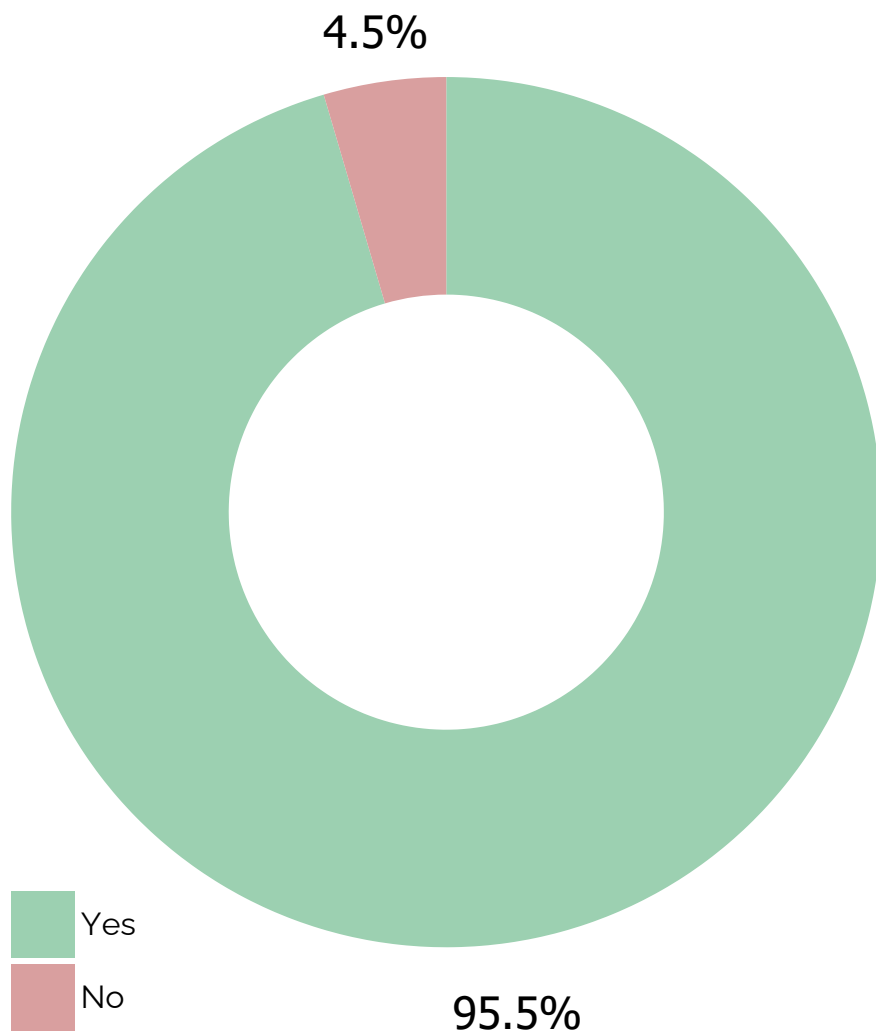
Customer risk

For example players or business partners being in or having links with friendly for PF territories – also relevant to Country or Geographical Risk;

Product Services Risk

For example is your software sub-licensed and utilised by an unknown third party; is there an option / ability to use certain elements of the software for evading triggers / requirements.

Does the training cover potential mitigations for you as the Operator / the group arising from PF?



The same Operators who answered '**No**' to covering potential risks arising from PF within training, also answered '**No**' to covering potential mitigations.

Please see the published **guidance** by Customs and Immigration for further information.

Likewise there are a number mitigations of risk factors that could be considered. Such as, but not limited to:

- Improved on-boarding processes for customers (including beneficial owners);
- Enhanced customer due diligence procedures;
- Effective maintenance of customer master data;
- Regular controls to ensure the effectiveness of procedures for sanctions screening;
- Leveraging the existing compliance programmes (including internal controls) to identify potential sanctions evasion.

Appendix

Questions

Section 1- Awareness of Proliferation Financing

- 1** Which of these statements do you think best reflects the general awareness of Proliferation and Proliferation Financing (PF) within your organisation?
- 2** Do you know what is meant by the term 'Dual Use Goods'?
- 3** Is PF generally included in communication and messaging from senior management about financial crime?
- 4** Does your Business Risk Assessment refer specifically to PF (As opposed to combining PF with TF and/or other sanctions measures)?
- 5** Does your AML/CFT Manual make specific reference to PF?
- 6** Where does the AML/CFT manual reference PF?
- 7** How does your business remain up to date with developments regarding PF?
- 8** How does your business communicate developments regarding PF to staff?
- 9** Is there any additional guidance that the GSC could provide that would be helpful?

Section 2 – Training on Proliferation Financing

- 1** Do you provide training to your staff on Proliferation and Proliferation Financing?

44 out of 86 Operators said **yes** to question 1.
The following were asked only to those 44.

- 2** Who receives PF Training?
- 3** How is training for PF provided?
- 4** Is training provided by a 3rd party, or in conjunction with a 3rd party?
- 5** Who is the 3rd party who provides the training?
- 6** Does the training cover Sanctions?
- 7** Does the training cover potential risks for you as the Operator / the group arising from PF?
- 8** Does the training cover mitigations for you as the Operator / the group arising from PF?
- 9** What is the primary method of training?
- 10** How often is training for PF delivered?
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T: [+44 1624 694331](tel:+441624694331)

E: GSCAMLIinspections@gov.im

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