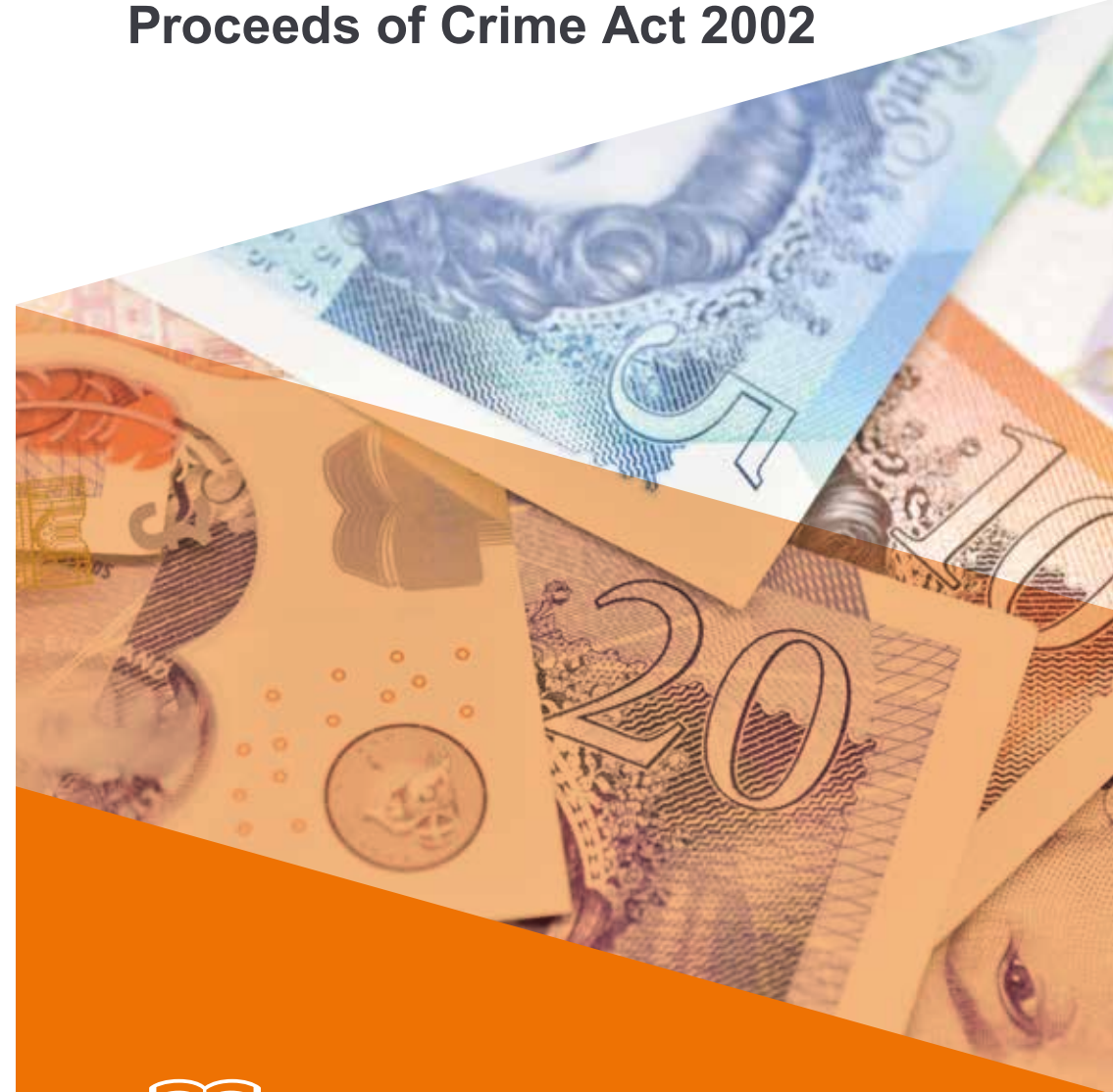


POCA Proceeds of Crime Act 2002



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Making gambling fairer and safer

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Information for small businesses

POCA Proceeds of Crime Act 2002 – Information for small businesses

If you know or suspect someone of using money they obtained illegally (the proceeds of crime) to gamble in your business, you have a duty to report this. If you don't you will be seen as helping money launderers and could be prosecuted.

Reasonable and tactful enquiries regarding activity that is inconsistent with a customer's normal pattern of activity is good practice, and forms an integral part of Know Your Customer (KYC) measures which may also be driven by social responsibility concerns.


Why is this important?

If you don't take the necessary steps to minimise the risk of money laundering you, and your employees, risk helping those spending the proceeds of crime and therefore put yourselves at risk of prosecution.



Who does this apply to?

This information is to assist gambling operators with small businesses. More detail about how you can comply with the Proceeds of Crime Act 2002 (POCA) can be found in Duties and responsibilities under the Proceeds of Crime Act 2002, available on our website, which contains a summary you may find helpful.

This symbol indicates the relevant section within that document. 

Your duties under POCA

POCA imposes the duty and responsibility on all gambling operators to report where they know or suspect that a customer is using the proceeds of crime to gamble. This is one example of money laundering. Operators should be mindful that the offence of money laundering also includes simple criminal spend (the use of criminal proceeds to fund gambling as a leisure activity).

see section 20 


What do you need to do?

You must make sure everyone involved in receiving money from customers understands what to look out for and what to do if they have suspicions, especially in situations where the customer's source of funds cannot be easily established or explained by the customer. Your business must have clear processes for making reports to the National Crime Agency (the NCA).


These processes should aim to minimise the risk of money laundering in your particular business. You must also conduct an assessment of the risks of your business being used for money laundering.

see section 18 



Reports submitted under POCA help to prevent and detect crime. Failure to make a report may result in prosecution for a criminal offence. *see section 17* 

What is the role of the NCA in money laundering?

The NCA is responsible for dealing with financial information received regarding the suspected proceeds of crime. Where customers' funds are known or suspected to be of criminal origin and the operator handles those funds, a suspicious activity report (SAR) must be made to the NCA. *see section 20* 

You can find out more about the NCA on their website www.nationalcrimeagency.gov.uk

Suspicious activity report (SAR)

A SAR is a report to the NCA under POCA about known or suspected money laundering activity by customers. The NCA provides further information on how to submit SARs on its website.

see section 20 

Requesting a defence

If you, or your employees, handle the proceeds of crime, you may commit an offence under POCA. However, you have a defence if you make a report to the NCA and request 'appropriate consent'. This can be done at the time suspicious activity is reported by ticking the 'consent required' option on the SAR form.


see section 20 




Wherever money laundering activity is detected or suspected, operators are required to submit SARs, regardless of the monetary value involved – no customer bet is too small.

Customer relationships


At all stages in the relationship with a customer, you should consider whether the customer is laundering money, including using criminal money to gamble. Report suspicious activity and seek a defence from the NCA where necessary.

Where you detect or suspect that a customer is laundering money or spending criminal money in your establishment and your concerns continue or increase, you should give serious consideration to ending the business relationship with the customer. *see section 19* 

Training

As employees are at risk of prosecution if they do not comply with their obligations to minimise the risk of money laundering, you need to make sure all those involved know exactly what they need to do. *see section 24* 

Terrorist financing

The Terrorism Act applies to all persons, and includes obligations to report suspected terrorist financing. Operators should report instances of suspected terrorist financing to the NCA using the same methods as those for reporting known or suspected money laundering activity. *see section 25* 

If you have any further questions, please call our enquiries team on 0121 230 6666 or email on info@gamblingcommission.gov.uk