



FEDERAL MINISTRY OF COMMERCE
SPECIAL CONTROL UNIT
AGAINST MONEY LAUNDERING

Old Federal Secretariat,
Area 1, Garki - Abuja.



OPERATIONAL GUIDELINES/MANUAL
FOR CASINO AS DESIGNATED
NON-FINANCIAL INSTITUTIONS
IN NIGERIA

FOR IMPLEMENTATION OF MONEY
LAUNDERING (PROHIBITION) ACT
2004

**SPECIAL CONTROL UNIT AGAINST MONEY LAUNDERING
PLOT 1349, AHMADU BELLO WAY,
GARKI 2, ABUJA**

**OPERATIONAL GUIDELINES/MANUAL FOR CASINOS AS
DESIGNATED NON-FINANCIAL INSTITUTIONS IN NIGERIA**

**FOR IMPLEMENTATION OF MONEY LAUNDERING
(PROHIBITION) ACT (MLPA) 2004**

**ISSUED ON:
12TH JANUARY 2009
SUBJECT TO MONEY LAUNDERING (PROHIBITION),
ACT 2004**

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1. INTRODUCTION

This Manual is issued to draw attention to the formalities to be observed by Casinos, Pool Betting and Lottery Operators carrying/wishing to carry on business transactions in Nigeria.

The authority for drawing this Manual is based on Section 4 and 5(4) of the Money Laundering (Prohibition) Act (MLPA) 2004 which puts the statutory responsibilities of the regulation, monitoring and supervision of Casinos, Pool Betting and Lottery under the Federal Ministry of Commerce and the making of regulations in furtherance of those responsibilities under the Minister responsible for Commerce respectively.

The Federal Executive Council by a Council Decision No. 286 of September 2005 established Special Control Unit against Money Laundering (SCUML) under the Federal Ministry of Commerce and Industry to oversee the administration of the country's AML/CFT regime within the Designated Non-Financial Institutions (DNFIs) sector.

This Manual also defines Casinos, Pool Betting and Lottery Operators as Designated Non-Financial Institutions (DNFIs).

2. DEFINITION OF DESIGNATED NON-FINANCIAL INSTITUTIONS (DNFIs)

- (i) Designated Non-Financial Institutions include; dealers in jewelry, cars, and luxury goods, chartered accountants, and audit firms, tax consultants, clearing and settlement companies, legal practitioners, supermarkets, hotels, casinos, or such other business as the Federal Ministry of Commerce may from time to time designate”
- (ii) Flowing from (i) above, the Honourable Minister of Commerce has made a declaration bringing the following

businesses under the regulation of Money Laundering (Prohibition) Act 2004: the businesses are dealers in precious metal and stones, trust and company service providers, estate agents, pool betting, lottery and Non-Governmental Organisations (NGOs)

3. **REGISTRATION WITH SPECIAL CONTROL UNIT AGAINST MONEY LAUNDERING**

- (i) Casinos, Pool Betting and Lottery operators carrying out their transactions in Nigeria are for the purpose of regulation, monitoring and supervision under the AML/CFT regime required to register their businesses with the Special Control Unit against Money Laundering.
- (ii) All Casinos, Pool Betting and Lottery operators carrying on or intending to carry on business transaction in Nigeria are required in the first instance to obtain registration form from the Office of the Director, Special Control Unit against Money Laundering, Plot 1349, Ahmadu Bello Way, Garki 2, Abuja or any of our offices located in the three (3) Pilot Zones, namely, Kano, Lagos and Port Harcourt.
- (iii) For a new Casino, Pool Betting and Lottery outfit registration with Special Control Unit against Money Laundering is mandatory before commencement of business.
- (iv) For existing Casino, Pool Betting and Lottery outfit registration Special Control Unit against Money Laundering is mandatory within three months from the date of commencement/issuance of this Manual

4. **LIMITATION TO MAKE OR ACCEPT CASH PAYMENT**

No Casino, Pool Betting or Lottery operator shall, except in a transaction conducted through a financial institution, make or accept cash payment of a sum exceeding N500,000 (Five Hundred Thousand Naira) or its equivalent

5. **CUSTOMER IDENTIFICATION**

Customer identification obligation referred to in this manual is to be conducted by Casino, Pool Betting or Lottery operators in compliance with the Customer Due Diligence (CDD) requirements for AML/CFT regime in Nigeria and subject to the Money Laundering (Prohibition) Act 2004. The following is therefore imperative for Casino, Pool Betting or Lottery operators in Nigeria:

- (a) verify and identify the addresses of its customers carrying out financial transactions by requiring the customer to present an authentic document bearing his name and address;
- (b) place before the entrance into their gambling halls or premises where an intending or existing player can have direct access to enjoy gaming and other related services a - **“NO-ID-NO ENTRANCE”** – sign, demanding for an acceptable means of identification bearing the player's name, photograph and address(es).
- (c) Means of identification should be restricted to
 - (i) National Identity Card,
 - (ii) Driving License and
 - (iii) International Passport.
- (d) Casino, Pool Betting or Lottery operator may accept means of identification other than the ones listed above;

however, they shall be wholly responsible for the verification and guaranteeing the authenticity of such means of identification.

(e) Identification shall be carried out prior to providing a designated service, however, where this would disrupt the normal conduct of business identification and verification shall be carried out after the provision of the designated service. This would include situations where the service is not provided on a face-to-face basis.

(f) **Third Party Identification:** Casino, Pool Betting or Lottery operator may authorize and/or rely on third party to carry out customer initial identity verification on their behalf. Authorized third party may be an agent of the same casino, pool betting or lottery or another one. However, the responsibility for ensuring the adequacy and accuracy of such third party verification lies on the casino, pool betting or lottery that is the primary reporting entity.

(g) **At Purchase and Exchange of Chips:** Means of identification accepted at the entrance point into the gaming hall shall be sighted at the point of purchase of chips. In event of a casino player exchanging chips for money or other considerations or giving out unused chip to another player, proper identification shall be conducted of the buyer/beneficiary and the seller/benefactor of the unused chips at the cage.

(h) **At the Redemption of Winnings:** Identity presented at the purchase or exchange of chips should be re-verified at point of redemption of winnings. For redemption of winnings or used chips through any bank instrument or fund transfer, player's identification shall be re-verified

notwithstanding whether or not he is an existing customer.

- (i) **For International Funds Transfer Instruction:** Casino shall be required to include with the funds transfer instruction, the customer's name, address and account number (where money is transferred from an account) or unique identifier (where money is not transferred from an account).
- (j) **Domestic Funds Transfer Instruction:** Casinos are required to include only the account number or unique identifier.

6. MAINTENANCE OF REGISTER

- (i) After verification of the identity of its customers carrying out business transactions, casino, pool betting or lottery operator must maintain a register where all transaction above the threshold will be recorded in chronological order.
- (ii) It is necessary that appropriate record of all transactions within and above the threshold listed in chronological order be made in SCUML register including each customer's surname, forenames, address, the nature and amount involved which shall in turn be periodically cross-checked, authenticated/confirmed and initialed by an officer authorized by SCUML for that purpose.

7. PRESERVATION OF RECORDS

- (a) All casinos, pool betting or lottery operators shall preserve and keep at the disposal of the authorities the records so preserved

- (b) the record of a customer's identification for a period of at least five years after the closure of the accounts or the severance of relations with the customer; and
- (c) the record and other related information of a transaction carried out by a customer and the report provided for in section 6 of MLPA 2004 shall be preserved for a period of at least 5 years after carrying out the transaction or making of the report as the case may be.

8. **COMMUNICATION OF INFORMATION**

The records referred to in this manual shall be communicated only to the Special Control Unit against Money Laundering and NFIU or other regulatory authorities as the Special Control Unit against Money Laundering may from time to time authorize.

9. **DUTIES OF CASINOS, POOL BETTING OR LOTTERY OPERATORS REGARDING THE ESTABLISHMENT OF ROBUST INTERNAL AML/CFT AUDIT CONTROL MECHANISM, TRAINING OF EMPLOYEES AND DESIGNATION OF COMPLIANCE OFFICER**

- (a) **Establishment of an Internal Audit Control Unit:** All casinos, pool betting or Lottery operators shall establish an internal audit unit to ensure compliance with and the effectiveness of the measures taken to enforce the provisions of the money laundering law.
- (b) **Training Programme:** All casinos, pool betting or lottery operators shall develop an appropriate anti-money laundering training programmes for their employees. The content and the timing of the training so developed for the year shall be submitted to the Special Control Unit against Money Laundering on or before February of that year. The Special Control Unit against Money will make

available to all casinos, pool betting or lottery operators some identified training programmes, seminars, workshops and symposia on AML/CFT being organized within and outside the country each year.

(c) **Centralization of Information Collected:** All the weekly Currency Transaction Reports (CTRs) above the required threshold are to be centralized and submitted as provided by the law to Special Control Unit against Money Laundering (SCUML). The Anti-Money Laundering Compliance Officer shall ensure that all the CTRs are forwarded weekly to SCUML.

(d) **Designation of Compliance Officer:** All casinos, pool betting or lottery operators are positively expected by the law to appoint officers at senior management level at its headquarters and at every branch and local offices of the organization as Compliance Officers for the purposes of AML/CFT. The name of the compliance officer so appointed shall be communicated in writing to the SCUML. The duty of the compliance officer is to ensure that weekly currency transaction reports as stipulated by the law are rendered to the SCUML, while suspicious transaction report is submitted timely to the Nigerian Financial Intelligence Unit (NFIU).

10. **OBLIGATION TO REPORT BUSINESS TRANSACTION ABOVE THRESHOLD**

(i) Notwithstanding anything to the contrary in any other law or regulation, all casinos, pool betting or lottery operators shall report to the Special Control Unit against Money Laundering within 7 days any single transaction lodgment or transfer of funds in excess of:

(a) N1,000,000 or its equivalent; and

(b) make weekly returns of all business transactions above the threshold to the Special Control Unit against Money Laundering.

11. OCCASIONAL CASH TRANSACTION

All casinos, pool betting or lottery operators shall prior to any transaction with causal customer involving a sum exceeding US\$5,000 or its equivalent, identify the customer by requiring him to fill the SCUML register and present his/her international passport, drivers license or national identity card or such other documents bearing his photograph and are reliable by the casinos, pool betting or lottery operators.

12. BUSINESS TRANSACTION MONITORING

(i) Monitoring and supervision of all casinos, pool betting or lottery operators shall be carried out by designated official of Special Control Unit against Money Laundering for the purpose of ensuring compliance with the country's AML/CFT regime

(ii) All casinos, pool betting or lottery operators are required to produce on demand SCUML Registers for inspection by a team of Special Control Unit against Money Laundering and Nigerian Financial Intelligence Unit (NFIU) Compliance Officers

(iii) Records of business operations of all casinos, pool betting or lottery operators shall be open for inspection by the team of SCUML and NFIU Compliance Officers.

(iv) All casinos, pool betting or lottery operators shall obtain accurate and detailed customer identity verification by developing appropriate and correctly applying risk-based approach in conducting Customer Due Diligence.

Emphasis shall be placed on volume and frequency of customer's activity.

(v) Emphasize customer identification and CDD at the purchase and/or exchange of chips and redemption of winnings.

(vi) Casinos that have customer loyalty programmes shall subject their existing customers database to an on-going Due Diligence obligation and have identity of such existing customers re-verified on significant increase of volume of activity or other criteria used in their risk-based CDD models.

(vii) Casinos shall conduct re-verification and perform Enhanced Due Diligence of existing customers when undertaking both local and international fund transfer instructions.

(viii) Casinos shall mount surveillance on customers both existing and new ones to discourage smurfing/betting to lose to a target opponent.

(ix) Casinos shall ensure accurate and adequate population of the fields on the Currency Transaction Reports (CTRs) Form provided by the Special Control Unit against Money Laundering for the purpose of conducting KYC and CDD.

(x) Casinos, Pool Betting or Lottery operators shall at all time ensure that the control measures, checks and balances and internal audit mechanisms put in are updated and re-evaluated for the purposes of AML/CFT regime.

13. MANDATORY DISCLOSURE BY CASINOS, POOL BETTING OR LOTTERY OPERATORS

Considering the risk of money laundering involved in the business of gambling, betting and other related games, Casinos, Pool Betting or Lottery operators are mandatory required to report their currency transaction activities to the Special Control Unit against Money Laundering.

14. OBLIGATION TO SEND SUSPICIOUS TRANSACTION REPORTS (STRs) TO NIGERIAN FINANCIAL INTELLIGENCE UNIT (NFIU)

Casinos, pool betting or lottery operators otherwise known as designated non-financial institutions (DNFIs), are obliged to send suspicious transaction reports to Nigeria Financial Intelligence Unit:

- (i) when a transaction or suspicious transaction whether it relates to the laundering of the proceed of a crime or an illicit act:
 - (a) involves a frequency which is unjustifiable or unreasonable
 - (b) surrounded by condition of unusual or unjustified complexity, or
 - (c) appears to have no economic justification or lawful objective
 - (d) the non-designated financial institution involved in each transaction shall seek information from the customer as to the origin and destination of funds, the aim of the transaction and the identity of the beneficiary

- (e) designated non-financial institution shall within 7 days after the transaction referred to above:
- (a) draw up a written report containing all relevant information together with the identity of the principal and where applicable, of the beneficiary or beneficiaries;
 - (b) take appropriate action to prevent the laundering of the proceed of crime or an illegal act, and
 - (c) send a copy of the report and action taken to the NFIU.
- (ii) Protection for Reporting Officers: The law offered enough protection for officers of DNFI's against making STRs to NFIU, victimization or denial of any benefit accruable to the officer as a result of his/her action in this respect.
- (iii) A designated non-financial institution which fails to comply with the provisions of Section 6 of Money Laundering (Prohibition) Act (MLPA) 2004 is guilty of an offence and liable on conviction to a fine of N1,000,000 for each day during which the offence continues.

**15. NON-COMPLIANCE/FALSE INFORMATION/
PENALTIES**

- (I) The objective of providing simplified guidelines is to effect implementation of Money Laundering (Prohibition) Act (MLPA) 2004. Without prejudice to the penalties provided for illicit trafficking in narcotic drugs


or psychotropic substances and for the laundering of drug money, any person who

- (a) being a Director or employee of a designated non-financial institution who warns or in any other way intimates the owner of the funds involved in the transaction referred to in Section 6 of the Money Laundering (Prohibition) Act 2004 about the report he is required to make or the action taken on it or who refrains from making the report as required; or
- (b) destroy or remove a register or records required to be kept under MLPA 2004, or
- (c) carries out or attempt under a false identity to carry out, any of the transactions specified in Sections 1 to 5 of MLPA 2004, or
- (d) make or accepts cash payments exceeding the amount authorized under this Act, or
- (e) fail to report an international transfer of funds or securities required to be reported under MLPA 2004, or
- (f) being a director or an employee of a Bureau De Change; casino; or other financial or designated non-financial institutions, contravenes the provisions of Section 2, 4, 5, 6, or 10 of MLPA 2004, is guilty of offence under this section.

II When as a result of a serious oversight or a flaw in the internal control procedures, a casino, pool betting or lottery operator fails to meet any of the obligations imposed on it by MLPA 2004, the Federal Ministry of

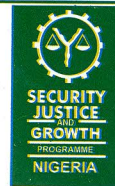
Commerce or the organization's professional body may take such action and administrative regulation as it may deem necessary.

- III Casinos, Pool Betting or Lottery operators are generally liable in case of contravention of any relevant sections or provisions of the Money Laundering (Prohibition) Act 2004 or any other law of the land as the case may be.



**Signed: HON. MINISTER
FEDERAL MINISTRY OF COMMERCE & INDUSTRY
ABUJA**

SUPPORTED BY:



DFID Department for International Development