

Gambling Division

GAMBLING DIVISION PRESS RELEASE

Date: 16th August 2024

Regulatory Settlement

We have reached a regulatory settlement with a Gibraltar licensee in the sum of £25,000. This settlement is in lieu of a financial penalty that otherwise would have been imposed in connection with an enforcement case relating to an identified deficiency in the management of two customer cases. Both these customers were from rest of the world jurisdictions (non-UK).

Whilst we do not believe that there was any widespread systemic issue the cases gave rise to an important learning point for the wider industry.

In both cases, the operator had failed to fully reconcile a discrepancy in tax and income information provided by the respective customers (albeit in the case of one customer, more investigation and action resulted).

Tax evasion is a risk issue flagged up by the National Risk Assessment ("NRA") and whilst there is no evidence that either of these two customers were engaged in tax evasion in their own jurisdictions, the operator, having identified a mismatch between income and tax information, should have been more inquisitive and asked the customers to provide an explanation of the identified mismatches. Without that further reconciliation of conflicting information, this could have given rise to objective grounds for suspicion that might have led to reporting.

For clarity, there is no requirement for operators to call for personal domestic tax information, but where it supplied as a wider package of evidence, it needs to be reconciled with other financial information on file. Customers should be given the opportunity to explain the mismatch which may result from the application of allowances or special tax status. Where a customer does not provide a satisfactory explanation, then consideration should be given to suspicious activity reporting.

The operator has been fully cooperative and remains fit and proper to hold a licence.

ENDS