

Your guide to Business Risk Assessments for Isle of Man Licensed Gambling Companies

Companies licensed by the Isle of Man Gambling Supervision Commission (GSC) are required to adhere to the principles of all relevant Anti Money Laundering and Financing of Terrorism legislation, and to put measures in place to mitigate these risks.



Gambling companies licensed by the **Isle of Man Gambling Supervision Commission (GSC)** in the Isle of Man are expected to adhere to Anti Money Laundering and Countering the Financing of Terrorism principles and rules as laid out in relevant legislation, including the Isle of Man Gambling (Anti Money Laundering and Financing of Terrorism) Code 2019. It is crucial for a successful operation to take these responsibilities seriously. The Isle of Man GSC also requires companies to take a risk-based approach and create a Business Risk Assessment as part of this.

This assessment, usually just called a BRA, should directly correlate to the company's risk appetite and relevant exposure of risk. The level of risk that a company is willing to accept is referred to as their risk appetite. This varies from operator to operator to reflect the different business models available in the sector. The risk-based approach allows companies the ability to draft the business risk assessment in the light of the risk they feel they are exposed to, and every BRA is therefore different.

Companies licensed here are required to use a BRA to put a framework in place that outlines the inherent risks they face while operating. The level of risk identified and outlined should match the necessary mitigation measures and controls to be put in place, and a mismatch here will result in a higher residual risk, and an elevated risk or Anti-Money Laundering (AML) and Countering the Finance of Terrorism (CFT) issues. A BRA must be prepared as part of the gaming licence application and must be updated and in place for the go-live and the operational phase.

The document, which our experts will be happy to assist you with, must review the likelihood and impact of any risks and how the business intends to mitigate them. Next to being a regulatory requirement, having a BRA in place is also a good business practice to identify risks to the company, some of which may not be obvious at first glance.

The standard risk categories used by the Financial Action Task Force (FATF) are:

- Country or Geographical Risk
- Customer Risk
- Transaction Risk

Gambling companies should also consider further risk posed by their own individual business models, products and services.

The Business Risk Assessment should consist of the following stages:

Identification

The identification of potential risks is usually done by creating a list that outlines specific threats and vulnerabilities, especially in the AML and CFT area. Often these are related to operational models, payment setups, customer locations and other factors that all intertwine to pose certain bigger or smaller risks to the business. Once we have created this list with you, we move to the next step:

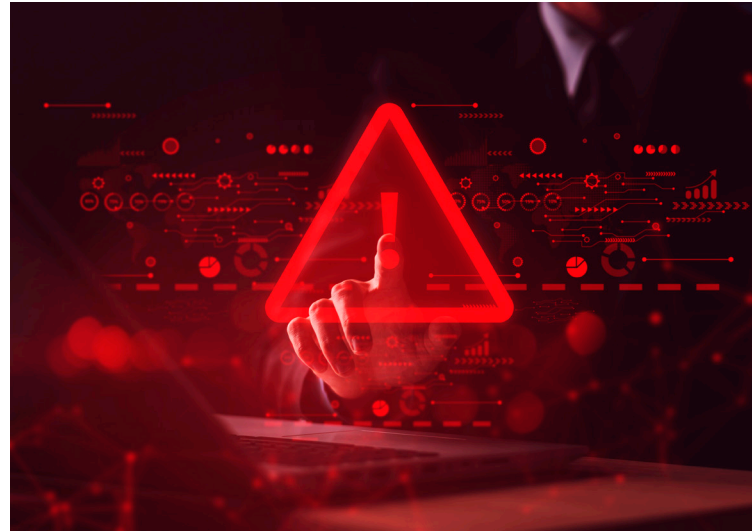
Analysis

This stage involves considering the likelihood, impact, and any consequence of the identified and the not yet identified risks. Ultimately this should result in a relative value or importance to each of the risks once analysed alongside the likelihood, impact and consequence of the risk occurring. We will again be at hand to assist and advise you, with many of our team members having operational experience in the field.

Evaluation

Evaluation involves assessing the risk resulting from the previous stage and determining the best steps to mitigate or address the risk. This prioritisation can contribute to the development of the entirety of the BRA when considering the business risk appetite and the BRA as a whole document.

At the end of this exercise, you will have a comprehensive BRA that outlines all inherent risks the operation might face and measures that can and are being taken to mitigate them. It ensures your company is compliant with Isle of Man regulations, aware of the risks it is facing, and taking appropriate measures to counter them.



If you would like to receive a free consultation for your business, then we will be happy to help. Simply email us at info@manavia.im



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