

Summary of Approach on Gambling

Applicable to:

This summary of approach reflects the criteria we assess our clients against when considering the provision of financial services to the gambling sector. For the purposes of this summary of approach:

Gambling is defined as per the UK Gambling Act 2005¹, as gaming, betting or participating in a lottery.

Gaming is defined as playing a game of chance for a prize. Games of chance include those games that involve both an element of chance and an element of skill, or an element of chance that can be eliminated by superlative skill, or a game that is presented as involving an element of chance.

Betting means making or accepting a bet on the outcome of a race, competition or other event or process, or the likelihood of anything occurring or not occurring, or whether anything is or is not true.

A **lottery** is defined by persons paying in order to participate in an arrangement, in the course of which one or more prizes are allocated to one or more members, and the prizes are allocated by a process which relies wholly on chance.

Remote gambling is gambling in which persons participate by the use of remote communication, that is to say the internet, telephone, television, radio or any other kind of electronic or other technology for facilitating communication.

Our commitment:

As a key part of our mission to be Here for good, we only provide financial services to clients who manage their social impacts responsibly. The sector-specific criteria in this summary approach sets out the standards we assess our clients against.

Standard Chartered recognises gambling activities generate economic benefits for the community, such as real estate development (i.e. hotels and restaurants), job creation and tax revenues. However, the gambling sector also faces potential challenges, some of which may include fostering organised crime, prostitution, facilitating money laundering, and problem gambling and personal financial difficulties.

Anti Money-Laundering and Counter Terrorist Financing

We will not provide financial services to gambling sector clients whose turnover is less than USD25m, or who are unlicensed.

We will only provide financial services to clients in the gambling sector who:

- Have a turnover greater than USD25mn;
- Are licensed;
- Have in place Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) policies and procedures, which must:
 - o Take a risk based approach to AML/CFT
 - o Detail the requirements for client due diligence and ongoing monitoring

¹ <http://www.legislation.gov.uk/ukpga/2005/19/contents>

- Specify record retention timeframes
 - State the approach to Politically Exposed Persons
- Have in place policies and procedures to promote responsible gambling in alignment with local and national regulation, including staff training and the provision of information

We look to the following industry best practices, guidelines and bodies as reference standards and use them to determine the level of expected performance from our clients:

- The Financial Action Task Force (FATF) Recommendations² relating to the gambling sector
- The International Association of Gaming Regulators eGambling Guidelines³

² <http://www.fatf-gafi.org/topics/fatfrecommendations/>

³ <https://iagr.org/membership/iagr-e-gambling-guidelines>