



The Federation of Racecourse Bookmakers Limited



Association of
Racecourse Bookmakers

National Association
of Bookmakers

Rails Bookmakers
Association

EU Money Laundering Directive Update - March 2017

As you will be aware, over the last four years, the FRB has been actively engaged on your behalf as the EU 4th Money Laundering Directive was introduced in the European Parliament. It is a requirement that the UK Government adopted this Directive once passed in Europe.

The FRB was fully engaged in lobbying both the EU and the UK Government to ensure the on-course bookmaking industry was deemed to be a low risk sector and therefore exempt from the Directive. Initially, the FRB was represented by Patrick Nixon who along with your FRB representative, attended a number of meetings with our European lobbyists in Brussels. After Patrick's untimely death, your FRB representative along with the team at Ranelagh continued building upon the foundations laid by Patrick.

When the Directive was being debated in the EU Parliament and discussed by the EU Commission, the FRB joined forces with the ABB to submit a collective response for both the on-course and off-course gambling industry. The aim was to ensure that the Directive contained a clause which allowed National Governments to exempt low risks sectors. This was accomplished via face to face meetings with Commissioners, MEPs (both in the UK and in Europe) and deploying the support of UK Ministers and Civil Servants to support our cause. The clause was successfully included following these efforts.

The exemption clause in the Directive meant that the FRB's lobbying efforts had to be directed to Westminster. FRB and Ranelagh then continued the lobbying process in the UK to ensure that the Treasury and Department for Culture, Media and Sport (DCMS) were made very aware that on-course bookmakers should be exempt from the Directive. We held a number of meetings with the Treasury and our contacts with Civil Servants within the DCMS, along with briefings to MPs and Peers who have continually supported us in the past.

The Government issued a consultation document on the Directive in November 2016, and subsequently we submitted a full and detailed response.

The FRB is delighted that our efforts over the last four years have resulted in the Government's initial view to exclude the on and off course industry from the Directive. However, a further call for evidence has been published, to which we are currently drafting a submission, and will be submitted to the Treasury within the timeframe for it to be considered if the Government requires further details. After this, the UK Government will issue its final decision.

Under the new Directive, all on-course bookmakers will be required to have an AML risk assessment policy and procedure. We are currently drafting the required document on your behalf to enable you to satisfy both Government and Gambling Commission requirements. A copy of this will be made available to all bookmakers. At this stage you need do no more, and you will be contacted in due course.

The FRB continues to work on all issues appertaining to our industry on your behalf. You will be kept informed of all or any developments.