

McBride Racing Limited

Anti-Money Laundering (AML) Policy

Date of Issue: 1 January 2025

Review Date: 1 January 2026

1. Policy Statement

McBride Racing Limited is committed to preventing its services from being used to facilitate money laundering, financing of terrorism, or any other financial crime. This Anti-Money Laundering (AML) Policy outlines our commitment to compliance with all applicable AML and counter-terrorist financing (CTF) laws and regulations in the United Kingdom and the Republic of Ireland, including:

- The UK Money Laundering Regulations 2017 (as amended),
 - The Proceeds of Crime Act 2002 (POCA),
 - The Terrorism Act 2000,
 - The Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021 (Ireland),
 - Guidance from the UK Gambling Commission and the Department of Justice and Equality (Ireland).
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2. Scope

This policy applies to all employees, agents, contractors, management, and directors working across all company operations, including retail betting shops and remote betting services, operated by McBride Racing Limited in the UK and Ireland. It covers all customer transactions involving cash and debit card payments.

3. Regulatory Framework

McBride Racing Limited operates under the following key AML/CTF regulations:

United Kingdom

- Proceeds of Crime Act 2002 (POCA): Establishes the primary criminal offences related to money laundering.
- Terrorism Act 2000 (TACT): Defines terrorist financing offences.
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) (as amended): Sets out the legal obligations for businesses, including customer due diligence, risk assessments, and reporting.
- Gambling Act 2005: Regulates gambling activities and includes provisions related to preventing crime, including money laundering.
- Gambling Commission's Licence Conditions and Codes of Practice (LCCP): Provides specific requirements for gambling operators regarding AML.

Northern Ireland (United Kingdom)

- Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985
- Betting, Gaming, Lotteries and Amusements (Amendment) Act (Northern Ireland) 2022

Republic of Ireland

- Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021: The primary legislation governing AML/CTF obligations.
- Gaming and Lotteries Act 1956 (and proposed future legislation): Regulates gambling activities.
- Central Bank of Ireland's AML/CFT Guidance for the Financial Sector: While directly applicable to financial institutions, its principles inform best practices for other regulated entities.
- Department of Justice and Equality Guidance: Issued to provide guidance to designated persons.

Failure to adhere to the above principal AML and CTF regulatory frameworks could result in criminal prosecution for McBride Racing Limited and for staff that fail to perform their duties. Where we fail to uphold the licensing objectives, for example by being ineffective in applying anti-money laundering (AML) controls or ignoring their responsibilities under POCA, the

Commission will consider reviewing the suitability of McBride Racing Limited to carry on the licensed activities, under section 116 of the Act. This could result in the suspension or revocation of our license under sections 118 and 119 of the Act.

4. Objectives

- To detect and prevent any transactions involving the proceeds of crime.
 - To identify and mitigate risks related to money laundering and terrorist financing.
 - To comply with all relevant AML laws, regulations, and guidance in both jurisdictions.
 - To maintain a strong internal control framework and culture of AML awareness.
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5. Responsibilities

Nominated Money Laundering Reporting Officer (MLRO)

A designated MLRO is appointed to oversee the implementation of this policy. The MLRO is responsible for:

- Receiving internal disclosures of suspicious activity.
- Investigating internal Suspicious Activity Reports (SARs),
- Filing SARs with the National Crime Agency (NCA) in the UK or the Financial Intelligence Unit (FIU) in Ireland,
- Maintaining AML records,
- Overseeing the implementation and effectiveness of the AML policy.
- Providing training and updates to staff,
- Acting as the primary contact point for the relevant authorities.
- Liaising with regulatory and legal bodies.

MLRO Contact Details:

Name: Thomas McBride

Email: tom@mcbridegroup.org

Phone: 07395273334 (UK) / 00447395273334 (IRE)

Staff Responsibilities

All employees are required to:

- Be vigilant for unusual or suspicious customer behavior,
- Report concerns immediately to the MLRO using internal reporting procedures,
- Cooperate with AML audits or investigations,
- Complete mandatory AML training.

6. Risk Assessment

McBride Racing Limited undertakes a comprehensive risk assessment to identify, assess, and understand the money laundering and terrorist financing risks it faces. This assessment considers:

- **Customer Risk:** Type of customer, geographic location, occupation, and nature of activity.
- **Product/Service Risk:** Risk associated with cash transactions, debit card payments, and telephone betting services.
- **Delivery Channel Risk:** Risks associated with face-to-face interactions in betting shops vs. non-face-to-face interactions via telephone.
- **Geographic Exposure:** Jurisdictions where McBride Racing Limited operates (UK, Ireland) and any other countries involved in transactions (e.g., source of funds/destination).

The risk assessment is documented, regularly reviewed (at least annually), and updated when there are significant changes to McBride Racing Limited's business, customer base, or regulatory environment. McBride Racing Limited has identified that cash transactions, especially large sums, pose a higher inherent risk due to the anonymity of cash. Telephone betting services introduce a non-face-to-face element that requires robust identity verification.

7. Internal Controls and Compliance

McBride Racing Limited implements robust internal controls to ensure compliance with this policy and relevant AML/CTF legislation. These include:

- **Segregation of Duties:** Ensuring no single individual has complete control over a transaction.
- **Auditing and Monitoring:** Regular internal audits and reviews of AML procedures and compliance.
- **Whistleblowing Policy:** A clear policy encouraging employees to report concerns without fear of reprisal.
- **IT Systems:** Secure IT systems to manage customer data and transaction records, including transaction monitoring tools.

McBride Racing Limited has purchased software from the leading bookmaking software suppliers, Biztech Software Ltd, who also work with industry leaders such as Paddy Power, Toals Bookmakers, etc.

Our long-standing partnership with Biztech Software Limited ensures we operate an EPOS system (Arkle) that is compliant with multiple jurisdictions AML regulations and as such is enabled to effectively monitor customers for AML

8. Customer Due Diligence (CDD)

In order to detect customer activity that may be suspicious, it is necessary to continually monitor all transactions or activity. The monitoring of customer activity will be carried out using a risk-based approach by our risk team. Higher risk customers will be subjected to a frequency and depth of scrutiny greater than may be appropriate for lower risk customers. This should not be confused with customers who are either of high or low commercial value to our business.

A transaction that appears to be unusual is not necessarily suspicious. Many customers will, for perfectly good reasons, have an erratic pattern of gambling transactions or account activity. Even customers with a steady and predictable gambling profile will have periodic transactions that are unusual for them. So an unusual transaction may only be the basis for further enquiry, which may in turn require judgement as to whether the transaction or activity is suspicious.

A transaction or activity may not be suspicious at the time, but if suspicions are raised later, an obligation to report the activity then arises. Likewise, if concern escalates following further enquiries, it is reasonable to conclude that the transaction is suspicious and make a report.

Customers should be monitored by our Risk team for:

- Increase in Average Stake
- Increase in Average bet count
- Requesting cheque in different name
- Requesting payment to different card
- Trying to register another card in a different name on the account
- Insisting on using Bank Drafts to deposit money
- Customer is regularly changing source of funds

Stages of Customer Relationship

Customer relationships consist of the following three aspects:

- the establishment of the business relationship with the customer
- the monitoring of customer activity, including account deposits and withdrawals
- the termination of the business relationship with the customer.

In all instances of the relationship it is necessary to consider whether the customer is engaging in money laundering, including criminal spend, and to report suspicious activity and seek appropriate consent where appropriate, as well as considering any risk to the licensing objectives.

General CDD Principles

- Identification and Verification: Obtaining and verifying customer identity information.
- Nature of Relationship: Understanding the purpose and intended nature of the business relationship.
- Ongoing Monitoring: Regular scrutiny of transactions to ensure consistency with the customer's profile.

McBride Racing Limited applies a trigger threshold of £/€250 per individual transaction, from which point customer activity is monitored for linked transactions within the Arkle EPOS system.

Once a customer's linked transactions total £/€2,000, Customer Due Diligence (CDD) measures must be undertaken. This includes:

- A copy of valid photo identification (e.g. passport or driver's licence), and
- Proof of address, typically in the form of a recent utility bill.

If the photo ID provided includes a recent and verifiable address, this may be accepted as sufficient evidence for both ID and address verification.

For customers with an average betting stake exceeding £/€150, staff must begin monitoring their activity using an alias within the EPOS system. At this stage, CDD is not immediately required, but the customer's activity will be reviewed by Head Office, which will determine whether full CDD is necessary based on ongoing risk assessment.

All CDD records must be retained in accordance with applicable legal requirements.

Please note that the obligation to report Suspicious Activity or Transactions (SARs) applies regardless of the transaction amount. Any suspicions must be reported to the MLRO without delay.

Customers may continue to gamble on the day they reach the £/€2,000 linked transaction threshold. However, they will be prohibited from placing further bets on subsequent days until the required ID has been submitted and verified.

Once a customer has completed the CDD process and all future bets and payouts are accurately tagged to their name, they may continue to place bets and receive winnings without the need to re-submit documentation.

Simplified Due Diligence (SDD)

SDD may be applied where McBride Racing Limited assesses there is a low risk of money laundering or terrorist financing. Criteria for SDD application are clearly defined in internal procedures and include factors such as:

- Small, infrequent transactions below defined thresholds.
- Customers with a long-standing, established relationship and a low-risk profile.
- Payments solely by debit card where the card issuer has completed their own CDD.

Standard Due Diligence

Standard CDD is applied to all customers unless SDD or EDD is required. This involves:

For Betting Shop Customers (Cash & Debit Card)

Identity Verification:

- For transactions above a defined threshold (e.g., total stakes or winnings paid out above £/€2,000 in a single transaction or aggregated over a 24-hour period), or where suspicion arises, customers must provide proof of identity.
- Acceptable forms of ID: Valid passport, driving licence (photo card).
- Proof of address: Utility bill (less than 3 months old), bank statement.
- Verification against reliable, independent sources (e.g., electronic verification services where applicable and permitted).
- Source of Funds (SoF) / Source of Wealth (SoW): Where transactions are significant or deemed higher risk, McBride Racing Limited will inquire about and, where appropriate, seek evidence for the source of funds (e.g., salary, inheritance, savings) or source of wealth (e.g., employment, business income). This is particularly relevant for large cash transactions.

For Telephone Betting Service Customers (Debit Card)

Identity Verification:

- Upon account opening and for transactions above defined thresholds, customers must provide proof of identity and address remotely.

Verification methods include:

- Electronic verification against reliable databases.
- Requesting scanned copies of ID documents (passport, driving licence) and proof of address (utility bill, bank statement), followed by verification calls or video calls where necessary.
- Debit Card Verification: Confirmation that the debit card used belongs to the account holder.
- Source of Funds (SoF) / Source of Wealth (SoW): As per betting shop customers, inquiries will be made and evidence sought for significant or higher-risk transactions.

Enhanced Due Diligence (EDD)

EDD is applied in situations assessed as high risk. This includes, but is not limited to:

- Transactions exceeding a specific monetary threshold (e.g., £/€2,000).
- Situations where there are concerns about the authenticity of identity documents or information provided.
- Complex or unusually large transactions.
- Customers who are Politically Exposed Persons (PEPs).
- Customers from high-risk jurisdictions.

- Any situation where a suspicion of money laundering or terrorist financing arises.

EDD measures include:

- Verifying identity documents from multiple sources.
- Seeking further information on the source of funds/wealth.
- Increased ongoing monitoring of the business relationship.
- Obtaining senior management approval for establishing or continuing the business relationship.
- Obtaining additional identification information.

Such additional information should include:

- Establishing identity of customer
- Gain an understanding of where the customer's funds and wealth have come from.

Using various search facilities such as

- Google,
- Press reports,
- Social Media sites,
- Property Register,
- Companies Register.

Politically Exposed Persons (PEPs)

McBride Racing Limited has procedures to determine whether a customer or beneficial owner is a PEP. If a customer is identified as a PEP, EDD measures will be applied, including:

- Obtaining senior management approval to establish or continue the business relationship.
- Taking adequate measures to establish the source of wealth and source of funds involved in the business relationship or transactions.
- Conducting enhanced ongoing monitoring of the business relationship.

9. Monitoring and Reporting

Ongoing Monitoring

Transactions and customer behavior will be monitored for signs of:

- Structuring (breaking large transactions into smaller ones),
- Unusual betting patterns or inconsistent winnings,
- Reluctance to provide ID or explanation of source of funds.

Identification of Suspicious Activity

Indicators of suspicious activity include (but are not limited to):

- Unusual patterns of betting activity inconsistent with the customer's profile.
- Frequent large cash transactions, especially when split into smaller amounts (structuring).
- Reluctance to provide identity documents or information.
- Use of multiple accounts or identities.
- Customers expressing undue interest in McBride Racing Limited's AML policies.
- Attempts to use funds from unknown or untraceable sources.
- Placing large bets with no clear intention of winning (e.g., using bets as a means to move funds).
- Frequent deposits and withdrawals without significant betting activity.

Internal Reporting Procedure

1. Any employee who has knowledge or suspicion of money laundering, terrorist financing or other financial crime must immediately report their concerns to McBride Racing Limited's nominated Money Laundering Reporting Officer (MLRO) in writing, using the designated internal reporting form.
 2. The MLRO will evaluate the internal report and, if deemed necessary, will make a Suspicious Activity Report (SAR) to the relevant external authority (National Crime Agency in the UK, An Garda Síochána Financial Intelligence Unit and Revenue Commissioners in Ireland) without delay.
 3. Employees must never "tip off" or inform the customer or any third party that an SAR has been made or that suspicions are held. Tipping off is a criminal offence.
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10. Record Keeping

McBride Racing Limited will retain the following records of all customer due diligence, transactions, risk assessments, and internal suspicious activity reports.

- Customer identification documents,
- CDD Records: Retained for five years after the end of the business relationship.
- Transaction Records: Retained for five years from the date of the transaction.
- SARs and Internal Reports: Retained for five years from the date of the report.
- Related communications.

Records are stored securely, whether in physical or electronic format, and are readily accessible to the MLRO and for inspection by regulatory bodies.

Each shop has a scanner for taking an image of the ID and proof of address. Once the documents are scanned, Head Office will remove the image from the shop PC and store it in a secure database, so there are no paper copies of customers' personal details stored in the shops.

11. Training

All employees are required to receive AML/CTF training:

- Upon induction,
- Annually thereafter,
- When there are significant changes to AML laws or internal processes.

This training covers:

- The legal and regulatory obligations.
- The risks of money laundering and terrorist financing.
- McBride Racing Limited's AML policies and procedures, including CDD measures and internal reporting mechanisms.
- How to identify suspicious activity.
- The "tipping off" offence.

New employees receive AML training as part of their induction. Refresher training is provided annually or whenever there are significant changes to legislation, regulations, or internal policies.

Staff will be required to carry out a Staff Training Portal annually to help them make themselves aware of current AML legislation and subsequent updates

12. Sanctions Compliance

McBride Racing Limited is committed to complying with all applicable financial sanctions regimes, including those imposed by the UK (Office of Financial Sanctions Implementation - OFSI) and international bodies such as the UN and EU.

- Customer databases and transaction details are screened against relevant sanctions lists (e.g., HM Treasury Consolidated List, EU Sanctions List).
- Any hits identified are immediately reported to the MLRO, who will then notify the relevant authorities and freeze assets/block transactions as required by law.

13. Policy Review and Updates

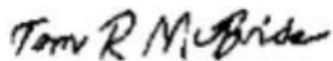
This policy is reviewed annually or when significant regulatory changes occur. The MLRO is responsible for ensuring the policy remains up to date and effective.

Reviews will also be triggered by:

- Changes in legislation or regulatory guidance.
- Significant changes in McBride Racing Limited's business model, products, or customer base.
- Emerging money laundering or terrorist financing risks.
- Lessons learned from internal audits or external regulatory findings.

McBride Racing Limited is fully committed to upholding the highest standards of AML/CTF compliance to protect itself and the integrity of the financial system.

Approved by:



01/01/2025

Thomas McBride
Chief Executive Officer
McBride Racing Limited