



**Anti-Money  
Laundering and  
Counter-Terrorist  
Financing (AML-CFT)  
and Sanctions**



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# Our raison d'être (purpose)

The FDJ Group offers a diversified and responsible gaming range for all those who aspire to play and experience moments of emotion. This is conveyed in its **raison d'être**:

Gaming is our business, giving back to society is what drives us and responsibility is our constant focus.

FDJ promotes recreational gaming by accompanying its customers, creating games with built-in integrity, and reducing the risks and consequences which arise from our activity.

The FDJ Group operates in a sector that is highly regulated and strictly controlled by the State, having regard to the specific risks linked to its historic activities as betting and gaming operator, and the issues of protecting public and social policy.

Aware of these issues and loyal to its commitment, the FDJ Group conducts a proactive policy aiming to effectively tackle the use of its products and services for fraudulent and criminal purposes, money laundering or terrorist financing. To that effect, the FDJ Group maintains an ongoing dialogue with all stakeholders in France and abroad: administrative authorities responsible for the regulation and control of AML-CFT obligations, financial intelligence units (FIU<sup>1</sup>), police authorities, investigations, etc.

The FDJ Group is involved in anti-money laundering and counter-terrorist financing (AML-CFT) in several ways and via several of the entities composing it. Because they operate on sectors exposed to the risks of

money laundering and terrorist financing (ML-TF), these entities are required to put in place robust preventive measures.

Overseeing compliance with this obligation falls to the designated regulatory authorities. These are:

- ◆ The Autorité Nationale des Jeux (ANJ) for the activities of FDJ SA, parent company of the approved group betting and gaming operator based in France;
- ◆ The competent control authorities for the subsidiaries of the Group based in other jurisdictions.

The FDJ Group deploys a compliance mechanism which draws on the French and international laws, regulations and standards relative to AML-CFT, and notably:

- ◆ The FATF recommendations on combatting money laundering and the financing of terrorism;
- ◆ Directive (EU) 2015/849 of on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018;

<sup>1</sup> Tracfin in France.

- ◆ The laws and regulations applicable under French law and those in force in the jurisdictions in which the entities of the Group operate or are based.

The Group oversees the compliance of each of its entities with the AML-CFT laws and regulations applicable in the territories where they are present, and in the sectors in which they operate.

The principles and framework mechanisms are defined by FDJ SA and are rolled out by all its entities.

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The FDJ Group compliance program is based on:

- ◆ An organisation and internal procedures;
- ◆ A risk classification;
- ◆ Enhanced customer due diligence measures adapted to the risks presented by the customers and transactions;
- ◆ Detection and analysis of suspicious transactions;
- ◆ Suspicious activity reports to the competent Financial Intelligence Units (FIU);
- ◆ Regular information and training of staff;
- ◆ Keeping information about customers and transactions for the periods of time laid down by the applicable texts;
- ◆ Freezing the assets of persons targeted by financial sanctions;
- ◆ An permanent and periodic internal control mechanism for assessing compliance with the AML-CFT mechanism;
- ◆ Consolidated management of AML-CFT compliance at Group level and sharing of useful AML-CFT information between the entities concerned.

# Organisation and procedures

As economic entity composed of a parent company having its registered office in France and subsidiaries based in France and abroad, FDJ implements an organisation and procedures at group level to tackle money laundering and terrorist financing.

The group designates a person responsible for implementation of the AML-CFT mechanism from among the members of the Management, and a person responsible for AML-CFT compliance to oversee compliance with anti-money laundering obligations. Each entity designates at least one person authorised to send suspicious activity reports and to respond to all requests for information from the competent FIU.

The teams in charge of risk management, control and internal audit also contribute to the regular assessment of the

compliance and efficacy of the AML-CFT mechanisms rolled out in the subsidiaries and at group level, with a view to continuous improvement.

The organisation of the mechanism and the control policy implemented in respect of the risks of money laundering and terrorist financing are described in internal procedures which are approved by the person responsible for implementation of the AML-CFT mechanism. These procedures are distributed to the employees concerned and are regularly updated.

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## Risk classification

Each entity of the FDJ Group has its own risk classification, consistent with that established at group level, taking account of its own specificities and covering the following five themes:

- ◆ The nature of the products and services offered;
- ◆ The distribution channels used;
- ◆ The proposed transaction conditions;
- ◆ The characteristics of the customers;
- ◆ The country or territory of origin or destination of the funds.

# KYC and enhanced customer due diligence measures

The entities of the FDJ Group offer a variety of products and services in physical points of sale and through digital channels:

- ◆ A gambling offering: scratchcards and lottery, sports and horse betting, poker games, digital object games, etc.;
- ◆ Point-of-sale payment services.

Know Your Customer (KYC) procedures contribute to reducing criminal behaviour which may be committed under cover of anonymity. In that way, the affected entities of the FDJ Group oversee the prevention of identity theft, and more generally tackle fraud, money laundering and terrorist financing.

The entities of the FDJ Group identify and verify the identity of their customers or

beneficial owners upon entering into the business relationship or before executing the transactions of their occasional customers, where those transactions meet the criteria defined by the legal and regulatory provisions. They maintain up-to-date knowledge of their customers in a business relationship.

The entities of the FDJ Group adapt their level of vigilance according to the characteristics of the customer relationship profile. They notably identify their politically exposed person customers and those based in high risk jurisdictions, in order to conduct the appropriate monitoring of the business relationship.

## Surveillance of transactions

The entities of the FDJ Group put in place a system for detection of atypical transactions covering all risks identified in their classification and taking account of the risk profile of their customers.

The risk management system founded on KYC notably makes it possible to:

- ◆ Detect the atypical or suspicious transactions with regard to the profile of the business relationship, on the basis of significance criteria and thresholds;
- ◆ Process the alerts which give rise to a duly reasoned closure of action, a reinforced examination, or a suspicious activity report to the competent financial intelligence unit (FIU).

# Training, awareness raising

FDJ oversees that the entities of the group provide regular training to all employees and equivalent staff (service providers, agents, representatives). The content of this training is adapted and reinforced for the staff most exposed to the ML-TF risks or those participating in the implementation of the AML-CFT obligations or related controls.

## Internal control mechanisms

To ensure compliance with the mechanism rolled out for anti-money laundering and counter-terrorist financing, the entities of the Group rely on an internal control approach organised as follows:

- ◆ Operational teams tasked with carrying out the control missions described in internal procedures and representing the first line of defence;
- ◆ An AML-CFT compliance manager and an entity responsible for checking compliance with the requirements and procedures for permanent internal control, constituting the second line of defence;
- ◆ An internal audit department tasked with the periodic control of the Group AML-CFT mechanism as a whole and embodying the third line of defence.

# Financial sanctions and asset freezing

The restrictive financial or commercial measures adopted internationally by the United Nations and the Council of the European Union aim to sanction serious violations of human rights, breaches of the peace and destabilisation of sovereign States, and to tackle terrorist financing and the use and proliferation of chemical weapons and weapons of mass

destruction. These sanctions take the form of commercial, monetary or financial restrictions. The entities of the FDJ Group oversee compliance with these provisions through regular filtering of customers through the applicable sanction lists.

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## Consolidated management of the mechanism at group level

As parent company of the Group, FDJ SA oversees the effective implementation of a consistent and appropriate AML-CFT mechanism by each of the entities involved. It ensures the management of the mechanism at the level of the FDJ Group and rolls out internal control measures in order to fulfil these missions.

Various committees enable:

- ◆ Coordination of the actions implemented by the entities of the FDJ Group;
- ◆ Sharing of AML-CFT information between the entities.

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