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FINANCIAL MONITORING SERVICE OF GEORGIA

DECREE #94

Tbilisi July 28, 2004

On Approving the Regulation "on Rule and Terms of Receiving, Systemizing and Processing the Information by the Persons Organizing Lotteries, Gambling and Commercial Games and Forwarding to the Financial Monitoring Service of Georgia" and the Regulation "on Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia"

Pursuant to Article 10 and paragraph 4, Article 15 of the Law of Georgia "on Facilitating the Prevention of Illicit Income Legalization" I Decree:

1. Approve the attached Regulation "On Rule and Terms of Receiving, Systemizing and Processing the Information by the Persons Organizing Lotteries, Gambling and other Commercial Games and Forwarding to the Financial Monitoring Service of Georgia".

2. Approve the attached Regulation "On Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia".

3. Regulation "On Rule and Terms of Receiving, Systemizing and Processing the Information by the Persons Organizing Lotteries, Gambling and other Commercial Games and Forwarding to the Financial Monitoring Service of Georgia" and Regulation "On Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia" shall become effective from September 1, 2004.

4. Prior to August 1, 2004 casinos operating in Georgia shall ensure development and approval of guidelines (internal control procedures) related to implementation of financial monitoring defined under Article 8 of the Law of Georgia "on Facilitating the Prevention of Illicit Income Legalization" and the Regulation "On Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia".

5. Persons Organizing Lotteries, Gambling and Commercial Games shall:

a) Ensure putting in action of an electronic data base containing identification details of clients and other relevant persons and information on transactions subject to monitoring within

the timeframe set under the Law of Georgia “on Facilitating the Prevention of Illicit Income Legalization”.

b) Submit “Form on registration of Persons Organizing Lotteries, Gambling and other Commercial Games in the Financial Monitoring Service of Georgia” to the Financial Monitoring Service of Georgia within 10 days from the effective date of this Decree.

5[1]. Persons Organizing Lotteries, Gambling and other Commercial Games and Casinos operating for February 8, 2012 shall submit the Form of Registration to the Financial Monitoring Service of Georgia according to the procedure established under the Regulation “On Rule and Terms of Receiving, Systemizing and Processing the Information by the Persons Organizing Lotteries, Gambling and other Commercial Games and Forwarding to the Financial Monitoring Service of Georgia” and the Regulation “On Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia” prior to April 1, 2012. (06.02.12 #13)

6. Persons Organizing Lotteries, Gambling and Commercial Games and Casinos which commence their operation from February 8, 2012 shall submit the Form of Registration to the Financial Monitoring Service of Georgia within 10 days from the receipt of the respective permit from the Revenue Service in compliance with the procedure established under the Regulation “On Rule and Terms of Receiving, Systemizing and Processing the Information by the Persons Organizing Lotteries, Gambling and other Commercial Games and Forwarding to the Financial Monitoring Service of Georgia” and the Regulation “On Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia”. (06.02.12 #13)

6[1]. Casinos operating for February 8, 2012 shall ensure bringing the approved internal regulations on conducting financial monitoring (internal control rules) in compliance with requirements of the Regulation “On Rule and Terms of Receiving, Systemizing and Processing the Information by Casinos and Forwarding to the Financial Monitoring Service of Georgia” prior to April 1, 2012. (06.02.12 #13)

7. This Decree shall become effective upon promulgation.

M. Roinishvili

REGULATION

on Rule and Terms of Receiving, Systemizing and Processing the Information by Persons Organizing Lotteries, Gambling and Other Commercial Games and Forwarding to the Financial Monitoring Service of Georgia

Article 1. General Provisions

1. This Regulation has been developed on the basis of the Law of Georgia "on Facilitating the Prevention of Illicit Income Legalization" and the other normative acts of Georgia (02.06.10 №11).

2. This Regulation shall apply to Persons Organizing Lotteries, Gambling and Commercial Games operating on the territory of Georgia.

3. Requirements of this Regulation shall apply to Georgian resident and non-resident persons, their representatives, missions and branches, as well as to departments, institutions and organizations.

4. This Regulation shall regulate general principles and rules of financial monitoring conducted for the purpose of preventing illicit income legalization and terrorism financing by the Persons Organizing Lotteries, Gambling and Commercial Games (hereinafter referred to as Gambling Business Institutions") (except for casinos), specifically, terms and procedure for the identification of clients of Persons Organizing Lotteries, Gambling and Commercial Games and other relevant persons, and rules for receiving, systemizing, processing, retaining and submitting the appropriate information to the Financial Monitoring Service, as well as the procedure for carrying out the instruction of the Financial Monitoring Service on the suspension of implementation of the transaction.

Article 2. Definition of Terms

For purposes of this Regulation, the following terms shall have the following meanings:

a) Illicit income – illicit or / and unjustified property possessed or owned by a person; (25.12.08 №11)

b) Property – property as considered under the Civil Code of Georgia;

c) Legalization of illicit income –legalization of illicit income (acquisition, use, transfer or other action), as well as concealing or disguising its true origin, proprietor or owner, or/and property rights or attempt to commit such an action;

d) Monitoring – identification of persons participating in transactions by the Persons Organizing Lotteries, Gambling and Commercial Games, recording and systemizing the information on transactions subject to monitoring and forwarding to the Financial Monitoring

Service of Georgia in compliance with the Law of Georgia "On Facilitating the Prevention of Illicit Income Legalization", this Regulation and procedure prescribed by the other normative acts adopted on the basis of the Law;

e) Person – any resident or non-resident person, as well as organizational formation (partnership of apartment owners, non-registered union, partnership) considered under legislation, which does not represent a legal entity;

f) Identification of a person – obtaining information on the person, which, when necessary, allows tracing such person and distinguishing from the other person; (25.12.08 №11)

g) Transaction – demonstration of unilateral, bilateral or multilateral will directed towards origination, change or termination of legal relationship, including payment of winning in monetary or in kind form, issuance of the property right;

h) Person involved in a transaction – all persons participating in the transaction, including parties of the transaction;

i) Suspicious transaction –a transaction (regardless its amount and operation type) supported with reasonable grounds to suspect that it had been concluded or implemented for the purpose of legalizing illicit income or/and the property (including funds) on the basis of which the transaction had been concluded or implemented is the proceeds of criminal activity or/and the transaction had been concluded or implemented for the purpose of terrorism financing (person participating in the transaction or the transaction amount causes suspicion, or other reasons exist for considering transaction as suspicious), or any person involved in the transaction is on the list of terrorists or persons supporting terrorism, or / and is likely to be connected with them, or / and funds involved in the transaction may be related with or used for terrorism, terrorist act or by terrorists or terrorist organization or persons financing terrorism, or any involved person's legal or real address or place of residence is located in a non-cooperative zone or the transaction amount is transferred to or from such zone; (06.02.12 №13)

j) Employee in charge of monitoring – Natural person organizing lotteries, gambling and commercial games or employee of the legal entity, or structural unit, which on the basis of the appropriately legalized decision is charged with the responsibility to ensure conducting monitoring activities and whose duties include the following: decision-making with respect to considering transaction as suspicious, submission of the special reporting forms and other materials to the FMS;

k) Non-cooperative area or watch zone –a country or a part of the territory thereof defined by the National Bank of Georgia on the basis of proposition of the Financial Monitoring Service of Georgia (FMS). The country or territory thereof shall be identified as such on the basis of the information provided by competent international organization, or if the grounded supposition exists that in such zone weak mechanisms for controlling illicit income legalization are effective; (06.02.12 №13)

l) Suspicious zone – a country or a part of territory thereof, identified as having weak mechanisms for controlling illicit income legalization, based on information available to the monitoring entity; (25.12.08 №11)

m) Competent international organizations - Council of Europe, Financial Action Task Force (FATF), and other organizations recognized as such by the International Community; (25.12.08 №11)

n) Beneficial owner – natural person(s) representing an ultimate owner(s) or controlling person(s) of a person or / and a person on whose behalf the transaction (operation) is being conducted; beneficial owner of a business legal entity (as well as of an organizational formation (arrangement) not representing a legal entity, provided for in the Georgian legislation) shall be the direct or indirect ultimate owner, holder or / and controlling natural person(s) of 25% or more of such entity's share or voting stock, or natural person(s) otherwise exercising control over the governance of the business legal entity; (06.02.12 №13)

o) Control – exercising strong influence directly or indirectly, alone or in concert with others, through use of voting shares or otherwise; (02.06. 10 №11).

p) Controlling person – Person exercising control; (02.06.10 №11).

q) Politically Exposed Persons (PEPs) - foreign citizen, who has been entrusted with prominent state (public) functions in a respective country or / and carries out significant public and political activities. Politically exposed persons (PEP) shall be: Head of State or of government, member of government, their deputies, senior official of government institution, member of parliament, member of the supreme courts and constitutional court, senior military official, member of the central (national) bank's council, ambassador, senior executive of state owned corporation, important political party (union) official and member of executive body of the political party (union), other prominent politician, their family members as well as persons having close business relations with them; a person shall be considered as a politically exposed during a year following his / her resignation from the foregoing positions; (02.06.10 №11)

r) Family member – spouse of a politically exposed person (PEP), his / her parents, siblings, children (including step – children) and their spouses; (02.06.10 #11)

s) Person having close business relationship with the politically exposed person (PEP) – natural person who owns or / and controls a share or voting stock of that legal entity, in which a share or voting stock is owned or / and controlled by the Politically Exposed Person (PEP); also, a person having other type of close business relationship with the Politically Exposed Person (PEP); (02.06.10 №11)

t) User Manual – Instruction for using of web-portal set on the official website of the FMS (www.fms.gov.ge). (06.02.12 №13)

u) Implementation of the transaction (operation) – Implementation of the transaction (including the registration of property) by the monitoring entity except for the monitoring entities listed in

subparagraphs “f”, “j” and “m” of Article 3 of the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization.

Article 3. Transactions Subject to Monitoring (25.12.08 #11)

1. For purposes of this Regulation, subject to monitoring shall be a transaction implemented or concluded by the person and / or series of transactions aimed at partition of the transaction (or its amount), if one or both of the following provisions exist:

a) The amount of the transaction or series of transactions exceeds GEL 30,000, (or its equivalent in other currency) in case of cash as well as non-cash settlement;

b) Transaction (regardless its amount) is suspicious according to Subparagraph (i), Article 2 of this Regulation;

2. Any transaction (regardless its amount), other than transactions listed in paragraph 1 of this Article, shall be subject to monitoring, if there is a supposition that person involved in the transaction is or may be related to terrorists or persons supporting terrorism or / and transaction funds, whether obtained legally or illegally, may be related to or used for terrorism, terrorist act or by terrorists or terrorist organization or persons financing terrorism. The list of terrorists and persons supporting terrorism shall be published by the Financial Monitoring Service of Georgia in the Legislative Herald of Georgia.

3. In addition to transactions noted in paragraph 1 of this Article, subject to monitoring shall be any transaction (operation), regardless its amount, implemented by the person operating or registered in watch or suspicious zone.

4. Subject to monitoring also shall be an attempt to conclude or implement suspicious transaction and any other fact (circumstance), which, according to the written instructions of the Service, may be related to legalization of illicit income or terrorism financing.

5. Information on each transaction and persons involved therein, as well as the issue on considering transaction as aimed at partition of the transaction, shall be analyzed separately on the basis of details available to Gambling Business Institution.

Article 4. Obligations of Persons Organizing Lotteries, Gambling and Commercial Games with Respect to Implementation of Control

1. For purposes to define terms and procedures of exercising control over enforcement of the Law of Georgia “On Facilitating the Prevention of Illicit Income Legalization” and normative acts adopted on its basis (including the present regulation) the Ministry of Finance of Georgia shall issue the normative act in agreement with the FMS on the basis of paragraph 7, Article 8 of the same Law.

2. Implementation of control shall include the following:

a) Identification of persons involved in transaction subject to monitoring related to Gambling Business Institutions, as well as identification of their beneficial owners and other transaction participants in accordance with the procedure (including enhanced identification/verification procedure) prescribed by the present Regulation; implementation of measures provided by the legislation with respect to Politically Exposed Persons (PEPs);

b) Analyzing the information obtained through identification process and revealing transactions subject to monitoring; documenting, systemizing and filing such information;

c) Submission of the information on transactions subject to monitoring to the Financial Monitoring Service of Georgia in the special reporting form;

d) Terms and procedure for carrying out the instruction of the Financial Monitoring Service on the suspension of implementation of the transaction.

3. Normative act defined under paragraph 1 of this Article shall define:

a) Terms and procedures for identification of clients of Gambling Business Institutions, persons involved in transaction;

b) Functions, authority and responsibility of the employee in charge of monitoring (and the respective structural unit if such exists);

c) Procedure for recording, systemizing and filing information related to monitoring process;

d) Procedure for completion and submission of special reporting forms and other materials to the FMS;

e) Functions, authority and responsibility related to monitoring process of other employees (structural units) of the Gambling Business Institution, including administrators (including procedure of revealing transactions subject to monitoring and submission of information related to such transaction to the employee in charge of monitoring).

4. Employee (or special structural unit) in charge of monitoring shall follow the Law of Georgia “On Facilitating the Prevention of Illicit Income Legalization”, this Regulation, the FMS guidelines as well as the relevant normative acts issued by the FMS and the Ministry of Finance of Georgia.

5. Monitoring process shall be conducted in a way that the clients of Gambling Business Institution, persons involved in transactions and other relevant persons shall not be aware that their activities represent a subject of monitoring (are considered as suspicious);

6. Gambling Business Institutions shall be obligated to ensure confidentiality of information obtained through monitoring process, as well as information on completion of special reporting forms related to transactions subject to monitoring and submission to the FMS.

Article 5. Obligations of Gambling Business Institutions with respect to Identification and Registration and Filing of Information (Documents) on Transactions Subject to Monitoring (06.02.12 №13)

1.Gambling Business Institutions shall identify all person involved in a transaction (operation), and take reasonable measures to verify their identity by means of reliable and independent source of information (documents) when:

a) Transaction (operation) amount exceeds GEL 3 000 (or its equivalent in other currency);

b) Transaction is suspicious according to subparagraph (i), Article 2 of this Regulation;
c) Doubts arise regarding the veracity and/or adequacy of previously obtained identification data on the person involved in the transaction (operation).

2. Gambling Business Institution shall identify the beneficial owner of the person involved in the transaction (operation), as well as to undertake reasonable measures to verify his/her identity by means of reliable, independent source and be satisfied that it knows who the beneficial owner of the person involved in the transaction is. Identification procedures similar to those used for natural persons shall be applied against beneficial owner.

3. If Gambling Business Institution have the supposition that any person participating in a game or drawing is involved in legalization of illicit income or be a terrorist or a person supporting terrorism, or the amount for participation in a game or drawing exceeds GEL 30,000 (or its equivalent in other currency), Gambling Business Institution shall identify such persons also at the moment of accepting monetary amounts (at the moment of paying the amount necessary for participation in a game or drawing).

4. In the course of identification and/or verification of a client (beneficial owner), the Gambling Business Institution may rely on a third party/intermediary that carries out the identification and verification of a person in accordance with the FATF recommendations, keeps documents (their copies) as provided for by subparagraphs 14 and 14^1 of this Article, and is subject to the supervision and regulation as defined under the FATF recommendations. The Gambling Business Institution shall be required to immediately obtain from a third party/intermediary the information related to the identification and verification of a client (beneficial owner). Furthermore, the Gambling Business Institution shall be required to undertake the necessary measures to ensure that it can access the identification data of a client (beneficial owner) and other relevant documents related to the identification and verification of a client (beneficial owner) held by a third party/intermediary immediately upon request. In such cases, the ultimate responsibility for the identification and verification of a client in accordance with the procedure provided for by this Regulation shall remain with the Gambling Business Institution. The Gambling Business Institution shall take into account the information available about the risk of illicit income legalization and terrorism financing in the host country of a third party/intermediary when selecting a third party/intermediary.

5. Identification process shall be conducted in compliance with the Law of Georgia “On Facilitating the Prevention of Illicit Income Legalization”, this Regulation, the relevant

normative acts issued by the Ministry of Finance of Georgia and guidelines and recommendations of the FMS.

6. Gambling Business Institutions shall not be authorized to pay the winnings either in monetary form or in kind without conducting identification process pursuant to paragraph 1 of this Article.

7. In spite of supposition on equivocacy and amount of the transaction, the Gambling Business Institution shall not suspend its service (pays the winning or gives the prize), except for the following cases:

a) Person willing to establish business relationship with the Gambling Business Institution (client) can not be identified;

b) Any party of the transaction is on the list of terrorists or persons supporting terrorism;

c) If there is refusal on establishing business relations with the person in case specified in subparagraph (a), paragraph 2, Article 5^1 of the present Regulation;

d) Upon receipt of the instruction of the Financial Monitoring Service on the suspension of implementation of the transaction as prescribed under Article 6^1 of this Regulation.

8. In cases indicated in subparagraphs (a) – (c), paragraph 7 of this Article, Gambling Business Institution shall be obligated to submit immediately the respective reporting form, available materials and any other information on transaction and persons participating therein to the Financial Monitoring Service of Georgia.

9. The following information, on all persons taking part in the transaction, shall be obtained through the identification process:

a) First name, last name;

b) Citizenship;

c) Date of birth;

d) Permanent (registered) place of residence;

e) Personal Number according to ID (Passport);

f) Number of ID (Passport).

10. Documents required for identification shall be:

a) if the natural person is a Georgian citizen – a citizen identity card, or a citizen passport, or any other official document, which contains the relevant information and is equalized to them under the Georgian legislation;

b) if the natural person is a foreign citizen – passport issued by the competent authority of the relevant State or other official document containing relevant data, equalized to the passport according to the Georgian legislation.

11. According to Article 3 of this Regulation, Gambling Business Institutions shall be obligated to record the following information (documents) on transactions (operations) subject to monitoring:

a) Type of transaction (operation) (what type of transaction is carried out – e.g. payment of winning, receiving of amount for the purpose of participation in drawing etc);

b) Date of concluding transaction (operation), amount of winning and currency, amount corresponding to the value of the prize or full description of the prize;

c) Information (documents) presented for identification of the person involved in a transaction (operation), including information (documents) for identification of the person based on whose order transaction is concluded or implemented and identification details of the person who concludes or implements transaction on the bases of the order.

12. Gambling Business Institution shall be required to have the appropriate risk management system for the identification and verification of clients that may pose the high risk of illicit income legalization and/or terrorism financing, and shall apply the enhanced identification and verification, and the enhanced monitoring procedure with respect to such clients. The identification and verification procedure shall be carried out through the risk-based approach having regard to the type of the clients (beneficial owners), their location (place of registration), geographic area or field of operation, as well as the nature and intensity of the business relationship, the type or size of transactions (operations) or products/services or other factors. In applying the risk-based approach, the Gambling Business Institution shall be required to define the terms and procedure of identification and verification of clients in compliance with the the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization and the present Regulation.

13. Gambling Business Institution should pay special attention to any threats that may arise from new technologies, products and service that might favor anonymity during the service and take all measures, to prevent their use in legalization of illicit income and terrorism financing. Gambling Business Institution should have in place such identification and verification policy and procedures that reduces the risks associated with non face to face service as it is considered under the Georgian legislation. Policy and procedures defined under this paragraph shall be used before the implementation of the transaction (operation).

14. Gambling Business Institutions shall be required to keep the information (documents) about a client (beneficial owner) as provided for by Article 5 of this Regulation, as well as the business correspondence in the electronic or material form for at least 6 years from the moment of terminating the business relationship with a client unless the respective supervisory or other competent authority requests retention of such information (documents) for a longer period and/or a longer period for keeping such information (documents and written notes) is provided

for by the Georgian legislation. In addition, information recorded electronically (respective databases, etc.) as well as the documentary information (documents) shall be retained for the aforementioned period;

14^1. Gambling Business Institutions shall be required to keep the information (documents) on a transaction (operation) for at least 6 years from the moment of concluding or implementing a transaction, except for the information (documents) provided for by the paragraph 14 of this Article, unless the respective supervisory or other competent authority requests the retention of such information for a longer period and/or a longer period for keeping such information (documents) is provided for by the Georgian legislation.

15. Documents provided for by paragraphs 14 and 14^1 of this Article shall be retained as a notarized copy or a copy certified by the authorized employee of the Gambling Business Institution. The Gambling Business Institution shall designate the person authorized under the relevant decision to certify copies for purposes of this paragraph. Information and documents provided for by paragraphs 14 and 14^1 of this Article shall be registered and kept so that the information contained therein fully reflects the implemented or concluded transaction and persons involved, and when needed can be used as evidence in criminal proceedings. Electronic copy (in case of sending a hard copy – a signed copy) of the report submitted to the Financial Monitoring Service of Georgia shall be kept by the Gambling Business Institution for 6 years.

Article 5^1. Obligations of Person Organizing Lotteries, Gambling and Commercial Games with respect to Politically Exposed Persons (PEP)

1. Person organizing Lotteries, Gambling and Commercial Games shall identify whether a transaction participant and his/her beneficial owner belongs to the category of Politically Exposed Persons (PEPs).

2. If the transaction participant or / and his/her beneficial owner represents a Politically Exposed Person (PEP), in addition to the steps defined under the Law and the Regulation, Business Gambling Institution (its authorized officer) shall take the following actions: (06.02.12 №13)

a) Obtain permission from the management of Business Gambling Institution to establish business relationship with such person;

b) Take reasonable measures to ascertain the origin of funds, property of such person;

c) Perform enhanced monitoring over its business relations with such person.

3. If the transaction participant (his/her beneficial owner) becomes Politically Exposed Person (PEP) after establishing business relations with the Person organizing Lotteries, Gambling and Commercial Games, the latter shall undertake measures provided for in paragraph 2 of this Article against such person upon availability of the aforementioned information.

Article 6. Obligations of Persons Organizing Lotteries, Gambling and Commercial Games to Present Reports on Transactions Subject to Monitoring

1. Gambling Business Institution shall submit to the FMS an information on transaction (operation) considered under Article 3 of this Regulation, as well as the respective notices when it has the suspicion regarding authenticity of identification data or identification of the client is not possible to be carried out in reporting form according to the rule set by the present Regulation.

2. Submission of the notice to the Financial Monitoring Service of Georgia shall imply completing and forwarding by the Gambling Business Institution of the respective reporting form on transaction as well as confirmation of its submission by the Financial Monitoring Service of Georgia according to the procedure set by the present Regulation. Notices submitted to the Financial Monitoring Service of Georgia shall be compiled through the web portal of the Financial Monitoring Service of Georgia. Business Gambling Institution shall complete and submit the report to the FMS according to the User Manual published on the website of the FMS. Confirmation of receipt of information by the FMS means to assign electronically, through the web portal status "confirmed" to the report.

3. The following time periods shall be set for submission of reporting forms to the Financial Monitoring Service of Georgia:

a) If the amount of transaction (operation) or series of transactions (operations) aimed at partition exceeds GEL 30,000 or its equivalent in other currency or transaction (operation) defined under paragraph 3, Article 3 of this Regulation is present the report shall be submitted no later than five working days from the moment of implementing or concluding transaction (or from the moment of receiving information on such transaction(s));

b) If the transaction or identification data is considered as suspicious - the report shall be submitted on the day of origination of supposition or suspicion;

c) If any person involved in a transaction is on the list of terrorists or persons supporting terrorism, or / and is likely to be connected with them or / and funds involved therein may be related to or used for terrorism, terrorist act or by terrorists or terrorist organization or persons financing terrorism, the report shall be submitted on the day the information is received. In addition, in the latter case all relevant materials and documents available to the Gambling Business Institution, along with the reporting form, shall be forwarded to the Financial Monitoring Service of Georgia.

4. In exceptional case when electronic submission of the reporting form is not possible, hard copy of the reporting form (and attached materials if necessary) shall be submitted to the Financial Monitoring Service of Georgia in a sealed envelope by the authorized employee of the Gambling Business Institution or by post as a registered mail. Name and address of the sender Gambling Business Institution shall be written on the envelope, as well as the addressee – Financial Monitoring Service of Georgia. Delivery address: 2 Sanapiro Str., Tbilisi 0105, Georgia. The envelope shall be marked as confidential.

5. Reporting Forms as well as other confidential information on operations (transactions) subject to monitoring shall be submitted to the FMS in electronic form through the relevant web shell and/ or web server of the web portal set the official web site of the FMS of Georgia (www.fms.gov.ge).

6. Reporting form shall be filled completely. One copy of the reporting form completed electronically shall be retained within the Gambling Business Institution and be subject to retention for the period not less than 6 years. In exceptional case provided for in paragraph 3 of this Article, hard copy of the form is to be printed in two copies and each shall be certified with the signature of the authorized employee and by the seal of the Gambling Business Institution. One copy of the report is to be sent to the Financial Monitoring Service, while the other copy is to be retained at the Gambling Business Institution for the period not less than 6 years.

7. Pursuant to subparagraph "a", paragraph 4, Article 10 of the Law of Georgia "On Facilitating the Prevention of Illicit Income Legalization", the Financial Monitoring Service of Georgia shall be authorized to request additional information from the Gambling Business Institution and available documents (including confidential) in relation to any operation (transaction) and persons involved therein, including those operations (transactions) on which reporting forms have not been presented to the Financial Monitoring Service of Georgia. Business Gambling Institutions shall be obligated to submit requested information to the Financial Monitoring Service within two working days from the moment of receiving the request.

8. If the Gambling Business Institution reveal (becomes available) any additional information, with respect to the transaction or parties thereto, after the report is sent, it shall immediately forward this information to the Financial Monitoring Service of Georgia. Also, the additional information shall contain number and submission date of the reporting form, to which the information should be added. Additional information on transaction subject to monitoring shall be presented according to the procedure as it is defined under the User Manual.

9. If the transaction is considered as suspicious by the Gambling Business Institution, reasons shall be filled in the reporting form.

Article 6^1. The instruction of the Financial Monitoring Service on the suspension of implementation of the transaction (operation)

1. The Head of the Financial Monitoring Service shall be authorized, if the transaction is believed to be suspicious and irrespective of the amount of funds, to issue the written instruction to the Gambling Business Institution on the suspension of implementation of the transaction (operation) or any other related transaction (operation) for no more than 72 hours (non-working days and public holidays shall not be considered in the time limit). The case materials shall be immediately disseminated to the respective authorities of the Chief Prosecutor's Service, the Ministry of Internal Affairs and/or the State Security Service of Georgia.

2. The Head of the Financial Monitoring Service or the person designated therein shall be authorized, in case of urgency, to verbally (directly or through electronic means) or in writing through electronic means issue the instruction referred to in paragraph 1 of this Article that shall be confirmed by the written instruction of the Head of the Financial Monitoring Service and handed over to the Gambling Business Institution in the next 24 hours (non-working days and public holidays shall not be considered in the time limit). If within this time limit the written instruction is not handed over to the Gambling Business Institution the instruction of the Financial Monitoring Service shall not be observed. The protocol shall be drawn up as provided for by subparagraph 3 of this Article when the instruction referred to in this paragraph is issued.

3. The protocol shall be drawn up separately by the Financial Monitoring Service of Georgia on the one hand and the authorized employee of the Gambling Business Institution on the other hand immediately upon the issuance of the instruction of the Financial Monitoring Service on the suspension of implementation of the transaction as prescribed under subparagraph 2 of this Article. The protocol shall include:

a) First name, last name and the position of the issuer of the instruction (authorized employee of the Financial Monitoring Service) and the recipient (authorized employee of the Gambling Business Institution);

b) Exact time of issuance/receipt of the instruction (specifying the hour and minute);

c) The form of issuance/receipt of the instruction (verbal, including through means of electronic communication, or written, including through electronic mail or other means of electronic communication);

d) The substance of the instruction, including the data enabling the identification of the transaction (transactions) and/or the person carrying out the transaction (transactions);

e) The period of the suspension of implementation of the transaction;

f) The confirmation of the receipt of the instruction by the Gambling Business Institution's authorized employee;

g) The exact time and date of drawing up the protocol;

h) The signature of authorized employees of the Financial Monitoring Service and the Gambling Business Institution.

4. Gambling Business Institution shall be required to immediately confirm the receipt of the instruction referred to in paragraphs 1 and 2 of this Article to the Financial Monitoring Service through the same means used to communicate the instruction, and to undertake all necessary measures for its implementation. The confirmation of the receipt of the instruction on the suspension of implementation of the transaction under paragraph 2 of this Article shall be included in the protocol referred to in paragraph 3 of this Article.

5. The time limit referred to in paragraph 1 of this Article shall start to run from the moment of receipt by the Gambling Business Institution of the written instruction issued by the Head of the Financial Monitoring Service, or the instruction issued by the Head of the Financial Monitoring Service or the designated person as provided by paragraph 2 of this Article.

6. The instruction referred to in paragraphs 1 and 2 of this Article can be revoked before the expiry of the time limit provided for in paragraph 1 of this Article if the suspicious nature of the transaction could not be ascertained or if this is required for the interests of investigation based on the written request of the respective authorities of the Chief Prosecutor's Service, the Ministry of Internal Affairs or the State Security Service of Georgia. The Financial Monitoring Service shall immediately notify the Gambling Business Institution about the revocation of the instruction through the procedure referred to in paragraph 2 of this Article, which shall be confirmed by the written instruction of the Head of the Financial Monitoring Service and handed over to the Gambling Business Institution in the next 24 hours. The Gambling Business Institution shall be required to immediately confirm the receipt of the notice on the revocation of the instruction referred to in paragraphs 1 and 2 of this Article to the Financial Monitoring service through the same means used to communicate the notice.

7. Gambling Business Institution shall be required to keep the written instructions of the Head of the Financial Monitoring Service (including written instructions issued through electronic means) referred to in paragraphs 1 and 2 of this Article for no less than 6 years unless the respective supervisory authority requests to keep the instructions for a longer period. The protocols referred to in paragraph 3 of this Article shall also be retained for 6 years.

8. Gambling Business Institution shall be required to designate an employee (employees) based on formal decision who shall be authorized: to receive/accept the instruction on the suspension of implementation of the transaction issued by the Head of the Financial Monitoring Service or the person designated therein as provided for by paragraphs 1 and 2 of this Article and the instruction revocation notice; to confirm the receipt of the instruction on the suspension of implementation of the transaction and the instruction revocation notice to the Financial Monitoring Service; to draw up the protocol referred to in paragraph 3 of this Article and undertake all necessary measures for the implementation of the instruction on the suspension of implementation of the transaction.

9. The senior management and employees (both fixed and unspecified term employees) of the Gambling Business Institution shall not be authorized to notify the parties to a transaction or other persons about the implementation of measures provided for by this Article.

Article 7. Obligation of Business Gambling Institution to Submit the Form of Registration to the Financial Monitoring Service of Georgia (06.02.12 №13)

1. Business Gambling Institution shall submit the Form of Registration to the Financial Monitoring Service of Georgia" through the web shell of the web portal set on the official website of the FMS of Georgia (www.fms.gov.ge). The Form of Registration shall be considered as submitted only after sending the relevant electronic message by the FMS. Hard

copies of reporting forms to the Financial Monitoring Service of Georgia shall be submitted only if reporting forms are technically impossible to be sent in an electronic format.

2. In case of change of any information (as well as replacement of the employee in charge of monitoring) in the Form of Registration submitted to the FMS, the Gambling Business Institution shall present not later than three working days from the moment the relevant change have taken place completed form with renewed information to the Financial Monitoring Service of Georgia according to the procedure defined under this Regulation.

Article 8. Responsibilities Related to Monitoring

1. Ministry of Finance of Georgia shall supervise compliance of the Gambling Business Institutions with norms and requirements of the Law of Georgia "On Facilitating the Prevention of Illicit Income Legalization" and this Regulation.

2. For violation of norms and requirements of the Law of Georgia "On Facilitating the Prevention of Illicit Income Legalization" and this Regulation, the sanctions shall be used against the Gambling Business Institutions in compliance with procedure and at the amount set by the Ministry of Finance of Georgia.

Annex 1 is rescinded (06.02.12 #13)
Annex 2 is rescinded (06.02.12 #13)