

Annex 1 - Sculpture N.V. Risk Assessment Matrix



Risk Assessment
Matrix.xlsx

Risk No	Risk Factor	Vulnerability	Threat	Risk	Stakeholder	Risk summary	Likelihood (1-5)	Impact (1-5)	Inherent Risk	Measures	Controls	Effectiveness of Controls	Likelihood after application of measures	Impact (1-5)	Residual Risk
1	Interface	Customer Identity, Non face-to-face interaction since gaming is done remotely	False registrations and inaccurate data caused by outdated or incorrect entries.	Compliance	AML Team	Customers registered with false identities or information that is no longer valid due to changes in address, identity, or other details.	3	5	15	Checks done on registration. Automatic Verification of Customer Details & Flagging on 1st Financial Transaction. KYC Portal to maintain ongoing monitoring.	KYC and checks carried out to identify if the customer is a real customer.	Strong	2	5	10
2	Customer	PEP Customer	Registration of clients identified as Politically Exposed Persons (PEPs) and classified as high risk.	Compliance	AML Team	1. A customer identified as a PEP or subject to sanctions or being Company services. 2. A Politically Exposed Person (PEP) or sanctioned individual engaging with Company services.	5	4	5	Customers undergo automatic PEP screening at the time of registration and are periodically re-screened throughout the course of the business relationship.	Monitoring results and logs from PEP checks to ensure updates are applied and periodic re-checks are conducted.	Strong	3	4	8
3	Customer	Multiple Accounts	Due to multiple accounts held incomplete visibility to customer activity.	Compliance	AML Team	Customer holding multiple accounts to share activity	5	4	4	At registration, customer details are screened for duplicate accounts by verifying key information such as full name, date of birth, residential address, CONTACT NUMBER, AND email ADDRESS.	Ongoing surveillance to evaluate performance and review flagged accounts.	Effective	3	4	8
4	Geographical Risk	Geographical Risk - Customer Access	Customer Geography	Compliance	Compliance Officer and AML Team	Customer originates from high risk country as per sanction list either through registration or accesses the SERVICES FROM HIGH RISK COUNTRY	2	5	10	High risk FATF countries. Registration form does not include any high risk country. Services not accessible from high risk countries or through anonymizing proxies.	IP Range Blocking and monitoring to disallow access from high risk countries, customers flagged to access their account from unusual locations to be contacted and considered for EDD.	Effective	3	5	5
5	Geographical Risk	Geographical Risk - Payment Methods	Payments used outside of Geographical area	Compliance / Fraud	Compliance Officer and AML Team	Customers using payment methods that are originating from countries other than their residential country and intent to improve funds or remit funds to different countries.	3	4	8	Monitoring of Deposits, Geographical restriction of Payment Methods to suitable countries.	Customer payment methods to be screened at deposit and withdrawal stage to ensure customers is using a payment method that is issued from the country of registration and necessary action taken when red flags are observed to mitigate the risk.	Effective	3	3	3
6	Transaction	Deposit Methods of Funds into a customer account	Proceeds of Crime	Compliance	AML Team	Customers channeling Proceeds of Crimethrough stolen cards or use of card which are not under the customers name.	3	5	15	Ownership of the payment method must be verified using technological tools and client-provided documentation.	Ownership and authorization verification conducted via 3DS and PSP platform.	Effective	3	5	10
7	Transaction	Deposit Amounts into customer accounts	Proceeds of Crime	Compliance	AML Team	Customers channeling Proceeds of Crime through company and engaging Compliance Obligations due to amount deposited	2	5	10	Limits on Deposits until customer is verified, SOW and SOR proof is provided as requested to those customers classified as medium-high.	CDD and/or EDD depending on level of deposits, ongoing monitoring of business relationship through Automated Risk Tools, VIP relationships involving contact with customer via phone or video conferencing.	In Effective	2	5	10
8	Transaction	Multiple Deposit / Withdrawal Methods	Transferring funds across various payment platforms	Compliance	AML Team	Customers using Company as a layering component	3	5	15	Restrictions on types and number of different payment methods, Manual removal of payment methods to be confirmed with AML Team	Ongoing monitoring, integrated system in withdrawal screens, withdrawal checks, CDD/EDD obligations	Effective	2	5	10
9	Transaction	Gaming Product	Simulation of legit betting activity	Compliance	AML Team	Customers using betting platforms to simulate lawful betting activity for layering, intentional and potentially altering their position subsequently	3	5	15	Betting platform activity is monitored by the Risk and Fraud Teams and automated risk tools to detect abnormal patterns. P2P gaming is restricted by randomizing opponents. Enhanced monitoring is applied based on product risk, and activity limits are imposed according to the client's verification status.	Daily checks on customers with high turnover or low profit or loss	Effective	2	5	10
10	Transaction	Withdrawals from account	Withdrawal of deposited with company	Compliance	AML Team	Customers channeling to send funds to a recipient account in the name of a third person cash-like withdrawal method in a way which appears their funds were won legitimately	2	5	10	The system enforces the closed-loop policy, requiring that deposited funds be returned to the original payment method, funds must be withdrawn to a customer-owned bank account located in a reputable jurisdiction. Automatic withdrawals exceeding the deposited amount for any payment method are prohibited unless explicitly verified.	Withdrawals not going back to source to be sent only to a BA or BA linked card. Ownership of the origin of the deposit in such cases to be confirmed beyond doubt. Verification documents supplied to prove ownership of deposit and withdrawal method.	Strong	3	5	5
11	Internal	Staff Awareness	Overlooking AML/CFT issues in Error	Compliance	Compliance Officer and Internal Auditor	Staff not aware of responsibilities	2	4	8	Induction training, make available the policies and procedures and Compliance Officer available to assist and provide training as necessary.	Supervise and review regularly samples of employees work along with an internal exercise.	Strong	3	5	5
12	Internal	Internal AML Attempts	Deliberate facilitation of money laundering or terrorist financing activities	Compliance	Compliance Officer and Internal Auditor	Staff member intentionally not observing controls to allow AML/CFT.	2	4	8	Executive-level authorization required for transactions exceeding a specified amount.	Transactions exceeding the threshold must receive C-level approval and be reviewed by the Internal Auditor	Strong	3	5	5
13	Internal	Tip off	Unintentional or deliberate disclosure of sensitive information (tip-off) to the customer	Compliance	Compliance Officer / AML Team	Intentional or inadvertent disclosure to a customer regarding the submission or escalation of a Suspicious Transaction Report (STR)	2	4	8	Train Staff and educate them on such regard as per highlighted within the policy for different roles.	Reviewing and monitoring communications between customers under suspicion and the Customer Service team to identify potential red flags or concerns.	Strong	3	5	5
14	Product	Risks	Automatic games that have very low wagering such as slot games	AML Team	Compliance Officer and AML Team	There is a risk that individuals may deposit illicit funds into slot games and subsequently withdraw the funds, potentially using different payment methods under the guise of casino winnings. This behavior may be intended to disguise the origin of funds and create the appearance of legitimate gambling activity.	3	4	12	Accounts with large deposit volumes and minimal or no gameplay, often accompanied by significant withdrawal activity. Such accounts normally have large amount of withdrawals. Accounts will undergo Enhanced Due Diligence.	Daily AML reports to highlight suspicious transaction patterns for manual review. On going review on such account.	Effective	3	3	6
15	Product	Risks	Sports betting on events with high odds	AML Team	Compliance Officer and AML Team	Placing bets on events with low odds typically indicates that the customer is not engaging in high-risk behavior, as the potential losses are minimal. This pattern may be consistent with legitimate recreational betting activity and does not require immediate AML concern.	3	4	12	Accounts with large deposit volumes and minimal or no gameplay, often accompanied by significant withdrawal activity. Such accounts normally have large amount of withdrawals. Accounts will undergo Enhanced Due Diligence.	Daily AML reports to highlight suspicious transaction patterns for manual review. On going review on such account.	Effective	3	3	6

