

BUSINESS RISK ASSESSMENT VERSION 1.2

CW Marketing B.V

APPROVED BY:
Board of Directors
20/05/ 2025

CW Marketing B.V

Business Risk Assessment

Scope

A business risk assessment (“BRA”) for the purposes of AML / CFT is a process whereby a Company identifies the threats and vulnerabilities that it is exposed to and assesses the likelihood and impact of ML/FT risks. The BRA serves as the basis to determine which areas to prioritize in terms of AML/CFT and ensure that policies, procedures and controls are commensurate to the ML/FT risks that are faced.

Methodology

In preparing the BRA, we took into consideration the the National Ordinance Reporting Unusual Transactions or NORUT (Landsverordening Melding Ongebruikelijke Transacties or LvMOT) and the National Ordinance Identification when Rendering Services or NOIS (Landsverordening Identificatie bij Dienstverlening, LID), which the Government of Curacao established in order to assist in the fight against money laundering and terrorism financing.

The Regulations are designed to ensure that all interactive gaming and gaming related activities conducted within Curacao satisfy several basic principles, namely:

- to provide a lawful basis for the regulation and control of interactive gaming;
- to ensure that interactive gaming is conducted responsibly, fairly and honestly;
- to prevent interactive gaming from being associated in any way with crime or criminality;
- to ensure that the operators of interactive games treat players fairly; that they pay winners promptly and that all information related to player accounts is held in the strictest confidence; and

According to the 2024 Regulations for the combating of Money Laundering, the Financing of Terrorism and Proliferation of weapons of mass destruction (Applicable for Curacao casinos and providers of other inline games), Part II (The Risk Based Approach), Section II.2.1, titled “Business Risk Assessment” for the purpose of identification, assessment and analysis of risks of money laundering and terrorist financing related to their activities, obliged entities must prepare a risk assessment, taking account of at least the following risk categories:

(i) its customers;

(ii) the countries or geographic areas in which it operates;

(iii) its products or services;

(iv) its transactions;

(v) its delivery channels; and

(vi) any third parties that provide services to the business.

We followed this requirement and assigned the following risk weight across the following risk categories:



Risk Category	Risk weighting
General	20%
Customer risk	20%
Product risk	30%
Geographic risk	15%
Delivery channel	15%

In order to calculate the overall residual risk assessment rating, we applied a weighting factor to each of the risk categories as indicated in the table above.

For each of the risk category, we identified various individual risks based on the risk that a typical remote gaming company would face. For each risk identified, we detailed the following:

- Risk description
- Risk characteristic
- Inherent risk
- Controls/Tools
- Control evaluation assessment
- Residual risk

The evaluation of inherent risk was based on an assessment of the likelihood and impact of the risk that CW Marketing B.V faces in the industry and line of business in which it operates. The inherent risk is calculated prior to the application of actual controls that are in place at CW Marketing B.V. Each inherent risk is given a risk rating in accordance to the following table:

Impact	1	2	3	4
Likelihood				
1	Low Risk	Low Risk	Moderate Risk	High Risk
2	Low Risk	Low Risk	Moderate Risk	Extreme Risk
3	Moderate Risk	Moderate Risk	High Risk	Extreme Risk
4	High Risk	High Risk	Extreme Risk	Extreme Risk

The overall inherent risk for each risk category is calculated by an average of all the individual risks in the category. The overall inherent risk is estimated by calculating the weighted average of all risk categories in accordance to the risk weighting referred to earlier.

The controls are evaluated through a qualitative and quantitative analysis of the controls in place. The qualitative analysis took into consideration the allocation of resources and tools to the AML function within CW Marketing B.V. together with an analysis of the risk appetite, customer acceptance policy, AML/CFT policies and procedures. Quantitative factors were also taken into consideration in our evaluation. These factors included the customer profile, products provided and country of residence.

The controls were evaluated for each risk identified and were given the following ratings:

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Level of Mitigation	Description of effectiveness
4 – Strong	There are several measures in place to control risk which are fully operational and fully effective
3- Effective	Risk is managed adequately but could be improved in certain parts – mitigating measures work adequately and are effective
2 – Ineffective	Risk is not managed adequately, substantial improvement necessary but has some effect
1 – Non-existent	No controls or controls are ineffective

The residual risk was calculated as the difference between the risk score and control effectiveness score for each risk. The residual risk is given the same rating used for inherent risk.

Risk scoring	Risk rating
1	Low risk
2	Moderate risk
3	High risk
4	Extreme risk

The residual risk for each risk category is calculated by taking an average of all the individual risks in the category. The overall residual risk is in turn estimated by calculating the weighted average of all risk categories in accordance with the risk weighting referred to earlier.

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Overall risk assessment

The table below provides an analysis of the overall risk assessment for CW Marketing B.V:

Risk Category	Risk Weighting	Weighted inherent risk	Weighted control evaluation score	Residual risk
General	20%	0.72	0.6	0.12
Customer Risk	20%	0.46	0.33	0.13
Product Risk	30%	0.79	0.44	0.35
Geographic Risk	15%	0.53	0.23	0.3
Delivery Channel	15%	0.25	0.2	0.05
Total	100%	2.75	1.8	0.95

The inherent risk is calculated at 2.75 which indicates that the risk exposure to CW Marketing B.V 's business model is moderate. The assessment of the effectiveness of the controls is also moderate at 1.8. The residual risk is estimated at 0.95 indicating that given the current environment, CW Marketing B.V faces a low exposure to ML/FT risk.

The detailed risk assessment carried out is included in Appendix 1.

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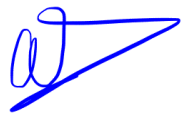
Appendix 1 - Detailed business risk assessment

Risk Category	Risk Description	Risk Characteristics	Overall Inherent risk	Controls / Tools	Control evaluation assessment	Residual risk
General	General - Resources	CW Marketing B.V Ltd does not have sufficient resources to manage its AML obligations and risk	Extreme risk	A dedicated AML, Risk and Fraud team is in place.	Effective	Low
General	General - systems and tools	CW Marketing B.V Ltd does not have the adequate tools and	Extreme risk	CW Marketing B.V has a gaming backoffice which caters for classification of players based on different risk criteria. Furthermore, the gaming backoffice is linked with third party providers (LexisNexis) for PEP and sanction screening.	Effective	Low
General	General - training compliance team	MLRO does not have the required skills and knowledge to effectively manage and monitor its ML/CF risks	High Risk	The MLRO attends training sessions to keep abreast with latest AML directives and requirements.	Effective	Low
General	General - training all staff	Employees / service providers do not have the required awareness, knowledge and skills to identify suspicious activity relating to ML/CF when exercising their day to day duties	High Risk	Service provider employees get regular training and updates on guidelines/rules from the Curacao FIU	Effective	Low
General	General - client on-boarding	Not all clients will be subject to appropriate due diligence upon reaching CDD triggers	Extreme risk	Depending on the risk group of the player, CDD or EDD is applied. CDD thresholds are in line with the 2024 Regulations and the backoffice has automated controls that flag the AML thresholds reached.	Effective	Low
Customer risk	Customer risk - identification of customer	The customer is not a real person and / or does not provide the correct identification details	High Risk	All customers eventually go through the KYC process once they reach the established thresholds. If during KYC process, there are mismatches between information provided upon registration and the KYC documents, the account will be closed. The issue would have to be escalated to the senior management, including the MLRO as this could be a case of high risk fraud / ML. Funds will be frozen and the MLRO will need to decide whether an STR should be raised or otherwise.	Effective	Low
Customer risk	Customer risk - third party involvement	A third party is using the customer as a front to process monies generated through an illicit activity/s	Moderate Risk	Current onboarding and monitoring procedures checks include verification of payment from same source, payments are remitted to the same source, no cash payments are accepted, and no master accounts are in use. Only in exceptional circumstances will players be allowed to withdraw to a different source, however this different source is still subject to verification by CW Marketing B.V to ensure the account being used is owned by the same player.	Effective	Low
Customer risk	Customer risk - legal entity	The customer is a not a natural person but an entity / organization / syndicate setup to launder money	Moderate Risk	Only natural persons are allowed to register.	Strong	Low

Customer risk	Customer risk - beneficiaries	The winnings are paid out to a person or entity that is different to the customer	High Risk	Funds are only remitted to the same source from where the funds originated. Only in exceptional circumstances will players be allowed to withdraw to a different source; however this different source is still subject to verification by CW Marketing B.V to ensure the account being used is owned by the same player.	Effective	Low
Customer risk	Customer risk - source of funds	The customer's occupation or business activity poses a high ML/CF risk or the customer income is associated with a lower income when compared to the deposits placed.	Moderate Risk	Each customer has a different risk score and a different approach is used based on the risk score. Risk scoring is an automated process. All checks are executed regularly and done based on a risk based approach.	Effective	Low
Customer risk	Customer risk - politically exposed person	The customer is a politically exposed person	High Risk	List of PEPs is integrated within the gaming backoffice, via third party supplier (LexisNexis) whereby all first "real money" depositors are being screened for PEP status. PEPs are not allowed as customers due to their inherent high risk.	Effective	Moderate
Customer risk	Customer risk - sanction list	The client is on a sanction list or is convicted of criminal charges.	High Risk	Sanction screening is integrated within the gaming backoffice, via third party supplier (LexisNexis) whereby first time depositor are being screened for sanction screening. Continuous monitoring is available however the process needs to be triggered manually.	Effective	Moderate
Product risk	Product risk - game type	Customers are offered any of the following: - Fixed odds games without hedging (low) - Fixed odds games where hedging is possible (medium) - Sports betting (medium) - P2P (high)	Low Risk	CW Marketing B.V offers casino games, both RNG based and live casino games and sports betting. No peer-to-peer games are offered.	Effective	Low
Product risk	Product risk - cash / quasi cash payments	Accepts payment through the form of one or more than the following: - Cash - Prepaid card / vouchers - PSPs that allow customers to fund with cash or quasi-cash - Non-EEA licensed PSPs	Extreme risk	CW Marketing B.V does not accept cash transactions. When it comes to prepaid vouchers, CW Marketing B.V is aware this payment method is effectively anonymous and it is difficult to link the source of funds to the player, thus creating an AML risk. Based on the volumes being deposited via prepaid vouchers, CW Marketing B.V will risk profile the customer as high and subject him / her to higher levels of due diligence and monitoring. As a mitigating control, when a player deposits via prepaid cards/vouchers, the player will not be allowed to withdraw his money unless full KYC has been provided to CW Marketing B.V (irrespective of the AML thresholds).	Effective	Low
Product risk	Product risk - crypto currencies	Accepts payment through crypto currencies	High Risk	CW Marketing B.V accepts crypto currencies as payment, but has strong controls in place to mitigate the risk inherent with the travel rule implementation	Strong	Moderate
Product risk	Product risk - source of funds	Acceptance deposits of monies from a source different to the player	Extreme risk	CW Marketing B.V cancels any winnings and returns the deposits back to the player (from which they originated) if there is any mismatch between the information provided and the payment method used. CW Marketing B.V does not accept funds that are not emanating from a card / bank account / PSP account which is not in the name of the player.	Effective	Low

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Product risk	Product risk - withdrawal of monies	Allows for monies to be withdrawn without being wagered	High Risk	CW Marketing B.V does not allow monies to be withdrawn unless these are wagered at least once.	Effective	Low
Product risk	Product risk - withdrawal to different source	Allows customer to withdraw monies to a source not connected to the player including another online gaming provider	High Risk	CW Marketing B.V does not allow these types of transfers.	Effective	Low
Product risk	Product risk - transfer of account to third party	Customers transfer his player wallet is taken over or is transferred to another player	High Risk	CW Marketing B.V does not allow these types of transfers.	Effective	Low
Product risk	Product risk - transfer between wallets	Allows players to player transfer of funds within respective wallet accounts.	Moderate Risk	Funds deposited in one account cannot be transferred into another account.	Effective	Low
Geographic risk	Geographic risk - non EU/EEA residents	Customers are not resident in the EU/EEA	High Risk	CW Marketing B.V retains information about customer residency. Automated processes are in place to manage jurisdictional risk whereby players will be assigned a different risk rating based on their country of residence.	Effective	Low
Geographic risk	Geographic risk - high risk jurisdiction	Customer is resident or lived for a period of time in a high-risk jurisdiction	High Risk	CW Marketing B.V requests documents within the KYC process. For utility bills, these cannot be older than 6 months.	Effective	Low
Geographic risk	Geographic risk - incidence of fraud	Customer resides in a country that has a higher incidence of fraud and / or ML/CT risk	Extreme risk	The process for flagging deposits coming from jurisdictions which are different from the players' country of registration will be a manual process and no automatic red flags are generated. As a mitigating control, upon withdrawal, CW Marketing B.V checks that funds were deposited from the same jurisdiction the player has registered from.	Effective	Moderate
Delivery channel	Delivery channel - introducer	Customer is acquired through registration by a land-based intermediary	Low Risk	CW Marketing B.V does not have any land based intermediary and players are acquired purely from online registrations.	Strong	Low
Delivery channel	Delivery channel - introducer	Punter places bets indirectly through a master account setup in the name of another person / entity	Low Risk	CW Marketing B.V is a pure remote gaming setup and is not involved in land-based operations	Strong	Low
Delivery channel	Delivery channel - NF2F	Customer relationship is non face to face	High Risk	All of CW Marketing B.V 's customers are non-face-to-face. CW Marketing B.V will subject all its players to KYC requirements when they hit the relevant threshold.	Effective	Low



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