

# KRA, police get window to track betting real time



The Kenya Revenue Authority headquarters in Nairobi. -FILE

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The Kenya Revenue Authority (KRA) and other State agencies like police and National Intelligence Service (NIS) have been offered a window to track betting activities real time via a proposed law.

State-backed amendments

to the Gaming Bill sets the creation of a platform that will allow more government agencies to capture suspicious bets and punters in the latest drive to combat money laundering and flow of illicit money.

Changes to the law come amid increased concerns that betting firms are emerging as

a vehicle to launder proceeds of crime and corruption, the so-called dirty money and so are under-declaring their earnings to the KRA and the Betting Control and Licensing Board (BCLB).

The fresh amendments, which are before Parliament, are an upgrade of earlier chang-

es that only gave the Communications Authority of Kenya (CA) real-time access to betting activities.

Now, other agencies, including security teams and the Financial Reporting Centre (FRC)—which is mandated to track illicit cash—have been added to the

# KRA, police secure window to track betting real time

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list of institutions that will track the bets as they are placed. "The Board (Gaming board) shall establish a framework to facilitate real time monitoring of online gaming activities which shall be accessible for monitoring by the Communications Authority of Kenya, the board and any other relevant government agencies," says the Bill.

Gaming in Kenya mainly takes place online, allowing punters to place bets on games taking place across the globe.

If Parliament approves changes to the law, punters dealing in large transactions, those putting money in betting wallets and

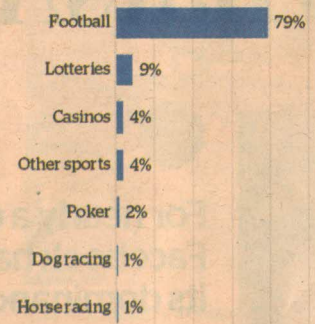
staking a small fraction of it as well as those making small, regular and suspicious bets will be in the radar of the State.

Kenya has been fingered for illicit money inflows from crime, drugs, corruption and shady business deals, which is used to buy high-end homes and luxury cars. Online sports betting companies had grown rapidly in recent years, riding a wave of enthusiasm for sports, before the government started a crackdown on their operations.

Licences of more than 15 betting firms were last year not renewed, especially due to fresh demands for taxes and the need for more shareholder disclo-

## Popular types of betting in Kenya

BETTING FIRMS REPORT TRANSACTIONS ABOVE SH1 MILLION IN FIGHTING MONEY LAUNDERING



SOURCE: GEOPOLL

sure, triggering court fights with firms like SportPesa and Betin.

The government reckons the rapid growth had seen the gaming industry achieve a combined revenue of Sh204 billion, offering a perfect market for criminals seeking to launder dirty money. Executives of betting firms reckon that criminals can feed their illicit money into their betting wallets, bet a small share of the cash before cashing out the bulk of the cash.

"That's what turns dirty money clean," said the CEO of the betting firm, adding that a number of suspect accounts have been frozen and details forwarded to the BCLB.

Before the tax crackdown that has seen firms like SportPesa and Betin close shop, the State had introduced new gambling regulations, including banning advertising outdoors and on social media. This came after the Interior minister had highlighted how gambling had become a problem for the young and poor.

Under the rules, any gambling advertising will need approval from the regulator and will be required to contain a warning message that must constitute a third of the actual advertisement.

The State has recently lost its bid to freeze betting accounts and seize cash that remains

unused for three months in a row amid money laundering concerns.

Parliament rejected changes to the Betting Bill to empower the Interior ministry to freeze the accounts and ask gamblers to show proof of the source of cash before accessing the money.

But the National Assembly committee on Sports, Culture and Tourism rejected the proposal, arguing that confiscation of the idle cash remains the role of the Unclaimed Financial Assets Authority (Ufaa) – the State agency that administers idle assets, including unclaimed bank deposits, insurance policies and shares.