



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2026-037

To : **All BSP-Supervised Financial Institutions**

Subject **Guidance Paper on Risk Management Practices for Customers Engaged in Casino Junket Operations**

The Monetary Board, in its Resolution No. 598 dated 02 July 2026, approved the attached Guidance Paper on Risk Management Practices for Customers Engaged in Casino Junket Operations

The Guidance Paper forms part of the strategic initiatives to strengthen the risk management practices of Bangko Sentral ng Pilipinas-Supervised Financial Institutions (BSFIs). It highlights the good practices and measures adopted by BSFIs, offering practical insights on key Anti-Money Laundering/Countering Terrorism and Proliferation Financing (AML/CTPF) components. These include Board and management oversight, bespoke policies and procedures and the effectiveness of controls on customer onboarding and ongoing customer due diligence, including suspicious transaction reporting.

All BSFIs are expected to consider this Guidance Paper in enhancing their respective AML/CTPF frameworks and risk management practices to identify, measure and mitigate the risks posed by casino junket operators.

For information and guidance.


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Deputy Governor

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09 July 2026



GUIDANCE PAPER

Risk Management Practices for Customers Engaged in Casino Junket Operations

2 July 2026



RISK MANAGEMENT PRACTICES FOR CUSTOMERS ENGAGED IN CASINO JUNKET OPERATIONS

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1 INTRODUCTION

- 1.1. Junket operations are classified as table games in casinos, the latter being the covered persons under Republic Act (RA) No. 9160 or the Anti-Money Laundering Act of 2001, as amended. The law specifically includes land-based, ship-based and internet-based casinos. Junket operators serve as a bridge that connects the host casino and the high rollers or junket players, allowing the latter to play and gamble in the country. For this purpose, the host casino and junket operator enter into a Junket Agreement, which is a marketing program organized as a gaming tour for junket players. Junket players are defined in Philippine Amusement and Gaming Corporation (PAGCOR)'s Casino-Regulatory Manual for Entertainment City Licensees as foreign passport-holding players who are specially brought into the Philippines by the Licensee or its third-party junket operator to play in junket rooms/areas in the casino.
- 1.2. In the Anti-Money Laundering Council's (AMLC) Analysis of Suspicious Transactions Associated with Casino Junkets in January 2023¹, majority of the sampled suspicious transaction reports (STRs) involving casino junkets were reported by universal/commercial banks (UKBs), which accounted for 71.6 percent of the total volume. However, land-based casinos outranked UKBs, reporting 60.6 percent of the total STR value. Notable typologies include (a) non-reporting of transactions in violation of Junket Agreement; (b) involvement of junket operators in criminal conspiracy/ies; (c) conduct of financial transactions not commensurate with declared source of funds; and (d) purchase of chips with small-denomination currency, followed by modest gambling actions. Further, significant factors contributing to these vulnerabilities were identified, such as: (i) cash-intensive nature of casino junkets; (ii) presence of cross border transactions; (iii) lack of transparency on the identities and sources of funds of high-roller clients; (iv) use of intermediaries by casino junkets; and (v) prevalent practice among land-based casinos of safekeeping casino playing chips.²
- 1.3. The thematic review on Casino Junket Operators (CJO) aims to assess the level of risk exposures of the banking system to CJO and junket players, understand the flow of their transactions through banks, and assess the robustness of measures³ employed to mitigate risk related with them. It also seeks to inform BSP-Supervised Financial Institutions (BSFIs) of emerging risks and vulnerabilities in junket operations to provide guidance on risk mitigation strategies and benchmark risk management frameworks.
- 1.4. The review covered select UKBs and thrift banks based on the level of exposure with CJOs and junket players' transactions as identified in the AMLC studies and informed by the results of offsite monitoring and surveillance activities as well as coordination with PAGCOR, the supervisor for casinos.

¹ Analysis of Suspicious Transactions Associated with Casino Junkets (January 2023). The study aims to assess the extent of suspicious activities that are likely linked to junket operations in the Philippines. It covered a descriptive analysis of Suspicious Transaction Reports (STRs) filed by various covered persons in relation to casino junkets and identified possible schemes employed by casino junket operators and participants on their financial transactions in the Philippines.

² Transactions pertaining to the safekeeping of playing chips with the Casino Treasury Division drew special attention as they were consistently identified to have the highest volume and value of STRs, *ibid.*

³ Quality of Board and Senior Management oversight, the adequacy of policies and procedures, effective implementation of onboarding customer due diligence and ongoing monitoring processes, reporting obligations and self-assessment functions.



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2 EXECUTIVE SUMMARY

- 2.1.** Banks and other financial institutions play a crucial role in the operations of CJOs, acting as intermediaries in facilitating payments and transfers through wire transfers, checks, direct deposits and other payment mechanisms. Another mode of settlement is the use of the offshore bank accounts of CJO and its players in their home countries for funds transfers.
- 2.2.** The review focused on the banks' due diligence measures and analysis of CJO's financial transactions coursed through the banking system. Results revealed the use of physical cash and checks as the predominant method for moving funds in and out of junkets. Analysis of sampled bank transactions showed that typical fund movements primarily involve: (i) time deposit products and check deposits from one bank to another, (ii) fund transfers between casinos and personal accounts of financiers, players, and junket operators, and (iii) foreign exchange transactions between casinos and Money Service Businesses (MSBs).
- 2.3.** Covered banks in the review have varying risk appetites in dealing with CJO clients, ranging from prohibition to partial or full acceptance of clients who are directly or indirectly engaged in gambling. Generally, risk management policies and practices in handling CJO clients are anchored on the banks' overall framework in dealing with gaming/casino/high risk/online gaming business (OGB) Clients.
- 2.4.** The review disclosed several good practices in risk identification and assessment, policy formulation, and implementation. These include the identification and filing of STRs, reviewing and/or closing of accounts or termination of client relationship as a result of automated detection of unusual or structured transactions of CJO clients and related transactions/clients through link analyses, as well as participation in AMLC's Private-Public Partnership (PPP) for information sharing.
- 2.5.** On the other hand, certain areas require further enhancements to reinforce risk management measures in dealing with CJO clients. These include: (a) developing a tailored-fit risk management framework that outlines bespoke policies and procedures in handling this client segment; (b) improving existing measures in onboarding and monitoring of transaction and activities to appropriately identify CJOs, verify the legitimacy of their business activities and transactions; and (c) enhancing the training programs to increase awareness on CJOs, their operations and diverse activities and how their funds move through the banking system.
- 2.6.** Observed typologies and/or red flag indicators common to undisclosed/undetected casino junket operations include (a) unusual patterns of frequent significant cash transactions and checks deposits without underlying, legal or trade obligation, purpose or economic justification and (b) use of non-cash substitutes to move funds in and out of casinos. These red flags can be used by banks and other BSFIs in understanding the schemes or related activities of CJOs and guide them in developing sound risk management practices and mitigating measures in handling CJO clients.



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3 REGULATORY EXPECTATIONS AND KEY OBSERVATIONS

Banks classify CJOs as a subset of casinos. Accordingly, they are commonly covered under the framework of Casinos and OGBs, where they are generally tagged as high-risk clients and are subjected to Enhanced Due Diligence (EDD) during onboarding and transaction monitoring. The review highlighted several good practices and areas for improvement in risk identification and assessment, policy adoption, and implementation to enhance the risk management for CJO clients.

Overall, suitable policies and procedures for handling CJO clients must be implemented, including appropriate risk assessment to inform onboarding and ongoing monitoring of transactions and activities.

Key AML Area	Good Practices (Measures/Controls Implemented)	Areas for Improvement
Board and Senior Management Oversight	✓ Established Board-level reporting on casino/CJO exposure and result of account or client review assessment ✓ Defined risk appetite for CJO customers (e.g. accept, reject or accept subject to conditions) ✓ Participation in AMLC Private-Public Partnership (PPP) and support to the Point of Interest (POI) database/profile initiatives	✓ Conduct separate CJO risk assessment ✓ Enhance Board awareness via targeted training and adequate reporting of CJO matters to support comprehensive risk assessment.
Money Laundering and Terrorist Financing Prevention Program (MTPP)	✓ Adopted specific policies and procedures in the MTPP related to CJO clients. CJOs are tagged as high-risk clients, warranting the conduct of EDD during onboarding and transaction monitoring.	✓ Define specific CJO risk management practices, including red flags and transaction-level controls (e.g. usual business declarations, hotspot locations, UBO/officer in watchlist entities, review of declared purpose in articles of incorporation, etc.)
Client acceptance and identification process	✓ Classified CJOs as high risk leading to the conduct of EDD ✓ Implemented enhanced onboarding controls for high-risk clients, with no transactions allowed until EDD is completed and approved. ✓ Established UBO screening/mapping and surveillance to establish linkages to CJOs ✓ Embedded process for independent verification with regulatory agencies (e.g. PAGCOR) ✓ Implemented Account/Transaction restriction until EDD is completed and approved by senior management	✓ Reinforce due diligence and risk reassessment supported by key onboarding documents (e.g. casino accreditation, PAGCOR approval of CJOs, and Junket Agreements) ✓ Enhance CJO risk identification. This can include the following: - review of clients' articles of incorporation and declared business activities particularly those linked to gaming, entertainment, or tourism, including ownership structure, and



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Key AML Area	Good Practices (Measures/Controls Implemented)	Areas for Improvement
		- expand screening against PAGCOR-related entities⁴, adverse media, sanctions lists, and reliable intelligence sources, and targeted staff training on the CJO business model, gaming activities, and associated risks
Ongoing Monitoring and Suspicious Transaction (ST) Reporting	✓ Use of AML monitoring systems with established parameters, casino-specific alert scenarios/parameters⁵, and client link analysis. ✓ Implemented proactive and continuous approach to identify and monitor CJO customers, including EDD based on Electronic Freedom of Information (eFOI) disclosures, termination of relationships when warranted, and maintenance of an updated, consolidated gaming-client list for screening against open sources and advisories. ✓ Adopted transactional enhanced due diligence (TEDD) and targeted alert scenarios to detect unusual, structured, or high-risk transaction patterns associated with CJOs. ✓ Enhanced ST escalation and reporting processes with clear narratives	✓ Conduct bank-wide screening of adverse scam hub-related information, taking into account typologies involving shared addresses with CJOs. ✓ Improve the timeliness and effectiveness of CJO alert investigations.
Self-Assessment Functions and Training Programs	✓ Conducted Compliance testing and audit for STR effectiveness	✓ Include CJO-specific procedures in testing and policy reviews ✓ Roll out targeted CJO-focused AML training programs

⁴ Banks may coordinate directly with PAGCOR to determine the process/procedures in obtaining the list of CJOs on a regular basis

⁵ i.e., Credit Card-Funded Gambling Activity, Transactions linked to casinos or gaming venues identified as high-risk, under investigation, or subject to regulatory concern, Multiple customers (individual or corporate) funneling funds into a single account or junket arrangement, or pooling funds prior to gaming activity, A single customer or related accounts conducting gaming or financial transactions across multiple geographic locations or casinos within a short timeframe, Significant inbound and outbound wire transfers, particularly where funds are rapidly cycled with minimal retention or clear economic purpose, Accounts where 50% or more ownership/control is held by individuals or entities classified as high-risk (e.g., adverse information, high-risk jurisdictions, or industries). Single Beneficiary with Multiple Remitter, Single Remitter with Multiple Beneficiary.

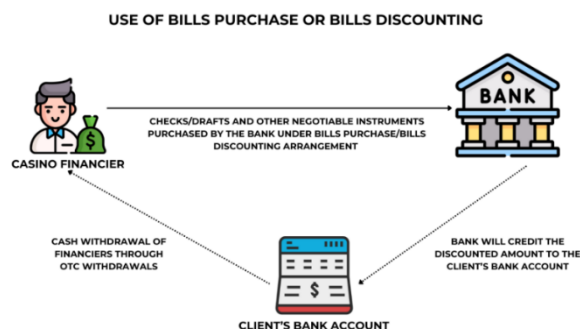


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4 TYPOLOGIES AND RED FLAG INDICATORS

Typology 1

Use of Bills Purchase (bills discounting) facility. A client initially tagged as casino financier has 29 bills purchase transaction totaling ₱42.3 million in a month and 23 cash withdrawals totaling ₱83.6 million during the same period with noted pattern of repetitive bills purchase (inflow of funds) and cash withdrawals (outflow of funds).



Typology 2

Declared nature of business and location. Various clients identified as CJOs declare business locations in a casino hub-hotspot areas, use of the same business addresses and contact details and exhibit unusual patterns of frequent significant cash and checks deposits without underlying, legal or trade obligation, purpose or economic justification. Their Articles of Incorporation and other business documents declared engagement in activities related to entertainment, travel agency/tour company, hotel and resort, marketing for gaming activities, property leasing, management consultancy, holding companies and even unrelated industries like diagnostic laboratories. These documents also show shared or interlocking ownership/officership among identified CJOs, with links among their beneficial owners (BOs).

Typology 3

Use of non-cash instruments for casino fund movements. Funds were transferred through on-us check deposits and inter-account transfers within the same bank involving a casino or CJO-related counterparty.

Typology 4

Junket Operation as evolution of Casino-Related Activities. Individuals initially tagged as casino player or financier during onboarding were later reclassified by the Bank as CJOs and/or UBOs of CJOs based on link analysis. Noted transactions/transfers to a known CJO included cash deposits, check issuances, incoming domestic fund transfer and cash encashment.



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5 CHALLENGES

The thematic review disclosed certain challenges in effectively implementing preventive measures for CJOs. These warrant a multi-stakeholder and holistic approach that would enable well informed implementation of strategic measures and policy actions to reinforce risk management practices for customers engaged in casino junket operations. The challenges in CJO onboarding and ongoing monitoring of transactions and activities stem from insufficient information on CJOs and their operations, as well as their direct and indirect activities.

Industry Challenges	
1	Limited availability of reliable industry references, such as official list of registered and delisted CJOs, including their UBOs, authorized signatories, related parties, stockholders/interlocking parties, restrict banks' ability to validate information, assess exposures, and implement appropriate controls in dealing with this client segment. Open-source information may present concerns about completeness, accuracy of details and integrity of data.
2	CJOs use varying company names in account opening or KYC declaration forms and combined with limited reliable data, this complicates banks' name-matching and disambiguation in customer due diligence (CDD).
3	The use of shell companies and other non-CJO business fronts add complexity to detection. Some CJOs avoid using their junket/brand names when opening bank accounts. Instead, they use the name of their director, officer, signatory, holding company, or a non-CJO-related affiliated company during onboarding, causing late detection or inappropriate handling.
4	Complex transaction structures. Transaction layering by moving funds among casinos and personal accounts of financiers, players, and CJOs without any clear purpose, obscure transaction flows. Further, the use of non-bank channels to move funds cuts the flow of CJO-related transactions. These present challenges in client and transaction monitoring.

6 CONCLUSION AND WAY FORWARD

Banks have generally defined risk appetite, established policies and established procedures for managing risks arising from casino junket operations (CJO) within their OGB/Casino framework. Challenges in client onboarding primarily stem from the limited information available to banks to properly identify CJOs, their UBOs, authorized signatories, related parties, and other associated personalities/entities and their business activities. These references are crucial in cross-checking information, assessing risk profiles, and validating links and related transactions of CJO clients. In terms of transaction monitoring, risks are further compounded by layered transactions that obscure CJO-related fund flows.

It is important to take collective efforts to effectively address these challenges and risks associated with casino junket operations (CJOs). Enhanced coordination and information sharing among supervising authorities particularly PAGCOR, the BSP and BSFIs is critical, with supervisors playing a proactive role in guiding institutions, setting clear expectations, conducting targeted oversight, and providing feedback to strengthen risk mitigation measures. The Board and senior management should champion the implementation of a customized risk management framework for CJO clients that clearly outlines bespoke mitigating controls and processes, including reinforcement of CDD measures and active monitoring of client transactions. This should be anchored on better understanding of CJOs and the unique risks they pose to the banking industry and other financial institutions.