



Remote Gambling and the 2005 Act - Is a UK licence worth the trouble?

By Peter Wilson





Agenda

- Remote gambling under current law
- Becoming licensed in Britain under the Gambling Act 2005
- Issues with a remote gambling licence
- Staying licensed offshore
- Pros and Cons in making the choice





What's permitted under current law?

- Fixed Odds Betting
- Betting Exchanges
- Pool Betting
- Non commercial Lotteries
- [Spread Betting]

No UK based Casino, Bingo or other Gaming





Implementation timetable of 2005 Act

- Now until November 2006 finalising:
 - Licence Conditions, Codes of Practice, Enforcement, Advertising, Technical Standards, Financial requirements
- January 2007 – applications for new licences
- March 2007 – new tax regime published
- September 2007 – new licensing regime takes effect





Remote Gambling under 2005 Act

- Gambling by use of remote communication:
 - the internet
 - telephone
 - television
 - radio
 - any other kind of technology for facilitating communication
- whatever the Sec of State says is remote communication





Licences required for remote gambling

- Remote Operating Licence (combined)
- Personal Licences
- Licence to manufacture, supply, install or adapt gambling software

*PROVIDING UNLICENSED FACILITIES
FOR COMMERCIAL GAMBLING IS A
CRIME*





Applying for Licences

- General principles:
 - the licensing objectives
 - the applicant's suitability, competence, integrity and financial standing
 - the suitability of any equipment
- Same principles for Operating and Personal licences





The Licensing Objectives and Remote Gambling

- Preventing gambling from being a source of crime and disorder
- Ensuring gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling





Conditions and Codes on crime and disorder

- Key senior staff must have personal licences
- Full Money Laundering obligations
- Full and unrestricted access to Commission of business records
- Must report to Commission any suspicion of gambling offence including breaches of Conditions and Codes
- Financial robustness & ring fencing funds





Conditions and Codes on fair and open gambling

- Information on odds, rake and average return
- Terms of gambling to be fair under Unfair Contract Terms Act 1977
- Independent complaints procedure
- Commission provided record of complaints
- Gambling debts legally enforceable & unfair bets can be voided
- Software and hardware must pass tests





Social Responsibility - policies

- Must promote socially responsible gambling by policies and procedures that:
 - Implement social responsibility Codes of Practice
 - Contribute to research into prevention and treatment of problem gambling
 - Contribute to education of public on risks of gambling and how to gamble safely
 - Contribute to the identification of problem gamblers and treatment





Social Responsibility - tools

- Must provide information on how to gamble responsibly and access information on problem gambling including:
 - monitoring tools
 - reality checks
 - session timers
 - spending limits
 - self exclusion - must be prevented from gambling for minimum 6 months and up to 5 years
 - further help and advice





Social Responsibility - intervention

- Must train staff to enable them to:
 - Recognise problem gambling behaviour
 - Monitor and record such behaviour
 - Actively intervene by encouraging individual to reassess gambling behaviour or, by referring them to help or, by imposing exclusion.





Social Responsibility - other measures

- Policies and staff training to prevent underage gambling
- Effective age verification procedures
- No credit for gaming
- Only 2 debit/credit cards for depositing funds
- Comply with advertising Code of Practice





Staying offshore?

Can you still access the UK market from offshore?

- Yes if, all your remote gambling equipment (hardware and software) is outside Britain; and,
- If the control and management of the business is also outside Britain





Staying offshore – advertising issues

- Permitted remote gambling advertising:
 - where operator is licensed in a European Economic Area territory, or
 - in Gibraltar, or
 - included on the “white list”
- Other remote gambling advertising will be the offence of advertising foreign gambling





Britain or offshore?

Britain

- Better credibility & trust
- Strong legal jurisdiction
- Financial centre
- No mgnt & control problems
- Gambling friendly country?
- Mobile and iTV easier?
- Advertising advantages
- Remote & non remote offering
- Branding advantages
- Europe & US

Offshore

- Lower tax
- Easier to obtain a licence
- Lower costs for set up
- Ongoing compliance less expensive
- Less intrusion and easier compliance regime
- More flexibility in operation
- No advertising disadvantage if EEA, Gibraltar or white list





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