

Module	CASINOS & GAMBLING
Jurisdictions	UK
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Module Application

Does your current or prospective gambling operator providing facilities for gambling in Great Britain comply with the requirements of the Gambling Act 2005 and other relevant legislation in relation to gambling activities?

Does your organisation proposing to carry out licensable gambling activities obtain, adhere to, and maintain an operating licence and comply with any requests made by the Gambling Commission in exercising its enforcement powers?

Has an individual who will be involved in your gambling organisation in either a managerial or operational capacity applied for a personal licence (or in relevant cases Annex A), and do they comply with the conditions of the licence, or follow the formalities of the appeal process if the licence is refused?

Does your organisation offer premises-based gambling activities and if so does it comply with several key aspects related to premises licences including, following the application and/or appeal procedures, adhering to the licence conditions, paying fees, cooperating with review procedures and applying for notices or provisional statements (if relevant)?

Does your organisation comply with all laws and regulations related to compliance and disclosure of information?

Does your organisation understand and comply with all laws and regulations related to underage gambling and the protection of children?

Does your organisation comply with the responsible gambling code provisions set out in the Licence Conditions and Code of Practice?

Does your organisation comply with gambling advertising and marketing rules and codes of practice?

Does your organisation pay gambling duty on gambling profits from UK customers?

Does your organisation comply with the additional requirements that apply to holders of remote operating licences?

Does your organisation comply with additional requirements that apply to holders of non-remote operating licences?

Does your organisation comply with all applicable anti-money laundering (AML), counter-terrorist financing (CTF) and, in the case of casinos, counter proliferation financing (CPF) obligations as required by relevant legislation, regulations and associated code of practice?

Does your organisation comply with all requests made by the Gambling Commission in exercising its regulatory powers, cooperate with lawful instructions of constables, enforcement officers and authorised persons and not obstruct them in the performance of their duties?

Does your organisation comply with the legal requirements relating to gaming machines?

Does your organisation comply with the software licence, remote gambling and software technical standards, and testing requirements?

Does your organisation meet all customer relationship requirements which include having suitable customer complaints policies and procedures, ensuring terms and conditions on which gambling is offered are fair and transparent, and adequate management of high value customers is in place?

Module Scope

This module details the regulatory requirements for gambling in Great Britain (England, Wales and Scotland).

Gambling, including betting, gaming, and lotteries, is regulated under the Gambling Act 2005. The Gambling Commission (GC) is the regulator for gambling, along with licensing authorities in respect of premises licensing (local authorities in England and Wales, licensing boards in Scotland). There are various regulatory rules relating to gambling on topics such as:

- The different licenses gambling operators need
- Disclosure requirements
- The protection of children
- Broadcasting and advertising
- Anti-money laundering (AML) and counter terrorist financing (CTF)
- Powers of the regulator
- Software

This module breaks its recommendations into the following core obligations:

1. Operating License

An operating licence is generally required to provide facilities for gambling. There are different kinds of operating licence for different gambling activities, including:

- Casino
- Bingo
- Betting
- Gaming machine
- Gambling software
- Lottery

An operating licence may be either non-remote (authorising the provision of facilities for gambling to customers present on the premises) or remote (authorising the provision of facilities for gambling by means of remote communication).

A gambling operator will need a separate operating licence for non-remote and remote activities; however, a non-remote licence or remote licence can authorise multiple gambling activities (e.g., a remote licence may authorise remote casino and betting activities). Operating licences are issued and enforced by the GC and are subject to the conditions set out in the LCCP. The GC also has power to impose individual licence conditions.

2. Personal Licences

There are two types of personal licence: a personal management licence (PML) and a personal functional licence (PFL). Each operating licence holder must have at least one person in a key management role who holds a personal management licence, unless the gambling operator is a small-scale operator with no more than three employees in management positions, in which case the relevant individuals will complete a form 'Annex A' instead of applying for a personal licence.

A personal functional licence is required by individuals who perform specified operational functions in non-remote casinos, including dealers, croupiers, inspectors, pit bosses, gaming supervisors and security and surveillance staff. Personal licences are issued and enforced by the GC and are subject to conditions contained in the LCCP.

3. Premises License

A premises licence is required for using premises to provide facilities for gambling to customers present on the premises, unless another permission is in place (including an occasional use notice or a temporary use notice, or certain gaming machine permits), or an exception applies (including certain gambling on alcohol licensed premises and at travelling fairs, private gambling and gambling at non-commercial events). Except in the case of tracks, a gambling operator is required to hold a relevant operating licence before being granted a premises licence; a premises may only be subject to one premises licence at a time.

Premises licences are issued and administered by local licensing authorities. Certain mandatory conditions apply to all premises licences, these are specified by regulations made under the Gambling Act. Licensing authorities also have the power to set individual conditions on a premises licence.

4. Compliance and Disclosure

Gambling operators are required to comply with information and disclosure requirements set out in the LCCP. This includes providing the GC with annual or quarterly regulatory returns about the use made of facilities and the gambling operator's business, notifying the GC about specified key events and other events that could have a significant impact on the gambling operator's business, and other notification requirements relating to suspected offences, money lending, money laundering and terrorist financing and attempts by under-18s to gamble.

Certain gambling operators are required to comply with additional information requirements, including providing the results of age verification test purchasing, keeping records relating to complaints and disputes, pool betting accounts and lottery submissions. Personal licence

holders must also disclose certain events including those that could have a significant effect on their suitability to hold a licence, such as any relevant criminal conduct or sanctions for gross misconduct.

5. The Protection of Children

Individuals aged under 18 are not permitted to participate in gambling, enter gambling premises, or be employed in relation to the provision of gambling facilities (even if they are not engaged in any gambling activities themselves); this however is subject to certain exceptions.

All operating licences are subject to a condition requiring the licence holder to return any money paid to them by under-18s and not pay out any prizes, other than in relation to the use of Category D gaming machines and equal chance gaming at a licensed family entertainment centre.

Gambling operators should also be aware of the LCCP social responsibility provisions which set out required measures to prevent underage gambling.

6. Responsible Gambling

The LCCP social responsibility provisions set out requirements for required measures to prevent gambling-related harm, including providing responsible gambling information and tools to customers, interacting with customers and having arrangements for customers who wish to self-exclude from gambling.

Customer interaction requirements include identifying customers who may be at risk of or are experiencing gambling-related harm (including by assessing whether a customer's gambling is likely to be affordable to them), interacting with customers where a risk of harm is identified (or where necessary taking action such as limiting the customer's gambling) and evaluating the effectiveness of interactions and the operator's overall approach.

7. Advertising

Advertising gambling includes anything which is done to increase the use of facilities for gambling or encourage people to take advantage of facilities for gambling. This covers most forms of advertising, including entering into arrangements for sponsorship or brand sharing.

Under the LCCP social responsibility code provisions, gambling operators are required to advertise in a socially responsible manner and comply with the advertising codes administered by the Advertising Standards Authority.

As good practice, a gambling operator should also comply with the gambling industry code for socially responsible advertising.

Bonuses or incentives offered by the gambling operator must comply with LCCP requirements, including by clearly setting out all terms and conditions, being consistent with the licensing objectives and not encouraging excessive gambling.

8. Tax

Gambling duty is payable on gambling profits generated from UK customers, unless an exception applies.

Gambling duty is payable regardless of where in the world the gambling operator is located; it is based on the customer's normal place of residence.

Gambling duty is not covered by the Gambling Act but rather finance legislation and excise notices issued by HM Revenue & Customs. Rates are dependent on the gambling activity in question.

9. Additional Requirements for Remote Gambling

- Additional requirements apply to a remote gambling operator in relation to:
- Peer-to-peer gaming
- Software supplier licensing
- Remote gambling and software technical standards
- The requirement to display a licence
- Customer identity information
- Protection of customer funds
- Payment methods

10. Additional Requirements for Non-remote Licensees

A non-remote gambling operator which provides facilities for gambling to customers present on the premises, must comply with additional requirements that apply to non-remote operating licences in relation to:

- Security and supervision of games
- Exemptions for gambling at premises with an alcohol licence
- Local risk assessments
- Credit and money lending
- Staff and customer relationships
- Equipment technical standards and specifications
- Gaming machine entitlements

11. AML and CTF

Gambling operators (exceptions apply) are required to take measures in relation to anti-money laundering (AML) and counter terrorist financing (CTF), including compliance with relevant AML/CTF legislation. These include conducting an assessment of the risks the business faces from money laundering and terrorist financing, implementing policies and procedures designed to reduce those risks and reporting suspicious activities.

Casino operating licensees should also be aware of the additional requirements for customer due diligence, countering proliferation financing, and other relevant policies, procedures, and controls.

All gambling operators must take account of GC guidance on preventing money laundering and terrorist financing.

12. Regulator Powers

The Gambling Commission (GC), as the regulatory authority for gambling activities in Great Britain, has the following duties and powers:

- A duty to promote licensing objectives
- The authority to conduct inspections with regards to:

- › Suspected offences
- › Gambling
- › Licence and permit holders
- › Remote gambling equipment ('key equipment')
- › Its powers that may be exercised when entering premises

13. Gaming Machines

Gambling operators that make gaming machines available for customers to use, or who manufacture, supply, install, adapt, maintain or repair a gaming machine, should be aware of the entitlements and requirements that apply to the different categories of gaming machines. Different technical standards and testing requirements apply to the various categories of gaming machines.

14. Software

Gambling operators who wish to manufacture, supply, adapt or install gambling software should be aware of the requirements to hold a gambling software operating licence and ensure software complies with the remote technical standards and is tested in accordance with the testing strategy. Remote gambling operators must only use software that has been manufactured, supplied, installed and/or adapted by the holder of a gambling software operating licence.

15. Customer Relationship

Gambling operators who have a direct relationship with individual customers should be aware of requirements relating to the customer relationship, including managing customer complaints and disputes, compliance with consumer protection rules against misleading or aggressive commercial practices, and GC guidance in relation to high value customer reward programs.

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