

GAMBLING COMMISSION

11 November 2008

Dear trade associations,

Bankruptcy of personal licence holders

It has come to our attention that some operators may not be aware of the provisions of the Gambling Act 2005 regarding bankruptcy of personal licence holders.

Section 114 of the Act provides that an operating licence issued to an individual will lapse if the licensee becomes bankrupt. The provisions of this section are applied to personal licence holders by sections 128 and 131 of the Act.

This applies to Personal Management Licence and Personal Function Licence holders.

It also applies to bankruptcy of holders of section 19 Gaming Act 1968 certificates employed in Casinos and Bingo clubs, who have been made bankrupt after 1 September 2007. If a section 19 certificate holder was made bankrupt prior to this date, the Commission may still review that certificate under the 2005 Act.

(In Scotland, it is the sequestration of the licensee's estate (under section 12(1) of the Bankruptcy (Scotland) Act 1985), which is the event triggering the lapse of the licence.)

Once the licence lapses, the former personal licence holder will be unable to carry out any of the functions for which a personal licence is required.

The former personal licence holder may apply to the Commission for a new licence, but will need to explain the circumstances of the bankruptcy. The Commission will give due consideration to the application, taking into account all the circumstances, including the financial circumstances of the applicant.

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In addition, with effect from 1 January 2009, a personal licence holder, or a partner in a partnership, must notify the Commission where a petition is presented for their bankruptcy (or sequestration in Scotland) or where they enter into an individual voluntary agreement (IVA). This is in effect the start of the bankruptcy process and is not the same as a final bankruptcy order being made. This is in section 15.2 of the October 2008 Licence Conditions and Codes of Practice document (LCCP). For the avoidance of doubt, the licence does not automatically lapse until the bankruptcy order is actually made. The Commission will decide what action to take as a result of being notified of a key event.

I would be grateful if this letter could be brought to the attention of your members. If you have any questions regarding this, please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H Canter', written in a cursive style.

Hazel Canter
Director of Licensing and Compliance