

Key points from meeting between the Gaming Board and iGGBA
19th April 2005 2:30 pm-4:20pm (Berkshire House)

Attendees

Helen O’Kane (Transition Team)

Stuart McPhee (Senior Technical Compliance Inspector)

Cliff Young (Head of Lotteries and Machines Sections)

Vickie Bazalgette (Transition Team)

Peter Nicoll (Victor Chandler)

Malcolm Graham (Ritz Interactive)

Richard Flint (Chairman of iGGBA)

Wes Himes (iGGBA)

Apologies

Andrew Fraser (Transition Team)

Paul Matthews (Wagerworks)

Andrew Tottenham (iGGBA)

1. Minutes and Actions update from last meeting

Action points March 1, 2 & 3: Resolved.

Action point March 4: iGGBA stated that dialogue with poker operators concerning the future licensing process under the Commission is ongoing and moving forwards. They will produce a written document on the subject in the near future.

Action point March 5: A schematics document about the present and future management of poker networks has been produced by Malcolm Graham. This document has been forwarded to Helen by Gabriele (resolved).

Further action points from the previous meeting will be discussed during the course of this session.

2. The Gambling Act 2005

Helen gave a brief update on the Act:

- The Bill was enacted on 7th April. The Act in its entirety and the Explanatory Notes are now published and available on the HMSO website. Please [click here](#) to view this site. iGGBA were satisfied that DCMS had consulted stakeholders on final amendments to the Bill and key clauses had been agreed. iGGBA will conduct an analysis of the Act when it is published and circulate it to their members.
- Wes recognised that DCMS and the Gambling Commission would be considering commencement issues. He was keen to address the timescale of when particular provisions would be brought into force and which provisions would require secondary legislation, to enable iGGBA to plan their future work schedule. Helen confirmed that the Transition Team were currently examining these issues with DCMS.

Action point April 1: Helen to forward the “Delegated powers committee report” and most recent delegated powers memorandums to Wes (resolved 20/04/05). She will also provide iGGBA with initial thoughts about secondary legislation which will be needed for the remote sector, and commencement issues.

3. Gaming Board/Gambling Commission transition update

Helen and Cliff confirmed that:

- The transition schedule team are still working to launch in the Commission in the Autumn, around October.
- The Gaming Board aims to issue a short introductory guide to the Commission shortly after the election in May. This document would include information on the powers the Commission will possess, and the overriding principles of the Commission. The compliance and enforcement approach will also be mentioned.
- The Transition Team have appointed a company to identify suitable property in Birmingham. It is envisaged that the Commission will occupy the new building from early 2006.
- The issuing of licences will commence in 2007, and further information will be provided on this subject over the coming months. .
- When the Commission has been launched and it is issuing draft code, there will be a 12 week formal consultation period for draft codes of practice to ensure that the industry remains closely involved and well-informed.
- It is envisaged that Codes of practice will be particular to each sector. However, there may be overriding issues, such as advertising, which will span all industry sectors and take the form of a separate code of practice.

4. iGGBA licensing and testing paper

Poker networks:

There was a discussion about different licensing options under the Commission:

- iGGBA members recommended that a separate poker affiliate licence should be created;
- The group discussed the potential difficulties that would arise in relation to diligence and probity if the Commission was to issue associate licences to poker companies in other jurisdictions. The Commission would not wish to imply that licensees under this category are subject to diluted, less stringent requirements. However, it would be appropriate to ensure that the only activities of associates to be licensed by the Commission would be those related to the poker operator based in the UK.
- The subject of off-shore regulation was broached and members of iGGBA explained that third-party probity checkers such as large auditor firms e.g. Kroll could be contracted for this work.

Action point April 2: Malcolm will provide examples of the forms that Ritz Club Online use when carrying out probity checks on off-shore operators, to demonstrate how the information is handled.

Action point April 3: Gaming Board members will consider the issues raised by iGGBA's licensing paper and provide feedback and submit suggestions for areas to develop to Wes.

Action point April 4: Personal licences for the remote industry have not yet been formally considered at these meetings, and will be discussed more fully at the next meeting.

Age verification:

- iGGBA stated that credit card checks constitute the primary method of age verification in the UK remote gambling industry, as credit cards are only issued to persons aged 18 or over. Cliff Young said that he was aware that credit cards could be issued to people under 18. iGGBA's view was that it is the responsibility of parents to supervise the use of any credit card issued to second holders under 18. The credit card companies also have responsibilities. It was emphasised that the Commission should consider the most reasonable alternative for age verification methods for the industry.
- iGGBA explained that contracts with minors are not legally enforceable. If a person under 18 was discovered to be participating in online gaming, all money would be refunded and transactions reversed.
- If a secondary check is necessary to establish age, data could be obtained from the banks or Government offices.
- iGGBA said that some members use age verification companies at the moment to check the age of customers using debit cards and other means. These checks are unable to verify the age of every player who attempts to play and this results in 20%, who are probably over 18, not being able to play. A requirement for similar checks on credit card users would result in the loss of 20% of those customers.
- iGGBA highlighted that the particular age verification checks employed by a regulator would have a profound implication for where remote operators decided to be licensed.
- iGGBA said that checks should take place at the point where the player decides to place a bet rather than at registration.
- Helen emphasised that age checks enforceable for online gambling must correspond to their equivalents for land-based industry.
- Cliff said that the National Lottery has a formal age verification process for their remote sales, this includes the use of manual checks where necessary.
- The issue of online gambling via mobile phones was touched upon; iGGBA said that you cannot hold a mobile phone account unless you are 18. Cliff said that he was aware that some operators accept "pay as you go" customers, where there is no age restriction.
- It was agreed the discussion on age verification will remain open and be readdressed as issues arise.

iGGBA licensing and testing paper

Machines testing:

There was a brief discussion on this subject and questions were raised about assessing risk levels, areas requiring particular scrutiny and contention surrounding the relationship between technological development and regulation.

Action point April 5: A separate meeting will be arranged for technical experts from the Gaming Board and iGGBA to further discuss machines testing.

Action point April 6: The next meeting is to be scheduled for mid-May.

Summary of agreed actions

Action point March 4: iGGBA stated that dialogue with poker operators concerning the future licensing process under the Commission is ongoing and moving forwards. They will produce a written document on the subject in the near future.

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