

## Illegal gaming machines

### A quick guide for licensing officers



In order to site gaming machines some form of authorisation is normally required\*. Typically this is:

- an operating licence from the Gambling Commission and a gambling premises licence from a licensing authority or
- an alcohol premises licence from a licensing authority or
- a gaming machine permit from a licensing authority.

Depending on the authorisation, there are limits placed on the category of machines that can be sited and, in some cases, on the number of machines that can be made available for use.

\*Except if there is no opportunity to win a prize from the machine, or the only prize is another opportunity to play the machine, or the value of the prize does not exceed any payment made to use the machine.

## Establishing premises authorisation

Your public register of gambling premises will confirm whether a licence has been granted. A copy of the licence must be available for inspection.

Qualifying alcohol licensed premises are entitled to two gaming machines of category C or D upon notification to the licensing authority. A gaming machine permit is required if there are more than two category C or D gaming machines sited (see part 26 of the **Guidance to Licensing Authorities - May 2009** for details).

Clubs, miners' welfare institutes, and commercial clubs require a club machine permit for gaming machines to be sited within their premises (see table overleaf).

## Gaming machine category

The gaming machine category should be clearly labelled on the body of the cabinet (see the example illustrations within this guide). If no category label is found, the category:

- may be shown on the video screen
- can be determined by comparing the stated maximum stake and prize on the machine to the statutory stake and prize limits for gaming machines (as summarised below\*\*).

Premises and authorisation	Machine category			
	B3	B4	C	D
Adult gaming centre with an operating licence from the Gambling Commission and a premises licence	Maximum of 4 machines in category B3 or B4, or 20% of the total number of gaming machines		No limit on category C or D machines	
Family entertainment centre with a premises licence			No limit on category C or D machines	
Family entertainment centre with a gaming machine permit			No limit on category D machines	
Clubs or miners welfare institutes with a club machine permit	Maximum of 3 machines in categories B3A or B4 to D but only one B3A machine can be sited as part of this entitlement			
Commercial club with a club machine permit		A maximum of 3 machines in categories B4 to D		
Qualifying alcohol-licensed premises with an alcohol licence			2 machines of category C or D automatic upon notification to the licensing authority	
Qualifying alcohol licensed premises with a gaming machine permit			Number of category C or D machines as specified on gaming machine permit	
Travelling fair			No limit on category D machines	

Maximum stakes and prizes	B3A	B3	B4	C	D (money prize)
Maximum stake	£1	£2	£1	£1	£0.10
Maximum prize	£500	£500	£250	£70	£5

\*\*A full list of machine categories, types of premises permitted to site machines, and machine category stakes and prizes is available in appendix A and B of the Guidance to Licensing Authorities (GLA) - May 2009.

## Skill with prizes (SWP) machines

In general terms, machines marketed as SWP machines offering games designed to look like recognised games of chance (such as roulette, bingo or poker) are indeed games of chance under the Gambling Act 2005. They are therefore gaming machines and not SWPs.

If the machine offers prizes of more than £50 the Gambling Commission is doubtful whether they can be genuine SWPs.

We issued a joint statement with HMRC in December 2009, which sets out our views in respect of games presented as recognised games of chance.

Our advice note: ***Is a prize machine a gaming machine? - July 2010***, provides further information including a flow diagram to help determine whether a prize machine is a gaming machine.

## What to do if gaming machines appear to be illegally sited

If the premises does not have authorisation to site gaming machine(s) you should:

- advise the premises owner/occupier that they are committing an offence under the Gambling Act 2005 (sections 37 and 242) and are liable to a maximum penalty of imprisonment
- ask the premises owner/occupier to remove the gaming machine(s) from the premises. As the gaming machine(s) may be reliant on an authorisation granted by the licensing authority – for example an alcohol licence, a gambling premises licence or a club permit – other parts of their business could be put in jeopardy if they do not comply. They might, for example, lose their alcohol licence
- inform the police as they may be interested in potential instances of local illegality and may also be able to assist (a constable has the power of an enforcement officer under the Gambling Act 2005)
- contact Her Majesty's Revenue and Customs (HMRC) as experience shows there is the possibility that the relevant duties/taxes applicable to gaming machines may not have been paid. HMRC also has powers under separate legislation to collect monies due and stop illegal machine usage
- inform the Gambling Commission (see below).

Under Section 317 of the Gambling Act 2005 an authorised person may 'remove and retain anything if he reasonably believes that it is being used or has been used in the commission of an offence under this Act'. This power has been used by a licensing authority to seize suspected illegal machines. You may wish to obtain advice as to the agreed regulatory processes within your licensing authority.

Under specific circumstances, particularly in relation to illegal machine supply, the Gambling Commission has acted with HMRC and/or the police to seize illegal machines.

# Providing information to the Gambling Commission

There is a requirement for those manufacturing and supplying gaming machines to be licensed by the Gambling Commission, as well as those involved in certain aspects of machine maintenance.

Our effort is focussed on the illegal supply of gaming machines. Illegal suppliers often conduct their transactions across a number of licensing authorities. Your help in supplying information about illegally sited machines helps us to take action against illegal suppliers and reduce the incidence of illegally sited machines in your area.

Please email [intelligencereports@gamblingcommission.gov.uk](mailto:intelligencereports@gamblingcommission.gov.uk), enter 'Illegal Gaming Machine Supply' in the subject line and provide:

1. the name of the manufacturer and game title
2. the stake and prize stated on the machine (if available)
3. all available contact details of the supplier.

## Example labels:

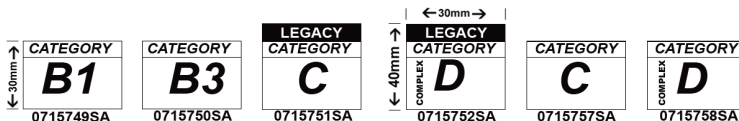
<b>MODEL TYPE:</b>	<i>In spin cabinet</i>
<b>GAME VERSION:</b>	<i>Metal cabinet (Mpu6)</i>
<b>SERIAL NUMBER:</b>	972669002
<b>CATEGORY TYPE:</b>	C
<b>DATE OF MANUFACTURE:</b>	July 2011

NO PRIZE GREATER IN VALUE THAN

# SEVENTY POUNDS

CAN BE WON FROM THIS MACHINE IN ANY ONE GAME

PRINT PANTONE 282 ON SILVER/CHROME TAMPER PROOF MATERIAL



# GAMBLING COMMISSION

keeping gambling fair and safe for all

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