

Licence Conditions and Codes of Practice Supplement 9: Casino gaming reserve licence condition

September 2011

1 Introductory notes

- 1.1 The Gambling Commission (the Commission) included in its Licence Conditions and Codes of Practice (LCCP) a requirement that all casino operators hold a gaming reserve to enable them to meet unexpectedly large customer wins. The formula was based on maximum stakes permitted in casino games, with additional sums for extra tables and casinos, with an appreciable margin to allow for other financial pressures.
- 1.2 In June 2009 this formula was revised to reduce the size of reserve required for all licensed operators. At the same time we made a commitment to reconsider the basis of and need for a gaming reserve.
- 1.3 Following further consultation in 2011, the Commission considered that the extremely small risk of casinos needing to draw on the gaming reserve meant that the protection conferred on customers was minimal, whilst the cost to the industry of maintaining the gaming reserve was very high. We concluded that it would be disproportionate to retain the casino gaming reserve and so decided to revoke the gaming reserve licence condition. Since this proposal was well-received by the casino industry, the revocation will be implemented with immediate effect.
- 1.4 The resultant change to the LCCP is shown below, where deletions are indicated by use of ~~strikethrough~~.

Part I: General conditions imposed by the Gambling Commission

Suite of general conditions to be attached to operating licences under Section 75 of the Gambling Act 2005 ('the Act')

3 Financial robustness

3.2 ~~Casino gaming reserve~~

~~All non-remote casino operating licences~~

~~Licensees must maintain a gaming reserve. They may do so either by maintaining an Individual Reserve or by demonstrating to the reasonable satisfaction of the Commission that they have an unconditional entitlement to draw on a Group Reserve.~~

~~Except with the prior written consent of the Commission, a gaming reserve must only be used for the purpose of paying winnings to customers that cannot be met from the licensee's income or working capital. Licensees must inform the Commission via its key events email address: key.events@gamblingcommission.gov.uk or key events postal address: Key Events, Compliance Administration Team, Gambling Commission, Victoria Square House, Victoria Square, Birmingham B2 4BP, as soon as is practical and no later than seven days after any part of the reserve is used, and must agree with the Commission as soon as is practical and no later than a month after that use, a schedule for full reinstatement of the reserve.~~

~~Whether the gaming reserve is held on behalf of a single casino, a number of casinos operated under a single operating licence, or a number of casinos operated under separate operating licences but all forming part of a Group Company, the reserve is calculated from whichever gaming table results in the greatest sum in accordance with the following formula:~~

~~Roulette = 5,000 times the maximum stake permitted 'on plain'/'single number'
Blackjack = 100 times the maximum stake permitted per box
Dice = 200 times the maximum stake permitted on a line bet
Baccarat = 100 times the maximum stake
Punto Banco = 100 times the maximum stake~~

~~**NB:** Cash reserves needed for the exchanging of chips and other operational requirements are in addition to these amounts.~~

~~A licensee is a Group Company if it is the holding company of, a subsidiary of, or shares a common holding company with, another company which holds a non-remote casino operating licence. For the purpose of this condition 'holding company' and 'subsidiary' respectively have the meaning ascribed to them by s736 of the Companies Act 1985 or any statutory modification or re-enactment thereof.~~

Gambling Commission September 2011

Keeping gambling fair and safe for all

Copies of this document are available in alternative formats on request.

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