

Personal Functional Licence

Key points: Conditions and codes

The Gambling Act 2005 requires that people carrying out certain functions in casinos hold a personal functional licence.

Unless you are entitled to small-scale operator exemption, PFLs are required for individuals who perform any function which enables them to influence the outcome of gambling or relating to the receiving or paying of money in connection with gambling (for example, casino dealer/croupier, casino cashier, casino inspector, casino pit boss/gaming supervisor, casino security/surveillance related to gambling activities).

Since September 2007 gambling operators in Britain are required to be licensed by the Gambling Commission (the Commission). The Commission published Licence Conditions and Codes of Practice (LCCP) in November 2006, followed by a supplement in December 2006. A further revision of LCCP was published in June 2007 replacing both previous documents.

Since the publication of the LCCP in June 2007 a number of issues were raised both within the Commission and by external stakeholders. Some of these were concerned with clarifying the meaning of certain provisions, but there were also instances where with the benefit of some experience of the new regime, it became apparent that new provisions were required or existing ones needed amending. A consultation exercise was undertaken, during which stakeholders, including industry representatives and other interested parties, were given the opportunity to express their views about the proposals.

The proposals were published for consultation in April 2008. The Commission consulted widely with the industry, consumer groups with an interest in gambling and other interested parties, and made changes in response to the consultation.

The latest version of LCCP was published in October 2008 and takes effect from 1 January 2009. This revised document incorporates some additional and clarified provisions which reflect further work and consultation. It sets out the licence conditions and social responsibility code provisions with which licensees must comply and the codes of practice on how gambling should be conducted.

All the relevant LCCP publications are available on the Commission's website or in hard copy by contacting the Commission.

General principles

The Commission expects all gambling licensees to:

- conduct their business with integrity
- act with due care, skill and diligence
- take care to organise and control their affairs responsibly and effectively, with adequate risk systems and controls to protect the three licensing objectives
- maintain adequate financial controls and resources
- have due regard to the interests of customers and treat them fairly
- have due regard to the information needs of customers, and to communicate with them in a way that is clear, not misleading, and allows them to make a properly informed judgment about whether to gamble
- manage conflicts of interest fairly
- work with the Commission in an open and cooperative way and disclose to the Commission anything relating to the operator of which the Commission would reasonably expect notice.

The Commission takes these principles into account when considering the suitability of licence holders.

The Commission's role

The Commission regulates gambling in the public interest. Its remit is to keep crime out of gambling, ensure that gambling is conducted fairly and openly, and protect children and vulnerable people from harmed or exploited by gambling. The Commission also provides independent advice to government on gambling in Great Britain.

The Commission is a Non-Departmental Public Body. It operates at arm's length from government. It is independent from any political party, industry interest or pressure group.

The Commission was set up in October 2005 under the Gambling Act 2005. It took over the work of the Gaming Board for Great Britain. Under the 2005 Act, the Commission will regulate betting, bingo, casinos, gaming machines, lotteries, and remote gambling.

The Commission does not regulate spread betting (the responsibility of the Financial Services Authority) or the National Lottery (regulated by the National Lottery Commission).

Key points

- Personal licence holders must take all reasonable steps to ensure that the way in which they discharge their responsibilities in relation to licensed activities does not place the holder of the operating licence or any relevant premises licence in breach of their licence conditions, including the requirement to provide the Commission with information.
- Personal licence holders must keep themselves informed of developments in gambling legislation, codes of practice and any Commission guidance (whether on the Commission website or communicated directly) relevant to their role; and keep their technical competence up to date.
- From 1 January 2009, personal licence holders must inform the Commission if any of the following key events occurs:
 - the imposition of a disciplinary sanction against them, including dismissal, for gross misconduct
 - their resignation from a position for which a personal licence is required following commencement of disciplinary proceedings in respect of gross misconduct
 - their disqualification from acting as a company director
 - the entry of any court judgment against them
 - the presentation of a petition for their bankruptcy or sequestration or their entering into an individual voluntary agreement
 - their conviction for any criminal offence or receipt of a formal police caution or any other out-of-court disposal
 - the imposition of any sanction or penalty against them following an investigation by any professional, statutory, regulatory or government body
 - a change in their name or address.
- It is possible to have more than one function permitted under a personal functional licence. All the required functions can be included at the time of application or subsequently added as a variation to the licence.

The Commission will not hesitate to use its legal powers to prosecute illegal gambling operators and to take tough regulatory action against licensees who fail to comply.