

Personal Management Licence

Key points: Conditions and codes

If you plan to provide facilities for betting, gaming or participating in a lottery you will require a licence. You might be providing these facilities remotely (for example through the internet or telephone), or on premises, including tracks. In addition to operating and premise licence, some individuals within an organisation also need personal licences (unless exempt under the small-scale operator exemption).

There are two types of personal licence, the Personal Management Licence (PML) and the Personal Functional Licence (PFL). Most operating licences require at least one personal licence to be held. Personal licences operate in conjunction with operating licences to ensure there is both corporate and personal accountability under the Gambling Act 2005. Where a person holds a specified management office in respect of the holder of an operating licence, they will require a PML.

Those who are responsible for the following management functions, whatever their actual job title, will require PMLs: major investor, owner or partner; overall strategy and delivery of gambling operations; financial planning, control and budgeting; marketing and commercial development; regulatory compliance; and gambling-related IT provision and security, unless exempt under the small-scale operator exemption. Society lotteries are only required to have one PML.

Where there is a regional structure, regional or area managers to whom responsibility for gambling operations is delegated will also require PMLs, as will casino and bingo site managers.

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 regulates 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 management 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 or any relevant premises licence in breach of their licence conditions, including the requirement to provide the Commission with information.
- Personal management 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.
- From 1 January 2009, personal management licence holders must inform the Commission if any of the following 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 licence. If a PML holder wishes also to be licensed for functions requiring a personal functional licence, they may have specified additional functions included on 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.