

GAMBLING COMMISSION

Leslie Macleod-Miller
BACTA
Alders House
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13 July 2009

Dear Leslie

Skill with Prizes machines

As you are aware, the Gambling Commission (the Commission) has been reviewing recent developments with respect to skill with prizes machines (SWPs) in order to ascertain whether or not some games described as SWPs are in fact gaming machines as defined in the Gambling Act 2005 (the Act). This is in line with our commitment in my letter to you of 17 November 2007 to keep the issue under consideration in the light of developments.

I am writing now to let you know that the Commission is of the view that 'skill games' which are designed to look like recognised games of chance (such as roulette or bingo) are being presented as involving an element of chance and are therefore games of chance according to section 6(2)(a)(iii) of the Act.

Such machines are subject to all the regulations and controls which apply to gaming machines, for example in relation to supply, location, numbers, stakes and prizes and technical standards. In this respect, we believe at least some machines are being illegally sited and operated. We are contacting the manufacturers of such machines.

In addition, and in the light of what BACTA has told us, the Commission has also developed grounds for concern regarding the compensation or control mechanism used in some types of machines. In particular whether in reality the compensation or control mechanism operates in such a way that it introduces an element of chance into the way the game is played, at least on some occasions. If so, the machines are gaming machines as defined by section 6(2)(a)(i) of the Act.

More widely, we would like to work with the industry (including BACTA), HMRC and others to develop a list of characteristics exhibited by genuine SWP machines to provide the industry, regulators and the public with greater clarity about the status of individual machines. We will be in touch in due course with our initial thoughts on such a list.

Yours sincerely



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