

Types and rules of casino games

Consultation document, September 2006

Introduction

1. The Gambling Act 2005 gives the Commission, as part of its statutory role, the power to attach conditions on any casino operating licence which restricts the types of casino game that can be made available. The Commission may also specify rules for casino games or any equal chance game played in a casino.
2. In March, the Commission published a consultation document, Licence Conditions and Codes of Practice. That document contains our approach to setting the conditions and codes that will apply to each of the sectors we will regulate once the Gambling Act is fully implemented.
3. The document explained that it would be a condition of non-remote casino operating licences that operators must only offer casino games that are prescribed by the Commission (or permitted to be trialled) and that those casino games offered comply with any rules published by the Commission.
4. The Commission proposed that all casino games currently permitted would be automatically included on the list of prescribed games when the Act comes into force in September 2007. We also proposed that new games would be trialled and subject to the Commission's approval, before they are added to the list of prescribed games.
5. This document contains further information about the rules we intend to apply to casino games currently permitted, the approach the Commission will take to trialling of new casino games, and invites comments. It will be of interest to those who wish to be licensed by the Commission as casino operators and to all those who have an interest in ensuring that the licensing objectives are met. Information about how to respond is available at page 5.

Background and Context

6. The types and rules of casino games that can currently be played in a casino, licensed under the 1968 Gaming Act, are set out in secondary legislation under the Banker's Games Regulations. The Banker's Games Regulations currently permit 11 casino games to be played in casinos in Great Britain: roulette; blackjack; three card poker; punto banco; casino stud poker; dice/craps; sic bo; big six (wheel of fortune); baccarat (banque); chemin de fer; and super pan 9.
7. Further rules and practices for the games are set out in the British Casino Association's 'Practices and rules of Casino Games', the contents of which were agreed with the Gambling Commission. It has been the usual practice of the Gambling Commission (formerly the Gaming Board for Great Britain) that the casino industry draw up such documents and the

Commission (more specifically the Inspectorate) checked that there was nothing in the draft that would go against the principles of the Act or Gambling Commission policies. The British Casino Association thus produced and published the current rules and the Commission agreed them.

The Commission's broad approach

8. Earlier this year, the Commission, in consultation with industry representatives, carried out a review of the existing Banker's Games Regulations, the existing industry/Commission agreed document on the rules and practices of casino games, and the current arrangements for the approval of new games with the aim of:
9. Making use of existing standards and arrangements that remain useful and applicable under the new legislation.
10. Discarding elements which do not fit in with the Commission's general approach to guidance and standards under the new legislation.
11. Discarding elements that will sit better in other guidance or codes being produced.
12. Following on from the review, we asked the British Casino Association if they would prepare the first draft of the new rules. This, as was noted earlier, is an established practice and makes use of the specific expertise within the industry.
13. In response to the first preparatory draft from the British Casino Association we held a series of informal consultation meetings with the casino operators' consultation groups (including the Casino Operators and British Casino Associations) to discuss key principles and review the draft.
14. In addition an internal monitoring group within the Commission was set up to make sure that the final draft did not compromise any of the Commission's objectives.

Draft rules of casino games

15. The document attached to this paper for consultation gives the proposed permitted casino games and the rules for play and includes the following:
16. The physical elements of play that a customer might reasonably expect to find as standard, in any non-remote casino they visited in Great Britain, unless otherwise covered by a specified variation.
17. Minimum odds for each game (operators will have the flexibility of offering more favourable odds to the customer, if they so wish, without needing to seek approval and providing the improved odds are displayed).
18. Draft provisions for the trialling of new games and variations, with agreement and monitoring by the Commission.
19. Draft provisions for minor, short term, local variations to games with the agreement of the Commission.
20. Overall the proposals are very much in keeping with existing procedures. They use the existing practices and rules document and the Banker's games regulations as their basis.

21. However we would like to draw attention to two particular changes under the new rules:

- * there will be no requirement to have a minimum number of packs of cards used in blackjack and punto banco;
- * there are proposed new rules for ‘doubling down’ in blackjack.

22. Currently Blackjack and Punto Banco can only be played using either 4 or 6 (or in the case of Punto Banco 6 or 8) packs of cards; the proposed draft rules do not specify how many packs should be used. The reasons for the current requirement are that it made it more difficult for players to "card count" and less time was lost shuffling between completed shoes. However shuffle machines have now become commonplace and these constantly re-cycle cards each hand such that card counting is almost impossible, as the cards go back into the machine each time. Two or three decks could - in theory - suffice, but would not be permitted at present whilst it is laid down in the regulations that only four or six be used.

23. The draft also proposes to allow players to ‘double down’ on any hand. Currently doubling down is only allowed when the first two cards dealt give a total of 9, 10 or 11, and this is the only time most experienced players would consider doing it. (‘Doubling down’ allows the players to double their bets but they are then dealt one and only one more card.)

24. In the Licence Conditions and Codes of Practice (LCCP) consultation document the Commission emphasised the importance of customers knowing what odds they are getting and the house edge, on the basis that if these were clear to the customer it was then up to the customer to decide whether to play or not. There are other player options (for example ‘splitting hands’ where the two cards are the same number) where most experienced players will only act in certain circumstances but where the rules do not seek to restrict the player. In line with this, the Commission is proposing to remove the current restrictions on doubling down.

25. The document does not include rules about equal chance gaming (most commonly seen in the form of card room gaming or card competitions) or prize gaming (outside of machine gaming, most commonly seen in the form of prize draws). Both of these may be subject to separate rules drawn up by the Commission.

Trialling of new casino games from September 2007

26. In the LCCP consultation document we outline our proposals to allow the trialling of new games. Following a successful trial period new games could then be added to the approved list upon request.

27. We are aware that the industry would like to introduce some of the many side bets and new games being played in other jurisdictions and the Commission proposes to work with the industry over the next year on agreeing the draft rules for these new games. This will enable the industry to begin to trial new games when the new Act comes into force in September 2007.

28. However, the Commission will not consider trialling or approving a new game unless there is some evidence that at least some section of the industry wishes to offer it to customers. Thus, if approached by a an individual (not licensed by the Commission) who is trying to get Commission approval ahead of market testing a product the Commission believes it would be justified to request evidence of industry support for the proposed game before considering approving it.

- 29.** However we do not consider it should be a requirement that a licensed operator, bringing a proposal concerning a game they wish to offer to the Commission for approval, should be backed by one of the trade bodies (British Casino Association or Casino Operators Association) of which that operator was not a member. But in that event the Commission would also assume that the operator would do the necessary work in developing rules etc.
- 30.** We propose that details of upcoming trials will be published on the Commission's website and that any casino operator who wishes to apply to take part in the trial may do so (subject to any further requirements the Commission may lay down).
- 31.** All trials will be operated to agreed rules and subject to monitoring by the Commission's compliance team.
- 32.** We propose that the results of all trials are published on the Commission's website, so that casino operators not involved in the trial can get information about the success or failure of a new game.
- 33.** We will be working with the industry over the coming months to discuss how trials and the monitoring of trials will operate. We will be discussing the following issues: the protection of the customer during the trial period, the monitoring by compliance officers, the set periods for trialling and data collection, including any complaints received during the trial period.
- 34.** In the case of minor, short term and local variations, we are proposing that these be allowed (without trialling) as long as the operator has informed the Commission in writing prior to a variation being used. Minor variations might for example be an additional prize for any customer getting a royal flush on the Queen's birthday or face cards showing members of the England team during the World Cup.
- 35.** In the appendix we have included some examples at the end of each section of possible variations to existing games. We stress that these are just examples and have not been approved.
- 36.** Further information on trialling for new games is also included in the appendix to this paper [pages 3-4].

Consultation Questions

- Q1. Do you agree with the Commission's proposals which will allow the changes to numbers of packs of cards and doubling down?**
- Q2. Do you have any specific comments about the proposed draft rules?**
- Q3. Do you agree with the Commission's proposals for the trialling of new games?**
- Q4. Do you agree that minor, short term and local variations to games should be allowed to be implemented without trialling, as long as prior notification to the Commission has been given?**
- Q5. Do you have any further comments?**

Next Steps

37. It is intended that compliance with the Commission's rules of casino games will be a licence requirement from 1 September 2007.

Responses to this document and further information

38. For more information on the Commission, including on licence conditions and codes of practice, please visit www.gamblingcommission.gov.uk.

Responses should be sent by **3 November 2006** to:

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