

Licence conditions and codes of practice January 2018

Summary of key changes

1 Introduction

- 1.1** This summarises the key changes that are included in the revised [Licence conditions and codes of practice](#) (LCCP), which was published in January 2018 and comes into effect on **4 April 2018**.
- 1.2** This version of LCCP includes changes relating to society lotteries and information requirements which were consulted on during 2017, as well as some minor clarification of the application of some of our requirements.

2 Background

- 2.1** The Commission publishes the general licence conditions and codes of practice which apply to licensed gambling operators in *Licence conditions and codes of practice* (LCCP), which is revised from time to time. We publish the current version of LCCP on our website and notify licensed operators.
- 2.2** In 2017, we consulted on changes to LCCP relating to:
- [Regulatory data that we require to be provided to us](#) - these changes apply to all operators
 - [Society lotteries: putting consumers first](#) - these changes apply to society lotteries and External Lottery Managers.
- 2.3** We recommend that you read the responses to these consultations, or refer to them when considering the intention and effect of a particular amendment to LCCP. The tables below provide an overview and brief explanation of the main changes. They are not intended to be exhaustive, so please refer to LCCP or the response if you have a specific query.
- 2.4** The tables at the end of this document show the amendments to:
- licence conditions in **orange shading**
 - social responsibility code provisions with **blue shading**. These are requirements which operators must follow
 - ordinary code provisions without any shading. These set out good practice which operators should follow or demonstrate that an alternative approach is reasonable in the operator's particular circumstances; or that to take an alternative approach would be acting in a similarly effective manner.

3 Overview of changes

Regulatory data changes - overview

- 3.1 As outlined above, we consulted on changes to some parts of the regulatory data that we require licensed operators to provide to us. The main focus of the consultation was on regulatory returns, which all operators are required to complete and submit as a condition of their licence either on an annual or quarterly basis.
- 3.2 Following the consultation, we made changes in a phased approach, with a focus on making those changes which were more time-critical (for example because of their importance to implement changes to fees) during the first phase. This second phase is the implementation of changes which will come into effect on 4 April 2018.

Society lottery changes - overview

- 3.3 We considered that societies and ELMs could and should do more to provide consumers with more information on the lottery they are participating in, and how much of their stake is returned to support the aims and objectives of the promoting society.

Minor points of clarification

- 3.4 We have made minor changes to LCCP to clarify the application of certain provisions – these have no material effect but can be seen at Social Responsibility Code provisions 3.5.3 and 3.5.4. We have also updated the reference to our online portal for information submission at licence condition 15.3.1.

4 Implementation dates and future LCCP changes

- 4.1 This version of LCCP will come into force on **4 April 2018** for all operators and personal licence holders. Closer to this implementation date, we will provide updated sector extracts of LCCP on our website.
- 4.2 LCCP is not a static document and will be updated over time to reflect best practice and emerging research. In 2018, we will continue to review LCCP and make changes in line with our three-year strategy [*Fairer and safer gambling*](#). For example, early this year, we will consult on a group of changes to LCCP that are connected with providing gambling in a fair and open manner.

Table 1: Summary of key changes to licence conditions in LCCP January 2018 (comes into effect 4 April 2018)

Topic	Licence condition (LC) number	Change	Summary of change please refer to LCCP for the full provision	Comments (if relevant) Includes a summary of the operators to which the provisions apply – consult LCCP for the full explanation
Suspicious activity reports and key events	LC 15.2.1 24	Amended condition	We have removed the requirement to report on the number of SARs from regulatory returns, and as explained in the response document will instead collect information on discontinued relationships through key events. This change to LCCP introduces the requirement to report discontinued relationships alongside information on suspicious activity reports as key events.	This is an addition to licence condition 15: key events Applies to all operators Both the change to this provision (key events) and the changes to regulatory returns will come into effect for information to be submitted in April 2018
Game faults and key events	LC 15.2.1 25b	Amended condition	We have removed the requirement to submit information about a gambling payment RTP fault from the regulatory returns. This change to LCCP now requires information about game faults which result in over or underpayment to customers to be reported as a key event.	This is an addition to licence condition 15: key events Applies to all operators Both the change to this provision (key events) and the changes to regulatory returns will come into effect for information to be submitted in April 2018
Operator group revenues derived from other jurisdictions	LC 15.2.2	Amended condition	We have widened the existing requirement to report group advertising to a new jurisdiction, to include a new requirement to report where there has been sustained/meaningful generation of the 3% / 10% threshold being passed for the wider group. The reporting of this could be done by any group company holding a Commission licence.	Applies to all operators A widening of an existing requirement

Amendments to code provisions

LCCP contains two types of code provision:

- social responsibility code provisions: compliance with these is a condition of licences
- ordinary code provisions: these do not have the status of operator licence conditions but set out good practice. Operators may adopt alternative approaches to those set out in ordinary code provisions if they have actively taken account of the ordinary code provision and can demonstrate that an alternative approach is reasonable in the operator's particular circumstances; or that to take an alternative approach would be acting in a similarly effective manner.

Table 2: Summary of changes to ordinary code provisions in LCCP January 2018 (comes into effect 4 April 2018)

Topic	Code provision number OC = ordinary code provision, no shading	Change	Summary of change please refer to LCCP for the full provision	Comments
Low frequency lotteries	SR 3.2.13	Amended provision	We are updating the definition of 'low frequency lottery', which already appeared in this code provision to make clear that it includes those lotteries offered by local authorities.	Includes a summary of the operators to which the provisions apply – consult LCCP for the full explanation Applies to all remote lotteries
Publication of lottery proceeds	SR 4.3.1	New provision	We have added a new social responsibility code provision to require operators to publish the proportion of lottery proceeds returned to the purposes of the society or local authority.	Applies to all lotteries

Topic	Code provision number OC = ordinary code provision, no shading	Change	Summary of change please refer to LCCP for the full provision	Comments
Branded lotteries	SR 4.3.2	New provision	We have added a new social responsibility code provision, based on the principles of the Commission's advice note 'Promoting multiple society lotteries', requiring operators to make clear to consumers which society lottery they are participating in or being asked to participate in.	Applies to all lotteries

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