

Gambling Commission
Department for Culture, Media and Sport
**Non-qualifying regulatory provision assurance
statement: confirmed**

The Regulatory Policy Committee (RPC) is content that, on the basis of the summary information provided, none of the measures or activities covered in the summary document should be considered as qualifying regulatory provisions for the purposes of the business impact target. The RPC has not been asked to provide a detailed view on any specific activity in this statement or comment on any activities not covered in either this summary document or a separate assessment of a qualifying regulatory provision.

Comments on the non-qualifying regulatory provision summary

The RPC trusts that the restatement of the meaning of “wholly automated and partly automated” gaming tables did not involve an alteration of any definition, as this would represent a change in the scope of the regulation.



Michael Gibbons CBE, Chairman

Non-qualifying Regulatory Provisions Summary Reporting Template

Regulator: GAMBLING COMMISSION

Business Impact Target Reporting Period Covered: 9 MAY 2016 – 8 June 2017

Excluded Category*	Summary of measure(s), including any impact data where available**
A – EU and International	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
B – Economic Regulation	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
C- Price Controls	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
D – Civil Emergencies	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
E – Fines and Penalties	By way of background, as set out in the Gambling Commission’s Statement of Principles for Licensing and Regulation (March 2015) voluntary settlements are one means by which an operator may be dealt with following failure to comply with their licence requirements. <i>‘As licence reviews can be time consuming and expensive for both the Commission and licensees, the Commission will seek, where appropriate, to fulfil its statutory obligations and pursue the licensing objectives through means that stop short of formal licence reviews under section 116 of the Act. One means for achieving this will be by way of voluntary settlement’</i> There have been 2 voluntary settlements made by industry during the year following agreement between the Commission and the operator to secure compliance with regulatory requirements, with the monies used for socially responsible purposes. (<i>Details are available on the Gambling Commission website.</i>) Such voluntary settlements relate to businesses who are not compliant with existing regulatory requirements. They do not represent an additional burden placed on businesses.
F – Pro-Competition	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
G – Large Infrastructure projects	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.

Date of issue: 18/05/2017

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H – Misuse of Drugs/National Minimum	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
I – Systemic Financial Risk	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
K – Industry Codes	The Gambling Commission has considered the excluded category and is satisfied that none of its measures for the reporting period qualify for this exclusion.
L1 – Casework	<p>In terms of personal and operator licence holders who have had a regulatory sanction imposed on them:</p> <ul style="list-style-type: none"> • we revoked 13 personal licences (similar numbers to the previous year) • 1 personal licence holder received a warning • 2 personal licence holders received warnings with conditions attached. • we suspended 3 operating licences • we terminated 1 operating licence • 1 operator surrendered its licence • 2 operators received warnings • 2 operators received warnings and had conditions attached <p>These actions against non-compliant businesses were to secure compliance with existing regulatory requirements.</p> <p>Additionally, two men were charged with offences under the Gambling Act 2005 (Following the Gambling Commission's investigation into an unlicensed gambling website), summonses were obtained and served on the two individuals for offences contrary to the Gambling Act 2005, including the provision of facilities for gambling, advertising unlawful gambling and inviting children to gamble. The men entered guilty pleas to the offences, and ordered to pay £174,000 and £91,000 respectively.</p> <p>During this period 187 new operating licences were issued.</p> <p>No activities listed in this section represent a change in the burden of regulation placed on business.</p>
L2 – Education, communications and promotion	<p>The Gambling Commission has given:</p> <ul style="list-style-type: none"> • Over 21 presentations to external stakeholders such as trade body national conferences and regulatory briefing events and over 60 presentations to co regulatory partners such as licensing

	<p>authorities and the police on a range of topics including local risk assessments, permit renewals and inspection powers. None of the material produced adds a regulatory burden.</p> <ul style="list-style-type: none"> • We also exhibited at 6 trade fairs. Operator attendance at such events is not compulsory. • General information was provided to co regulatory partners via 11 Licensing Authority bulletins. This general information was intended for Gambling Commission’s co regulatory partners (and not businesses). Separately we issued, 27 E bulletins and 49 press releases during the year as well as various updates to our website content including to advice notes, quick guides and mini blogs about the separately assessed QRP changes. The communication is a restatement/dissemination of existing requirements and did not create a burden on business nor increase scope of the impact. None of the materials produced creates a new regulatory standard that business will be expected to follow and attendance at educational and promotional events is not compulsory.
L3 – Activity related to policy development	<p>Consultations</p> <p>The Gambling Commission opened 6 consultations on topics such as: ‘changes to the Gambling Commission’s enforcement strategy’, ‘the collection of regulatory data’, ‘remote gambling and software technical standards’, ‘the placing of digital adverts responsibly’, ‘extending the requirement to assess money laundering risk to the non-remote lottery sector’ as well as a separate consultation specifically on society lotteries to cover ‘greater transparency to players/consumers, and the removal of the requirement of one step self-exclusion’. Additionally, the Gambling Commission issued a discussion paper on ‘virtual currencies, eSports and social gaming’. Any resultant regulatory changes in respect of the consultations/discussion papers will be separately assessed as QRPs.</p> <p>Further to this, the Gambling Commission carried out a joint consultation with DCMS, on ‘the proposals for Gambling Commission fees from April 2017’. This was subject to its own Regulatory Impact Assessment.</p> <p>Publications</p> <p>Moreover, the Gambling Commission published new evidence which informed its advice to the Government under its call for evidence: <i>Review of Gaming Machines and Social Responsibility Measures</i> conducted by DCMS. Any changes following the review will be subject to its own Regulatory Impact Assessment by DCMS. The Commission also published research which looks at overall gambling participation and perceptions in 2016, as well as how people gamble online, the devices they use and the influence of social media.</p>

Policy Reviews

The Gambling Commission undertook 2 policy reviews in this period which resulted in clarification of the existing regulatory requirements and did not create additional regulatory burden. Specifically, the clarification related to: the meaning of 'wholly automated and partly automated' gaming tables. The Gambling Commission often has to consider gaming products that have been produced by the casino industry, or which have been sited in casino premises, to ensure that those products meet the requirements of the Gambling Act. In light of product innovation by the casino sector, the Commission has had cause to restate to the industry its interpretation of section 235 of the Act in respect of "wholly automated" and "partly automated" gaming tables. Product innovation and 'pushing the boundaries of the Act' is a significant part of our work that does not necessarily result in a change to policy, or to published requirements or standards. The communications were a restatement/dissemination of existing requirements and did not create a burden on business nor increase scope of the impact.

The Gambling Commission also undertook a review of its Licence, Codes and Conditions of Practice (LCCP) in relation to the prevention of crime associated with gambling. This included consulting on amendments to mandatory licence conditions relating to how gambling operators handle cash and cash equivalents; and how information concerning crime is reported to the Commission. Specifically licence condition 5.1.1 which relates to cash handling, is one of the central regulatory tools available to the Commission to hold licensees to account for managing the risks of money laundering. The clarification of this condition was necessary because our extensive casework experience had demonstrated a clear theme of shortcomings in this area across a wide range of operators. The change to licence condition 5.1.2 was a minor drafting change to ensure consistency of terminology in LCCP where a requirement is in place. These clarifications did not create a burden on business nor increase scope of the impact. Other resultant regulatory changes in respect of the crime review have been submitted as QRPs¹.

¹ Following oral and written communication with RPC please note that this measure has moved from its previous classification as a QRP to NQRP – reference RPC-3668 (1)-DCMS-GC)

	<p>Separately, a review of the first year of operation under Alternative Dispute Regulations and impact of the industry standards was carried out, and any resultant regulatory changes will be assessed as QRP.</p> <p>The Gambling Commission, as part of the review of the Licence Conditions and Codes of Practice in 2014 reviewed the (mandatory) social responsibility code of practice provision on combating problem gambling. This was with the intention of making the requirement clearer to operators and ensuring that the original intention was clarified - that the contributions made by licensed operators are of genuine benefit to delivering research, education and treatment in respect of problem gambling. The resultant clarifications from this review were subsequently implemented on 8 May 2015² and did not create a burden on business nor increase scope of the impact.</p> <p>Guidance to Licensing Authorities</p> <p>The Gambling Commission made minor changes to the Guidance to Licensing Authorities (GLA) this reporting period to reflect changes to our Licence Conditions and Codes of Practice for operators in relation to gaming machine environments (which have separately been assessed as a QRP). The GLA is issued under s25 of the Gambling Act and requires the Commission to issue guidance on the manner in which licensing authorities (LAs) are to exercise their functions under the Act. Under s153 of the Act LAs must have regard to such guidance, alongside other issues like the licensing objectives. It does not increase the regulatory burden on gambling operators, which are set by the licence conditions and codes of practice as set down by the Commission. The Commission is not empowered to affect how an individual LA responds (or does not respond) to any changes made to the GLA. The GLA is modified from time to time in light of improved understanding of the Act and having regard to changes in the regulated industry.</p>
L4 – Changes to management of regulator	Culture Secretary, The Rt Hon Karen Bradley MP, appointed Bill Moyes as the new Chair of the Gambling Commission for a term of five years, which commenced in September 2016. A new Executive Director – (Corporate Affairs) Tim Miller, was appointed in June 2016.

² Following oral and written communication with RPC please note that this measure has moved from its previous classification as a QRP to NQRP – reference RPC-3669 (1)-DCMS-GC

** For certain excluded categories - such as A, B, C, F and I, it is good practice to provide narrative description of any significant measures. This will help provide greater transparency and assurance that BIT exclusions are being applied consistently and appropriately. For these exclusions the Commission did not undertake any activities which fall within scope.