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General commentary on the descriptions of changes in this document

The commentary below focuses solely on the substantive changes currently proposed in the FSA Bill and the GSC Bill. In the interest of keeping this document concise, it does not generally address consequential or ancillary amendments made to support the implementation of those substantive changes.

Please note that the descriptions provided are of the proposals as they currently stand. These may be subject to revision following the outcome of the public consultation or during the legislative process in the branches of Tynwald.

Inspection & investigation consolidated powers

New inspection and investigation powers are being introduced across the following five Acts, replacing the existing provisions currently in place:

- [Gaming \(Amendment\) Act 1984](#) (section 12)
- [Casino Act 1986](#) (sections 12L & 19) and the [Casino Regulations 2011](#) (regs 5 & 16)
- [Gaming Betting and Lotteries Act 1988](#) (section 46)
- [OGRA](#) (section 16)
- [AML/CFT Act 2018](#) (section 7, 8, 9, 10, 11, 12 & 13)

The new powers will be introduced via a dedicated Schedule inserted into each of these Acts.

At a high level, the structure and content of the new powers are modelled on [Schedule 2 to the Financial Services Act 2008](#). The provisions are arranged in a logical sequence that reflects the increasing seriousness of regulatory intervention—beginning with routine powers of entry and inspection, and escalating to the use of search warrants where necessary.

The applicability of these powers to individuals changes based on the nature of the regulation of the Acts. For example:

- In Acts that apply only to entities which are licensed by the GSC (such as the Gambling (AML/CFT) Act 2018), the powers may be exercised in relation to individuals only for the period during which they were engaged in the regulated activity.
- In Acts that regulate gambling activity more broadly, regardless of licensing status (such as OGRA), the powers may be exercised irrespective of whether the individual held a licence at the time

These powers may also be exercised in relation to former licence holders.

New inspection & investigation powers layout of Schedule

Paragraph 1 (Power of the Commission): This paragraph outlines the purpose for which the Gambling Supervision Commission (GSC) may exercise its inspection and investigation powers, as well as the categories of persons to whom these powers may apply. The stated purpose will vary depending on the specific Act in which the Schedule is inserted, but in all cases it will align with the overarching purpose of that Act.

For example, under the Online Gambling Regulation Act 2001, the Commission's powers under this Schedule are exercised for the purpose of regulating online gambling in the Isle of Man (as set out in section 1 of that Act). Accordingly, these powers may be exercised in relation to any person engaging in online gambling within the Island, regardless of whether they hold a licence, since the Act regulates the activity itself rather than only licensed operators.

By contrast, under the Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018, the powers are intended to support the GSC's role in conducting AML/CFT inspections and investigations of licensed entities. In this context, the powers apply specifically to those entities licensed by the GSC, reflecting the Act's focus on ensuring that licensed gambling activity complies with AML/CFT obligations.

Paragraph 2 (Entry and inspection): This provision establishes a statutory right of entry for authorised persons to access office premises for the purpose of inspecting books, computers, equipment, or any other items that contain or relate to information. Authorised persons may take copies or, where necessary, originals, of any relevant material encountered during the inspection.

An authorised person may also be accompanied by others, as deemed necessary to support the inspection.

Entry into private dwellings is permitted under two conditions:

1. The occupier must provide consent; and
2. A minimum of 24 hours notice must be given prior to entry.

Paragraph 3 (Requests for information, including for regulatory inspection purposes): This paragraph empowers an authorised person to request information from any individual or entity involved in, or reasonably suspected of being involved in, online gambling. This includes, but is not limited to, customers, service providers, companies within the same group structure, related companies, and associates.

Requests directed at entities that are not themselves the licensed operator will only be made where such requests are necessary and proportionate to the regulatory purpose.

The term “*related companies*” adopts the definition used in the Financial Services Act 2008. In essence, it refers to any company (other than a subsidiary) in which the licensee holds at least 20% of the voting shares.

Paragraph 4 (Power of the Commission to require information): This paragraph represents an escalation from routine inspection to formal investigation. It empowers an authorised person to require an individual to attend an interview at a specified time and place, for the purpose of answering questions and providing information in any format in which it is held.

The authorised person may take possession of, or make copies of, any information disclosed during the course of the interview.

The exercise of this power is subject to judicial oversight: an application must be made by the authorised person to a justice of the peace, who must approve the use of this power before it can be exercised.

Paragraph 5: Entry to premises under warrant): This paragraph provides for an authorised person to apply for a search warrant to enter premises under specified circumstances. Typically, this power will be used where an individual has failed to comply with a requirement under Paragraph 4, or where the use of earlier powers may risk prejudicing an investigation, for example, by leading to the destruction or alteration of evidence.

A warrant may also be sought to facilitate entry into private dwellings or premises where the occupier is absent and forced entry may be required. During the execution of a warrant, authorised persons may seize or copy any relevant information found on the premises.

An authorised person may be accompanied by others as deemed necessary to assist with the search. However, a constable must always be present during the execution of a search warrant.

A warrant must be applied for and granted by a Deemster before this power can be exercised.

Paragraph 6 (Seized goods): This paragraph provides that any item seized or otherwise removed under the powers set out in Paragraphs 3 or 5 must be notified to the owner. It also establishes a general power permitting the retention of such items for as long as is necessary to fulfil the purpose for which they were obtained.

Paragraph 7 (Evidence of authorisation): This paragraph provides the power for the Commission to authorise, in writing, any person to carry out its functions under this Schedule. It is intended that such authorisations will primarily apply to officers of the GSC working within its general supervision and enforcement teams.

Additionally, this paragraph requires that any person acting under such authorisation must, upon request, produce evidence of their written authorisation.

Paragraph 8 (Offences): This paragraph establishes a range of offences in connection with the exercise of the inspection and investigation powers set out in this Schedule. These include:

- Obstructing or failing to cooperate with an authorised person on site (either under paragraph 3 (entry and inspection) or paragraph 6 (search warrant)).
- Failing to comply with any requirements imposed under paragraph 5 (Power of the Commission to require information).
- Knowingly destroying, concealing or falsifying information that a person knows or suspects would likely be required for an upcoming inspection or investigation to which they are privy. It will be a defence to prove that there was a lack of intent in the case of concealment in relation to the upcoming inspection or investigation.
- A new related offence will also be included, for providing false or misleading information, or recklessly providing false or misleading information. This offence will apply to all of the powers in this Schedule, as well in any other context in the Acts that require information to be furnished to the GSC (e.g. during the application process) -as such this offence won't specifically sit within this Schedule and will sit in the main body of the Act (this doesn't affect its applicability to these inspection & investigation powers).

All offences related to the exercise of these inspection and investigation powers, including the general offence concerning the deliberate or reckless provision of false or misleading information, will be subject to a right of appeal. The Gambling (Amendment) Act 2006 has been amended in consequence.

Standardisation of “associates”, “beneficial owners”, “controllers” and “senior managers” across the gambling Acts

Definitions of “beneficial ownership”, “controller” and “senior manager”:

The Gambling Supervision Commission (GSC) is introducing standardised definitions of key terms, namely “*associate*”, “*beneficial owner*”, “*controller*”, and “*senior manager*”, across all relevant gambling legislation.

This change has been made with reference to Recommendation 28 of the Financial Action Task Force (FATF), which advises that regulatory authorities should take appropriate legal or regulatory measures to prevent criminals or their associates from holding a significant or controlling interest in, managing, or operating a casino. While this Recommendation specifically targets casinos (including online casinos), the GSC considers it prudent to apply this standard more broadly across the Island’s gambling sector to ensure that the ownership and control of all entities licensed by the GSC are held to the same standard.

This requirement is an important preventative measure, to protect the integrity of non-financial sectors. It also links to Recommendation 24, which seeks to prevent the misuse of legal persons for illicit purposes.

As such, consistent definitions will be inserted, or amended where existing definitions are already in place, across the gambling Acts. These definitions are also relevant to the operation of the new inspection and investigation powers.

The GSC is particularly seeking feedback on the appropriate shareholding thresholds at which a “beneficial owner” should be considered a “controller” of a company, by virtue of exercising significant influence.

The current proposed thresholds are:

- 5% of voting shares in the case of a privately owned company
- 20% of voting shares in the case of a publicly owned company

These thresholds reflect the GSC’s historic regulatory practice. The 5% threshold aligns with the trigger for notification of changes in beneficial ownership under the now-omitted section 12(1)(a) of OGRA. Meanwhile, a 10% threshold is currently applied under the Casino Act 1986, again based on established practice.

The GSC welcomes views in particular on whether these percentage thresholds remain appropriate or should be adjusted.

AML/CFT Act 2018 reforms

Section 3 (New definitions): The definitions within s.3 of the Act have been amended as follows

- omitted “AML/CFT Codes” (term never used in the Act);
- change to the definition of “AML/CFT legislation” so that it points solely to the Gambling (AML/CFT) Code 2019, instead of general references to Part 3 of the Proceeds of Crime Act 2008, and some sections of the Anti-Terrorism and Crime Act 2003 and the Terrorism and Other Crime (Financial Restrictions) Act 2014. The Gambling (AML/CFT) Code 2019 represents the implementation of the GSC’s controls in respect of ensuring the requirements of these provisions are adhered to within the Island’s licensed gambling sectors.
- new definition of “beneficial owner” (defined in line with [s.4\(1\) the BO Act 2017](#));
- new definition of “controller”;
- new definition of “equipment” (for use within the new inspection and investigation Schedule);
- new definition of “exchange” (and associated definitions of “designated exchange” and “recognised exchange”);
- omitted “Financial Intelligence Unit” or “FIU” (term never used in the Act);
- new definition of “former Operator”;
- new definition of “key person”;
- amended definition of “Operator”;
- omitted “prescribe” (term no longer relevant);
- amended definition of “senior manager”;
- new definition of “subsidiary”.

The regulation making power at (2) which previously allowed the Treasury to amend the definition of “designated gambling Operator” and “Operator”, has been amended such that the definitions which may not be changed via these Regulations are: “beneficial owner”, “controller”, “Operator” and “senior manager”.

Definitions of “Operator” and “former Operator”

The definition of “Operator” still refers to the holder of any GSC licence, permit or registration issued under any of the cited gambling Acts. The definition has been amended to make clear that a former holder of one of these documents will also be considered an “Operator” in respect of the inspection and investigation powers, as well as some of the sanctioning powers under the Act. A “former Operator” for the purpose of these sections will only include that Operator during the time in which they held the relevant licence, permit or registration.

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These amendments are for clarification purposes, as it has always been implicit that these powers could be exercised in respect of former Operators, in respect of conduct committed during a time in which they were a current Operator.

Definition of “key person”

A new definition of “key person” has been included, in order to reference Money Laundering Reporting Officers (MLROs) and AML/CFT Compliance officers. Positions which are required by Operators under the Gambling Code.

This definition has been inserted in order to make clear that these roles are within scope of some of the provisions of this Act, on an equal basis (in most cases) to “controllers” and “senior managers” of Operators.

The relevant sections that “key persons” have been brought within scope of are:

- Section 18(5)(c) (Directions);
- Section 22 (Civil penalties);
- Section 23 (Warning notices);
- Section 25 (Direction not to appoint an individual).

Section 5 (Duty to provide AML/CFT regulation and oversight): A minor amendment has been made to clarify that the Gambling Supervision Commission’s (GSC) responsibilities for regulatory oversight of anti-money laundering and countering the financing of terrorism (AML/CFT) matters are specifically those set out in gambling-related codes issued under section 157 of the *Proceeds of Crime Act 2008* or section 68 of the *Terrorism and Other Crime (Financial Restrictions) Act 2014*. The relevant code currently in force is the *Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code 2019* (SD 2019/0219) (“the gambling code”).

The gambling code sets out the GSC’s expectations for how Operators should comply with AML/CFT obligations in the context of gambling activities. It is this code that the GSC monitors and enforces. Previously, the definition of “AML/CFT legislation” referred broadly to general AML/CFT provisions, some of which extended beyond the intended scope of the GSC’s regulatory inspections under this Act. The amendment refines the scope of Section 5 to align more precisely with the GSC’s actual regulatory remit.

Additionally, a new subsection has been introduced to confirm that the powers under this Act may be exercised alongside those granted to the GSC under other relevant gambling legislation. This reflects the fact that the Gambling (AML/CFT) Act 2018 operates as a supplementary framework, overlaying existing obligations on licence holders and reinforcing the GSC’s powers in relation to specific gambling activities.

Section 6 (Returns): A change has been made to the requirement to provide AML/CFT returns as follows, in order to increase clarity:

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- (2) The Commission must specify —
~~(a) — AML/CFT information; and~~
(a) the AML/CFT information to be included in the AML/CFT return; and

Section 14 (Information sharing): section 14 of the Act has been amended in order to provide a regulation making power for the GSC to specify other entities with whom it may disclose non-aggregated data with. These regulations will still be subject to the provisions of Schedule 2 to the Gambling Supervision Act 2010.

Section 18 (Directions): Section 18 has been consequently amended to reflect the issue of directions under paragraph 3 (requests for information) of the new inspection and investigation Schedule.

A reference to section 26 has been removed from subsection (1) as that section does not entail a power to issue directions.

Section 19 (Public statements): Amendments made such that where the GSC is considering issuing a public statement about a former licence holder, that it must serve notice on that former licence holder prior to doing so, where it is reasonably practicable for the GSC to do so.

Section 22 (Civil penalties): The section has been amended such that specific individuals within a company regulated by the GSC (or was previously regulated by the GSC) may personally be liable for a civil penalty for AML/CFT-related failures. This change will bring the GSC's powers in alignment with FATF Recommendation 35 (sanctions).

The specific individuals are controllers, senior managers and key persons of the company.

The civil penalty may be imposed in relation to any failures to comply with the Act itself or any responsibility imposed under the [Gambling \(Anti-Money Laundering and Countering the Financing of Terrorism\) Code 2019](#).

A civil penalty may however only be imposed where the GSC is satisfied that the failure was caused in part due to the consent or connivance of the specific individual, or was caused due to negligence on their part. Where relevant, the civil penalty may be imposed in lieu of any criminal proceedings that the individual may be subject to as a result of that failure.

A decision to impose a civil penalty on an individual in accordance with this amended power will be subject to a right of appeal.

Section 23 (Warning notices): A consequential amendment has been made to section 23(1) in order to maintain that a warning notice may still be issued as a potential step to

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be taken before the issuance of a section 26 prohibition of a not fit and proper person. This is made in consequence of the amendment to section 18(1) (Directions).

A further change has been made in order to reflect that the power to issue a warning notice issued under this section is exercised by the GSC, as opposed to an authorised person.

Finally an amendment has been made to subsection (4) in order to make clear that none of the other potential sanctions under Part 3 are affected by the issuance of a warning notice, rather than just sections 26 and 27.

Gambling Supervision Act 2010 reforms

Section 3 (Interpretation): A minor amendment has been made to the definition of “the Gambling Acts”, in order to insert a reference to the Gambling (AML/CFT) Act 2018, as this definition was not updated in line with the introduction of that Act.

Section 5 (Regulatory objectives): A change has been made to elevate two of the considerations that the GSC must “have regard to” in accordance with subsection (3), to become part the core regulatory objectives stated within subsection (2). This is the and also the desirability of implementing and applying recognised international standards (currently stated at subsection 3(c)), and the need to safeguard the reputation of the Island (currently stated at subsection 3(e)).

The movement of subsection (3)(c) to sit at new subsection (3)(d) will have the effect of elevating the need of the GSC to proactively work in order to keep pace with relevant international standards. Such international standards may relate to responsible gambling as well as anti-money laundering, countering the financing of terrorism and counter proliferation financing measures that are agreed at international levels.

The movement of subsection (3)(e) to sit as a new subsection (2)(e) will have the effect of elevating the need of the GSC to safeguard the Island’s reputation from a secondary consideration, to becoming a core guiding principle. Going forward the GSC must (as with the other regulatory objectives stated within subsection (2)), act in a way that is compatible with this new objective.

The inclusion of these two requirements as a regulatory objective will allow the GSC to be able to focus on any strategic interests of the Island when discharging its functions. This will allow the GSC to more robustly justify decisions and actions on the basis that they are necessary to protect the Island’s reputation, since that will now be considered as a core regulatory objective of the GSC, as opposed to a secondary consideration.

Finally subsection (3)(h) has been omitted. This was another criteria that the GSC “must have regard to”, and generally related to the desirability of the economic promotion of the gambling industry in the Island. This has been removed as a source of a potential conflict of interest for the GSC as the regulator for the industry. Mandating that the GSC also take a role the need to promote the industry’s growth and global competitiveness could compromise the impartiality of the GSC, and impair the regulatory judgment of the GSC. This criteria may also risk creating a perception that the GSC could unintentionally prioritise the interests of the industry over the protection of customers, or its gambling-related AML/CFT supervisory functions.

Section 6 (Mutual assistance): A change has been made to s.6(4), in order to amend the definition of a “gambling regulatory authority” such that these are now defined by reference to a list that the GSC maintains for this purpose on its website.

Schedule 2 (Information disclosures): Changes have been made to:

- paragraph 2 (general exceptions to the prohibition on information disclosures) will be amended such that it contains a list of the non-specific circumstances and scenarios under which the GSC may disclose information that it holds. These changes are designed to work in tandem with the Permitted Disclosures Order under paragraph 3, which will set out the specific bodies and purposes that the GSC may disclose information to. (In other words, where the GSC doesn't have a specific sharing relationship in mind which could be contained within the PDO, then paragraph 2 remains to set out the non-specific scenarios in which the GSC may still disclose information). Sub-paragraphs (j) and (k) have been added in order to cover general scenarios where the GSC may otherwise be under an obligation to make a disclosure pursuant to the Freedom of Information Act 2015 or under a GDPR or LED related obligation.

Another change is the addition of paragraphs (ca) and (cb) which will generally provide for the GSC to be able to make an information disclosure without having to first obtain the consent of the person to whom the information relates, where that disclosure is made for the purposes of allowing the GSC to discharge its functions. This primarily relates to its exercise of inspection and investigation powers, and as such that has been specifically captured within new paragraph (cb) for the avoidance of doubt.

Following the currently planned amendments, paragraph 2 will read as follows:

Paragraph 1 shall not preclude the disclosure of information —

- (a) with a view to the institution of or otherwise for the purposes of criminal proceedings in the Island or elsewhere;
- ~~(b) to any constable for the purpose of enabling or assisting that or any other constable to discharge his or her functions;~~ (is capable of being contained within the PDO)
- (c) with a view to the institution of or otherwise for the purposes of any civil proceedings arising under or by virtue of any of the gambling Acts;
- (ca) for the purpose of enabling or assisting the Commission to discharge its functions under the gambling Act or any other of its functions;
- (cb) for the purpose of enabling any person, appointed or authorised by the Commission, to exercise any powers of inspection and investigation under the gambling Acts;
- (d) if the information is or has been available to the public from other sources;

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- (e) in a summary or collection of information framed in such a way as not to enable the identity of any person to whom the information relates to be ascertained;
 - ~~(f) for the purpose of enabling the Public Services Commission to investigate the conduct of its employees;~~ (is capable of being contained within the PDO)
 - ~~(g) for the purpose of enabling the Advisory Council to discharge its functions under the Misuse of Drugs Act 1976;~~ (is capable of being contained within the PDO)
 - ~~(h) for the purposes of satisfying obligations created by a memorandum of understanding to which the Commission or any Department is party;~~ (is capable of being contained within the PDO)
 - ~~(i) for the purposes of enabling the Department for Enterprise to understand any economic problems experienced by any person to whom a licence has been issued by the Commission under the Misuse of Drugs Act 1976 or under any regulations or order under, or applied to the Island by an order made under, that Act.~~ (is capable of being contained within the PDO)
 - (j) for the purpose of making a disclosure that the Commission would be obligated to make under the Freedom of Information Act 2015.
 - (k) for the purpose of making a disclosure that the Commission would be obligated to make under the Data Protection Act 2018.
- Paragraph 3 (vires for the PDO) will be amended slightly for the PDO to be able to specify authorities outside of the Island (currently it is limited to only providing for Island-based authorities).

OGRA reforms

As a general comment, the term “Commissioners” (a reference to the GSC) has been changed to refer to the “Commission” throughout the Act for consistency with other more gambling Acts. Resulting consequential amendments have been made throughout the Act.

Section 4 (Licensing of online gambling): Several changes being made as follows.

- new subsection (1A) has been inserted in order to set out a clear basis for GSC to collect licence applications under OGRA using prescribed application forms, as well as a clear basis to require via the applications forms and application process the necessary information required to make a licensing application assessment under this section of the Act.
- subsection (2) is being replaced to include reforms designed to strengthen the GSC’s entry controls. The reforms rely on the newly added definitions of “controller”, “associates”, “beneficial owners” and “senior managers”, and provide the GSC with sufficient basis to ensure that all of these entities can be scrutinised at the application stage, and to the newly re-formulated standard of “fit and proper”. The changes will read as follows:

- (2) The Commission shall not grant a licence to any company unless it is satisfied —
- (a) that the company is a fit and proper person to conduct online gambling of the description in question;
 - (b) that any director of the company is a fit and proper person to act as such;
 - (c) that any controller of the company is a fit and proper person to act as such;
 - (d) as to the beneficial ownership of the share capital of the company;
 - (e) that any beneficial owner of the company is a fit and proper person to be such an owner;
 - (f) that any senior manager of the company is a fit and proper person to act as such;
 - (g) that the company has adequate financial means available to conduct online gambling of the descriptions in question; and
 - (h) that any online gambling is being or will be conducted in a manner consistent with the regulatory objectives set out in section 5 (regulatory objectives) of the *Gambling Supervision Act 2010*.
- (2A) In assessing whether the Commission is satisfied as to the requirements in subsection (2), the Commission may have regard (among other things) to —
- (a) the integrity, competence, financial standing, structure and organisation of the company;

- (b) the integrity, competence and financial standing of any other person mentioned in subsection (2), as the context requires;
 - (c) the business the company proposes to carry on or is carrying on;
 - (d) the money laundering risk or the financing of terrorism or proliferation risk;
 - (e) the integrity of any person who is an associate of the company or an associate of any other person mentioned in subsection (2).
- (2B) The Commission may, after consulting the Treasury, issue written guidance setting out the criteria that it will normally apply in assessing whether it is satisfied as required by subsection (2).

Notably these changes refer to a new standard of character assessment, which is “fit and proper”. This is being rolled out as the standard of character assessment required under applications made to the GSC, and is inline with that of other regulators such as the Financial Services Authority.

The GSC will be issuing guidance in due course which will set out how the GSC will be assessing the “fitness and propriety” characteristics of a company and its key officers. The main categories that will be considered as part of this assessment are an evolution of the existing “integrity”, “competency” and “financial status” components which are currently stated within OGRA and other Acts (see current sections 4(2), 10(3) and 11(1)(b) of OGRA for some examples).

The GSC will continue to assess against the fitness and propriety of these criteria for the stated cohort of individuals to whom the criteria applies, throughout the life of the licence. This is then overlayed by the requirements and obligations placed on the licence holder under the Gambling (AML/CFT) Act 2018.

- A right of appeal against any conditions imposed on a licence (other than conditions required under section 6(2)) has been introduced. The Gambling (Amendment) Act 2006 has been amended in consequence.

Section 6 (Conditions of licence): section 6 has been amended in order to include a new subsection (2A) that makes clear that a licence under the Act may contain a condition requiring a notification to be made to the GSC on any change in:

- (1) the “beneficial ownership” of the company (with thresholds that may be tailored to the specific licence holder);
- (2) a “controller” of the company (as defined – this definition includes beneficial owners of the share capital of the company at a specified level, so the above notification of a change in the beneficial ownership of shares will relate to a change below the threshold already captured within this definition);
- (3) the ownership structure of the holder of the licence.

A consequential amendment has been made to section 12(1)(a) in order to omit the notification requirement for changes in beneficial owners of 5% or more of the company, since the intention is that these notification requirements sit within the conditions of the licence going forward.

Section 7 (Duration of licences): section 7 is being amended to provide for a discretionary power for the GSC to consider and accept a notification received from a licence holder under the Act, of an intention to surrender their licence.

The envisaged licence surrender process will, in the normal course of events, entail the surrendering licence holder providing to the GSC a number of pieces of information, including:

- The reasons for the surrender of the licence;
- The proposed date that the licence surrender should become effective from;
- Business plans showing how the licence holder intends to wind down their business or the relevant parts of their business;
- Any outstanding AML/CFT returns or quarterly returns;
- Details of any unresolved complaints made against the licence holder;
- Details regarding how the GSC may be able to access specified information (should it need to) after the licence has been surrendered;
- (where relevant) how the licence holder intends to return player funds, as well as any communications to players regarding the surrender of its licence.

The licence surrender will then become effective on a date agreed by the GSC.

The GSC may, on a case by case basis, impose conditions on surrendering licence holders which will persist beyond the surrender of the licence, such as a requirement to retain or otherwise provide for some kinds of information to be accessible to the GSC.

Any decision by the GSC to not approve a surrender, require the licence holder to take certain actions before a licence surrender becomes effective, as well as any conditions the GSC may seek to place on the licence holder that will remain effective post-surrender, will be subject to a right of appeal.

A new regulation making power has also been considered in order to create summarily triable offences in connection with the licence surrender process, and these if introduced would be subject to Tynwald's approval. No regulations under this proposed regulation making power are currently envisaged however, with the power being retained as an option in the future should the licence surrender process require.

Under current provision, a licence surrender becomes effective on notification to the GSC. This section has been re-worked as provided above in an effort to create a more uniform and orderly licence surrender process. This will seek to prevent potential

abrupt exits from the industry. Such exits may cause detriment to players and business partners alike, and as such the change aligns with the GSC's objectives to ensure that players are protected from harm and that gambling being conducted from the Island is conducted in a fair and open way for players of such licence holders. It will also ensure that any outstanding business with the GSC, such as outstanding compliance matters can be closed off before the surrender of the licence becomes effective.

Section 8 (Renewal of licence): An amendment has been made in order to align the time in which the licence may continue in force if the renewal application is refused, with the time in which the holder of the licence may appeal such a refusal under section 7 of the Gambling (Amendment) Act 2006.

Section 9 (Variation and transfer of licence): new paragraph (1A) being inserted in order to set out the basis for GSC application forms and the information that we collect in respect of an application made under this section.

An amendment has been made to sub-paragraph (3) in order to make clear that the GSC's power to vary the conditions of a licence, includes the ability to impose additional conditions.

The variation of a licence under this section (including imposition of new conditions, cancelling of conditions or varying of conditions) is now also subject to a right of appeal. The Gambling (Amendment) Act 2006 has been amended in consequence.

Section 10 (Designated official): Amendments made to bring the fitness and propriety requirements (discussed in section 4 above) to designated officials as well, as follows:

- (3) The Commission shall not approve an individual as a designated official unless the Commission is satisfied that the person is a fit and proper person to act as such, and shall withdraw such approval if the Commission ceases to be so satisfied.
- (3ZA) In assessing whether the Commission is satisfied as to the requirements in subsection (3), the Commission may have regard (among other things and with any necessary modifications) to the matters mentioned in section 4(2A).
- (3A) The Commission shall, after consulting the Treasury, issue written guidance setting out the criteria that it will normally apply in assessing whether it is satisfied as required by subsection (3).

The guidance referred to in subsection (3A) will form part of the guidance on fitness and propriety referred to in the discussion at section 4 above.

Section 11 (Duties of the Commission): section 11 amended in order to bring within scope the GSC's duty to investigate the F&P and financial standing of a licence holder as follows. This replaces the previous wording which only referred to the Board investigating the "character and financial status" of the applicants. This forms part of

the standardisation of the character qualities that the GSC will be assessing companies and its key officers against under the Act.

Section 12 (Obligations of holder of a licence): Section 12 has been amended as follows:

- The notification requirement relating to changes in the beneficial ownership of the share capital of the company exceeding 5% has been omitted, as such a requirement will now be contained within the conditions of the licence (see discussion at section 6 above).
- The notification requirement relating to the conviction of the holder of the licence or the designated official has been expanded to specifically include a notification requirement where any director, controller, senior manager or other beneficial owner of the holder of the licence receives a conviction.
- The requirement for a new director to be approved by the Commission has been amended, such that the Commission need to be satisfied of the new director's F&P to hold that position, and in making this assessment, the Commission may have regard to the factors set out within s.4(2A).
- A right to appeal has also been introduced in relation to a decision of the GSC to refuse the appointment of a director under section 12(2).

Section 13 (Cancellation etc of licence): Section 13 has been amended as follows:

- The ground relating to cancelling a licence in relation to failure to comply with directions has been expanded to include failure to comply with directions issued under new section 15A.
- A new ground has been included at subsection (4)(g) in order to clarify that the GSC may consider suspending or cancelling a licence in circumstances where a licensee has made significant and uncommunicated changes to its business model. This ground is intended to cover circumstances where a licensee makes material changes to their business which depart substantially from the business that the GSC initially licensed them to conduct or the business that the GSC would have been most recently aware of through communication or a routine inspection, and such a change has been made without bringing to the attention of the GSC. A suspension or cancellation on this basis would already fall within the scope of section 13(1), however the aim of this new addition is to clearly drive home the expectation that material changes of this nature which are not communicated to the GSC may be viewed as a cause for concern by the GSC. An associated definition of "business model" has been introduced in new subsection (9).

Section 15 (Control of management, advertising etc): Changes have been made as follows:

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- The section has been re-drafted to align generally with section 25 of the Gambling (AML/CFT) Act 2018, which provides for a similar direction power which enables the GSC to direct that a company not appoint a director or other senior manager to that role, on the basis that the GSC does not consider them a fit and proper person.
- The list of persons that this direction may be used in respect of has been expanded to include beneficial owners of the company, controllers and other senior managers. This aligns to the requirements of section 4 of OGRA, whereby the GSC must be satisfied (among other things) to the fitness and propriety of these classes of persons to fill their respective roles.
- In making a consideration as to whether an individual is fit and proper, the Commission may take into account the criteria stated in section 4(2A) (discussed above).

Section 15A (Directions): A new power to issue directions to the holder of a licence has been included. A direction is a tool which compels the holder of a licence to undertake specified actions in order to correct a failure identified in their compliance with their obligations under OGRA or under the conditions of their licence.

A direction under this section may:

- (a) require the holder of a licence to comply with a request for information under paragraph 3 (requests for information for regulatory inspection purposes) of Schedule 2 (inspection and investigation);
- (b) require the holder of a licence to take such action in respect of the holder's business as is specified in the direction;
- (c) impose such requirements as are necessary to secure that any business carried on by the holder of a licence is in whole or in part suspended or discontinued; or *(this subsection is intended to work in tandem with the licence surrender process outlined in the amendments under section 7).*
- (d) where a holder of a licence intends to surrender a licence, require the person to take such action as is necessary to secure that any business carried on by the holder is in whole or in part discontinued and wound up,

and the direction must include a statement of the reasons for its issue.

Non-compliance with a direction may be taken into account by the GSC when considering whether to take any of the further actions cited within subsection (4), namely, suspending or cancelling a licence, a variation of the licence (including by adding new conditions), issuing a further direction under section 15 (control of management, advertisement etc).

In the case of a direction which relates to the surrender process of a licence however, non-compliance will be considered a criminal offence, by virtue of the fact that none of

the previously cited consequences would be particularly effective in the case of a licence holder that is in the process of surrendering its licence.

Section 16A (Offences in connection with information): Provides for a new offence for providing the Commission either knowingly or recklessly with false or misleading information, or for failing without reasonable excuse to provide any information in connection with a requirement to provide that information to the Commission.

Section 21 (Regulations): Amendments have been made to section 21, which provides a range of vires for regulations to be made under OGRA. The amendments have been made with a view to securing within scope of vires the effect and provision of some of the regulations issued under OGRA. Such additional vires include a bespoke power for regulations to:

- Prescribe standards in respect of systems and software and for licence holders to achieve compliance with such standards.
- Require the Commission to keep registers and make them available to the public.
- Make any provision necessary for the Commission to secure compliance with any requirements imposed elsewhere in Manx law which relates to the processing and protection of personal data.
- Sub-delegate any function or matter further to any person or body specified in the regulations. This includes sub-delegating a power, duty or discretion.
- Prescribe that holders of a licence comply with any such other standards, rules, regulations, codes or guidance as are in operation from time to time.

Section 21A (Standards): A new power which prescribes that the GSC may itself provide for the establishment of standards in respect of systems, processes and procedures used in the conduct of online gambling. The powers allow for the GSC to delegate functions of verifying these standards to other bodies, as well as keeping public lists of these bodies approved for such purposes. This is similar to the section 21 provisions, however under section 21, it is the Treasury prescribing these criteria by regulations, such as the Systems Verification Regulations and Disaster Recovery Regulations. There are no equivalent powers for the GSC itself to issue such standards. Section 21A provides this, and for example will provide a more suitable basis to rely on when imposing some licence conditions (such as standards relating to live dealer studios) which are independently verified by test houses approved for such purpose by the GSC.

Section 21B (Registers): Provides a power for the GSC to maintain registers, including of former licence holders and for these registers to be made available to the public. The same logic is behind this, in that section 21 provides power for the Treasury to, by regulations, require the GSC to create and maintain such public registers. Section 21B

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provides for the GSC to be able to create and maintain such public registers of its own volition, without having to be told to do so via Treasury regulations.

Section 25 (Interpretation): New definitions have been inserted as follows (some of these new definitions are discussed in the section on these definitions above):

- new definition of “associate”;
- omitted definition of “authorised person”;
- new definition of “beneficial owner” (defined in line with [s.4\(1\) the BO Act 2017](#));
- amended definition of “Commissioners” to now refer to the “Commission”;
- new definition of “controller”;
- new definition of “data protection legislation”;
- new definition of “equipment”;
- new definition of “exchange” (and associated definitions of “designated exchange” and “recognised exchange”);
- new definition of “operation manager”;
- new definition of “senior manager”;
- new definition of “subsidiary”.

Casino Act reforms

Some minor amendments have been made within the Casino Act 1986 to ensure consistency and alignment across all categories of licence holders. These changes are intended to support a coherent and consistent supervisory framework across the sector. These changes are of a technical nature and do not affect the underlying policy of those provisions, and as such have not been detailed below in the interests of brevity.

Rights of appeal: A few provisions under the Act which previously were not subject to a right of appeal have been given such a right. This includes:

- Section 12C (refusal to issue a temporary premises certificate, as well as the decision that any objections to a temporary premises certification is without justification under section 12C(4));
- Section 12D (the issue of a temporary premises certificate subject to conditions);
- Section 12E (the variation or revocation of a condition (including the imposition of new conditions) on any temporary premises certificate);
- Section 12F (the revocation or suspension of a temporary premises certificate)

The Gambling (Amendment) Act 2006 has been updated in consequence.

Section 2 (Duties of the Board): This section has been revised to align with FATF Recommendation 28 and to incorporate fitness and propriety considerations. Whilst the FATF do not define “fitness and propriety” it is an internationally recognised term, and generally captures three core principles: integrity, competency and financial status. Previously, the section only referred to “character and financial status”.

An additional change has been made to include temporary premises in addition to the main casino premises, as being premises that would fall under the GSC’s regulatory purview under the Act. It’s omission would appear to be an oversight, and is now being corrected:

- (2) The **Board** shall, subject to the provisions of this Act and of regulations made thereunder, —

...

- (b) supervise and control the operation of any casino **and any premises in respect of which a temporary premises certificate is issued;**
- (c) **investigate (as the context requires) the fitness and propriety and financial standing of any person applying for or holding any licence or otherwise concerned with the operation of any online gambling conducted in the Island; and**

Section 3 (Casino licence): A new subsection (1ZA) has been included which replicates the power inserted into OGRA at section 4(1A), and makes clear that an application for a casino licence must be in such a form (i.e. an application form) as is required by the GSC, and submitted with the relevant prescribed documents and information to support it.

Subsection (6) is being replaced to include reforms designed to strengthen the GSC's entry controls. The reforms rely on the newly added definitions of "controller", "associates", "beneficial owners" and "senior managers", and provide the GSC with sufficient basis to ensure that all of these entities can be scrutinised at the application stage, and to the newly re-formulated standard of "fit and proper". The changes will read as follows:

- (6) The Council of Ministers shall not grant a casino licence to any person unless it is satisfied —
 - (a) in the case of a licence intended to be granted to an individual —
 - (i) that the individual is a fit and proper person to hold a casino licence;
 - (ii) that the individual has adequate knowledge and financial means available to operate the casino;
 - (iii) that any controller of the business that the individual proposes to carry on is a fit and proper person to act as such;
 - (iv) that any senior manager of the business that the individual proposes to carry on is a fit and proper person to act as such;
 - (v) that the individual is the occupier of the whole of the casino and any associated premises and has such security of tenure of the casino and any associated premises as the Council of Ministers considers adequate; and
 - (vi) that the individual intends to operate all the facilities and amenities to be provided at the casino and any associated premises;
 - (vii) that the casino is being or will be operated in a manner consistent with the regulatory objectives set out in section 5 (regulatory objectives) of the *Gambling Supervision Act 2010*;
 - (b) in the case of a licence intended to be granted to a body corporate —
 - (i) that the body is incorporated in the Island;
 - (ii) that the body is a fit and proper person to hold a casino licence;
 - (iii) that any director of the body is a fit and proper person to act as such;
 - (iv) that any controller of the body is a fit and proper person to act as such;
 - (v) as to the beneficial ownership of the share capital of the body;

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- (vi) that any beneficial owner of the body is a fit and proper person to be such an owner;
 - (vii) that any senior manager of the body is a fit and proper person to act as such;
 - (viii) that the body has adequate financial means available to operate the casino;
 - (ix) that the body is the occupier of the whole of the casino and any associated premises and has such security of tenure of the casino and any associated premises as the Council of Ministers considers adequate; and
 - (x) that the body intends to operate all the facilities and amenities to be provided at the casino and any associated premises.
- (6A) In assessing whether the Council of Ministers is satisfied as to the requirements in subsection (6), the Council of Ministers may have regard (among other things) to —
 - (a) in the case of a licence intended to be granted to a body corporate, the integrity, competence, financial standing, structure and organisation of that body;
 - (b) the integrity, competence and financial standing of any other person mentioned in subsection (6), as the context requires;
 - (c) the business the applicant for the licence proposes to carry on;
 - (d) the money laundering or financing of terrorism risk;
 - (e) the integrity of any person associated with a body corporate or associated with any other person mentioned in subsection (6).
- (6B) The Board may, after consulting the Council of Ministers, issue written guidance setting out the criteria that the Council of Ministers will normally apply in assessing whether it is satisfied as required by subsection (6).

An additional, policy change has been made, which is to replace the previous requirement for the GSC to only satisfy itself of the integrity of vote-carrying shareholders with a need to satisfy itself over any shareholder (regardless of whether those shares carry voting rights or not). This change has been made in response to FATF recommendation 28, which provides in relation to a casino that the regulatory body should “prevent criminals or their associates from holding, or being the beneficial owner of, a significant or controlling interest... of a casino”. The recommendation makes clear that the GSC must have oversight of any kind of beneficial owner of the casino, not just those that have a controlling interest via vote-carrying shares. The definition of “relevant share” has therefore been omitted from the Act, and all references to shares have been reworded to just refer to shares, generally.

Section 4 (Conditions of casino licence): Changes made are as follows:

- In subsection (3)(b) the notification requirement for changes in beneficial ownership of shares also includes changes to a “controller” of the licence holder or a change in the ownership structure of the licence holder. This is consistent with the equivalent licence conditions that may be attached under new section 6(2A) of OGRA.
- Subsection (3)(c) is being replaced to bring within scope the GSC’s duty to be satisfied of a new director’s fitness and propriety as opposed to “integrity” prior to that director being approved by the Board. Fitness and propriety is a broader term which incorporates the consideration of a person’s integrity as well as competency and financial standing.
- New subsection (3A) has been inserted in order to make clear that in the assessment of a prospective new director’s fitness and propriety (in accordance with subsection (3)(c) above), that the GSC may take into account any of the factors mentioned within section 3(6A) (as can be seen above).
- A right to appeal has also been introduced in relation to a decision of the GSC to refuse the appointment of a director under section 4(3)(c).
- The definition of “AML/CFT legislation” contained within subsection (7) has been amended to align with the definition as it will now be defined under the Gambling (AML/CFT) Act 2018.

Section 5 (Duration etc of casino licence): New subsection (2A) has been inserted in order to set out the basis for GSC application forms and the information that the GSC collects at the licence renewal application stage.

Section 7 (Beneficial ownership of casinos): The definition of “beneficial owner” has been omitted, given it has been introduced as a bespoke definition within section 22.

Section 11 (Regulations): This section has been amended as follows:

- A power has been added for the Board to, by regulations, provide for anything necessary or expedient for the licensing, regulation and good conduct of a casino. This change has been introduced for consistency purposes with the regulation making power under section 12M(1)(a). There are no new regulations currently being considered under this new regulation making power.
- An additional power for regulations to be able to make any provision necessary for achieving compliance with personal data protection legislation has been added.
- A new subsection (2A) has been included to provide an express basis for some of the provisions of the current Casino Regulations 2011, which could benefit from a more secure statutory footing within these enabling powers. This change will be retrospective.

Section 12G (Appeals to the Gambling Appeals Tribunal): This section has been omitted, with the appeals provisions being replicated within the Gambling (Amendment) Act 2006, which contains the rest of the appeals provisions for the majority of the other Gambling Acts. Some further consequential amendments have been made within the Act, to refer to that 2006 Act, instead of section 12G.

Section 12M (Regulations under this Part): Equivalent changes have been made for consistency, to those introduced at new section 11(2A), which have been discussed above.

Section 13 (Casino concession): An amendment has been made to subsection (8) in order to reflect that the revocation of a casino licence is an appealable decision under the Gambling (Amendment) Act 2006. This is not a new ground of appeal, and just brings the subsection into line with the decisions that already may be appealed under the 2006 Act.

Section 14A (Inspection and investigation): A new section has been inserted in order to give effect to the Schedule containing the new inspection and investigation powers.

Section 14B (Directions): A new power to issue directions to the holder of a licence has been included. A direction is a tool which compels the holder of a licence to undertake specified actions in order to correct a failure identified in their compliance with their obligations under the Act or under the conditions of their licence.

A direction under this section may:

- (a) require the holder of a licence to comply with a request for information under paragraph 3 (requests for information for regulatory inspection purposes) of Schedule 2 (inspection and investigation);
- (b) require the holder of a licence to take such action in respect of the holder's business as is specified in the direction;
- (c) impose such requirements as are necessary to secure that any business carried on by the holder of a licence is in whole or in part suspended or discontinued; or
- (d) where a holder of a licence intends to surrender a licence, require the person to take such action as is necessary to secure that any business carried on by the holder is in whole or in part discontinued and wound up,

and the direction must include a statement of the reasons for its issue.

Non-compliance with a direction may be taken into account by the GSC when considering whether to take any of the further actions cited within subsection (4), namely, suspending or cancelling a casino licence, refusal to renew the licence, a number of actions that may be taken in respect of a temporary premises certificate, a variation of the certificate.

In the case of a direction which relates to the surrender process of a licence however, non-compliance will be considered a criminal offence, by virtue of the fact that none of the previously cited consequences would be particularly effective in the case of a licence holder that is in the process of surrendering its licence.

The issue of a direction under this section is subject to a right of appeal. The Gambling (Amendment) Act 2006 has been updated in consequence.

Section 14C (Persons unfit to be directors, senior managers, controllers or owners):

This new provision empowers the Gambling Supervision Commission (GSC) to issue a direction preventing an individual from continuing in the role of director, senior manager, controller, or beneficial owner of a casino licence, where the GSC reasonably believes that the individual is not fit and proper to hold such a position.

This amendment mirrors the equivalent changes being made to section 15 of the Online Gambling Regulation Act (OGRA), and is intended to provide consistency across the relevant legislative frameworks. The aim is to strengthen the GSC's regulatory toolkit and enhance its ability to maintain effective oversight of licence holders.

The issue or variation of a direction under this section is subject to a right of appeal. The Gambling (Amendment) Act 2006 has been updated in consequence.

Section 19A (Offences in connection with information): Provides for a new offence for providing the GSC either knowingly or recklessly with false or misleading information, or for failing without reasonable excuse to provide any information in connection with a requirement to provide that information to the GSC.

Section 22 (Interpretation): New definitions have been inserted as follows (these are discussed in the section on these definitions above.):

- new definition of “associate”;
- new definition of “beneficial owner” (defined in line with [s.4\(1\) the BO Act 2017](#));
- new definition of “controller”;
- new definition of “data protection legislation”;
- new definition of “equipment”;
- new definition of “exchange” (and associated definitions of “designated exchange” and “recognised exchange”);
- omitted definition of “quoted company”;
- omitted definition of “relevant share” (discussed above in section 6);
- new definition of “senior manager”;
- new definition of “subsidiary”;
- new definition of “temporary premises certificate”.

Gaming, Betting and Lotteries Act 1988 reforms

Updates to Lotteries provisions

Many of the existing provisions in the Act relating to lotteries included outdated references to UK legislation that has since been repealed. This Bill takes the opportunity to modernise those references by aligning them with the current UK legislative framework that re-enacts the original provisions.

These updates are intended to maintain the original policy intent and ensure the continued effective operation of the relevant sections. As such, they are technical in nature and do not represent a change in policy.

To maintain clarity and brevity, these updates are not detailed individually below, as they are not expected to have a substantive impact on the operation of those relevant provisions.

Rights of appeal: A few provisions under the Act which previously were not subject to a right of appeal have been given such a right. This includes:

- Section 22 (grant of a racehorse licence subject to conditions, including any amendments to those conditions or the cancellation of the licence);
- Section 24 (authorisation of a totalisator subject to conditions, including any amendments to those conditions or the cancellation of the license)

The Gambling (Amendment) Act 2006 has been updated in consequence.

Section 38 (Prize competitions): A new regulation making power is being introduced in order to provide for regulations to be able to set out the circumstances in which prize draws may occur. Prize draws are currently unlawful in any guise, however they will be lawful if carried out in accordance with these regulations, which may provide for the circumstances in which they may be carried out, as well as a maximum value of any prize offered.

Section 46A (Directions): A new power to issue directions to the holder of a licence, permit or registration under this Act has been included. A direction is a tool which compels the holder of a licence, permit or registration to undertake specified actions in order to correct a failure identified in their compliance with their obligations under the Act or under the conditions of their licence, permit or registration.

A direction under this section may:

- (a) require the holder of a licence, permit or registration to comply with a request for information under paragraph 3 (requests for information for regulatory inspection purposes) of Schedule 2 (inspection and investigation);

- (b) require the holder of a licence, permit or registration to take such action in respect of the holder's business as is specified in the direction;
- (c) impose such requirements as are necessary to secure that any business carried on by the holder of a licence, permit or registration is in whole or in part suspended or discontinued; or
- (d) where a holder of a licence, permit or registration intends to surrender a licence, require the person to take such action as is necessary to secure that any business carried on by the holder is in whole or in part discontinued and wound up,

and the direction must include a statement of the reasons for its issue.

Non-compliance with a direction may be taken into account by the GSC when considering whether to take any of the further actions cited within subsection (4), namely, suspending or cancelling a licence, permit or registration.

In the case of a direction which relates to the surrender process of a licence, permit or registration however, non-compliance will be considered a criminal offence, by virtue of the fact that none of the previously cited consequences would be particularly effective in the case of a holder that is in the process of surrendering its licence, permit or registration.

The issue of this direction will be subject to a right of appeal. The Gambling (Amendment) Act 2006 has been updated in consequence.

Consequential amendments have also been made to other sections of the Act in order to make reference to this new direction power.

Section 46B (Offences in connection with information): Provides for a new offence for providing the GSC either knowingly or recklessly with false or misleading information, or for failing without reasonable excuse to provide any information in connection with a requirement to provide that information to the GSC.

Section 47 (Orders and regulations): New powers have been introduced such that orders and regulations made under this Act may sub-delegate functions, and require the holders of a licence, permit or registration to comply with such standards as may be specified. This change has been introduced for consistency with the secondary making powers contained within the other gambling Acts. There are no planned amendments that are proposed following this insertion.

Section 48 (Interpretation): A new definition of "lottery" is being inserted as follows. Previously there has been no definition of "lottery" within the Act.

"lottery" means an arrangement in which a person acquires one or more chances to win a prize, where —

- (a) each such chance has an equal opportunity; and

(b) the selection of the winning chance is random;

Schedule 1, paragraph 10 (Grounds for refusal to grant or renew permit): A bespoke ground has been introduced, such that the GSC may refuse an application for a permit under this paragraph where material changes are made to the application at the request of the person who submitted the application, such that the GSC considers that the application originally submitted is now unreliable. Such a ground may be read into the refusal powers of other gambling Acts, however this paragraph is exhaustive as to the reasons that the GSC may refuse an application. It has therefore been included as a specific ground in order to bring consistency with the ability of the GSC to refuse in such circumstances for other application types.

Gaming (Amendment) Act 1984 reforms

Section 12A (Directions): A new power to issue directions to the holder of a licence, permit or registration under this Act has been included. A direction is a tool which compels the holder of a licence, permit or registration to undertake specified actions in order to correct a failure identified in their compliance with their obligations under the Act or under the conditions of their licence, permit or registration.

A direction under this section may:

- (a) require the holder of a certificate or a licence to comply with a request for information under paragraph 4 (requests for information for regulatory inspection purposes) of Schedule 4A (inspection and investigation);
- (b) require the holder of a certificate or a licence to take such action in respect of the holder's business as is specified in the direction;
- (c) impose such requirements as are necessary to secure that any business carried on by the holder of a certificate or a licence is in whole or in part suspended or discontinued; or
- (d) where a holder of a certificate or a licence intends to surrender a certificate or a licence, require the person to take such action as is necessary to secure that any business or activity carried on by the holder is in whole or in part discontinued and wound up,

Non-compliance with a direction may be taken into account by the GSC when considering whether to take any of the further actions cited within subsection (4), namely, revoking a certificate or a licence.

In the case of a direction which relates to the surrender process of a licence or certificate however, non-compliance will be considered a criminal offence, by virtue of the fact that none of the previously cited consequences would be particularly effective in the case of a licence holder that is in the process of surrendering its licence or certificate.

The issue of a direction under this section is subject to a right of appeal. The Gambling (Amendment) Act 2006 has been updated in consequence.

Section 13 (Offences in connection with information): Provides for a new offence for providing the GSC either knowingly or recklessly with false or misleading information, or for failing without reasonable excuse to provide any information in connection with a requirement to provide that information to the GSC.

Section 16 (Orders and regulations): New powers have been introduced such that orders and regulations made under this Act may sub-delegate functions, and require the holders of a licence, permit or registration to comply with such standards as may be

specified. This change has been introduced for consistency with the secondary making powers contained within the other gambling Acts. There are no planned amendments that are proposed following this insertion.

Schedule 1, paragraphs 8 and 9 (renewal and amendment of certificate, revocation and suspension of certificate): An amendment has been made in order to align the time in which a certificate may continue in force if the renewal application is refused, with the time in which the holder of the certificate may appeal such a refusal under section 7 of the Gambling (Amendment) Act 2006.

Schedule 2, paragraph 4 (Revocation of licence): The decision by the Board to revoke a licence under this paragraph is currently in an anomalous position where the decision does not attract a right of appeal. In order to bring consistency with such decisions of the GSC in respect of other licences, permits, registrations etc. that it issues across the gambling Acts, an amendment will be made such that the decision to revoke a licence under this paragraph will also attract a right of appeal. An amendment will be made to the Gambling (Amendment) Act 2006 in consequence.

Rights of appeal: A few provisions under the Act which previously were not subject to a right of appeal have been given such a right. This includes:

- Paragraph 8 of Schedule 1 (the refusal to renew or amend a premises certificate under this paragraph);
- Paragraph 3 of Schedule 3 (the revocation of a licence to supply controlled machines under this paragraph).