

The prevention of crime associated with gambling

**New and amended licence conditions and codes of
practice resulting from the review**

May 2016

Introduction

- 1 This sets out the new and amended licence conditions and codes of practice that will be included in the revised *Licence conditions and codes of practice* (LCCP) following consultation in relation to the prevention of crime associated with gambling. The new provisions will be incorporated into LCCP later this year and will come into effect from autumn 2016.

Background

- 2 The Commission publishes the general licence conditions and codes of practice which apply to licensed gambling operators in the document entitled *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.
- 3 In September 2015, we launched a review on improving the provisions related to preventing crime in LCCP. This review took account of our ten years of experience in the gambling industry since the introduction of the Gambling Act 2005, as well as new developments that have changed the way gambling takes place. The review considered better ways of preventing crime associated with gambling.
- 4 The amended LCCP, which we will publish in summer 2016, will incorporate new and amended licence conditions and codes of practice which result from the review and consideration of the consultation responses. Each of the new provisions is explained fully in our response to the consultation, [*The prevention of crime associated with gambling: amendments to licence conditions and codes of practice \(LCCP\) for all operators*](#).
- 5 We strongly recommend that you read the response document if you have not had time to do so already, or refer to it when considering the intention and effect of a particular amendment to LCCP.
- 6 In this document we are presenting the new or amended licence conditions and code provisions in advance of publishing the revised LCCP. **These revisions will come into effect in autumn 2016.**
- 7 The provisions are set out here in the order they will appear in the amended LCCP.

Amendments to existing licence condition 5

5 Payment

5.1 Cash and cash equivalents, payment methods and services

Licence condition 5.1.1

Cash and cash equivalents

All operating licences, except gaming machine technical and gambling software licences

- 1** Licensees, as part of their internal controls and financial accounting systems, must implement appropriate policies and procedures concerning the usage of cash, and cash equivalents (eg, bankers drafts, cheques and debit cards and digital currencies) by customers designed to minimise the risk of crimes such as money laundering, to avoid the giving of illicit credit to customers and to provide assurance that gambling activities are being conducted in a manner which promotes the licensing objectives.
- 2** Licensees must ensure that such policies and procedures are implemented effectively, kept under review, and revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidelines published by the Gambling Commission from time to time.

Licence condition 5.1.2

Payment services

All remote casino, bingo and betting operating licences, except ancillary and remote betting intermediary (trading room only) licences

- 1** Licensees must only accept payment from customers using their gambling facilities in Great Britain by a method which involves the provision of payment services as defined in Schedule 1 Part 1 of the Payment Services Regulations 2009 (SI 2009 No 209) if the provider of those services is a 'payment service provider' within the definition of that term in regulation 2 of those Regulations.

New licence condition 12

12 Anti-money laundering

12.1 Assessing money laundering risk

Licence condition 12.1.1

Prevention of Money Laundering and terrorist financing

All operating licences [except non-remote lottery¹,] gaming machine technical and gambling software licences

- 1** Licensees must conduct an assessment of the risks of their business being used for money laundering and terrorist financing. Such risk assessment must be appropriate and must be reviewed as necessary in the light of any changes of circumstances, including the introduction of new products or technology, new methods of payment by customers, changes in the customer demographic or any other material changes, and in any event reviewed at least annually.
- 2** Following completion of and having regard to the risk assessment, and any review of the assessment, licensees must ensure they have appropriate policies, procedures and controls to prevent money laundering and terrorist financing.
- 3** Licensees must ensure that such policies, procedures and controls are implemented effectively, kept under review, revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidelines published by the Gambling Commission from time to time.

12.2 Money laundering regulations

Licence condition 12.2.1

Measures for operators based in foreign jurisdictions

All remote casino operating licences where any of the licensee's remote gambling equipment is located outside Great Britain

- 1** Licensees must comply with Parts 2 and 3 of the Money Laundering Regulations 2007 (UK Statutory Instrument No.2157 of 2007) as amended by the Money Laundering (Amendment) Regulations 2007 (UK Statutory Instrument No.3299 of 2007), or the equivalent requirements of any UK Statutory Instrument by which those regulations are amended or superseded insofar as they relate to casinos (the MLR) whether or not the MLR otherwise apply to their business.

¹ We are conducting a short supplementary consultation on whether to extend this provision to non-remote lotteries.

Addition to licence condition 15.2

We have not reproduced LC15 in its entirety due to its length.

15 Information requirements

5.1 Reporting key events and other reportable events

Licence condition 15.2.1

Reporting key events

All operating licences

A key event is an event that could have a significant impact on the nature or structure of a licensee's business. Licensees must notify the Commission, or ensure the Commission is notified, in such form or manner as the Commission may from time to time specify, or the occurrence of any of the following key events as soon as reasonably practicable and in any event within five working days of the licensee becoming aware of the event's occurrence.

Legal or regulatory proceedings or reports

19b Any criminal investigation by a law enforcement agency in any jurisdiction in relation to which:

- the licensee is involved (including, but not limited to, investigations of crimes allegedly committed against the licensee or involving the gambling facilities provided under the licence), AND
- the circumstances are such that the Commission might reasonably be expected to question whether the licensee's measures to keep crime out of gambling had failed.

Notification of the event must occur as soon as practicable after the licensee becomes aware of any such investigation in which the licensee is involved and measures may have failed.

In addition to the above conditions which are finalised, we are consulting on the wording of a licence condition relating to responsible placement of digital advertising, to ensure that licensees ensure that adverted do not appear on websites providing unauthorised access to copyrighted content. You will shortly be able to access this consultation on the [consultations page on our website](#).

Addition to existing ordinary code provision 4.2.8

4 'Fair and open' provisions

4.2 Display of rules, supervision of games and betting integrity

Ordinary code provision 4.2.8

Betting integrity

All betting operating licences

- 1** Where licensees offer to accept bets, or facilitate the making or acceptance of bets between others, on the outcome of a sport regulated by a sport governing body for the time being included in Part 3 of Schedule 6 of the Act they should take all reasonable steps to familiarise themselves with the rules applied by that body on betting, in particular betting by registered participants.
- 2** Licensees should ensure that a condition of their accepting bets is that for a bet to be valid, customers placing such bets must not be in breach of any rules about irregular and/or suspicious betting or misuse of inside information relevant to a sports governing body, other professional body of which they are a member, or their employers. Where a breach of these rules is identified, licensees should then take steps to void the bet.

One new ordinary code provision

7 Gambling licensees' staff

7.1 Gambling licensees' staff

Ordinary code provision 7.1.3

Gambling staff and irregular betting

All betting operating licences

- 1** Licensees should have employment policies that:
 - Require employees to report any indicators of irregular and/or suspicious betting to their employer; and
 - Prohibit their employees from using information related to irregular and/or suspicious betting for the purpose of placing their own wagers, either with their employer or with other operators.

Keeping gambling fair and safe for all

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