GBG The Gambling Business Group

Gambling Business Group Conference Call Held on Thursday January 26th 2017 at 2.00pm.

On the call; Nick Harding - Chair Peter Hannibal – GBG Simon Reynolds – Coral Racing Barry Knowles – Playnation Simon Levingston – RCPA Elizabeth Speed - Novomatic David Lucas – Fraser Brown Jim Sinclair – Gala Leisure Martin Lagar – Parkdean Resorts Rob Wheeler – Agile Gaming Adam Jaunbocus - JCM	Cont; Chris Robinson – Innoprint Susanna FitzGerald - OEC Law Graham Glanfield – MOTO Hospitality Chris Grunert – John Gaunt Apologies; Mark Edmundson – GeWeTe Barney Horn – Deloittes Nick Arron – Poppleston Allen Andrew Cotton – Gordon Dadds

1. NH welcomed everyone onto the call & names were confirmed.
2. There were not points to raise from the previous meeting.
3. Government;
    a. 4th AMLD. No further progress with this. PH spoke with the DCMS yesterday who confirmed that they are awaiting the response from the Treasury to the consultation along with everyone else.
    b. Machines review. The DCMS have said publicly that they will be responding to their call for evidence in 'the spring'. This will be followed up with a full consultation supported by an impact assessment.
    c. Gambling Expert Group. The inaugural meeting of the newly formed Gambling Expert Group was held this morning. It is attended by representation from all of the gambling and pub trade associations, the DCMS, the Gambling Commission, Local Government Association, NALEO and the Regulatory Delivery Office. The group is focused on 'better regulation', flagging poor regulation or implementation and importantly, coming up with solutions and remedy. The Terms of Reference were agreed at the first meeting today and it was also agreed that PH would chair the group for the foreseeable future. GBG members are asked to put forward

examples of poor or ineffective regulation for consideration at future meetings. This will now be a regular feature on the GBG meeting agenda. Nick Harding highlighted the fact that this is a first for the UK Gambling Industry and that the GBG should be congratulated for making it happen.

4. Machines Sub-group
    a. Game features issue. This issue has been prevalent for many months now and is not going away. It is caused through the ambiguous wording of machines regulations in the 2005 Act, specifically relating to game features and the gambling of winnings. At a recent sector meeting the Commission have asked that we come up with some guidelines of wording that the Industry can adhere to, in order to bring things under control. Please see the note at the end of this document that sets out some of the issues. The situation is exacerbated through the Commission not dealing with cases with an even hand. NH, PH and Zane Mersich are meeting with Sarah Harrison at ICE to see if we can take a different, more effective approach to deal with this.
    b. TiTO Progress. PH updated the call on progress but raised ticket expiry dates for discussion. The wording of the ‘Circumstances of use’ Statutory Instrument for machines currently says that winnings should be available to collect at any time, which would include all TiTO tickets. Through the Machines Review, this has been asked to be reviewed as the entire ticket database and outstanding cash liabilities would need to be retained infinitum (although some members are choosing not to carry over the cash liability). Different TiTO systems/operations are treating this issue in different ways but primarily, there is a local expiry date after which tickets are required to be redeemed manually.
    c. Contactless Transactions. The meeting was informed that contactless payment is being worked on as part of the TiTO Protocol in preparation for changes also requested as part of the Machines Review. In the event that contactless pay is permitted, the GBG will be well down the development line.

There was then some discussion around the processes and procedures that may apply.

5. Gambling Commission;
    a. Feedback on status with Annual Assurance Statements. A number of members said that they have review meetings coming up with the Gambling Commission on this matter, so the agenda item is carried forwards.
    b. Regulatory Returns consultation. Submissions have been made to this process and we await the Commissions response.
    c. Holiday Park sector meeting. The call was appraised of a Holiday Park sector 'informal' meeting held by the Commission in Birmingham. Matters discussed were; multi-activities, gambling issues, local risk assessments, test purchasing and self-exclusion. The supporting slide decks are attached to this note.
    d. Members were advised to check their new banding in the new GC Fees structure as there have been some errors made already.
    e. It was also noted that the Commission have just released their latest consultation on their Enforcement Strategy which closes 21/04/17. It is another 68 page document with implications for three of their papers;
        - Statement of principles for licensing and regulation
        - Licensing, compliance and enforcement, policy statement
        - Statement of principle for determining financial penalties.

6. Responsible Gambling;
    a. Member feedback from the 2016 GambleAware two day conference was that it was similar to previous events but now over two days.
    b. PH reminded the call that the RGCB are now monitoring all deliverables within the RGSB strategy
7. AOB; Date of next meeting is March 8th, 11.00am at Gordon Dadds in central London.

Machines Games Features;

The consensus from Members following the GC meeting appears to be;

- Yes, we can use best endeavours to come up with some form of words with which we try to placate Stuart but,
- No games developer is going to accept a set of words that puts at risk any of their current products, so the words are going to have to be so vague that they capture everything currently out there - to the point of them probably being unacceptable to Stuart & his issues.
- Any such remedy will only ever be a temporary fix, relevant until the next difference of opinion.
- The GC can't suspend a licence for non-adherence to a set of Industry Guidelines as they have no legal status. In the event of them attempting this, Industry lawyers will run rings around the Commission. Meaning the proposed solution is effectively a fudge anyway.

Firstly, we should set things out with parameters and a timeline that is realistic for us, including BACTA (despite Stuart's deadline to have something in place for June……..).

However, in my view there is a more important set of parallel questions that should be addressed, possibly before the above such as;

- What is the actual, real risk that the GC think they are grappling with here? Do they think there is a risk to one of the licensing objectives? (No one is really exceeding the stake and prize limits in real terms. The only committed money being gambled in any machine game is the original stake to play that one game)
- Once we understand what/where they think the risk is, then there is the question of the proportionality of the GC's response. We obviously can't judge one until we understand the other.
- What do the GC want out of this(?), because their proposed solution won't make a great deal of difference to the enforcement of the current machines regulations. They are just deferring the real issues until a later date.
- We need to negotiate a better solution with the GC that works.