



## NEW GAMING MACHINE RULES ANNOUNCED

The Commission has today announced that new rules ensuring non-compliant gaming machines are removed from premises quickly and effectively are to be introduced: [January 2025 - Gaming Machine Consultation: Part 1 Response](#).

In January 2025, it published a consultation on proposed changes to our requirements on gambling businesses, through the Gaming Machine Technical Standards (GMTS), Gaming Machine Testing Strategy (testing strategy) and the Licence Conditions and Codes of Practice.

Included among the proposals in that consultation was one to introduce a licence condition to require the removal of non-compliant gaming machines from licensee premises upon receipt of a notification from the Commission. This is in line with the provision at section 86(2) of the Gambling Act 2005, that states licensees must not make specified gaming machines available for use in reliance on the licence if the Commission has notified the licensee in writing that the manufacture, supply, installation, adaption maintenance or repair of the machine:

- was not carried out in reliance on a gaming machine technical operating licence, or
- did not comply with standards established under or by virtue of section 96.

This consultation response specifically sets out the Commission's position in relation to its proposal to introduce licence condition 18.1.1, which will strengthen its ability to more effectively address instances whereby gaming machines are non-compliant with the GMTS.

The new licence condition will come into effect on **29 July 2026** and will be applicable to all non-remote operating licences that can make gaming machines available for use. Operators are already expected to take reasonable steps to ensure that all gaming machines are made available for use lawfully.

Once the licence condition comes into force, upon receiving written notification from

the Commission that a gaming machine is non-compliant, operators must remove that machine from use. The written notification will make our expectations clear on what action is required.

The remaining responses to GMTS will be published in the Summer after the Commission has concluded consideration of consultation responses and supplementary data, research and evidence reports submitted by stakeholders.

## CONSULTATION ON OPERATING LICENCE FEES

DCMS has published a [consultation](#) on changes to operating licence fees. This includes three options for potential increases to licence fees, which intend to reflect the current challenges facing the regulator and the inflationary pressures that have been experienced since the last changes were enacted in 2021.

The consultation will be open for 8 weeks and close on **29 March 2026** and **DCMS has offered to attend a meeting with Members to discuss the options.**

At the time of the 2021-22 fees increase, the additional funds were intended to be utilised on the implementation of Gambling Act Review White Paper reforms, the development of the Commission's data capabilities and further investment in disrupting illegal markets. However, due to the changing gambling landscape and inflationary pressures the Commission is currently operating with budget deficits of c.£4m per year, and under current forecasts will erode its reserves in the 2026/27 financial year.

Under all three options being consulted on, fees for most licences would change to being based on market share and weighted by regulatory risk. This is a change from the current GGY-based calculation and will ensure that fees match the cost of regulation more closely.

Category bandwidths are to be revised in-line with the Government's growth priorities and harmonised between products wherever possible.

The three options being consulted on are:

- **Option 1 - an average 30% increase in fee levels:** This would raise an additional £8.7m per annum for the Commission and (with £3.2m efficiencies) allow the Commission to continue its current level of activity. Fees as a proportion of total

annual GGY would equate to 0.3% at current levels.

- **Option 2 - an average 20% increase in fee levels:** This would raise an additional £5.6m for the Commission and require the Commission to make savings of £15.8m over the next 6 years including a headcount reduction of around 10%. Under this option, the Commission would need to refocus its activities on the core statutory duties of licensing, compliance and enforcement. Fees as a proportion of GGY would equate to 0.26%.
  - **Option 3 - an average 20% increase in fee levels + additional 10% ringfenced for the purposes of tackling illegal markets and revenue protection:** This is consistent with Option 1 in terms of revenue raised for the Commission, but one third of this additional revenue would be ringfenced for work relating to tackling illegal markets and revenue protection. This area is a priority for the Government, as ensuring customers gamble in the regulated market protects customers from the dangers of illegal sites and protects revenue for both licensed operators and the Exchequer. This option would ensure that the Commission is able to maintain a focus in this area (albeit to a lesser extent) after the additional £26 million announced in the Budget comes to an end in three years' time. The Commission projects that £2.6m would be spent on illegal markets work under this option, compared to £1.2m under Option 1. Option 3 would require the GC to divert around £1.4m to £1.5m per annum from other priorities to fund work on illegal markets, meaning funding for those areas would be consistent with Option 2.
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