
EXPLANATORY NOTE

(This note is not part of the Order)

These Regulations amend the Gambling (Operating Licence and Single-Machine Permit Fees) Regulations 2006 (“the 2006 Regulations”) made under the Gambling Act 2005 (“the Act”). The amendments create new fee categories and add to the list of ancillary remote operating licences. They set application and annual fees in respect of those categories and those licence types. They also correct a number of anomalies in the 2006 Regulations (as previously amended).

The 2006 Regulations prescribe fees relating to operating licences (application, annual and other fees) and single-machine supply and maintenance permits (application fees only) issued under Parts 5 and 10 of the Act respectively.

Regulation 3 makes various amendments to regulation 2(1) of the 2006 Regulations. It amends the definition of the betting intermediary (trading room only) licence to extend its scope to include situations in which customers use terminals in trading rooms to place bets with betting operators who are licensed in Great Britain or regulated in Gibraltar or an EEA state or so called white listed jurisdictions, i.e. those listed in regulations made under section 331(4) of the Act. It also introduces a new sub-category of remote general betting (standard) operating licence. It defines a general betting (standard)(remote platform) operating licence, which is a type of remote general betting (standard) operating licence which authorises the licence holder to provide only facilities for gambling via a service supplied by the holder of a remote betting intermediary operating licence or a remote general betting (standard) operating licence. It also amends the definition of a remote general betting (limited) operating licence to permit the licensee to provide facilities for betting by email (in circumstances in which the transaction is processed by an individual, rather than by wholly automated means) as well as by telephone.

Regulation 4 amends the unit of division governing categories of non-remote existing casino operating licences to make it clear that, as used here, gross gambling yield includes net revenue from gaming machines as well as table games.

Regulations 5 to 8 expand the fee categories in respect of the general betting (standard) operating licence and the gaming machine general operating licence for an adult gaming centre, set the fees for these new categories and introduce discounted first annual fees for new casino operating licences and discounted annual fees for new casino operating licences which are not operational.

Regulation 9 amends the list of remote operating licences in regulation 9 of the 2006 Regulations to include a general betting (standard)(remote platform) operating licence. It also replaces the reference to a general betting (standard) operating licence with references to a general betting (standard)(real events) operating licence and a general betting (standard)(virtual events) operating licence, thus reflecting the reference to these licences in Schedules 4 to 6 to the 2006 Regulations.

Regulation 10 amends regulation 10(1) of the 2006 Regulations to exclude a general betting (standard)(remote platform) operating licence from the scope of Schedule 4 to the 2006 Regulations. It is not necessary for Schedule 4 to apply in relation to such licence, as the fees in relation to it are determined in accordance with new regulation 13A (see below), and not by means of categories assigned under the Schedule.

Regulation 13 amends the fees for remote general betting (limited) operating licences

Regulation 14 introduces new regulation 13A into Part 3 of the 2006 Regulations. This prescribes an application fee, first annual fee and annual fee for a general betting (standard)(remote platform)

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operating licence, except where regulation 13A(3) applies, in which case no application or annual fees are payable.

Where regulation 13A(3) applies, regulation 16 excludes a general betting (standard)(remote platform) operating licence from the operation of Part 4 of the 2006 Regulations. Part 4 provides for a reduction in application and annual fees in respect of combined or multiple operating licences.

Regulation 15 amends regulation 14 of the 2006 Regulations in order to add, and set the fees for, three new types of ancillary remote licence. The first can be held by a society holding a non-remote lottery operating licence and authorises acceptance of payment to enter lotteries made by means of remote communication up to £250,000 per year. The second and third are available to respectively the holders of general betting (standard) operating licences and non-remote pool betting operating licences making betting machines available as an alternative means for their customers to place bets. It also abolishes annual fees in respect of all ancillary licences except the new ancillary lottery licence. It also makes amendments in respect of certain ancillary remote operating licences, in order to permit the licensee to provide facilities for betting by email (in circumstances in which the transaction is processed by an individual, rather than by wholly automated means) as well as by telephone.

Regulation 16 corrects the heading to regulation 14A of the 2006 Regulations.

Regulation 20 amends regulation 17 of the 2006 Regulations to introduce reduced annual fees for combined operating licences which include new casino licences.

Regulations 25 and 27 insert new regulations 20A and 21A into the 2006 Regulations. These new regulations outline circumstances in which reduced application and annual fees apply in respect of licence applications following business transfers between individuals, companies and partnerships or on succession to the business of a deceased licence holder who was a sole trader or one of only two partners in a partnership. In these situations provision is made for a reduced first annual fee in respect of the new licence to reflect the unexpired portion of the last annual fee paid in respect of the old licence.

Regulation 26 amends regulation 21 in order to reduce the amount by which some first annual fees are already reduced in certain circumstances. Those circumstances are where a person holds both a non-remote operating licence (which is not a supplementary operating licence) and a remote operating licence (which is not an ancillary remote or supplementary operating licence).

Regulations 28 to 31 make amendments to regulations 23, 23A and 23B of the 2006 Regulations so as to introduce reduced fees for change of corporate control applications in two circumstances. First, where the new controller is a financial institution regulated by the Financial Services Authority or an equivalent Regulator in an EEA state. This brings the position into line with that which applies where the new controller is already licensed by the Commission. Secondly, in situations where two or more companies in a group are required each to make a change application as a consequence of the same new controller becoming a controller.

Regulation 32 makes minor amendments to regulation 24 of the 2006 Regulations relating to applications to vary licences. It reduces to 20% (from 25%) the proportional fee payable when variation of a licence condition brings the licence within a new, higher, fee category.

Regulation 33 introduces a new regulation 24A to the 2006 Regulations which sets revised fees for variation of certain remote operating licences.

Regulation 34 amends regulation 26 of the 2006 Regulations to extend to 6 months the period after issue of a new casino operating licence within which the first annual fee must be paid.

Regulations 35 to 40 substitute revised tables in Schedules 1 to 6 to the 2006 Regulations which, among other things:

- correct an erroneous reference in Schedule 2 to a “gaming software operating licence” which will now read “gambling software operating licence”,

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- correct an error in Schedules 4 to 6 where two categories of general betting (standard) operating licence were incorrectly referred to as general betting (limited) operating licences,
- remove an erroneous reference to a general betting (limited) operating licence in Schedule 4, together with the related entries in the second and third columns. (The fees for a remote general betting (limited) operating licence are contained in regulation 13 of the 2006 Regulations, and so reference to this type of licence in the Schedules is unnecessary.),
- correct anomalies in Schedules 5 and 6 replacing the reference to a “new casino operating licence” with reference to a “casino operating licence”; the definition of “new casino operating licence” in regulation 2 of the 2006 Regulations applies only to non-remote casino operating licences,
- remove erroneous references to a “general betting (telephone only) operating licence” and the related entry in the second column, and
- correct the reference to a “betting intermediary (trading rooms) operating licence” so that it will now read “betting intermediary (trading room only) operating licence”, thus reflecting the reference to this licence in regulation 9(n) of the 2006 Regulations.

Regulations 11, 12, 17, 18, 19, 21, 22, 23, 24 and 27 make consequential amendments or corrections to the 2006 Regulations.

A full regulatory impact assessment is available from the website of the Department for Culture, Media and Sport (www.culture.gov.uk) and is annexed to the Explanatory Memorandum which is available alongside the instrument at www.legislation.gov.uk .