

Appendix 2

Codes of Practice for Betting Shops

GAMBLING COMMISSION

Licence conditions and codes of practice (consolidated version)

December 2011

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Introduction

1. This document sets out the Gambling Commission's general licence conditions and associated codes of practice (LCCP) under the Gambling Act 2005 (the Act). The last general revision of the conditions and codes was published in October 2008 and came into force for gambling operating and personal licensees on 1 January 2009. After that a number of subsequent changes were made and published in the form of supplements to the LCCP. The last consolidation of supplements into the main LCCP document was published in March 2011 in a single document.
2. Since that date, three further changes have been made, which were included in the following separate publications:
 - Supplement 8: Types and rules of casino and other games (amending licence condition 9), July 2011
 - Supplement 9: Casino gaming reserve (revoking licence condition 3.2), September 2011
 - Supplement 10: Technical changes in respect of 2005 Act casinos, November 2011
3. The LCCP document sets out:
 - the suite of general conditions to be attached to operating licences
 - the suite of general conditions to be attached to personal licences
 - the principal codes of practice, distinguishing between 'social responsibility' provisions and 'ordinary' provisions (the social responsibility provisions are in shaded boxes within the text).
4. Copies of this and the other documents mentioned above can be obtained from the Commission's website: www.gamblingcommission.gov.uk or by writing to:

Gambling Commission
Victoria Square House
Victoria Square
Birmingham B2 4BP
T 0121 230 6666
F 0121 230 6720
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Part I: General conditions imposed by the Gambling Commission

Suite of general conditions to be attached to operating licences under Section 75 of the Gambling Act 2005 ('the Act')

1 Qualified persons and personal licences

1.1 Qualified persons

All operating licences, except ancillary remote licences, issued to small-scale operators

In this condition the terms 'small-scale operator', 'qualifying position' and 'qualified person' have the meanings respectively ascribed to them by the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006.

Schedule X¹ lists those individuals notified to the Commission as qualified persons.

If, whilst the licensee remains a small-scale operator, an individual begins or ceases to occupy a qualifying position in relation to the licensee, the licensee must within 28 days apply to the Commission under s104(1)(b) for amendment of the details of the licence set out in Schedule X¹.

An application for amendment under s104(1)(b) may be made in advance of an individual beginning or ceasing to occupy a qualifying position provided it specifies the date from which the change to which it relates is to be effective.

All non-remote general betting operating licences issued to small-scale operators

Schedule Y¹ to this licence lists those of the licensee's employees whose details have been provided to the Commission as authorised by the licensee to accept bets on the licensee's behalf on a track otherwise than under the supervision of a qualified person present on the same track.

Should the licensee wish to add an individual to the list or remove the name of an individual from the list the licensee must make application to the Commission under s104(1)(b) for amendment of that detail of the licence. Any employee the licensee wishes to add to the list may act unsupervised pending amendment of the licence provided a valid amendment application has been lodged with the Commission.

In this condition 'qualified person' has the same meaning as in the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006.

1.2 Personal licences

All casino, bingo, general and pool betting, betting intermediary, gaming machine general, gaming machine technical, gambling software and lottery managers licences, except ancillary remote licences

- (a) Subject to (e) and (f) below licensees must ensure:
- (i) that each individual who occupies one of the management offices specified in (b) below in or in respect of the licensee or in connection with the licensed activities holds a personal licence

¹ The schedules mentioned here will be attached to individual licences.

authorising the performance of the functions of that office (hereafter 'a personal management licence')

(ii) that at least one person occupies at least one of those offices.

(b) The specified management offices are those offices (whether or not held by a director in the case of a licensee which is a company, a partner in the case of a licensee which is a partnership or an officer of the association in the case of a licensee which is an unincorporated association) the occupier of which is by virtue of the terms of their appointment responsible for:

- the overall management and direction of the licensee's business or affairs
- the licensee's finance function as head of that function
- the licensee's gambling regulatory compliance function as head of that function
- the licensee's marketing function as head of that function
- the licensee's information technology function as head of that function in so far as it relates to gambling-related information technology and software
- oversight of the day to day management of the licensed activities at an identified number of premises licensed under Part 8 of the Act or across an identified geographical area
- in the case of casino and bingo licences only, oversight of the day to day management of a single set of premises licensed under Part 8 of the Act.

(c) Licensees must take all reasonable steps to ensure that anything done in the performance of the functions of a specified management office is done in accordance with the terms and conditions of the holder's personal management licence.

(d) Where an individual is authorised by a personal licence and that licence comes under review under section 116(2) of the Act, the operating licensee must comply with any conditions subsequently imposed on that licence by the Commission about redeployment, supervision, or monitoring of the individual's work and any requirements of the Commission in respect of such matters applicable during the period of the review.

(e) Paragraphs (a) to (d) above shall not apply to a licensee for so long as the licensee is a 'small-scale operator' as defined in the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006 ('the Regulations').

(f) During the period of 3 years commencing with the date on which a licensee ceases to be a small-scale operator paragraphs (a) to (e) above shall apply subject to the proviso that the phrase 'each individual' in paragraph (a)(i) shall not include any individual who was a 'qualified person' (as defined in the Regulations) in relation to the licensee 28 days immediately prior to the licensee ceasing to be a small-scale operator.

All casino operating licences, except ancillary remote licences

In addition to paragraphs (a) to (f) above, licensees must ensure that if any of the following operational functions:

- dealer in respect of casino games
- cashier
- inspector
- security staff employed to watch gaming
- supervisor of gaming activities

is performed in connection with the licensed activities, it is performed by an individual who holds a personal licence authorising performance of the function (hereafter 'a personal functional licence'). Licensees must take all reasonable steps to ensure that anything done in the performance of those functions is done in accordance with the terms and conditions of the personal functional licence.

All lottery operating licences issued to non-commercial societies and local authorities

(a) Subject to (e) below licensees must ensure that the individual who occupies the

management office specified in (b) below in or in respect of the licensee or in connection with the licensed activities holds a personal licence authorising the performance of the functions of that office (hereafter 'a personal management licence').

(b) The specified management office is that director's post in the case of a licensee which is a company, that partner in the case of a licensee which is a partnership, or that office in a licensee which is an unincorporated association or local authority, the occupier of which has overall management responsibility for the promotion of the lottery.

(c) Licensees must take all reasonable steps to ensure that anything done in the performance of the functions of a specified management office is done in accordance with the terms and conditions of the holder's personal management licence.

(d) Where an individual is authorised by a personal licence and that licence comes under review under section 116(2) of the Act, the operating licensee must comply with any conditions subsequently imposed on that licence by the Commission about redeployment, supervision, or monitoring of the individual's work and any requirements of the Commission in respect of such matters applicable during the period of the review.

(e) Paragraphs (a) to (d) above shall not apply to a licensee for so long as the licensee is a 'small-scale operator' as defined in the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006.

2 Technical standards and equipment specifications

All non-remote gaming machine technical and gambling software licences and remote operating licences, including remote gaming machine technical, remote gambling software and betting ancillary remote licences, but not remote betting intermediary (trading rooms only) licences

Licensees must comply with the Commission's technical standards and with requirements set by the Commission relating to the timing and procedures for testing.

Non-remote bingo operating licences and bingo ancillary remote licences

Licensees must comply with the Commission's specifications for bingo equipment.

Non-remote casino operating licences and casino ancillary remote licences

Licensees must comply with the Commission's specifications for casino equipment.

3 Financial robustness

3.1 Notification of shareholders

All operating licences, except ancillary remote licences, issued to companies

All company licensees must notify the Commission of the name and address of any person who becomes a shareholder in the company or its holding company holding 3% or more of the issued share capital of the company or its holding company; or any existing shareholder who acquires a holding of 3% or more of the issued share capital of the company or its holding company.

In this condition 'holding company' has the meaning ascribed to that term by section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof.

4 Protection of customer funds

All operating licences, except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and lottery licences issued to non commercial societies or local authorities

Licensees who hold customer funds for use in future gambling must set out clearly, in information made available to customers in writing, whether they protect customers' funds in the event of insolvency and the method by which this is achieved.

All lottery managers' operating licences

Licensees must credit all lottery proceeds to a bank account or accounts having trustee status and at all times maintain a separation between those funds and their own trading income, or have in place other arrangements which provide legal protection, in the event of the licensee's insolvency, for society and local authority lottery funds the licensee manages.

5 Cash handling

All operating licences (including remote betting intermediary (trading rooms only) licences), except gaming machine technical, gambling software and remote licences

Licensees, as part of their internal controls and financial accounting systems, must have and put into effect policies and procedures concerning the handling of cash, and cash equivalents (ie bankers drafts, cheques and debit cards), designed to minimise the risk of crimes such as money laundering, to avoid the giving of illicit credit and to provide assurance that gambling activities are being conducted fairly.

6 Provision of credit by licensees and the use of credit cards

All gaming machine general operating licences for adult gaming centres and family entertainment centres

Licensees must neither:

- provide credit themselves in connection with gambling; nor
- participate in, arrange, permit or knowingly facilitate the giving of credit in connection with gambling.

7 General 'fair and open' provisions

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

Licensees must satisfy themselves that the terms on which gambling is offered are not unfair under the Unfair Terms in Consumer Contracts Regulations 1999 and, where applicable, meet the reasonableness test under the Unfair Contract Terms Act 1977. An accurate summary of the contractual terms on which gambling is offered must be made available to customers and set out in plain and intelligible language.

Customers must be notified of changes to terms before they come into effect.

8 Display of licensed status

All lottery operating licences

Lottery promoters must display 'licensed by the Gambling Commission' and details of the Gambling Commission website on lottery tickets.

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

Licensees offering gambling on websites must:

a) display the following information on a page which, by virtue of the construction of the website, customers access before gambling:

- (i) a statement that they are licensed and regulated by the Gambling Commission
- (ii) their licence number and
- (iii) a link to the Gambling Commission's website

b) display at least the information at (i) above on each page of the website which offers facilities for gambling in reliance on the licence

c) where they offer on pages of the website, or by means of a link from the website, facilities for gambling which are not provided in reliance on their Gambling Commission licence, clearly distinguish those products which are regulated by the Commission from those which are not.

All gaming machine technical and gambling software licences

Licensees offering the supply of gaming machines or gambling software on websites must:

a) display the following information on the first page of the website which offers gaming machines or gambling software in reliance on the licence:

- (i) a statement that they are licensed and regulated by the Gambling Commission
- (ii) their licence number and
- (iii) a link to the Commission's website

b) display at least the information at (i) above on each page of the website which offers gaming machines or gambling software in reliance on the licence

c) where they offer on pages of, or by means of a link from, their website, the supply of gaming machines or gambling software which are not provided in reliance on their licence, clearly distinguish those products which are regulated by the Commission from those which are not.

9 Types and rules of casino and other games

All non-remote casino operating licences

Licensees must not offer or permit to be played casino games that appear on any list of games prohibited by the Commission.

All non-remote bingo operating licences

Licensees must not offer or permit to be played prize gaming games that appear on any list of games prohibited by the Commission.

10 Tipping of casino employees

All non-remote casino operating licences

Licensees must only permit tipping of staff holding personal licences where a tronc system is operated; that is to say, where all tips are pooled and distributed amongst the employees concerned. A separate tronc may be operated for each of a number of categories of licensed staff.

11 Lotteries

All lottery operating licences

Licensees must ensure that at least 20% of the proceeds of any lottery promoted in reliance on the licence are applied to a purpose for which the promoting non-commercial society is conducted or the promoting local authority has power to incur expenditure.

The proceeds of any lottery promoted in reliance on this licence must not exceed £4,000,000 and the aggregate of the proceeds of lotteries promoted wholly or partly in a calendar year in reliance on the licence must not exceed £10,000,000.

The rules of any lottery promoted in reliance on this licence must be such as to ensure:

- a) that it is not possible for the purchaser of a ticket in the lottery to win by virtue of that ticket (whether in money, money's worth, or partly the one and partly the other and including any winnings arising from a rollover) more than:
 - £25,000
 - if more, 10% of the proceeds of the lottery.
- b) that membership of the class among whom prizes are allocated does not depend on making any payment (apart from payment of the price of a ticket).

A lottery promoted in reliance on this licence must not be linked to any other lottery, free draw or prize competition.

For the purposes of this condition:

- a) two or more lotteries are linked if any of them is so structured that a person who wins a prize in that lottery will also win a prize in some or all of the others, unless the maximum amount which a person can win is no more than £400,000 in aggregate. In determining whether two or more lotteries are linked it is immaterial how many of them are promoted in reliance on this licence
- b) a lottery is linked to a free draw or prize competition if:
 - (i) a person's participation in, or his being allocated a prize in, the lottery is a means of establishing his eligibility to enter the draw or competition and
 - (ii) the arrangements for the lottery and/or the draw or competition are such that a person may win more than £400,000 in aggregate as a result of his participation in the lottery and the draw or competition.

If a lottery, whilst not a linked lottery, has the feature that by selecting the same numbers, or combination of numbers in the lottery and in one or more other lottery or lotteries the participant in those lotteries may win prizes which, in aggregate, exceed £400,000, no advertisement for, nor other marketing of, the lottery may make any reference to that feature.

In the case of lottery operating licences issued to non-commercial societies and lottery managers' operating licences, licensees must ensure that each person who purchases a ticket in a lottery

promoted in reliance on this licence, or promoted on behalf of a society in reliance on this licence, receives a document which:

- identifies the promoting society
- states the name and address of a member of the society who is designated, by persons acting on behalf of the society, as having responsibility within the society for the promotion of the lottery
- either states the date of the draw (or each draw) in the lottery, or enables the date of the draw (or each draw) in the lottery to be determined.

Licensees must display 'licensed by the Gambling Commission' and details of the Gambling Commission website on lottery tickets.

The price payable for purchasing each ticket in a lottery promoted in reliance on this licence:

- must be the same
- must be shown on the ticket or in a document received by the purchaser; and
- must be paid to the promoter of the lottery before any person is given a ticket or any right in respect of membership of the class among whom prizes are to be allocated.

For the purposes of these conditions, reference to a person receiving a document includes a reference to a message being sent or displayed to him electronically in a manner which enables him, without incurring significant expense or delay, to:

- retain the message electronically
- print it.

Licensees must lodge with the Commission a description of, and a copy of the rules of, any lottery intended to be promoted in reliance on this licence, and any amendment to the rules of a lottery previously notified to the Commission, at least 28 days before any tickets in such lottery, or amended lottery, are put on sale.

Lottery tickets must not be sold to a person in any street. But tickets may be sold by a person present in a kiosk or shop premises having no space for the accommodation of customers or door to door. For the purposes of this condition 'street' includes any bridge, road, lane, footway, subway, square, court, alley or passage (including passages through enclosed premises such as shopping malls) whether a thoroughfare or not.

In respect of each lottery promoted in reliance on this licence, a lottery submission must be sent to the Commission within three months of the date of the determination of the lottery or, in the case of an 'instant lottery', within three months of the last date on which tickets in the lottery were on sale. It must show the total proceeds and how they have been distributed between prizes and expenses and the amount applied directly to the society's purposes or, in the case of licences issued to local authorities, the amount applied directly to purposes for which the authority has power to incur expenditure.

Every lottery submission must contain or be accompanied by a declaration that the information given in it is correct to the best of the signatory's knowledge and belief. The submission must be signed by:

- a) the holder of a personal licence issued under Part 6 of the Act or
- b) a 'qualified person' as defined in the Gambling Act 2005 (Definition of Smallscale Operator) Regulations 2006 or
- c) the designated person named on tickets in a lottery promoted by or on behalf of a non-commercial society as having responsibility within the society for the promotion of the lottery.

Accounting records and copies of lottery submissions must be retained for a minimum of three years from the date of any lottery to which they relate and be made available for inspection by the Commission on request. Accounting records must contain, in respect of each lottery, details of the

total proceeds of the lottery, the expenses of the lottery and the sum allocated from the proceeds to cover those expenses, and the number of sold and unsold tickets.

For any calendar year in which the cumulative proceeds of lotteries promoted in reliance on this licence exceed £1,000,000 the licensee must provide the Commission with written confirmation from a qualifying auditor confirming that the proceeds of those lotteries have been fully accounted for in their annual audited accounts. Such confirmation must be provided within ten months of the date to which the accounts are made up.

A qualifying auditor means a person who is eligible for appointment as a company auditor under section 25 of the Companies Act 1989 but, in the case of a lottery promoted by or on behalf of a non-commercial society, is not:

- a) a member of the society
- b) a partner, officer or employee of such a member or
- c) a partnership of which a person falling within (a) or (b) is a partner.

Accurate records for each lottery must be kept by the operator to support the data in the lottery submissions and must be made available for inspection by the Commission when required. Such records must include:

- the total proceeds in each lottery
- the percentage of proceeds allocated to prizes in each lottery
- the amount of proceeds allocated to expenses and details of those expenses for each lottery
- the number of sold and unsold tickets in each lottery.

In the case of lottery managers' operating licences only, all licensees must have procedures in place designed to ensure that funds belonging to a society or local authority whose lotteries they manage in reliance on this licence are accounted for to them in a timely manner.

12 Betting intermediaries

All non-remote betting intermediary operating licences

Licensees must not lay bets on their own behalf when operating in their capacity as a public tic-tac on a track.

Tic-tacs must act only in relation to bets between holders of general betting operating licences (whether acting as principal or agent or through their authorised employees).

13 Pool betting

All pool betting operating licences, except those restricted to football pools

Licensees must inform the Commission, within 14 days, in writing, of any person they authorise under section 93(2) of the Act to offer pool betting on a track in connection with a horserace or dog race in reliance on an occasional use notice. In doing so, they must include the terms and conditions under which this has been agreed, and provide contact details of the management and key staff of those that are authorised.

Licensees and any person they so authorise must produce and retain a record of the transactions relevant to each pool that they offer. The record must be capable of identifying individual bets into the pool and relating these to subsequent payment of winnings where applicable. Licensees must make this information available to the Commission on request.

All pool betting operating licences which authorise football pools

Licensees must inform the Commission, within 14 days, in writing, of any person they authorise under Section 93(3) of the Act in respect of football pool betting. In doing so, they must include the terms and conditions under which this has been agreed.

Licensees and any person they so authorise must produce and retain a record of the transactions relevant to each pool that they offer. The record must be capable of identifying individual bets into the pool and relating these to the subsequent payment of winnings where applicable. Licensees must make this information available to the Commission on request.

All pool betting operating licences

Licensees must produce annual accounts which should be certified by a qualified independent accountant. Licensees must make copies available to the Commission.

14 Access to premises

All operating licences

Licensees must have and put into effect policies and procedures (including staff training programmes) designed to ensure that their staff co-operate with the Commission's enforcement officers in the proper performance of their compliance functions and are made aware of those officers' rights of entry to premises contained in Part 15 of the Act.

15 Information requirements

15.1 Reporting suspicion of offences etc

All operating licences, except betting, betting intermediary, ancillary remote betting and remote betting intermediary (trading rooms only) licences

Licensees must provide the Commission with any information that they know relates to or suspect may relate to the commission of an offence under the Act, including an offence resulting from a breach of a licence condition or a code provision having the effect of a licence condition.

All betting operating licences, including betting intermediary, ancillary remote betting and remote betting intermediary (trading rooms only) licences

Licensees must provide the Commission with any information that they:

- know relates to or suspect may relate to the commission of an offence under the Act, including an offence resulting from a breach of a licence condition or a code provision having the effect of a licence condition
- suspect may lead the Commission to consider making an order to void a bet.

Licensees who accept bets, or facilitate the making or acceptance of bets between others, on the outcome of horse races or other sporting events governed by one of the sport governing bodies for the time being included in Part 3 of Schedule 6 to the Act must also provide the relevant sport governing body with sufficient information to conduct an effective investigation if the licensee suspects that information in their possession may:

- lead the Commission to consider making an order to void a bet
- relate to a breach of a rule on betting applied by that sport governing body.

15.2 Reporting 'Key Events'

All operating licences, except ancillary remote 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 of 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 occurrence².

- in the case of licensees which are companies, a petition being presented for their winding up or the winding up of any group company of theirs, or they or any group company being placed in administration or receivership: in this condition a 'group company' is any subsidiary or holding company of the licensee – as those terms are defined in section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof – and any subsidiary of such holding company
- in the case of a licensee who is an individual (or a partner in a partnership licensee) their being presented with a petition for their bankruptcy or sequestration or their entering into an individual voluntary agreement
- where the licensee is required to have their accounts independently audited, any unplanned change of auditor including a change prompted by a dispute or resulting from auditors being unable or unwilling to sign an unqualified audit report
- the departure from the licensee's business of any person occupying a 'qualifying position' as defined by Regulation 2(2) of the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006
- any breach of a covenant given to a bank or other lender
- any default in making repayment of the whole or any part of a loan on its due date
- any court judgments remaining unpaid 14 days after the date of judgment
- the commencement of any material litigation against the licensee
- the imposition of a disciplinary sanction, including dismissal, against the holder of a personal licence or a person occupying a qualifying position for gross misconduct; or the resignation of a personal licence holder or person occupying a qualifying position following commencement of disciplinary proceedings in respect of gross misconduct against that person
- in the case of remote gambling, the commencement or cessation of trading on website domains (including WAP URLs) or broadcast media through which the licensee provides gambling facilities.

15.3 General and Regulatory Returns

All operating licences

On request, licensees must provide the Commission with such information as the Commission may require about the use made of facilities provided in accordance with this licence, and the manner in which gambling authorised by this licence and the licensee's business in relation to that gambling are carried on, including in particular information about:

- the numbers of people making use of the facilities and the frequency of such use
- the range of gambling activities provided by the licensee and the numbers of staff employed in connection with them
- the licensee's policies in relation to, and experiences of, problem gambling.

In particular within 28 days of the end of each quarterly period or, for those only submitting annual returns, within 42 days of the end of each annual period, licensees must submit a Regulatory Return to the Commission containing such information as the Commission may from time to time require³.

² Key events can be reported securely online at the Commission's website at www.gamblingcommission.gov.uk or by email to key.events@gamblingcommission.gov.uk or posted to Key Events, Compliance Administration Team, Gambling Commission, Victoria Square House, Victoria Square, Birmingham B2 4BP

³ Regulatory returns can be submitted securely online at the Commission's website at

16 Primary gambling activity

Non-remote bingo operating licences, except where bingo is offered under a 2005 Act casino premises licence

Gaming machines may be made available for use in licensed bingo premises only on those days when sufficient facilities for playing bingo are also available for use.

In cases where bingo is exclusively offered by means of electronic bingo terminals or bingo machines, there must be more individual player positions made available for bingo than there are gaming machines made available for use.

Non-remote casino operating licences, except 2005 Act casino operating licences

Gaming machines may be made available for use in licensed casino premises only on those days when sufficient facilities for playing casino games and/or games of equal chance are also available for use.

When a casino exclusively offers fully automated casino games, there must be more individual player positions made available for these games than there are gaming machines made available for use.

Non-remote general betting licences, except where betting is offered under a 2005 Act casino premises licence

Gaming machines may be made available for use in licensed betting premises only at times when there are also sufficient facilities for betting available.

Such facilities for betting must include the provision of information that enables the customer to access details of the events on which bets can be made and to be able to place those bets, obtain details of the outcome of the events, calculate the outcome of their bets and be paid or credited with any winnings.

Where licensees provide facilities for betting only by means betting machines (machines which are designed or adapted for the purpose of making or accepting bets on future real events) the licensee must ensure that the number of betting machines is greater than the number of gaming machines which are made available for use in reliance on the premises licence.

Suite of general conditions to be attached to personal licences under Section 75 of the Gambling Act 2005

- 1 Personal licence holders must take all reasonable steps to ensure that the way in which they carry out their responsibilities in relation to licensed activities does not place the holder of the operating or any relevant premises licence in breach of their licence conditions.
- 2 Personal licence holders must keep themselves informed of developments in gambling legislation, codes of practice and any Commission guidance (whether issued on the Commission website or communicated direct to licence holders) relevant to their role. Holders of personal functional licences must keep their technical competence in respect of their licensed activities up to date.
- 3 Personal licence holders must notify the Commission of the occurrence of any of the following key events within five working days, or as soon as reasonably practicable after the licensee becomes aware of the event's occurrence⁴:
 - the imposition of a disciplinary sanction against them, including dismissal, for gross misconduct
 - their resignation from a position for which a personal licence is required following commencement of disciplinary proceedings in respect of gross misconduct
 - their disqualification from acting as a company director
 - the entry of any court judgment against them
 - the presentation of a petition for their bankruptcy or sequestration or their entering into an individual voluntary agreement
 - their conviction for any criminal offence or receipt of a formal police caution or any other out-of-court disposal
 - the imposition of any sanction or penalty against them following an investigation by any professional, statutory, regulatory or government body
 - a change in their name or address.

⁴ Key events can be reported securely online at the Commission's website at www.gamblingcommission.gov.uk or by email to key.events@gamblingcommission.gov.uk or posted to Key Events, Compliance Administration Team, Gambling Commission, Victoria Square House, Victoria Square, Birmingham, B2 4BP

Part II: Codes of practice

Introduction

These are the Commission's principal codes of practice, issued under section 24 of the Gambling Act 2005. These codes will come into effect on 1 January 2009. There are two types of provisions in this document:

- social responsibility code provisions: compliance with these is a condition of licences; therefore any breach of them by an operator may lead the Commission to review the operator's licence with a view to suspension, revocation or the imposition of a financial penalty and would also expose the operator to the risk of prosecution; these provisions are in shaded boxes in this section
- ordinary code provisions: these do not have the status of licence conditions, but are admissible in evidence in criminal or civil proceedings and must be taken into account in any case in which the court or tribunal think them relevant and by the Commission in the exercise of its functions; any breach of ordinary code provisions by an operator may be taken into account by the Commission on a licence review, but cannot lead to imposition of a financial penalty; these code provisions are in the unshaded parts of this section and generally set out good practice in these areas.

Code provisions

1 Financial requirements

All remote and non-remote casino licences

Ordinary code provision

In order to help prevent activities related to money laundering and terrorist financing, licensees should act in accordance with the Commission's guidance on anti-money laundering, *The Prevention of Money Laundering and Combating the Financing of Terrorism - Guidance for remote and non-remote casinos*.

All remote and non-remote betting licences, except those restricted to football pools only and remote betting intermediary (trading rooms only) licences

Ordinary code provision

As part of their procedures for compliance with the requirements in respect of the prevention and detection of money laundering in the Proceeds of Crime Act 2002 and the Terrorism Act 2000, licensees should:

- unless there is a specific reason not to do so, appoint one or more nominated officers whose duty it is to take overall responsibility for the anti-money laundering procedures within the operation, in particular with respect to Suspicious Activity Reporting; and ensure, through appropriate training and guidance, that all staff who handle money or accounts or accept bets are aware of their duties under anti-money laundering legislation to report all suspicious activity to the nominated officer in a timely manner or, where there is no such nominated officer, directly and promptly to the police. It is the nominated officer's duty to consider such reports and to forward them where appropriate to the Serious Organised Crime Agency
- adopt (or reflect in their procedures) the Association of British Bookmakers' guidelines.

All licences, except casino licences

Ordinary code provision

In order to help prevent activities related to money laundering licensees should take into account the Commission's advice on the Proceeds of Crime Act 2002, *Duties and responsibilities under the Proceeds of Crime Act 2002. Advice for operators (excluding casino operators)*.

2 Protection of children and other vulnerable persons

2.1 Combating problem gambling

All licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling.

Licensees' policies and procedures for socially responsible gambling must include but need not be confined to:

- the specific policies and procedures required by the following provisions of section 2 of this code
- a commitment to and how they will contribute to research into the prevention and treatment of problem gambling
- a commitment to and how they will contribute to public education on the risks of gambling and how to gamble safely
- a commitment to and how they will contribute to the identification and treatment of problem gamblers.

2.2 Access to gambling by children and young persons

All non-remote casino licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.

Licensees must designate one or more supervisors for each casino entrance.

A supervisor's responsibilities include ensuring compliance with this section of the code.

A supervisor must implement the following procedures:

- checking the age of customers who appear to be, or are suspected of being, underage
- refusing entry to anyone unable to produce an acceptable form of identification, ie one which:
 - contains a photograph from which the individual can be identified
 - states the individual's date of birth
 - is valid
 - is legible and shows no signs of tampering or reproduction
- taking action when there are unlawful attempts to enter the premises, including removing anyone who appears to be underage who tries to access gambling facilities and cannot produce an acceptable form of identification.

Licensees must not deliberately provide facilities for gambling in such a way as to appeal particularly to children or young people, for example by reflecting or being associated with youth culture.

In premises restricted to adults, service must be refused in any circumstances where any adult is accompanied by a child or young person.

Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This should include appropriate training which must cover the legal requirements on returning stakes and not paying prizes to underage customers.

All non-remote casino licences

Ordinary code provision

There should be a sufficient number of supervisors at casino entrances to enable a considered judgement to be made about the age of everyone attempting to enter the casino and to take the appropriate action (for example checking identification) whilst at the same time not allowing others to enter unsupervised. The nature of this task means that it cannot be properly accomplished only by using CCTV; it will require a physical presence. Heavily used entrances may require more than one designated supervisor.

Supervisors may be assisted by other door keepers provided the supervisor retains the responsibility for compliance with this section of the code and deals personally with any case where there is any doubt or dispute as to someone's eligibility to enter.

The Commission considers acceptable forms of identification to include: any identification carrying the PASS logo (for example Citizencard or Validate); a driving licence (including provisional licence) with photocard; or a passport.

Licensees should put into effect procedures that require their staff to check the age of any customer who appears to them to be under 21.

Licensees should consider permanent exclusion from premises of any adult accompanied by a child or young person on more than one occasion to premises restricted to adults, or if there is reason to believe the offence was committed knowingly or recklessly.

Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on premises restricted to adults, including oral warnings, reporting the offence to the Gambling Commission and the police, and making available information on problem gambling.

All adult gaming centre licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.

This must include procedures for:

- checking the age of apparently underage customers
- removing anyone who appears to be under age who tries to access the gambling facilities and cannot produce an acceptable form of identification
- taking action when there are attempts by under-18s to enter the premises.

Licensees must not deliberately provide facilities for gambling in such a way as to appeal particularly to children or young people, for example by reflecting or being associated with youth culture.

In premises restricted to adults, service must be refused in any circumstances where any adult is accompanied by a child or young person.

Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover the legal requirements on returning stakes and not paying prizes to underage customers.

Licensees must only accept identification which:

- contains a photograph from which the individual can be identified
- states the individual's date of birth
- is valid
- is legible and has no visible signs of tampering or reproduction.

All adult gaming centre licences

Ordinary code provision

The Commission considers acceptable forms of identification to include any identification carrying the PASS logo (for example Citizencard or Validate); a driving licence (including a provisional licence) with photocard; or a passport.

Licensees should put into effect procedures that require their staff to check the age of any customer who appears to them to be under 21.

Licensees should consider permanent exclusion from premises for any adult accompanied by a child or young person on more than one occasion to premises restricted to adults, or if there is reason to believe the offence was committed knowingly or recklessly.

Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on premises restricted to adults, including oral warnings, reporting the offence to the Gambling Commission and the police, and making available information on problem gambling.

All non-remote bingo and family entertainment centre licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.

This must include procedures for:

- checking the age of apparently underage customers
- refusing entry to any adult-only areas to anyone unable to produce an acceptable form of identification
- taking action when there are unlawful attempts to enter the adult-only areas.

Licensees must not permit children or young people to gamble in the adults-only areas of premises to which they have access. If there is a 'no under-18s' premises policy, licensees must pay particular attention to the procedures they use at the entrance to the premises to check customers' ages.

Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling, returning stakes and not paying prizes to underage customers and particularly for challenging any adult who may be complicit in allowing a child or young person to gamble.

Licensees must only accept identification which:

- contains a photograph from which the individual can be identified
- states the individual's date of birth
- is valid
- is legible and has no visible signs of tampering or reproduction.

All non-remote bingo and family entertainment centre licences

Ordinary code provision

The Commission considers acceptable forms of identification to include: any identification carrying the PASS logo (for example Citizencard or Validate); a driving licence (including a provisional licence) with photocard; or a passport.

Licensees should require a person who appears to relevant staff to be under the age of 21 to be asked to produce proof of age, either at the point of entry to the gambling area or as soon as it comes to the attention of staff that they wish to access gambling facilities.

Licensees should have procedures for dealing with cases where an adult knowingly or recklessly allows a child or young person to gamble. These procedures might include refusing to allow the adult to continue to gamble, removing them from the premises, and reporting the incident to the police or local authorities, or taking action where forged identification is produced.

Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on their premises, including oral warnings, reporting the offence to the Gambling Commission and the police, and making available information on problem gambling to the child or young person concerned.

Where it is likely that customers' young or otherwise vulnerable children will be left unattended on or adjacent to their premises, licensees should consider reminding customers of their parental responsibilities and assess whether there is a need to develop procedures for minimising the risk to such children.

All non-remote betting and remote betting intermediary (trading rooms only) licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.

This must include procedures for:

- checking the age of apparently underage customers
- removing from adult-only licensed premises anyone who appears to be underage who tries to access the gambling facilities and cannot produce an acceptable form of identification
- taking action when there are attempts by under-18s to enter adult-only premises
- refusing entry to any adult-only area of a track to anyone unable to produce an acceptable form of identification
- taking action when there are unlawful attempts to enter the adult-only areas.

Licensees must not deliberately provide facilities for gambling in such a way as to appeal particularly to children or, except in the case of football pools, young people, for example by reflecting or being associated with youth culture.

In premises restricted to adults, service must be refused in any circumstances where any adult is accompanied by a child or young person.

Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover the legal requirements on returning stakes and not paying prizes to underage customers.

Licensees must only accept identification which:

- contains a photograph from which the individual can be identified
- states the individual's date of birth
- is valid
- is legible and has no visible signs of tampering or reproduction.

In the case of non-remote pool betting licensees, where pool entries or payments are collected door to door by the licensee or the licensee's authorised agent the licensee's procedures must include procedures for:

- checking the age of apparently underage entrants to the pool; and
- taking action when there are unlawful attempts to enter the pool.

All non-remote betting and remote betting intermediary (trading rooms only) licences

Ordinary code provision

The Commission considers acceptable forms of identification to include any identification carrying the PASS logo (for example Citizencard or Validate); a driving licence (including a provisional licence) with photocard; or a passport.

Licensees should put into effect procedures that require their staff to check the age of any customer who appears to them to be under 21.

Licensees should consider permanent exclusion from premises for any adult accompanied by a child or young person on more than one occasion to premises restricted to adults, or if there is reason to believe the offence was committed knowingly or recklessly.

Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on premises restricted to adults, including oral warnings, reporting the offence to the Gambling Commission and the police, and making available information on problem gambling.

All non-remote lottery licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures designed to minimise the risk of lottery tickets being sold to children (that is, persons under 16). This must include procedures for:

- checking the age of apparently underage purchasers of lottery tickets
- taking action when there are unlawful attempts to purchase tickets.

Licensees must take all reasonable steps to ensure that all those engaged in the promotion of lotteries in reliance on the licence understand their responsibilities for preventing underage gambling, returning stakes and not paying prizes to underage customers.

All non-remote lottery licences

Ordinary code provision

Licensees should require a person who appears to be under the age of 16 to be asked to produce proof of identity and age before purchasing a lottery ticket.

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote casino, ancillary remote bingo and remote betting intermediary (trading rooms only) licences

Social responsibility code provision

Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.

Such procedures must include:

- a) warning potential customers that underage gambling is an offence;
- b) requiring customers to affirm that they are of legal age;
- c) regularly reviewing their age verification systems and implementing all reasonable improvements that may be made as technology advances and as information improves;
- d) ensuring that relevant staff are properly trained in the use of their age verification procedures; in particular customer services staff must be appropriately trained in the use of secondary forms of identification when initial verification procedures fail to prove that an individual is of legal age;
- e) enabling their gambling websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access to relevant pages of those sites;
- f) in the case of any UK resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures:
 - i) verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18;
 - ii) carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage;
 - iii) not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed; and
 - iv) in any event, a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:
 - the account will be frozen
 - no further gambling will be permitted until age verification has been successfully completed
 - if on completion of age verification the customer is shown to be underage, the operator must return to the customer any money paid in respect of the use of the gambling facilities, but no winnings shall be paid.
- g) in the case of any non-UK resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures:
 - i) taking all reasonable steps to make use of information available for age verification purposes from whichever country the potential customer is resident in; and

ii) each of the following steps, unless they can not reasonably be implemented or, in the case of the fourth bullet point, a period of more than 72 hours was reasonably required:

- verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18
- carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage
- not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed
- a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:
 - the account will be frozen;
 - no further gambling will be permitted until age verification has been successfully completed; and
 - if on completion of age verification the customer is shown to be underage all deposits held by the operator are returned to the customer and no winnings paid.

h) in the case of any customer who registers to gamble and deposits money using a credit card, conducting a programme of random checks of credit card users for compliance with age restrictions.

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and remote betting intermediary (trading rooms only) licences

Ordinary code provision

Licensees should, and should request their contracted partners to, draw attention to parental responsibility as part of the purchasing process of facilities such as mobile phones and interactive television.

2.3 Information on how to gamble responsibly and help for problem gamblers

All licences, except gaming machine technical, gambling software, ancillary remote bingo and ancillary remote casino licences

Social responsibility code provision

Licensees must make information readily available to their customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling.

The information must cover:

- any measures provided by the licensee to help individuals monitor or control their gambling, such as restricting the duration of a gambling session or the amount of money they can spend
- timers or other forms of reminders or 'reality checks' where available
- self-exclusion options
- information about the availability of further help or advice.

The information must be directed to all customers whether or not licensees also make available material which is directed specifically at customers who may be 'problem gamblers'.

For gambling premises, information must be available in all areas where gambling facilities are provided and adjacent to ATMs where these are not located in a gambling area. As a minimum,

information must be displayed prominently on posters appropriate to the size and layout of the premises and contained in leaflets that may be taken away. Licensees must take all reasonable steps to ensure that this information is also readily accessible in locations which enable the customer to obtain it discreetly.

All licences, except gaming machine technical, gambling software, ancillary remote bingo and ancillary remote casino licences

Ordinary code provision

Licensees who market their services in one or more foreign languages should make available in that, or those, foreign languages:

- the information on how to gamble responsibly and access to help referred to above
- the players' guides to any game, bet or lottery required to be made available to customers under provisions in this code
- the summary of the contractual terms on which gambling is offered, which is required to be provided to customers as a condition of the licensee's operating licence.

2.4 Customer interaction

All licensees, except gaming machine technical and gambling software licences

Social responsibility code provision

Licensees must put into effect policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate problem gambling. The policies must include:

- identification of the appropriate level of management who may initiate customer interaction and the procedures for doing so
- the types of behaviour that will be logged/reported to the appropriate level of staff and which may trigger customer interaction at an appropriate moment
- the circumstances in which consideration should be given to refusing service to customers and/or barring them from the operator's gambling premises
- training for all staff on their respective responsibilities, in particular so that they know who is designated to deal with problem gambling issues.

But such policies and procedures must be consistent with, and implemented with due regard to, licensees' duties in respect of the health and safety of their staff.

2.5 Self-exclusion

All non-remote licences and remote betting intermediary (trading rooms only) licences, but not gaming machine technical and gambling software licences

Social responsibility code provision

Licensees must have and put into effect procedures for self-exclusion and take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling.

Licensees must, as soon as practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer.

Licensees must take steps to remove the name and details of a self-excluded individual from any

marketing databases used by the company or group (or otherwise flag that person as an individual to whom marketing material must not be sent), within two days of receiving the completed self-exclusion notification.

This covers any marketing material relating to gambling, or other activities that take place on the premises where gambling may take place. However, it would not extend to blanket marketing which is targeted at a particular geographical area and where the excluded individual would not knowingly be included.

Licensees must close any customer accounts of an individual who has entered a self exclusion agreement and return any funds held in the customer account. It is not sufficient merely to prevent an individual from withdrawing funds from their customer account whilst still accepting wagers from them. Where the giving of credit is permitted, the licensee may retain details of the amount owed to them by the individual, although the account must not be active.

Licensees must put into effect procedures designed to ensure that an individual who has self-excluded cannot gain access to gambling. These procedures must include:

- a register of those excluded with appropriate records (name, address, other details, and any membership or account details that may be held by the operator)
- photo identification (where available and in particular where enforcement of the system may depend on photographic ID), and a signature
- staff training to ensure that staff are able to enforce the systems
- the removal of those persons found in the gambling area or attempting to gamble from the premises.

All non-remote licences and remote betting intermediary (trading rooms only) licences, but not gaming machine technical and gambling software licences

Ordinary code provision

Self-exclusion procedures should require individuals to take positive action in order to self-exclude. This can be a signature on a self-exclusion form.

Wherever practicable, individuals should be able to self-exclude without having to enter gambling premises.

Before an individual self-excludes, licensees should provide or make available sufficient information about what the consequences of self-exclusion are.

Licensees should take all reasonable steps to extend the self-exclusion to premises of the same type owned by the operator in the customer's local area. In setting the bounds of that area licensees may take into account the customer's address (if known to them), anything else known to them about the distance the customer ordinarily travels to gamble and any specific request the customer may make.

Licensees should encourage the customer to consider extending their self exclusion to other licensees' gambling premises in the customer's local area.

Customers should be given the opportunity to discuss self-exclusion in private, where possible.

Licensees should take steps to ensure that:

- the self-exclusion period is a minimum of six months and give customers the option of extending this to a total of at least five years
- a customer who has decided to enter a self-exclusion agreement is given the opportunity to do so immediately without any cooling-off period. However, if the customer wishes to consider the self-exclusion further (for example to discuss with problem gambling groups) the customer may return at a later date to enter into self-exclusion

- at the end of the period chosen by the customer (and at least six months later), the self-exclusion remains in place, unless the customer takes positive action in order to gamble again. No marketing material should be sent to the individual unless the individual has taken positive action in order to gamble again, and has agreed to accept such material
- where a customer chooses not to renew the self-exclusion, and makes a positive request to begin gambling again, the customer is given one day to cool off before being allowed access to gambling facilities. The contact must be made via telephone or in person.

The licensee should retain the records relating to a self-exclusion agreement at least until the agreement has been formally ended.

(Please note that the Commission does not require the licensee to carry out any particular assessment or make any judgement as to whether the previously self-excluded individual should again be permitted access to gambling. The requirement to take positive action in person or over the phone is purely to a) check that the customer has considered the decision to access gambling again and allow them to consider the implications; and b) implement the one day cooling-off period and explain why this has been put in place.)

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and remote betting intermediary (trading rooms only) licences

Social responsibility code provision

Licensees must have and put into effect procedures for self-exclusion and take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling.

Licensees must, as soon as practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer.

Licensees must take steps to remove the name and details of a self-excluded individual from any marketing databases used by the company or group (or otherwise flag that person as an individual to whom marketing material must not be sent), within two days of receiving the completed self-exclusion notification.

This covers any marketing material relating to gambling. However, it would not extend to blanket marketing which is targeted at a particular geographical area and where the excluded individual would not knowingly be included.

Licensees must close any customer accounts of an individual who has entered a self-exclusion agreement and return any funds held in the customer account. It is not sufficient merely to prevent an individual from withdrawing funds from their customer account whilst still accepting wagers from them. Where the giving of credit is permitted, the licensee may retain details of the amount owed to them by the individual, although the account must not be active.

Licensees must put into effect procedures designed to ensure that an individual who has self-excluded cannot gain access to gambling. These procedures must include:

- a register of those excluded with appropriate records (name, address, other details, and any membership or account details that may be held by the operator)
- a record of the card numbers to be excluded
- staff training to ensure that staff are able to enforce the systems
- the removal of access from those persons found to have gambled or who have attempted to gamble on the facilities.