

Alderney Gambling Control Commission

The Alderney eGambling (Amendment) (No. 2) Regulations, 2008

<i>Made</i>	<i>30th September, 2008</i>
<i>Coming into operation</i>	<i>1st October, 2008</i>
<i>Laid before the States</i>	<i>22nd October, 2008</i>

THE ALDERNEY GAMBLING CONTROL COMMISSION, in exercise of the powers conferred on it by sections 4(2), 6(2)(b), 10(2), 14(3)(a), 15(4), 16(2), 16A(1), 17(1)(b), 19(3)(b)(ii), 20 and 25 of the Alderney eGambling Ordinance, 2006, as amended^a, hereby makes the following Regulations:-

Associates providing core services.

1. (1) For the text in the 2006 Regulations immediately following regulation 40 and before regulation 51 substitute the following text-

“[Regulations 41 - 49 are deliberately blank and currently unused]

PART II

ASSOCIATE CERTIFICATES

CHAPTER I

ASSOCIATES PROVIDING CORE SERVICES

Providers of core services.

^a Ordinance No. VI of 2006; No. XIII of 2007; No. XI of 2008.

50. (1) Subject to paragraph (2), for the purposes of section 16A(1) of the Ordinance, an entity-

- (a) with which an eGambling licensee contracts directly for the provision to the licensee of gambling specific software, but not including a contract for the outright purchase of that software and all rights associated therewith;
- (b) with which a customer deposits the funds to pay for gambling transactions effected with an eGambling licensee in accordance with regulation 333; or
- (c) to which an eGambling licensee has outsourced its management, or any part thereof, as described in its approved internal control system,

is prescribed as a business associate providing the eGambling licensee with a core service.

(2) Paragraph (1) shall not apply to an entity which is another company-

- (a) within the same group of companies as the eGambling licensee; or
- (b) beneficially owned or, as the case may be, controlled by the same individual who owns or controls the eGambling licensee.

(3) In this regulation, “**gambling specific software**” means computer software requiring approval as gambling equipment in accordance with section 15 of the Ordinance which affects or records the outcome of at least one gambling transaction.

CHAPTER II
INITIAL CERTIFICATE APPLICATION”.

(2) Chapters II, III and IV of Part II of the 2006 Regulations shall be re-numbered as Chapters III, IV and V respectively.

Key individuals.

2. (1) For regulations 201 and 202 of the 2006 Regulations substitute the following regulations-

“Application of Part.

201. This Part applies to any person who-

- (a) has been jointly identified by the Commission and an applicant for an eGambling licence or, as the case may be, an associate certificate as inevitably requiring a key individual certificate;
- (b) has been identified by an eGambling licensee in its approved internal control system as occupying a key position performing the functions of a key individual; or
- (c) has been designated as a key individual in accordance with regulation 202.

Designation as key individual.

202. (1) A person who is or, as the case may be, will become-
- (a) an associate;
 - (b) someone who occupies or acts in a managerial position;
 - (c) someone who carries out managerial functions;
or
 - (d) someone in a position to control or exercise significant influence over the operations conducted under an eGambling licence,

may be designated as a key individual for the purposes of regulation 201(c).

(2) Where the Commission considers that a person satisfies paragraph (1) and-

- (a) an applicant for an eGambling licence or an associate certificate has not agreed that the person be identified as a key individual in accordance with regulation 201(a); or
- (b) the person has not been identified as occupying a key position in an eGambling licensee's approved internal control system,

it shall give notice to the person concerned (a "**designation notice**") that he is henceforth designated as a key individual.

(3) The Commission shall, at the same time as it gives a designation notice in accordance with paragraph (2), give a copy of the notice to the applicant, the eGambling licensee or, as the case may be, the associate with which the person designated as a key individual is believed to have an existing or prospective relationship.”.

(2) In regulation 203 of the 2006 Regulations-

(a) in paragraph (2), immediately after “If” insert “an applicant for an eGambling licence or associate certificate,”;

(b) in paragraph (5)-

(i) immediately before “eGambling” insert “applicant,”, and

(ii) for “202(2)” substitute “202(3)”.

(3) In regulation 204(1) of the 2006 Regulations, immediately after “certificate” insert “by a person to whom this Part applies”.

Modified general licence conditions.

3. (1) In regulation 21 of the 2006 Regulations-

(a) in sub-paragraph (c), for “a director” substitute “an executive officer”;

(b) for sub-paragraph (g)(i) substitute the following sub-sub-paragraph-

“(i) when the status of any licence or permission however described allowing it, or one of its associates, to conduct or otherwise be involved in any form of gambling in another jurisdiction changes, including (without limitation) where the licence or permission is voluntarily surrendered, made subject to different conditions, suspended or revoked or some other sanction in respect of it is imposed on the holder,”;

(c) in sub-paragraph (g)(ii), delete the word “or” at the end;

(d) immediately after sub-paragraph (g)(ii) insert the following sub-sub-paragraph-

“(iii) when the licensee decides that it will change the auditors it uses for the purpose of regulation 355, or”; and

(e) re-number sub-paragraph (g)(iii) as sub-paragraph (g)(iv).

(2) For regulation 68 of the 2006 Regulations substitute the following regulation-

“General conditions attaching to associate certificate.

68. An associate certificate granted by the Commission under section 7 of the Ordinance is subject to the following conditions-

- (a) the certificate holder must within 48 hours of any serious incident negatively affecting the operations of any service provided to an eGambling licensee notify the Commission in writing of the details and consequences of the incident and of the remedial steps, if any, taken;
- (b) the certificate holder must give notification in writing to the Commission containing full details within seven days of any of the following relevant events-
 - (i) when the status of any licence or permission however described allowing it, or one of its associates, to conduct or otherwise be involved in any form of gambling in another jurisdiction changes, including (without limitation) where the licence or permission is voluntarily surrendered, made subject to different conditions, suspended or revoked or some other sanction in respect of it is imposed on the holder, or
 - (ii) when a material change occurs in the information previously supplied by it to the Commission, whether prior to being granted the certificate or subsequently, to which the Commission would be able to have regard in considering whether or not the certificate holder is a fit and

proper person to hold an associate certificate; and

- (c) upon being given reasonable notice, which shall wherever possible be not less than seven days, the certificate holder shall attend at a meeting of the Commissioners for the purpose set out in the notice.”.

(3) For regulation 118 of the 2006 Regulations substitute the following regulation-

“General conditions attaching to hosting certificate.

118. A hosting certificate granted by the Commission under section 7 of the Ordinance is subject to the following conditions-

- (a) upon request from a duly authorised officer of the Commission about the level of activity at approved premises being undertaken by an eGambling licensee, the certificate holder must, as soon as reasonably practicable, provide the information requested or explain why that information cannot be supplied;
- (b) the certificate holder must within 48 hours of any serious incident negatively affecting the operations of any service provided to an eGambling licensee at its approved premises notify the Commission in writing of the details and consequences of the incident and of the remedial steps, if any, taken;

- (c) the certificate holder must give notification in writing to the Commission containing full details within seven days when a material change occurs in the information previously supplied by it to the Commission, whether prior to being granted the certificate or subsequently, to which the Commission would be able to have regard in considering whether or not the certificate holder is a fit and proper person to hold a hosting certificate; and
 - (d) upon being given reasonable notice, which shall wherever possible be not less than seven days, the certificate holder shall attend at a meeting of the Commissioners for the purpose set out in the notice.”.
- (4) In regulation 169 of the 2006 Regulations-
- (a) for sub-paragraph (d)(i) substitute the following sub-sub-paragraph-
 - “(i) when the status of any licence or permission however described allowing it, or one of its associates, to conduct or otherwise be involved in any form of gambling in another jurisdiction changes, including (without limitation) where the licence or permission is voluntarily surrendered, made subject to different conditions, suspended or revoked or some other

sanction in respect of it is imposed on the holder,”;

- (b) in sub-paragraph (d)(ii), delete the word “or” at the end;
- (c) immediately after sub-paragraph (d)(ii) insert the following sub-sub-paragraph-

“(iii) when the licensee decides that it will change the auditors it uses for the purpose of regulation 355, or”;

- (d) re-number sub-paragraph (g)(iii) as sub-paragraph (g)(iv); and
- (e) re-letter paragraph (g) as paragraph (e).

(5) For regulation 221 of the 2006 Regulations substitute the following regulation-

“General conditions attaching to key individual certificate.

221. A key individual certificate granted by the Commission under section 7 of the Ordinance is subject to the following conditions-

- (a) the certificate holder must give notification in writing to the Commission containing full details within seven days when a material change occurs in the information previously supplied by, or on behalf of, him to the Commission, whether prior to being granted the certificate or subsequently, to which the

Commission would be able to have regard in considering whether or not the certificate holder is a fit and proper person to hold a key individual certificate; and

- (b) upon being given reasonable notice, which shall wherever possible be not less than seven days, the certificate holder shall attend at a meeting of the Commissioners for the purpose set out in the notice.”.

Simplified mechanism for depositing monies for Part VI purposes.

4. (1) For regulation 19 of the 2006 Regulations substitute the following regulation-

“Re-allocation or return of surplus investigation monies deposited.

19. After determining an application for a full eGambling licence, the Commission shall, in respect of the monies not drawn by it from those deposited by the applicant in accordance with regulation 2 or, where applicable, regulation 12 for processing, investigating and determining the application-

- (a) where the applicant is granted an eGambling licence-
 - (i) retain all the monies and treat them as having been deposited with it in accordance with regulation 391, or
 - (ii) retain only such specific amount, if any, as the applicant has indicated it wishes

the Commission to continue to hold and apply towards the amount to be deposited in accordance with regulation 391 and repay to the applicant the balance; or

- (b) where the application was refused, repay the whole amount to the applicant.”.

(2) For regulation 66 of the 2006 Regulations substitute the following regulation-

“Re-allocation or return of surplus investigation monies deposited.

66. After determining an application for an associate certificate, the Commission shall, in respect of the monies not drawn by it from those deposited by the applicant in accordance with regulation 52 or, where applicable, regulation 59 for processing, investigating and determining the application-

- (a) repay the whole amount to the applicant; or
- (b) where the applicant is granted the certificate and so requests, retain such specific amount as the applicant has indicated it wishes the Commission to continue to hold and apply towards the amount to be deposited in accordance with regulation 391 and repay to the applicant any balance.”.

(3) For regulation 167 of the 2006 Regulations substitute the following regulation-

“Re-allocation or return of surplus investigation monies deposited.

167. After determining an application for a restricted use eGambling licence, the Commission shall, in respect of the monies not drawn by it from those deposited by the applicant in accordance with regulation 152 or, where applicable, regulation 160 for processing, investigating and determining the application-

(a) where the applicant is granted an eGambling licence-

(i) retain all the monies and treat them as having been deposited with it in accordance with regulation 391, or

(ii) retain only such specific amount, if any, as the applicant has indicated it wishes the Commission to continue to hold and apply towards the amount to be deposited in accordance with regulation 391 and repay to the applicant the balance; or

(b) where the application was refused, repay the whole amount to the applicant.”.

(4) For regulation 253 of the 2006 Regulations substitute the following regulation-

“Maintenance of adequate monies on deposit.

253. Before, or at the time of, the submission of an application in

accordance with regulation 252, the amount deposited by, or on behalf of, the eGambling licensee in accordance with regulation 391 shall be at least £10,000.”.

(5) For regulation 270 of the 2006 Regulations substitute the following regulation-

“Maintenance of adequate monies on deposit.

270. Before, or at the time of, the submission of an application in accordance with regulation 269 in respect of a proposed change of a type set out in Part II of Schedule 6, the amount deposited by, or on behalf of, the eGambling licensee in accordance with regulation 391 shall be at least £5,000.”.

(6) For regulation 293 of the 2006 Regulations substitute the following regulation-

“Maintenance of adequate monies on deposit.

293. (1) Subject to paragraphs (2) and (3), before, or at the time of, the submission of an application in accordance with regulation 292, the amount deposited by, or on behalf of, the eGambling licensee in accordance with regulation 391 shall be at least £5,000.

(2) Where regulation 292(2) applies, paragraph (1) does not apply and an eGambling licensee shall only be required to comply with regulation 253.

(3) Where regulation 292(3) applies or where an application is made for approval of gambling equipment currently approved in principle for endorsement on an associate certificate in accordance with regulation 318, paragraph (1) does not apply.”.

(7) For regulation 312 of the 2006 Regulations substitute the following regulation-

“Maintenance of adequate monies on deposit.

312. Before, or at the time of, the submission of an application in accordance with regulation 311, the amount deposited by, or on behalf of, the associate certificate holder in accordance with regulation 391 shall be at least £5,000.”.

(8) For regulation 374 of the 2006 Regulations substitute the following regulation-

“Maintenance of adequate monies on deposit.

374. Unless the inspection notice given states otherwise, before the inspection takes place in accordance with regulation 373, the amount deposited by, or on behalf of, the eGambling licensee in accordance with regulation 391 shall be at least £7,500.”.

(9) For regulation 377 of the 2006 Regulations substitute the following regulation-

“Deposit of monies in respect of investigation.

377. (1) Unless the investigation notice given states otherwise, within seven days of receipt of the notice-

- (a) the amount deposited in accordance with regulation 391 by, or on behalf of, the eGambling licensee or, as the case may be, the associate receiving the notice shall be at least £5,000; or

- (b) where the recipient of the notice does not have monies on deposit with the Commission in accordance with regulation 391, £5,000 shall be deposited with the Commission by, or on behalf of, that person from which the Commission is permitted to draw the costs associated with carrying out the investigation and reporting thereon.

(2) If, prior to the conclusion of the investigation, the monies deposited with the Commission in accordance with paragraph (1)(b) have been exhausted, the Commission may by further notice in writing to the recipient of the investigation notice require that £2,000 shall be deposited with the Commission by, or on behalf of, the recipient.”.

(10) For regulation 379 of the 2006 Regulations substitute the following regulation-

“Payment of costs not deposited.

379. Where the costs payable under section 19(2) of the Ordinance by the recipient of an investigation notice who does not have monies on deposit with the Commission in accordance with regulation 391 exceed the total of the monies deposited in accordance with regulation 377(1)(b) and (2), the recipient shall within seven days of receipt of an account for those costs pay the amount required to the Commission.”.

(11) In regulation 380 of the 2006 Regulations-

- (a) delete the words “an inspection or”; and

(b) for “374 or 377” substitute “377(1)(b) and (2)”.

(12) For the text in the 2006 Regulations immediately following regulation 381 and before Part VII substitute the following text-

“[Regulations 382-390 are deliberately blank and currently unused]

CHAPTER VIII

DEPOSITS OF MONIES BY LICENSEES AND ASSOCIATES

Establishment and maintenance of deposit of monies.

391. (1) Following the grant of an eGambling licence by the Commission under section 7 of the Ordinance and before making any application under a regulation in this Part, an eGambling licensee shall establish and thereafter maintain a deposit of monies with the Commission from which the Commission is permitted by section 16(1) or 19(2) of the Ordinance to draw the costs associated with processing, evaluating and determining applications made under this Part or, as the case may be, carrying out an inspection or investigation under Chapter VII.

(2) Following the grant of an associate certificate by the Commission under section 7 of the Ordinance, an associate certificate holder wishing to make an application under regulation 311 shall, before making such an application, establish and thereafter maintain a deposit of monies with the Commission from which the Commission is permitted by section 16(1) or 19(2) of the Ordinance to draw the costs associated with processing, evaluating and determining applications made under regulation 311 or, as the case may be, carrying out an inspection or investigation under Chapter VII.

(3) Save as otherwise provided in this Part and subject to regulation 392, the amount held by the Commission on account of an

eGambling licensee or, as the case may be, an associate certificate holder under this regulation shall at all times be at least £2,000.

Requiring additional deposits.

392. (1) Where the amount held by the Commission on account of an eGambling licensee or, as the case may be, an associate certificate holder under regulation 391 falls below £2,000, the Commission shall by notice in writing to the licensee or associate inform it of that fact and require that additional monies be deposited to satisfy regulation 391(3).

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine any application which has been made by the licensee or associate but not yet determined until the notice has been complied with.

Interest on deposits.

393. Monies deposited with the Commission in accordance with regulation 391 shall be held by it in an ordinary interest-bearing account with the interest accruing for the benefit of the eGambling licensee or, as the case may be, the certificate holder.

Information about monies on deposit.

394. The Commission shall, whenever requested to do so by an eGambling licensee or an associate certificate holder, provide to the licensee or, as the case may be, the associate an up-to-date balance of the monies being held by the Commission on its behalf in accordance with regulation 391.

Repayment of monies on deposit.

395. When an eGambling licensee or, as the case may be, an associate certificate holder ceases to be a licensee or certificate holder, the Commission shall repay to the licensee or associate any monies not drawn by

it from the monies held by it in accordance with regulation 391.

[Regulations 396-400 are deliberately blank and currently unused]”.

Revised procedure for modifying approval of gambling equipment.

5. (1) In regulation 291(3) of the 2006 Regulations, for “in accordance with regulation 292” substitute “for retrospective approval in accordance with regulation 292(4)”.

(2) For regulation 292 of the 2006 Regulations substitute the following regulations-

“Submission of application.

292. (1) An application for the purposes of regulation 291(1) shall be made by completing an application form as set out in Part III of Schedule 6, signed by a duly authorised officer of the eGambling licensee and delivered to the offices of the Commission.

(2) If an application under paragraph (1) is made in conjunction with an application under regulation 252, where applicable, the application under paragraph (1) shall cross-refer to the relevant information contained in the application document submitted in accordance with regulation 252.

(3) An application for the purposes of regulation 291(2) shall be made by the eGambling licensee-

(a) using the Commission’s online automated change control procedure in accordance with regulation 292A;

- (b) sending to a duly authorised officer of the Commission an e-mail message accurately describing the modification the licensee wishes to make; or
- (c) completing an application form as set out in Part III of Schedule 6, signed by a duly authorised officer of the licensee and delivered to the offices of the Commission.

(4) An application for the purposes of regulation 291(3) shall be-

- (a) made in the first instance by sending to a duly authorised officer of the Commission an e-mail message accurately describing the modification effected as soon as reasonably practicable and, in any event, within 24 hours of effecting the modification; and
- (b) confirmed in accordance with the directions of a duly authorised officer of the Commission by-
 - (i) making use of the Commission's online automated change control procedure in accordance with regulation 292A, save that paragraph (4) thereof shall not apply, or
 - (ii) letter to the Commission sent within seven days following the end of each

calendar month in which such application has been made.

Online change control procedure.

292A. (1) An application submitted in accordance with regulation 292(3)(a) shall be made by the eGambling licensee accessing its dedicated database record of approved gambling equipment and completing the online form therein associated with the type of modification for which application is being made.

(2) An application made in accordance with paragraph (1) shall accurately describe the modification which the eGambling licensee wishes to effect.

(3) In respect of an application which is of a type identified within the procedure as being of low risk, approval by the Commission shall be given, and the licensee shall receive notification thereof, automatically and electronically.

(4) For the purposes of section 16(1) of the Ordinance, there shall be no costs associated with an application processed and determined in accordance with paragraph (3).

(5) Where the Commission subsequently discovers and concludes that a modification dealt with in accordance with paragraph (3) was inaccurately described by the eGambling licensee and should have been dealt with under paragraph (6), the Commission shall give the licensee notice of its conclusion and the reasons therefor and its approval for that modification shall be withdrawn with immediate effect.

(6) In respect of an application other than one to which

paragraph (3) applies, an officer or servant of the Commission shall review the application in accordance with regulation 294.”.

(4) For regulation 294(2) of the 2006 Regulations substitute the following paragraph-

“ (2) Where an application in accordance with regulation 292 is made-

(a) to which regulation 292A(3) applies; or

(b) for approval of gambling equipment currently approved in principle for endorsement on an associate certificate in accordance with regulation 318,

the Commission shall not carry out any further evaluation of that gambling equipment.”.

(5) In regulation 296 of the 2006 Regulations-

(a) for “during an evaluation” substitute “following submission”; and

(b) for “a proper evaluation of the application to be made” substitute “the application to be determined in accordance with this Chapter”.

(6) In regulation 297(1) of the 2006 Regulations, for “make a proper evaluation of the application” substitute “determine the application in accordance with this Chapter”.

(7) For regulation 300(2) of the 2006 Regulations substitute the following paragraphs-

“ (2) Where the Commission grants an application made in accordance with regulation 292(3)(a) for approval of a modification to gambling equipment through its online automated change control procedure in accordance with regulation 292A(3), no gambling equipment approval will be given but instead the Commission shall cause the licensee’s dedicated database record of approved gambling equipment to be updated to reflect its approval.

(3) As soon as practicable after giving an eGambling licensee a gambling equipment approval, the Commission shall establish in respect of the licensee a dedicated database record of approved gambling equipment or, as the case may be, update the licensee’s record in order to reflect the approval given.”.

Pre-determination meeting with applicant for licence or certificate.

6. (1) In regulation 15(1)(c) of the 2006 Regulations, immediately after “material” insert “or information”.

(2) For regulation 15(2) of the 2006 Regulations substitute the following paragraph-

“ (2) Where the Commissioners consider that they have insufficient information on which to decide whether to grant or refuse the application, they shall defer their decision on the application and-

(a) shall cause an appropriate requirement under regulation 10 to be made; and

- (b) may invite a representative of the applicant to attend before them for interview.”.

(3) In regulation 62(1)(b) of the 2006 Regulations, immediately after “material” insert “or information”.

(4) For regulation 62(2) of the 2006 Regulations substitute the following paragraph-

“ (2) Where the Commissioners consider that they have insufficient information on which to decide whether to grant or refuse the application, they shall defer their decision on the application and-

- (a) shall cause an appropriate requirement under regulation 57 to be made; and

- (b) may invite the applicant, or a representative of the applicant, to attend before them for interview.”.

(5) In regulation 112(1)(c) of the 2006 Regulations, immediately after “material” insert “or information”.

(6) For regulation 112(2) of the 2006 Regulations substitute the following paragraph-

“ (2) Where the Commissioners consider that they have insufficient information on which to decide whether to grant or refuse the application, they shall defer their decision on the application and-

- (a) shall cause an appropriate requirement under regulation 107 to be made; and
- (b) may invite the applicant, or a representative of the applicant, to attend before them for interview.”.

(7) In regulation 163(1)(c) of the 2006 Regulations, immediately after “material” insert “or information”.

(8) For regulation 163(2) of the 2006 Regulations substitute the following paragraph-

“ (2) Where the Commissioners consider that they have insufficient information on which to decide whether to grant or refuse the application, they shall defer their decision on the application and-

- (a) shall cause an appropriate requirement under regulation 158 to be made; and
- (b) may invite a representative of the applicant to attend before them for interview.”.

(9) In regulation 215(1)(b) of the 2006 Regulations, immediately after “material” insert “or information”.

(10) For regulation 215(2) of the 2006 Regulations substitute the following paragraph-

“ (2) Where the Commissioners consider that they have insufficient information on which to decide whether to grant or refuse the

application, they shall defer their decision on the application and-

- (a) shall cause an appropriate requirement under regulation 210 to be made; and
- (b) may invite the applicant to attend before them for interview.”.

Regulatory hearings.

7. (1) For regulation 35 of the 2006 Regulations substitute the following regulation-

“Conduct of regulatory hearing.

35. (1) At a hearing convened in accordance with regulation 32-

- (a) the proceedings shall be opened and directed by the Chairman of the Commission or, in his absence, the Commissioner presiding at the hearing, who shall be responsible for the proper conduct of the hearing;
- (b) the Commissioners shall, so far as it appears to them appropriate, seek to avoid formality in their proceedings and shall conduct the hearing in such manner as they consider most appropriate for the clarification of the issues before them and generally to the just handling of the hearing; and
- (c) the full eGambling licensee may appear before

the Commissioners through any representative.

(2) Without prejudice to the generality of paragraph (1)(b), where the full eGambling licensee indicates that it wishes to challenge the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer shall first be invited to present the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (b) in the event that a witness gives evidence in support of the duly authorised officer's presentation, cross-examination by the eGambling licensee's representative and re-examination by the duly authorised officer or his representative shall be permitted;
- (c) the representative of the eGambling licensee shall next present its response and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (d) in the event that a witness gives evidence in support of the eGambling licensee's presentation, cross-examination by the duly authorised officer or his representative and re-

examination by the representative of the eGambling licensee shall be permitted;

- (e) written representations may be lodged with the Commissioners by, or on behalf of, the duly authorised officer or the eGambling licensee before or during the hearing or in such other manner as the Commissioners may direct;
- (f) questions may be asked at any time by the Commissioners; and
- (g) the Commissioners may proceed to determining whether or not a ground referred to in section 12(1) of the Ordinance has been established before inviting comments from the representative of the eGambling licensee in relation to any appropriate sanction.

(3) Where the Commissioners proceed in accordance with paragraph (2)(g) and determine that a ground referred to in section 12(1) of the Ordinance has been established, they shall provide an opportunity for the representative of the full eGambling licensee to offer any explanation and make such other comment as he wishes.

(4) Without prejudice to the generality of paragraph (1)(b), where the full eGambling licensee indicates that it accepts the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or

any representative of that officer may first be invited to summarise the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee;

- (b) the representative of the eGambling licensee shall be provided with the opportunity to offer any explanation and make such other comment as he wishes; and
- (c) questions may be asked at any time by the Commissioners.

(5) A hearing under this regulation may be adjourned by the Commissioners at any time and for any purpose.

(6) Unless the Commissioners otherwise direct, a hearing under this regulation shall be held in public in Alderney.”.

(2) For regulation 36(1) of the 2006 Regulations substitute the following paragraph-

“ (1) During or at the conclusion of a hearing convened in accordance with regulation 32, having taken into account everything said before and lodged with them, the Commissioners shall first determine whether the existence of a ground referred to in section 12(1) of the Ordinance has been accepted by, or established against, the full eGambling licensee and-

- (a) if so, shall then determine which of the actions specified in section 12(3) of the Ordinance, if any, to take in respect of the eGambling licensee

or, as the case may be, its licence; or

- (b) if not, shall direct that the allegation against it be recorded as not having been established.”.

(3) For regulation 82 of the 2006 Regulations substitute the following regulation-

“Conduct of regulatory hearing.

82. (1) At a hearing convened in accordance with regulation 79-

- (a) the proceedings shall be opened and directed by the Chairman of the Commission or, in his absence, the Commissioner presiding at the hearing, who shall be responsible for the proper conduct of the hearing;
 - (b) the Commissioners shall, so far as it appears to them appropriate, seek to avoid formality in their proceedings and shall conduct the hearing in such manner as they consider most appropriate for the clarification of the issues before them and generally to the just handling of the hearing; and
 - (c) the associate certificate holder may appear before the Commissioners through any representative.
- (2) Without prejudice to the generality of paragraph (1)(b),

where the associate certificate holder indicates that it wishes to challenge the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer shall first be invited to present the case setting out the ground under section 12(1) of the Ordinance alleged against the certificate holder and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (b) in the event that a witness gives evidence in support of the duly authorised officer's presentation, cross-examination by the representative of the certificate holder and re-examination by the duly authorised officer or his representative shall be permitted;
- (c) the representative of the certificate holder shall next present its response and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (d) in the event that a witness gives evidence in support of the certificate holder's presentation, cross-examination by the duly authorised officer or his representative and re-examination by the representative of the certificate holder shall be permitted;

- (e) written representations may be lodged with the Commissioners by, or on behalf of, the duly authorised officer or certificate holder before or during the hearing or in such other manner as the Commissioners may direct;
- (f) questions may be asked at any time by the Commissioners; and
- (g) the Commissioners may proceed to determining whether or not a ground referred to in section 12(1) of the Ordinance has been established before inviting comments from the representative of the certificate holder in relation to any appropriate sanction.

(3) Where the Commissioners proceed in accordance with paragraph (2)(g) and determine that a ground referred to in section 12(1) of the Ordinance has been established, they shall provide an opportunity for the representative of the associate certificate holder to offer any explanation and make such other comment as he wishes.

(4) Without prejudice to the generality of paragraph (1)(b), where the associate certificate holder indicates that it accepts the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer may first be invited to summarise the case setting out the ground under section 12(1) of the Ordinance

alleged against the certificate holder;

- (b) the representative of the certificate holder shall be provided with the opportunity to offer any explanation and make such other comment as he wishes; and
- (c) questions may be asked at any time by the Commissioners.

(5) A hearing under this regulation may be adjourned by the Commissioners at any time and for any purpose.

(6) Unless the Commissioners otherwise direct, a hearing under this regulation shall be held in public in Alderney.”.

(4) For regulation 83(1) of the 2006 Regulations substitute the following paragraph-

“ (1) During or at the conclusion of a hearing convened in accordance with regulation 79, having taken into account everything said before and lodged with them, the Commissioners shall first determine whether the existence of a ground referred to in section 12(1) of the Ordinance has been accepted by, or established against, the associate certificate holder and-

- (a) if so, shall then determine which of the actions specified in section 12(3) of the Ordinance, if any, to take in respect of the certificate holder or, as the case may be, its certificate; or
- (b) if not, shall direct that the allegation against it be

recorded as not having been established.”.

(5) For regulation 85 of the 2006 Regulations substitute the following regulation-

“Withdrawal of associate certificate.

85. (1) The Commissioners shall not withdraw an associate certificate unless they are satisfied that, unless the certificate is withdrawn the integrity of the conduct of eGambling by an eGambling licensee may be jeopardised in a material way.

(2) Withdrawal of an associate certificate takes effect when the determination notice is given or, if the determination notice specifies a later day, on the later day.

(3) A person whose associate certificate has been withdrawn shall return the certificate to the Commission within seven days of the withdrawal taking effect.”.

(6) For regulation 132 of the 2006 Regulations substitute the following regulation-

“Conduct of regulatory hearing.

132. (1) At a hearing convened in accordance with regulation 129-

- (a) the proceedings shall be opened and directed by the Chairman of the Commission or, in his absence, the Commissioner presiding at the hearing, who shall be responsible for the proper conduct of the hearing;

- (b) the Commissioners shall, so far as it appears to them appropriate, seek to avoid formality in their proceedings and shall conduct the hearing in such manner as they consider most appropriate for the clarification of the issues before them and generally to the just handling of the hearing; and
- (c) the hosting certificate holder may appear before the Commissioners through any representative.

(2) Without prejudice to the generality of paragraph (1)(b), where the hosting certificate holder indicates that it wishes to challenge the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer shall first be invited to present the case setting out the ground under section 12(1) of the Ordinance alleged against the certificate holder and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (b) in the event that a witness gives evidence in support of the duly authorised officer's presentation, cross-examination by the representative of the certificate holder and re-examination by the duly authorised officer or his representative shall be permitted;

- (c) the representative of the certificate holder shall next present its response and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (d) in the event that a witness gives evidence in support of the certificate holder's presentation, cross-examination by the duly authorised officer or his representative and re-examination by the representative of the certificate holder shall be permitted;
- (e) written representations may be lodged with the Commissioners by, or on behalf of, the duly authorised officer or certificate holder before or during the hearing or in such other manner as the Commissioners may direct;
- (f) questions may be asked at any time by the Commissioners; and
- (g) the Commissioners may proceed to determining whether or not a ground referred to in section 12(1) of the Ordinance has been established before inviting comments from the representative of the certificate holder in relation to any appropriate sanction.

(3) Where the Commissioners proceed in accordance with paragraph (2)(g) and determine that a ground referred to in section 12(1) of the

Ordinance has been established, they shall provide an opportunity for the representative of the hosting certificate holder to offer any explanation and make such other comment as he wishes.

(4) Without prejudice to the generality of paragraph (1)(b), where the hosting certificate holder indicates that it accepts the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer may first be invited to summarise the case setting out the ground under section 12(1) of the Ordinance alleged against the certificate holder;
- (b) the representative of the certificate holder shall be provided with the opportunity to offer any explanation and make such other comment as he wishes; and
- (c) questions may be asked at any time by the Commissioners.

(5) A hearing under this regulation may be adjourned by the Commissioners at any time and for any purpose.

(6) Unless the Commissioners otherwise direct, a hearing under this regulation shall be held in public in Alderney.”.

(7) For regulation 133(1) of the 2006 Regulations substitute the following paragraph-

“ (1) During or at the conclusion of a hearing convened in accordance with regulation 129, having taken into account everything said before and lodged with them, the Commissioners shall first determine whether the existence of a ground referred to in section 12(1) of the Ordinance has been accepted by, or established against, the hosting certificate holder and-

- (a) if so, shall then determine which of the actions specified in section 12(3) of the Ordinance, if any, to take in respect of the certificate holder or, as the case may be, its certificate; or
- (b) if not, shall direct that the allegation against it be recorded as not having been established.”.

(8) For regulation 137 of the 2006 Regulations substitute the following regulation-

“Withdrawal of hosting certificate.

137. (1) The Commissioners shall not withdraw a hosting certificate unless they are satisfied that, unless the certificate is withdrawn the integrity of the conduct of eGambling by an eGambling licensee may be jeopardised in a material way.

(2) Withdrawal of a hosting certificate takes effect when the determination notice is given or, if the determination notice specifies a later day, on the later day.

(3) A person whose hosting certificate has been withdrawn shall return the certificate to the Commission within seven days of the withdrawal taking effect.”.

(9) For regulation 190 of the 2006 Regulations substitute the following regulation-

“Conduct of regulatory hearing.

190. (1) At a hearing convened in accordance with regulation 187-

- (a) the proceedings shall be opened and directed by the Chairman of the Commission or, in his absence, the Commissioner presiding at the hearing, who shall be responsible for the proper conduct of the hearing;
- (b) the Commissioners shall, so far as it appears to them appropriate, seek to avoid formality in their proceedings and shall conduct the hearing in such manner as they consider most appropriate for the clarification of the issues before them and generally to the just handling of the hearing; and
- (c) the restricted use eGambling licensee may appear before the Commissioners through any representative.

(2) Without prejudice to the generality of paragraph (1)(b), where the restricted use eGambling licensee indicates that it wishes to challenge the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer shall first be invited to present the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (b) in the event that a witness gives evidence in support of the duly authorised officer's presentation, cross-examination by the representative of the eGambling licensee and re-examination by the duly authorised officer or his representative shall be permitted;
- (c) the representative of the eGambling licensee shall next present its response and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (d) in the event that a witness gives evidence in support of the eGambling licensee's presentation, cross-examination by the duly authorised officer or his representative and re-examination by the representative of the eGambling licensee shall be permitted;
- (e) written representations may be lodged with the Commissioners by, or on behalf of, the duly authorised officer or the eGambling licensee before or during the hearing or in such other

manner as the Commissioners may direct;

- (f) questions may be asked at any time by the Commissioners; and
- (g) the Commissioners may proceed to determining whether or not a ground referred to in section 12(1) of the Ordinance has been established before inviting comments from the representative of the eGambling licensee in relation to any appropriate sanction.

(3) Where the Commissioners proceed in accordance with paragraph (2)(g) and determine that a ground referred to in section 12(1) of the Ordinance has been established, they shall provide an opportunity for the representative of the restricted use eGambling licensee to offer any explanation and make such other comment as he wishes.

(4) Without prejudice to the generality of paragraph (1)(b), where the restricted use eGambling licensee indicates that it accepts the allegation set out in the hearing notice given to it, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer may first be invited to summarise the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee;
- (b) the representative of the eGambling licensee shall be provided with the opportunity to offer

any explanation and make such other comment as he wishes; and

(c) questions may be asked at any time by the Commissioners.

(5) A hearing under this regulation may be adjourned by the Commissioners at any time and for any purpose.

(6) Unless the Commissioners otherwise direct, a hearing under this regulation shall be held in public in Alderney.”.

(10) For regulation 191(1) of the 2006 Regulations substitute the following paragraph-

“ (1) During or at the conclusion of a hearing convened in accordance with regulation 187, having taken into account everything said before and lodged with them, the Commissioners shall first determine whether the existence of a ground referred to in section 12(1) of the Ordinance has been accepted by, or established against, the restricted use eGambling licensee and-

(a) if so, shall then determine which of the actions specified in section 12(3)(a), (b), (d) and (e) of the Ordinance, if any, to take in respect of the eGambling licensee or, as the case may be, its licence; or

(b) if not, shall direct that the allegation against it be recorded as not having been established.”.

(11) For regulation 235 of the 2006 Regulations substitute the following regulation-

“Conduct of regulatory hearing.

235. (1) At a hearing convened in accordance with regulation 232-

- (a) the proceedings shall be opened and directed by the Chairman of the Commission or, in his absence, the Commissioner presiding at the hearing, who shall be responsible for the proper conduct of the hearing;
- (b) the Commissioners shall, so far as it appears to them appropriate, seek to avoid formality in their proceedings and shall conduct the hearing in such manner as they consider most appropriate for the clarification of the issues before them and generally to the just handling of the hearing; and
- (c) the key individual certificate holder may appear before the Commissioners in person or through any representative.

(2) Without prejudice to the generality of paragraph (1)(b), where the key individual certificate holder indicates that he wishes to challenge the allegation set out in the hearing notice given to him, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or

any representative of that officer shall first be invited to present the case setting out the ground under section 12(1) of the Ordinance alleged against the certificate holder and may, for that purpose, call unsworn evidence from witnesses and produce documents;

- (b) in the event that a witness gives evidence in support of the duly authorised officer's presentation, cross-examination by, or on behalf of, the certificate holder and re-examination by the duly authorised officer or his representative shall be permitted;
- (c) the certificate holder or, as the case may be, his representative shall next present his response and may, for that purpose, call unsworn evidence from witnesses and produce documents;
- (d) in the event that a witness gives evidence in support of the certificate holder's presentation, cross-examination by the duly authorised officer or his representative and re-examination by, or on behalf of, the certificate holder shall be permitted;
- (e) written representations may be lodged with the Commissioners by, or on behalf of, the duly authorised officer or certificate holder before or during the hearing or in such other manner as the

Commissioners may direct;

- (f) questions may be asked at any time by the Commissioners; and
- (g) the Commissioners may proceed to determining whether or not a ground referred to in section 12(1) of the Ordinance has been established before inviting comments from the certificate holder or his representative in relation to any appropriate sanction.

(3) Where the Commissioners proceed in accordance with paragraph (2)(g) and determine that a ground referred to in section 12(1) of the Ordinance has been established, they shall provide an opportunity for the certificate holder or his representative to offer any explanation and make such other comment as he wishes.

(4) Without prejudice to the generality of paragraph (1)(b), where the key individual certificate holder indicates that he accepts the allegation set out in the hearing notice given to him, the Commissioners may adopt the following procedure-

- (a) a duly authorised officer of the Commission or any representative of that officer may first be invited to summarise the case setting out the ground under section 12(1) of the Ordinance alleged against the certificate holder;
- (b) the certificate holder or his representative shall be provided with the opportunity to offer any

explanation and make such other comment as he wishes; and

(c) questions may be asked at any time by the Commissioners.

(5) A hearing under this regulation may be adjourned by the Commissioners at any time and for any purpose.

(6) Unless the Commissioners otherwise direct, a hearing under this regulation shall be held in public in Alderney.”.

(12) For regulation 236(1) of the 2006 Regulations substitute the following paragraph-

“ (1) During or at the conclusion of a hearing convened in accordance with regulation 232, having taken into account everything said before and lodged with them, the Commissioners shall first determine whether the existence of a ground referred to in section 12(1) of the Ordinance has been accepted by, or established against, the key individual certificate holder and-

(a) if so, shall then determine which of the actions specified in section 12(3) of the Ordinance, if any, to take in respect of the certificate holder or, as the case may be, his certificate; or

(b) if not, shall direct that the allegation against him be recorded as not having been established.”.

(13) For regulation 240 of the 2006 Regulations substitute the

following regulation-

“Withdrawal of key individual certificate.

240. (1) The Commissioners shall not withdraw a key individual certificate unless they are satisfied that, unless the certificate is withdrawn the integrity of the conduct of eGambling by an eGambling licensee may be jeopardised in a material way.

(2) Withdrawal of a key individual certificate takes effect when the determination notice is given or, if the determination notice specifies a later day, on the later day.

(3) A person whose key individual certificate has been withdrawn shall return the certificate to the Commission within seven days of the withdrawal taking effect.”.

Further protection for problem gamblers.

8. Immediately after regulation 340(4) of the 2006 Regulations insert the following paragraphs-

“ (4A) An eGambling licensee who has received a notice under paragraph (1) from a customer setting his limit in accordance with paragraphs (2)(c) and (3)(c) at zero shall not, directly or indirectly, market or otherwise publicise its gambling services to that customer whilst the customer’s limit continues at zero.

(4B) An eGambling licensee who has received a notice under paragraph (1) shall not, directly or indirectly, encourage the customer who has set that limit to raise or remove it.”.

Customer complaints: website hyperlink.

9. For regulation 341(1) of the 2006 Regulations substitute the following paragraphs-

“ (1) An eGambling licensee shall include on an appropriate page within the part of its website explaining the availability of a mechanism for resolving a customer’s complaint a hyperlink to the page on the Commission’s website dealing with its handling of complaints.

(1A) Where a registered customer makes a complaint to the Commission about an eGambling licensee’s operations, the complaint shall be dealt with by the Commission in accordance with this regulation.”.

Monitoring by Commission.

10. (1) For regulation 371 of the 2006 Regulations substitute the following regulation-

“Monitoring operations.

371. (1) The Commission may at any time carry out monitoring of any aspect of the operations of an eGambling licensee.

(2) Without prejudice to the generality of paragraph (1), for the purpose of monitoring the licensee’s operations under its eGambling licence, the licensee shall-

- (a) at the request of the Commission, do anything reasonably necessary to allow a servant or agent of the Commission to carry out such monitoring, including (without limitation) providing, or facilitating access to, information or material held by an associate of the licensee; and

- (b) be deemed to have authorised a servant or agent of the Commission to obtain directly from a certificate holder information or material in respect of the licensee's operations which is held by that certificate holder.”.

(2) In regulation 372 of the 2006 Regulations, immediately after “relation” insert “to”.

Index of internal control system.

11. For paragraph 2 of Part I of Schedule 6 to the 2006 Regulations substitute the following paragraph-

“ **2.** Immediately after the pages required by paragraph 1, the substance of an application for approval of an eGambling licensee's proposed internal control system shall be set out in accordance with the following list of contents-

“ **SECTION 1 : CORPORATE STRUCTURE AND STAFFING**

- 1.1 Corporate Structure
- 1.2 Related Gambling Experience and Exposure
- 1.3 Organisational Structure
- 1.4 Job Descriptions
- 1.5 Staff Probity
- 1.6 Staff Training
- 1.7 Compliance Officer
- 1.8 Money Laundering and Terrorist Financing
- 1.9 External Consultants and Associates
- 1.10 Due Diligence on Foreign Business Associates
- 1.11 Internal Audit Function
- 1.12 Premises

1.13 Disaster Recovery

SECTION 2 : ACCOUNTING SYSTEMS

- 2.1 Accounting Policies
- 2.2 Chart of Accounts
- 2.3 Internal Accounting Controls
- 2.4 Management Accounts
- 2.5 Budgets
- 2.6 External Audit
- 2.7 Accounting Software
- 2.8 Record retention policy
- 2.9 Bank Accounts
- 2.10 Bad Debts
- 2.11 Agency Arrangements
- 2.12 Asset Classification and Control
- 2.13 Jackpot accounting
- 2.14 Registers

**SECTION 3 : CUSTOMER REGISTRATION, VERIFICATION,
BANKING AND MANAGEMENT**

- 3.1 Terms Governing Customer Accounts
- 3.2 Customer Verification and Identification
- 3.3 Customer Funds on Account
- 3.4 Closing Accounts
- 3.5 Customers at Risk
- 3.6 Accepting Wagers
- 3.7 Customer Complaints
- 3.8 Registers

SECTION 4 : eGAMBLING

- 4.1 Hosting Premises

- 4.2 Alderney Branding
- 4.3 Random Number Generator (RNG) Requirements
- 4.4 Customer Game Session
- 4.5 Malfunction and Non-Responsive Games
- 4.6 Foreign Business Associates (connecting to external gaming systems)
- 4.7 eGambling requirements
- 4.8 Game Design
- 4.9 Requirements for Games against the House (not P2P)
- 4.10 Game Artwork (Information Displayed)
- 4.11 Spinning Wheel (Reel) Requirements
- 4.12 Positioning, Size, Colour and Shape
- 4.13 Substitutes
- 4.14 Winning Patterns
- 4.15 Features
- 4.16 Keno and Bingo Artwork Requirements
- 4.17 Card Game Artwork Requirements
- 4.18 Gamble Option Artwork Standards
- 4.19 Roulette
- 4.20 Dice Games
- 4.21 Simulated Wagering
- 4.22 Scratch Ticket
- 4.23 Video Poker
- 4.24 Blackjack
- 4.25 Live Gambling Studio Control Guidelines and Standards
- 4.26 Event Based Wagering
- 4.27 Other Games
- 4.28 Peer to Peer (P2P) Games
- 4.29 Jackpots and Promotional Jackpots
- 4.30 Registers

SECTION 5 : COMPUTER CONTROLS

- 5.1 System Operations
- 5.2 Security
- 5.3 Software Development, Testing, Maintenance and Approval
- 5.4 Equipment
- 5.5 Network
- 5.6 Domain Name System (DNS) Requirements
- 5.7 Communication
- 5.8 Database and Information
- 5.9 External Wagering Systems
- 5.10 Registers”.”.

Minor modifications to application forms.

12. At the bottom of the first page of the application form set out in Part I of each of Schedules 1, 2, 3, 4 and 5 and Part IV of Schedule 3 to the 2006 Regulations insert the following additional text-

“IN RESPECT OF

[INSERT NAME OF APPLICANT]

_____”.

Revised monthly reporting format.

13. For Part VII of Schedule 6 to the 2006 Regulations substitute the Part set out in the Schedule to these Regulations.

Consequential amendments and repeals.

14. (1) In the “ARRANGEMENT OF REGULATIONS” of the 2006 Regulations-

- (a) in respect of the entries relating to regulations 19, 66

and 167, for the text corresponding to each of those regulation numbers substitute the following text-

“Re-allocation or return of surplus investigation monies deposited.”;

- (b) for the text immediately following the entry relating to regulation 40 at the end of Part I substitute “[Regulations 41-49 unused.]”;
- (c) immediately after the heading for Part II (associate certificates) insert the following-

“CHAPTER I
ASSOCIATES PROVIDING CORE SERVICES

50. Providers of core services.”;

- (d) re-number the headings in Part II of Chapters I, II, III and IV as Chapters II, III, IV and V respectively;
 - (e) for the entry relating to regulation 68 substitute the following entry-
- “68. General conditions attaching to associate certificate.”;
- (f) for the entry relating to regulation 85 substitute the following entry-

“85. Withdrawal of associate certificate.”;

- (g) for the entry relating to regulation 118 substitute the following entry-

“118. General conditions attaching to hosting certificate.”;

- (h) for the entry relating to regulation 137 substitute the following entry-

“137. Withdrawal of hosting certificate.”;

- (i) for the entry relating to regulation 221 substitute the following entry-

“221. General conditions attaching to key individual certificate.”;

- (j) for the entry relating to regulation 240 substitute the following entry-

“240. Withdrawal of key individual certificate.”;

- (k) in respect of the entries relating to regulations 253, 270, 293, 312 and 374, for the text corresponding to each of those regulation numbers substitute the following text-

“Maintenance of adequate monies on deposit.”;

- (l) immediately after the entry relating to regulation 292 insert the following entry-

“292A. Online change control procedure.”;

- (m) for the entry relating to regulation 377 substitute the following entry-

“377. Deposit of monies in respect of investigation.”;

- (n) for the text immediately following the entry relating to regulation 381 and before Part VII substitute-

“[Regulations 382-390 not used]

CHAPTER VIII
DEPOSITS OF MONIES BY LICENSEES AND
ASSOCIATES

391. Establishment and maintenance of deposit of monies.

392. Requiring additional deposits.

393. Interest on deposits.

394. Information about monies on deposit.

395. Repayment of monies on deposit.

[Regulations 396-400 not used]”.

(2) Regulations 259, 263, 264, 274, 277, 278, 298, 305, 306, 317, 321 and 322 of the 2006 Regulations are hereby repealed.

(3) In the “ARRANGEMENT OF REGULATIONS” of the 2006 Regulations, for the text corresponding to each of the regulations numbered 259, 263, 264, 274, 277, 278, 298, 305, 306, 317, 321 and 322 substitute “[not in use]”.

Interpretation.

15. (1) In these Regulations, “**the 2006 Regulations**” means the Alderney eGambling Regulations, 2006, as amended by the Alderney eGambling (Amendment) Regulations, 2006, the Alderney eGambling (Amendment) (No. 2) Regulations, 2006, the Alderney eGambling (Amendment) Regulations, 2007, the Alderney eGambling (Money Laundering Amendments) Regulations, 2008 and the Alderney eGambling (Amendment) Regulations, 2008.

(2) The Interpretation (Guernsey) Law, 1948^b applies to the interpretation of these Regulations as it applies to the interpretation of an enactment in force in the Island of Guernsey.

Transitional provisions.

16. (1) Where, on or before 30th September, 2008, an eGambling licensee or an associate has in accordance with a regulation in Part VI of the 2006 Regulations deposited monies with the Commission from which the Commission is permitted to draw the costs associated with processing, evaluating and determining an application or, as the case may be, carrying out an inspection or investigation and reporting thereon, any balance not drawn against by 1st October, 2008 shall be treated as having been deposited in accordance with regulation 391 of the 2006 Regulations as inserted by regulation 4(12) of these Regulations.

(2) The introduction by regulation 11 of a revised list of section headings required in an eGambling licensee’s approved internal control system shall be deemed to constitute a control change notice as if it were given in accordance with regulation 266 of the 2006 Regulations to all eGambling licensees whose internal control systems have, or will have, been approved on or before 1st October, 2008 and requires such an eGambling licensee to apply for approval from the Commission for

^b Ordres en Conseil Vol. XIII, p. 355.

the necessary changes to a revised internal control system by 31st December, 2008.

Citation.

17. These Regulations may be cited as the Alderney eGambling (Amendment) (No. 2) Regulations, 2008.

Commencement.

18. These Regulations shall come into force on the 1st October, 2008.

Dated this 30th day of September, 2008.

.....

ISABEL PICORNELL
Member of the Alderney Gambling Control Commission
for and on behalf of the Commission.

SCHEDULE
SUBSTITUTED PART VII OF SCHEDULE 6

“Regulation 352(1)

PART VII
FORMAT OF MONTHLY OPERATIONAL PERFORMANCE REPORT

The format of an eGambling licensee’s monthly operational report to the Commission shall be as follows-

“INDEX

[Calendar Month reporting period]

<u>CHANGES AND PROBLEMS</u>	<u>Page</u>
1. Change Control Statements	
1(a) Low Risk Change Reports	x
1(b) Other Change Reports	x
2. Significant Software and Hardware Events	x
3. Security Breaches	x
 <u>CUSTOMER ACTIVITY</u>	
4. Seized Accounts	x
5. Reversed/Voided Transactions	x
6. Customer Counts and Values, by Age Category	x
7. Manual Adjustments to Customer Funds	x
8. Suspicious Transactions	x
 <u>GAME DATA</u> <i>(where applicable)</i>	
9. Operating Performance Summary	x
10. Game Activated or Inactivated from System	x

CHANGES AND PROBLEMS

1. Change Control Statements

1(a) Low Risk Change Report

Definition of report: A count of the number of low risk change requests submitted to the AGCC under regulation 292(3)(a) and dealt with pursuant to regulation 292A(3).

Number of Low Risk Changes submitted: _____

1(b) High Risk Change Report

Definition of report: A count of the number of other change requests (ie, not “low risk” as in 1 (a)) submitted to the AGCC under regulation 292(3) or (4) and dealt with otherwise than pursuant to regulation 292A(3):

Change Control ID	Implemented Date	Description	AGCC Approval Date

* * * * *

2. Significant Software and Hardware Events

Definition of report: This report lists all unusual technical events that resulted in, *inter alia*, the need to re-start any part of the system, the refunding or otherwise of customer funds, the voiding or re-creation of games, or other technical events, whether planned or otherwise.

Date	Description	Value	AGCC Notification Date

* * * * *

3. Security Breaches

Definition of report: This report lists a description of any event whereby any part of the system was penetrated, accessed without authorisation or potentially compromised in any way, regardless of whether its origin. Further, describe any event whereby data belonging to the licensee, an associate or the customers may have been compromised regardless of whether by technical means or physical means.

Date	Description	Measures Implemented

* * * * *

CUSTOMER ACTIVITY**4. Seized Accounts**

Definition of report: This report lists customers whose accounts have been seized, whether temporarily or permanently.

User Name	Date Excluded	Reason	Amount

* * * * *

5. Reversed / Voided Transactions

Definition of report: This report lists all transactions that have been initiated and completed by the customer, accepted and logged by the system, but subsequently reversed / voided because of mistake (either manual or system error).

Customer ID	Transaction ID	Amount	Date	Description

* * * * *

6. Customer Counts and Values, by Age Category

Definition of report: This report aggregates the number of customer accounts and their value, by age category, whether those funds are held directly with the eGambling licensee or by an associate on behalf of the licensee.

	Customer Count		Aggregate Real Monetary Value	
	Current Month	Previous Month	Current Month	Previous Month
Active Customers				
Inactive Customers				
Dormant Customers				
Totals				

For purposes of this report, the following parameters apply:

Active customers: customers who have logged-in within the past 12 months.

Inactive customers: customers who have been inactive for more than 12 months, but less than 24 months.

Dormant customers: customers who have been inactive for over 24 months.

Real Monetary Value: withdrawable funds excluding unfulfilled bonuses and promotions, etc.

* * * * *

7. Manual Adjustments to Customer Funds

Definition of report: This report shows actual customer real money balance modifications which derive from mistakes.

Customer ID	Date	Amount	Reason

* * * * *

8. Suspicious Transactions

Definition of report: This report lists all suspicious transaction reports that have been submitted to the Guernsey FIS.

Customer ID	Date	Description	Amount

* * * * *

GAME DATA (where applicable)

9. Operational Performance Summary

Definition of report: This report contains a summary of operational performance, itemised by product lines (casino, bingo, poker, (other, as necessary)). Aggregate totals are also required.

Product Line	Handle	Payouts	Hold	Hold %	Number of Transactions	Average Wager	Number Unique Logins
A							
B							
C... etc.							
Aggregate							

* * * * *

10. Game Activated or Inactivated from System

Description of report: This report lists any games added to, or removed from, the games made available to customers.

Game	Version	Date	Added/Removed	Description/ Reason

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made by the Alderney Gambling Control Commission under the Alderney eGambling Ordinance, 2006, as amended. They make amendments to the Alderney eGambling Regulations, 2006, as amended, prescribing the entities that are required to hold associate certificates; modifying the designation of, and relationship with, key individuals; amending the general conditions attached to all licences and certificates; introducing a simpler mechanism for licensees maintaining a deposit of funds from which the Commission can draw costs incurred in accordance with operational matters; revising the procedures for approving modifications to gambling equipment; providing for the Commissioners to invite applicants for licences and certificates to meet them before their applications are determined; clarifying the procedures for conducting regulatory hearings; and making other minor amendments.

Regulation 1 inserts a new regulation 50 which sets out three types of business associate of an eGambling licensee that are required to hold an associate certificate by virtue of section 16A of the 2006 Ordinance. They comprise associates supplying software used specifically for effecting the licensee's gambling transactions (but not those from whom such software is purchased outright), taking and holding deposits of customers' funds or to which the licensee's management or any part thereof is outsourced. However, inter-group companies or entities in common ownership or control with the licensee are excluded.

Regulation 2 extends the class of person who can be designated as a key individual to include persons who are identified at the time of the making of an application for an eGambling licence or an associate certificate as inevitably requiring such a certificate.

Regulation 3 modifies the conditions attaching to each type of licence and certificate. For a full eGambling licence, the condition requiring the licensee to have a compliance officer is relaxed so that the person appointed may be part of the licensee's management without having to be a director. For both a full and restricted use eGambling licensee, the requirement to notify the Commission about changes to what it, or an associate, is licensed or permitted to do elsewhere is broadened to cover any change of conditions or other sanctions being imposed and there is a new requirement to notify the Commission about any change of its auditors. For an associate certificate holder, there is a requirement to notify the Commission about any changes to a gambling-related licence or permission it, or an associate, holds elsewhere. For the holder of an associate or hosting certificate, there is a new requirement to notify the Commission about serious incidents affecting the services they provide to eGambling licensees. For a hosting certificate holder there is a new requirement to provide the Commission, upon request, with information about the activities of licensees at their approved premises. For all certificate holders, there is a new requirement to keep the Commission informed about changes in the information it holds about them as submitted in their applications or as subsequently updated.

Regulation 4 changes the way in which deposits are made by licensees and associate certificate holders in relation to operational matters covered by Part VI. Rather than requiring deposits in respect of distinct applications or prior to inspections and investigations, the system set out in the newly inserted Chapter VIII of Part VI requires each licensee and any associate wishing to secure approval in principle for its gambling equipment to establish and maintain at a minimum level a deposit of monies, to carry interest for its benefit, from which the Commission can draw the costs associated with processing, evaluating and determining applications and carrying out inspections and investigations. This simplification is designed to make applications for approval flow more smoothly and for the corresponding accounting processes to be easier for everyone concerned.

Regulation 5 makes changes to the procedures for approving changes to gambling

equipment approvals to reflect the recent introduction of the Commission's new online automated change control process. It means that the evaluation procedure previously in place is removed in respect of minor, low risk changes, enabling licensees to obtain changes to their existing approvals automatically and without incurring costs, whilst still retaining the established alternative options for communication with the Commission where licensees choose them and for the more significant changes that may require testing and fuller evaluation.

Regulation 6 makes explicit that, during an application for any licence or certificate, the Commissioners may feel they have insufficient information to determine the application solely by way of a paper exercise and wish to invite personal attendance by, or by someone on behalf of, the applicant before reaching a decision on it.

Regulation 7 provides that regulatory hearings held before the Commissioners are intended to be conducted with as much informality as is appropriate to the subject-matter of the hearing and includes procedures that may, but not necessarily will, be adopted by the Commissioners depending on whether the allegation in issue is accepted or challenged. In each case, the procedural safeguards required for those made subject to an allegation of a regulatory breach are explained. This regulation also corrects some drafting errors that appeared in the 2006 Regulations.

Regulation 8 prohibits eGambling licensees from marketing their services to a registered customer who has self-excluded himself by setting a gambling limit at zero and from encouraging other customers who have set a higher limit from increasing or removing that limit. Regulation 9 requires licensees to include a hyperlink to the Commission's website to facilitate customers who might wish to complain understanding the procedure for resolving complaints. Regulation 10 explains more fully the Commission's role of monitoring the way an eGambling licensee conducts its operation, clarifying that the Commission has power to seek and obtain information directly from relevant certificate holders.

Regulation 11 substitutes the index to an application for approval of an internal control system to reflect the order in which the guidelines for preparing such an application set out the contents. Regulation 12 requires that the applicant's name should appear on the front page of forms from which this had previously been omitted. Regulation 13 makes provision for a modified shortened form of monthly report contained in Part VII of Schedule 6 to the 2006 Regulations as set out in the Schedule.

Regulation 14 makes consequential amendments to the Arrangement of Regulations and repeals provisions that are no longer required because of the introduction by regulation 4 of a new regime for depositing monies with the Commission in respect of costs associated with operational matters. Regulation 15 contains the interpretation provision. Regulation 16 sets out transitional provisions under which deposits of money made before these Regulations enter into force which have not been drawn against in respect of costs already incurred by the Commission are to be treated as forming the initial deposit of monies for the purposes of the simplified regime for deposits of money introduced by regulation 4 and, for those licensees who have received approval for an internal control system before the introduction of a new list of section headings, as introduced by regulation 11, application must be made for approval of a revised internal control system document in the required format by 31st December, 2008. Regulations 17 and 18 contain the citation and commencement provisions.