
ALDERNEY STATUTORY INSTRUMENT

No. 4 — 2006

Alderney Gambling Control Commission

The Alderney eGambling Regulations, 2006

Made	11th July, 2006
Coming into operation	11th July, 2006
Laid before the States	18th October, 2006

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The Alderney eGambling Regulations, 2006

THE ALDERNEY GAMBLING CONTROL COMMISSION, in exercise of the powers conferred on it by sections 4(2) and (3), 5(3), 6(2), 7, 10(2), 11, 12(2) and (5), 14(3) and (4), 15(4), (5) and (6), 16(2), 17(1)(b), 18, 19(3), 20 and 25 of the Alderney eGambling Ordinance, 2006(a), hereby makes the following Regulations:-

PART I FULL eGAMBLING LICENCES

CHAPTER I INITIAL LICENCE APPLICATION

Submission of application.

1. (1) An application for a full eGambling licence shall be made in writing by completing an application form as set out in Part I of Schedule 1, signed by a duly authorised officer of the applicant and delivered to the offices of the Commission.

(2) Before making an application in accordance with paragraph (1), a person intending to apply for a full eGambling licence, or a person acting on behalf of a prospective applicant, may submit to the Commission, in electronic or paper format, all or part of an application form as set out in Part I of Schedule 1 for the purposes specified in regulation 5(2).

Initial deposit of investigation monies.

2. Before, or at the time of, the submission of an application for a full eGambling licence, £10,000 shall be deposited with the Commission by, or on behalf of, the applicant from which the Commission is permitted to draw the costs associated with processing, investigating and determining that application.

Publication of Gazette notice.

3. An applicant for a full eGambling licence shall cause a notice in the form set out in Part II of Schedule 1 containing the information required thereon to be published in the edition of the Alderney Official Gazette next following the date of its application.

Display on Commission's website.

4. Following receipt of an application for a full eGambling licence, the Commission shall post and thereafter continuously display a copy of the

applicant's notice as required under regulation 3 on its website until the application is withdrawn by the applicant or determined by the Commission.

Commencement of investigations.

5. (1) When an applicant has complied with regulations 1(1) and 2, the Commission shall make arrangements to investigate the applicant and, where applicable, any associate of the applicant in order to assess whether the applicant appears to be a fit and proper person to hold a full eGambling licence.

(2) If a person submits all or part of an application form in accordance with regulation 1(2) and complies with regulation 2, at the request of that person, the Commission may make arrangements to commence an investigation in accordance with paragraph (1) insofar as that is practicable from the information supplied, pending compliance with regulation 1(1).

Criteria against which applicant assessed.

6. (1) In deciding whether an applicant for a full eGambling licence is a fit and proper person to hold that licence, the Commissioners shall have regard to the following matters-

- (a) the applicant's character;
- (b) the applicant's business reputation;
- (c) the applicant's current financial position and financial background;
- (d) whether the applicant has, or has arranged, a satisfactory ownership, trust or corporate structure;
- (e) whether an associate of an applicant satisfies regulation 7;
- (f) whether the applicant has, or is able to obtain, appropriate resources and appropriate services; and
- (g) whether the applicant has the appropriate business ability to conduct eGambling successfully under an eGambling licence.

(2) In deciding whether an applicant for a full eGambling licence is a fit and proper person to hold that licence, the Commissioners may have regard to any other licence or permission however described allowing the applicant, or an associate of the applicant, to conduct any form of gambling lawfully in another jurisdiction.

Criteria against which associate assessed.

7. (1) In deciding whether an associate of an applicant for a full eGambling licence is a fit and proper person to be associated with the operations proposed by the applicant-

- (a) an associate who holds an associate certificate or, as the case may be, a hosting certificate shall without further investigation be regarded as having satisfied the Commissioners that it is a fit and proper person to be associated with an eGambling licensee's operations; and
- (b) where an associate does not hold an associate certificate or a hosting certificate, the Commissioners shall have regard to the following matters-
 - (i) the associate's character;
 - (ii) the associate's business reputation;
 - (iii) the associate's current financial position and financial background; and
 - (iv) where applicable, whether the associate has the appropriate business ability to assist the applicant to conduct eGambling successfully under an eGambling licence.

(2) Where an associate of an applicant for a full eGambling licence holds a restricted use eGambling licence issued under section 7 of the Ordinance, the Commission shall take that into account for the purposes of paragraph (1)(a) as if that restricted use eGambling licensee held an associate certificate.

Objection to application for full eGambling licence.

8. (1) Where the Commission receives any representation made as a result of the publication or display of the notices required by regulations 3 and 4 which raises any objection to the grant of a full eGambling licence, a duly authorised officer of the Commission shall enquire of the person making the representation whether he wishes to make oral representations at a hearing before the Commissioners or whether he is content for the Commissioners to take into account his objection, including any further written representations he may wish to submit within 14 days of receipt of the enquiry, without the need for a hearing.

(2) If the person making the objection elects to make oral representations, the Commission shall, by giving at least 14 days' notice of the hearing to the

applicant and the person raising the objection, appoint a date, time and place for the hearing.

(3) At a hearing under paragraph (2)-

(a) the person raising the objection shall make his representations and the applicant shall respond;

(b) a duly authorised officer of the Commission shall be entitled to ask questions of either person; and

(c) the parties and the duly authorised officer may appear in person or through any representative.

(4) Unless the Commissioners otherwise direct, a hearing under paragraph (2) shall be held in public in Alderney.

Request for further information.

9. At any time before an application for a full eGambling licence is determined by the Commission, an officer or servant of the Commission may request from the applicant or, with the applicant's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper assessment of the application to be made.

Requirement for further information.

10. (1) Whether or not a request in accordance with regulation 9 has been made, a duly authorised officer of the Commission may, by notice in writing given to the applicant, require the applicant to supply to the Commission such further information or documentation as may reasonably be required to make a proper assessment of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

External consultations.

11. As part of the investigation of an application for a full eGambling licence, an officer or servant of the Commission may make appropriate enquiries of an officer of police, any gambling regulator operating outside Alderney, any law enforcement agency operating outside the Bailiwick of Guernsey or such other person as he considers can assist him in order to enable a proper assessment of the application to be made.

Supplementary deposit of investigation monies.

12. (1) If, prior to the determination of an application for a full eGambling licence, the monies deposited with the Commission in accordance with regulation 2 or this regulation have been exhausted, the Commission may by notice in writing to the applicant require that £5,000 shall be deposited with the Commission by, or on behalf of, the applicant.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Withdrawal of application.

13. (1) At any time before the Commissioners determine an application for a full eGambling licence, the applicant may, by notice in writing given to the Commission, withdraw its application.

(2) Where an applicant withdraws its application, the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 2 or, where applicable, regulation 12.

Report to Commissioners.

14. On completion of an investigation of an applicant for a full eGambling licence and, where applicable, any associate of the applicant, a report containing details of the application, the investigation and the assessment made of the application shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

Determination of application.

15. (1) Before deciding whether to grant or refuse an application for a full eGambling licence, the Commissioners shall consider-

- (a) the report submitted to them in accordance with regulation 14;
- (b) any representations received as a result of the publication or display of the notices required by regulations 3 and 4 and, where applicable, any further representations made in accordance with regulation 8, whether written or oral; and
- (c) such other material supplied to the Commission by, or on behalf of, the applicant as they consider appropriate.

(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 cause an appropriate requirement under regulation 10 to be made.

Notification of refusal.

16. If the Commissioners refuse to grant an application for a full eGambling licence, the Commission shall give the applicant written notice of the decision and of the reasons for the refusal.

Form of full eGambling licence.

17. If the Commissioners grant an application for a full eGambling licence, the licence issued under section 7 of the Ordinance shall be in the form set out in Part III of Schedule 1.

Payment of investigation costs not deposited.

18. Where the costs payable by an applicant under section 6(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 2 and, where applicable, regulation 12, the full eGambling licence shall not be exercisable by the eGambling licensee until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to it in writing by the Commission, has been received by the Commission.

Repayment of surplus investigation monies deposited.

19. After determining an application for a full eGambling licence, the Commission shall repay to the applicant any monies not drawn by it from the monies deposited by the applicant in accordance with regulation 2 or, where applicable, regulation 12.

Accounting for investigation monies deposited.

20. The Commission shall, whenever requested to do so by an applicant, account to the applicant in respect of the costs as at that time incurred by the Commission in respect of the application.

CHAPTER II
LICENCE CONDITIONS

General conditions attaching to full eGambling licence.

21. A full eGambling licence granted by the Commission under section 7 of the Ordinance is subject to the following conditions-

- (a) in no circumstances may cash be accepted from a customer by, or on behalf of, the eGambling licensee;
- (b) any advertisements used by, or on behalf, of the eGambling licensee must not-

- (i) be distasteful,
 - (ii) bring the Island of Alderney or, more widely, the Bailiwick of Guernsey into disrepute, or
 - (iii) promote gambling by, with or through persons under the age of 18 years;
- (c) the eGambling licensee must appoint a director to fulfil the duties of compliance officer, who will report to the Commission on all compliance matters;
- (d) the eGambling licensee must appoint an executive officer, who may, but need not be, the compliance officer, to act as its money laundering reporting officer;
- (e) the eGambling licensee must use reasonable endeavours to keep abreast of international developments as they affect the lawfulness of any form of eGambling in order, so far as is reasonably practicable, not to allow eGambling where to do so would constitute criminal activity by its customer;
- (f) the eGambling licensee must within 48 hours of any serious incident negatively affecting the operation of its eGambling licence notify the Commission in writing of the details and consequences of the incident and of the remedial steps, if any, taken;
- (g) the eGambling licensee must give notification in writing to the Commission containing full details within seven days of any of the following relevant events-
- (i) when any licence or permission however described allowing it, or one of its associates, to conduct any form of gambling in another jurisdictions is suspended, revoked, or voluntarily surrendered,
 - (ii) when the beneficial ownership of the licensee, or of any parent company of the licensee, or of any associated company within the group of companies to which the licensee belongs, has changed so that a person's shareholding is, or becomes, 3% or more, or
 - (iii) when a material change is discovered in the information previously supplied by it to the Commission, whether prior to

being granted the licence or subsequently, to which the Commission would be able to have regard in considering whether or not the licensee is a fit and proper person to hold a full eGambling licence; and

(h) upon being given reasonable notice, which shall wherever possible be not less than seven days, the eGambling licensee shall attend at a meeting of the Commissioners for the purpose set out in the notice.

Imposition or change of licence conditions.

22. (1) Where the Commission considers it necessary, expedient or desirable to-

- (a) attach a condition to a full eGambling licence;
- (b) modify an existing condition attached to a full eGambling licence;
or
- (c) rescind an existing condition attached to a full eGambling licence,

it shall issue to the eGambling licensee a notice in writing (a “**condition notice**”) which shall explain the proposed change of condition and set out the Commission’s reasons for the change.

(2) Subject to regulation 23, a change of conditions takes effect on-

- (a) the day on which the condition notice is given to the eGambling licensee; or
- (b) such later day as is specified in the condition notice.

Challenge to condition notice.

23. (1) If a full eGambling licensee wishes to make representations to the Commission about anything in the condition notice, it may do so in writing within seven days of receipt of the condition notice.

(2) Representations under paragraph (1) may include a request that the date from which the change of conditions takes effect be postponed until the Commission has considered the representations.

(3) After consideration of an eGambling licensee’s representations, the Commission may confirm, modify or withdraw the condition notice.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Return of full eGambling licence for endorsement of changed conditions.

24. (1) An eGambling licensee shall return its full eGambling licence to the Commission within seven days of-

- (a) receiving a condition notice; or,
- (b) where it exercises its right to make representations in accordance with regulation 23, receipt of a notice from the Commission in accordance with regulation 23(4) confirming or modifying the condition notice.

(2) On receiving the eGambling licence, the Commission shall-

- (a) amend the licence in an appropriate way and return the amended licence to the eGambling licensee; or
- (b) if the Commission does not consider that it is practicable to amend the licence, issue a replacement full eGambling licence free of charge, incorporating the change of conditions to the eGambling licence.

(3) A change of conditions does not depend on the eGambling licence being amended to record the change or a replacement eGambling licence being issued.

CHAPTER III
MODIFICATION TO AND SURRENDER OF LICENCE

Modification to full eGambling licence.

25. (1) An eGambling licensee who wishes to obtain the Commission's approval for a proposed modification to the details contained on its full eGambling licence shall make application by letter to the Commission setting out the modification for which it seeks approval.

(2) Without prejudice to the generality of paragraph (1), an application is required within seven days of-

- (a) an eGambling licensee's name changing; or
- (b) an eGambling licensee's registered office changing.

(3) An application under paragraph (1) shall be accompanied by-

- (a) the eGambling licensee's full eGambling licence;

- (b) where applicable, a certified copy of the resolution of the eGambling licensee effecting the change in question; and
- (c) payment in respect of an administration charge of £100.
- (4) If the Commission refuses to grant an application under this regulation, it shall return the eGambling licensee's full eGambling licence and give to it written notice of its decision and of the reasons for the refusal.
- (5) If the Commission grants an application under this regulation, it shall-
 - (a) amend the licence in an appropriate way and return the amended licence to the eGambling licensee; or
 - (b) if the Commission does not consider that it is practicable to amend the licence, issue a replacement full eGambling licence free of charge, incorporating the change of conditions to the eGambling licence.

Surrender of full eGambling licence.

26. (1) An eGambling licensee may surrender its full eGambling licence by written notice (a "surrender notice") given to the Commission.

- (2) The surrender takes effect-
 - (a) on the day specified in the surrender notice; or
 - (b) if no day is specified in the surrender notice, one month after the surrender notice is given to the Commission.

(3) A person who has surrendered a full eGambling licence must, unless it provides an explanation which is acceptable to the Commission, return the licence to the Commission within seven days after the day on which the surrender takes effect.

CHAPTER IV
SUSPENSION, REVOCATION AND OTHER SANCTIONS

Fit and proper test: eGambling licensee.

27. (1) For the purposes of section 12(1)(a) of the Ordinance, in deciding whether a full eGambling licensee *continues* to be a fit and proper person to hold that licence, the Commission shall have regard to the following matters-

- (a) the eGambling licensee's character;

- (b) the eGambling licensee's business reputation;
- (c) the eGambling licensee's current financial position and financial background;
- (d) whether the eGambling licensee has, or has arranged, a satisfactory ownership, trust or corporate structure;
- (e) whether an associate of the eGambling licensee satisfies regulation 28;
- (f) whether the eGambling licensee has, or is able to obtain, appropriate resources and appropriate services; and
- (g) whether the eGambling licensee has the appropriate business ability to conduct eGambling successfully under an eGambling licence.

(2) For the purposes of section 12(1)(a) of the Ordinance, in deciding whether a full eGambling licensee continues to be a fit and proper person to hold that licence, the Commission may have regard to-

- (a) any changes to the validity of any other licence or permission however described held at the time the eGambling licence was issued or obtained since then allowing the eGambling licensee, or an associate, to conduct any form of gambling lawfully in another jurisdiction; and
- (b) any penalties or sanctions however described imposed on the eGambling licensee, or an associate, by gambling or other regulators outside Alderney.

Fit and proper test: associate.

28.(1) For the purposes of section 12(1)(b) of the Ordinance, in deciding whether an associate of a full eGambling licensee continues to be a fit and proper person to be associated with the operations conducted by the eGambling licensee-

- (a) an associate who holds an associate certificate or, as the case may be, a hosting certificate shall without further investigation be regarded as having satisfied the Commission that it is a fit and proper person to be associated with an eGambling licensee's operations; and

- (b) where an associate does not hold an associate certificate or a hosting certificate, the Commission shall have regard to the following matters-
- (i) the associate's character;
 - (ii) the associate's business reputation;
 - (iii) the associate's current financial position and financial background; and
 - (iv) where applicable, whether the associate has the appropriate business ability to assist the eGambling licensee to conduct eGambling successfully under its eGambling licence.

(2) For the purposes of section 12(1)(b) of the Ordinance, in deciding whether an associate who does not hold an associate certificate or a hosting certificate continues to be a fit and proper person to be associated with the operations conducted by the full eGambling licensee, the Commission may have regard to-

(a) any changes to the validity of any other licence or permission however described held by the associate allowing it to conduct any form of gambling lawfully in another jurisdiction; and

(b) any penalties or sanctions however described imposed on the associate by gambling or other regulators outside Alderney.

Rectification: Commission proposal.

29. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) it is appropriate to give the eGambling licensee an opportunity to rectify the matter or matters giving rise to the Commission's belief that such a ground exists,

it shall issue to the full eGambling licensee a notice in writing (a "**rectification proposal**") which shall explain the proposed direction under regulation 30 and set out the Commission's reasons for proposing to give the direction.

(2) If an eGambling licensee wishes to make representations to the Commission about anything in the rectification proposal, it may do so in writing within seven days of receipt of the rectification proposal.

(3) After consideration of an eGambling licensee's representations, the Commission may confirm, modify or withdraw the proposed direction.

(4) The Commission shall give the eGambling licensee written notice of its decision under paragraph (3) and of the reasons for it.

Direction to rectify.

30. (1) Where-

- (a) an eGambling licensee elects not to make any representations in accordance with regulation 29(2); or
- (b) after considering an eGambling licensee's representations, the Commission decides to confirm or modify its proposals as set out in the rectification proposal,

the Commission shall, by written notice to the eGambling licensee (a "**rectification notice**"), direct it to rectify the matter or matters specified in the notice in the manner specified in the notice within the period of time specified in the notice.

(2) A rectification notice shall warn the eGambling licensee of the consequences of failing to comply with the notice as specified in regulation 32(2).

(3) During the period of time specified in a rectification notice, its terms may be modified in any way the Commission sees fit, whether as a result of written representations from the eGambling licensee or of the Commission's own motion.

Written caution.

31. Where the Commission is satisfied that-

- (a) a ground referred to in section 12(1) of the Ordinance-
 - (i) exists, or
 - (ii) existed and has been resolved, whether voluntarily or in accordance with a rectification notice; and
- (b) it is appropriate to give the eGambling licensee formal notice warning it about the consequences of any repetition of the type of act or omission giving rise to the Commission's view,

it may issue to the full eGambling licensee a notice in writing which shall set out the basis for its finding that a ground in section 12(1) of the Ordinance has arisen and warn the eGambling licensee of the consequences of any repetition of the same or a similar nature.

Regulatory hearing: notice.

32. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) the circumstances are such that it is necessary to convene a hearing of the Commissioners at which the eGambling licensee shall be given the opportunity of making representations in response,

it shall give to the full eGambling licensee a notice in writing (a “**hearing notice**”) which shall explain that the Commission is considering imposing a financial penalty or suspending or revoking the eGambling licence and set out the Commission’s reasons for convening the hearing.

(2) Where the Commission believes that a rectification notice has not been fully complied with, it shall give to the eGambling licensee a hearing notice which shall explain that the Commission is considering imposing a financial penalty or suspending or revoking the eGambling licence and set out the Commission’s reasons for convening the hearing.

(3) A hearing notice shall give at least seven days’ notice of the hearing to the eGambling licensee and appoint a date, time and place for the hearing.

(4) An eGambling licensee may elect not to attend the hearing convened by the hearing notice and confine its representations to any it wishes to make in writing to the Commission prior to the date of the hearing.

Immediate suspension.

33. (1) At the same time as giving a hearing notice, the Commission may suspend a full eGambling licence under this regulation if it is satisfied on reasonable grounds that-

- (a) a ground referred to in section 12(1) of the Ordinance exists;
- (b) the seriousness and urgency of the matter do not permit the taking of action by way of a rectification proposal; and
- (c) the circumstances require that the licence be suspended to ensure that-

- (i) the public interest is not affected in an adverse and material way; or
- (ii) the integrity of the eGambling licensee's operation is not jeopardised in any way.

(2) A suspension under this regulation-

- (a) shall be effected by written notice given to the eGambling licensee (a "suspension notice");
- (b) takes effect immediately when the suspension notice is given; and
- (c) is effective until-
 - (i) the Commissioners have reached a determination at the conclusion of the hearing convened in accordance with regulation 32; or
 - (ii) it is cancelled by further notice in writing of the Commission in accordance with regulation 34.

Cancellation of suspension notice.

34. (1) If a full eGambling licensee wishes to request that the immediate suspension imposed by a suspension notice be cancelled, it may make representations in writing at any time whilst the suspension is effective.

(2) After consideration of an eGambling licensee's representations, the Commission may confirm or cancel the suspension notice.

(3) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

(4) Where, prior to reaching a determination at the conclusion of the hearing convened in accordance with regulation 32, the Commission considers that it is no longer necessary to continue the suspension of a full eGambling licence, it shall of its own motion cancel the suspension notice and give written notice to that effect to the eGambling licensee.

Conduct of regulatory hearing.

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

- (a) the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee shall first be presented by a

duly authorised officer of the Commission or any representative of that officer;

- (b) the full eGambling licensee, through any representative, shall thereafter present its response;
- (c) such written representations as each party sees fit may be lodged;
- (d) questions may be asked-
 - (i) by one party of the other party at the end of the latter's presentation; and
 - (ii) at any time by the Commissioners.

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

Regulatory hearing: Commissioners' determination.

36. (1) At the conclusion of a hearing convened in accordance with regulation 32, after taking into account everything said and lodged by, or on behalf of, the parties, the Commissioners shall determine-

- (a) whether a ground referred to in section 12(1) of the Ordinance has been established; and
- (b) if so, whether to-
 - (i) impose a financial penalty;
 - (ii) suspend the eGambling licence;
 - (iii) revoke the eGambling licence; or
 - (iv) give a rectification notice in accordance with regulation 30.

(2) The Commission shall give the full eGambling licensee written notice of its decision under this regulation and of the reasons for it (a “**determination notice**”).

Financial penalties.

37. (1) Where the Commissioners decide to impose a financial penalty on a full eGambling licensee-

- (a) the amount shall not exceed £25,000; and
- (b) the determination notice shall direct whether the penalty is payable immediately or is to be of suspended effect.

(2) Where a financial penalty is payable immediately, the amount shall be paid to the Commission as agent for the States in the manner specified in the determination notice.

(3) Where the Commissioners direct that a financial penalty shall be of suspended effect, the determination notice shall specify the period, which shall not in any event exceed 12 months, during which the penalty is capable of being activated in accordance with regulation 38 and, at the end of the period so specified, the penalty shall no longer be capable of taking effect.

Activation of suspended financial penalty.

38. (1) Where, during the period of suspension specified in a determination notice, the Commission believes that a ground in section 12(1) of the Ordinance exists, the hearing notice given to the eGambling licensee in accordance with regulation 32 shall also explain that the Commission is considering activating the suspended financial penalty.

(2) If, at the conclusion of a hearing convened by such a hearing notice, the Commissioners are satisfied that a ground in section 12(1) of the Ordinance exists, or existed at the time of the hearing notice, having taken into account the representations of the eGambling licensee, the Commission's determination notice shall direct that the original financial penalty of suspended effect-

- (a) shall be payable to it as agent of the States immediately in the manner specified in the determination notice-
 - (i) with the original amount unaltered; or
 - (ii) with the substitution of a lesser amount for the original amount;
- (b) shall be suspended for such further period not exceeding 12 months as the determination notice specifies; or
- (c) shall not be activated on this occasion and shall continue unaltered.

Post-hearing suspension.

39. Where the Commissioners decide to suspend a full eGambling licence, the determination notice shall specify-

- (a) the date from which the suspension takes effect; and
- (b) the period of time during which the suspension shall be effective.

Revocation of full eGambling licence.

40. (1) The Commissioners shall not revoke a full eGambling licence unless they are satisfied that, unless the licence is revoked-

- (a) the integrity of the conduct of eGambling by the eGambling licensee may be jeopardised in a material way; or
- (b) the public interest may be affected in an adverse or material way.

(2) Revocation of a full eGambling licence 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 eGambling licence has been revoked shall return the licence to the Commission within seven days of the revocation taking effect.

[Regulations 41-50 are deliberately blank and currently unused]

PART II
ASSOCIATE CERTIFICATES

CHAPTER I
INITIAL CERTIFICATE APPLICATION

Submission of application.

51. (1) An application for an associate certificate shall be made in writing by completing an application form as set out in Part I of Schedule 2, signed by the applicant or by a duly authorised officer on behalf of the applicant and delivered to the offices of the Commission.

(2) Before making an application in accordance with paragraph (1), a person intending to apply for an associate certificate, or a person acting on behalf of a prospective applicant, may submit to the Commission, in electronic or paper format, all or part of an application form as set out in Part I of Schedule 2 for the purposes specified in regulation 53(2).

Initial deposit of investigation monies.

52. Before, or at the time of, the submission of an application for an associate certificate, £5,000 shall be deposited with the Commission by, or on behalf of, the applicant from which the Commission is permitted to draw the costs associated with processing, investigating and determining that application.

Commencement of investigations.

53. (1) When an applicant has complied with regulations 51(1) and 52, the Commission shall make arrangements to investigate the applicant and, where applicable, any associate of the applicant in order to assess whether the applicant appears to be a fit and proper person to hold an associate certificate.

(2) If a person submits all or part of an application form in accordance with regulation 51(2) and complies with regulation 52, at the request of that person, the Commission may make arrangements to commence an investigation in accordance with paragraph (1) insofar as that is practicable from the information supplied, pending compliance with regulation 51(1).

Criteria against which applicant assessed.

54. (1) In deciding whether an applicant for an associate certificate is a fit and proper person to hold that certificate, the Commissioners shall have regard to the following matters-

- (a) the applicant's character;
- (b) the applicant's business reputation;
- (c) the applicant's current financial position and financial background;
- (d) whether an associate of an applicant satisfies regulation 55;
- (e) whether the applicant has the appropriate business ability to assist an eGambling licensee to conduct eGambling successfully under an eGambling licence.

(2) In deciding whether an applicant for an associate certificate is a fit and proper person to hold that certificate, the Commissioners may have regard to any other licence or permission however described allowing the applicant, or an associate of the applicant, to conduct any form of gambling lawfully in another jurisdiction.

Criteria against which associate assessed.

55. In deciding whether an associate of an applicant for an associate certificate is a fit and proper person to be associated with the applicant-

- (a) an associate who holds an associate certificate or, as the case may be, a hosting certificate shall without further investigation be regarded as having satisfied the Commissioners that it is a fit and proper person to be associated with another associate certificate holder; and

- (b) where an associate does not hold an associate certificate or a hosting certificate, the Commissioners shall have regard to the following matters-
- (i) the associate's character;
 - (ii) the associate's business reputation;
 - (iii) the associate's current financial position and financial background; and
 - (iv) where applicable, whether the associate has the appropriate business ability to participate with the applicant in assisting an eGambling licensee to conduct eGambling successfully under an eGambling licence.

Request for further information.

56. At any time before an application for an associate certificate is determined by the Commission, an officer or servant of the Commission may request from the applicant or, with the applicant's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper assessment of the application to be made.

Requirement for further information.

57. (1) Whether or not a request in accordance with regulation 56 has been made, a duly authorised officer of the Commission may, by notice in writing given to the applicant, require the applicant to supply to the Commission such further information or documentation as may reasonably be required to make a proper assessment of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

External consultations.

58. As part of the investigation of an application for an associate certificate, an officer or servant of the Commission may make appropriate enquiries of an officer of police, any gambling regulator operating outside Alderney, any law enforcement agency operating outside the Bailiwick of Guernsey or such other person as he considers can assist him in order to enable a proper assessment of the application to be made.

Supplementary deposit of investigation monies.

59. (1) If, prior to the determination of an application for an associate certificate, the monies deposited with the Commission in accordance with

regulation 52 or this regulation have been exhausted, the Commission may by notice in writing to the applicant require that £5,000 shall be deposited with the Commission by, or on behalf of, the applicant.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Withdrawal of application.

60. (1) At any time before the Commissioners determine an application for an associate certificate, the applicant may, by notice in writing given to the Commission, withdraw the application.

(2) Where an applicant withdraws the application the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 52 or, where applicable, regulation 59.

Report to Commissioners.

61. On completion of an investigation of an applicant for an associate certificate and, where applicable, any associate of the applicant, a report containing details of the application, the investigation and the assessment made of the application shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

Determination of application.

62. (1) Before deciding whether to grant or refuse an application for an associate certificate, the Commissioners shall consider-

- (a) the report submitted to them in accordance with regulation 61; and
- (b) such other material supplied to the Commission by, or on behalf of, the applicant as they consider appropriate.

(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 cause an appropriate requirement under regulation 57 to be made.

Notification of refusal.

63. If the Commissioners refuse to grant an application for an associate certificate, the Commission shall give the applicant written notice of the decision and of the reasons for the refusal.

Form of associate certificate.

64. If the Commissioners grant an application for an associate certificate, the certificate issued under section 7 of the Ordinance shall be in the form set out in Part II of Schedule 2.

Payment of investigation costs not deposited.

65. Where the costs payable by an applicant under section 6(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 52 and, where applicable, regulation 59, the associate certificate shall not be regarded by the Commission as conferring the benefits to the certificate holder set out in these Regulations until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the certificate holder in writing by the Commission, has been received by the Commission.

Repayment of surplus investigation monies deposited.

66. After determining an application for an associate certificate, the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 52 or, where applicable, regulation 59.

Accounting for investigation monies deposited.

67. The Commission shall, whenever requested to do so by an applicant, account to the applicant in respect of the costs as at that time incurred by the Commission in respect of the application.

CHAPTER II
CERTIFICATE CONDITIONS

Requirement to attend before Commissioners.

68. An associate certificate granted by the Commission under section 7 of the Ordinance is subject to the condition that, 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.

Imposition or change of certificate conditions.

69. (1) Where the Commission considers it necessary, expedient or desirable to-

- (a) attach a condition to an associate certificate;
- (b) modify an existing condition attached to an associate certificate; or

(c) rescind an existing condition attached to an associate certificate, it shall issue to the certificate holder a notice in writing (a “condition notice”) which shall explain the proposed change of condition and set out the Commission’s reasons for the change.

(2) Subject to regulation 70, a change of conditions takes effect on-

(a) the day on which the condition notice is given to the certificate holder; or

(b) such later day as is specified in the condition notice.

Challenge to condition notice.

70. (1) If an associate certificate holder wishes to make representations to the Commission about anything in the condition notice, it may do so in writing within seven days of receipt of the condition notice.

(2) Representations under paragraph (1) may include a request that the date from which the change of conditions takes effect be postponed until the Commission has considered the representations.

(3) After consideration of the certificate holder’s representations, the Commission may confirm, modify or withdraw the condition notice.

(4) The Commission shall give the certificate holder written notice of its decision under this regulation and of the reasons for it.

Return of associate certificate for endorsement of changed conditions.

71. (1) An associate certificate holder shall return its associate certificate to the Commission within seven days of-

(a) receiving a condition notice; or,

(b) where it exercises its right to make representations in accordance with regulation 70, receipt of a notice from the Commission in accordance with regulation 70(4) confirming or modifying the condition notice.

(2) On receiving the associate certificate, the Commission shall-

(a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or

- (b) if the Commission does not consider that it is practicable to amend the certificate, issue a replacement associate certificate free of charge, incorporating the change of conditions to the associate certificate.

(3) A change of conditions does not depend on the associate certificate being amended to record the change or a replacement associate certificate being issued.

CHAPTER III MODIFICATION TO AND SURRENDER OF CERTIFICATE

Modification to associate certificate.

72. (1) An associate certificate holder who wishes to obtain the Commission's approval for a proposed modification to the details contained on its associate certificate shall make application by letter to the Commission setting out the modification for which it seeks approval.

(2) Without prejudice to the generality of paragraph (1), an application is required within seven days of-

- (a) a certificate holder's name changing; or
- (b) a certificate holder's registered office changing.

(3) An application under paragraph (1) shall be accompanied by-

- (a) the certificate holder's associate certificate;
- (b) where applicable, a certified copy of the resolution of the certificate holder effecting the change in question; and
- (c) payment in respect of an administration charge of £100.

(4) If the Commission refuses to grant an application under this regulation, it shall return the certificate holder's associate certificate and give to it written notice of its decision and of the reasons for the refusal.

(5) If the Commission grants an application under this regulation, it shall-

- (a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or
- (b) if the Commission does not consider that it is practicable to amend the certificate, issue a replacement associate certificate free of

charge, incorporating the change of conditions to the associate certificate.

Surrender of associate certificate.

73. (1) An associate certificate holder may surrender its associate certificate by written notice (a “**surrender notice**”) given to the Commission.

(2) The surrender takes effect-

(a) on the day specified in the surrender notice; or

(b) if no day is specified in the surrender notice, one month after the surrender notice is given to the Commission.

(3) A person who has surrendered an associate certificate must, unless it provides an explanation which is acceptable to the Commission, return the certificate to the Commission within seven days after the day on which the surrender takes effect.

CHAPTER IV
SUSPENSION, REVOCATION AND OTHER SANCTIONS

Fit and proper test: associate certificate holder.

74. (1) For the purposes of section 12(1)(a) of the Ordinance, in deciding whether an associate certificate holder continues to be a fit and proper person to hold that certificate, the Commission shall have regard to the following matters-

(a) the certificate holder’s character;

(b) the certificate holder’s business reputation;

(c) the certificate holder’s current financial position and financial background;

(d) whether an associate of the certificate holder satisfies regulation 75;

(e) whether the certificate holder has the appropriate business ability to assist an eGambling licensee to conduct eGambling successfully under an eGambling licence.

(2) For the purposes of section 12(1)(a) of the Ordinance, in deciding whether an associate certificate holder continues to be a fit and proper person to hold that certificate, the Commission may have regard to-

- (a) any changes to the validity of any other licence or permission however described held at the time the associate certificate was issued or obtained since then allowing the certificate holder, or one of its associates, to conduct any form of gambling lawfully in another jurisdiction; and
- (b) any penalties or sanctions however described imposed on the certificate holder, or any of its associates, by gambling or other regulators outside Alderney.

Fit and proper test: associate.

75. For the purposes of section 12(1)(b) of the Ordinance, in deciding whether an associate of an associate certificate holder continues to be a fit and proper person to be associated with an associate certificate holder-

(a) an associate who holds an associate certificate or, as the case may be, a hosting certificate shall without further investigation be regarded as having satisfied the Commission that it is a fit and proper person to be associated with another associate certificate holder; and

(b) where an associate does not hold an associate certificate or a hosting certificate, the Commission shall have regard to the following matters-

- (i) the associate's character;
- (ii) the associate's business reputation;
- (iii) the associate's current financial position and financial background; and
- (iv) where applicable, whether the associate has the appropriate business ability to participate with the associate certificate holder in assisting an eGambling licensee to conduct eGambling successfully under an eGambling licence.

Rectification: Commission proposal.

76. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) it is appropriate to give the associate certificate holder an opportunity to rectify the matter or matters giving rise to the Commission's belief that such a ground exists,

it shall issue to the associate certificate holder a notice in writing (a “**rectification proposal**”) which shall explain the proposed direction under regulation 77 and set out the Commission’s reasons for proposing to give the direction.

(2) If an associate certificate holder wishes to make representations to the Commission about anything in the rectification proposal, it may do so in writing within seven days of receipt of the rectification proposal.

(3) After consideration of an associate certificate holder’s representations, the Commission may confirm, modify or withdraw the proposed direction.

(4) The Commission shall give the associate certificate holder written notice of its decision under paragraph (3) and of the reasons for it.

Direction to rectify.

77.(1) Where-

- (a) an associate certificate holder elects not to make any representations in accordance with regulation 76(2); or
- (b) after considering an associate certificate holder’s representations, the Commission decides to confirm or modify its proposals as set out in the rectification proposal,

the Commission shall, by written notice to the certificate holder (a “rectification notice”), direct it to rectify the matter or matters specified in the notice in the manner specified in the notice within the period of time specified in the notice.

(2) A rectification notice shall warn the associate certificate holder of the consequences of failing to comply with the notice as specified in regulation 79(2).

(3) Where the Commission believes that the associate certificate holder has an existing relationship with an eGambling licensee, the Commission shall give a copy of the rectification notice to that eGambling licensee.

(4) During the period of time specified in a rectification notice, its terms may be modified in any way the Commission sees fit, whether as a result of written representations from the certificate holder or from an eGambling licensee with which the certificate holder has an existing relationship, or of the Commission’s own motion.

Written caution.

78. Where the Commission is satisfied that-

- (a) a ground referred to in section 12(1) of the Ordinance-
 - (i) exists, or
 - (ii) existed and has been resolved, whether voluntarily or in accordance with a rectification notice; and
- (b) it is appropriate to give the associate certificate holder formal notice warning it about the consequences of any repetition of the type of act or omission giving rise to the Commission's view,

it may issue to the certificate holder a notice in writing which shall set out the basis for its finding that a ground in section 12(1) of the Ordinance has arisen and warn the certificate holder of the consequences of any repetition of the same or a similar nature.

Regulatory hearing: notice.

79. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) the circumstances are such that it is necessary to convene a hearing of the Commissioners at which the associate certificate holder shall be given the opportunity of making representations in response,

it shall give to the certificate holder a notice in writing (a "hearing notice") which shall explain that the Commission is considering suspending or revoking the associate certificate and set out the Commission's reasons for convening the hearing.

(2) Where the Commission believes that a rectification notice has not been fully complied with, it shall give to the associate certificate holder a hearing notice which shall explain that the Commission is considering suspending or revoking the associate certificate and set out the Commission's reasons for convening the hearing.

(3) A hearing notice shall give at least seven days' notice of the hearing to the certificate holder and appoint a date, time and place for the hearing.

(4) An associate certificate holder may elect not to attend the hearing convened by the hearing notice and confine its representations to any it wishes to make in writing to the Commission prior to the date of the hearing.

Immediate suspension.

80.(1) At the same time as giving a hearing notice, the Commission may suspend an associate certificate under this regulation if it is satisfied on reasonable grounds that-

- (a) a ground referred to in section 12(1) of the Ordinance exists;
- (b) the seriousness and urgency of the matter do not permit the taking of action by way of a rectification proposal; and
- (c) the circumstances require that the associate certificate be suspended to ensure that the certificate holder is unable to jeopardise the integrity of an eGambling licensee's operation.

(2) A suspension under this regulation-

- (a) shall be effected by written notice given to the associate certificate holder (a “**suspension notice**”);
- (b) takes effect immediately when the suspension notice is given; and
- (c) is effective until-
 - (i) the Commissioners have reached a determination at the conclusion of the hearing convened in accordance with regulation 79; or
 - (ii) it is cancelled by further notice in writing of the Commission in accordance with regulation 81.

(3) Where the Commission believes that the associate certificate holder has an existing relationship with an eGambling licensee, the Commission shall give a copy of the suspension notice to that eGambling licensee.

Cancellation of suspension notice.

81.(1) If an associate certificate holder, or an eGambling licensee receiving a copy of the suspension notice in accordance with regulation 80(3), wishes to request that the immediate suspension imposed by the suspension notice be cancelled, it may make representations in writing at any time whilst the suspension is effective.

(2) After consideration of any representations made under paragraph (1), the Commission may confirm or cancel the suspension notice.

(3) The Commission shall give the associate certificate holder and, where applicable, the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

(4) Where, prior to reaching a determination at the conclusion of the hearing convened in accordance with regulation 79, the Commission considers that it is no longer necessary to continue the suspension of an associate certificate, it shall of its own motion cancel the suspension notice and give written notice to that effect to the certificate holder and, where applicable, an eGambling licensee which has received a copy of the suspension notice in accordance with regulation 80(3).

Conduct of regulatory hearing.

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

- (a) the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee shall first be presented by a duly authorised officer of the Commission or any representative of that officer;
- (b) the certificate holder, through any representative, shall thereafter present its response;
- (c) such written representations as each party sees fit may be lodged;
- (d) questions may be asked-
 - (i) by one party of the other party at the end of the latter's presentation; and
 - (ii) at any time by the Commissioners.

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

Regulatory hearing: Commissioners' determination.

83. (1) At the conclusion of a hearing convened by a hearing notice, after taking into account everything said and lodged by, or on behalf of, the parties, the Commissioners shall determine-

- (a) whether a ground referred to in section 12(1) of the Ordinance has been established; and
- (b) if so, whether to-

- (i) suspend the associate certificate;
- (ii) revoke the associate certificate; or
- (iii) give a rectification notice in accordance with regulation 77.

(2) The Commission shall give the associate certificate holder written notice of its decision under this regulation and of the reasons for it (a “**determination notice**”).

(3) Where the Commission believes that the associate certificate holder has an existing relationship with an eGambling licensee, the Commission shall give a copy of the determination notice to that eGambling licensee.

Post-hearing suspension.

84. Where the Commissioners decide to suspend an associate certificate, the determination notice shall specify-

- (a) the date from which the suspension takes effect; and
- (b) the period of time during which the suspension shall be effective.

Revocation of associate certificate.

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

(2) Revocation 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 revoked shall return the certificate to the Commission within seven days of the revocation taking effect.

[Regulations 86-100 are deliberately blank and currently unused]

PART III
HOSTING CERTIFICATES

CHAPTER I
INITIAL CERTIFICATE APPLICATION

Submission of application.

101. An application for a hosting certificate shall be made in writing by completing an application form as set out in Part I of Schedule 3, signed by a duly authorised officer of the applicant and delivered to the offices of the Commission.

Initial deposit of investigation monies.

102. Before, or at the time of, the submission of an application for a hosting certificate, £5,000 shall be deposited with the Commission by, or on behalf of, the applicant from which the Commission is permitted to draw the costs associated with processing, investigating and determining that application.

Display on Commission's website.

103. Following receipt of an application for a hosting certificate, the Commission shall post and thereafter continuously display on its website until the application is withdrawn by the applicant or determined by the Commission a notice in the form set out in Part II of Schedule 3 containing the information required therein detailing the application.

Commencement of investigations.

104. When an applicant has complied with regulations 101 and 102, the Commission shall make arrangements to investigate the applicant and the premises in respect of which the applicant desires approval in order to assess-

- (a) whether the applicant appears to be a fit and proper person to hold a hosting certificate; and
- (b) whether the premises in respect of which approval is sought are suitable to accommodate gambling equipment utilised by an eGambling licensee to conduct its operations.

Criteria against which application assessed.

105. (1) In deciding whether an applicant for a hosting certificate is a fit and proper person to hold that certificate, the Commissioners shall have regard to the following matters-

- (a) the applicant's character;
- (b) the applicant's business reputation;

- (c) the applicant's current financial position and financial background;
- (d) whether the applicant has the appropriate business and technical ability to assist an eGambling licensee by accommodating gambling equipment utilised by the eGambling licensee to conduct its operations.

(2) In deciding whether the premises for which an applicant for a hosting certificate seeks approval are suitable, the Commissioners shall have regard to the following matters-

- (a) the location of the premises;
- (b) the layout of the premises;
- (c) the security of the premises, including access thereto; and
- (d) the facilities at the premises, including the arrangements in place in respect of power sources and business continuity.

Request for further information.

106. At any time before an application for a hosting certificate is determined by the Commission, an officer or servant of the Commission may request from the applicant or, with the applicant's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper assessment of the application to be made.

Requirement for further information.

107. (1) Whether or not a request in accordance with regulation 106 has been made, a duly authorised officer of the Commission may, by notice in writing given to the applicant, require the applicant to supply to the Commission such further information or documentation as may reasonably be required to make a proper assessment of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

External consultations.

108. As part of the investigation of an application for a hosting certificate, an officer or servant of the Commission may make appropriate enquiries of an officer of police, any regulator operating within or outside the Bailiwick of Guernsey or such other person as he considers can assist him in order to enable a proper assessment of the application to be made.

Supplementary deposit of investigation monies.

109. (1) If, prior to the determination of an application for a hosting certificate, the monies deposited with the Commission in accordance with regulation 102 or this regulation have been exhausted, the Commission may by notice in writing to the applicant require that £5,000 shall be deposited with the Commission by, or on behalf of, the applicant.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Withdrawal of application.

110. (1) At any time before the Commissioners determine an application for a hosting certificate, the applicant may, by notice in writing given to the Commission, withdraw the application.

(2) Where an applicant withdraws the application the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 102 or, where applicable, regulation 109.

Report to Commissioners.

111. On completion of an investigation of an application for a hosting certificate, a report containing details of the application, the investigation and the assessment made of the application shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

Determination of application.

112. (1) Before deciding whether to grant or refuse an application for a hosting certificate, the Commissioners shall consider-

- (a) the report submitted to them in accordance with regulation 111;
- (b) any written representations received as a result of the display of the notice required by regulation 103; and
- (c) such other material supplied to the Commission by, or on behalf of, the applicant as they consider appropriate.

(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 cause an appropriate requirement under regulation 107 to be made.

Notification of refusal.

113. If the Commissioners refuse to grant an application for a hosting certificate, the Commission shall give the applicant written notice of the decision and of the reasons for the refusal.

Form of hosting certificate.

114. If the Commissioners grant an application for a hosting certificate, the certificate issued under section 7 of the Ordinance shall be in the form set out in Part III of Schedule 3.

Payment of investigation costs not deposited.

115. Where the costs payable by an applicant under section 6(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 102 and, where applicable, regulation 109, the hosting certificate shall not be regarded as valid until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the certificate holder in writing by the Commission, has been received by the Commission.

Repayment of surplus investigation monies deposited.

116. After determining an application for a hosting certificate, the Commission shall repay to the applicant any monies not drawn by it from the monies deposited by the applicant in accordance with regulation 102 or, where applicable, regulation 109.

Accounting for investigation monies deposited.

117. The Commission shall, whenever requested to do so by an applicant, account to the applicant in respect of the costs as at that time incurred by the Commission in respect of the application.

CHAPTER II CERTIFICATE CONDITIONS

Requirement to attend before Commissioners.

118. A hosting certificate granted by the Commission under section 7 of the Ordinance is subject to the condition that, 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.

Imposition or change of certificate conditions.

119. (1) Where the Commission considers it necessary, expedient or desirable to-

- (a) attach a condition to a hosting certificate;

- (b) modify an existing condition attached to a hosting certificate; or
- (c) rescind an existing condition attached to a hosting certificate,

it shall issue to the certificate holder a notice in writing (a “condition notice”) which shall explain the proposed change of condition and set out the Commission’s reasons for the change.

- (2) Subject to regulation 120, a change of conditions takes effect on-
 - (a) the day on which the condition notice is given to the hosting certificate holder; or
 - (b) such later day as is specified in the condition notice.

Challenge to condition notice.

120. (1) If a hosting certificate holder wishes to make representations to the Commission about anything in the condition notice, it may do so in writing within seven days of receipt of the condition notice.

(2) Representations under paragraph (1) may include a request that the date from which the change of conditions takes effect be postponed until the Commission has considered the representations.

(3) After consideration of a hosting certificate holder’s representations, the Commission may confirm, modify or withdraw the condition notice.

(4) The Commission shall give the certificate holder written notice of its decision under this regulation and of the reasons for it.

Return of hosting certificate for endorsement of changed conditions.

121. (1) A hosting certificate holder shall return its hosting certificate to the Commission within seven days of-

- (a) receiving a condition notice; or,
 - (b) where it exercises its right to make representations in accordance with regulation 120, receipt of a notice from the Commission in accordance with regulation 120(4) confirming or modifying the condition notice.
- (2) On receiving the hosting certificate, the Commission shall-
- (a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or

(b) if the Commission does not consider that it is practicable to amend the certificate, issue a replacement hosting certificate free of charge, incorporating the change of conditions to the hosting certificate.

(3) A change of conditions does not depend on the hosting certificate being amended to record the change or a replacement hosting certificate being issued.

CHAPTER III MODIFICATION TO AND SURRENDER OF CERTIFICATE

Modification to hosting certificate.

122. (1) Subject to regulation 123, a hosting certificate holder who wishes to obtain the Commission's approval for a proposed modification to the details contained on its hosting certificate shall make application by letter to the Commission setting out the modification for which it seeks approval.

(2) Without prejudice to the generality of paragraph (1), an application is required within seven days of-

(a) a hosting certificate holder's name changing; or

(b) a hosting certificate holder's registered office changing.

(3) An application under paragraph (1) shall be accompanied by-

(a) the certificate holder's hosting certificate;

(b) where applicable, a certified copy of the resolution of the hosting certificate holder effecting the change in question; and

(c) payment in respect of an administration charge of £100.

(4) If the Commission refuses to grant an application under this regulation, it shall return the certificate holder's hosting certificate and give to it notice of its decision and of the reasons for the refusal.

(5) If the Commission grants an application under this regulation, it shall-

(a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or

- (b) if the Commission does not consider that it is practicable to amend the certificate, issue a replacement hosting certificate free of charge, incorporating the change of conditions to the hosting certificate.

Changes to approved premises.

123. (1) A hosting certificate holder who wishes to obtain the Commission's approval for-

- (a) a proposed modification to its approved premises;
- (b) the addition of new premises to its approved premises;
- (c) the deletion of any premises from its approved premises,

shall make application in that behalf by completing an application form as set out in Part IV of Schedule 3, signed by a duly authorised officer of the certificate holder and delivered to the offices of the Commission.

(2) An application under this regulation shall be investigated and determined by the Commission in the same way as it would investigate and determine the suitability of premises specified in an initial certificate application.

(3) If the Commission refuses to grant an application under this regulation, it shall give the hosting certificate holder written notice of its decision and of the reasons for the refusal.

(4) If the Commission grants an application under this regulation, it shall-

- (a) give the hosting certificate holder written notice of its decision and require the certificate holder to return its hosting certificate; and
- (b) render an account in respect of the costs incurred associated with processing, investigating and determining the application.

(5) On receiving the hosting certificate and payment of the account rendered under paragraph (4)(b), the Commission shall-

- (a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or
- (b) if the Commission does not consider that it is practicable to

amend the certificate, issue a replacement hosting certificate free of charge, incorporating the change of conditions to the hosting certificate.

(6) A change to a hosting certificate holder's approved premises under this regulation takes effect on-

- (a) the day on which the certificate holder's amended or replacement certificate is returned or issued by the Commission; or
- (b) such later date as is specified on the amended or replacement certificate.

Surrender of hosting certificate.

124. (1) A certificate holder may surrender its hosting certificate by written notice (a "surrender notice") given to the Commission.

(2) The surrender takes effect-

- (a) on the day specified in the surrender notice; or
- (b) if no day is specified in the surrender notice, one month after the surrender notice is given to the Commission.

(3) A person who has surrendered a hosting certificate must, unless it provides an explanation which is acceptable to the Commission, return the certificate to the Commission within seven days after the day on which the surrender takes effect.

**CHAPTER IV
SUSPENSION, REVOCATION AND OTHER SANCTIONS**

Fit and proper test: hosting certificate holder.

125. For the purposes of section 12(1)(a) of the Ordinance, in deciding whether a hosting certificate holder continues to be a fit and proper person to hold that certificate, the Commission shall have regard to the following matters-

- (a) the certificate holder's character;
- (b) the certificate holder's business reputation;
- (c) the certificate holder's current financial position and financial background;

- (d) whether the certificate holder has the appropriate business ability to assist an eGambling licensee by accommodating gambling equipment utilised by the eGambling licensee to conduct its operations; and
- (e) whether the approved premises of the certificate holder continue to be suitable, having regard to-
 - (i) the layout of the premises;
 - (ii) the security of the premises, including access thereto; and
 - (iii) the facilities at the premises, including the arrangements in place in respect of power sources and business continuity.

Rectification: Commission proposal.

126. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) it is appropriate to give the hosting certificate holder an opportunity to rectify the matter or matters giving rise to the Commission's belief that such a ground exists,

it shall issue to the hosting certificate holder a notice in writing (a "**rectification proposal**") which shall explain the proposed direction under regulation 127 and set out the Commission's reasons for proposing to give the direction.

(2) If a hosting certificate holder wishes to make representations to the Commission about anything in the rectification proposal, it may do so in writing within seven days of receipt of the rectification proposal.

(3) After consideration of a hosting certificate holder's representations, the Commission may confirm, modify or withdraw the proposed direction.

(4) The Commission shall give the hosting certificate holder written notice of its decision under paragraph (3) and of the reasons for it.

Direction to rectify.

127. (1) Where-

- (a) a hosting certificate holder elects not to make any representations in accordance with regulation 126(2); or

- (b) after considering a hosting certificate holder's representations, the Commission decides to confirm or modify its proposals as set out in the rectification proposal,

the Commission shall, by written notice to the certificate holder (a "**rectification notice**"), direct it to rectify the matter or matters specified in the notice in the manner specified in the notice within the period of time specified in the notice.

(2) A rectification notice shall warn the hosting certificate holder of the consequences of failing to comply with the notice as specified in regulation 129(2).

(3) Where the Commission believes that the hosting certificate holder has an existing relationship with an eGambling licensee, the Commission shall give a copy of the rectification notice to that eGambling licensee.

(4) During the period of time specified in a rectification notice, its terms may be modified in any way the Commission sees fit, whether as a result of written representations from the certificate holder or from an eGambling licensee with which the certificate holder has an existing relationship, or of the Commission's own motion.

Written caution.

128. Where the Commission is satisfied that-

- (a) a ground referred to in section 12(1) of the Ordinance-
 - (i) exists, or
 - (ii) existed and has been resolved, whether voluntarily or in accordance with a rectification notice; and
- (b) it is appropriate to give the hosting certificate holder formal notice warning it about the consequences of any repetition of the type of act or omission giving rise to the Commission's view,

it may issue to the certificate holder a notice in writing which shall set out the basis for its finding that a ground in section 12(1) of the Ordinance has arisen and warn the certificate holder of the consequences of any repetition of the same or a similar nature.

Regulatory hearing: notice.

129. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) the circumstances are such that it is necessary to convene a hearing of the Commissioners at which the hosting certificate holder shall be given the opportunity of making representations in response,

it shall give to the certificate holder a notice in writing (a “**hearing notice**”) which shall explain that the Commission is considering imposing a financial penalty or suspending or revoking the hosting certificate and set out the Commission’s reasons for convening the hearing.

(2) Where the Commission believes that a rectification notice has not been fully complied with, it shall give to the hosting certificate holder a hearing notice which shall explain that the Commission is considering imposing a financial penalty or suspending or revoking the hosting certificate and set out the Commission’s reasons for convening the hearing.

(3) A hearing notice shall give at least seven days’ notice of the hearing to the hosting certificate holder and appoint a date, time and place for the hearing.

(4) A hosting certificate holder may elect not to attend the hearing convened by the hearing notice and confine its representations to any it wishes to make in writing to the Commission prior to the date of the hearing.

Immediate suspension.

130. (1) At the same time as giving a hearing notice, the Commission may suspend a hosting certificate under this regulation if it is satisfied on reasonable grounds that-

- (a) a ground referred to in section 12(1) of the Ordinance exists;
- (b) the seriousness and urgency of the matter do not permit the taking of action by way of a rectification proposal; and
- (c) the circumstances require that the hosting certificate be suspended to ensure that the certificate holder is unable to jeopardise the integrity of an eGambling licensee’s operation.

(2) A suspension under this regulation-

(a) shall be effected by written notice given to the hosting certificate holder (a “**suspension notice**”);

(b) takes effect immediately when the suspension notice is given; and

(c) is effective until-

(i) the Commissioners have reached a determination at the conclusion of the hearing convened in accordance with regulation 129; or

(ii) it is cancelled by further notice in writing of the Commission in accordance with regulation 131.

(3) Where the Commission believes that the hosting certificate holder has an existing relationship with an eGambling licensee, the Commission shall give a copy of the suspension notice to that eGambling licensee.

Cancellation of suspension notice.

131. (1) If a hosting certificate holder, or an eGambling licensee receiving a copy of the suspension notice in accordance with regulation 130(3), wishes to request that the immediate suspension imposed by the suspension notice be cancelled, it may make representations in writing at any time whilst the suspension is effective.

(2) After consideration of any representations made under paragraph (1), the Commission may confirm or cancel the suspension notice.

(3) The Commission shall give the hosting certificate holder and, where applicable, the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

(4) Where, prior to reaching a determination at the conclusion of the hearing convened in accordance with regulation 129, the Commission considers that it is no longer necessary to continue the suspension of a hosting certificate, it shall of its own motion cancel the suspension notice and give written notice to that effect to the certificate holder and, where applicable, an eGambling licensee which has received a copy of the suspension notice in accordance with regulation 130(3).

Conduct of regulatory hearing.

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

(a) the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee shall first be presented by a duly authorised officer of the Commission or any representative of that officer;

- (b) the certificate holder, through any representative, shall thereafter present its response;
- (c) such written representations as each party sees fit may be lodged;
- (d) questions may be asked-
 - (i) by one party of the other party at the end of the latter's presentation; and
 - (ii) at any time by the Commissioners.

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

Regulatory hearing: Commissioners' determination.

133. (1) At the conclusion of a hearing convened in accordance with regulation 129, after taking into account everything said and lodged by, or on behalf of, the parties, the Commissioners shall determine-

- (a) whether a ground referred to in section 12(1) of the Ordinance has been established; and
- (b) if so, whether to-
 - (i) impose a financial penalty;
 - (ii) suspend the hosting certificate;
 - (iii) revoke the hosting certificate; or
 - (iv) give a rectification notice in accordance with regulation 127.

(2) The Commission shall give the hosting certificate holder written notice of its decision under this regulation and of the reasons for it (a "determination notice").

(3) Where the Commission believes that the hosting certificate holder has an existing relationship with an eGambling licensee, the Commission shall give a copy of the determination notice to that eGambling licensee.

Financial penalties.

134. (1) Where the Commissioners decide to impose a financial penalty on a hosting certificate holder-

- (a) the amount shall not exceed £25,000; and
- (b) the determination notice shall direct whether the penalty is payable immediately or is to be of suspended effect.

(2) Where a financial penalty is payable immediately, the amount shall be paid to the Commission as agent for the States in the manner specified in the determination notice.

(3) Where the Commissioners direct that a financial penalty shall be of suspended effect, the determination notice shall specify the period, which shall not in any event exceed 12 months, during which the penalty is capable of being activated in accordance with regulation 135 and, at the end of the period so specified, the penalty shall no longer be capable of taking effect.

Activation of suspended financial penalty.

135. (1) Where, during the period of suspension specified in a determination notice, the Commission believes that a ground in section 12(1) of the Ordinance exists, the hearing notice given to the hosting certificate holder in accordance with regulation 129 shall also explain that the Commission is considering activating the suspended financial penalty.

(2) If, at the conclusion of a hearing convened by such a hearing notice, the Commissioners are satisfied that a ground in section 12(1) of the Ordinance exists, or existed at the time of the hearing notice, having taken into account the representations of the hosting certificate holder, the Commission's determination notice shall direct that the original financial penalty of suspended effect-

- (a) shall be payable to it as agent of the States immediately in the manner specified in the determination notice-
 - (i) with the original amount unaltered; or
 - (ii) with the substitution of a lesser amount for the original amount;
- (b) shall be suspended for such further period not exceeding 12 months as the determination notice specifies; or
- (c) shall not be activated on this occasion and shall continue unaltered.

Post-hearing suspension.

136. Where the Commissioners decide to suspend a hosting certificate, the determination notice shall specify-

- (a) the date from which the suspension takes effect; and
- (b) the period of time during which the suspension shall be effective.

Revocation of hosting certificate.

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

(2) Revocation 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 revoked shall return the certificate to the Commission within seven days of the revocation taking effect.

[Regulations 138-150 are deliberately blank and currently unused]

PART IV
RESTRICTED USE eGAMBLING LICENCES

CHAPTER I
INITIAL LICENCE APPLICATION

Submission of application.

151. (1) An application for a restricted use eGambling licence shall be made in writing by completing an application form as set out in Part I of Schedule 4, signed by a duly authorised officer of the applicant and delivered to the offices of the Commission.

(2) Before making an application in accordance with paragraph (1), a person intending to apply for a restricted use eGambling licence, or a person acting on behalf of a prospective applicant, may submit to the Commission, in electronic or paper format, all or part of an application form as set out in Part I of Schedule 4 for the purposes specified in regulation 154(2).

Initial deposit of investigation monies.

152. Before, or at the time of, the submission of an application for a restricted use eGambling licence, £5,000 shall be deposited with the Commission by, or on behalf of, the applicant from which the Commission is permitted to draw the costs associated with processing, investigating and determining that application.

Display on Commission's website.

153. Following receipt of an application for a restricted use eGambling licence, the Commission shall post and thereafter continuously display on its website until the application is withdrawn by the applicant or determined by the Commission a notice in the form set out in Part II of Schedule 4 containing the information required therein detailing the application.

Commencement of investigations.

154. (1) When an applicant has complied with regulations 151(1) and 152, the Commission shall make arrangements to investigate the applicant and, where applicable, any associate of the applicant in order to assess whether the applicant appears to be a fit and proper person to hold a restricted use eGambling licence.

(2) If a person submits all or part of an application form in accordance with regulation 151(2) and complies with regulation 152, at the request of that person, the Commission may make arrangements to commence an investigation in accordance with paragraph (1) insofar as that is practicable from the information supplied, pending compliance with regulation 151(1).

Criteria against which applicant assessed.

155. (1) In deciding whether an applicant for a restricted use eGambling licence is a fit and proper person to hold that licence, the Commissioners shall have regard to the following matters-

- (a) the applicant's character;
- (b) the applicant's business reputation;
- (c) the applicant's current financial position and financial background;
- (d) whether an associate of an applicant satisfies regulation 156; and
- (e) the manner in which the applicant currently conducts any form of eGambling in a place outside the Bailiwick of Guernsey.

(2) In deciding whether an applicant for a restricted use eGambling licence is a fit and proper person to hold that licence, the Commissioners may have regard to any other licence or permission however described allowing the applicant, or an associate of the applicant, to conduct any form of gambling lawfully in another jurisdiction.

Criteria against which associate assessed.

156. In deciding whether an associate of an applicant for a restricted use eGambling licence is a fit and proper person to be associated with the operations proposed by the applicant-

- (a) an associate who holds an associate certificate or, as the case may be, a hosting certificate shall without further investigation be regarded as having satisfied the Commissioners that it is a fit and proper person to be associated with an eGambling licensee's operations; and
- (b) where an associate does not hold an associate certificate or a hosting certificate, the Commissioners shall have regard to the following matters-
 - (i) the associate's character;
 - (ii) the associate's business reputation;
 - (iii) the associate's current financial position and financial background; and
 - (iv) where applicable, whether the associate has the appropriate business ability to assist the applicant to conduct eGambling successfully under a restricted use eGambling licence.

Request for further information.

157. At any time before an application for a restricted use eGambling licence is determined by the Commission, an officer or servant of the Commission may request from the applicant or, with the applicant's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper assessment of the application to be made.

Requirement for further information.

158. (1) Whether or not a request in accordance with regulation 157 has been made, a duly authorised officer of the Commission may, by notice in writing given to the applicant, require the applicant to supply to the Commission such

further information or documentation as may reasonably be required to make a proper assessment of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

External consultations.

159. As part of the investigation of an application for a restricted use eGambling licence, an officer or servant of the Commission may make appropriate enquiries of an officer of police, any gambling regulator operating outside Alderney, any law enforcement agency operating outside the Bailiwick of Guernsey or such other person as he considers can assist him in order to enable a proper assessment of the application to be made.

Supplementary deposit of investigation monies.

160. (1) If, prior to the determination of an application for a restricted use eGambling licence, the monies deposited with the Commission in accordance with regulation 152 or this regulation have been exhausted, the Commission may by notice in writing to the applicant require that £5,000 shall be deposited with the Commission by, or on behalf of, the applicant.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Withdrawal of application.

161. (1) At any time before the Commissioners determine an application for a restricted use eGambling licence, the applicant may, by notice in writing given to the Commission, withdraw its application.

(2) Where an applicant withdraws its application, the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 152 or, where applicable, regulation 160.

Report to Commissioners.

162. On completion of an investigation of an applicant for a restricted use eGambling licence and, where applicable, any associate of the applicant, a report containing details of the application, the investigation and the assessment made of the application shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

Determination of application.

163. (1) Before deciding whether to grant or refuse an application for a restricted use eGambling licence, the Commissioners shall consider-

- (a) the report submitted to them in accordance with regulation 162;
- (b) any written representations received as a result of the display of the notice required by regulation 153; and
- (c) such other material supplied to the Commission by, or on behalf of, the applicant as they consider appropriate.

(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 cause an appropriate requirement under regulation 158 to be made.

Notification of refusal.

164. If the Commissioners refuse to grant an application for a restricted use eGambling licence, the Commission shall give the applicant written notice of the decision and of the reasons for the refusal.

Form of restricted use eGambling licence.

165. If the Commissioners grant an application for a restricted use eGambling licence, the licence issued under section 7 of the Ordinance shall be in the form set out in Part III of Schedule 4.

Payment of investigation costs not deposited.

166. Where the costs payable by an applicant under section 6(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 152 and, where applicable, regulation 160, the restricted use eGambling licence shall not be exercisable by the eGambling licensee until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to it in writing by the Commission, has been received by the Commission.

Repayment of surplus investigation monies deposited.

167. After determining an application for a restricted use eGambling licence, the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 152 or, where applicable, regulation 160.

Accounting for investigation monies deposited.

168. The Commission shall, whenever requested to do so by an applicant, account to the applicant in respect of the costs as at that time incurred by the Commission in respect of the application.

CHAPTER II
LICENCE CONDITIONS

General conditions attaching to restricted use eGambling licence.

169. A restricted use eGambling licence granted by the Commission under section 7 of the Ordinance is subject to the following conditions-

- (a) in no circumstances may cash be accepted from a customer by, or on behalf of, the eGambling licensee;
- (b) any advertisements used by, or on behalf, of the eGambling licensee must not promote gambling by, with or through persons under the age of 18 years;
- (c) the eGambling licensee must use reasonable endeavours to keep abreast of international developments as they affect the lawfulness of any form of eGambling in order, so far as is reasonably practicable, not to allow eGambling when it exercises its restricted use eGambling licence where to do so would constitute criminal activity by its customer;
- (d) the eGambling licensee must give notification in writing to the Commission containing full details within seven days of any of the following relevant events-
 - (i) when any licence or permission however described allowing it, or one of its associates, to conduct any form of gambling in another jurisdiction is suspended, revoked, or voluntarily surrendered,
 - (ii) when the beneficial ownership of the licensee, or of any parent company of the licensee, or of any associated company within the group of companies to which the licensee belongs, has changed so that a person's shareholding is, or becomes, 3% or more, or
 - (iii) when a material change is discovered in the information previously supplied by it to the Commission, whether prior to being granted the licence or subsequently, to which the Commission would be able to have regard in considering

whether or not the licensee is a fit and proper person to hold a restricted use eGambling licence; and

(g) upon being given reasonable notice, which shall wherever possible be not less than seven days, the eGambling licensee shall attend at a meeting of the Commissioners for the purpose set out in the notice.

Imposition or change of licence conditions.

170. (1) Where the Commission considers it necessary, expedient or desirable to-

- (a) attach a condition to a restricted use eGambling licence;
- (b) modify an existing condition attached to a restricted use eGambling licence; or
- (c) rescind an existing condition attached to a restricted use eGambling licence,

it shall issue to the eGambling licensee a notice in writing (a “**condition notice**”) which shall explain the proposed change of condition and set out the Commission’s reasons for the change.

(2) Subject to regulation 171, a change of conditions takes effect on-

- (a) the day on which the condition notice is given to the eGambling licensee; or
- (b) such later day as is specified in the condition notice.

Challenge to condition notice.

171. (1) If a restricted use eGambling licensee wishes to make representations to the Commission about anything in a condition notice, it may do so in writing within seven days of receipt of the condition notice.

(2) Representations under paragraph (1) may include a request that the date from which the change of conditions takes effect be postponed until the Commission has considered the representations.

(3) After consideration of an eGambling licensee’s representations, the Commission may confirm, modify or withdraw the condition notice.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Return of restricted use eGambling licence for endorsement of changed conditions.

172. (1) An eGambling licensee shall return its restricted use eGambling licence to the Commission within seven days of-

- (a) receiving a condition notice; or,
- (b) where it exercises its right to make representations in accordance with regulation 171, receipt of a notice from the Commission in accordance with regulation 171(4) confirming or modifying the condition notice.

(2) On receiving the eGambling licence, the Commission shall-

- (a) amend the licence in an appropriate way and return the amended licence to the eGambling licensee; or
- (b) if the Commission does not consider that it is practicable to amend the licence, issue a replacement restricted use eGambling licence free of charge, incorporating the change of conditions to the eGambling licence.

(3) A change of conditions does not depend on the eGambling licence being amended to record the change or a replacement eGambling licence being issued.

CHAPTER III
MODIFICATION TO AND SURRENDER OF LICENCE

Modification to restricted use eGambling licence.

173. (1) An eGambling licensee who wishes to obtain the Commission's approval for a proposed modification to the details contained on its restricted use eGambling licence shall make application by letter to the Commission setting out the modification for which it seeks approval.

(2) Without prejudice to the generality of paragraph (1), an application is required within seven days of-

- (a) an eGambling licensee's name changing; or
- (b) an eGambling licensee's registered office changing.

(3) An application under paragraph (1) shall be accompanied by-

- (a) the eGambling licensee's restricted use eGambling licence;

(b) where applicable, a certified copy of the resolution of the eGambling licensee effecting the change in question; and

(c) payment in respect of an administration charge of £100.

(4) If the Commission refuses to grant an application under this regulation, it shall return the eGambling licensee's restricted use eGambling licence and give to the eGambling licensee written notice of its decision and of the reasons for the refusal.

(5) If the Commission grants an application under this regulation, it shall-

(a) amend the licence in an appropriate way and return the amended licence to the eGambling licensee; or

(b) if the Commission does not consider that it is practicable to amend the licence, issue a replacement restricted use eGambling licence free of charge, incorporating the change of conditions to the eGambling licence.

Surrender of restricted use eGambling licence.

174. (1) An eGambling licensee may surrender its restricted use eGambling licence by written notice (a "surrender notice") given to the Commission.

(2) The surrender takes effect-

(a) on the day specified in the surrender notice; or

(b) if no day is specified in the surrender notice, one month after the surrender notice is given to the Commission.

(3) A person who has surrendered a restricted use eGambling licence must, unless it provides an explanation which is acceptable to the Commission, return the licence to the Commission within seven days after the day on which the surrender takes effect.

CHAPTER IV
REQUIREMENTS FOR EXERCISE OF RESTRICTED USE EGAMBLING
LICENCE

General requirement.

175. (1) Unless a restricted use eGambling licensee is given an exemption or dispensation contained in a written notice given to it by the Commission under this regulation, whether at the same time as its restricted use eGambling licence is issued under section 7 of the Ordinance or subsequently, it shall

comply with all the requirements imposed on an eGambling licensee under the Ordinance and these Regulations.

(2) An application for an exemption or dispensation in accordance paragraph (1) shall be made by letter signed by a duly authorised officer of an applicant for a restricted use eGambling licence or, as the case may be, of a restricted use eGambling licensee, setting out the reason for the application and delivered to the offices of the Commission.

(3) After consideration of an eGambling licensee's application, the Commission may grant or refuse the application for an exemption or dispensation.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Notification of exercise of licence.

176. (1) Before, or within one hour of, commencing to exercise its restricted use eGambling licence, a restricted use eGambling licensee shall notify the Commission of its intention to, or its actual, exercise of that licence and the reason for its exercise.

(2) In the first instance, the notification required by paragraph (1) shall be by e-mail communication to the generic e-mail address of the Commission and copied to the Chief Executive Officer's e-mail address.

(3) As soon as reasonably practicable after complying with paragraph (2), a letter signed by a duly authorised officer of a restricted use eGambling licensee shall be sent to the offices of the Commission confirming the precise time at which it commenced to exercise its licence.

Notification of cessation of exercise of licence.

177. (1) At, or within one hour of, ceasing to exercise its restricted use eGambling licence, a restricted use eGambling licensee shall notify the Commission of this fact and the reason for stopping to exercise the licence.

(2) In the first instance, the notification required by paragraph (1) shall be by e-mail communication to the generic e-mail address of the Commission and copied to the Chief Executive Officer's e-mail address.

(3) As soon as reasonably practicable after complying with paragraph (2), a letter signed by a duly authorised officer of a restricted use eGambling licensee shall be sent to the offices of the Commission confirming the precise time at which it ceased to exercise its licence.

Computation of period of exercise of licence.

178. For the purpose of computing the number of days during which a restricted use eGambling licence has been exercised by the licensee, exercise at any time, however short or long, between midnight and midnight following, as those times occur in Alderney, shall be computed as the licence being exercised for one day.

Circumstances in which application for full eGambling licence must be made.

179. (1) Where a restricted use eGambling licence has been exercised-

- (a) for 30 days continuously; or
- (b) for an aggregate of 60 days in any six month period,

the Commission shall give the restricted use eGambling licensee notice in writing (a "conversion notice") requiring it to cause a company to be incorporated in accordance with the Companies (Alderney) Law, 1994(b) in order for that company to submit an application for a full eGambling licence in accordance with regulation 1(1) within 42 days of receipt of the conversion notice.

(2) If, before the expiry of the period specified in paragraph (1), a restricted use eGambling licensee believes that it will not be able to comply with paragraph (1), it may, by making application to the Commission by letter signed by a duly authorised officer of the licensee, seek an extension of the 42-day period.

(3) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Effect of compliance with conversion notice.

180. (1) A restricted use eGambling licensee which complies with the conversion notice given in accordance with regulation 179 may continue to exercise its licence until the application made for a full eGambling licence has been determined by the Commissioners.

(2) On the day on which the Commissioners determine the application made for a full eGambling licence, the restricted use licensee shall be deemed to have surrendered its restricted use eGambling licence without the requirement for a surrender notice in accordance with regulation 174.

Consequences of non-compliance with conversion notice.

181. A restricted use eGambling licensee which fails to comply with the conversion notice given in accordance with regulation 179 shall be deemed to have surrendered its restricted use eGambling licence without the requirement for a surrender notice in accordance with regulation 174 on the third day after the expiry of the period during which the conversion notice had to be complied with.

**CHAPTER V
SUSPENSION, REVOCATION AND OTHER SANCTIONS**

Fit and proper test: eGambling licensee.

182. (1) For the purposes of section 12(1)(a) of the Ordinance, in deciding whether a restricted use eGambling licensee continues to be a fit and proper person to hold that licence, the Commission shall have regard to the following matters-

- (a) the eGambling licensee's character;
- (b) the eGambling licensee's business reputation;
- (c) the eGambling licensee's current financial position and financial background;
- (d) whether an associate of the eGambling licensee satisfies regulation 183; and
- (e) the manner in which the eGambling licensee has conducted and currently conducts any form of eGambling in a place outside the Bailiwick of Guernsey.

(2) For the purposes of section 12(1)(a), in deciding whether a restricted use eGambling licensee continues to be a fit and proper person to hold that licence, the Commission may have regard to-

- (a) any changes to the validity of any other licence or permission however described held at the time the eGambling licence was issued or obtained since then allowing the eGambling licensee, or an associate, to conduct any form of gambling lawfully in another jurisdiction; and
- (b) any penalties or sanctions however described imposed on the eGambling licensee, or an associate, by gambling or other regulators outside Alderney.

Fit and proper test: associate.

183. (1) For the purposes of section 12(1)(b) of the Ordinance, in deciding whether an associate of a restricted use eGambling licensee continues to be a fit and proper person to be associated with the operations conducted by the eGambling licensee-

- (a) an associate who holds an associate certificate or, as the case may be, a hosting certificate shall without further investigation be regarded as having satisfied the Commission that it is a fit and proper person to be associated with an eGambling licensee's operations; and
- (b) where an associate does not hold an associate certificate or a hosting certificate, the Commission shall have regard to the following matters-
 - (i) the associate's character;
 - (ii) the associate's business reputation;
 - (iii) the associate's current financial position and financial background; and
 - (iv) where applicable, whether the associate has the appropriate business ability to assist the eGambling licensee to conduct eGambling successfully under its eGambling licence.

(2) For the purposes of section 12(1)(b) of the Ordinance, in deciding whether an associate who does not hold an associate certificate or a hosting certificate continues to be a fit and proper person to be associated with the operations conducted by the restricted use eGambling licensee, the Commission may have regard to-

- (a) any changes to the validity of any other licence or permission however described held by the associate allowing it to conduct any form of gambling lawfully in another jurisdiction; and
- (b) any penalties or sanctions however described imposed on the associate by gambling or other regulators outside Alderney.

Rectification: Commission proposal.

184. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and

- (b) it is appropriate to give the eGambling licensee an opportunity to rectify the matter or matters giving rise to the Commission's belief that such a ground exists,

it shall issue to the restricted use eGambling licensee a notice in writing (a "**rectification proposal**") which shall explain the proposed direction under regulation 185 and set out the Commission's reasons for proposing to give the direction.

(2) If an eGambling licensee wishes to make representations to the Commission about anything in the rectification proposal, it may do so in writing within seven days of receipt of the rectification proposal.

(3) After consideration of an eGambling licensee's representations, the Commission may confirm, modify or withdraw the proposed direction.

(4) The Commission shall give the eGambling licensee written notice of its decision under paragraph (3) and of the reasons for it.

Direction to rectify.

185. (1) Where-

- (a) an eGambling licensee elects not to make any representations in accordance with paragraph (2); or
- (b) after considering an eGambling licensee's representations, the Commission decides to confirm or modify its proposals as set out in the rectification proposal,

the Commission shall, by written notice to the restricted use eGambling licensee (a "**rectification notice**"), direct him to rectify the matter or matters specified in the notice in the manner specified in the notice within the period of time specified in the notice.

(2) A rectification notice shall warn the eGambling licensee of the consequences of failing to comply with the notice as specified in regulation 187(2).

(3) During the period of time specified in a rectification notice, its terms may be modified in any way the Commission sees fit, whether as a result of written representations from the eGambling licensee or of the Commission's own motion.

Written caution.

186. Where the Commission is satisfied that-

- (a) a ground referred to in section 12(1) of the Ordinance-
 - (i) exists, or
 - (ii) existed and has been resolved, whether voluntarily or in accordance with a rectification notice; and
- (b) it is appropriate to give the eGambling licensee formal notice warning it about the consequences of any repetition of the type of act or omission giving rise to the Commission's view,

it may issue to the restricted use eGambling licensee a notice in writing which shall set out the basis for its finding that a ground in section 12(1) of the Ordinance has arisen and warn the eGambling licensee of the consequences of any repetition of the same or a similar nature.

Regulatory hearing: notice.

187. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) the circumstances are such that it is necessary to convene at hearing of the Commissioners at which the eGambling licensee shall be given the opportunity of making representations in response,

it shall give to the restricted use eGambling licensee a notice in writing (a "**hearing notice**") which shall explain that the Commission is considering suspending or revoking the eGambling licence and set out the Commission's reasons for convening the hearing.

(2) Where the Commission believes that a rectification notice has not been fully complied with, it shall give to the eGambling licensee a hearing notice which shall explain that the Commission is considering suspending or revoking the eGambling licence and set out the Commission's reasons for convening the hearing.

(3) A hearing notice shall give at least seven days' notice of the hearing to the eGambling licensee and appoint a date, time and place for the hearing.

(4) An eGambling licensee may elect not to attend the hearing

convened by the hearing notice and confine its representations to any it wishes to make in writing to the Commission prior to the date of the hearing.

Immediate suspension.

188. (1) At the same time as giving a hearing notice, the Commission may suspend a restricted use eGambling licence under this regulation if it is satisfied on reasonable grounds that-

- (a) a ground referred to in section 12(1) of the Ordinance exists;
- (b) the seriousness and urgency of the matter do not permit the taking of action by way of a rectification proposal; and
- (c) the circumstances require that the licence be suspended to ensure that-
 - (i) the public interest is not affected in an adverse and material way; or
 - (ii) the integrity of the eGambling licensee's operation is not jeopardised in any way.

(2) A suspension under this regulation-

- (a) shall be effected by written notice given to the eGambling licensee (a "**suspension notice**");
- (b) takes effect immediately when the suspension notice is given; and
- (c) is effective until-
 - (i) the Commissioners have reached a determination at the conclusion of the hearing convened in accordance with regulation 187; or
 - (ii) it is cancelled by further notice in writing of the Commission in accordance with regulation 189.

Cancellation of suspension notice.

189. (1) If a restricted use eGambling licensee wishes to request that the immediate suspension imposed by a suspension notice be cancelled, it may make representations in writing at any time whilst the suspension is effective.

(2) After consideration of an eGambling licensee's representations, the Commission may confirm or cancel the suspension notice.

(3) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

(4) Where, prior to reaching a determination at the conclusion of the hearing convened in accordance with regulation 187, the Commission considers that it is no longer necessary to continue the suspension of a restricted use eGambling licence, it shall of its own motion cancel the suspension notice and give written notice to that effect to the eGambling licensee.

Conduct of regulatory hearing.

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

- (a) the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee shall first be presented by a duly authorised officer of the Commission or any representative of that officer;
- (b) the restricted use eGambling licensee, through any representative, shall thereafter present its response;
- (c) such written representations as each party sees fit may be lodged;
- (d) questions may be asked-
 - (i) by one party of the other party at the end of the latter's presentation; and
 - (ii) at any time by the Commissioners.

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

Regulatory hearing: Commissioners' determination.

191. (1) At the conclusion of a hearing convened in accordance with regulation 187, after taking into account everything said and lodged by, or on behalf of, the parties, the Commissioners shall determine-

- (a) whether a ground referred to in section 12(1) of the Ordinance has been established; and

(b) if so, whether to-

- (i) suspend the eGambling licence;
- (ii) revoke the eGambling licence; or
- (iii) give a rectification notice in accordance with regulation 185.

(2) The Commission shall give the restricted use eGambling licensee written notice of its decision under this regulation and of the reasons for it (a “**determination notice**”).

Post-hearing suspension.

192. Where the Commissioners decide to suspend a restricted use eGambling licence, the determination notice shall specify-

- (a) the date from which the suspension takes effect; and
- (b) the period of time during which the suspension shall be effective.

Revocation of restricted use eGambling licence.

193. (1) The Commissioners shall not revoke a restricted use eGambling licence unless they are satisfied that, unless the licence is revoked-

- (a) the integrity of the conduct of eGambling by the eGambling licensee may be jeopardised in a material way; or
- (b) the public interest may be affected in an adverse or material way.

(2) Revocation of a restricted use eGambling licence 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 eGambling licence has been revoked shall return the licence to the Commission within seven days of the revocation taking effect.

[Regulations 194-200 are deliberately blank and currently unused]

PART V
KEY INDIVIDUAL CERTIFICATES

CHAPTER I
KEY INDIVIDUALS

Application of Part.

201. This Part applies to any person who-

- (a) 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
- (b) has been designated as a key individual in accordance with regulation 202.

Designation as key individual.

202. (1) Where the Commission considers that a person who has not been identified as occupying a key position in an eGambling licensee's approved internal control system is-

- (a) an associate;
- (b) occupying or acting in a managerial position;
- (c) carrying out managerial functions; or
- (d) is in a position to control or exercise significant influence over the operations conducted under an eGambling licence,

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

(2) The Commission shall, at the same time as it gives a designation notice in accordance with paragraph (1), give a copy of the notice to 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 relationship.

Challenge to designation notice.

203. (1) If the recipient of a designation notice wishes to make representations to the Commission about anything in the notice, he may do so in writing within seven days of receipt of the designation notice.

(2) If an eGambling licensee or, as the case may be, an associate wishes

to make representations on behalf of the recipient of a designation notice to the Commission about anything in the notice, it may do so in writing within seven days of receipt of the copy of the designation notice given in accordance with regulation 202(2).

(3) Representations under paragraph (1) or (2) may include a request that the date from which the designation as a key individual takes effect be postponed until the Commission has considered the representations.

(4) After consideration of any representations under this regulation, the Commission may confirm or withdraw the designation notice.

(5) The Commission shall give the recipient of the designation notice and, where applicable, the eGambling licensee or associate given a copy of the designation notice in accordance with regulation 202(2) written notice of its decision under this regulation and of the reasons for it.

CHAPTER II INITIAL CERTIFICATE APPLICATION

Submission of application.

204. (1) An application for a key individual certificate shall be made in writing by completing an application form as set out in Part I of Schedule 5, signed by the applicant and delivered to the offices of the Commission.

(2) Before making an application in accordance with paragraph (1), a person intending to apply for a key individual certificate may submit to the Commission, in electronic or paper format, all or part of an application form as set out in Part I of Schedule 5 for the purposes specified in regulation 207(2).

Items to accompany application.

205. An application under regulation 204(1) shall be accompanied by-

- (a) a letter from an eGambling licensee, an associate or an applicant for an eGambling licence or an associate certificate confirming the basis on which the applicant for the key individual certificate is, or will be, a key individual performing functions for, or on behalf of, the eGambling licensee or associate; and
- (b) two copies of a recent photograph of the face of the applicant.

Initial deposit of investigation monies.

206. Before, or at the time of, the submission of an application for a key individual certificate, £1,000 shall be deposited with the Commission by, or on

behalf of, the applicant from which the Commission is permitted to draw the costs associated with processing, investigating and determining that application.

Commencement of investigations.

207. (1) When an applicant has complied with regulations 204(1), 205 and 206, the Commission shall make arrangements to investigate the applicant in order to assess whether the applicant appears to be a fit and proper person to hold a key individual certificate.

(2) If a person submits all or part of an application form in accordance with regulation 204(2) and complies with regulation 206, at the request of that person, the Commission may make arrangements to commence an investigation in accordance with paragraph (1) insofar as that is practicable from the information supplied, pending compliance with regulations 204(1) and 205.

Criteria against which applicant assessed.

208. (1) In deciding whether an applicant for a key individual certificate is a fit and proper person to hold that certificate, the Commissioners shall have regard to the following matters-

- (a) the applicant's character;
- (b) the applicant's current financial position and financial background; and
- (c) the applicant's general suitability to perform functions for, or on behalf of, an eGambling licensee or an associate.

(2) In deciding whether an applicant for a key individual certificate is a fit and proper person to hold that certificate, the Commissioners may have regard to the fact that the applicant holds, or has held, a licence or permission however described in respect of any form of gambling anywhere in the world.

Request for further information.

209. At any time before an application for a key individual certificate is determined by the Commission, an officer or servant of the Commission may request from the applicant or, with the applicant's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper assessment of the application to be made.

Requirement for further information.

210. (1) Whether or not a request in accordance with regulation 209 has been made, a duly authorised officer of the Commission may, by notice in writing given to the applicant, require the applicant to supply to the Commission such further information or documentation as may reasonably be required to make a proper assessment of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

External consultations.

211. As part of the investigation of an application for a key individual certificate, an officer or servant of the Commission may make appropriate enquiries of an officer of police, any gambling regulator operating outside Alderney, any law enforcement agency operating outside the Bailiwick of Guernsey or such other person as he considers can assist him in order to enable a proper assessment of the application to be made.

Supplementary deposit of investigation monies.

212. (1) If, prior to the determination of an application for a key individual certificate, the monies deposited with the Commission in accordance with regulation 206 or this regulation have been exhausted, the Commission may by notice in writing to the applicant require that £1,000 shall be deposited with the Commission by, or on behalf of, the applicant.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Withdrawal of application.

213. (1) At any time before the Commissioners determine an application for a key individual certificate, the applicant may, by notice in writing given to the Commission, withdraw his application.

(2) Where an applicant withdraws his application the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 206 or, where applicable, regulation 212.

Report to Commissioners.

214. On completion of an investigation of an applicant for a key individual certificate, a report containing details of the application, the investigation and the assessment made of the application shall be prepared by a duly authorised

officer of the Commission for submission to the Commissioners for their consideration.

Determination of application.

215. (1) Before deciding whether to grant or refuse an application for a key individual certificate, the Commissioners shall consider-

- (a) the report submitted to them in accordance with regulation 214; and
- (b) such other material supplied to the Commission by, or on behalf of, the applicant as they consider appropriate.

(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 cause an appropriate requirement under regulation 210 to be made.

Notification of refusal.

216. (1) If the Commissioners refuse to grant an application for a key individual certificate, the Commission shall give the applicant written notice of the decision and of the reasons for the refusal.

(2) Where the Commission believes that the key individual has an existing relationship with an eGambling licensee or an associate, the Commission-

- (a) shall give a copy of the notice of its decision under paragraph (1) to that eGambling licensee or, as the case may be, that associate at the same time as it gives its decision to the key individual; and
- (b) may give written notice to the applicant and that eGambling licensee or, as the case may be, that associate requiring them to terminate their relationship within the period specified in the notice.

Form of key individual certificate.

217. If the Commissioners grant an application for a key individual certificate, the certificate issued under section 7 of the Ordinance shall be in the form set out in Part II of Schedule 5.

Payment of investigation costs not deposited.

218. Where the costs payable by an applicant under section 6(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 206 and, where applicable, regulation 212-

- (a) the key individual certificate shall not be regarded as valid until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the certificate holder in writing by the Commission, has been received by the Commission; and
- (b) for the purposes of section 17(2) of the Ordinance, the application for a key individual certificate shall be treated as having been determined 14 days after the date on which notification in writing is given by the Commission in accordance with paragraph (a).

Repayment of surplus investigation monies deposited.

219. After determining an application for a key individual certificate, the Commission shall repay to the applicant or, as the case may be, the person who deposited monies on behalf of the applicant any monies not drawn by it from the monies deposited in accordance with regulation 206 or, where applicable, regulation 212.

Accounting for investigation monies deposited.

220. The Commission shall, whenever requested to do so by an applicant, account to the applicant in respect of the costs as at that time incurred by the Commission in respect of the application.

CHAPTER III
CERTIFICATE CONDITIONS

Requirement to attend before Commissioners.

221. A key individual certificate granted by the Commission under section 7 of the Ordinance is subject to the condition that, 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.

Imposition or change of licence conditions.

222. (1) Where the Commission considers it necessary, expedient or desirable to-

- (a) attach a condition to a key individual certificate;
- (b) modify an existing condition attached to a key individual certificate; or
- (c) rescind an existing condition attached to a key individual certificate,

it shall issue to the certificate holder a notice in writing (a “**condition notice**”) which shall explain the proposed change of condition and set out the Commission’s reasons for the change.

(2) Where the Commission believes that the key individual certificate holder has an existing relationship with an eGambling licensee or an associate, the Commission shall give a copy of the condition notice to that eGambling licensee or, as the case may be, that associate at the same time as it gives the condition notice to the certificate holder.

(3) Subject to regulation 223, a change of conditions takes effect on-

(a) the day on which the condition notice is given to the key individual; or

(b) such later day as is specified in the condition notice.

Challenge to condition notice.

223. (1) If a key individual certificate holder wishes to make representations to the Commission about anything in the condition notice, he may do so in writing within seven days of receipt of the condition notice.

(2) If an eGambling licensee or, as the case may be, an associate wishes to make representations on behalf of the key individual certificate holder to the Commission about anything in the condition notice, it may do so in writing within seven days of receipt of the copy of the condition notice given in accordance with regulation 222(2).

(3) Representations under paragraph (1) or (2) may include a request that the date from which the change of conditions takes effect be postponed until the Commission has considered the representations.

(4) After consideration of any representations under this regulation, the Commission may confirm, modify or withdraw the condition notice.

(5) The Commission shall give the key individual and, where applicable, the eGambling licensee or associate given a copy of the condition notice in accordance with regulation 222(2) written notice of its decision under this regulation and of the reasons for it.

Return of key individual certificate for endorsement of changed conditions.

224. (1) A key individual certificate holder shall return his key individual certificate to the Commission within seven days of-

- (a) receiving a condition notice; or,
 - (b) where the right to make representations in accordance with regulation 223 has been exercised, receipt of a notice from the Commission in accordance with regulation 223(5) confirming or modifying the condition notice.
- (2) On receiving the key individual certificate, the Commission shall-
- (a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or
 - (b) if the Commission does not consider that it is practicable to amend the certificate, issue a replacement key individual certificate free of charge, incorporating the change of conditions to the key individual certificate.
- (3) A change of conditions does not depend on the key individual certificate being amended to record the change or a replacement key individual certificate being issued.

CHAPTER IV CERTIFICATE MODIFICATIONS, LAPSE AND SURRENDER

Modification to key individual certificate.

225. (1) A key individual certificate holder who wishes to obtain the Commission's approval for a proposed modification to the details contained on his key individual certificate shall make application by letter to the Commission setting out the modification for which he seeks approval.

(2) Without prejudice to the generality of paragraph (1), an application is required within seven days of-

- (a) a certificate holder's name changing; or
 - (b) a certificate holder's address changing.
- (3) An application under paragraph (1) shall be accompanied by-
- (a) the certificate holder's key individual certificate;
 - (b) where applicable, a certified copy of document recording the change in question; and
 - (c) payment in respect of an administration charge of £100.

(4) If the Commission refuses to grant an application under this regulation, it shall return the certificate holder's key individual certificate and give to him written notice of its decision and of the reasons for the refusal.

(5) Where the Commission believes that the key individual certificate holder has an existing relationship with an eGambling licensee or an associate, the Commission shall give a copy of the notice of its decision under paragraph (4) to that eGambling licensee or, as the case may be, that associate at the same time as it gives its decision to the certificate holder.

(6) If the Commission grants an application under this regulation, it shall-

(a) amend the certificate in an appropriate way and return the amended certificate to the certificate holder; or

(b) if the Commission does not consider that it is practicable to amend the certificate, issue a replacement key individual certificate free of charge, incorporating the change of conditions to the key individual certificate.

Lapsing of key individual certificate.

226. (1) A key individual certificate shall cease to have effect if there has been no relationship between the certificate holder and an eGambling licensee or, as the case may be, an associate for a continuous period of two months.

(2) A person whose key individual certificate has lapsed as a result of paragraph (1) must, unless he provides an explanation which is acceptable to the Commission, return the certificate to the Commission within 14 days after the day on which the certificate ceases to have effect.

Surrender of key individual certificate.

227. (1) A key individual certificate holder may surrender his key individual certificate by written notice (a "surrender notice") given to the Commission.

(2) The surrender takes effect-

(a) on the day specified in the surrender notice; or

(b) if no day is specified in the surrender notice, one month after the surrender notice is given to the Commission.

(3) A person who has surrendered a key individual certificate must, unless it provides an explanation which is acceptable to the Commission, return the certificate to the Commission within seven days after the day on which the surrender takes effect.

CHAPTER V
SUSPENSION, REVOCATION AND OTHER SANCTIONS

Fit and proper test: key individual.

228. For the purposes of section 12(1)(a) of the Ordinance, in deciding whether a key individual certificate holder continues to be a fit and proper person to hold that certificate, the Commission shall have regard to the following matters-

- (a) the certificate holder's character;
- (b) the certificate holder's current financial position and financial background; and
- (c) the certificate holder's general suitability to perform functions for, or on behalf of, an eGambling licensee or an associate.

(2) For the purposes of section 12(1)(a) of the Ordinance, in deciding whether a key individual certificate holder is a fit and proper person to hold that certificate, the Commission may have regard to-

- (a) any changes to the validity of any other licence or permission however described held at the time the key individual certificate was issued or obtained since then in respect of any form of gambling anywhere in the world.
- (b) any penalties or sanctions however described imposed on the certificate holder by gambling regulators outside Alderney.

Rectification: Commission proposal.

229. (1) Where the Commission believes that-

- (a) a ground referred to in section 12(1) of the Ordinance exists; and
- (b) it is appropriate to give the key individual certificate holder an opportunity to rectify the matter or matters giving rise to the Commission's belief that such a ground exists,

it shall issue to the key individual certificate holder a notice in writing (a "**rectification proposal**") which shall explain the proposed direction under regulation 230 and set out the Commission's reasons for proposing to give the direction.

(2) If a key individual certificate holder wishes to make representations to the Commission about anything in the rectification proposal, he may do so

in writing within seven days of receipt of the rectification proposal.

(3) After consideration of a key individual certificate holder's representations, the Commission may confirm, modify or withdraw the proposed direction.

(4) The Commission shall give the key individual certificate holder written notice of its decision under paragraph (3) and of the reasons for it.

Direction to rectify.

230. (1) Where-

- (a) a key individual certificate holder elects not to make any representations in accordance with regulation 229(2); or
- (b) after considering a key individual certificate holder's representations, the Commission decides to confirm or modify its proposals as set out in the rectification proposal,

the Commission shall, by written notice to the certificate holder (a "**rectification notice**"), direct him to rectify the matter or matters specified in the notice in the manner specified in the notice within the period of time specified in the notice.

(2) A rectification notice shall warn the key individual certificate holder of the consequences of failing to comply with the notice as specified in regulation 232(2).

(3) Where the Commission believes that the key individual certificate holder has an existing relationship with an eGambling licensee or, as the case may be, an associate, the Commission shall give a copy of the rectification notice to that eGambling licensee or that associate.

(4) During the period of time specified in a rectification notice, its terms may be modified in any way the Commission sees fit, whether as a result of written representations from the certificate holder or from an eGambling licensee or an associate with which the certificate holder has an existing relationship, or of the Commission's own motion.

Written caution.

231. Where the Commission is satisfied that-

- (a) a ground referred to in section 12(1) of the Ordinance-
 - (i) exists, or

(ii) existed and has been resolved, whether voluntarily or in accordance with a rectification notice; and

(b) it is appropriate to give the key individual certificate holder formal notice warning him about the consequences of any repetition of the type of act or omission giving rise to the Commission's view,

it may issue to the certificate holder a notice in writing which shall set out the basis for its finding that a ground in section 12(1) of the Ordinance has arisen and warn the certificate holder of the consequences of any repetition of the same or a similar nature.

Regulatory hearing: notice.

232. (1) Where the Commission believes that-

(a) a ground referred to in section 12(1) of the Ordinance exists; and

(b) the circumstances are such that it is necessary to convene a hearing of the Commissioners at which the key individual certificate holder shall be given the opportunity of making representations in response,

it shall give to the certificate holder a notice in writing (a "**hearing notice**") which shall explain that the Commission is considering imposing a financial penalty or suspending or revoking the key individual certificate and set out the Commission's reasons for convening the hearing.

(2) Where the Commission believes that a rectification notice has not been fully complied with, it shall give to the key individual certificate holder a hearing notice which shall explain that the Commission is considering imposing a financial penalty or suspending or revoking the key individual certificate and set out the Commission's reasons for convening the hearing.

(3) A hearing notice shall give at least seven days' notice of the hearing to the key individual certificate holder and appoint a date, time and place for the hearing.

(4) A key individual certificate holder may elect not to attend the hearing convened by the hearing notice and confine his representations to any he wishes to make in writing to the Commission prior to the date of the hearing.

Immediate suspension.

233. (1) At the same time as giving a hearing notice, the Commission may

suspend a key individual certificate under this regulation if it is satisfied on reasonable grounds that-

- (a) a ground referred to in section 12(1) of the Ordinance exists;
- (b) the seriousness and urgency of the matter do not permit the taking of action by way of a rectification proposal; and
- (c) the circumstances require that the key individual certificate be suspended to ensure that the certificate holder is unable to jeopardise the integrity of an eGambling licensee's operation.

(2) A suspension under this regulation-

- (a) shall be effected by written notice given to the key individual certificate holder (a "**suspension notice**");
- (b) takes effect immediately when the suspension notice is given; and
- (c) is effective until-
 - (i) the Commissioners have reached a determination at the conclusion of the hearing convened in accordance with regulation 232; or
 - (ii) it is cancelled by further notice in writing of the Commission in accordance with regulation 234.

(3) Where the Commission believes that the key individual certificate holder has an existing relationship with an eGambling licensee or, as the case may be, an associate, the Commission shall give a copy of the suspension notice to that eGambling licensee or that associate.

Cancellation of suspension notice.

234. (1) If a key individual certificate holder wishes to request that the immediate suspension imposed by the suspension notice be cancelled, he may make representations in writing at any time whilst the suspension is effective.

(2) If an eGambling licensee, or an associate receiving a copy of the suspension notice in accordance with regulation 233(3), wishes to request on behalf of the key individual certificate holder that the immediate suspension imposed by the suspension notice be cancelled, it may make representations in writing at any time whilst the suspension is effective.

(3) After consideration of any representations made under paragraph (1) or (2), the Commission may confirm or cancel the suspension notice.

(4) The Commission shall give the key individual certificate holder and, where applicable, the eGambling licensee or associate written notice of its decision under this regulation and of the reasons for it.

(5) Where, prior to reaching a determination at the conclusion of the hearing convened in accordance with regulation 232, the Commission considers that it is no longer necessary to continue the suspension of a key individual certificate, it shall of its own motion cancel the suspension notice and give written notice to that effect to the certificate holder and, where applicable, an eGambling licensee or associate which has received a copy of the suspension notice in accordance with regulation 233(3).

Conduct of regulatory hearing.

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

- (a) the case setting out the ground under section 12(1) of the Ordinance alleged against the eGambling licensee shall first be presented by a duly authorised officer of the Commission or any representative of that officer;
- (b) the certificate holder, in person or through any representative, shall thereafter present his response;
- (c) such written representations as each party sees fit may be lodged; and
- (d) questions may be asked-
 - (i) by one party of the other party at the end of the latter's presentation; and
 - (ii) at any time by the Commissioners.

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

Regulatory hearing: Commissioners' determination.

236. (1) At the conclusion of a hearing convened in accordance with regulation 232, after taking into account everything said and lodged by, or on behalf of, the parties, the Commissioners shall determine-

- (a) whether a ground referred to in section 12(1) of the Ordinance has been established; and
- (b) if so, whether to-
 - (i) impose a financial penalty;
 - (ii) suspend the key individual certificate;
 - (iii) revoke the key individual certificate; or
 - (iv) give a rectification notice in accordance with regulation 230.

(2) The Commission shall give the key individual certificate holder written notice of its decision under this regulation and of the reasons for it (a “**determination notice**”).

(3) Where the Commission believes that the key individual certificate holder has an existing relationship with an eGambling licensee or, as the case may be, an associate, the Commission shall give a copy of the determination notice to that eGambling licensee or that associate.

Financial penalties.

237. (1) Where the Commissioners decide to impose a financial penalty on a key individual certificate holder-

- (a) subject to paragraph (2), the amount shall not exceed £25,000; and
- (b) the determination notice shall direct whether the penalty is payable immediately or is to be of suspended effect.

(2) Where the Commissioners decide to impose a financial penalty on a key individual certificate holder for his complicity in a matter also resulting in a ground referred to in section 12(1) being established against a full eGambling licensee or, as the case may be, a hosting certificate holder, the financial penalty specified in the determination notice given in accordance with regulation 236(2) shall not be greater than any financial penalty imposed in accordance with regulation 37 or 134.

(3) Where a financial penalty is payable immediately, the amount shall be paid to the Commission as agent for the States in the manner specified in the determination notice.

(4) Where the Commissioners direct that a financial penalty shall be of suspended effect, the determination notice shall specify the period, which shall not in any event exceed 12 months, during which the penalty is capable of being activated in accordance with regulation 238 and, at the end of the period so specified, the penalty shall no longer be capable of taking effect.

Activation of suspended financial penalty.

238. (1) Where, during the period of suspension specified in a determination notice, the Commission believes that a ground in section 12(1) of the Ordinance exists, the hearing notice given to the key individual certificate holder in accordance with regulation 232 shall also explain that the Commission is considering activating the suspended financial penalty.

(2) If, at the conclusion of a hearing convened by such a hearing notice, the Commissioners are satisfied that a ground in section 12(1) of the Ordinance exists, or existed at the time of the hearing notice, having taken into account the representations of the key individual certificate holder, the Commission's determination notice shall direct that the original financial penalty of suspended effect-

- (a) shall be payable to it as agent of the States immediately in the manner specified in the determination notice-
 - (i) with the original amount unaltered; or
 - (ii) with the substitution of a lesser amount for the original amount;
- (b) shall be suspended for such further period not exceeding 12 months as the determination notice specifies; or
- (c) shall not be activated on this occasion and shall continue unaltered.

Post-hearing suspension.

239. Where the Commissioners decide to suspend a key individual certificate, the determination notice shall specify-

- (a) the date from which the suspension takes effect; and
- (b) the period of time during which the suspension shall be effective.

Revocation of key individual certificate.

240. (1) The Commissioners shall not revoke a key individual certificate

unless they are satisfied that, unless the licence is revoked the integrity of the conduct of eGambling by an eGambling licensee may be jeopardised in a material way.

(2) Revocation 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 revoked shall return the certificate to the Commission within seven days of the revocation taking effect.

[Regulations 241-250 are deliberately blank and currently unused]

PART VI OPERATIONAL REQUIREMENTS

CHAPTER I INITIAL APPROVAL OF INTERNAL CONTROL SYSTEM

Purpose of approved internal control system.

251. (1) The purpose of an approved internal control system is-

(a) to provide a description by an eGambling licensee of the controls and administrative and accounting procedures to which it will adhere when conducting eGambling under its eGambling licence; and

(b) to establish the standards and processes against which an ordinary investigation by the Commission in the form of an inspection in accordance with regulation 373 will be undertaken.

(2) As a minimum, an internal control system shall contain information about-

(a) accounting systems and procedures and chart of accounts;

(b) administrative systems and procedures;

(c) computer software;

(d) standard forms and terms;

(e) general procedures to be followed for the conduct of any form of eGambling;

- (f) procedures and standards for the maintenance, security, storage and transportation of gambling equipment;
- (g) procedures for recording gambling transactions and paying winnings to customers;
- (h) positions to be designated as key positions; and
- (i) its auditors.

Submission of application.

252. (1) An application for approval of its internal control system shall be made by an eGambling licensee before it effects any gambling transaction under its eGambling licence.

(2) An application in accordance with paragraph (1) shall be made by completing a document containing all the section headings set out in Part I of Schedule 6, signed by a duly authorised officer of the eGambling licensee and delivered to the offices of the Commission.

(3) In a case where a section heading set out in Part I of Schedule 6 is considered by the eGambling licensee to be irrelevant to its operations, it shall still be included in the application document and shall be marked “Not Applicable”.

(4) Each page of an application document submitted in accordance with paragraph (2) shall be numbered sequentially.

Initial deposit of evaluation monies.

253. Before, or at the time of, the submission of an application in accordance with regulation 252, £10,000 shall be deposited with the Commission by, or on behalf of, the eGambling licensee from which the Commission is permitted to draw the costs associated with processing, evaluating and determining that application.

Informal submission of application in draft.

254. Before making an application in accordance with regulation 252, but as part of the entire application process, an eGambling licensee who has complied with regulation 253 may invite informal comments on the content by submitting to the Commission, in electronic or paper format, all or part of its application document in draft.

Commencement of evaluation.

255. (1) When an eGambling licensee has complied with regulations 252

and 253, the Commission shall make arrangements to evaluate the proposed internal control system and the content of the application document.

(2) If an eGambling licensee submits all or part of an application document in draft in accordance with regulation 254, the Commission may make arrangements to commence an evaluation in accordance with paragraph (1) insofar as that is practicable from the information supplied.

Criteria against which application evaluated.

256. In considering whether to give approval to an eGambling licensee's proposed internal control system, the Commission shall have regard to whether it-

- (a) satisfies the requirements of the Ordinance and these Regulations; and
- (b) is capable of providing satisfactory and effective control over the conduct of any form of eGambling the licensee proposes to operate.

Request for further information.

257. At any time during an evaluation of an application for approval of an internal control system, an officer or servant of the Commission may request from the eGambling licensee or, with that licensee's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper evaluation of the application to be made.

Requirement for further information.

258. (1) Whether or not a request in accordance with regulation 257 has been made, a duly authorised officer of the Commission may, by notice in writing given to the eGambling licensee, require the licensee to supply to the Commission such further information or documentation as may reasonably be required to make a proper evaluation of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Supplementary deposit of evaluation monies.

259. (1) If, prior to the determination of an application for approval of an internal control system, the monies deposited with the Commission in accordance with regulation 253 or this regulation have been exhausted, the Commission may by notice in writing to the eGambling licensee require that

£5,000 shall be deposited with the Commission by, or on behalf of, the licensee.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

(3) If, prior to the determination of an application for approval of an internal control system, an eGambling licensee wishes of its own motion to deposit with the Commission additional monies supplementing the monies deposited in accordance with regulation 253 and, where applicable, paragraph (1), by notice in writing to the Commission, the eGambling licensee, or a person on behalf of the licensee, may deposit such amount, being a multiple of £1,000, as it thinks appropriate.

(4) Upon receipt of an amount deposited in accordance with paragraph (3), the Commission shall as soon as practicable thereafter acknowledge receipt by written notice to the eGambling licensee and, where applicable, the person making the deposit on behalf of the licensee.

Informal comments.

260. Informal comments made by an officer of the Commission as a result of submission of an application document or any part thereof in accordance with regulation 254 shall be offered to, and treated by, the eGambling licensee only as guidance about whether the application document might in some manner be improved before submission of an application in accordance with regulation 252.

Approval of internal control system.

261. (1) On completion of an evaluation of an eGambling licensee's proposed internal control system, if the Chief Executive Officer-

- (a) is satisfied that the internal control system satisfies regulation 256, on behalf of the Commission, he shall give the eGambling licensee written notice that the system has been approved; or
- (b) is not satisfied that the internal control system satisfies regulation 256, a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

(2) Where an application for approval of an eGambling licensee's internal control system is referred to the Commissioners in accordance with paragraph (1)(b), the Commissioners shall consider-

(a) the report submitted to them; and

(b) such other material and information supplied to the Commission by, or on behalf of, the eGambling licensee as they consider appropriate.

(3) 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 cause an appropriate requirement under regulation 258 to be made.

(4) If the Commissioners are satisfied that the internal control system satisfies regulation 256, the Commission shall give the eGambling licensee written notice that the internal control system has been approved.

Notification of refusal.

262. (1) If the Commissioners refuse to grant approval for an eGambling licensee's internal control system, the Commission shall give the eGambling licensee written notice of the decision and of the reasons for the refusal.

(2) If, despite their refusal, the Commissioners believe that the eGambling licensee's proposed internal control system is capable of being easily rectified to enable approval for it to be given, the notice given in accordance with paragraph (1) shall also-

(a) explain how the application document may be changed; and

(b) invite the eGambling licensee to resubmit the application document after making the appropriate changes.

Payment of evaluation costs not deposited.

263. Where the costs payable by an eGambling licensee under section 16(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 253 and, where applicable, regulation 259, the approval of the eGambling licensee's internal control system shall not be effective until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the licensee in writing by the Commission, has been received by the Commission.

Repayment of surplus evaluation monies deposited.

264. After determining an application for approval of an internal control system, the Commission shall repay to the eGambling licensee or, as the case may be, the person who deposited monies on behalf of the licensee any monies not drawn by it from the monies deposited in accordance with regulation 253 or, where applicable, regulation 259.

Accounting for evaluation monies deposited.

265. The Commission shall, whenever requested to do so by an eGambling licensee, account to the licensee in respect of the costs as at that time incurred by the Commission in respect of evaluating its application for approval of its internal control system.

CHAPTER II
CHANGES TO APPROVED INTERNAL CONTROL SYSTEM

Direction to change approved internal control system.

266. (1) The Commission may, by written notice given to an eGambling licensee (a “**control change notice**”), direct the licensee to change its approved internal control system within the time, and in the way, stated in the control change notice.

(2) Subject to regulation 267, an eGambling licensee shall comply with a control change notice.

Challenge to control change notice.

267. (1) If an eGambling licensee wishes to make representations to the Commission about anything in the control change notice, it may do so in writing within seven days of receipt of the control change notice.

(2) Representations under paragraph (1) may include a request that the date for compliance with the required change to its approved internal control system be postponed until the Commission has considered the representations.

(3) After consideration of an eGambling licensee’s representations, the Commission may confirm, modify or withdraw the control change notice.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Application to change approved internal control system.

268. (1) Subject to paragraph (2), an eGambling licensee wishing to effect any change to its existing approved internal control system shall obtain approval of the Commission for that change before it effects any gambling transaction under the internal control system as proposed to be changed.

(2) Where the urgency of the situation is such that the eGambling licensee needs to make a change to its internal control system before it is able to obtain the approval of the Commission, an application in accordance with regulation 269 shall be made by the licensee as soon as practicable and, in any event, within seven days after effecting the change.

Submission of change application.

269. (1) An application for approval of a change to an eGambling licensee's approved control system, whether in response to a control change notice or in accordance with regulation 268 shall be made-

- (a) by letter setting out the proposed change, accompanied by an extract of the application document submitted when the eGambling licensee obtained approval of its existing internal control system, highlighting the proposed change; or
- (b) by completing a replacement document containing all the section headings set out in Part I of Schedule 6, as if it were an application in accordance with regulation 252, but highlighting all the proposed changes,

signed by a duly authorised officer of the eGambling licensee and delivered to the offices of the Commission.

(3) An application in accordance with regulation 268(2) shall be accompanied by an explanation of the reason for the eGambling licensee needing to effect the change to its internal control system prior to seeking the Commission's approval for that change.

Initial deposit of evaluation monies.

270. (1) 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, £1,000 shall be deposited with the Commission by, or on behalf of, the eGambling licensee from which the Commission is permitted to draw the costs associated with processing, evaluating and determining that application.

(2) For the avoidance of doubt, an eGambling licensee shall not be required to deposit any evaluation monies when the change to its approved internal control system is not one of those set out in Part II of Schedule 6, but may elect, pursuant to regulation 274(3), to make such deposit as it thinks appropriate from which the Commission is permitted to draw the costs associated with processing, evaluating and determining that application.

Commencement of evaluation.

271. When an eGambling licensee has complied with regulations 269 and 270, the Commission shall make arrangements to evaluate the proposed change to the approved internal control system and the content of the application document.

Request for further information.

272. At any time during an evaluation of an application for approval of a change to an approved internal control system, an officer or servant of the Commission may request from the eGambling licensee or, with that licensee's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper evaluation of the application to be made.

Requirement for further information.

273. (1) Whether or not a request in accordance with regulation 272 has been made, a duly authorised officer of the Commission may, by notice in writing given to the eGambling licensee, require the licensee to supply to the Commission such further information or documentation as may reasonably be required to make a proper evaluation of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Supplementary deposit of evaluation monies.

274. (1) If, prior to the determination of an application for approval of a change to an approved internal control system, the monies deposited with the Commission in accordance with regulation 270 or this regulation have been exhausted, the Commission may by notice in writing to the eGambling licensee require that £1,000 shall be deposited with the Commission by, or on behalf of, the licensee.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

(3) If, prior to the determination of an application for approval of a change to an approved internal control system, an eGambling licensee wishes of its own motion-

(a) to deposit with the Commission additional monies supplementing the monies deposited in accordance with regulation 270 and, where applicable, paragraph (1); or

(b) where no monies are required to be deposited in accordance with regulation 270, to make a deposit of monies from which the Commission shall be permitted to draw the costs that will be payable in accordance with section 16(1) of the Ordinance,

by notice in writing to the Commission, the eGambling licensee, or a person on

behalf of the licensee, may deposit such amount, being a multiple of £500, as it thinks appropriate.

(4) Upon receipt of an amount deposited in accordance with paragraph (3), the Commission shall as soon as practicable thereafter acknowledge receipt by written notice to the eGambling licensee and, where applicable, the person making the deposit on behalf of the licensee.

Approval of changes to internal control system.

275. (1) On completion of an evaluation of an eGambling licensee's proposed change to its approved internal control system, if the Chief Executive Officer-

- (a) is satisfied that the proposed change satisfies regulation 256, on behalf of the Commission, he shall give the eGambling licensee written notice that the change has been approved; or
- (b) is not satisfied that the proposed change satisfies regulation 256, a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

(2) Where an application for approval of a change to an eGambling licensee's approved internal control system is referred to the Commissioners in accordance with paragraph (1)(b), the Commissioners shall consider-

- (a) the report submitted to them; and
- (b) such other material and information supplied to the Commission by, or on behalf of, the eGambling licensee as they consider appropriate.

(3) 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 cause an appropriate requirement under regulation 273 to be made.

(4) If the Commissioners are satisfied that the proposed change to the approved internal control system satisfies regulation 256, the Commission shall give the eGambling licensee written notice that the internal control system as changed has been approved.

Notification of refusal.

276. (1) If the Commissioners refuse to grant approval for a change to an

eGambling licensee's approved internal control system, the Commission shall give the eGambling licensee written notice of the decision and of the reasons for the refusal.

(2) If, despite their refusal, the Commissioners believe that the eGambling licensee's proposed change to its approved internal control system is capable of being easily rectified to enable approval for it to be given, the notice given in accordance with paragraph (1) shall also-

(a) explain how the application may be changed; and

(b) invite the eGambling licensee to resubmit the application after making the appropriate changes.

Payment of evaluation costs not deposited.

277. Unless the notice of the Commission's decision given in accordance with regulation 275 indicates otherwise, where the costs payable by an eGambling licensee under section 16(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 270 and, where applicable, regulation 274, the approval of the change to the eGambling licensee's approved internal control system shall not be effective until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the licensee in writing by the Commission, has been received by the Commission.

Repayment of surplus evaluation monies deposited.

278. (1) Subject to paragraph (2), after determining an application for approval of a change to an eGambling licensee's approved internal control system, the Commission shall repay to the eGambling licensee or, as the case may be, the person who deposited monies on behalf of the licensee any monies not drawn by it from the monies deposited in accordance with regulation 270 or, where applicable, regulation 274.

(2) An eGambling licensee or, as the case may be, a person who has deposited monies on behalf of the licensee may, by notice in writing to the Commission, waive its entitlement to receive repayment in accordance with paragraph (1) of surplus evaluation monies deposited in accordance with regulation 270 or, where applicable, regulation 274.

(3) A notice given in accordance with paragraph (2) may be given-

(a) so as to have general effect, until it is countermanded by a subsequent notice in writing, in relation to all deposits made in accordance with regulations 270 and 274; or

(b) in relation to a specific deposit identified in the notice.

(4) Where a notice has been given in accordance with paragraph (2), the balance of monies so deposited shall be treated as if it were a deposit made in accordance with regulation 274(3) but without there being any requirement that it be made in a multiple of £500.

Accounting for evaluation monies deposited.

279. The Commission shall, whenever requested to do so by an eGambling licensee, account to the licensee in respect of the costs as at that time incurred by the Commission in respect of evaluating its application for approval of a change to its internal control system.

[Regulations 280-290 are deliberately blank and currently unused]

CHAPTER III
APPROVAL OF GAMBLING EQUIPMENT

Application for approval.

291. (1) An application for initial approval of its gambling equipment shall be made by an eGambling licensee before it effects any gambling transaction under its eGambling licence.

(2) Subject to paragraph (3), an application for a modification of the approval of its gambling equipment shall be made by an eGambling licensee before it utilises its gambling equipment as proposed to be modified to effect any gambling transaction under its eGambling licence.

(3) Where the urgency of the situation is such that the eGambling licensee needs to make a modification to the gambling equipment it utilises to effect gambling transactions before it is able to obtain the approval of the Commission, an application in accordance with regulation 292 shall be made by the licensee as soon as practicable and, in any event, within seven days after effecting the modification.

Submission of application.

292. (1) Subject to paragraph (3), an application in accordance with regulation 291 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 this regulation is made in conjunction with an application under regulation 252, where applicable, the application under this regulation shall cross-refer to the relevant information contained in the application document submitted in accordance with regulation 252.

(3) An application made in accordance with regulation 291(3) shall be-

- (a) made in the first instance by e-mail to a duly authorised officer of the Commission sent as soon as reasonably practicable and, in any event, within 24 hours after effecting the modification; and
- (b) confirmed by letter to the Commission sent within seven days following the end of each calendar month in which any such application has been made.

Initial deposit of evaluation monies.

293. (1) Subject to paragraphs (2), (3) and (4), before, or at the time of, the submission of an application in accordance with regulation 292, £5,000 shall be deposited with the Commission by, or on behalf of, the eGambling licensee from which the Commission is permitted to draw the costs associated with processing, evaluating and determining that application.

(2) Where regulation 292(2) applies, an eGambling licensee shall not be required to deposit any evaluation monies under paragraph (1) and the Commission shall be permitted to draw the costs associated with processing, evaluating and determining an application under regulation 292 from the evaluation monies deposited in accordance with regulation 253 and, where applicable, regulation 259.

(3) Where an application is made in accordance with regulation 292(3), an eGambling licensee shall not be required to deposit any evaluation monies under paragraph (1).

(4) Where an application in accordance with regulation 292 is made for approval of gambling equipment currently approved in principle for endorsement on an associate certificate in accordance with regulation 318, an eGambling licensee shall not be required to deposit any evaluation monies under paragraph (1).

(5) For the avoidance of doubt, where in accordance with paragraph (2), (3) or (4) an eGambling licensee is not required to deposit any evaluation monies, it may elect, pursuant to regulation 298(3), to make such deposit as it thinks appropriate from which the Commission is permitted to draw the costs associated with processing, evaluating and determining that application.

Commencement of evaluation.

294. (1) Subject to paragraph (2), when an eGambling licensee has complied with regulations 292 and 293, the Commission shall make arrangements to evaluate the gambling equipment in respect of which approval has been sought.

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

Criteria against which application evaluated.

295. In considering whether to give approval to the gambling equipment an eGambling licensee proposes to utilise to conduct its business of effecting gambling transactions, the Commission shall have regard to whether-

- (a) the equipment is the subject of approval in principle given to an associate certificate holder in accordance with regulation 318; or
- (b) the equipment is technically and operationally capable of being-
 - (i) utilised safely, securely and fairly, when taken both individually and collectively, in the conduct of any form of eGambling the licensee proposes to operate; and
 - (ii) interrogated, and subjected to audit, by, or on behalf of, the Commission, whether in accordance with monitoring conducted under regulation 371 or otherwise.

Request for further information.

296. At any time during an evaluation of an application for approval of gambling equipment, an officer or servant of the Commission may request from the eGambling licensee or, with that licensee's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper evaluation of the application to be made.

Requirement for further information.

297. (1) Whether or not a request in accordance with regulation 296 has been made, a duly authorised officer of the Commission may, by notice in writing given to the eGambling licensee, require the licensee to supply to the Commission such further information or documentation as may reasonably be required to make a proper evaluation of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Supplementary deposit of evaluation monies.

298. (1) If, prior to the determination of an application for approval of gambling equipment, the monies deposited with the Commission in accordance with regulation 293 or this regulation have been exhausted, the Commission may by notice in writing to the eGambling licensee require that £5,000 shall be deposited with the Commission by, or on behalf of, the licensee.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

(3) If, prior to the determination of an application for approval of gambling equipment, an eGambling licensee wishes of its own motion-

- (a) to deposit with the Commission additional monies supplementing the monies deposited in accordance with regulation 293 and, where applicable, paragraph (1); or
- (b) where no monies are required to be deposited in accordance with regulation 293, to make a deposit of monies from which the Commission shall be permitted to draw the costs that will be payable in accordance with section 16(1) of the Ordinance,

by notice in writing to the Commission, the eGambling licensee, or a person on behalf of the licensee, may deposit such amount, being a multiple of £1,000, as it thinks appropriate.

(4) Upon receipt of an amount deposited in accordance with paragraph (3), the Commission shall as soon as practicable thereafter acknowledge receipt by written notice to the eGambling licensee and, where applicable, the person making the deposit on behalf of the licensee.

Approval of gambling equipment.

299. (1) On completion of an evaluation of the gambling equipment for which an eGambling licensee has sought approval, if the Chief Executive Officer-

- (a) is satisfied that the gambling equipment-
 - (i) is the same as gambling equipment for which approval in principle has been given to an associate certificate holder in accordance with regulation 318; or
 - (ii) satisfies regulation 295(b),

on behalf of the Commission, he shall, in accordance with regulation 300, give the eGambling licensee notice that the gambling equipment has been approved; or

- (b) is not satisfied that the gambling equipment satisfies regulation 295(b), a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

(2) Where an application for approval of an eGambling licensee's gambling equipment is referred to the Commissioners in accordance with paragraph (1)(b), the Commissioners shall consider-

- (a) the report submitted to them; and
- (b) such other material and information supplied to the Commission by, or on behalf of, the eGambling licensee as they consider appropriate.

(3) 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 cause an appropriate requirement under regulation 297 to be made.

(4) If the Commissioners are satisfied that the gambling equipment satisfies regulation 295(b), the Commission shall give the eGambling licensee written notice that the gambling equipment has been approved.

Form of gambling equipment approval.

300. (1) Subject to paragraph (2), where the Commission grants an application for approval of gambling equipment, notice given under regulation 299 shall be in writing in the form set out in Part IV of Schedule 6 (a "gambling equipment approval").

(2) Where the Commission grants an application for approval of gambling equipment made in accordance with regulation 292(3)-

- (a) notice given under regulation 299 shall in the first instance be given by e-mail to the e-mail address from which the application was received in accordance with regulation 292(a); and
- (b) it shall give a gambling equipment approval only following receipt of the confirmation by letter required in accordance with regulation 292(3)(b).

Notification of refusal.

301. If the Commissioners refuse to grant approval for an eGambling licensee's gambling equipment, the Commission shall give the eGambling licensee written notice of the decision and of the reasons for the refusal.

Imposition or change of conditions on gambling equipment approval.

302. (1) Where the Commission considers it necessary, expedient or desirable to-

- (a) attach a condition to a gambling equipment approval;
- (b) modify an existing condition attached to a gambling equipment approval; or
- (c) rescind an existing condition attached to a gambling equipment approval,

it shall give to the eGambling licensee a notice in writing (an "**equipment condition notice**") which shall explain the proposed change of condition and set out the Commission's reasons for the change.

(2) Without prejudice to the generality of paragraph (1), an equipment condition notice may be given if the Commission is of the opinion that-

- (a) the utilisation of the gambling equipment in question without the condition-
 - (i) may not prevent cheating or a contravention of the Ordinance or these Regulations, or
 - (ii) cannot be effectively monitored; or
- (b) it is in the public interest that such a condition be attached.

(3) Subject to regulation 303, a change of conditions takes effect on-

- (a) the day on which the equipment condition notice is given to the eGambling licensee; or
- (b) such later day as is specified in the equipment condition notice.

Challenge to equipment condition notice.

303. (1) If an eGambling licensee wishes to make representations to the Commission about anything in the equipment condition notice, it may do so in writing within seven days of receipt of the equipment condition notice.

(2) Representations under paragraph (1) may include a request that the date from which the change of conditions takes effect be postponed until the Commission has considered the representations.

(3) After consideration of an eGambling licensee's representations, the Commission may confirm, modify or withdraw the equipment condition notice.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Return of gambling equipment approval for endorsement of changed conditions.

304. (1) An eGambling licensee shall return its gambling equipment approval to the Commission within seven days of-

(a) receiving an equipment condition notice; or,

(b) where it exercises its right to make representations in accordance with regulation 303, receipt of a notice from the Commission in accordance with regulation 303(4) confirming or modifying the equipment condition notice.

(2) On receiving the gambling equipment approval, the Commission shall-

(a) amend the gambling equipment approval in an appropriate way and return the amended gambling equipment approval to the eGambling licensee; or

(b) if the Commission does not consider that it is practicable to amend the gambling equipment approval, issue a replacement gambling equipment approval free of charge, incorporating the change of conditions to the eGambling licensee.

(3) A change of conditions does not depend on the gambling equipment approval being amended to record the change or a replacement gambling equipment approval being issued.

Payment of evaluation costs not deposited.

305. Unless, at the same time as giving the notice of its decision in accordance with regulation 299 or subsequently, the Commission indicates otherwise, where the costs payable by an eGambling licensee under section 16(1) of the Ordinance exceed the total of the monies deposited in accordance

with regulation 293 and, where applicable, regulation 298, the approval of the eGambling licensee's gambling equipment shall not be effective until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the licensee in writing by the Commission, has been received by the Commission.

Repayment of surplus evaluation monies deposited.

306. (1) Subject to paragraph (2), after determining an application for approval of gambling equipment, the Commission shall repay to the eGambling licensee or, as the case may be, the person who has deposited monies on behalf of the licensee any monies not drawn by it from the monies deposited in accordance with regulation 293 or, where applicable, regulation 298.

(2) An eGambling licensee or, as the case may be, a person who has deposited monies on behalf of the licensee may, by notice in writing to the Commission, waive its entitlement to receive repayment in accordance with paragraph (1) of surplus evaluation monies deposited in accordance with regulation 293 or, where applicable, regulation 298.

(3) A notice given in accordance with paragraph (2) may be given-

(a) so as to have general effect, until it is countermanded by a subsequent notice in writing, in relation to all deposits made in accordance with regulations 293 and 298; or

(b) in relation to a specific deposit identified in the notice.

(4) Where a notice has been given in accordance with paragraph (2), the balance of monies so deposited shall be treated as if it were a deposit made in accordance with regulation 298(3) but without there being any requirement that it be made in a multiple of £1,000.

Accounting for evaluation monies deposited.

307. The Commission shall, whenever requested to do so by an eGambling licensee, account to the licensee in respect of the costs as at that time incurred by the Commission in respect of evaluating its application for approval of its gambling equipment.

[Regulations 308-310 are deliberately blank and currently unused]

CHAPTER IV
ENDORSEMENT OF APPROVAL IN PRINCIPLE OF GAMBLING
EQUIPMENT ON ASSOCIATE CERTIFICATE

Application for approval in principle.

311. (1) An associate certificate holder may apply to the Commission for approval in principle of gambling equipment it proposes to offer to an eGambling licensee for utilisation by the licensee to effect any gambling transaction under its eGambling licence.

(2) An application in accordance with paragraph (1) shall be made by completing an application form as set out in Part V of Schedule 6, signed by a duly authorised officer of the associate and delivered to the offices of the Commission.

Initial deposit of evaluation monies.

312. Before, or at the time of, the submission of an application in accordance with regulation 311, £5,000 shall be deposited with the Commission by, or on behalf of, the associate certificate holder from which the Commission is permitted to draw the costs associated with processing, evaluating and determining that application.

Commencement of evaluation.

313. When an associate certificate holder has complied with regulations 311 and 312, the Commission shall make arrangements to evaluate the gambling equipment in respect of which approval in principle has been sought.

Criteria against which application evaluated.

314. In considering whether to give approval in principle to the gambling equipment an associate certificate holder proposes to offer to an eGambling licensee, the Commission shall have regard to whether-

- (a) the equipment is technically and operationally capable of being-
 - (i) utilised safely, securely and fairly, when taken both individually and collectively, in the conduct of any form of eGambling an eGambling licensee may propose to operate; and
 - (ii) interrogated, and subjected to audit, by, or on behalf of, the Commission, whether in accordance with monitoring conducted under regulation 371 or otherwise, should it be utilised by an eGambling licensee in its operations; and

- (b) the equipment is of a type that an eGambling licensee is likely to wish to utilise in its business of conducting eGambling under an eGambling licence.

Request for further information.

315. At any time during an evaluation of an application for approval in principle of gambling equipment, an officer or servant of the Commission may request from the associate certificate holder or, with the certificate holder's prior permission, from some other person such further information or documentation as the officer or servant considers desirable to enable a proper evaluation of the application to be made.

Requirement for further information.

316. (1) Whether or not a request in accordance with regulation 315 has been made, a duly authorised officer of the Commission may, by notice in writing given to the associate certificate holder, require the certificate holder to supply to the Commission such further information or documentation as may reasonably be required to make a proper evaluation of the application.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

Supplementary deposit of evaluation monies.

317. (1) If, prior to the determination of an application for approval in principle of gambling equipment, the monies deposited with the Commission in accordance with regulation 312 or this regulation have been exhausted, the Commission may by notice in writing to the associate certificate holder require that £5,000 shall be deposited with the Commission by, or on behalf of, the certificate holder.

(2) Where a notice under paragraph (1) has been given, the Commission is not required to determine the application until the notice has been complied with.

(3) If, prior to the determination of an application for approval in principle of gambling equipment, an associate certificate holder wishes of its own motion to deposit with the Commission additional monies supplementing the monies deposited in accordance with regulation 312 and, where applicable, paragraph (1), by notice in writing to the Commission, the certificate holder, or a person on behalf of the certificate holder, may deposit such amount, being a multiple of £1,000, as it thinks appropriate.

(4) Upon receipt of an amount deposited in accordance with paragraph (3), the Commission shall as soon as practicable thereafter acknowledge

receipt by written notice to the certificate holder and, where applicable, the person making the deposit on behalf of the certificate holder.

Approval in principle of gambling equipment.

318. (1) On completion of an evaluation of the gambling equipment for which an associate certificate holder has sought approval in principle, if the Chief Executive Officer-

- (a) is satisfied that the gambling equipment satisfies regulation 314, on behalf of the Commission, he shall give the certificate holder written notice that the gambling equipment has been approved in principle; or
- (b) is not satisfied that the gambling equipment satisfies regulation 314, a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration.

(2) Where an application for approval in principle of gambling equipment is referred to the Commissioners in accordance with paragraph (1)(b), the Commissioners shall consider-

- (a) the report submitted to them; and
- (b) such other material and information supplied to the Commission by, or on behalf of, the associate certificate holder as they consider appropriate.

(3) 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 cause an appropriate requirement under regulation 316 to be made.

(4) If the Commissioners are satisfied that the gambling equipment satisfies regulation 314, the Commission shall give the associate certificate holder written notice that the gambling equipment has been approved in principle.

Notification of refusal.

319. If the Commissioners refuse to grant approval in principle for an associate certificate holder's gambling equipment, the Commission shall give the certificate holder written notice of the decision and of the reasons for the refusal.

Return of associate certificate for endorsement of approval in principle.

320. (1) Within seven days of receipt of a notice in accordance with regulation 318, the associate certificate holder shall return its associate certificate to the Commission.

(2) On receiving the associate certificate, the Commission shall-

- (a) endorse a record of the gambling equipment in respect of which it has given approval in principle and return the endorsed certificate to the certificate holder; or
- (b) if the Commission does not consider that it is practicable to endorse the associate certificate, issue a replacement associate certificate to the associate free of charge, on which all the current approvals in principle of the associate's gambling equipment shall be endorsed.

(3) Approval in principle of an associate's gambling equipment does not depend on the associate certificate being endorsed to record that approval or a replacement associate certificate being issued.

Payment of evaluation costs not deposited.

321. Unless, at the same time as giving the notice of its decision in accordance with regulation 318 or subsequently, the Commission indicates otherwise, where the costs payable by an associate certificate holder under section 16(1) of the Ordinance exceed the total of the monies deposited in accordance with regulation 312 and, where applicable, regulation 317, the approval in principle of the associate certificate holder's gambling equipment shall not be effective until payment of the amount by which the costs incurred exceeded the amount deposited, as notified to the associate in writing by the Commission, has been received by the Commission.

Repayment of surplus evaluation monies deposited.

322. After determining an application for approval in principle of gambling equipment, the Commission shall repay to the associate certificate holder or, as the case may be, the person who deposited monies on behalf of the certificate holder any monies not drawn by it from the monies deposited in accordance with regulation 312 or, where applicable, regulation 317.

Accounting for evaluation monies deposited.

323. The Commission shall, whenever requested to do so by an associate certificate holder, account to the certificate holder in respect of the costs as at that time incurred by the Commission in respect of evaluating its application for approval in principle of its gambling equipment.

CHAPTER V
CUSTOMERS: REGISTRATION, FUNDS AND PROTECTION

Requirement for customer to be registered.

331. An eGambling licensee shall not permit a person to effect a gambling transaction as part of its operations under its eGambling licence unless the person is a customer who has registered in accordance with regulation 332.

Procedure for registration of customer.

332. (1) A customer shall register-

- (a) directly with an eGambling licensee; or
- (b) with an associate of an eGambling licensee,

by completing an application process as set out in the eGambling licensee's approved internal control system.

(2) A person shall not be eligible for registration as a customer in accordance with paragraph (1) unless he is able to produce to the person carrying out the registration process evidence of a type and in a manner set out in the licensee's approved internal control system-

- (a) of his identity and place of residence; and
- (b) that he is at least 18 years of age.

(3) The registration of a customer shall not be completed by the person carrying it out until-

- (a) the identity of the person wishing to register as a customer has been authenticated; and
- (b) the person's place of residence has been verified,

in accordance with the terms of the eGambling licensee's approved internal control system.

(4) Save in such circumstances as are set out in an eGambling licensee's approved internal control system an employee of-

- (a) the eGambling licensee;
- (b) the associate carrying out the registration process;

- (c) any other associate directly involved in managing any aspect of the eGambling licensee's gambling transactions,

whether or not he is a key individual, shall not be registered as a customer.

Deposit of customer funds.

333. The funds with which a customer pays for gambling transactions effected with an eGambling licensee may be deposited-

- (a) directly with the licensee; or
- (b) with an associate of the licensee,

in the manner set out in the eGambling licensee's approved control system.

Recourse to funds held by eGambling licensee.

334. (1) This regulation applies where a registered customer's funds have been deposited directly with an eGambling licensee.

(2) An eGambling licensee shall not have recourse to funds standing to the credit of a registered customer except-

- (a) to debit the amount of a payment required for effecting a gambling transaction that the customer indicates he wants to effect with or through the eGambling licensee;
- (b) to debit some or all of an amount that has been added to the funds standing to the credit of the customer by virtue of regulation 335(4) in accordance with the terms contained in the licensee's approved internal control system that were accepted by the customer prior to the addition of those funds;
- (c) to debit an amount that the customer has requested be transferred to an associate of the licensee for the purposes of enabling the customer to participate in gambling outside Alderney and Guernsey with a person other than the eGambling licensee; or
- (d) to remit funds in accordance with paragraph (3)

(3) Subject to compliance with any lawful requirement to do otherwise, the eGambling licensee shall, at the request of a registered customer, remit funds standing to the credit of that customer as directed by the customer in accordance with the terms and conditions governing the relationship between the licensee and the customer as contained in the licensee's approved control system.

Additions to customer's funds held by eGambling licensee.

335. (1) This regulation applies where a registered customer's funds have been deposited directly with an eGambling licensee.

(2) If, as a result of effecting a gambling transaction with-

(a) the eGambling licensee; or

(b) another person through the eGambling licensee,

a registered customer accrues winnings, the licensee shall increase the amount standing to the credit of the customer by the amount of those winnings in accordance with the terms and conditions governing the relationship between the licensee and the customer as contained in the licensee's approved internal control system.

(3) If a registered customer whose funds have been debited in accordance with regulation 334(2)(b) requests that funds standing to his credit with the associate to which funds have been transferred are returned, upon receipt from its associate, the eGambling licensee shall immediately increase the amount standing to the credit of the customer by the amount so received.

(4) If a registered customer accepts an offer from an eGambling licensee of funds with which to effect a gambling transaction, made in accordance with terms contained in the licensee's approved internal control system, the licensee shall increase the amount standing to the credit of the customer in accordance with those terms.

Compliance with anti-money laundering code.

336. Insofar as it is possible to do so, an eGambling licensee shall comply with the provisions of the Commission's Anti-Money Laundering (eGambling) Code as set out in Part VI of Schedule 6.

Customer funds held by an associate.

337. Where the funds of a registered customer are held by an associate of an eGambling licensee-

(a) amounts payable by the customer in respect of gambling transactions effected with the licensee; and

(b) winnings accruing to the customer as a result of gambling transactions effected with-

(i) the licensee, or

(ii) another person through the licensee,

shall be reconciled as between the customer, the associate and the licensee in accordance with the eGambling licensee's approved internal control system.

Notification of eGambling licensee's rules.

338. Before a registered customer is permitted to effect a gambling transaction with an eGambling licensee, the licensee shall make available to the customer in accordance with its approved internal control system, whether directly or by posting them on its website, the rules pertaining to the gambling transaction in question.

Identifying customers at risk.

339. An eGambling licensee shall establish and maintain procedures in accordance with its approved internal control system under which it can identify customers who are, or appear to be at risk of becoming, compulsive gamblers and provide to such customers sufficient information and assistance to enable them to obtain such counselling or access to an appropriate support organisation as they see fit.

Limitation on customer's gambling activity.

340. (1) A registered customer may, by written notice to an eGambling licensee, set a limit on his gambling activity with that licensee in accordance with one or more of the means specified in paragraph (2).

(2) A limit may be set under paragraph (1) in relation to the amount a customer-

- (a) may deposit during a period of time specified in the notice;
- (b) may lose by way of a maximum amount that may be lost by reference to-
 - (i) a number of gambling transactions; or
 - (ii) a period of time,

as specified in the notice; or

(c) may wager.

(3) A limit set under paragraph (2)(c) may be set-

- (a) in relation to a single gambling transaction or any number of gambling transactions;

(b) by way of a maximum limit that may be wagered over a number of gambling transactions specified in the notice or effected during a period of time specified in the notice; or

(c) at zero.

(4) An eGambling licensee who has received a notice under paragraph (1), shall not-

(a) accept a deposit; or

(b) permit a customer to lose; or

(c) debit a wager from the customer's funds held by it; or

(d) require an associate holding the customer's funds to debit a wager from those funds,

in excess of a limit set out in the notice.

(5) A customer who has set a limit under this regulation may change or remove the limit by further written notice to the eGambling licensee.

(6) A notice in accordance with paragraph (5) increasing or removing a limit shall not have effect unless-

(a) seven days have passed since the eGambling licensee received the notice; and

(b) the customer has not notified the eGambling licensee of his intention to withdraw the notice.

(7) A notice reducing a limit has effect on its receipt by the eGambling licensee.

Customer complaints.

341. (1) This regulation applies where a registered customer makes a complaint about an eGambling licensee's operations to the Commission.

(2) In the first instance, a duly authorised officer of the Commission shall, by establishing contact with the eGambling licensee or, as the case may be, an associate of the licensee and the complainant, attempt to resolve by agreement between the customer and the licensee or associate any dispute between them on which the complaint is based.

(3) Where the procedure set out in paragraph (2) is unsuccessful, the Chief Executive Officer shall cause a full investigation of the complaint to be carried out by a duly authorised officer of the Commission and, after consideration of a report about the complaint and the investigation thereof, he-

- (a) shall make a preliminary determination of the matter in dispute between the customer and the eGambling licensee; and
- (b) give written notice of that determination and the reasons for it to the customer and the licensee, at the same time enquiring of them whether each accepts his determination.

(4) Where both the customer and the eGambling licensee accept the preliminary determination of the Chief Executive Officer, his determination shall be treated as final.

(5) Where one or both of the recipients of the Chief Executive Officer's preliminary determination do not accept it, the complaint shall be referred to the Commissioners for hearing in accordance with regulation 342.

Hearing of customer complaint.

342. (1) Where a complaint by a customer has been referred to the Commissioners for determination in accordance with regulation 341(5)-

- (a) by giving at least 14 days' notice, a date, time and place for the hearing shall be notified by the Commission to the customer and the eGambling licensee;
- (b) the complainant may elect to confine himself to making any written representations he wishes or may attend the hearing in person or through any representative;
- (c) the eGambling licensee may elect to confine itself to making any written representations it wishes or may attend the hearing through any representative.

(2) At a hearing under this regulation-

- (a) if the complainant attends, he shall make his representations first;
- (b) a duly authorised officer of the Commission, in person or through any representative, shall present his report about the investigation of the complaint and shall be permitted to ask questions of any attendee;

(c) if the eGambling licensee attends, he shall make his representations in response to the complaint after the conclusion of the officer's presentation; and

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

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

Commissioners' determination of customer complaint.

343. (1) At the conclusion of a hearing in accordance with regulation 342, after taking into account everything said and lodged by, or on behalf of, the parties, the Commissioners shall determine-

(a) whether the customer's complaint has been established in full or in part;

(b) what steps, if any, to take in relation to the eGambling licensee in accordance with other provisions of these Regulations; and

(c) whether to make any order about payment of the costs incurred by the Commission or, as the case may be, the customer making the complaint or the eGambling licensee in accordance with paragraph (2) or (3).

(2) In a case where the customer has attended before the Commissioners and they determine that his complaint was vexatious or frivolous or manifestly ill-founded, they may direct the customer to pay-

(a) a contribution towards the expenses incurred by the Commission in determining the complaint; and

(b) if sought by the eGambling licensee, a contribution to its costs incurred in appearing before the Commissioners.

(3) Where the Commissioners determine that the customer's complaint has been established in full or in part, they may direct-

(a) as part of the resolution of the dispute between the customer and the eGambling licensee, that the licensee compensates the customer for all or some of the costs he has incurred in making and pursuing his complaint; and

(b) that the licensee make a contribution towards the expenses incurred by the Commission in determining the complaint.

(4) The Commission shall give the customer making the complaint and the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

[Regulations 344-350 are deliberately blank and currently unused]

CHAPTER VI FINANCIAL ACCOUNTS AND REPORTS

Keeping of accounts.

351. An eGambling licensee shall-

- (a) keep accounting records that correctly record and explain the transactions and financial position for the licensee's operations conducted under its eGambling licence; and
- (b) keep the accounting records in a way that allows-
 - (i) true and fair financial statements and accounts to be prepared from time to time; and
 - (ii) the financial statements and accounts to be conveniently and properly audited.

Periodic operational reports and management accounts.

352. (1) An eGambling licensee shall by no later than the 20th day of the month submit to the Commission a report in the format set out in Part VII of Schedule 6 containing the details required by such a report in respect of its operational performance under its eGambling licence during the preceding calendar month.

(2) An eGambling licensee shall by no later than the last day of the month following the end of each quarter of its financial year submit to the Commission a report in the format set out in Part VIII of Schedule 6 in respect of its operations under its eGambling licence during the preceding quarter in question.

Financial ratios.

353. (1) An eGambling licensee shall at all times satisfy such financial ratios as are established by the Commission in respect of its operations from time to time and notified to it in writing.

(2) An eGambling licensee shall by no later than the 20th day of the month submit to the Commission a report in the format set out in Part IX of

Schedule 6 detailing its financial position during the preceding calendar month by reference to the ratios required of it in accordance with paragraph (1).

Submission of other reports.

354. (1) An eGambling licensee shall give such other reports to the Commission as required by this regulation about the operations conducted under its eGambling licence.

(2) A report under this regulation shall be given at the time stated in a written notice given to the eGambling licensee by the Commission.

(3) The Commission may, by written notice given to an eGambling licensee, require the licensee to give to the Commission further information specified in the notice within the time specified in the notice, being information that the Commission reasonably requires in order to acquire a proper appreciation of the eGambling licensee's operations.

Audit of eGambling licensee's operations.

355. As soon as practicable after the end of the financial year, an eGambling licensee shall cause the books, accounts and financial statements for the operations conducted under its eGambling licence for the financial year to be audited by the auditors for which approval has been given as part of its approved internal control system.

Audit report.

356. (1) An eGambling licensee shall provide a copy of the audited financial statements and any auditors' report following an audit conducted under regulation 355 to the Commission-

- (a) within six months after the end of the financial year to which the audit relates; or
- (b) within such longer period of time as the Commission shall determine following an application made to it in accordance with paragraph (2).

(2) If an eGambling licensee believes that it will not be able to comply with paragraph (1), it may, by making application to the Commission by letter signed by a duly authorised officer of the licensee, seek an extension of the time within which a copy of its audited financial statements and any auditor's report must be supplied.

(3) An application in accordance with paragraph (2)-

- (a) shall be made no earlier than one month before the expiry of the time within which a copy of the audited financial statements and any auditor's report must be supplied; and
- (b) shall set out the reasons why the copy of the audited financial statements and any auditor's report is currently incapable of being supplied.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

Further information following audit.

357. Upon receiving a copy of a report provided in accordance with regulation 356, the Commission may, by written notice to the eGambling licensee, require the licensee to give the Commission such further information as is specified in the notice within the time specified in the notice about any matter relating to the eGambling licensee's operations that is mentioned in the audit report

Challenge to notice requiring information.

358. (1) If an eGambling licensee wishes to make representations to the Commission about anything contained in a notice given to it in accordance with regulation 354 or 357, it may do so in writing within seven days of receipt of the notice.

(2) Representations under paragraph (1) may include a request that the date by which the information is required be postponed until the Commission has considered the representations.

(3) After consideration of an eGambling licensee's representations, the Commission may confirm, modify or withdraw the notice in question.

(4) The Commission shall give the eGambling licensee written notice of its decision under this regulation and of the reasons for it.

[Regulations 359-370 are deliberately blank and currently unused]

CHAPTER VII
MONITORING AND INVESTIGATIONS

Monitoring operations.

371. An eGambling licensee shall, at the request of the Commission, do anything reasonably necessary to allow a servant or agent of the Commission to monitor the licensee's operations under its eGambling licence.

Presence at certain operations.

372. In order to ensure the integrity of the conduct of eGambling under an eGambling licence, the Commission may, by written notice given to an eGambling licensee, direct the licensee not to do a stated thing in relation any aspect of the operations conducted, or to be conducted, under its licence unless a servant or agent of the Commission is present.

Inspecting operations.

373. (1) Without prejudice to the generality of regulation 371, the Commission may conduct an ordinary investigation by way of an inspection of an eGambling licensee's operations, whether located in Alderney, Guernsey or elsewhere and including operations undertaken on behalf of the licensee by any associate.

(2) The Commission shall by notice in writing to the eGambling licensee (an "inspection notice") inform the licensee that an inspection will be conducted, when it will be conducted and the reasons for the inspection.

Deposit of inspection monies.

374. (1) Unless the inspection notice given states otherwise, before the inspection takes place in accordance with regulation 373, £5,000 shall be deposited with the Commission by, or on behalf of, the eGambling licensee from which the Commission is permitted to draw the costs associated with carrying out the inspection and preparing a report in relation to the inspection.

(2) If, prior to the conclusion of the inspection process, the monies deposited with the Commission in accordance with this regulation have been exhausted, the Commission may by notice in writing to the eGambling licensee require that £5,000 shall be deposited with the Commission by, or on behalf of, the licensee.

Inspection report.

375. On completion of an inspection in accordance with regulation 373, a report containing details of the inspection and the assessment made of the eGambling licensee's conduct of its operations shall be prepared by a duly authorised officer of the Commission for submission-

- (a) to the eGambling licensee, indicating what steps, if any, the licensee might wish to take to improve its performance; and
- (b) to the Commissioners for their consideration.

Special investigation by Commission.

376. (1) This regulation applies where, in the opinion of the Commission, it

is necessary for it to conduct a special investigation outside the ambit of an inspection into-

- (a) an eGambling licensee;
- (b) an associate of an eGambling licensee, whether or not that associate holds an associate certificate or a hosting certificate;
- (c) a key individual certificate holder having an existing relationship with an eGambling licensee; or
- (d) any aspect of the operations of an eGambling licensee under its eGambling licence.

(2) Subject to paragraph (3), the Commission shall by notice in writing to the eGambling licensee or, as the case may be, the certificate holder in question (an “**investigation notice**”) inform the licensee or certificate holder that a special investigation will be conducted and the reasons for the investigation.

(3) If the nature of the special investigation is such that a prior investigation notice would be likely to compromise the investigation, the Commission shall dispense with the requirement under paragraph (2).

(4) Where the Commission believes that the certificate holder receiving an investigation notice in accordance with paragraph (2) has an existing relationship with an eGambling licensee or an associate, the Commission shall give a copy of the notice to that eGambling licensee or, as the case may be, that associate at the same time as it gives the notice to the certificate holder.

Deposit of investigation monies.

377. (1) Unless the investigation notice given states otherwise, within seven days of receipt of the notice, £5,000 shall be deposited with the Commission by, or on behalf of, the recipient of the notice 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 this regulation have been exhausted, the Commission may by further notice in writing to the recipient of the investigation notice require that £5,000 shall be deposited with the Commission by, or on behalf of, the recipient.

Report to Commissioners.

378. On completion of a special investigation, a report containing details of

the investigation and the consequences of the information ascertained shall be prepared by a duly authorised officer of the Commission for submission to the Commissioners for their consideration as to what steps, if any, to take in accordance with the relevant provisions of these Regulations.

Payment of costs not deposited.

379. Where the costs payable by an eGambling licensee or, as the case may be, a certificate holder under section 19(2) of the Ordinance exceed the total of the monies deposited in accordance with regulation 374 or 377, the licensee or certificate holder in question shall within seven days of receipt of an account for those costs pay the amount required to the Commission.

Repayment of surplus monies deposited.

380. After completion of an inspection or a special investigation, the Commission shall repay to the person who has deposited monies in accordance with regulation 374 or 377 any monies not drawn by it.

Accounting for monies deposited.

381. The Commission shall, whenever requested to do so by a person depositing monies with it in accordance with regulation 374 or 377, account to that person in respect of the costs as at that time incurred by the Commission in respect of carrying out an inspection or conducting a special investigation.

[Regulations 382-400 are deliberately blank and currently unused]

PART VII
GENERAL PROVISIONS

Interpretation.

401. (1) In these Regulations, unless the context otherwise requires-

“appropriate resources” means financial resources-

- (a) adequate, in the Commission’s opinion, to ensure the financial viability of operations conducted under an eGambling licence; and
- (b) available from a source that is not, in the Commission’s opinion, tainted with illegality; and

“appropriate services” means the services of persons who have appropriate experience to ensure the proper and successful conduct of eGambling.

“Chief Executive Officer” means the person appointed to the post of Chief Executive Officer of the Commission by the Commissioners in accordance with paragraph 9 of Schedule 1 to the Law;

“the Commissioners” means the chairman and other members of the Commission appointed in accordance with section 1(1) of the Law;

“condition notice” means a notice given under regulation 22, 69, 119, 170 or 222, as the case may be;

“control change notice” means a notice given under regulation 266;

“conversion notice” means a notice given under regulation 179;

“designation notice” means a notice given under regulation 202;

“determination notice” means a notice given under regulation 36, 83, 133, 191 or 236, as the case may be;

“duly authorised officer of the Commission” means an officer of the Commission so authorised by resolution of the Commissioners;

“equipment condition notice” means a notice given under regulation 302;

“gambling equipment approval” means a notice given under regulation 299;

“hearing notice” means a notice given under regulation 32, 79, 119, 187 or 232, as the case may be;

“inspection” means an ordinary investigation conducted in accordance with an inspection notice;

“inspection notice” means a notice given under regulation 373;

“investigation notice” means a notice given under regulation 376;

“the Law” means the Gambling (Alderney) Law, 1999, as amended(c);

“the Ordinance” means the Alderney eGambling Ordinance, 2006(d);

(c) Order in Council No. XIV of 1999; No. XXVII of 2001; Ordinance No. VII of 2006.

(d) Ordinance No. VI of 2006.

“rectification notice” means a notice given under regulation 30, 77, 127, 185 or 230, as the case may be;

“rectification proposal” means a notice given under regulation 29, 76, 126, 184 or 229, as the case may be;

“registered customer” means a customer who has been registered in accordance with regulation 332;

“surrender notice” means a notice given under regulation 26, 73, 124, 174 or 227, as the case may be;

“suspension notice” means a notice given under regulation 33, 80, 130, 188 or 233, as the case may be;

and any other expression shall have the same meaning as in the Ordinance or, as the case may be, the Law.

(2) Unless the context otherwise requires, a reference in these Regulations to any enactment includes a reference to that enactment as amended, repealed and replaced, extended or applied by or under any enactment including this Ordinance.

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

Citation.

402. These Regulations may be cited as the Alderney eGambling Regulations, 2006.

Commencement.

403. These Regulations shall come into force on the 11th July, 2006.

SCHEDULE 1
FULL eGAMBLING LICENCES

Regulation 1

PART I
APPLICATION FORM FOR FULL eGAMBLING LICENCE

An application for a full eGambling licence shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



APPLICATION FORM FOR
FULL eGAMBLING LICENCE

SECTION 1: APPLICANT'S DETAILS

(1) Name of Applicant: _____

(2) Company Number: _____

(3) Date of Incorporation: _____

(4) Registered Office: _____

(5) Correspondence Address: _____

(if different)

**(6) Nominated principal
contact person:** _____

Tel: _____

E-mail: _____

Fax: _____

SECTION 2: CORPORATE INFORMATION

(7) Type of company: _____
(eg. public/private; limited by share/guarantee)

(8) Previous company name(s): _____

(9) Describe company's objectives:
(eg. attach Memorandum and Articles of Association)

(10) Shareholders:
*(list known shareholders holding
3% or more of issued share capital)*

<u>Name</u>	<u>% of issued capital</u>
-------------	----------------------------

(11) Group corporate structure:
*(attach in diagrammatic form a complete group structure
showing the Applicant's relationship to any parent, holding,
subsidiary or associated company, providing a description of
the activities of each entity in the group)*

(12) Group investors:

(where the Applicant is wholly or partially owned by another group entity, list known shareholders in each such entity whose shareholding equates to 3% or more of the beneficial ownership of the Applicant)

<u>Name</u>	<u>% of issued capital / entity</u>
-------------	-------------------------------------

(13) Officers and management:

(list names of Directors, Company Secretary and any senior managers of the Applicant and, where applicable, of other group entities who hold positions to exercise influence over the business and/or operational functions of the Applicant; if desired, attach chart of reporting structures)

<u>Name</u>	<u>Position</u>	<u>Relationship to Applicant</u>
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SECTION 3: RESOURCES

(14) Funding:

(provide brief details of the sources of funds and amounts to be utilised to bring your eGambling project to fruition)

(15) Business Plan:

(insofar as it is available, attach an outline of your proposals, eg, covering the types of eGambling proposed to be conducted, the platform to be used, your intended hosting provider, your desired timescale to go-live, etc.)

(16) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (print): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

NOTES TO APPLICANTS (to assist completion of Application Form)

1. The principal purpose of seeking the information required by this Application Form is to provide the Commission with core basic factual details, thereby enabling it to:
 - make preliminary investigations in order to ascertain the full scope of its investigations;
 - identify where further information will need to be requested and/or required; and
 - identify any key individuals who will be designated in accordance with regulation 202 of the Alderney eGambling Regulations, 2006.
2. Additional information may be sought by way of a meeting with an officer of the Commission.
3. If any details set out on this Application Form change prior to the determination of this Application, you must notify the Commission in writing as soon as reasonably practicable.
4. The information provided must be accurate and truthful. [NB section 22(1) of the Alderney eGambling Ordinance, 2006 creates an offence of obtaining a licence by false statement, declaration or information.]
5. Wherever possible, use BLOCK CAPITALS.
6. All dates should be in the form Day / Month / Year.
7. Answer every question, using “N/A” or “NIL” where applicable.
8. Use additional sheets as necessary, cross-referencing against the relevant question the additional sheet(s) on which the answer is to be found.
9. If the deposit of investigation monies required by regulation 2 of the Alderney eGambling Regulations, 2006 has not already been made, it must accompany the submission of this Application Form.

PART II
NOTICE OF APPLICATION FOR FULL eGAMBLING LICENCE

The form of notice to be published by an applicant for a full eGambling licence in the Alderney Official Gazette shall be as set out below-

“An application for a full eGambling licence dated [insert date of application] has been made to the Alderney Gambling Control Commission (“the Commission”) under the Alderney eGambling Ordinance, 2006 and the Alderney eGambling Regulations, 2006 by-

[name of applicant]

whose registered office is-

[address of applicant’s registered office]

Any person wishing to raise any objection to this application so that the objection shall be considered by the Commission in accordance with regulation 8 of the Alderney eGambling Regulations, 2006 should, within **14 days** of the date of publication of this notice, deliver or send to the offices of the Commission a written statement of the objection and the grounds on which it has been raised.

Signed:
for and on behalf of [insert applicant’s name]

Dated: [insert date]”.

PART III
FORM OF FULL eGAMBLING LICENCE

The form of a full eGambling licence shall be as set out below-

“ALDERNEY GAMBLING CONTROL COMMISSION

FULL eGAMBLING LICENCE

issued under section 7 of the Alderney eGambling Ordinance, 2006

[name of licensee]

whose registered office is situate at-

[address of licensee’s registered office]

has been granted a full eGambling licence subject to the conditions provided for in regulation 21 of the Alderney eGambling Regulations, 2006 *[and such further conditions as are attached hereto]*.

This Licence is valid from: **[insert date]**

Signed: on this [insert date]

Chief Executive Officer
for and on behalf of the Commission

Licence Number: [insert number]”.

SCHEDULE 2
ASSOCIATE CERTIFICATES

Regulation 51

PART I

APPLICATION FORM FOR ASSOCIATE CERTIFICATE

An application for an associate certificate shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



APPLICATION FORM FOR

ASSOCIATE CERTIFICATE

SECTION 1: APPLICANT'S DETAILS

(1) Name of Applicant: _____

(2) Registration Number: _____
(if applicable)

(3) Date of Incorporation: _____

(4) Registered Office: _____
*(highlight jurisdiction
of incorporation)*

(5) Correspondence Address: _____
(if different)

**(6) Nominated principal
contact person:** _____

Tel: _____

E-mail: _____

Fax: _____

SECTION 2: CORPORATE INFORMATION

(7) Type of company: _____
(eg, public/private; limited by share/guarantee)

(8) Previous company name(s): _____

(9) Describe company's objectives:
(eg, attach Memorandum and Articles of Association)

(10) Shareholders:
(list known shareholders holding 3% or more of issued share capital)

<u>Name</u>	<u>% of issued capital</u>
-------------	----------------------------

(11) Group corporate structure:
(attach in diagrammatic form a complete group structure showing the Applicant's relationship to any parent, holding, subsidiary or associated company, providing a description of the activities of each entity in the group)

(12) Group investors:

(where the Applicant is wholly or partially owned by another group entity, list known shareholders in each such entity whose shareholding equates to 3% or more of the beneficial ownership of the Applicant)

Name

% of issued capital / entity

(13) Officers and management:

(list names of Directors, Company Secretary and any senior managers of the Applicant and, where applicable, of other group entities who hold positions to exercise influence over the business and/or operational functions of the Applicant insofar as that may be relevant to the proposed association with an eGambling licensee; if desired, attach chart of reporting structures)

Name

Position

Relationship to Applicant

SECTION 3: OTHER INFORMATION

(14) Current eGambling-related activities:

(if applicable, provide details of the activities you currently carry out or services you currently provide anywhere in the world that may be suitable for an eGambling licensee to utilise to assist it conduct its operations)

(15) Aspirations for certificate:

(insofar as you can, attach an outline of the way in which you intend to make use of this certificate, eg, whether you already have, or are about to enter into, a relationship with an eGambling licensee and, if not, your marketing plans for providing your services to licensees)

(16) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

NOTES TO APPLICANTS (to assist completion of Application Form)

1. The principal purpose of seeking the information required by this Application Form is to provide the Commission with core basic factual details, thereby enabling it to:
 - make preliminary investigations in order to ascertain the full scope of its investigations;
 - identify where further information will need to be requested and/or required; and
 - identify any key individuals who will be designated in accordance with regulation 202 of the Alderney eGambling Regulations, 2006.
2. Additional information may be sought by way of a meeting with an officer of the Commission.
3. If any details set out on this Application Form change prior to the determination of this Application, you must notify the Commission in writing as soon as reasonably practicable.
4. The information provided must be accurate and truthful. [NB section 22(1) of the Alderney eGambling Ordinance, 2006 creates an offence of obtaining a certificate by false statement, declaration or information.]
5. Wherever possible, use BLOCK CAPITALS.
6. All dates should be in the form Day / Month / Year.
7. Answer every question, using “N/A” or “NIL” where applicable.
8. Use additional sheets as necessary, cross-referencing against the relevant question the additional sheet(s) on which the answer is to be found.
9. If the deposit of investigation monies required by regulation 52 of the Alderney eGambling Regulations, 2006 has not already been made, it must accompany the submission of this Application Form.

PART II
FORM OF ASSOCIATE CERTIFICATE

1. The form of the front of an associate certificate shall be as set out below-

“ALDERNEY GAMBLING CONTROL COMMISSION

ASSOCIATE CERTIFICATE

issued under section 7 of the Alderney eGambling Ordinance, 2006

[name of associate certificate holder]

whose registered office is situate at-

[address of certificate holder’s registered office]

has been granted an associate certificate subject to the condition provided for in regulation 68 of the Alderney eGambling Regulations, 2006 [*and such further conditions as are attached hereto*].

This associate certificate is valid from: **[insert date]**

Signed: on this [insert date]
Chief Executive Officer
for and on behalf of the Commission

Certificate Number: **[insert number]**”.

2. The form of the reverse of an associate certificate (and, where needed, such additional continuation pages that have to be attached to an associate certificate) shall be as set out below-

“ENDORSEMENTS OF GAMBLING EQUIPMENT
APPROVED IN PRINCIPLE

Description of gambling equipment

Date approved

[insert sufficient information to be able to identify precisely what has been approved in principle, eg, unique identifier of software package]”.

[insert date]

SCHEDULE 3
HOSTING CERTIFICATES

Regulation 101

PART I
APPLICATION FORM FOR HOSTING CERTIFICATE

An application for a hosting certificate shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



APPLICATION FORM FOR
HOSTING CERTIFICATE

SECTION 1: APPLICANT'S DETAILS

(1) Name of Applicant: _____

(2) Company Number: _____

(3) Date of Incorporation: _____

(4) Registered Office: _____

(5) Correspondence Address: _____

(if different)

(6) Nominated principal contact person: _____

Tel: _____

E-mail: _____

Fax: _____

SECTION 2: CORPORATE INFORMATION

(7) Type of company: _____
(eg, public/private; limited by share/guarantee)

(8) Previous company name(s): _____

(9) Describe company's objectives:
(eg, attach Memorandum and Articles of Association)

(10) Shareholders:
*(list known shareholders holding
3% or more of issued share capital)*

<u>Name</u>	<u>% of issued capital</u>
-------------	----------------------------

(11) Group corporate structure:
*(attach in diagrammatic form a complete group structure
showing the Applicant's relationship to any parent, holding,
subsidiary or associated company, providing a description of
the activities of each entity in the group)*

(12) Group investors:

(where the Applicant is wholly or partially owned by another group entity, list known shareholders in each such entity whose shareholding equates to 3% or more of the beneficial ownership of the Applicant)

<u>Name</u>	<u>% of issued capital / entity</u>
-------------	-------------------------------------

(13) Officers and management:

(list names of Directors, Company Secretary and any senior managers of the Applicant and, where applicable, of other group entities who hold positions to exercise influence over the business and/or operational functions of the Applicant insofar as that may be relevant to the proposed hosting of gambling equipment; if desired, attach chart of reporting structures)

<u>Name</u>	<u>Position</u>	<u>Relationship to Applicant</u>
-------------	-----------------	----------------------------------

SECTION 3: PREMISES

(14) Address(es) of premises for which approval sought:

(15) Details of premises:

(in respect of each set of premises for which approval is sought, attach a location map and detailed plans of the layout of the premises; where applicable, provide copies of planning consent(s) authorising the use of the premises for the purposes envisaged; provide details relating to the security of the premises and the facilities at the premises associated with hosting gambling equipment)

SECTION 4: FURTHER INFORMATION

(16) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

NOTES TO APPLICANTS (to assist completion of Application Form)

1. The principal purpose of seeking the information required by this Application Form is to provide the Commission with core basic factual details, thereby enabling it to:
 - make preliminary investigations in order to ascertain the full scope of its investigations;
 - identify where further information will need to be requested and/or required; and
 - identify any key individuals who will be designated in accordance with regulation 202 of the Alderney eGambling Regulations, 2006.
2. Additional information may be sought by way of a meeting with an officer of the Commission and/or a visit to the premises for which approval is sought.
3. If any details set out on this Application Form change prior to the determination of this Application, you must notify the Commission in writing as soon as reasonably practicable.
4. The information provided must be accurate and truthful. [NB section 22(1) of the Alderney eGambling Ordinance, 2006 creates an offence of obtaining a certificate by false statement, declaration or information.]
5. Wherever possible, use BLOCK CAPITALS.
6. All dates should be in the form Day / Month / Year.
7. Answer every question, using “N/A” or “NIL” where applicable.
8. Use additional sheets as necessary, cross-referencing against the relevant question the additional sheet(s) on which the answer is to be found.
9. If the deposit of investigation monies required by regulation 102 of the Alderney eGambling Regulations, 2006 has not already been made, it must accompany the submission of this Application Form.

PART II

NOTICE OF APPLICATION FOR HOSTING CERTIFICATE

The form of notice to be displayed on the website of the Commission in relation to an application for a hosting certificate shall be as set out below-

“An application for a hosting certificate dated [*insert date of application*] has been made to the Alderney Gambling Control Commission (“the Commission”) under the Alderney eGambling Ordinance, 2006 and the Alderney eGambling Regulations, 2006 by-

[name of applicant]

whose registered office is-

[address of applicant’s registered office]

The **premises** in respect of which the applicant seeks approval are situated at-

[insert address(es) of premises proposed for approval]

Any person wishing to make any representations about this application, whether to raise any objection to it or otherwise, so that those representations shall be considered by the Commission when it determines this application in accordance with regulation 112 of the Alderney eGambling Regulations, 2006 should, at any time whilst this notice is currently displayed, deliver or send to the offices of the Commission a written statement of those representations.”.

PART III
FORM OF HOSTING CERTIFICATE

The form of a hosting certificate licence shall be as set out below-

“ALDERNEY GAMBLING CONTROL COMMISSION

HOSTING CERTIFICATE

issued under section 7 of the Alderney eGambling Ordinance, 2006

[name of hosting certificate holder]

whose registered office is situate at-

[address of certificate holder’s registered office]

has been granted a hosting certificate subject to the condition provided for in regulation 118 of the Alderney eGambling Regulations, 2006 [*and such further conditions as are attached hereto*].

For the purposes of this hosting certificate, the following premises are **approved premises** at which an eGambling licensee’s gambling equipment may be accommodated-

[insert address(es)]

This hosting certificate is valid from: **[insert date]**

Signed: on this **[insert date]**
Chief Executive Officer
for and on behalf of the Commission
Certificate Number: **[insert number]**".

Regulation 123

PART IV

APPLICATION FORM FOR CHANGE OF APPROVED PREMISES

An application for a change to approved premises of a hosting certificate holder shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



APPLICATION FORM FOR

CHANGE TO HOSTING CERTIFICATE HOLDER'S
APPROVED PREMISES

SECTION 1: CERTIFICATE HOLDER'S DETAILS

(1) Name: _____

(2) Correspondence Address: _____

(3) Nominated principal contact person: _____

Tel: _____

E-mail: _____

Fax: _____

SECTION 2: PREMISES

(4) This application is for-

- *(a) a modification to existing approved premises; or
- *(b) approval of premises not currently approved; or
- *(c) deletion of premises currently approved.

[* delete as appropriate]

(5) Address(es) of premises in respect of which approval for change sought:

(6) Details of premises:

(4(a): in respect of the approved premises for which approval of a modification is sought, attach detailed plans of the layout of the premises identifying the change(s) being proposed; and provided details of any change(s) relating to security and facilities associated with hosting gambling equipment entailed in the proposed change(s))

(4(b): in respect of each set of new premises for which approval is sought, attach a location map and detailed plans of the layout of the premises; where applicable, provide copies of planning consent authorising the use of the premises for the purposes envisaged; provide details relating to the security of the premises and the facilities at the premises associated with hosting gambling equipment)

SECTION 3: FURTHER INFORMATION

(7) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

NOTES TO APPLICANTS (to assist completion of Application Form)

1. The principal purpose of seeking the information required by this Application Form is to provide the Commission with core basic factual details, thereby enabling it to:
 - make a preliminary assessment as to what investigations, if any, will be required; and
 - identify where further information will need to be requested and/or required.
2. Additional information may be sought by way of a meeting with an officer of the Commission and/or a visit to the premises concerned.
3. If any details set out on this Application Form change prior to the determination of this Application, you must notify the Commission in writing as soon as reasonably practicable.
4. The information provided must be accurate and truthful. [NB section 22(1) of the Alderney eGambling Ordinance, 2006 creates an offence of making a false declaration or statement or giving false information for the purposes of satisfying a requirement under the Alderney eGambling Regulations, 2006.]
5. Wherever possible, use BLOCK CAPITALS.
6. All dates should be in the form Day / Month / Year.
7. Answer every question, using “N/A” or “NIL” where applicable.
8. Use additional sheets as necessary, cross-referencing against the relevant question the additional sheet(s) on which the answer is to be found.

SCHEDULE 4
RESTRICTED USE eGAMBLING LICENCES

Regulation 151

PART I

APPLICATION FORM FOR RESTRICTED USE eGAMBLING LICENCE

An application for a restricted use eGambling licence shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



APPLICATION FORM FOR

RESTRICTED USE eGAMBLING LICENCE

SECTION 1: APPLICANT'S DETAILS

(1) Name of Applicant: _____

(2) Registration Number: _____

(if applicable)

(3) Date of Incorporation: _____

(4) Registered Office: _____

*(highlight jurisdiction
of incorporation)*

(5) Correspondence Address: _____

(if different)

**(6) Nominated principal
contact person:** _____

Tel: _____

E-mail: _____

Fax: _____

SECTION 2: CORPORATE INFORMATION**(7) Type of company:** _____*(eg. public/private; limited by share/guarantee)***(8) Previous company name(s):** _____**(9) Describe company's objectives:***(eg. attach Memorandum and Articles of Association)*

(10) Shareholders:*(list known shareholders holding
3% or more of issued share capital)*Name% of issued capital**(11) Group corporate structure:***(attach in diagrammatic form a complete group structure
showing the Applicant's relationship to any parent, holding,
subsidiary or associated company, providing a description of
the activities of each entity in the group)*

(12) Group investors:

(where the Applicant is wholly or partially owned by another group entity, list known shareholders in each such entity whose shareholding equates to 3% or more of the beneficial ownership of the Applicant)

<u>Name</u>	<u>% of issued capital / entity</u>
-------------	-------------------------------------

(13) Officers and management:

(list names of Directors, Company Secretary and any senior managers of the Applicant and, where applicable, of other group entities who hold positions to exercise influence over the business and/or operational functions of the Applicant; if desired, attach chart of reporting structures)

<u>Name</u>	<u>Position</u>	<u>Relationship to Applicant</u>
-------------	-----------------	----------------------------------

SECTION 3: OTHER INFORMATION

(14) Current eGambling operation(s):

(provide details of the type(s) and place(s) of your current eGambling operations anywhere in the world)

(15) Intentions for licence:

(insofar as you can, attach an outline of your intended use of this licence, eg, whether only for back-up in the event of disaster or more broadly, and indicate the types of eGambling proposed to be conducted, the platform to be used, your intended hosting provider, your desired timescale to be capable of being operational, etc.)

(16) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

NOTES TO APPLICANTS (to assist completion of Application Form)

1. The principal purpose of seeking the information required by this Application Form is to provide the Commission with core basic factual details, thereby enabling it to:
 - make preliminary investigations in order to ascertain the full scope of its investigations;
 - identify where further information will need to be requested and/or required; and
 - identify any key individuals who will be designated in accordance with regulation 202 of the Alderney eGambling Regulations, 2006.
2. Additional information may be sought by way of a meeting with an officer of the Commission.
3. If any details set out on this Application Form change prior to the determination of this Application, you must notify the Commission in writing as soon as reasonably practicable.
4. The information provided must be accurate and truthful. [NB section 22(1) of the Alderney eGambling Ordinance, 2006 creates an offence of obtaining a licence by false statement, declaration or information.]
5. Wherever possible, use BLOCK CAPITALS.
6. All dates should be in the form Day / Month / Year.
7. Answer every question, using “N/A” or “NIL” where applicable.
8. Use additional sheets as necessary, cross-referencing against the relevant question the additional sheet(s) on which the answer is to be found.
9. If the deposit of investigation monies required by regulation 152 of the Alderney eGambling Regulations, 2006 has not already been made, it must accompany the submission of this Application Form.

PART II

NOTICE OF APPLICATION FOR RESTRICTED USE eGAMBLING LICENCE

The form of notice to be displayed on the website of the Commission in relation to an application for a restricted use eGambling licence shall be as set out below-

“An application for a restricted use eGambling licence dated [*insert date of application*] has been made to the Alderney Gambling Control Commission (“the Commission”) under the Alderney eGambling Ordinance, 2006 and the Alderney eGambling Regulations, 2006 by-

[name of applicant]

whose registered office is-

[address of applicant’s registered office]

The applicant currently conducts the following eGambling activities-

[insert details of operation(s), identifying country of operation(s)]

Any person wishing to make any representations about this application, whether to raise any objection to it or otherwise, so that those representations shall be considered by the Commission when it determines this application in accordance with regulation 163 of the Alderney eGambling Regulations, 2006 should, at any time whilst this notice is currently displayed, deliver or send to the offices of the Commission a written statement of those representations.”

PART III

FORM OF RESTRICTED USE eGAMBLING LICENCE

The form of a restricted use eGambling licence shall be as set out below-

“ALDERNEY GAMBLING CONTROL COMMISSION

RESTRICTED USE eGAMBLING LICENCE

issued under section 7 of the Alderney eGambling Ordinance, 2006

[name of licensee]

whose registered office is situate at-

[address of licensee’s registered office]

has been granted a restricted use eGambling licence subject to the conditions provided for in regulation 169 of the Alderney eGambling Regulations, 2006 [*and such further conditions as are attached hereto*].

This Licence is valid from: [insert date]

Signed:
Chief Executive Officer
for and on behalf of the Commission

on this [insert date]

Licence Number: [insert number]”.

SCHEDULE 5
KEY INDIVIDUAL CERTIFICATES

Regulation 204

PART I
APPLICATION FORM FOR KEY INDIVIDUAL CERTIFICATE

An application for a key individual certificate shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



APPLICATION FORM FOR
KEY INDIVIDUAL CERTIFICATE

SECTION 1: APPLICANT'S PERSONAL DETAILS

NAME	
1A	Surname
	First Name
	Middle Name(s)
	Alias(es), Nickname(s), Maiden Name, other name(s) by which you have been, or are, known

ADDRESS(ES)	
1B	Present Residential Address:
	Postcode
	Postal address (<i>if different</i>):
	Contact details (telephone numbers, etc.):
Home:	Business:
Mobile:	Other:
Fax:	E-mail:

BIRTH DETAILS		
1C	Date of Birth:	Sex: Male / Female
	Place of Birth (Town, County, Country): (attach a copy of your birth certificate)	

OCCUPATION	
1D	Occupation:
	Name of employer: Present Business Address:

NATIONALITY AND PASSPORT DETAILS	
1E	What is your nationality/citizenship?
	Passport Number: <i>(attach a copy of the cover and personal identification pages of your passport(s))</i>
	Place and country of issue:
	Date of issue: Date of expiry:
	Have you ever been deported from any country? Yes/No <i>(if YES, provide details)</i>

SECTION 2: APPLICANT'S HOUSEHOLD DETAILS

MARITAL INFORMATION	
2A	<p>What is your Marital Status? <i>(please circle)</i></p> <p>Single / Married / Divorced / Widowed / Co-habiting</p>
	Date and Place of Marriage:
	Full Name of spouse/partner:
	Maiden Name <i>(if applicable)</i> of spouse/partner:
	Date of Birth of spouse/partner:
	Place of Birth of spouse/partner:

SPOUSE/PARTNER DETAILS	
2B	<p>Spouse's/partner's Residential Address:</p>
	Spouse's/partner's occupation:
	<p>Spouse's/partner's employer:</p> <p><i>(include address)</i></p>

SECTION 3: APPLICANT'S EDUCATION AND EMPLOYMENT

EDUCATION	
3A	<p>What is the highest level of Education you have attained?</p> <p><i>(attach relevant certificate(s))</i></p> <hr/> <p>Name of last educational institution attended:</p> <hr/> <p>Year Completed:</p>
3B	<p>Professional Qualifications <i>(if any)</i>:</p> <p><i>(attach evidence of qualification(s))</i></p>

PROPOSED ROLE IN eGAMBLING OPERATION	
3C	<p>Outline your actual/proposed rôle in the eGambling operation: <i>(if applicable, attach job description)</i></p> <hr/> <p>Outline previous experience within the Gambling Industry: <i>(summarise skills developed and/or qualifications)</i></p> <hr/> <p>Outline previous experience with Internet-related business (either e-commerce or other previous use of the Internet as a distribution mechanism): <i>(summarise skills developed, eg, e-commerce infrastructure development, e-commerce marketing, etc. and/or qualifications)</i></p>

EMPLOYMENT HISTORY

3D Attach a list of all previous employments, including when self-employed or an office holder, which you have held during the preceding 10 years in reverse chronological order.

Provide the information for each in the following format:

Dates:	
Name and Address of Employer:	
Job Title:	
Description of duties:	
Reason for leaving:	

3E Have you ever been dismissed, discharged or asked to resign from any employment? Yes/No

(if YES, supply details of date, employment in question and reason)

3F Have you ever been a Director of, or held an executive position with, any company that has either been in liquidation or receivership? Yes/No

(if YES, supply details of date, company involved and circumstances)

SECTION 4: APPLICANT'S FINANCES

RECENT INCOME											
4A	<p>Attach a summary of your <u>gross</u> income and other benefits received for your use or disposal (whether in money or kind) from <u>all</u> sources, whether arising from your employment, business or other economic activity, or otherwise.</p> <p>Provide the information for each of the preceding 5 years in the following format:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="2" style="text-align: left;">Year ended:</th> </tr> <tr> <th style="width: 70%;">Source</th> <th style="width: 30%;">Amount</th> </tr> </thead> <tbody> <tr> <td><i>(give full details and addresses of sources)</i></td> <td style="text-align: center;">£</td> </tr> <tr> <td><i>(continue as necessary)</i></td> <td style="text-align: center;">£</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: center;">£</td> </tr> </tbody> </table> <p><i>(also attach a copy of your latest Tax return)</i></p>	Year ended:		Source	Amount	<i>(give full details and addresses of sources)</i>	£	<i>(continue as necessary)</i>	£	TOTAL	£
Year ended:											
Source	Amount										
<i>(give full details and addresses of sources)</i>	£										
<i>(continue as necessary)</i>	£										
TOTAL	£										

BANKRUPTCY		
4B	<p>Have you ever been bankrupt or had your affairs declared en désastre or taken advantage of any laws relating to personal insolvency?</p> <p><i>(if YES, supply details of date and circumstances)</i></p>	Yes/No

TRUSTS		
4C	<p>Are you a settlor, beneficiary and/or trustee of any trust or settlement?</p> <p><i>(if YES, supply full details of trust/settlement concerned)</i></p>	Yes/No

BANK ACCOUNTS										
4D	Attach a list of <u>all</u> your bank account details in the following format: <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Name and address of institution:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Account number</th> <th style="width: 35%;">Type of account</th> <th style="width: 30%;">Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td style="text-align: right;">£</td> </tr> <tr> <td> </td> <td> </td> <td style="text-align: right;">£</td> </tr> </tbody> </table> </div> <p>[NB <i>copy statements may be required by the Commission</i>]</p>	Account number	Type of account	Amount			£			£
Account number	Type of account	Amount								
		£								
		£								

INVESTMENTS																
4E	Attach a list of <u>all</u> your investments (eg, shares, bonds, debentures, notes, etc.) in the following format: <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Name and address of entity:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Type</th> <th style="width: 15%;">Number</th> <th style="width: 15%;">Year acquired</th> <th style="width: 20%;">Acquisition cost</th> <th style="width: 35%;">Estimated value</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td style="text-align: right;">£</td> <td style="text-align: right;">£</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td style="text-align: right;">£</td> <td style="text-align: right;">£</td> </tr> </tbody> </table> </div>	Type	Number	Year acquired	Acquisition cost	Estimated value				£	£				£	£
Type	Number	Year acquired	Acquisition cost	Estimated value												
			£	£												
			£	£												

CURRENT ASSETS			
4F	Provide details of other current assets, eg, debts owed to you, pension scheme benefits, etc.: <table style="width: 100%; border: none;"> <tr> <td style="width: 80%; border: none;"><u>Type</u></td> <td style="width: 20%; border: none; text-align: right;"><u>Value (£)</u></td> </tr> </table>	<u>Type</u>	<u>Value (£)</u>
<u>Type</u>	<u>Value (£)</u>		

REAL PROPERTY

4G Attach a list of all parcels of real property in which you have an interest in the following format

Location and description	Year acquired	Acquisition cost	Estimated value
		£	£

OTHER ASSETS

4H Attach a list of all your other assets (eg, motor vehicle(s), boat(s), furniture, jewellery, antiques, other valuable collections, etc.) in the following format:

Description	Year acquired	Acquisition cost	Estimated value
		£	£

MORTGAGES

4I Attach details of all mortgages for which you are solely or jointly responsible in the following format:

Property address:	Amount of loan (£):	Amount outstanding (£):	
Name and address of lender:	Name(s) of borrowers:	Date of mortgage:	Monthly payment (£):

LOANS AND LONG TERM LIABILITIES			
4J	Attach details of <u>all</u> loans and other long term liabilities for which you are solely or jointly responsible in the following format:		
Purpose of loan:		Amount of loan (£):	Amount outstanding (£):
Name and address of lender:	Name(s) of borrowers:	Date of loan:	Monthly payment (£):

CREDIT CARDS, STORE CARDS, ETC.		
4K	Attach details of <u>all</u> credit cards, store cards and other such outstanding liabilities at the date of your application in the following format:	
Name and address of financial institution:		Amount outstanding (£):
Name(s) of borrowers:	Amount (£):	Monthly payment (£):

OTHER LIABILITIES		
4L	Provide details of other current liabilities or contingent liabilities (ie, of an indefinite amount and/or unspecified amount for which you might in future become liable), indicating creditor, type and amount:	
<u>Creditor</u>	<u>Type of liability</u>	<u>Amount (£)</u>

LITIGATION		
5C	<p>Have you ever been a party to any civil litigation or are you aware that any action might be pending against you?</p> <p>Has a judgment of any type (including a wage arrest/attachment) ever been entered against you?</p> <p><i>(if YES, provide full details of date(s), circumstances and outcome)</i></p>	<p>Yes/No</p> <p>Yes/No</p>

5D	<p>Have you ever had any article repossessed by a finance company, etc. for any reason, eg. default in repayments?</p> <p><i>(if YES, provide full details of date, circumstances and reason)</i></p>	<p>Yes/No</p>
----	---	---------------

REGULATION OF GAMBLING ACTIVITY		
5E	<p>Have you or your spouse/partner ever applied to any authority anywhere in connection with any licence, certificate or permit, however described, in connection with a gambling activity?</p> <p><i>(if YES, provide full details of date, authority and type)</i></p>	<p>Yes/No</p>
	<p>Have you or your spouse/partner ever been investigated or dealt with in respect of any disciplinary matter by a regulatory authority regulating a gambling activity or is any such matter pending?</p> <p><i>(if YES, provide full details of date, nature of matter and outcome)</i></p>	<p>Yes/No</p>

CHARACTER REFERENCES		
5F	Provide details of two persons known to you for at least 5 years who can vouch for your character and who are not family members, fellow directors or employees:	
	<table border="1"><tbody><tr><td>Name: Address: Telephone: E-mail: Occupation: Years known:</td><td>Name: Address: Telephone: E-mail: Occupation: Years known:</td></tr></tbody></table>	Name: Address: Telephone: E-mail: Occupation: Years known:
Name: Address: Telephone: E-mail: Occupation: Years known:	Name: Address: Telephone: E-mail: Occupation: Years known:	

DECLARATION

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

NOTES TO APPLICANTS (to assist completion of Application Form)

1. The principal purpose of seeking the information required by this Application Form is to provide the Commission with core basic factual details, thereby enabling it to:
 - make preliminary investigations in order to ascertain the full scope of its investigations; and
 - identify where further information will need to be requested and/or required.
2. Additional information may be sought by way of a meeting with an officer of the Commission.
3. If any details set out on this Application Form change prior to the determination of this Application, you must notify the Commission in writing as soon as reasonably practicable.
4. The information provided must be accurate and truthful. [NB section 22(1) of the Alderney eGambling Ordinance, 2006 creates an offence of obtaining a certificate by false statement, declaration or information.]
5. Wherever possible, use BLOCK CAPITALS.
6. All dates should be in the form Day / Month / Year.
7. Answer every question, using “N/A” or “NIL” where applicable.
8. Use additional sheets as necessary, cross-referencing against the relevant question the additional sheet(s) on which the answer is to be found.
9. If the deposit of investigation monies required by regulation 206 of the Alderney eGambling Regulations, 2006 has not already been made, it must accompany the submission of this Application Form.
10. This Application Form must be accompanied by:
 - (a) two copies of a recent passport-sized photograph; and
 - (b) a letter confirming that the Applicant is indeed a key individual,

as required by regulation 205 of the 2006 Regulations.

PART II
FORM OF KEY INDIVIDUAL CERTIFICATE

The form of a key individual certificate shall be as set out below-

“ALDERNEY GAMBLING CONTROL COMMISSION

KEY INDIVIDUAL CERTIFICATE

issued under section 7 of the Alderney eGambling Ordinance, 2006

[insert name of key individual certificate holder]

[affix photograph]

whose address is-

[insert address of certificate holder]

has been granted a key individual certificate subject to the condition provided for in regulation 221 of the Alderney eGambling Regulations, 2006 [*and such further conditions as are attached hereto*].

This key individual certificate is valid from: **[insert date]**

Signed:
Chief Executive Officer
for and on behalf of the Commission

on this [insert date]

Certificate Number: **[insert number]**’.

SCHEDULE 6
OPERATIONAL MATTERS

Regulation 252

PART I
APPLICATION DOCUMENT FOR APPROVAL OF INTERNAL CONTROL
SYSTEM

1. The cover sheet and first page of an application for approval of an eGambling licensee's proposed internal control system shall be in the form as set out below-

ALDERNEY GAMBLING CONTROL COMMISSION



[INSERT LICENSEE'S NAME]

APPLICATION FOR
APPROVAL OF AN INTERNAL CONTROL SYSTEM

APPLICATION SUMMARY

(1) Licensee's Name: _____

(2) Nominated principal contact person: _____

Tel: _____

E-mail: _____

Fax: _____

(3) Intended hosting provider: _____

(4) Intended system supplier: _____

(5) ICS Version No.: _____

(6) Website URL: _____

(7) eGambling to be offered: _____

(8) Proposed go-live date: _____

(9) External auditors: _____

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 : INTRODUCTION**

- 1.1 Table of contents
- 1.2 Introduction / general comments

SECTION 2 : STRUCTURE AND STAFF

- 2.1 Corporate structure
- 2.2 Actual /proposed associates
- 2.3 Organisational structure
- 2.4 Job descriptions
- 2.5 Staff training
- 2.6 External consultants
- 2.7 Code of conduct
- 2.8 Internal office procedures
- 2.9 Emergency procedures
- 2.10 Complaint handling

SECTION 3 : ACCOUNTING SYSTEMS

- 3.1 Chart of accounts
- 3.2 Internal accounting controls
- 3.3 Management accounts
- 3.4 Budgets
- 3.5 Accounting policies
- 3.6 Internal audit function
- 3.7 External auditors

- 3.8 Annual audit
- 3.9 Report by external auditor
- 3.10 Accounting software
- 3.11 Bank accounts
- 3.12 Bad debts
- 3.13 Transactions reporting
- 3.14 Agency arrangements
- 3.15 Asset clarification and control

SECTION 4 : CUSTOMERS

- 4.1 New accounts / Registration
- 4.2 Customer identification
- 4.3 Accepting wagers
- 4.4 Account adjustments
- 4.5 Change in details
- 4.6 Withdrawals from a customer's funds
- 4.7 Rejected transactions
- 4.8 Foreign currency transactions
- 4.9 Credit extended to customers
- 4.10 Old accounts
- 4.11 Wager limits
- 4.12 Excluded customers
- 4.13 Money laundering
- 4.14 Payment processing procedures
- 4.15 Registers
- 4.16 Privacy
- 4.17 Advertising

SECTION 5 : eGAMBLING

- 5.1 eGambling operations
- 5.2 Gambling requirements

SECTION 6 : COMPUTER CONTROLS

- 6.1 System operations and procedures
- 6.2 Security policy
- 6.3 Security organisation
- 6.4 Personnel security
- 6.5 Equipment safety
- 6.6 Software controls
- 6.7 Development environment
- 6.8 System testing and validation
- 6.9 Fault reporting and escalation procedure
- 6.10 Index of manuals and software”.

3. At the end of an application for approval of an eGambling licensee’s proposed internal control system, following the substance of the application as required by the list set out in paragraph 2, the following page shall be included as the final sheet of the application document-

“DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.”

PART II
CHANGES TO APPROVED INTERNAL CONTROL SYSTEM REQUIRING
DEPOSIT OF EVALUATION MONIES

For the purposes of regulation 270, if the type of change to an eGambling licensee's approved internal control system in respect of which an application is made in accordance with regulation 269 involves any of the following-

- (a) a significant change to the corporate structure, for example involving a merger or acquisition;
- (b) a significant change to staff responsibilities, whether within the organisational structure or individual job descriptions;
- (c) entering into a significant arrangement with a new associate;
- (d) the introduction of a new accounting software package;
- (e) the introduction of a new method of payment provision;
- (f) the introduction of a new method of customer registration;
- (g) the introduction of a new method of customer identity verification;

- (h) the introduction of any additional element into an existing form of eGambling;
- (i) the introduction of a new type of eGambling;
- (j) a change in the operating system which is more than a minor change or the necessary fixing of a bug;
- (k) a change in the whole, or a significant part, of the operating platform; or
- (l) a change to the network infrastructure, for example by adding a system hardware component; or

the required deposit shall be made by, or on behalf of, the eGambling licensee before, or at the time, the application is submitted.

PART III

APPLICATION FORM FOR APPROVAL OF GAMBLING EQUIPMENT

An application by an eGambling licensee for approval of its gambling equipment shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



[INSERT LICENSEE'S NAME]

APPLICATION FOR

APPROVAL OF GAMBLING EQUIPMENT

APPLICATION DETAILS

(1) Licensee's name: _____

(2) Nominated principal contact person: _____

Tel: _____

E-mail: _____

Fax: _____

(3) Hosting provider: _____

(4) System supplier: _____

(if associate certificate held, provide details)

(5) Website URL: _____

(6) Proposed go-live date for equipment: _____

GAMBLING EQUIPMENT

(7) Gambling equipment approved in principle:

(where the application relates in whole or in part to gambling equipment for which an associate certificate holder has obtained approval in principle identify with sufficient particularity the equipment in question and the date(s) on which associate certificate holder obtained its approval)

(8) Previously unapproved gambling equipment:

(provide details of the type of gambling equipment concerned; describe the development process(es) undertaken, including the build number/version and date(s); where the equipment will be added to currently approved gambling equipment, detail the inter-relationship of those elements; provide such manuals and documentation as will assist an evaluation of the equipment in question)

(9) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

PART IV
FORM OF GAMBLING EQUIPMENT APPROVAL

The form of a gambling equipment approval shall be as set out below-

“ALDERNEY GAMBLING CONTROL COMMISSION

GAMBLING EQUIPMENT APPROVAL

issued under regulation 300 of the Alderney eGambling Regulations, 2006

[name of licensee]

whose registered office is situate at-

[address of licensee’s registered office]

has obtained approval from the Commission in respect of the following gambling equipment, thereby authorising it to utilise all or any of this equipment in the conduct of its operations under its eGambling licence-

1. Description of component:
System supplier:
Software ID:
Version:
Dated:

Date of approval: [insert date]

[insert any conditions attached]

2. Description of component:

System supplier:

Software ID:

Version:

Dated:

Date of approval: [insert date]

[insert any conditions attached]

3., etc. [continue numbering and format for further entries, as necessary]

Signed: on this [insert date]
Chief Executive Officer
for and on behalf of the Commission".

PART V
APPLICATION FORM FOR APPROVAL IN PRINCIPLE OF GAMBLING
EQUIPMENT

An application by an associate certificate holder for approval in principle of its gambling equipment shall be made on a form as set out below-

“

ALDERNEY GAMBLING CONTROL COMMISSION



[INSERT ASSOCIATE CERTIFICATE HOLDER'S NAME]

APPLICATION FOR
APPROVAL IN PRINCIPLE OF
GAMBLING EQUIPMENT

APPLICANT'S DETAILS

(1) Associate certificate

holder's name: _____

(2) Nominated principal contact person:

Tel: _____

E-mail: _____

Fax: _____

GAMBLING EQUIPMENT

(3) Gambling equipment for which approval in principle sought:

(provide details of the type of gambling equipment concerned; describe the development process(es) undertaken, including the build number/version and date(s); where the equipment will be added to any gambling equipment currently approved in principle, detail the inter-relationship of those elements; provide such manuals and documentation as will assist an evaluation of the equipment in question)

(4) Further information:

(add such further information as you wish that you consider relevant to assist the Commission determine your application)

DECLARATION

I have been duly authorised by the Applicant to make this Application on its behalf (see certified true copy of Minute attached).

I declare that the information contained in this Application is true and accurate to the best of my knowledge, information and belief and that, if any of the information contained in or appended to this application is discovered to be false, I may be liable to prosecution.

Signature: _____

Name (*print*): _____

Date: _____

* * * * *

The original completed Application Form and any attachments appended should be bound as a single document and, together with ONE unbound copy of the same, should be forwarded to:

Chief Executive Officer,
Alderney Gambling Control Commission,
PO Box 15,
ALDERNEY,
GY9 3HT,
via United Kingdom.

PART VI
COMMISSION'S ANTI-MONEY LAUNDERING (eGAMBLING) CODE

Introduction.

Recognising that it is essential for the Island of Alderney to play its part in the international fight against organised crime and terrorism, the Alderney Gambling Control Commission, having consulted the States of Alderney, the Guernsey Financial Services Commission and the Guernsey Financial Intelligence Service, has promulgated this Code to assist in that fight. It is designed to prevent the use of eGambling operations conducted under a licence issued under the Alderney eGambling Ordinance, 2006 being used for the purpose of laundering the proceeds of crime and money associated with terrorism. Each eGambling licensee is required to make a commitment in its approved internal control system to ensure that its business is not used by criminals and terrorists and to abide by that commitment.

General requirements.

1. In conducting eGambling, an eGambling licensee shall-
 - (a) maintain identification procedures in accordance with paragraphs 2 to 4;
 - (b) maintain record-keeping procedures in accordance with paragraphs 5 to 9;
 - (c) maintain internal reporting procedures in accordance with paragraph 10;

- (d) maintain internal controls and communication procedures which are appropriate for the purposes of forestalling and preventing money laundering;
- (e) take appropriate measures from time to time for the purpose of making staff aware of the procedures maintained under sub-paragraphs (a) to (d);
- (f) provide training to assist in-
 - (i) the recognition and handling of transactions carried out by, or on behalf of, any person who is, or appears to be, engaged in money laundering;
 - (ii) dealing with customers where such transactions occur; and
 - (iii) adopting procedures where transactions have been reported to the Financial Intelligence Service,in accordance with paragraph 11; and
- (g) comply with the requirements of paragraphs 12 to 14.

Identity of customer registering.

2. (1) An eGambling licensee shall establish and maintain procedures

which require each customer applying to be registered to provide satisfactory information as to his identity (whether online or in writing, or by a combination of both) as soon as practicable after contact is first made by that customer.

(2) Without prejudice to the generality of sub-paragraph (1), if procedures require that, unless satisfactory information as to the registering customer's identity is provided,-

- (a) no account will be opened for him;
- (b) no funds will be accepted from him; and
- (n) no participation in eGambling by him will be permitted,

those procedures shall be treated as complying with this paragraph.

Evidence of identity for qualifying payment.

3. (1) For the purposes of this Code, a payment is a **“qualifying payment”** if-

- (a) it exceeds £10,000; or
- (b) when taken with all other payments made to, of from, the customer within 90 days immediately preceding the date on which the payment in question is made, the aggregate amount exceeds £10,000.

(2) In calculating the amount paid to a customer under sub-

paragraph (1), there shall be taken into account-

- (a) all payments (whether winnings or otherwise) made to the customer by, or on behalf of, the eGambling licensee; and
- (b) without prejudice to the generality of the foregoing-
 - (i) all refunds;
 - (ii) the payment or repayment of any sum held by the licensee or, as the case may be, an associate for the purpose of effecting eGambling transactions; and
 - (iii) payments under or in respect of different accounts operated by, or on behalf of, the licensee for the benefit of the customer.

(3) The licensee shall establish and maintain procedures which require the customer to produce satisfactory evidence of his identity-

- (a) before it makes its first qualifying payment to the customer; or
- (b) immediately on receiving the first qualifying payment from a customer.

(4) Where a qualifying payment has been made by a customer to the licensee or an associate, no wagers should be accepted until satisfactory evidence of identity has been provided to the licensee or, as the case may be, the associate.

(5) Unless a customer has-

- (a) notified the licensee of a change of address; or
- (b) requested a different manner of payment,

the licensee does not need to require satisfactory evidence of identity when it makes any subsequent qualifying payment to the customer.

(6) Without prejudice to the generality of the foregoing, if procedures require that, in the absence of evidence being produced,-

- (a) the qualifying payment will not be made to the customer; or
- (b) wagers will not be accepted from the customer,

unless and until evidence is produced, those procedures shall be treated as complying with this paragraph.

Changes in pattern of transactions.

4. (1) An eGambling licensee shall establish and maintain procedures which, as soon as reasonably practicable after the number or value of a customer's eGambling transactions is seen to be significantly greater than the customer's normal

pattern of previous transactions,-

- (a) require satisfactory confirmation of the information as to identity provided under paragraph 2; or
- (b) in a case in which evidence of identity has been produced in accordance with procedures established under paragraph 3, require satisfactory verification of the evidence of identity so produced.

(2) Without prejudice to the generality of sub-paragraph (1), when no further eGambling transactions will be capable of being effected unless and until-

- (a) satisfactory confirmation of the information as to the customer's identity; or
- (b) satisfactory verification of the evidence of a customer's identity,

is obtained, those procedures shall be treated as complying with this paragraph

Record-keeping in respect of identity.

5. (1) Where an eGambling licensee is required by this Code to obtain information as to the identity of a person or confirm or verify such information, the licensee shall establish and maintain a record capable of being produced on demand in Alderney or Guernsey which-

- (a) indicates the nature of the information obtained; and

- (b) comprises a record of the information.

(2) Where a licensee is required by this Code to obtain evidence of the identity of a person and to confirm or verify that evidence, the licensee shall maintain a record capable of being produced on demand in Alderney or Guernsey which-

- (a) indicates the nature of the evidence obtained; and
- (b) comprises a copy of the evidence or, if that is not reasonably practicable, contains such information as would enable a copy of the evidence to be obtained.

Records of transactions.

6. An eGambling licensee shall maintain, or cause an associate to maintain, a record of all transactions carried out by or on behalf of its customers and (by way of an example of the minimum requirements to be met) those records shall be sufficient to identify the source and recipient of payments from which an investigating authority will be able to compile an audit trail for suspected money laundering.

Retention of records.

7. (1) An eGambling licensee shall maintain the records required by paragraphs 2, 3, 5 and 6 for at least six years from the date-

- (a) when the person concerned formally ceased to be a customer; or

- (b) if there has been no such formal cessation, when the last transaction was carried out by the customer.

(2) If a report has been made of any suspicious transaction to the Financial Intelligence Service and/or a licensee is aware that a matter is under investigation, the licensee shall, without prejudice to sub-paragraph (1), retain all relevant records for as long as it is required to do so by the Financial Intelligence Service.

Format and retrieval of records.

8. (1) An eGambling licensee shall ensure that any records required to be maintained by this Code are capable of retrieval by it, or on its behalf, without delay.

(2) In circumstances where a licensee has arranged for any records it is required to maintain to be maintained by one of its associates on its behalf, the licensee shall require that its associate shall produce, without delay, the records which are required from the licensee in the format required in accordance with this Code.

Register of money laundering enquiries and reports.

9. (1) An eGambling licensee shall maintain-

- (a) a register of all enquiries made of it by the Financial Intelligence Service or any other law enforcement authority which as a minimum shall contain the date and nature of the enquiry, the name and agency of the enquiry officer and the details of participants or transactions involved;

- (b) a register of all reports made of suspicious transactions to the Financial Intelligence Service which shall contain details of the date on which the report is made, the person who made the report and information sufficient to identify relevant papers relating to the report; and
- (c) a register recording the service of any production orders.

(2) The registers to be maintained under sub-paragraph (1) shall be kept separate from any other records kept by the licensee.

Internal procedures for recognising and reporting suspicious transactions.

10. In relation to its eGambling operations, an eGambling licensee shall establish written internal reporting procedures which-

- (a) enable all its directors, all other persons involved in its management, and all appropriate servants or agents, whether engaged directly or through one of its associates, to know to whom they should report any knowledge or suspicion of money laundering activity;
- (b) identify a money laundering reporting officer (“**the MLRO**”) to whom a report is to be made of any information or other matter which comes to the attention of any person so engaged by the licensee which in that person’s opinion gives rise to knowledge

- or suspicion that another person is, or may be, engaged in money laundering;
- (c) ensure that there is a clear reporting chain under which those suspicions will be passed to the licensee's MLRO;
 - (d) require the MLRO to consider any report in the light of all other relevant information available to him for the purposes of determining whether or not it gives rise to a knowledge or suspicion of money laundering;
 - (e) ensure that the MLRO has reasonable access to any other information of assistance to him and which is available to the licensee; and
 - (f) require that the information or other matter contained in a report is disclosed promptly to the Financial Intelligence Service by the MLRO where he knows or suspects that another is engaged in money laundering.

Training.

11. (1) An eGambling licensee shall provide, or arrange for its associate to organise, training for all directors, all other persons involved in its management and all appropriate staff, to ensure that they are aware of-

- (a) the contents of the licensee's eGambling licence;
- (b) the contents of this Code;

- (c) internal procedures established in accordance with paragraph 10; and
- (d) any personal liability if convicted of any laundering offence under-
 - (i) the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999;
 - (ii) the Drug Trafficking (Bailiwick of Guernsey) Law, 2000; or
 - (iii) the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002.

(2) Without prejudice to the generality of sub-paragraph (1), an eGambling licensee shall also provide, or arrange for its associate to organise, training appropriate to particular categories of staff on-

- (a) its policies and procedures to prevent money laundering;
- (b) its customer identification, record-keeping and other procedures; and
- (c) the recognition and handling of suspicious transactions.

(3) The licensee shall make arrangements for refresher training at regular intervals (which shall be not less than annually for staff who regularly have dealings with customers) to remind staff of their responsibilities and to make them aware of any changes in the requirements of this Code and legislation relating to money laundering.

Prohibition on using cash.

12. (1) An eGambling licensee shall not accept cash from, or on behalf of, any customer.

(2) A licensee shall not pay cash to a customer.

Payments to customers.

13. (1) Where a qualifying payment is made to a customer by an eGambling licensee, the payment shall be made in accordance with the evidence held by the licensee.

(2) In a case where a payment is not a qualifying payment, it shall only be made to a customer in accordance with information held by the licensee.

(3) A payment from a customer's funds may only be paid directly to an account with a financial institution in the name of the customer or made payable directly to the customer-

(a) in the name; and

(b) forwarded to the customer's address,

as held in the customer's registration details and confirmed by the identification procedures established in accordance with paragraphs 2 and 3.

(4) Subject to sub-paragraph (5), a payment other than to a customer's credit card or debit card or bank account shall be made "to account payee only" in non-negotiable format.

(5) Following the death of a customer, after full enquiries have been conducted by the licensee to confirm the fact of the customer's death and the identity of the executor or administrator of the customer's estate, payment may be made by transferable instrument to the executor or, as the case may be, the administrator.

Report to directors.

14. (1) In each year, the licensee's MLRO shall make a report in writing to the directors of the eGambling licensee in which he shall set out the measures taken by the licensee in connection with this Code and the activities in that period to which those measures have given rise.

(2) Within seven days of considering the MLRO's report, the licensee shall furnish a copy to the Commission.

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-

INDEXChanges and Problems

1.	Change Control Statement	2
2.	Software Defect Report with Status Update	2
3.	Application or System Shutdowns/Re-starts	3
4.	RNG Initialisation and Re-seeding	3
5.	System Malfunctions	4
6.	Security Breaches	4

Customer Activity

7.	Excluded Customers	5
8.	Self Exclusions	5
9.	Top Winners and Losers	6
10.	Voided Transactions	7
11.	Large Funds Transfers	7
12.	Customer Funds Balances	8
13.	Manual Adjustments to Customer Funds	9
14.	Suspicious Transactions	9
15.	Significant Customer Complaints	10

Game Data (where applicable)

16.	Current Configuration Report	10
17.	Game Performance Summary	11
18.	Game Ranking	12
19.	Changes to Gaming Parameters	12
20.	Game Activated or Inactivated from System	13

Other

21.	Changes to Operator Privileges	14
22.	Management/Staff Responsibility Changes	14
23.	Commission Requests	15
24.	Miscellaneous	15

Changes and Problems

1. Change Control Statement

Description of report:

Change controls completed this month. All change controls should be attached to the report.

Report Start Date:

Report End Date:

Change Control ID	Implemented Date	Description	AGCC Approval Date

* * * * *

2. Software Defect Report with Status Update

Description of report:

This report lists bugs which have affected customer payouts.

Report Start Date:

Report End Date:

Date discovered	Description	Status	Fixed (please state change request)

* * * * *

3. Application or System Shutdowns/Re-starts

Description of report:

This report lists all system outages.

Report Start Date:

Report End Date:

Date	Reason	Duration

* * * * *

4. RNG Initialisation and Re-seeding

Description of report:

This report lists all instances of RNG initialisation and re-seeding.

Report Start Date:

Report End Date:

Date	Description

* * * * *

5. System Malfunctions

Description of report:

This report lists all system malfunctions, for example hardware failures.

Report Start Date:

Report End Date:

Date	Description	Resolved Date

* * * * *

6. Security Breaches

Description of report:

This report lists all attacks and security breaches.

Report Start Date:

Report End Date:

Date	Description	Measures Implemented

* * * * *

Customer Activity

7. Excluded Customers

Description of report:

The report shows customers who have been excluded or blacklisted, whether temporarily or permanently.

Report Start Date:

Report End Date:

User Name	Date Excluded	Reason	Date Included (leave blank if exclusion permanent)

* * * * *

8. Self Exclusions

Description of report:

This report lists all customers who have requested to be excluded from some or all of the licensee's eGambling operations.

Report Start Date:

Report End Date:

Customer ID	Date	Reason	Reinstated

* * * * *

9. Top Winners and Losers

Description of report:

This report lists all major winnings and losses.

Report Start Date:

Report End Date:

Top Wins

Customer ID	Game/ Transaction	Game Version (if applicable)	Amount won	Date and time

Top Losses

Customer ID	Game/ Transaction	Game Version (if applicable)	Amount lost	Date and time

* * * * *

10. Voided Transactions

Description of report:

This report lists all voided transactions.

Report Start Date:

Report End Date:

Customer ID	Transaction ID	Game/Transaction	Version (if applicable)	Date	Description

* * * * *

11. Large Funds Transfers

Description of report:

This report lists all large deposits and withdrawals made by customers.

Report Start Date:

Report End Date:

Deposits

Customer ID	Date	Amount

Withdrawals

Customer ID	Date	Amount

* * * * *

12. Customer Funds Balances

Description of report:

This report shows the sum of all customer funds details, whether those funds are held directly with the eGambling licensee or by an associate.

Report Start Date:

Report End Date:

Number of active customers with funds:

Total Net Win/Loss in GBP:

Total Balance:

Mean Balance:

Modal Balance:

* * * * *

13. Manual Adjustments to Customer Funds

Description of report:

This report shows the manual adjustments that have been made to customer funds.

Report Start Date:

Report End Date:

Customer ID	Date	Originator	Amount	Reason

* * * * *

14. Suspicious Transactions

Description of report:

This report lists all the transactions that the licensee regards as possibly being suspicious.

Report Start Date:

Report End Date:

Customer ID	Date	Description	Amount

* * * * *

15. Significant Customer Complaints

Description of report:

This report lists all significant customer complaints, whether received directly or indirectly by the licensee.

Report Start Date:

Report End Date:

Customer ID	Date	Description	Status	Date Resolved

* * * * *

Game Data (where applicable)

16. Current Configuration Report

Description of report:

This report lists the current configuration settings of the gaming element (if any) of a licensee's operations, including the games available to customers.

Report Start Date:

Report End Date:

Parameter	Setting

* * * * *

17. Game Performance Summary

Description of report:

This report contains a summary of customer activity.

Report Start Date:

Report End Date:

Casino Handle:

Casino Payouts:

Casino Hold:

Casino Hold %:

Number of Transactions:

Average Wager Amount:

Minimum Wager Amount:

Maximum Wager Amount:

Median Wager Amount:

Mode Wager Amount:

Number of Total Logins:

Number of Unique Logins:

* * * * *

18. Game Ranking

Description of report:

This report lists the available games sorted by performance.

Report Start Date:

Report End Date:

Game	Version	Number of Transactions	Handle	Hold	%Hold	Average Wager	Number of Customers	Average Number of Transactions per Customer

* * * * *

19. Changes to Gaming Parameters

Description of report:

This report lists the changes to the gaming system parameters.

Report Start Date:

Report End Date:

Parameter	Old Value	New Value	Date Changed	Description/ Reason

20. 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.

Report Start Date:

Report End Date:

Game	Version	Date	Added/Removed	Description/ Reason

Other

21. Changes to Operator Privileges

Description of report:

This report lists all changes to access rights for the operation.

Report Start Date:

Report End Date:

Individual's name & ID	Date	Privilege	Added/ Removed	Description/ Reason

* * * * *

22. Management/Staff Responsibility Changes

Description of report:

This report lists all changes to the key individuals involved with the licensee's operations.

Report Start Date:

Report End Date:

Individual's name	Date	Joined / Left	Reason

* * * * *

14

23. Commission Requests

Description of report:

This report lists all requests for information made by, or on behalf of, the Commission to the licensee or to a certificate holder with which the licensee is associated or has a relationship.

Report Start Date:

Report End Date:

Date	Description	Contact

* * * * *

24. Miscellaneous

Description of report:

This report covers all other items of information not explicitly required in the other sections of this report (eg, address changes, changes to procedures under the licensee's internal control system, etc.).

Report Start Date:

Report End Date:

[insert details, where possible in tabular form, as appropriate]

PART VIII

FORMAT OF eGAMBLING LICENSEE'S QUARTERLY REPORT

The format of an eGambling licensee's quarterly report of its management accounts to the Commission shall be as follows, in which "n" is "1", "2", "3" or "4" as appropriate, corresponding to the quarter of the year in question-

“

ALDERNEY GAMBLING CONTROL COMMISSION



QUARTERLY MANAGEMENT ACCOUNTS

of

[INSERT LICENSEE'S NAME]

QUARTER (n) ENDED *[insert day/month/year]*

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PROFIT AND LOSS ACCOUNT

	Notes	Quarter n Actual £	Quarter n-1 Actual £	Quarter n Budget £	Variance Actual Qn v Actual Qn-1 %	Variance Actual Qn v Budget Qn %
Income						
Gambling income	1	x	x	x	x	x
Other income		x	x	x	x	x
Cost of sales						
Gambling payout	2	x	x	x	x	x
Other costs		x	x	x	x	x
Licence fee		x	x	x	x	x
Gross profit		x	x	x	x	x
Administrative expenses						
Staff costs		x	x	x	x	x
Travel and entertaining		x	x	x	x	x
Telephone, postage, printing, stationery		x	x	x	x	x
Professional fees		x	x	x	x	x
Bank charges, credit card commission		x	x	x	x	x
Bad debts		x	x	x	x	x
Other		x	x	x	x	x
		x	x	x	x	x
(continued on next sheet)						

Establishment expenses	3					
Property costs		x	x	x	x	x
Depreciation		x	x	x	x	x
Profit / loss on disposal of fixed assets		x	x	x	x	x
Other		x	x	x	x	x
		x	x	x	x	x
Selling and marketing expenses						
Advertising and marketing		x	x	x	x	x
Other		x	x	x	x	x
		x	x	x	x	x
Total operating expenses		(x)	(x)	(x)	x	x
Operating profit	10	x	x	x	x	x
Other income / expenses						
Bank interest payable	(x)	(x)	(x)	x	x	
Bank interest receivable	x	x	x	x	x	
Foreign exchange gain / loss	x	x	x	x	x	
Corporation tax	(x)	(x)	(x)	x	x	
Net profit		x	x	x	x	x
Gross profit percentage		x%	x%	x%		
Net profit percentage		x%	x%	x%		

BALANCE SHEET at [insert day/month/year]

	Notes	Quarter n Actual £	Quarter n Budget £	Variance Actual v Budget %
FIXED ASSETS (FA)				
Intangible assets	4	x	x	x
Tangible assets	3	x	x	x
		x	x	x
CURRENT ASSETS (CA)				
Trade debtors		x	x	x
Prepayments		x	x	x
Other debtors	5	x	x	x
Other current assets	6	x	x	x
Loans to related parties	7	x	x	x
Cash at bank (excluding client accounts)		x	x	x
Cash at bank – client accounts (C)		x	x	x
Cash in hand		x	x	x
		x	x	x
CURRENT LIABILITIES (CL)				
Bank loans and overdrafts	7	x	x	x
Loans from related parties	7	x	x	x
Trade creditors		x	x	x
Amounts due to customers (ADC)		x	x	x
Directors' current accounts	7	x	x	x
Other creditors	8	x	x	x
Social security and other taxes		x	x	x
Accruals		x	x	x
Total current liabilities (CL)		x	x	x
NET CURRENT ASSETS (NCA)		x	x	x
(continued on next sheet)				

TOTAL ASSETS LESS CURRENT LIABILITIES		x	x	x
LONG TERM LIABILITIES (LTL)				
Bank loans and overdrafts	7	x	x	x
Directors' loans	7	x	x	x
Loans from related parties	7	x	x	x
Total long term liabilities (LTL)		x	x	x
TOTAL NET ASSETS (TNA)		x	x	x
CAPITAL AND RESERVES				
Called up share capital		x	x	x
Profit and loss account		x	x	x
SHAREHOLDERS' FUNDS	9	x	x	x

Ratios**Requirement**

Total Assets (TA) = FA + CA

Total assets : total liabilities

 $TA / (CL + LTL) \times 100\%$

>25%

Current Assets – current liabilities

NCA

>0

Cash – amounts due to customers

C - ADC

>0

CASH FLOW STATEMENT

	Notes	Quarter n Actual £	Quarter n Budget £	Variance Actual v Budget %
NET CASH INFLOW FROM OPERATING ACTIVITIES	10	x	x	x
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest from investments		x	x	x
Interest paid		(x)	(x)	x
Interest received		x	x	x
Net cash outflow from returns on investments and servicing of finance		x	x	x
TAXATION				
Corporation tax paid		(x)	(x)	x
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets or investments		(x)	(x)	x
Receipts from sale of tangible fixed assets or investments		x	x	x
Net cash outflow for capital expenditure and financial expenditure		(x)	(x)	x
EQUITY DIVIDENDS PAID		(x)	(x)	x
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		x	x	x
FINANCING				
Issue of ordinary share capital		x	x	x
Loans from (to) related parties		x	x	x
Net cash inflow from financing		x	x	x
INCREASE IN CASH	11	x	x	x

NOTES

[NB In these Notes, xx/xx/xx indicates the beginning of the quarter in question and yy/yy/yy indicates the end of that quarter.]

1 Other income

A breakdown of other trading income exceeding £10,000 should be included.

2 Other costs

A breakdown of other costs of sales exceeding £10,000 should be included.

3 Tangible fixed assets

Cost or valuation	Computer software £	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Land & buildings £	Total £
At xx/xx/xx	x	x	x	x	x	x
Additions	x	x	x	x	x	x
Disposals	(x)	(x)	(x)	(x)	(x)	(x)
At yy/yy/yy	x	x	x	x	x	x
Depreciation						
At xx/xx/xx	x	x	x	x	x	x
Provided during the quarter	x	x	x	x	x	x
Disposals	(x)	(x)	(x)	(x)	(x)	(x)
At yy/yy/yy	x	x	x	x	x	x
Net book value						
At xx/xx/xx	x	x	x	x	x	x
At yy/yy/yy	x	x	x	x	x	x

4 Intangible fixed assets

	Licence £	Other £	Total £
Cost or valuation			
At xx/xx/xx	x	x	x
Additions	x	x	x
Disposals	(x)	(x)	(x)
At yy/yy/yy	x	x	x
Amortisation			
At xx/xx/xx	x	x	x
Charge for the quarter	x	x	x
Disposals	(x)	(x)	(x)
At yy/yy/yy	x	x	x
Net book value			
At xx/xx/xx	x	x	x
At yy/yy/yy	x	x	x

5 Other debtors

A breakdown of other debtors exceeding £10,000 should be included.

6 Other current assets

A breakdown of other current assets exceeding £10,000 should be included.

7 Loans

The name of the lender or borrower, repayment terms and interest payable should be provided for each loan.

8 Other creditors

A breakdown of other creditors exceeding £10,000 should be included.

9 Reconciliation of movement on shareholders' funds

	£
Profit for the year to date	x
Dividends	(x)
	<hr/>
	x
New share capital subscribed	x
Other movements in reserves	x
	<hr/>
	x
Shareholders' funds at xx/xx/xx	x
Shareholders' funds at yy/yy/yy	x
	<hr/>
	<hr/>

10 Reconciliation of operating profit to net cash inflow from operation

	£
Operating profit	x
Depreciation charges	x
Profit/loss on disposal of fixed assets	x
(Increase)/decrease in debtors	x
Increase/(decrease) in creditors	x
	<hr/>
Net cash inflow from operation activities	x
	<hr/>

11 Reconciliation of net cash flow to movement in net debt

	£
Increase in cash in quarter	x
Cash outflow from decrease in debt financing	x
	<hr/>
Change in net debt resulting from cash flows	x
Net debt at xx/xx/xx	x
	<hr/>
Net debt at yy/yy/yy	x
	<hr/>

PART IX

FORMAT OF MONTHLY REPORT OF eGAMBLING LICENSEE'S RATIO
POSITION

The format of an eGambling licensee's monthly report to the Commission in relation to its ratio position shall be as follows-

"MONTHLY RATIOS

(to be provided within 20 days of month end)

MONTH OF *[insert month and year]*

	£	Ratio	Requirement
Total assets	TA		
Total liabilities	TL		
Total assets : total liabilities		$(TA - TL) / TL \times 100\%$	> 25%
Current assets	CA		
Current liabilities	CL		
Current assets – current liabilities		CA - CL	> 0
Cash	C		
Amounts due to customers	ADC		
Cash – Amounts due to customers		C - ADC	> 0

”.

Dated this 11th day of July, 2006.

.....

JOHN GODFREY
Chairman of the Alderney Gambling Control Commission
for and on behalf of the Commission.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made by the Alderney Gambling Control Commission (“the Commission”) under the Alderney eGambling Ordinance, 2006, and supplement the provisions contained in that Ordinance. When taken together, the 2006 Ordinance and these Regulations provide a complete framework for the licensing and regulation of eGambling operations conducted under an Alderney eGambling licence.

Part I of the Regulations (regulations 1 to 40) contains provisions dealing with full eGambling licences. They set out the procedure to be followed by an applicant for a full eGambling licence, including submission of its application form (regulation 1), funding a deposit of investigation monies (regulations 2 and 12) and publicising the

application in the Alderney Official Gazette (regulation 3) and on the Commission's website (regulation 4) to enable objections, if any, to be raised and dealt with in accordance with regulation 8. Regulations 6 and 7 specify the criteria against which the Commission will assess the applicant and its associates. Further information can be requested (regulation 9) or required (regulation 10) and external consultations may be undertaken (regulation 11). Unless the application is withdrawn before it is determined (regulation 13), the Commissioners will consider a report from its officers and reach a conclusion on whether to grant or refuse the application (regulations 14 and 15). If an application is refused, a notice giving reasons must be given to the applicant (regulation 16). If it is granted, a licence is issued (regulation 17). Regulations 18 to 20 deal with payment, or repayment, of, and accounting for, investigation monies. All full eGambling licences are granted subject to the conditions set out in regulation 21. At the time of granting the licence, or subsequently, conditions may be imposed on the licence, and conditions may be varied or removed (regulations 22 to 24). Should the details on a full eGambling licence change, the licensee must get the licence modified by the Commission (regulation 25). The licensee may choose to surrender its licence (regulation 26). If the Commission considers that a ground for imposing some sort of sanction exists, regulations 27 to 40 provide the regime under which a sanction might be considered. The criteria to test whether a licensee or an associate continues to be fit and proper are set out in regulations 27 and 28. If rectification is considered feasible, the Commission will invite the licensee to consider such a course of action (regulation 29) and may then issue a direction to rectify (regulation 30). It may at any time issue a written caution about the licensee repeating its poor behaviour (regulation 31). Where a more serious sanction is being contemplated (the imposition of a financial penalty, whether immediate or suspended, or suspension or revocation of the licence), there will need to be a regulatory hearing (regulations 32, 35 and 36), enabling the licensee to make representations before the Commissioners decide how to dispose of the

matter. Pending the hearing, an immediate suspension of the licence may be ordered (regulation 33) and may then be cancelled (regulation 34). If the Commission imposes a financial penalty (regulation 33), any suspension of its effect may subsequently be activated in accordance with regulation 38. The criteria to be met before imposing any suspension or revocation as a penalty are set out in regulations 39 and 40.

Part II (regulations 51 to 85) contains similar provisions dealing with associate certificates. Associate certificates are not mandatory, but associates of eGambling licensees can secure approval from the Commission to be associated with the operations conducted by an eGambling licensee if they satisfy the criteria specified in regulations 54 and 55. There is a similar application process, although there is no requirement to publicise the application in the Alderney Official Gazette. Associate certificates are subject to a condition that the holder must respond to a summons to appear before the Commissioners (regulation 68) and other conditions may be added, varied and removed in a similar way to the regime for full eGambling licences (regulations 69 to 71). Regulations 72 and 73 provide in similar fashion for details on the certificate to be modified and for the associate certificate holder to surrender its certificate. Regulations 74 to 85 provide for the imposition of various sanctions where the Commission believes that a ground exists to consider their imposition. Apart from the fact that the Commission cannot impose a financial penalty against an associate certificate holder, these provisions broadly reflect those applicable to full eGambling licensees.

Part III (regulations 101 to 137) contains provisions dealing with hosting certificates. Entities wishing to provide premises in which to host the gambling equipment utilised by an eGambling licensee to conduct its eGambling operations must obtain a hosting certificate. The application process is largely the same as the process established for

obtaining a full eGambling licence, save that the Commission is also concerned to determine that the premises at which hosting will take place are suitable for that purpose (regulation 105). Hosting certificates are subject to a condition that the holder must respond to a summons to appear before the Commissioners (regulation 118). Other conditions may be added, varied and removed in a similar way to the regime for full eGambling licences (regulations 119 to 121). If the details on a hosting certificate change, the certificate holder must get the Commission to change the certificate (regulation 122). A hosting certificate holder can seek approval for changes to existing approved premises, the addition of further premises as approved premises or the deletion of any premises previously approved (regulation 123). A certificate holder may surrender its certificate (regulation 124). The regime for the Commission to impose on a hosting certificate holder any of the full range of sanctions available to it where it considers that a ground for doing so exists (regulations 125 to 137) is very similar to the one applicable to full eGambling licensees.

Part IV (regulations 151 to 193) contains provisions dealing with restricted use eGambling licences. Unless a restricted use eGambling licensee has obtained an exemption or dispensation from complying with the overall regime applicable to full eGambling licensees (regulation 175), the process of licensing and/or regulation is very similar indeed. Applications do not have to be publicised in the Alderney Official Gazette, but the other provisions relating to an initial licence application (regulations 151 to 168) effectively replicate those relating to applications for full eGambling licences. Restricted use eGambling licences are granted subject to the conditions set out in regulation 169. Other conditions may be imposed, varied or removed in a similar way to other licences and certificates (regulations 170 to 172). Modifications to details on the licence and its surrender are also available in much the same way (regulations 173 and 174). The holder of a restricted use eGambling

licence must notify the Commission when it exercises its licence (regulation 176) and when it stops exercising the licence (regulation 177). This enables the Commission to know that the licensee is operational for the purposes of monitoring that operation and allows the daily fee payable to be calculated (regulation 178). Where a restricted use eGambling licensee finds that it has exercised, or has chosen to exercise, its licence for a specified time in a given period, it is obliged to create an Alderney company to apply for a full eGambling licence or risk losing its restricted use eGambling licence (regulations 179 to 181). The regime for imposing sanctions when a ground to do so exists, save for the fact that the Commission is unable to impose a financial penalty, is again broadly similar to that for a full eGambling licensee (regulations 182 to 193).

Part V (regulations 201 to 240) contains provisions dealing with key individual certificates. A key individual certificate must be obtained by a person identified by an eGambling licensee as a key individual or designated as such by the Commission. Where the Commission makes a designation (regulation 202), the person concerned, and the licensee or associate affected, may challenge the designation (regulation 203) and the Commissioners will decide whether to maintain or withdraw the designation. An application for a key individual certificate is made and processed in a similar way to other applications under the first four Parts of these Regulations (regulations 204 to 220). The criteria against which an application is assessed are set out in regulation 208. If granted, a key individual certificate is subject to a requirement to attend before the Commissioners when required to do so (regulation 221). Other conditions can be imposed, varied and removed in a similar fashion (regulations 222 to 224). A key individual certificate lapses where there is no key relationship with an eGambling licensee or an associate for a continuous period of two months (regulation 226). The certificate must be modified when details on it change (regulation 225) and can be surrendered (regulation 227) in a similar way to other certificates. The provisions under which the Commission can impose the full range of sanctions available to it on

a key individual certificate holder where a ground to do so is found to exist (regulations 228 to 240) are largely in the same form as for a hosting certificate holder.

Part VI (regulations 251 to 381) contains provisions dealing with operational requirements of an eGambling operation. Each Chapter of this Part deals with a discrete aspect of a licensee's overall operation.

Chapters I and II of Part VI (regulations 251 to 279) make provision with respect to an eGambling licensee's internal control system. The internal control system as approved by the Commission is a core feature of an eGambling operation, constituting a promise by the licensee about the way it will conduct its operations (regulation 251). Recognising the importance of this process, if a licensee wishes to obtain non-binding comments on part or all of its proposed internal control system, it can do so (regulations 254 and 260). The licensee must apply for approval (regulation 253) before it can effect any gambling transactions under its licence. Evaluation monies must be deposited (regulations 253 and 259) and the Commission will undertake an appropriate level of evaluation of the proposed system before reaching a conclusion against the criteria set out in regulation 256. Further information may be requested (regulation 257) or required (regulation 258) before any determination of the application is made. The Chief Executive Officer is expressly empowered to grant approval for an internal control system (regulation 261), but he cannot disapprove it. If he will not approve it under his delegated powers, the issue of approval or rejection must be referred to the Commissioners. If the Commissioners refuse to approve the proposed internal control system, they may make suggestions as to how the application can be modified so that approval will be forthcoming (regulation 262). Regulations 263 to 265 deal with payment, or repayment, of, and accounting for, evaluation monies, although the person who made the deposit may elect to leave the

balance of monies unspent on deposit for future use in relation to proposed changes to the approved internal control system. Once approved, an eGambling licensee must seek approval for changes to its approved internal control system (regulation 268), or the Commission may direct that it does so (regulation 266). The process of obtaining approval for a change is similar to that for initial approval, although there is some flexibility about the manner of the application and the need for the deposit of evaluation monies, although voluntary deposits can also be made (regulations 269 to 279).

Chapter III of Part VI (regulations 291 to 307) makes provision for the approval of an eGambling licensee's gambling equipment. The scheme is similar to that for the approval of a licensee's internal control system. The licensee must make an application (regulation 291), although the type of approval sought may mean that the application is initially made comparatively informally by e-mail and confirmed by a subsequent letter, whereas other, more significant, approvals must be made on an application form (regulation 292). Evaluation monies may have to be deposited (regulations 293 and 298). The Commission will carry out an evaluation of the gambling equipment for which approval is sought against the criteria set out in regulation 295. If the application is for formal approval of gambling equipment previously given approval in principle under an associate certificate, the whole process is no more than a rubber-stamping exercise. The Chief Executive Officer is given similar delegated powers of approval only (regulation 299). Conditions may be added, varied and removed to gambling equipment approvals granted to eGambling licensees (regulations 302 to 304). Regulations 305 to 307 deal with payment, or repayment, of, and accounting for, evaluation monies, although the person who made the deposit may elect to leave the balance of monies unspent on deposit for future use in relation to further approvals of gambling equipment.

Chapter IV of Part VI (regulations 311 to 323) makes provision in a similar fashion for approval in principle of gambling equipment sought by an associate certificate holder. Any associate certificate holder wishing to obtain approval in principle of gambling equipment it intends to offer to an eGambling licensee for use in its operations can, if the gambling equipment meets the criteria set out in regulation 314, make an application (regulation 311) accompanied by the deposit evaluation monies (regulation 312). The evaluation process, the obtaining of further information and the determination of the application all broadly reflect the regime for approvals of gambling equipment for a licensee (regulations 315 to 323), although, because an associate certificate holder inevitably has a looser connection to Alderney and the Commission, there is more rigidity about the depositing of evaluation monies.

Chapter V of Part VI (regulations 331 to 343) makes provision in relation to the registration of customers, the holding customers' funds and various protections that must be afforded to customers to ensure, so far as possible, responsible gambling. Only registered customers can effect gambling transactions with or through an eGambling licensee (regulations 331). Customers may be registered directly with an eGambling licensee or with, or through, an associate (regulation 332). There are restrictions on the way that a customer deposits his funds and the ways that a licensee can have recourse to the funds it holds on behalf of a customer (regulations 333 to 335). An eGambling licensee must endeavour to comply with the Commission's Anti-Money Laundering (eGambling) Code (regulation 336). Where funds are held by an associate of an eGambling licensee, regulation 337 applies. A customer must have the eGambling licensee's rules drawn to his attention (regulation 338). An eGambling licensee must take steps to identify customers who may be becoming problem gamblers (regulation 339) and must enable customers to impose limits of various types on their gambling activity (regulation 340). There is a regime for dealing with customer complaints (regulations 341 to 343), leading ultimately to a

determination by the Commissioners.

Chapter VI of Part VI (regulations 351 to 358) makes provision for an eGambling licensee to keep accounts and provide copies of them and make other reports to the Commission. The licensee is obliged to keep accounts and to make certain periodic reports to the Commission in the form required by it (regulations 351 to 354). An eGambling licensee is required to have its operations audited annually (regulation 355) and must supply a copy of the audited financial statements and any auditors' report within six months or such longer period as the Commission may, on application by the licensee, direct (regulation 356), after which further information may be required by the Commission (regulations 357 and 358).

Chapter VII of Part VI (regulations 371 to 381) makes provision for the Commission monitoring an eGambling licensee's operations and conducting regular and special investigations. There is a general power of monitoring (regulation 371). The Commission may direct that certain operations may only be conducted if one of its officers or an agent is present (regulation 372). Ordinary investigations, made at periodic intervals and termed "inspections", for which the licensee must deposit monies beforehand, are undertaken in accordance with regulations 373 to 375. Where the circumstances call for a special investigation of a licensee or a certificate holder, the Commission may carry out such an investigation in accordance with regulations 376 to 378. Where no investigation monies have been deposited or those deposited were insufficient, payment is required (regulation 379), otherwise any surplus is repaid afterwards and the person concerned can require the Commission to account for its drawings on any deposit at any time (regulations 380 and 381).

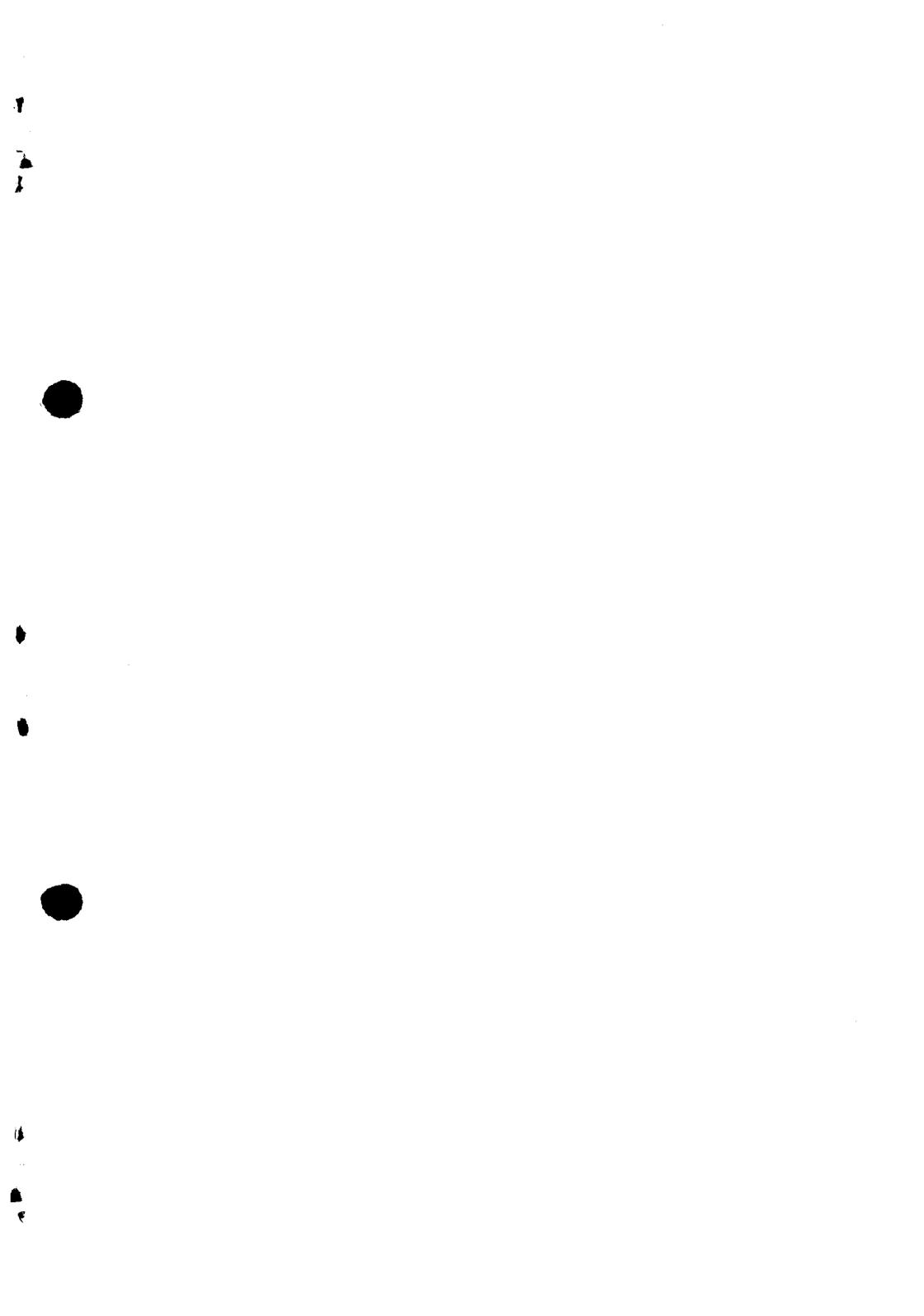
Part VII contains the general provisions. Regulation 401 contains the interpretation provisions. Regulations 402 and 403 are respectively the citation and commencement

provisions.

Schedules 1 to 5 correspond with the scheme of Parts I to V. In Schedule 1 (full eGambling licences), the application form that must be completed (Part I), the form of the notice of application that must be publicised (Part II) and the form of a full eGambling licence when granted (Part III) are set out. Similarly, in Schedule 2 (associate certificates), the application form that must be completed (Part I) and the form of an associate certificate (Part II) are set out. In Schedule 3 (hosting certificates), Part I contains the application form that must be completed, Part II sets out the form of notice to be displayed on the Commission's website, Part III sets out the form of a hosting certificate and Part IV sets out an application form to be used when applying for approval of any change to approved premises. In Schedule 4 (restricted use eGambling licences), the application form that must be completed (Part I), the form of notice to be displayed on the Commission's website (Part II) and the form of a restricted use eGambling licence (Part III) are set out. In Schedule 5 (key individual certificates), Part I sets out the application form that must be completed and Part II sets out the form of a key individual certificate.

Schedule 6 corresponds with the provisions in Part VI on operational matters. Part I sets out the summary contents of an application for initial approval of an internal control system. Part II lists the types of change to an approved internal control system where a deposit of evaluation monies is required. Part III sets out the application form to be used for obtaining approval of gambling equipment and Part IV then sets out the form of a gambling equipment approval. Part V sets out the application form to be used by an associate certificate holder seeking approval in principle of gambling equipment. Part VI contains the Commission's Anti-Money Laundering (eGambling) Code. Part VII contains the format to be used by an eGambling licensee when it submits its monthly operational performance report to the Commission. Part VIII

contains the format of an eGambling licensee's quarterly report to the Commission. Finally, Part IX sets out the format of an eGambling licensee's monthly report to the Commission of its ratio position.



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Printed by Guernsey Herald Ltd., Victoria Road, Guernsey.