

Island of



Alderney

Ordinance of the States

IV
1999

Made 3rd March 1999

Coming into operation1st May 1999

THE GAMBLING (BETTING) (AMENDMENT) (ALDERNEY) ORDINANCE, 1999

THE STATES OF ALDERNEY, in pursuance of their Resolution of the 3rd day of March, 1999 and in exercise of the powers conferred upon them by section 2 of The Gambling (Alderney) Law, 1975, as amended(a), hereby order:

1. The Gambling (Betting) (Alderney) Ordinance, 1997(b) **Amendment to
1997 Ordinance.**
("the 1997 Ordinance") is amended as follows—

(a) in section 2—

(i) immediately after "licence" insert "issued by the Committee under section 14"; and

(ii) for "section 14" substitute "section 9(2), or 19 (1) or (2).";

(b) in section 3, immediately after "in accordance with" insert "the provisions of this Ordinance and";

(c) immediately after section 3 insert the following sections—

"Electronic betting centre control systems

3A. (1) The holder of an electronic betting centre licence may exercise that licence only if—

(a) Ordres en Conseil Vol. XXV, p. 46, No. X of 1997.

(b) No. VIII of 1997.

- (a) he has an approved control system; and
- (b) betting transactions are effected under the system.

(2) The holder of an electronic betting centre licence may change the approved control system only—

- (a) with the approval of the committee; and
- (b) in the way approved by the Committee.

(3) The holder of an electronic betting centre licence shall make a submission in writing, prepared at his own cost and by or with the approval of his auditors (a "control system submission"), to the Committee for approval of his control system—

- (a) before effecting betting transactions; and
- (b) before effecting any change to an existing approved control system; and
- (c) within 12 months of the previous control system approval.

(4) Subject to subsection (6), a control system submission shall describe and explain the licensee's proposed control system and, without prejudice to the generality of the foregoing, shall include information about—

- (a) the following things to be used for the conduct of the electronic betting centre—
 - (i) accounting systems and procedures and chart of accounts,
 - (ii) administrative systems and procedures,
 - (iii) computer software,
 - (iv) standard forms and terms; and
- (b) the general procedures to be followed for the effecting of betting transactions; and
- (c) the procedures and standards for the maintenance, security, storage and transportation of equipment to be used for the effecting of betting transactions; and
- (d) the procedures for recording bets and paying winnings won in a betting transaction; and

(e) the procedures for using and maintaining security facilities.

(5) A control system submission may include information additional to the information mentioned in subsection (4).

(6) Where there has been no change in the control system since the previous control system submission, the licensee may simply indicate as much in his control system submission.

(7) The Committee shall consider the control system submission and either approve, or refuse to approve, the licensee's proposed control system or the proposed change thereto.

(8) In considering the control system submission, the Committee may, by written notice to the licensee, require the licensee—

(a) to give the Committee further information about the submission that is necessary and reasonable to help the Committee to make a decision about the submission; or

(b) to allow the Committee, by its servants or agents, to submit the proposed control system, or the approved control system as proposed to be changed, to tests.

(9) In considering whether to give an approval, the Committee shall have regard to —

(a) whether the system control submission satisfies the requirements of this section; and

(b) whether the licensee's proposed control system, or approved control system as proposed to be changed, is capable of providing satisfactory and effective control over the management and conduct of a licensed electronic betting centre.

(10) The Committee may refuse to give an approval if the licensee fails to comply with a requirement under subsection (8).

(11) If the Committee decides to refuse to give approval, a notice in writing stating the reasons for the decision shall be served on the licensee within 7 days and, if the Committee believes that the control system submission can easily be rectified to enable it to give an approval, the notice must also—

- (a) explain how the submission may be changed; and
- (b) invite the licensee to resubmit the submission after making the appropriate changes.

Approval of auditors

3B. (1) Before effecting any betting transaction under an electronic betting centre licence, the holder of that licence shall obtain the Committee's approval in writing of his auditors.

(2) In deciding whether to grant its approval, which shall not unreasonably be withheld, the Committee may have regard to the proposed auditors' size, reputation and experience in respect of the activities to be carried out under the licence.

(3) Before making any change from auditors approved under subsection (1), the licensee shall obtain the approval of the Committee to such a change.

Monitoring operations

3C. A licensee must, at the request of the Committee, do anything reasonably necessary to allow a servant or agent of the Committee to monitor the licensee's operations."

(d) immediately after section 5(2)(b) insert the following paragraph—

“; and

(c) an application fee of £5,000, which shall not be reimbursable (whether or not the application is granted);

(e) in section 9(1) for “subsection (4)” substitute “subsection (3)”;

(f) immediately after section 11 insert the following sections—

“Suitability of applicant to hold electronic betting centre licence

11A.(1) In deciding whether the applicant is a fit and proper person to hold an electronic betting centre licence, the Committee may have regard to the following matters—

- (a) the applicant's character or business reputation;
- (b) the applicant's current financial position and

financial background;

- (c) whether the applicant has, or is able to obtain, appropriate resources and appropriate services;
- (d) whether the applicant has the appropriate business ability to conduct the electronic betting centre successfully under a licence;
- (e) if the applicant has a business association with another entity—
 - (i) the entity's character or business reputation; and
 - (ii) the entity's current financial position and financial background; and
- (f) where the applicant is not an individual, whether the applicant has, or has arranged, a satisfactory ownership, trust or corporate structure.

(2) In subsection (1)—

“appropriate resources” means financial resources—

- (a) adequate, in the Committee's opinion, to ensure the financial viability of operations conducted under an electronic betting centre licence; and
- (b) available from a source that is not, in the Committee's opinion, tainted with illegality;

“appropriate services” means the services of persons who have appropriate experience to ensure the proper and successful conduct of an electronic betting centre.

Suitability of nominee to supervise electronic betting centre licence

11B. In deciding whether an individual proposed by an applicant is a fit and proper person to be a nominee, the Committee may have regard to the following matters—

- (a) the individual's character; and
- (b) whether the individual has the appropriate business or other general ability to supervise the conduct of the electronic betting centre successfully under a licence.

Investigations into suitability

11C.(1) The Committee may investigate—

- (a) an applicant for an electronic betting centre licence; or
- (b) the holder of an electronic betting centre licence,

to decide whether he is a suitable person to hold, or to continue to hold, as the case may be, an electronic betting centre licence.

(2) The Committee may investigate a business or executive associate of—

- (a) an applicant for an electronic betting centre licence; or
- (b) the holder of an electronic betting centre licence,

to decide whether such an association affects the latter's suitability to hold, or to continue to hold, as the case may be, an electronic betting centre licence.

Requirement to give information or document for investigation

11D.(1) In investigating an applicant for, or the holder of, an electronic betting centre licence, or a business or executive associate of such a person, the Committee may, by written notice served upon the person in question, require that person to give the Committee information or a document the Committee considers relevant to the investigation.

(2) When making the requirement, the Committee shall warn the person that it is an offence to fail to comply with the requirement, unless the person has a reasonable excuse.

(3) A person who, without reasonable excuse, fails to comply with a requirement under subsection (1) shall be guilty of an offence and liable, on conviction, to a fine not exceeding level 5 on the Alderney uniform scale.

(4) It is a reasonable excuse for the person not to comply with a requirement under subsection (1) if—

- (a) complying with the requirement might tend to incriminate the person; or
- (b) in the case of an applicant, the person notifies the

Committee in writing that the application for an electronic betting centre licence is formally being withdrawn.

(5) The person does not commit an offence under subsection (3) if the information or document sought by the Committee is not in fact relevant to the investigation.”;

(g) in section 13(1) for “subsection (4)” substitute “subsection (3)”;

(h) for section 19 (3) substitute the following subsection—

“ (3) Where in respect of a licence granted under section 9 the Committee is satisfied that—

(a) any of the grounds on which it could have refused the grant or renewal of a licence (such grounds being specified in section 11) exist or are satisfied;

(b) the licensee has contravened a condition attached to the licence; or

(c) the licensee has failed to comply with an obligation imposed by section 3, 3A, 3B or 3C,

the Committee may in its absolute discretion suspend or revoke, as the case may be, the licence.”;

(i) in section 24(2), for “subject to which his licence was granted” substitute “attaching to the licence issued to him under section 14”; and

(j) in section 26(1)—

(i) immediately before the definition of “betting office licence” insert the following definition—

“ **“approved control system”** means a control system approved by the Committee, and includes an approved control system changed with the approval of the Committee;”;

(ii) immediately after the definition of “bookmaker” insert the following definition—

“ **“business associate”**—

(a) of a licensee, means a person whom the Committee reasonably believes to be associated

with the licensee's operations, or

(b) of an applicant for an electronic betting centre licence, means a person who the Committee reasonably believes—

(i) is associated with the ownership or management of the applicant's operations, or

(ii) will, if an electronic betting centre licence is issued to the applicant, be associated with the ownership or management of the licensee's operations;";

(iii) immediately after the definition of "the Committee" insert the following definitions—

" **control system**" means a system of internal controls and administrative and accounting procedures for the conduct of an electronic betting centre by a licensee;

"**control system submission**" has the meaning assigned to it by section 3A(3);"; and

(iv) immediately after the definition of "electronic means" insert the following definitions—

" **executive associate**"—

(a) of a licensee, means an executive officer of a company, partner or trustee, or another person stated by the Committee, whom the Committee reasonably believes to be associated with the ownership or management of the operations of the licensee, or

(b) of an applicant for an electronic betting centre licence, means an executive officer of a company, partner or trustee, or another person stated by the Committee, whom the Committee reasonably believes—

(i) is associated with the ownership or management of the applicant's operations, or

(ii) will, if an electronic betting centre licence is issued to the applicant, be associated with the ownership or management of the licensee's operations;

“**executive officer**” of a company, means a person who is concerned with, or takes part in, the company’s management, whether or not the person is a director or the person’s position is given the name of executive officer;”.

2. In respect of an electronic betting centre licence already in existence when this Ordinance comes into force—

Transitional arrangements.

(a) the requirement imposed by section 3A(3)(a) of the 1997 Ordinance (inserted by section 1(c) of this Ordinance) to make a control system submission before effecting betting transactions shall be construed as a requirement to make such a submission within 28 days of this Ordinance entering into force;

(b) the requirement imposed by section 3B(1) of the 1997 Ordinance (inserted by section 1(c) of this Ordinance) to obtain the Committee’s approval in writing of the licensee’s auditors before effecting betting transactions shall be construed as a requirement to obtain such approval within 28 days of this Ordinance entering into force;

and within those 28 days or until those requirements are met (whichever is shorter) nothing in section 3A or 3B of the 1997 Ordinance shall prohibit the licensee effecting betting transactions.

3. This Ordinance may be cited as The Gambling (Betting) (Amendment) (Alderney) Ordinance, 1999.

Citation.

4. This Ordinance shall come into force on the 1st May, 1999.

Commencement.

D.V. JENKINS

Clerk of the States