
CHAMBERS GLOBAL PRACTICE GUIDES

Gaming Law 2024

Definitive global law guides offering
comparative analysis from top-ranked
lawyers

**UK: Law & Practice and
Trends & Developments**

Bahar Alaeddini and Jessica Wilson
Harris Hagan





Law and Practice

Contributed by:

Bahar Alaeddini and Jessica Wilson

Harris Hagan (London - HQ)

Contents

1. Introduction p.5

1.1 Current Outlook and Recent Changes p.5

2. Jurisdictional Overview p.9

2.1 Online p.9

2.2 Land-Based p.9

3. Legislative Framework p.10

3.1 Key Legislation p.10

3.2 Definition of Gambling p.10

3.3 Definition of Land-Based Gambling p.11

3.4 Definition of Online Gambling p.11

3.5 Key Offences p.11

3.6 Penalties for Unlawful Gambling p.12

3.7 Recent or Forthcoming Legislative Changes p.12

4. Licensing and Regulatory Framework p.12

4.1 Regulatory Authority p.12

4.2 Regulatory Approach p.12

4.3 Recent or Forthcoming Changes p.12

4.4 Types of Licences p.12

4.5 Availability of Licences p.13

4.6 Duration of Licences p.13

4.7 Application Requirements p.13

4.8 Application Timing p.14

4.9 Application Fees p.14

4.10 Ongoing Annual Fees p.14

5. Land-Based Gambling p.15

5.1 Premises Licensing p.15

5.2 Recent or Forthcoming Changes p.15

6. Online Gambling p.15

6.1 B2C Licences p.15

6.2 B2B Licences (Suppliers, Software, Etc) p.15

6.3 Affiliates p.15

6.4 White Labels p.15

6.5 Technical Measures p.15

6.6 Recent or Forthcoming Changes p.16

7. Responsible Gambling (RG), Also Known as Safer Gambling (SG) p.16

- 7.1 RG Requirements p.16
- 7.2 Gambling Management Tools p.16
- 7.3 Recent or Forthcoming Changes p.17

8. Anti-money Laundering (AML) p.17

- 8.1 AML Legislation p.17
- 8.2 AML Requirements p.17
- 8.3 Recent or Forthcoming Changes p.17

9. Advertising p.18

- 9.1 Regulatory/Supervisory Agency p.18
- 9.2 Definition of Advertising p.18
- 9.3 Key Legal, Regulatory and Licensing Provisions p.18
- 9.4 Restrictions on Advertising p.19
- 9.5 Sanctions/Penalties p.19
- 9.6 Recent or Forthcoming Changes p.20

10. Acquisitions and Changes of Control p.20

- 10.1 Disclosure Requirements p.20
- 10.2 Change of Corporate Control Triggers p.20
- 10.3 Passive Investor Requirements p.20
- 10.4 Recent or Forthcoming Changes p.20

11. Enforcement p.20

- 11.1 Powers p.20
- 11.2 Sanctions p.21
- 11.3 Financial Penalties p.22
- 11.4 Recent or Forthcoming Changes p.23

12. Tax p.23

- 12.1 Tax Rate by Sector p.23
- 12.2 Recent or Forthcoming Changes p.23

13. Personal Approvals and Licensing p.24

- 13.1 Types of Authorisations and Licences p.24
- 13.2 Application Process p.25
- 13.3 Ongoing Annual Fees p.25
- 13.4 Ongoing Requirements p.25
- 13.5 Personal Sanctions p.25
- 13.6 Recent or Forthcoming Changes p.26

Contributed by: Bahar Alaeddini and Jessica Wilson, **Harris Hagan (London - HQ)**

Harris Hagan (London - HQ) is the only City of London law firm dedicated exclusively to the provision of legal services to all sectors of the gambling and leisure industries in the UK and internationally. The firm was established in 2004 by Julian Harris and John Hagan, and is driven by the long-term sustainability and success of the industry it cherishes. The firm's business includes gambling law, compliance and regulation, and it advises many of the world's largest

land-based and online gambling businesses (B2C and B2B), as well as many private equity firms, other investors, leading international law firms and start-ups. The firm, which is known for its first-class team of lawyers, being trusted advisors in the regulated gambling industry and commercial awareness of the challenges faced by clients, is now led by John Hagan and Bahar Alaeddini.

Authors



Bahar Alaeddini is a partner at Harris Hagan and specialises in all aspects of online and land-based gambling law. She advises major B2C and B2B gambling businesses, start-ups,

investors and financial institutions. Bahar advises on a full spectrum of licensing, compliance and enforcement matters, including changes of corporate control, the gambling aspects of mergers and acquisitions, complex licensing arrangements and restructuring. She is a member and general counsel of the International Association of Gaming Advisors, a founding member of the VIXIO Gambling Compliance Executive Advisory Board, and a member of Global Gaming Women.



Jessica Wilson is a senior associate at Harris Hagan and advises land-based and online gambling businesses (B2C and B2B), as well as many start-ups. She advises clients on legal

classification, non-remote and remote licence applications, premises licensing, personal applications, change-of-corporate-control applications, transaction due diligence, general compliance and reporting requirements, compliance assessments and enforcement matters.

Harris Hagan

6 Snow Hill
London
EC1A 2AY
UK

Tel: +44 207 002 7636
Email: info@harrishagan.com
Web: www.harrishagan.com

Harris  Hagan

1. Introduction

1.1 Current Outlook and Recent Changes The White Paper and Gambling Review

The gambling industry in Great Britain has been incredibly busy over the last 12 months following the publication of the Conservative government's white paper, "High Stakes: gambling reform in the digital age" (the "White Paper"), on 27 April 2023. The highly anticipated White Paper forms part of the review of the Gambling Act 2005 (the "2005 Act") which was launched by the UK government in December 2020, and is designed to "protect vulnerable users in [a] smartphone era" by striking a better balance between consumer freedoms and the protection of the vulnerable.

The White Paper details more than 60 proposals covering six sections:

- online protections;
- marketing and advertising;
- the Gambling Commission's powers and resources;
- dispute resolution and consumer redress;
- children and young adults; and
- land-based gambling.

The proposals are to be introduced through a combination of primary and secondary legislation, changes to the Licence Conditions and Codes of Practice (LCCP), and voluntary commitments.

Status of consultations

To implement the proposals, the Gambling Commission and Department for Digital, Culture, Media and Sport (DCMS) launched a number of consultations to seek the views of stakeholders in the industry.

At the time of writing, the status of the consultations is as follows.

- DCMS consultation regarding online stake limits for slots. Closed on 4 October 2023, response published on 23 February 2024.
- DCMS consultation regarding land-based reforms. Closed on 4 October 2023, response published on 16 May 2024.
- DCMS consultation regarding the statutory levy. Closed on 14 December 2023, response awaited.
- Gambling Commission Summer Consultation regarding changes to the Remote Technical Standards (RTS), financial vulnerability checks and financial risk assessments, age-verification, and improvements to consumer marketing. The consultation also included non-White Paper proposals including extending the requirements to hold a Personal Management Licence (PML) and regulatory panel changes. Closed on 18 October 2023, response published on 1 May 2024.
- Gambling Commission Autumn Consultation regarding customer-led tools, eg, deposit limits, and rules around free bets and bonuses. The consultation also included proposed changes to regulatory returns reporting, which were not part of the White Paper proposals. Closed on 21 February 2024, response in respect of regulatory returns published on 27 March 2024, with the remaining responses awaited.
- Gambling Commission December Consultation regarding changes to criteria for imposing a financial penalty and penalty calculation methodology, and changes to financial key event reporting. Whilst not related to the White Paper proposals, the consultation includes important proposals that interplay with those raised in the White Paper. Closed on 15 March 2024, response awaited.

The consultation on Gambling Commission fees is awaited.

Status of key proposals and upcoming changes

The key proposals in the White Paper include the following.

Statutory levy

The introduction of a new statutory levy to fund research, education and treatment of gambling harms, replacing the current voluntary system. It was expected that the statutory levy would be introduced from 1 April 2025, but this will likely be delayed due to the change in government and the need for secondary legislation. At the time of writing, the consultation response is awaited.

Financial vulnerability checks

Following the Gambling Commission's consultation response of 1 May 2024, financial vulnerability checks must be conducted on customers pursuant to a new social responsibility code provision 3.4.4, which came into effect on 30 August 2024. The requirement is for remote licensees to undertake the check on customers with a net deposit of GBP500 a month. The requirement will be reduced to GBP150 a month from 28 February 2025.

Financial risk assessments

Following the Gambling Commission's consultation response of 1 May 2024, the Gambling Commission introduced at social responsibility code provision 3.4.6 the requirement for operators in the three highest bands of fee categories, and volunteers in the lower fee categories, to participate in its pilot of enhanced financial risk assessments. The pilot will run from 30 August 2024 to 31 March 2025 and is to test how the proposed "frictionless" risk assessments can work in practice, and to assess appropriate

thresholds. The intention is that an assessment would allow operators to consider gambling history and whether there are other indicators of harm. On 1 May 2024, the Betting and Gaming Council published its Industry Code on Customer Checks and Documentation Requests Based on Spend, which operates as a voluntary interim code to provide consistency across the regulated sector until the financial risk assessments are brought into force.

Online game design rules

Following the Gambling Commission's consultation response on 1 May 2024, new remote game design rules will be implemented on 17 January 2025. The changes extend requirements that already apply to slots to other online products. In particular, they ban speed features such as "turbos" or "slam stops", game cycles of less than five seconds on casino products, autoplay functions, celebrations of returns less than or equal to the stake, and the facilitation of playing multiple simultaneous products.

Direct marketing

Following the Gambling Commission's consultation response on 1 May 2024, a new social responsibility code provision will come into force on 1 May 2025. The provision will require online gambling businesses to provide customers with options to opt-in to the product type they are interested in, and the channels through which they wish to receive marketing.

Land-based reforms

Following DCMS' consultation response on 16 May 2024, there are a number of changes being made to the land-based sector. Changes include increased gaming machine entitlement ratios, acceptance of cashless payments on gaming machines, introduction of a legal age limit of 18 for Category D slot style machines, and the

increase of local authority fees. The majority of land-based reforms require legislation and are therefore yet to be implemented.

Online stake limits

Following DCMS' consultation response on 23 February 2024, online stake limits are to be introduced at GBP5 per spin for those aged 25 years and above, and GBP2 per spin for those aged under 25. There will be a minimum six-week transition period for operators to introduce a GBP5 stake limit for all customers; followed by a further six weeks for the development of any necessary technical solutions before the lower stake limit of GBP2 for young adults is introduced. The changes require secondary legislation and were due to be introduced in September 2024 but the necessary statutory instruments have not yet been introduced.

Pre-commitment tools

The White Paper proposed enhanced player-centric tools, such as mandating deposit limits with an opt-out option. The Gambling Commission's Autumn Consultation sought views on minimising friction in the customer journey when choosing customer-led tools, and on a cross-operator deposit limit. At the time of writing, a response is awaited.

Gambling ombudsman

The voluntary creation of a gambling ombudsman to be an independent, free to use, statutory body to handle social responsibility complaints from consumers. The Gambling Commission expected the gambling ombudsman to be accepting complaints within a year of publication of the White Paper. However, this was not achieved and, at the time of writing, further update from the government is awaited. The Betting and Gaming Council is preparing a code

which will set out the gambling ombudsman's framework.

Cross-sport gambling sponsorship code of conduct

On 13 March 2024, it was announced by the government that the code of conduct had been finalised and binds domestic sports' governing bodies to four core principles:

- reinvestment into sport;
- maintaining sport integrity;
- protecting children and other vulnerable people; and
- ensuring socially responsible promotion.

A number of major sports' governing bodies also agreed to Codes of Conduct for Gambling Related Agreements, which was announced in August 2024.

Increased Gambling Commission fees

DCMS' consultation on the topic is awaited, however it is expected that the revised funding system will enable the Gambling Commission to adjust its fees on an annual basis where necessary, increasing or reducing fees as appropriate.

The White Paper is an enormous milestone and a once-in-a-generation opportunity for the industry. Whilst progress has been made on implementing the White Paper proposals, largely due to the general election, there is still significant work to be done as a number of proposals remain unaddressed or await government and Gambling Commission responses following consultations.

The change in government following the general election has undoubtedly contributed to the delay, particularly in respect of the proposals that require secondary legislation. Please see

the [UK Trends and Developments chapter](#) for further insight and commentary.

Enforcement

Anti-money laundering, safer gambling and consumer protection have been continuing areas of key focus across UK gambling sectors in recent years, as reflected in high-profile enforcement action; and this is not set to change. It is expected that Gambling Commission engagement with licensees will continue to increase in these areas and, if necessary, will include enforcement action.

During the 2023–2024 financial year, the Gambling Commission issued nearly GBP47 million in penalty packages, including one suspension. At the time of writing, this year has seen less enforcement action, with six penalty packages against licensees totalling approximately GBP680,000, two warnings against operators, 11 warnings issued to PML holders and one PML revoked.

Anti-money Laundering

In the last year, changes have been made to AML legislation impacting the anti-money laundering and counter-terrorist financing obligations of licensees. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations were amended by two separate amendment regulations to update the meaning of a “high-risk third country” and address the treatment of politically exposed persons who are entrusted with prominent public functions by the UK. The Proceeds of Crime Act 2002 was also updated in October 2023 by separate legislation to introduce two new exemptions to money laundering offences that apply to casinos.

Regulatory Returns Reporting

From 1 July 2024, licence condition 15.3.1 was updated to require all licensees to submit their regulatory returns on a quarterly basis, within 28 days of the end of each quarterly period. Previously, regulatory returns for certain licensable activities could be submitted annually. On the same date, the Gambling Commission also updated its regulatory returns guidance to remove guidance that applied to historic questions, and to amend the wording of guidance for clarity, based on feedback from licensees.

Fourth National Lottery Licence

The fourth National Lottery licence was officially granted to Allwyn Entertainment UK Limited on 1 February 2024. Litigation following the Gambling Commission’s decision to award the licence, following the tender process, has largely ceased, although one remaining legal challenge is listed for a trial in late 2025.

Tax

The Labour government’s budget announced on 30 October 2024 did not increase UK gambling taxes. However, the government plans to reform, consolidate and simplify the current structure for remote gambling over the next year.

Economic Crime Levy

On 1 April 2022, HM Treasury implemented the obligation for firms supervised under the Money Laundering Regulations 2017 to pay a levy in relation to economic crime and anti-money laundering. The levy was introduced under The Economic Crime (Anti-Money Laundering) Levy Regulations 2022. For casinos (including B2Bs holding a casino (game host) operating licence), the levy is collected by the Gambling Commission. The levy payable is dependent on the casino’s UK revenue (not GGY) for the financial year, as follows.

- Small: UK revenue does not exceed GBP10.2 million – no fee.
- Medium: UK revenue is greater than GBP10.2 million but does not exceed GBP36 million – GBP10,000 fee.
- Large: UK revenue is greater than GBP36 million but does not exceed GBP1 billion – GBP36,000 fee.
- Very large: UK revenue exceeds GBP1 billion – GBP250,000 fee.

Industry Forum

Following its announcement of the formation of an industry forum in September 2023, the Gambling Commission confirmed in November 2023 that Nick Rust had been appointed chairperson of the industry forum for a two-year term. The industry forum comprises ten members and representatives of the gambling industry, whose role it is to provide the Gambling Commission with insight from the industry about the Gambling Commission’s plans, services and operating environment including areas such as account management, data and technology and policy.

2. Jurisdictional Overview

2.1 Online

The following online sectors are regulated in Great Britain:

- betting (live, in-play, fixed-odds and pari-mutuel, betting exchanges and intermediaries);
- bingo;
- casino;
- fantasy sports;
- gaming machines;
- gambling software;
- lotteries; and
- poker.

Free-to-play social gaming is not regulated. The Gambling Commission concluded, following a scoping review in 2015, that the sector did not require regulation but would continue to be monitored by the Gambling Commission for any potential risks.

See 2.2 Land-Based for product definitions.

2.2 Land-Based

The following land-based sectors are regulated in Great Britain.

- For arcades, each arcade category can offer a specific subcategory of gaming machine. Those under 18 years of age may not be allowed access to the adult-only section of a licensed family entertainment centre or an adult gaming centre. Arcades can be divided into three categories:
 - (a) adult gaming centres;
 - (b) licensed family entertainment centres; and
 - (c) unlicensed family entertainment centres.
- Betting (live, in-play, fixed-odds and pari-mutuel, betting exchanges and intermediaries). See 3.2 Definition of Gambling for a definition of betting.
- Bingo is not defined in UK legislation; however, the Gambling Commission has published guidance stating that bingo constitutes “equal chance” gaming. See its website for further guidance.
- “Casino” constitutes arrangements providing people an opportunity to participate in one or more casino games. “Casino game” means a game of chance that is not equal-chance gaming.
- Fantasy sports is not defined in the 2005 Act, but the Gambling Commission has issued guidance on its website regarding this product.

- “Gaming machine” means a machine that is designed or adapted for use by individuals to gamble (whether or not it can also be used for other purposes).
- “Gambling software” is defined as computer software used in connection with online gambling, which does not include software used solely in connection with a gaming machine. Given the complexity of this term, the Gambling Commission issued an advice note in June 2014 on what constitutes gambling software.
- Lotteries (raffles), excluding commercial lotteries. See **3.2 Definition of Gambling** for a definition of lotteries.
- Poker – in spite of the skill element, the chance element that the deal of a card introduces means that poker falls within the definition of gaming. See **3.2 Definition of Gambling** for a definition of gaming.

3. Legislative Framework

3.1 Key Legislation

The key legislation applicable to the gambling sector is as follows:

- the Gambling Act 2005;
- the Gambling (Licensing and Advertising) Act 2014;
- the National Lottery Act of 1993 (as amended by the National Lottery Act of 2006);
- the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;
- the Fifth Anti-Money Laundering Directive;
- the Proceeds of Crime Act 2002 (Part 7); and
- the Terrorism Act 2000.

The 2005 Act is set out as follows:

- Part 1 interprets key concepts and contains definitions of important terms;
- Part 2 establishes the Gambling Commission’s powers and duties;
- Part 3 deals with offences;
- Part 4 addresses the protection of children and young persons; and
- Parts 5, 6, 7 and 8 deal with various types of licences.

The LCCP is issued under the 2005 Act, Section 24, and is, in the authors’ opinion, the key reference document with which all licence holders should familiarise themselves.

3.2 Definition of Gambling

Gambling, in the 2005 Act, means gaming, betting or participating in a lottery.

Gaming means “playing a game of chance for a prize”, including games where the chance element can be eliminated by superlative skill. “Prize” constitutes money or money’s worth and “playing” means a chance of winning, irrespective of whether there is a risk of any loss.

Betting means the making of, or acceptance of, bets on:

- the outcome of an event;
- the likelihood of anything occurring or not; or
- whether anything is true or not.

Subcategories of betting include:

- real-event betting (ie, fixed-odds betting);
- virtual-event betting (based on a random number generator);
- betting intermediary (peer-to-peer); and
- pool betting.

Lotteries are classed as “simple” or “complex” and they cannot be run for private or commercial gain. Lotteries are “simple” if:

- payment is required to participate;
- one or more prizes is allocated to one or more members of a class; and
- the allocation of prizes relies wholly on chance.

Complex lotteries differ on the point of prize allocation, whereby prizes are allocated by a series of processes, the first of which relies wholly on chance.

Subcategories of lotteries include:

- society lotteries (small and large);
- local authority lotteries;
- incidental lotteries;
- private lotteries;
- customer lotteries; and
- the National Lottery (subject to separate legislation).

The 2005 Act also addresses the following cross-category activities in the event that products satisfy more than one of the above definitions of gambling:

- betting and gaming;
- lotteries and gaming; and
- lotteries and betting.

3.3 Definition of Land-Based Gambling

Land-based gambling is not specifically defined under the 2005 Act.

3.4 Definition of Online Gambling

Online gambling is referred to as “remote gambling” and means “gambling in which persons

participate by the use of remote communication”. Remote communication includes:

- the internet;
- telephone;
- television;
- radio; or
- any other kind of electronic or other technology for facilitating communication.

3.5 Key Offences

Part 3 of the 2005 Act covers all offences; however, key offences are as follows.

- Providing facilities for gambling (2005 Act, Section 33):
 - (a) without authorisation from the Gambling Commission, whether through a licence or acting in the course of another’s business who holds a licence; or
 - (b) in a manner not in accordance with the terms and conditions of any licence held either by the licence holder or in the course of another’s business who holds such licence.

“Providing facilities for gambling” occurs where a person satisfies at least one of the following:

- inviting others to gamble in accordance with arrangements made by them;
- providing, operating or administering arrangements for gambling by others; or
- participating in the operation or administration of gambling by others.

Other key offences of note include:

- inviting, causing or permitting a child (under the age of 16) or young person (not a child, but less than 18) to gamble (2005 Act, Section 46);

- manufacturing, supplying, installing or adapting gambling software, in the course of business, without an operating licence while physically located in the UK (2005 Act, Section 41); and
- cheating at gambling or doing anything to enable or assist another person to cheat at gambling (2005 Act, Section 42).

As part of its focus on tackling unlicensed gambling, the Gambling Commission will be given new powers to disrupt illegal gambling. See **9.5 Sanctions/Penalties** for advertising sanctions and penalties and the [UK Trends and Development chapter](#).

3.6 Penalties for Unlawful Gambling

The penalties for the key offences listed in **3.5 Key Offences** and **9.5 Sanctions/Penalties** are a maximum of 51 weeks' imprisonment and/or an unlimited fine.

3.7 Recent or Forthcoming Legislative Changes

See **1.1 Current Outlook and Recent Changes**.

4. Licensing and Regulatory Framework

4.1 Regulatory Authority

The Gambling Commission and various licensing authorities enforce the 2005 Act. Under the 2005 Act, Part 2, the Gambling Commission's primary functions include:

- issuing operating licences;
- issuing personal licences;
- specifying general licence conditions for each type of licence and any individual licence conditions that it considers appropriate;

- issuing codes of practice concerning the way in which facilities for gambling are to be provided;
- regulating licence holders;
- investigating and prosecuting illegal gambling and other offences under the 2005 Act;
- issuing guidance to local authorities on their role; and
- advising the Secretary of State on the incidence of gambling, how it is carried out, its effects and its regulation.

The Advertising Standards Authority (ASA) regulates gambling advertising in the UK. See **11. Enforcement**.

4.2 Regulatory Approach

The Gambling Commission's approach to regulation is risk-based, with the aim of continuing to raise standards. The Gambling Commission indicated in its Business Plan, of 1 April 2024 to 31 March 2025, that it is investing in areas that will be important in the coming years and its five strategic focus areas are:

- using data and analytics to make gambling regulation more effective;
- enhancing its core operational functions;
- setting clear, evidence-based requirements for licensees;
- being proactive and addressing issues at the earliest opportunity; and
- regulating a successful National Lottery.

4.3 Recent or Forthcoming Changes

See **1.1 Current Outlook and Recent Changes**.

4.4 Types of Licences

The types of licences are:

- generally, for companies – operating licences and, if applicable, premises licences; and

- for individuals – personal licences.

Generally, the operating licence types are:

- non-remote for land-based activities (these will require an accompanying premises licence, as detailed below); or
- remote for online activities.

The 2005 Act enables the Gambling Commission to authorise all regulated land-based and online activities outlined in **2.1 Online** and **2.2 Land-Based**, including gambling software. Licences authorising multiple licensable activities (for instance, bingo and casino) are classed as a “combined operating licence”. Subject to exceptions, licences are also amenable to “umbrella” arrangements for those acting in the course of another’s business. “Umbrella” arrangements are approved at the Gambling Commission’s discretion following a review of various factors, including:

- consolidation of company accounts;
- ownership structure;
- responsibility for compliance; and
- governance arrangements.

See also **6. Online Gambling**.

Premises Licences

Premises licences, issued by the relevant licensing authority (not the Gambling Commission), are available that authorise the following activities:

- casinos;
- bingo;
- an adult gaming centre for making Category B gaming machines available for use;
- a family entertainment centre, for Category C gaming machines; and
- betting.

See **5.1 Premises Licensing** for requirements.

4.5 Availability of Licences

Operating licences and personal licences are readily available subject to the fulfilment of application criteria and payment of the application fee.

Land-based casino premises licences are sub-categorised into “small”, “large” and “converted”. Converted casino premises licences were awarded under the repealed Gaming Act 1968. They may be moved to alternative premises within the same licensing authority area, but there are no new licences available. Sixteen “small” and “large” casino premises licences were issued under the 2005 Act and awarded by the relevant licensing authority area following a public competition. To date, four of the large casino premises licences have been awarded, with one casino since closing. The White Paper proposes to reallocate any unused 2005 Act casino premises licences to other local authority areas. (See “Premises Licences” in **4.4 Types of Licences**.)

4.6 Duration of Licences

Pursuant to the 2005 Act, Section 110, operating licences are indefinite in duration, subject to the payment of annual fees and compliance with licence terms and conditions.

4.7 Application Requirements

Key Application Requirements for Operators

Operating licence applications must be submitted to the Gambling Commission, which will conduct an extensive investigation (having regard to the licensing objectives) in order to determine the applicant’s suitability to carry out the licensed activities. The Gambling Commission broadly uses the following principles to assess any application:

- identity and ownership;
- finances;
- integrity;
- competence; and
- criminality.

The 2005 Act, Section 69(2), requires that operating licence applications:

- specify the activities to be authorised by the licence;
- specify a UK correspondence address;
- be made in the form and manner decided by the Gambling Commission (applications must now be made via the Gambling Commission's online system);
- disclose any relevant offences;
- include documents and information requested by the Gambling Commission; and
- be accompanied by the prescribed fee.

Currently, there are no server location or data storage obligations.

Furthermore, the Gambling Commission introduced a strict policy, from April 2018, to reject incomplete applications.

Key Differences, If Any, Between Application Requirements for Land-Based and Online Operators

Land-based casinos are generally considered to be a high-impact activity in terms of the Gambling Commission's work, which means that applications may attract a high level of scrutiny and interest. In addition, non-remote casino operating licence applications must be accompanied by a casino premises licence application, which must be submitted to the licensing authority of the area in which the premises are situated.

4.8 Application Timing

Subject to full information being provided, Gambling Commission guidance indicates that operating licence applications take approximately 16 weeks to process, although the Gambling Commission acknowledges on its website that applications may take longer, and these timescales may be affected by the quality and complexity of the application, suitability of the applicant or those relevant to the application and caseworker availability.

In the authors' experience, this timeframe is often exceeded in cases, particularly where it relates to a complex product, ownership structure of funding arrangements.

4.9 Application Fees

Application fees for operating licences are determined by the types of activities and financial projections for the first year. These can be calculated using the Gambling Commission's online fees calculator. As announced in the White Paper, fees are expected to increase, with a DCMS consultation on reviewing fees expected in 2025.

4.10 Ongoing Annual Fees

Annual fees are determined in the same way as application fees, outlined in 4.9 Application Fees. Annual fees may be found on the Gambling Commission's website or may be calculated using the online fees calculator. As announced in the White Paper, Gambling Commission fees are expected to increase. A DCMS consultation on reviewing fees was expected in 2024, but at the time of writing DCMS has not published this consultation.

5. Land-Based Gambling

5.1 Premises Licensing

The requirements for a premises licence are:

- that they must be held, or applied for, in conjunction with an operating licence authorising the activity for which the premises are to be used;
- the right to occupy the premises (freehold, leasehold or tenancy); and
- that only one premises licence can apply to particular premises at a time (subject to exceptions).

5.2 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

6. Online Gambling

6.1 B2C Licences

Historically, remote operating licences did not reflect the distinction between B2B and B2C business models. B2B operators hosting games through B2C websites required a licence authorising remote casino, bingo, betting (virtual events) or betting (real events), in addition to gambling software, as hosting games constitutes providing facilities for gambling. However, new legislation introduced in April 2017, the Gambling (Operating Licence and Single-Machine Permit Fees) Regulations 2017 (SI 2017 No 303), created B2B-specific “host” subcategories:

- casinos (game host);
- bingo (game host);
- general betting (host) (real events); and
- general betting (host) (virtual events).

However, these licences are subject to various requirements, including that:

- the company must hold a gambling software operating licence; and
- the company must not contract with players directly.

6.2 B2B Licences (Suppliers, Software, Etc)

See 6.1 B2C Licences.

6.3 Affiliates

Affiliates are not regulated by the Gambling Commission, as companies only providing advertising services or branding to a gambling operator do not require an operating licence. SRCP 1.1.2 provides that responsibility for third-party compliance lies squarely with the licence holder, who must ensure that third parties “conduct themselves in so far as they carry out activities on behalf of the licensee as if they were bound by the same licence conditions and subject to the same codes of practice as the licensee”. SRCP 1.1.3 provides that remote licensees must ensure that third-party user interfaces comply with the Gambling Commission’s technical standards for remote gambling systems. This positive obligation on licensees was confirmed in the White Paper and by the current Gambling Commission Deputy CEO, Sarah Gardner, reiterating the obligation on licensees on 15 June 2023 by stating that “many operators” should check “whether appropriate oversight of affiliates is in place”.

6.4 White Labels

See 6.3 Affiliates. The Gambling Commission also provided guidance on how it expects licence holders to conduct white label partnerships in section 7 of its Compliance and Enforcement Report 2019 to 2020.

6.5 Technical Measures

There are no technical measures in place regarding consumer protection, and the Gambling

Commission does not have direct powers to enforce either payment or website blocking. However, it seeks to protect consumers' rights, through its powers under the 2005 Act for seeking enforcement action.

6.6 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

7. Responsible Gambling (RG), Also Known as Safer Gambling (SG)

7.1 RG Requirements

Responsible gambling – now coined “safer gambling” by the Gambling Commission – is one of the Gambling Commission's biggest areas of focus, across licensing, compliance and enforcement. Its oversight and requirements are broad, meaning they cannot be summarised in this chapter. The focus, which stems from the third licensing objective (protecting children and other vulnerable persons from being harmed or exploited by gambling), is proper identification and engagement with those who may be at risk of, or experiencing, harm, ensuring that terms and conditions are clear, fair and straightforward for consumers and do not target vulnerable or self-excluded customers.

There have been repeated examples of customers being allowed to gamble significant sums of money in short timeframes, considerably beyond their personal affordability, and without any intervention from the operator.

Key SG requirements include:

- preventing underage gambling and utilising age verification measures;

- detailed requirements regarding customer interaction, including taking into account the Gambling Commission's remote customer interaction guidance under SRCP 3.4.3;
- the provision of gambling management tools (see 7.2 Gambling Management Tools);
- that licensees must, as soon as practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer;
- that, at the end of any self-exclusion period chosen by the customer, self-exclusion remains in place, for a further six months, unless the customer takes positive action to gamble again;
- that, notwithstanding the expiry of the period of self-exclusion chosen by a customer, no marketing material should be sent to them unless and until they have asked for, or agreed to accept, such material; and
- that, licensees must undertake a financial vulnerability check for customers that meet certain thresholds, and such check must include a customer-specified public record information check for significant indicators of potential financial vulnerability.

7.2 Gambling Management Tools

Gambling management tools include:

- making information readily available to customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling;
- self-exclusion (operator and national) with a minimum of six months (up to 12 months);
- financial limit (deposit, spend or loss);
- timers;
- reality checks; and
- timeouts (24 hours, one week, one month or such period as reasonably requested by the customer, up to six weeks).

The Multi-Operator Self-Exclusion Scheme (MOSES) assists land-based operators with identifying at-risk gamblers. GAMSTOP is the online equivalent, initiated by the Gambling Commission and led by the Remote Gambling Association. Since 31 March 2020, all online gambling operators have been required, under the LCCP, to join GAMSTOP. Since 1 April 2024, this requirement extends to all gambling operators that make and accept bets by telephone and email.

7.3 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes and 13.1 Anticipated Reform.

8. Anti-money Laundering (AML)

8.1 AML Legislation

The current primary legislation is the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (implementing the Fifth Anti-Money Laundering Directive). This was amended in January 2024 by various regulations to update the meaning of a “high-risk third country” and address the treatment of politically exposed persons who are entrusted with prominent public functions by the UK.

Money-laundering offences are outlined in the Proceeds of Crime Act 2002 (POCA) and the Terrorism Act 2000 (TACT). POCA was updated in October 2023 to introduce two new exemptions to money laundering offences that apply to casinos.

The Gambling Commission has also issued guidance for casinos, and separately for non-casinos, regarding their duties and responsibilities under POCA. The Gambling Commission most

recently updated its guidance for casinos in May 2023 to incorporate requirements surrounding “proliferation financing”. Proliferation financing is the act of providing funds for the manufacture, acquisition, use or supply of chemical, biological, radiological or nuclear weapons, goods or technology. The updated guidance requires casino operators to undertake a proliferation financing risk assessment to identify, assess and mitigate the risk of proliferation financing.

8.2 AML Requirements

See 8.1 AML Legislation. The AML requirements are complex and cannot be adequately summarised here, particularly given the Gambling Commission’s ongoing focus and extensive casework in this area. Generally, the Gambling Commission expects licensees to comply fully with the terms of their licence, as relevant to AML and CTF, and to pay close regard to the various guidance documents it issues.

Compliance and enforcement activity continue to reveal that operators’ AML policies, procedures and controls are not fit for purpose and, in many cases, customers are allowed to gamble using the proceeds of criminal activity. The Gambling Commission has warned the industry that “a failure to digest [its] guidance and implement the legislative requirements applicable to Great Britain... must change, for these are not just regulatory matters but breaches of UK law. Those failing to learn these lessons will face further draconian action”.

8.3 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

9. Advertising

9.1 Regulatory/Supervisory Agency

The ASA regulates UK advertising and, therefore, gambling advertising. However, it does not carry any enforcement powers. Instead, and as the LCCP has specific rules on advertising, any gambling advertising breaches by a licence holder may lead to enforcement action by the Gambling Commission. This includes seeking criminal prosecution, as breach of a licence condition is a criminal offence under the 2005 Act, Section 33.

9.2 Definition of Advertising

“Advertising” is widely defined under the 2005 Act, Section 327, and generally encompasses any action that encourages one or more persons, either directly or through an agent, to engage in facilities for gambling. This covers most forms of advertising, including online content and emails to consumers.

9.3 Key Legal, Regulatory and Licensing Provisions

See **9.2 Definition of Advertising**. Advertising must be socially responsible and comply with the LCCP; in particular, SRCP 5.1.6. The key LCCP advertising provisions are that:

- all advertising of gambling products and services should be undertaken in a socially responsible manner;
- operators should comply with the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (the “CAP Code”), the UK Code of Broadcast Advertising (the “BCAP Code”) and the Industry Code;
- adverts must not include a child or young person, and no one who is, or seems to be, under 25 may be featured participating in gambling;

- operators must satisfy themselves that their adverts are not misleading;
- operators must comply with any provisions of the CAP and BCAP Codes in relation to free bet and bonus offers, including by stating significant terms and directing customers to the full terms, which should be no further than one click away;
- no adverts should appear on any web page that provides advice or information on responsible gambling;
- operators must not place adverts on websites providing unauthorised access to copyrighted content and must take all reasonable steps to ensure that third parties (eg, affiliates) do not do so; and
- operators must be able to terminate contracts with third parties that breach this provision.

The following codes are also applicable:

- all UK gambling advertising – the Gambling Industry Code for Socially Responsible Advertising (the “Industry Code”), administered by the BGC;
- broadcast advertising – the BCAP Code, administered by the ASA; and
- non-broadcast advertising – the CAP Code, administered by the ASA.

The ASA also provides the following additional guidance:

- “Gambling advertising: protecting children and young people” (April 2019);
- “The marketing of gambling on eSports on social media” (April 2020);
- “Gambling advertising: responsibility and problem gambling” (November 2021);
- “Guidance on depiction of under-25s in lottery ads” (July 2022);

- “Gambling and lotteries guidance – protecting under-18s (October 2022)”;
- “Advertising Guidance – Age-restricted ads online” (November 2022); and
- “Gambling, betting and gaming: Appeal to children (May 2023)

The Gambling Commission’s web page “Advertising/marketing rules and regulations” provides an overview covering the various LCCP and industry regulations.

9.4 Restrictions on Advertising

See 9.3 Key Legal, Regulatory and Licensing Provisions. In addition, since 1 November 2014, gambling operators wishing to advertise in the UK must hold a Gambling Commission operating licence pertaining to the type of activity advertised. Separately, the Gambling Commission confirmed that advertising-only licences will not be granted.

Since August 2019, a voluntary “whistle-to-whistle” sports-betting advertising ban initiated by the UK betting sector (including a ban on all TV betting adverts during pre-watershed live sport) has been effective.

In relation to online search activity, from 1 October 2020, the industry introduced a list of negative keywords against which no online gambling advertising should be served. This is a voluntary measure that was introduced in the Industry Code.

In 2022, the Committee of Advertising Practice (CAP) announced the introduction of tough new rules for gambling advertisements. The new rules, which have been in effect since 1 October 2022, comprise a strong appeal test, which prohibits advertisements that are “likely to be of strong appeal to children or young persons,

especially by reflecting or being associated with youth culture”, meaning that sportspeople, social media influencers and other celebrities who are prominent in youth culture are prohibited from being used in gambling advertisements.

The White Paper did not materially restrict gambling advertising. However, it proposed that additional protections be required relating to cross-selling, free bets and bonuses, and the need to strengthen safer gambling messaging.

In April 2023, the Premier League made a voluntary commitment to banning advertising on the front of football shirts commencing at the end of the 2025/2026 season. Following the White Paper commitment to developing a cross-sport gambling sponsorship code, a number of major sports’ governing bodies also agreed to Codes of Conduct for Gambling Related Agreements, which was announced in August 2024.

From 1 May 2025, a new social responsibility code provision will require remote licensees to provide customers with options to opt-in to the product type they interested in and the channels through which they wish to receive marketing.

9.5 Sanctions/Penalties

The following constitute criminal offences and attract up to 51 weeks’ imprisonment and/or an unlimited fine.

- Inviting another person under 18 to gamble (2005 Act, Section 46).
- Advertising unlawful gambling (2005 Act, Section 330) – except for lottery promotion, advertised gambling is held to be unlawful if:
 - (a) the gambling advertised requires a licence, notice, permit or registration and, at the time of advertising, these arrangements have not been completed; or

- (b) arrangements for the advertised gambling are not such as to ensure that any exceptions to the offence apply.

The Gambling Commission also has the power to take regulatory enforcement action for breaches, including seeking to prosecute offenders.

9.6 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

10. Acquisitions and Changes of Control

10.1 Disclosure Requirements

Disclosure to the Gambling Commission is required within five working days of the licensee becoming aware (or as soon as possible) via a key event notification using the Gambling Commission's eServices, an online portal.

Separately, a change of control application providing detailed information and the appropriate fee must be submitted to the Gambling Commission for assessment of the suitability of the new controller(s) to uphold the licensing objectives regarding the existing licence. The application or notification of licence surrender must be provided within five weeks of the change occurring; otherwise, the licence will be revoked.

Subject to the Gambling Commission's assessment of all necessary information, the existing licence will either be granted continuance under the new controller(s) or will be revoked. Applications generally take much longer than the advertised 12 weeks.

Under the 2005 Act, Section 103, advance applications for persons or entities expected to become a controller can also be made prior to

the change occurring. The Gambling Commission will make a determination, based on the information submitted, that if the change were to occur, it is either "minded to grant" continuance of the existing licence, or "minded to revoke".

10.2 Change of Corporate Control Triggers

A change of corporate control is defined in Section 102 of the 2005 Act and occurs when a person or legal entity becomes a new "controller" (as derived from the Financial Services and Markets Act 2000, Section 422). This is a complex definition, and needs to be considered in detail, but is generally broken down as:

- 10% or more of the shares in the licensee or in a parent undertaking of the licensee;
- 10% or more of the voting power in the licensee or in a parent undertaking of the licensee;
- 10% or more of the rights to profits/dividends (if the licensee does not have share capital);
or
- less than 10%, but with the ability to exercise significant control over management of the licensee.

10.3 Passive Investor Requirements

The same requirements as previously stated in 10. Acquisitions and Changes of Control apply as there are no exemptions for passive investors.

10.4 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

11. Enforcement

11.1 Powers

Under the 2005 Act, Part 2, the Gambling Commission has the power to investigate and prosecute offences directly. Its regulatory powers also

include calling licences for review and initiating investigations in the following circumstances:

- to establish whether its conditions are being complied with;
- where it fears a licensee has been convicted of a relevant criminal offence;
- where it considers a licensee to be unsuitable to continue holding a licence; and
- generally, where a review is deemed appropriate.

The Gambling Commission's regulatory powers include:

- giving advice as to conduct;
- issuing a warning to a licence holder;
- attaching an additional condition to a licence;
- removing or amending a condition to a licence;
- suspending a licence;
- revoking a licence; and
- imposing a financial penalty following breach of a licence condition.

The Gambling Commission also has the power to commence a criminal prosecution. Where serious failings are revealed from a compliance assessment, the Gambling Commission may place a licensee in "special measures", which requires the licensee to prepare, submit and agree to an action plan to remedy the identified failings.

The Gambling Commission's approach to enforcement is currently set out in three key documents:

- the Statement of principles for licensing and regulation;
- the Licensing, compliance and enforcement, policy statement; and

- the Statement of principles for determining financial penalties.

11.2 Sanctions

Contravention of the 2005 Act, including the LCCP (issued under the 2005 Act), results in criminal liability. In August 2017, the Gambling Commission set out its "new vision" for its enforcement, emphasising its focus on putting consumers first. The key changes proposed included:

- putting all regulatory tools, including licence review (both of the operator and personal management licences), on an equal footing by removing the then current bias in favour of settlement;
- introducing higher penalties for breach, particularly where systemic and repeated failings were seen; and
- using time-limited discounts to create better incentives for early settlement.

In recent years, the Gambling Commission has garnered a reputation for taking enforcement against its licensees. In certain cases, a "regulatory settlement" is reached, meaning that it is not a sanction and stops short of a formal licence review. This is subject to the Gambling Commission's discretion and will only be considered if various factors are met, including:

- the licensee being open and transparent in its dealings with the Gambling Commission;
- the licensee being able to demonstrate that it has insight into apparent failings;
- a timely disclosure of material facts;
- preparedness to agree to the publication of a public statement setting out the failings in order to deter future non-compliance by others and/or share learning;

- preparedness to make a divestment of any amount accrued as a result of the failing;
- preparedness to follow advice and implement procedures to ensure there is no repetition of failings;
- preparedness to contribute to the direct costs to the Gambling Commission of investigating the matter in respect of which regulatory settlement is sought; and
- preparedness to volunteer a payment in lieu of the financial penalty the Gambling Commission might otherwise impose for breach of a licence condition.

The regulatory settlements and licence reviews are detailed in numerous public decisions or public statements issued on the Gambling Commission's website and usually include a financial penalty. A record penalty package of GBP19.2 million was issued to William Hill Group in March 2023. Recent financial penalties imposed by the Gambling Commission also include a GBP6 million fine against Gamesys Operations Limited in January 2024, GBP3.25 million fine against Done Bros (Cash Betting) (trading as Betfred) Limited in July 2023, and a GBP2 million fine against Videoslots Limited in June 2023. The fines were issued as a result of numerous social responsibility and anti-money laundering failures.

11.3 Financial Penalties

A financial penalty imposed by the Gambling Commission will usually consist of two elements:

- an amount to reflect any detriment suffered by consumers and/or remove any financial gain made by the licensee as a result of the contravention or failure; and
- an amount that reflects the seriousness of the contravention or failure, the impact on the licensing objectives and the need for deterrence.

The Gambling Commission will take into account all material circumstances of the case, such as:

- the seriousness and duration of the breach;
- whether it is a first-time offence;
- the involvement of management;
- the level of any financial gain from the breach; and
- the extent of steps taken to remedy the breach.

The Gambling Commission may discount the financial penalty where an operator has been transparent and co-operative. The Gambling Commission may also consider the need for a deterrence uplift to the penal element, having regard to the principle that non-compliance should be more costly than compliance and that enforcement should deliver strong deterrence against future non-compliance.

It is worth noting that the financial elements of regulatory settlement, which are not sanctions, are calculated differently, and the Gambling Commission has the power to impose a financial penalty without carrying out a licence review.

The Gambling Commission is responsible for issuing and enforcing financial penalties regarding any LCCP breaches. Any contravention of the 2005 Act itself is a criminal offence and will trigger a potentially unlimited fine, enforced by the courts, and imprisonment for up to 51 weeks (see **3.6 Penalties for Unlawful Gambling** and **9.5 Sanctions/Penalties**).

It is worth noting that any payment made as part of a regulatory settlement is not a financial penalty (as it is not a sanction) and is a payment made in lieu of a financial penalty. These are treated differently by the Gambling Commission

and could, theoretically, be enforced by recommending the licence review.

At the time writing, a response is awaited to the Gambling Commission's December Consultation regarding changes to criteria for imposing a financial penalty and penalty calculation methodology.

11.4 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

12. Tax

12.1 Tax Rate by Sector

The following rates are effective from 1 April 2022 and are applicable at the time of writing.

Bingo:

- 10% of bingo promotion profits.

Betting:

- 15% of "net stake receipts" for fixed-odds bets, totalisator bets on horse or dog races and bets taken on betting exchanges;
- 3% of "net stake receipts" for financial spread bets;
- 10% of "net stake receipts" for all other spread bets; and
- 15% of the commission charges charged by betting exchanges.

Casino ("gaming duty"):

- 15% of gross gaming yield for the first GBP2,686,000;
- 20% of gross gaming yield for the next GBP1,852,000;

- 30% of gross gaming yield for the next GBP3,243,000;
- 40% of gross gaming yield for the next GBP6,845,000; and
- 50% of gross gaming yield for the remainder.

Lottery:

- 12% of the price paid or payable on taking a ticket or chance in a lottery.

Machine games:

- 5% of net takings from dutiable machine games with a maximum cost to play of not more than GBP0.20 and a maximum cash prize of not more than GBP10;
- 20% of net takings from dutiable machine games with a maximum cost to play of not less than GBP0.21 and not more than GBP5, and a maximum cash prize of more than GBP11; and
- 25% of net takings from all other dutiable machine games with a maximum cost to play of more than GBP5.

Remote gaming duty:

- 21% of gross gaming revenues on all remote gaming transactions with customers whose usual place of residence is in the UK.

Please note, the majority of gambling activities are exempt from VAT.

12.2 Recent or Forthcoming Changes

See 1.1 Current Outlook and Recent Changes.

13. Personal Approvals and Licensing

13.1 Types of Authorisations and Licences

Personal Licences

Personal licences are issued by the Gambling Commission under section 80 and Part 6 of the 2005 Act and governed by Part 3 of the LCCP. They allow the Gambling Commission to regulate individuals occupying specific roles and/or responsible for certain activities, and to hold them to account for failings, including any inadvertent or deliberate breaches of the LCCP committed by a gambling business.

The two types of personal licences are:

- a PML; and
- a personal functional licence (PFL).

At the time of writing, the LCCP requires persons with responsibility for any of the below specified management offices, as listed in licence condition 1.2.1, to hold a PML:

- overall strategy and delivery of gambling operations;
- financial planning, control and budgeting;
- marketing and commercial development;
- regulatory compliance;
- gambling-related IT provision and security; and
- the money-laundering reporting officer (casinos only).

On 29 November 2024, licence condition 1.2.1 will be updated to:

- make it clear that the individual responsible for the overall strategy and delivery of

gambling operations should be the CEO or equivalent;

- require a PML from the board chairperson (unless that person only holds the position on a transient and short-term basis); and
- require those responsible for anti-money laundering and counter-terrorist financing, including the money-laundering reporting officer, to hold a PML.

The Gambling Commission will also assess, on a case-by-case basis, whether CEOs and directors of “parent companies or subsidiaries in the group” need to hold PMLs.

Key individuals for small-scale operators (SSO) may be exempt from this requirement to hold a PML and may continue to apply instead to hold an Annex A authorisation.

Individuals working in a casino who perform any function that enables to influence the outcome of gambling, or are handling cash (for example, croupiers, dealers and cashiers), must hold a PFL. Under the 2005 Act, Section 133, personal licences may not be issued to individuals who already hold such a licence, but may authorise the performance of more than one function.

Annex A Authorisation

Annex As are a type of Gambling Commission approval or authorisation. Individuals who are controllers (generally, with 10% or more equity and/or voting rights) in an existing or proposed licensee, or a parent undertaking of an existing or proposed licensee, must apply for an Annex A authorisation from the Gambling Commission. Subject to the Gambling Commission’s discretion, operators meeting the SSO exemption may hold Annex As instead of PMLs.

13.2 Application Process

Personal licence and Annex A applications must be submitted to the Gambling Commission, which will assess the application according to the same suitability criteria as for operating licences.

The requirements for personal licence applications and Annex A applications are broadly the same, but the specific requirements may vary depending on the particular circumstances. Generally speaking, applications require:

- identity documentation;
- address history;
- employment history and training information;
- a police report;
- a credit report; and
- statement of assets and liabilities (depending on the circumstances of the application).

At the time of writing, application fees for personal licences are GBP370. There is no application cost for Annex A applications.

The Gambling Commission's standard service time for processing personal applications is eight weeks. In the authors' experience, the timeframe is usually much shorter.

13.3 Ongoing Annual Fees

Personal licences are subject to maintenance every five years by providing updated personal information and paying a fee of GBP370. Failure to maintain the licence will result in revocation.

There are no ongoing fees for Annex As.

13.4 Ongoing Requirements

General conditions for licences, as stipulated by the 2005 Act, Section 75, are listed under Part 3 of the LCCP. In particular, personal licence

condition 1(3) requires personal licence holders to notify the Gambling Commission within ten working days of any personal key events, which include:

- their subjection to any criminal investigation which is listed under Schedule 7 Relevant Offences of the 2005 Act;
- their conviction of any offence listed under Schedule 7 Relevant Offences of the 2005 Act;
- any current or pending investigation by a professional, statutory, regulatory or government body in Great Britain or abroad;
- the imposition of any sanction or penalty against them following an investigation by any professional, statutory, regulatory or government body in Great Britain or abroad;
- the imposition of a disciplinary sanction against them, including dismissal, for gross misconduct;
- their resignation from a position for which a personal licence is required following commencement of disciplinary proceedings in respect of gross misconduct;
- their disqualification from acting as a company director;
- the presentation of a petition for their bankruptcy or sequestration or their entering into an individual voluntary agreement; and
- a change in their name or address.

13.5 Personal Sanctions

Following a review of a personal licence, the Gambling Commission may impose:

- a warning;
- additional licence conditions or amending of existing ones;
- a financial penalty (only if a licence condition has been breached);
- suspension; and/or

- revocation.

To date, the Gambling Commission has not imposed a financial penalty or reached a payment in lieu of a financial penalty (as part of a regulatory settlement) in respect of a personal licence.

The Gambling Commission keeps a regulatory sanctions register, which contains details of sanctions imposed on personal licence holders following licence reviews.

13.6 Recent or Forthcoming Changes

See **1.1 Current Outlook and Recent Changes**.

Trends and Developments

Contributed by:

Bahar Alaeddini and Jessica Wilson

Harris Hagan

Harris Hagan is the only City of London law firm dedicated exclusively to the provision of legal services to all sectors of the gambling and leisure industries in the UK and internationally. The firm was established in 2004 by Julian Harris and John Hagan, and is driven by the long-term sustainability and success of the industry it cherishes. The firm's business includes gambling law, compliance and regulation, and it advises many of the world's largest

land-based and online gambling businesses (B2C and B2B), as well as many private equity firms, other investors, leading international law firms and start-ups. The firm, which is known for its first-class team of lawyers, being trusted advisors in the regulated gambling industry and commercial awareness of the challenges faced by clients, is now led by John Hagan and Bahar Alaeddini.

Authors



Bahar Alaeddini is a partner at Harris Hagan and specialises in all aspects of online and land-based gambling law. She advises major B2C and B2B gambling businesses, start-ups,

investors and financial institutions. Bahar advises on a full spectrum of licensing, compliance and enforcement matters, including changes of corporate control, the gambling aspects of mergers and acquisitions, complex licensing arrangements and restructuring. She is a member and general counsel of the International Association of Gaming Advisors, a founding member of the VIXIO GamblingCompliance Executive Advisory Board, and a member of Global Gaming Women.



Jessica Wilson is a senior associate at Harris Hagan and advises land-based and online gambling businesses (B2C and B2B), as well as many start-ups. She advises clients on legal

classification, non-remote and remote licence applications, premises licensing, personal applications, change-of-corporate-control applications, transaction due diligence, general compliance and reporting requirements, compliance assessments and enforcement matters.

Harris Hagan

6 Snow Hill
London
EC1A 2AY
UK

Tel: +44 207 002 7636
Email: info@harrishagan.com
Web: www.harrishagan.com



Introduction

The gambling industry in Great Britain has been kept on its toes since December 2020 when the government launched its review of the Gambling Act 2005 (the “Gambling Review”). It was not until 30 months later, in April 2023, when the much-anticipated white paper, “High Stakes: gambling reform for the digital age” (the “White Paper”) was published, setting out how the government would work with the Gambling Commission (the “Commission”) and other stakeholders to reform the regulation and legislation governing the gambling sector.

The Gambling Review had been hugely controversial and contested, with the loudest voices often coming from the anti-gambling lobby, who believe gambling is immoral and should be prohibited completely, rather than looking to reduce problem gambling. That period of unrest drew to a close upon publication of the White Paper, which provided the beginnings of some certainty and direction regarding the government’s policy objectives. The White Paper received a positive reception due to its balance of consumer freedoms and the prevention of harm, and for providing something for every stakeholder. The government and the Gambling Commission began work on implementing the proposals

in summer 2023 and numerous consultations were launched, and responses published, over the following 12 months. However, progress was brought to a standstill in July 2024 when the general election was called, resulting in a new Labour government. The industry now waits patiently to see whether and when the government will implement the proposals as drafted in the White Paper.

Aside from the White Paper, enforcement and compliance remain areas of focus for the Gambling Commission, the contested Gambling Survey of Great Britain (GSGB) was launched, M&A activity has increased, and there has been a refreshed focus on tackling illegal gambling.

The White Paper

The White Paper detailed more than 60 proposals, including approximately 20 significant policy changes in the following areas:

- online protections;
- marketing and advertising;
- the Gambling Commission’s powers and resources;
- dispute resolution and consumer redress;
- children and young adults; and
- land-based gambling.

The proposals will be implemented through a combination of primary legislation, secondary legislation, changes to the Licence Conditions and Codes of Practice (LCCP), and voluntary commitments.

Key proposals in the White Paper include:

- the introduction of a statutory levy, replacing the current voluntary commitment;
- the introduction of soft-touch financial vulnerability checks on customers that reach certain thresholds, alongside “frictionless” financial risk assessments (the financial risk assessments are subject to a six-month pilot running from August 2024 to March 2025);
- changes to online game design rules to bring the requirements for other products in line with the current requirements for online slots;
- the introduction of a statutory, free to use gambling ombudsman to handle social responsibility complaints;
- the introduction of direct marketing requirements to provide customers with options to opt-in to marketing; and
- the introduction of online stake limits at GBP5 per spin for those aged 25 years and above, and GBP2 a spin for under 25s.

Please see the [UK Law and Practice chapter](#) for further detail of the proposals.

Broadly speaking, the White Paper has something good for every stakeholder, for which the Department for Digital, Culture, Media and Sport (DCMS) should be commended. However, whilst balanced and coherent, the White Paper lacked a lot of detail, meaning significant work had to be done through the critical consultation phase. The first of the consultations was launched in July 2023, and there have been a total of six consultations launched by the Gambling Com-

mission or DCMS that are relevant to the White Paper, with further consultations expected.

Timing

The government and the Gambling Commission aimed to implement most key White Paper proposals by summer 2024. At the time of writing, progress has been made, but the timeframe has not been met. Only a handful of proposals have been introduced or have set dates to be introduced, for example financial vulnerability checks and changes to online game design requirements. Whilst six consultations were launched following publication of the White Paper, four responses or partial responses have been published, and the industry still awaits a consultation on the Gambling Commission’s fees.

The general election in July 2024, which was originally anticipated to take place in autumn 2024, shortly followed by the summer recess, undoubtedly has been a cause of the delay, particularly in respect of the proposals that can only be implemented through secondary legislation and therefore requiring parliamentary time. Affected proposals include the introduction of a statutory levy (which was originally anticipated to come into force in April 2025), some of the land-based modernisation measures, and online stake limits for slots (which were originally anticipated to be introduced in September 2024).

Despite the Conservative government’s White Paper receiving cross-party support, there is, of course, concern that the new Labour government will not implement the proposals as originally anticipated, putting the delicate balance of stakeholder interests at risk. There is also the possibility that the new government will not progress some of the reforms at all. The industry awaits the government’s next move in the process of implementing the White Paper propos-

als, but the authors expect to see some progress in early 2025.

Once progress picks up, the authors strongly encourage the industry and its stakeholders to continue engaging with the Gambling Review and any future consultations.

Gambling ombudsman

The voluntary creation of a non-statutory gambling ombudsman is a cornerstone proposal of the White Paper and was due to start taking claims from summer 2024. However, any progress regarding its establishment is yet to be seen. The intention is the gambling ombudsman will be an independent, free to use, non-statutory body that will handle social responsibility complaints from consumers.

There has been some concern in the industry that the gambling ombudsman could create precedent for operators. Unlike courts, which consider lawfulness and create precedent and case law, ombudsmen have a broader remit of resolving complaints and disputes, and by nature do not create precedent. Ombudsmen themselves are not required to follow precedent and are to consider each case in the specific circumstances. However, it is plausible that decisions they make could lead to views of “good practice” in the industry, and there is the possible risk of previous ombudsman decisions being cited by new claimants, opening the possibility of a duty of care being established should claimants take a legal route.

The Betting and Gaming Council has been tasked with creating a code for the gambling ombudsman, which will set out its regulatory framework, before the appointment process begins. Given the steady increase in complaints received by operators, the authors anticipate the

gambling ombudsman will be a welcome addition to the industry and, once it is launched, will likely be very busy. However, there are a number of complex issues that need to be addressed to achieve quality outcomes and protect the integrity of the scheme.

The GSGB

The GSGB is a new data collection survey developed by the Gambling Commission to “provide high quality information about gambling habits, attitudes and harms experienced across the adult population”. The first release on 25 July 2024 was based on 10,000 responses, with the intention that future years will have approximately 20,000 responses.

There has been widespread concern within the industry as the new methodology, even by the Gambling Commission’s own admission, could overstate the prevalence of problem gambling. The Gambling Commission published guidance before the statistics were released acknowledging the limitations of the data and that it should not be used to calculate an overall rate of gambling-related harm in the UK, and that it will challenge any misuse of the data.

One of the key risks is that the limitations of the GSGB may not be understood by the government or other stakeholders, and the data could negatively impact both implementation of White Paper proposals in the short term, and the introduction of public policy not based on evidence in the medium to long term.

Compliance and Enforcement

The Gambling Commission has continued to exercise its enforcement powers against licensees, both operating licensees and personal licensees, over the past 12 months. The industry has also seen an increased focus from the

Gambling Commission on specific compliance areas; in particular regulatory returns, fee categories and source of funding.

Regulatory returns reporting and compliance has been a clear focus of the Gambling Commission since late 2023, when it issued several reminders to licensees of their responsibilities and their need to remain compliant with their stipulated fee categories. On 1 July 2024, changes to regulatory returns reporting were introduced, requiring licensees to submit quarterly regulatory returns for all licences. The changes came hand in hand with renewed guidance from the Gambling Commission, following changes to the questions asked and in response to feedback received from the industry.

Despite the changes to both reporting and the guidance, there remains a lack of clarity, particularly for B2B licensees where the Gambling Commission's requirements do not fit the reality of complex B2B revenue models. It is likely that regulatory returns will continue to be an area of development over the next 12 months.

M&A Activity

After a brief lull, M&A activity has significantly increased this year, despite the challenging macroeconomic climate. A number of key M&A trends have developed over that time, including activity branching into the previously untapped B2B sector, and an increased number of private equity take-privates. As interest rates continue to decrease, and as companies continue their expansion into other jurisdictions such as the USA, the growth of M&A activity is likely to continue, particularly as companies look to consolidate and restructure their businesses to optimise operational efficiency.

Illegal Gambling

Tackling illegal gambling and the black market have become an increased priority for the Gambling Commission, with Andrew Rhodes, Chief Executive of the Gambling Commission, stating that doing so is “central to [the Gambling Commission’s] objective of preventing gambling from being a source of crime”. A recent example of the Gambling Commission taking action is its prosecution of Sorare.com for providing facilities for gambling without holding an operating licence. Proceedings commenced in October 2024 and are ongoing at the time of writing.

The White Paper proposed introducing new powers for the Gambling Commission so it can more effectively take action against the illegal online gambling market through provisions set out in the Home Office’s Criminal Justice Bill. The Bill was introduced in the House of Commons on 14 November 2023 and is currently at the Commons Report stage. Similarly to other legislation, the change in government has no doubt caused a delay in progression. In the meantime, the Gambling Commission’s Corporate Strategy 2024 to 2027 cites increased investment, resource and capacity to tackle illegal gambling as a key commitment.

Separately, the International Association of Gaming Regulators has established an Illegal Gambling Working Group in response to the challenges faced by regulators in respect of illegal market activities.

Impact Metrics

Following publication of its Corporate Strategy 2024–2027, the Gambling Commission has updated the impact metrics it uses to measure its own impact in delivering the regulatory objectives set out in its Corporate Strategy. Impact metrics are data points chosen by the Gambling

Contributed by: Bahar Alaeddini and Jessica Wilson, **Harris Hagan**

Commission and include data from the GSGB, data it obtains internally from its own enforcement action against licensees or through licensee reporting requirements, and other public data sources such as the Young People and Gambling Survey or YouGov.

Generally speaking, the impact metrics chosen are reasonable, however, as admitted by the Gambling Commission, there are limitations and weaknesses with the data sets. For example, some data has been taken from the GSGB and the Gambling Commission notes that it is therefore not directly comparable against previous data, or where the Gambling Commission is using data from its own compliance assessments, it admits the data may be skewed where their assessment was in respect of a licensee with multiple licences as a single failing may impact all licences held. Further, there are six impact metrics where the Gambling Commission explains that it is looking to develop the data set further. Regardless of the inherent weaknesses, the Gambling Commission's transparency is welcomed, particularly considering recent industry concerns regarding misuse of statistics and increased pressure for regulatory action and change to be based on evidence, data and analytics.

Conclusion

In 2023, the authors wrote that the industry would look a little different in 12 months' time, and that is certainly the case. Despite the government's timeline to implement the White Paper proposals not being met and the current standstill in progressing the proposals further, the industry remains active and incredibly busy. The new Labour government has reintroduced an element of uncertainty in terms of what will be implemented and when, but it is hoped that the industry is not kept waiting for much longer and that the government continues to pick up implementation of the proposals where the Conservatives left off. There is no doubt that further significant change is on the horizon.

CHAMBERS GLOBAL PRACTICE GUIDES

Chambers Global Practice Guides bring you up-to-date, expert legal commentary on the main practice areas from around the globe. Focusing on the practical legal issues affecting businesses, the guides enable readers to compare legislation and procedure and read trend forecasts from legal experts from across key jurisdictions.

To find out more information about how we select contributors, email Katie.Burrington@chambers.com