

## Online gaming bill introduced in South Africa

South African MP Geordin Hill-Lewis published on 23 April the Remote Gambling Bill 2014, a private member's bill that would legalise online gambling in South Africa beyond the limited current offering of just sports betting.

"The new bill is definitely an improvement on the last rendition of the bill and is mostly positive," said Garron Whitesman, Founding Attorney at Whitesmans Attorneys. "It does, however, lack some degree of specificity which will only emerge from regulations and debate: for example, how many licences will be available and what the licence status will be on multi-product offerings."

Hill-Lewis' Bill is now open for public comment. After 30 days the Bill will be sent for debate at the Portfolio Committee on Trade and Industry, which will decide whether the Bill will be voted on by South Africa's Parliament.

"We will have to see what comes out of the comment and debate phases on the issue to see whether any further headway is made," said Whitesman. "Even if things do go fairly smoothly, I don't see a timeline of shorter than a year before a licensing regime is up and running."

## UK Gambling Commission releases first set of changes

The UK Gambling Commission published the first of three sets of amendments to the Licence Conditions and Codes of Practice (LCCP) applicable to all gambling operators on 31 March, in 'Part One' of its response to consultations held at the end of 2013 on proposed amendments to the LCCP and the protection of customer funds.

"Overall, one can't help but think that the Gambling Commission is trying hard to keep up with the pace of change, now that the Gambling (Licensing and Advertising) Bill has completed its progress through Parliament and is awaiting Royal Assent," said David Clifton, Director at Clifton Davies Consultancy Ltd.

Changes to the LCCP will be released in three parts and will come into effect on 1 August except for the requirement that remote operators source

gambling software from a UK licensed software supplier, which will come into effect on 1 January 2015. "Overseas licensed operators looking to become licensed in Great Britain for the first time are likely to think that three months' lead-time is barely sufficient to allow them to make the adjustments necessary in order to ensure compliance by 1 August," adds Clifton.

"The LCCP process has thrown up a number of issues. Operators need to be sure that they can obtain suitable group wide 'umbrella' licences quickly and easily," adds Jason Chess, Partner at Wiggin LLP. "We need clarity over gambling software. We need comfort around the testing regime required and we need comfort that the Commission isn't going to second-guess operators' bona-fide choice of territories in which they do business."

The Gambling Commission also issued a note on 8 April summarising its responses to a number of frequently asked questions (FAQs) raised by prospective licence applicants. A key area to be addressed was the requirements regarding 'grey markets.' All applicants must explain to the Commission their reasons for targeting jurisdictions in which they do not have a licence and that account for over 3% of their total revenue or 10% if the total revenue is less than £5 million.

"The Commission understands that given the inherent vagueness of the law and the regulation, guidance and advice from them is paramount," adds Chess. "The 'FAQs' are useful but we also need commercial guidance and advice on a whole range of other things, starting off with the basics, such as what exactly are and are not 'facilities for gambling'?"

## New Czech bill to open up online gaming and hike casino taxes

The Czech Republic's Deputy Finance Minister Ondrej Zavodsky has confirmed that the Finance Ministry is drafting a bill to regulate online gambling in the country; the bill will allow casino operators to offer online gambling whilst increasing taxes for casino and slot operators, according to an interview with Zavodsky published by *Bloomberg* on 16 April.

"The existing gambling bill dates back to 1990 and, despite being amended on multiple occasions, ignores the existence

of the online gambling sector," explains Martin Lycka, Legal Adviser at Betfair. Zdeněk Beránek, Partner at Peterka & Partners, adds, "A main motivation for the bill is that the EU is pushing the Czech Republic to align its gambling legislation with the EU law, namely in regards to the opening of online gambling markets to EU-based operators."

Zavodsky outlined that under the new bill different types of games will be subject to differing tax rates; for example casino and slot operators will face

higher taxes, while lotteries will pay lower taxes. "The motivation behind the bill is also financial as the new Ministry is seeking to improve the budget and sees reserves in taxing the gambling industry," said Beránek.

The bill is scheduled to be implemented in 2016; current estimates suggest the draft text will appear in late 2014 or early 2015. "There is definitely political appetite for change in this area," said Beránek. "It is very probable that the new online gambling bill will become law."

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