

**Review of remote casino, betting and
bingo ('RCBB') regulatory return and
gambling software regulatory return**

Responses document
August 2014

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1 Introduction

- 1.1** The Gambling Commission ('the Commission') carried out a consultation during October 2013 to January 2014 on proposed amendments to the remote casino, betting and bingo ('RCBB') return and the gambling software regulatory return. Seven responses were received; five from gambling operators and two from gambling trade bodies. In addition, we held a workshop for stakeholders on 18 November 2013.
- 1.2** This document sets out the changes to the RCBB and gambling software regulatory returns. It takes account of responses received during this consultation, as well as a number of issues raised in connection to the separate consultation on Licence Codes and Conditions of Practice ('LCCP'), and further discussions during the preparation for the implementation of the Gambling (Licensing and Advertising) Act 2014 ('the Act')¹.
- 1.3** Regulatory returns are a key component of the regulatory framework and it is a requirement of licence condition 15.3.1 of LCCP for **all operators** to submit a regulatory return. The information provided through regulatory returns informs a number of important regulatory functions such as understanding developments within the industry, strategic planning of the Commission's resources and publishing industry statistics.
- 1.4** The implementation of the Act will require gambling operators that provide facilities for remote gambling or advertise to consumers in Britain to obtain a licence. As such, the consultation focused on ensuring that the data requirements within regulatory returns remain relevant and capture appropriate information as a result of the changes following the implementation of the Act. Having reviewed the responses provided, comments raised during the stakeholder workshop and subsequent enquiries following the conclusion of the consultation period, this document now sets out the Commission's position.
- 1.5** The revised regulatory returns for RCBB and gambling software will come into effect on **1 October 2014** and will apply to all holders of the relevant licence types.² Section 5 of this document sets out the arrangements for introducing the revised returns and to transition existing operators onto the Commission's eServices system where regulatory return reporting will shortly be located. These arrangements are intended to give operators flexibility over when the first return using the revised data fields can be submitted. Appendix A and Appendix B provide a consolidated list of the amended data fields for the RCBB regulatory return and the gambling software regulatory return respectively.
- 1.6** In addition to changes to regulatory returns, the Commission published revisions to LCCP in a consolidated LCCP³ earlier this year which included changes to licence condition 4 on the protection of customer funds. The Commission made clear its intention to introduce a formal mechanism for operators to report on customer liabilities and funds held in customer accounts.⁴ Section 6 of this document provides further details on the requirements for operators in this area.

¹ The Gambling (Licensing and Advertising) Act 2014 is currently expected to come into force on 01 October 2014.

² The remote casino, betting and bingo regulatory return is a single return which must be completed by any operator holding a Commission licence for one or more of the following licence activities: remote casino, remote bingo, remote general betting (standard) (virtual events), remote general betting (standard) (real events), remote general betting (limited), remote pool betting and remote betting intermediary. The gambling software regulatory return is a single return which must be completed by any operator holding one or both of the following licence activities: non-remote gambling software and remote gambling software.

³ [Licence conditions and codes of practice \(consolidated May 2014\)](#)

⁴ [LCCP changes part two](#), section 7.

2 Regulatory returns – general information

- 2.1 The consultation document asked for views on the requirement for compulsory online submission of the RCBB regulatory return and for a breakdown of British and non-British customer activity to be provided for operational and financial information. The following questions were asked during the consultation:

Consultation questions

- Q1 Do you have any comments on the proposed requirement for electronic only submission of all remote casino, betting and bingo regulatory returns?
- Q2 Do you consider the Commission's approach of requiring separate reporting of British based customer activity and non-British based customer activity to be the most appropriate way for the Commission to understand the domestic market and the full extent of operations provided in reliance on the licence?

Summary of responses

- 2.2 All respondents agreed with the Commission's proposal for the compulsory electronic submission of regulatory returns by holders of an RCBB operating licence. It was however noted in two of the responses that if the Commission did proceed with this proposal, high levels of encryption and data security would be required and a back-up system to be in place should eServices not be available for any reason. One respondent also suggested that users should be able to save data on the return so that it can be amended before the final submission is made.
- 2.3 The responses recognised that the Commission should have regard for the gambling activity conducted by consumers in Britain. There was also a general understanding that the Commission is proposing information to be separated between British and non-British based customer activity in order to fully understand the extent of the activity being conducted in reliance on a Commission licence.
- 2.4 Five of the seven responses expressed concerns over the practicalities of distinguishing between customer activity which takes place in Britain and activity which does not. In particular, that IP address information does not provide certainty over the location of the customer.
- 2.5 Business to business (B2B) operators were also identified as facing difficulty in distinguishing between British and non-British customer activity as they generally do not have a direct relationship with customers and therefore may not receive information on player location.
- 2.6 It was also noted in three of the seven responses that there would be additional work for operators as a result of there being a difference between the definition of a British customer under the Act and the one used for tax purposes.

The Commission's position

- 2.7 **Electronic submission of RCBB:** The Commission will implement its proposal to require compulsory online submission of RCBB regulatory return. The submission of regulatory returns will also move from the current Online Returns system to eServices, which will have the appropriate security arrangements in place to receive and store confidential

information.⁵ This is in line with wider developments to eServices, including facilities to make online applications for remote licences, report key events, pay invoices, and manage account information.

- 2.8** If eServices were to be unavailable for a significant period of time, the Commission would notify operators and advise what action, if any was required by them.⁶ We can also confirm that users will be able to save data providing that it conforms to the data validations rules that are applied on each page, and can make amendments to the data before making the final submission.
- 2.9 Breakdown of 'GB activity' and 'non-GB activity':** The Commission has amended the reporting requirements in relation to the breakdown of GB and non-GB customer activity in light of responses received. The Commission accepts that there may be circumstances in which operators cannot provide an accurate breakdown of British and non-British activity.
- 2.10** Both the Commission and licensees must have a clear understanding of the total activity that is being conducted in reliance on the operator's licence to ensure they are appropriately licensed. As such the information provided in the 'total' fields for operational and financial information must be accurate and will reflect the activity that is carried out in reliance on the licence.
- 2.11** Whilst accurate total figures must be provided when completing regulatory returns, where operators are unable to distinguish between British and non-British activity and therefore will not be able to provide an accurate breakdown a degree of approximation will be acceptable. Where an operator uses an approximation for their GB activity figures they must declare this on the return.
- 2.12** A feature will be incorporated in the return which operators must use to indicate where an approximation has been made, and to provide information on how the estimated figure has been arrived at. This will provide the Commission with further insight into the challenges that may prevent an operator from achieving a higher degree of accuracy and to engage further on this issue when and if necessary.
- 2.13** When completing a return the operator must complete the total and GB customer activity fields. The non-GB customer activity fields will be automatically calculated and displayed based on the information reported in the 'total' and 'GB customer activity' fields. Operators will be expected to check for accuracy prior to the return being signed off by the Personal Management Licence (PML) holder responsible, or equivalent for small-scale operators⁷.
- 2.14** A number of responses raised concerns about the difference between the definition of British activity in the Act and the definition used for tax purposes. The Commission notes that the gambling and taxation regimes are separate with different objectives and confirms that the Act covers activity by consumers located in Britain.
- 2.15** The Commission therefore intends to require a breakdown of activity by location. The guidance notes will set out the definition of GB activity and non-GB activity as follows:

⁵ The Commission has been accredited against the ISO: 27001 standard since 2010. This is an internationally recognised standard for evaluating how securely an organisation manages and stores its information. As a public authority, the Commission also adheres to the Security Policy Framework and supporting guidance issued by Cabinet Office to ensure that the information we process is handled and stored in a secure manner in line with best practice and HMG requirements.

⁶ The Commission has in place robust business continuity plans, as required by the Security Policy Framework and our ISO:27001 accreditation. These plans are subject to independent third party assurance and internal testing.

⁷ The Commission is consulting on changes to the requirement to have regulatory returns, and other information reporting requirements, to be verified by a PML holder. Section 9 of the [consultation on the social responsibility provisions](#) in LCCP provides details of the proposed amendments.

Guidance notes

GB customers/GB customer activity

A GB customer is defined as a customer who is physically located in Great Britain when they use gambling facilities provided in reliance on a licence issued by the Commission, regardless of their usual residential address. Only where the requested information relates to the customer account, eg number of registrations, rather than their transactions, the residential address should be the determining factor.

Non-GB customers/non- GB customer activity

A non-GB customer is defined as a customer who is **not** physically located in Great Britain when they use gambling facilities provided in reliance on a licence issued by the Commission, regardless of their usual residential address. Only where the requested information relates to the customer account, eg number of registrations, rather than their transactions, the residential address should be the determining factor.

- 2.16 Reasonable steps to identify the physical location of customers:** We do not intend to be prescriptive as to how operators should determine location of their customers and there may be a variety of methods employed by different operators. Operators will need to assure themselves that they are taking reasonable steps to comply with their obligations and have regard to information held by the business (perhaps used for commercial purposes) that might assist in this area. For example, businesses will retain information about customers in order to fulfil their anti-money laundering requirements or for marketing purposes. The Commission will take a proportionate approach to enforcement as it does in other areas
- 2.17** At present we are not imposing a regulatory requirement for continual geo-location checks to be conducted on each transaction; as methods for determining accuracy may improve over time and the costs reduce, we will keep our view of what is appropriate standard practice under review.
- 2.18** From a customer perspective, operators need to ensure that it is clear that when gambling in Britain that they must use the entity that is licensed by the Commission. As an operator's relationship with their customer develops, they may make greater use of different identification tools, particularly in the case of high value or high risk customers, and therefore operators would be expected to have a greater knowledge of the location of their customers.
- 2.19** Finally, the consultation document included a reference to the possibility that an operator that holds a licence only to advertise in Britain should submit a nil return. The Commission can clarify that this did not take full account of the policy position in relation this issue, which is that licences will not normally be issued to operators unless they have a British facing business and either currently transact with British consumers, or have a clear business plan for doing so in the future.

3 Amendments to the remote casino, betting and bingo regulatory return

3.1 The Commission proposed in the consultation document to introduce a number of changes to the operational and financial information sections of the RCBB, as well as proposing to introduce a number of new data fields in relation to player demographics and other gambling trends. This section sets out the responses these questions and the Commission's position on the following topics:

- operational information
- financial information: customer accounts and new registrations
- financial information: performance of remote products
- new points of data collection: demographics, in-play betting and mobile devices
- reporting of jurisdictions which comprise 3%/10% or more of an operator's total GGY.

Section 3 – Operational information

3.2 The Commission made the following proposals to amend the operational information to:

- improve the wording around questions in relation to contributions to Research, Education and Treatment (RET)
- separate the data fields between GB activity and non-GB activity for operational events
- require reporting on exclusion by product and time-outs, where these are offered by the operator.⁸

Consultation questions

- Q3 Do you have any comments to make on the Commission's approach to revising Question 3a of RCBB - Details of contribution to organisations promoting socially responsible gambling?
- Q4 Do you have any comments to make on the proposed changes to Question 3b of RCBB – Operational events? In particular, we welcome views on the subcategories that you as an operator may use in your existing information reporting systems in respect of 'partial exclusions'.
- Q5 Are there any additional operational events other than those listed in Figure 2 that should be included in question 3b of RCBB?

Summary of responses

3.3 **Contributions to RET:** It was commented that a mechanism to record a nil contribution is still required for those operators who submit regulatory returns quarterly but contribute to RET on an annual basis.

3.4 There was some confusion raised over whether operators based overseas will be required to contribute to organisations that promote socially responsible gambling in Britain, and whether this contribution could be monetary or non-monetary. One respondent suggested that the Commission, when assessing the suitability of contributions to RET, should consider those that are made to organisations based overseas but have transferable benefits that could positively impact upon problem gambling in Britain, for example research.

⁸ The consultation document referred to these features as 'partial' or 'temporary' exclusions. These will now be referred to as 'exclusion by product' and 'time-outs', with further guidance provided on page 9 of this document.

- 3.5** It was noted in two of the responses that significant contributions to RET are made by parts of the remote gambling industry, and that all operators licensed by the Commission, should demonstrate this same commitment. Where operators failed to make an appropriate contribution, it was commented that the Commission should remind operators of their regulatory obligation in this regard.
- 3.6 Reporting operational information with GB/non-GB breakdown:** In response to question 4 on operational events, one respondent confirmed that this information is available. Another response queried the Commission's intention to assess whether an operator's policies are applied consistently across its customer base regardless of the customer location, where the key equipment is located outside of Great Britain.
- 3.7 Exclusions by product and time-outs:** In the main respondents agreed with the Commission's proposal to require licensees to report the number of partial self-exclusions or time-outs (where such facilities are offered by licensees). One respondent suggested that exclusions by product and time-outs were not typically related to problem gambling and another commented that these types of facilities could be used when a customer was experiencing difficulties in controlling their gambling. The responses generally agreed that partial exclusions should not be reported as self-exclusions.
- 3.8** A suggestion was made that the operational event in relation to customer interaction should allow for operators to provide details on the action that was taken during the interaction. It was also suggested that guidance would be required for each of the operational events to avoid confusion, for example guidance on complaints and disputes.
- 3.9** Three responses confirmed that the current list of operational events is comprehensive and corresponds to the types of events detailed in LCCP. One response proposed that an event for when customers disguise their actual age in order to create an account, and then are locked out by the operator because their age cannot be confirmed, should be included.

The Commission's position

- 3.10 Contribution to RET:** A minor amendment to wording in the RET section will be introduced to allow operators to state whether a contribution was made during the reporting period. The option for a nil contribution to RET will remain on the quarterly regulatory return to cater for annual not quarterly contributions, but with revised wording to remind operators that the requirement to make contribution is mandatory. The Commission published its [consultation on the social responsibility provisions in LCCP](#) on 7 August 2014, which outlines proposed amendments to the social responsibility code provision on RET contributions for all operators including proposals to require RET contributions at least annually.
- 3.11 Reporting operational information with GB/non-GB breakdown:** As set out in section 2 of this document the Commission will require GB and non-GB split of operational data fields and has further clarified what is required through the definition of GB and non-GB activity in the guidance notes in light of responses received. As with all data requested in regulatory returns, only data on activity that is conducted in reliance on a Commission licence should be included in the regulatory returns.
- 3.12 Exclusions by product and time-outs:** The Commission will implement its proposal to require operators that offer exclusion by product and time- to report the number of such events. The RCBB guidance for this particular reporting requirement is set out below:

Guidance notes

Restrictions based on particular gambling product/s (ie exclusion by product)

If an operator gives customers the option to block access to some, but not all gambling products, please provide the number of individuals who have made use of this option during the reporting period. For example, a customer blocks their access to casino games but is able to continue placing sports bets. This must not include figures relating to self-exclusions made in accordance with social responsibility code provision 3.5.1. If the operator does not offer a facility to exclude by product, they should leave this section blank.

Restrictions based on time permitted to gamble (ie time-outs)

If an operator gives customers the option to temporarily restrict access to their account for a specified period, please provide the number of individuals who have made use of this option during the reporting period. For example, this could include short term 'time-outs' that prevent customers from gambling for a specified period. This must not include figures relating to self-exclusions made in accordance with social responsibility code provision 3.5.1. If the operator does not offer a time-out facility, they should leave this section blank.

- 3.13** The Commission is not at this time introducing an additional requirement for operators to provide details in RCBB on the steps taken during a customer interaction as suggested in one of the responses. However, we would remind operators that under social responsibility code provision 3.4.1 on customer interaction, operators are required to have in place policies and procedures for customer interaction where they have concerns that a player's behaviour may indicate problem gambling and it is good practice to keep records of reasons for interaction, and indeed non-interaction, when indicators suggest interaction should be considered.

Financial information: customer accounts and new registrations

- 3.14** The Commission made the following proposals to financial information (customer account and new registrations) sections of RCBB to:
- apply an overall separation between GB and non-GB activity to the data collected in regulatory returns, as set out earlier in Section 2 of this document
 - remove the requirement to report funds held in customer accounts and total number of customer accounts by sector (ie for remote casino, betting and bingo) and instead require total funds and total accounts to be reported
 - update sector specific guidance to clarify ambiguity over which particular activities fall under which sector.

Consultation questions

- Q6 Do you foresee any difficulties in separating the data requested in question 4a between British and non-British based customers, based on the definition of these terms provided on page 7?
- Q7 Do you have any comments to make on the proposed guidance to question 4a?
- Q8 Do you have any comments to make on the proposed guidance for defining sector activity?
- Q9 Do you foresee any difficulties in separating the data requested in question 4b between British and non-British based customers, as per the definition of these terms provided on page 7?

Summary of responses

- 3.15 Reporting financial information with GB/non-GB breakdown:** One respondent confirmed that this information was currently available, with another also confirming that it would be possible to provide this information but that additional resource would be required in order to do so.
- 3.16** There were some concerns that B2B operators would have difficulty in providing a GB/non-GB breakdown as they do not have a direct relationship with the player. One respondent asked whether an operator using remote gambling equipment based in Great Britain but under another regulator's licence would need to include this data in the return.
- 3.17 Funds held in customer accounts and total number of customer accounts:** one respondent flagged that this data requirement only represented a snapshot of customer funds held at any one time but confirmed that it is possible to provide the data. Another suggested that the customer's residential address should be taken into consideration when providing a breakdown.
- 3.18 Sector activity:** All respondents agreed with the proposed changes to the guidance and confirmed that the definitions of sector activity were clear.

The Commission's position

- 3.19 Reporting financial information with GB/non-GB breakdown:** As set out in section 2 of this document the Commission will require GB and non-GB split of financial data fields but has provided further guidance on what is required in light of responses
- 3.20 Funds held in customer accounts and total number of customer accounts:** The Commission will implement its proposal to require total funds and total new accounts to be reported in total, rather than to be provided by sector. As set out in the RCBB guidance at paragraph 2.15 above, it is acceptable to report the GB/non-GB breakdown of customer accounts on the basis of residential address to reflect that when registering an account there is no transaction history.
- 3.21** The Commission agrees that the customer funds data field will only provide a snapshot of funds at the point of submitting the regulatory return but this provides a helpful metric to understand the position. However, as set out in section 6 of this document, a separate reporting requirement will be introduced in relation to customer funds data.
- 3.22 Sector activity:** The sector guidance as put forward in the consultation document will be incorporated into the regulatory return. This guidance is repeated in Appendix A of this document in the financial information section alongside the data fields that it applies to.

Financial information: performance of remote products

- 3.23** The Commission made the following proposals to amend financial information (performance of remote products) of RCBB to:
- apply an overall separation between GB and non-GB activity to the financial information
 - amend the reporting of sector performance data by adding a category for 'peer to peer poker' and removing the breakdown of sub-categories for betting (virtual events) and betting (pool betting) as they are not frequently used by operators
 - require the reporting on revenue share agreements.

Consultation questions

- Q10 Do you consider there to be any difficulty in providing the financial information requested in questions 4c – 4e separated into two categories of British based or non-British based activity?
- Q11 Do you have any comments to make on the proposed changes on the sector- specific questions in 4c?
- Q12 If you have any revenue share agreements in place, do you understand what information is being requested under the proposed 'Revenue share agreements' section and is the proposed guidance for this section clear?
- Q13 Do you foresee any difficulty in providing the information that is being requested under the proposed 'revenue share agreements'? The Commission would particularly welcome details on the data that is requested from each party within a revenue share agreement in order to assess the practicality of the proposals.
- Q14 We have decided not to ask for a breakdown of the revenue share received according to individual agreements with specific operators. Do you agree with this approach? Would there be any benefits to you as an operator if you were required to report this information?
- Q15 Do you have any additional comments to make on the proposals set out this section?

Summary of responses

- 3.24 Sector performance data:** One respondent suggested a change to the guidance notes to clarify that tournament fees are included as part of what is being requested under the data fields for 'rake'.
- 3.25 Reporting of revenue share:** A number of respondents confirmed that it is possible to provide revenue share information although there might be some practical difficulties in doing so, for example the B2B will hold the revenue share data but may not hold 'amount wagered' or 'paid out' which is held by the B2C.
- 3.26** Two of the responses also flagged the risk of double counting, where the B2B and B2C might report the same activity, and suggested further guidance would be helpful. A concern was also raised over the sensitive nature of information on revenue share agreements and the resource involved in building reports to be able to provide this data.
- 3.27** However, there was support amongst the responses for the Commission's approach not to ask for information about individual agreements between particular operators. Another respondent suggested that it may be useful for the Commission to explain which types of revenue share arrangements should be reported.

The Commission's position

- 3.28 Sector performance data:** The Commission will implement its proposed changes to sector performance data. These amendments are to:
- introducing a new product heading of 'peer to peer poker'
 - removing all sub-categories under betting (virtual events) and
 - removing 'golf', 'tennis', 'cricket' and 'financial' under betting (pool betting).
- 3.29** The Commission has amended the guidance on sector performance data and revenue share to make clear that for peer to peer poker, 'rake' includes revenue from cash games and tournament fees.

3.30 Reporting of revenue share: The Commission will proceed with the proposals to introduce new data fields in the RCBB for revenue share agreements. To reflect the fact that B2Bs may not hold information on amount staked or paid out, we have amended the requirement so that B2B only report the revenue share it has received and does not need to report amount staked or paid out. The B2C will need to report amount staked, paid out and revenue share received. In summary the following will data fields will be reported by the following operators:

B2B operators (casino games, betting and bingo)

- Total revenue share received, split between GB and non-GB activity

B2C operators (casino games, betting and bingo)

- Total revenue share received, split between GB and non-GB activity
- Amount staked and amount paid out, split between GB and non-GB activity

B2B operators (peer to peer poker)

- Total rake, split between GB and non-GB activity

B2C operators (peer to peer poker)

- Total rake, split between GB and non-GB activity.

3.31 In light of the concerns raised that the data requests may result in double counting of GGY, the Commission has incorporated into the guidance, and in Appendix A of this document, a diagram to illustrate how GGY should be reported in order that the B2B and B2C operator only report their respective share of the revenue.

3.32 The Commission can confirm that as proposed in this consultation it will not at this time require B2B operators to provide a breakdown of the revenue share obtained from individual B2Cs.

New points of data collection: demographics, in-play betting and mobile devices

3.33 The Commission also consulted on the introduction of data fields in three new areas in order to increase its evidence base on gambling activity undertaken by British customers. The proposals were in relation to customer demographics (age and gender), gambling via mobile devices and in-play betting.

Consultation questions

Q18 If you are an existing gambling operator, do you currently collect information on any of the above topics?

Q19 Within each topic where you do collect data, are there any particular subcategories that you use to record the data? For example, fixed age ranges of 18-24, 25-34 and so forth. This will help the Commission to align any subcategories used in its own data collection with those most commonly used by the industry.

Q20. Are there any additional topics that you consider should be reported on under this section to inform the Commission on gambling activity or participation?

Q21 Which of these topics, if any, do you currently provide data on to regulators in other jurisdictions? If there are any common areas of data provision, do you consider that there is the potential to align information reporting of this kind to your data provision in other jurisdictions?

- Q22 Are there any alternative methods of supplying the Commission with this information, outside of the regulatory returns process, that you consider to be more practical? We particularly welcome views on how any method used by the Commission may be aligned with the information that you already provide to another regulator.
- Q23 Do you consider any additional effort or resource required from your organisation in reporting this type of information to the Commission? If so, what do you consider to be the impact on your organisation in terms of effort or resource? Please specify according to each of the relevant areas.
- Q24 In terms of collecting data on the device used to gamble, we understand that operators will record data in different ways. We therefore welcome views on the feasibility of providing the Commission with the information below.
 a) The GGY generated by players gambling via mobile devices (tablets, smartphones, etc)
 b) The GGY generated by players gambling via a mobile internet connection
- Q25 Are there any other comments that you wish to make on the proposals for new points of data collection?

Summary of responses

- 3.34** Respondents to the consultation broadly agreed that the above mentioned topics would be useful data points to collect and in most cases were already being collected by operators for a variety of reasons.
- 3.35** A general comment was made that there is likely to be differences in the definitions used by operators when characterising such terms as in-play betting. It was also commented that consideration should be given for how this information will be presented in the Commission's industry statistics.
- 3.36** No additional topics on gambling activity or participation were suggested for inclusion on the regulatory return at this time.
- 3.37** Respondents confirmed that there would be initial and ongoing resource in order to accommodate the new data field however it was noted that Commission's requirements were manageable in comparison with other jurisdictions.
- 3.38** Specifically on the new data field for GGY obtained through mobile gambling there was agreement that this was a reasonable area for the Commission to begin collecting data, but that there would be practical challenges for operators to collate this. There was no clear preference amongst the responses for whether the definition should be according to connection or device used.

The Commission's position

- 3.39** Following the consultation the Commission will proceed with the introduction of the fields for operators to provide information on the percentage of the customer base by age and gender, GGY obtained through mobile devices and in-play betting conducted by customers recorded as being resident in Britain.
- 3.40** The Commission recognises that there may be differences in how operators categorise gambling activity via mobile devices and in-play betting, and therefore does not intend to set out definitions of these terms. Operators will be able to report this information based on how they currently define it and if, over time, a common definition develops the Commission will consider this further.

Reporting of jurisdictions which comprise 3%/10% or more of operator's total GGY

- 3.41** It is important for the Commission to be able to identify changes to information provided at the licence application stage through the use of regulatory returns or key events where

there is a regulatory need to do so, for example if the decision to grant a licence would have been different, or further assurance would have been requested based on the revised information. This practice will become more efficient through having the information provided into a central repository.

- 3.42** As part of understanding an operator's business model the Commission will ask applicants to provide as part of the application process a list of jurisdictions where GGY from that jurisdiction is more than 3% of total GGY (or more than 10% for operators whose total GGY is less than £5 million per annum). Applicants will also need to provide details of any markets that they actively target, that are not reported under the 3% or 10% thresholds.
- 3.43** The Commission has therefore introduced a requirement within regulatory returns to capture this requirement as well as reporting any changes to this jurisdictional breakdown of their GGY that occur after the initial licence application and on an ongoing basis thereafter. Operators will be required to record the jurisdiction and GGY for every jurisdiction where the GGY is more than 3% of the operator's total GGY (or more than 10% for operators whose total GGY is less than £5 million per annum). In addition, if operators actively target a jurisdiction they will need to name these and report the percentage of GGY, if they have not already been reported under the 3% or 10% threshold. Existing operators will be required to provide this information on their first regulatory return following the changes being made.
- 3.44** This was not consulted on as part of the regulatory returns consultation, although this information is collected as part of the licence application process. The issue and associated data requirements have been discussed extensively in the Commission's guidance to operators in preparing for the implementation of the Act and further information has been published in our [frequently asked questions blog](#) in question 14. The Commission considers this to be a necessary addition to regulatory returns as it will allow us to monitor the information provided during the licence application and ensure that we maintain sufficient information about a licence holder's activities in other jurisdictions.

Other comments

- 3.45** These were comments made in addition to those provided directly in response to the specific consultation questions and the Commission can provide clarity on the issues raised below.
- 3.46** **Test houses and testing strategy:** A comment was made regarding some uncertainty over which test houses are approved in relation to information security audits. The Commission does not approve test houses or other companies to conduct security audits. Details of test houses that are approved to test against the Commission's technical standards are available on the Commission's website at the link below. Also of interest may be publications on the transitional arrangements for the testing of remote games, including information on how and when we will accept testing of games already available to British customers that have not been tested to the Commission's technical standards by an approved test house, and further information on activity that requires a gambling software licence:
- [Test houses](#)
 - [Testing strategy for compliance with remote gambling and software technical standards - June 2014](#)
 - [What is gambling software? - June 2014](#)
- 3.47** **Frequency of returns:** The requirement to submit regulatory returns on a quarterly basis was queried by one respondent. The frequency with which regulatory returns must be submitted depends on the type of gambling business, and the quarterly requirement is the existing practice not only for remote operators but is also for all non-remote casino operators and for some categories of non-remote betting operators.

4 Amendments to the gambling software return

- 4.1 The consultation document outlined proposed amendments specifically to the gambling software return. These were to:
- separate financial information between non-remote and remote supply activity,
 - specify whether the software that has been supplied is a 'game', 'platform' or 'other' and,
 - record all software titles that have been supplied and the number of operators that each title has been supplied to

Consultation questions

- Q16. Do you agree with the Commission's approach to collect remote and non-remote financial information separately in relation to gambling software licences?
- Q17. Are there any other revisions that you consider should be made to the gambling software regulatory return?

Summary of responses

- 4.2 There was support for the proposal to separate financial data between non-remote and remote supply activity. The responses confirmed that the proposal was a sensible approach and that it would be possible for operators to provide the data in this way.
- 4.3 There were no suggestions within the responses of any additional revisions to the gambling software regulatory return that should be considered at this time.

The Commission's position

- 4.4 The Commission will therefore proceed with the amendments that were outlined in the original consultation document. This will enable the Commission to better understand the activity within the sector, and for more accurate reporting of the breakdown of different software types that are supplied to the industry.
- 4.5 Further details on when these amendments will take effect and when gambling software licence holders will be expected to begin using the revised return are outlined in Section 5 of this document. To assist operators in preparing for the amendments, a consolidated list of requirements that will form the revised gambling software regulatory return can be found in Appendix B of this document.
- 4.6 **From 30 January 2015 all gambling software used by Commission licence holders must have been obtained by the holder of a gambling software licence⁹.** As a result the Commission expects a number of new businesses to obtain licences and they will be required to collect data for reporting in regulatory returns from the date their licence is granted.

⁹ The full licence condition, 2.2.1, is set in [Licence conditions and codes of practice \(consolidated May 2014\)](#)

5 Implementation of the revised regulatory returns

- 5.1 The Commission has considered a number of factors in planning an appropriate timeframe for implementing the revised regulatory returns. In particular, consideration has been given to the following issues:
- the expected timeframe for the implementation of the Act
 - allowing flexibility for operators to establish their preferred reporting patterns
 - minimising where possible disruption to existing operators who have established reporting patterns
 - development of online eServices for applicants and licence holders and transferring existing licence holders to this system.
- 5.2 Taking the above factors into account, the revised regulatory returns for RCBB and gambling software **will come into force on 01 October 2014 and must be submitted through eServices after this date**. This will apply to existing licence holders who are currently required to complete these returns and to new operators licensed on or after this date.
- 5.3 Holders of the relevant licence types must therefore begin to collect data according to the revised data fields as detailed in this document from 01 October 2014, and will need to submit their first return under the revised requirements according to the steps set out further on in this section.
- 5.4 Introducing the revisions at this time will align with the expected implementation date of the Act, meaning that operators who are issued with a licence from the Commission (including continuation licences issued under transitional arrangements¹⁰) on or after 01 October 2014 will begin collecting data under the revised data fields from the first date that they are licensed; to delay implementation of the new requirements would mean that newly licensed operators would have to begin collecting data under the current data fields, only to have to change to new requirements after a relatively short period.
- 5.5 The Commission has been developing its online eServices system so that most information provided to the Commission by operators, for example through licence applications, regulatory returns and key events, is submitted via a central system. This will improve user experience by having reporting mechanisms in a single location, and will allow for more efficient integration of data to better inform the Commission's regulatory approach. The introduction of the revised regulatory returns on 01 October 2014 will be co-ordinated with the next phase of eServices development, and the closing down of the Online Returns system that it will replace.
- 5.6 Many existing remote operators will already be signed up to eServices, however the Commission will continue to provide information to new and existing operators on how to use this service.
- 5.7 The Commission has sought to minimise disruption to existing licence holders, and has found that the majority of operators who currently submit the RCBB return follow a standard reporting pattern of '01 January to 31 March - 01 April to 30 June - 01 July to 30 September - 01 October to 31 December'. These operators will therefore begin a new reporting period at the point that the new requirements take effect on the first of October, meaning that there is a clear break between the current and new requirements.
- 5.8 For those operators that do not follow the common reporting pattern as outlined above, the Commission has considered how to address the possible scenario whereby an existing

¹⁰ [The Gambling \(Licensing and Advertising\) Act 2014 \(Transitional Provisions\) Order 2014](#), subject to negative resolution, would enable operators who are currently able to provide facilities for gambling in Great Britain (because they hold a licence in an EEA or white listed jurisdiction) to continue to do so if their advance application for a Gambling Commission licence or licence variation has not been determined by 1 October 2014 through the issuing of a continuation licence.

operator is collecting data for a return, where 1 October 2014 falls within the period that the return covers, and the data requirements would therefore change within that period when the new revisions come into force.

5.9 For existing operators who are required to complete a gambling software return, the Commission found that there was no common reporting pattern amongst this category of operator and therefore the 1 October 2014 date is neither more nor less convenient to commence collection of data under the revised requirements.

5.10 The remainder of this section and summary table below sets out the steps for both existing and newly licensed operators to begin submitting the revised returns through eServices. Taking into account the variety of possible reporting patterns, operators will fall into one of the following groups:

1. RCBB licence holders - Existing operators licensed by the Gambling Commission before 1 October 2014
2. RCBB licence holders - Operators licensed by the Gambling Commission on or after 1 October 2014
3. Gambling software licence holders

1. RCBB licence holders - Existing operators licensed by the Gambling Commission before 1 October 2014

5.11 b) Operators due to begin a new return on 1 October 2014:

For existing operators who are to due to begin a new return on 1 October 2014, there will be no disruption to the established reporting patterns. However the next return, which will cover 1 October 2014 to 31 December 2014, must be submitted through eServices and will be according to the revised data fields as set out in this document.

5.12 a) Operators with a reporting pattern that will span 1 October 2014:

For existing operators with a reporting pattern that will span 1 October 2014, we will require these operators to submit a shorter than usual return, with the reporting period ending on 30 September 2014. This will be the final return made through Online Returns and which collects data under the current data fields.

The next return following 1 October 2014 must be submitted through eServices and will incorporate the revised data fields as set out in this document. For this return, operators can opt to submit a 3 month return covering 1 October 2014 to 31 December 2014, or a return covering more than 3 months in order to revert to their previous reporting pattern. So that a greater number of returns are not submitted than would be ordinarily during the same time period, returns must cover a minimum of 3 months of data.

2. RCBB licence holders - Operators licensed by the Gambling Commission on 1 October 2014 or thereafter

5.13 a) Operators who wish to follow the standard reporting pattern:

Operators must begin collecting data on their licensable activities for regulatory returns from the date that they first become licensed, including being issued a continuation licence under transitional arrangements. Therefore for operators who are currently expected to become licensed on 1 October 2014, the first return will begin on this date and end on 31 December 2014, and continue quarterly on this basis.

The return must be submitted through eServices and will be according to the revised data fields as set out in this document.

5.14 b) Operators who wish to select their own reporting pattern:

For those operators that become licensed on 1 October 2014, but do not wish to follow the standard pattern as outlined above, the Commission allows operators to select their own reporting dates through varying the length of the first return providing that a minimum of 3 months data is provided.

5.15 The below table summarises the steps involved for operators to move to regulatory return reporting to eServices which will incorporate the revised data fields.

Table 1

Category of Operator	Submitting the final return on Online Returns <i>(Current data fields apply)</i>	Submitting the next return on eServices <i>(New data fields apply)</i>	Submitting subsequent returns <i>(New data fields apply)</i>
1a.Existing operators <i>(where the reporting pattern spans 1 October 2014)</i>	Operators must submit a shorter than normal return, with the end date as 30 September 2014 Example: Return start date is 1 August 2014; submit a two month return ending 30 September 2014	Submit a longer return to re-set the reporting pattern, a minimum of 3 months must be supplied Example: Next return start date is 1 October 2014; submit a four month return ending 31 January 2015	Return to previous quarterly pattern Example: Next return start date is 2 February 2015; submit a three month return ending 30 April 2015
1b. Existing operators <i>(where a new return begins on 1 October 2014)</i>	Operators must submit a return covering 1 July 2014 to 30 September 2014 as usual	Submit next return covering 1 October 2014 to 31 December 2014	Submit next return covering 1 January 2015 to 31 March 2015
2a.New operators <i>(licensed on or after 1 October 2014 with standard reporting pattern)</i>	<i>Not applicable</i>	Submit first return covering 1 October 2014 to 31 December 2014	Submit next return covering 1 January 2015 to 31 March 2015
2b. New operators <i>(licensed on after 1 October who wish to select their own reporting pattern)</i>	<i>Not applicable</i>	Submit first return covering chosen dates, a minimum of 3 months must be supplied Example: First return start date is 1 October 2014; submit a five month return ending 28 February 2015	Chosen quarterly pattern is established Example: Next return start date is 1 February 2015; submit a three month return ending 30 May 2015

3. Gambling software licence holders

- 5.16** Unlike the RCBB regulatory return which must be submitted quarterly, the gambling software regulatory return is required to be submitted on an annual basis. Existing licence holders have a variety of reporting dates, with reporting periods that may end shortly before or after the new requirements taking effect and regulatory return reporting moves to eServices.
- 5.17** The Commission will require existing gambling software operators to submit a return at the point at which the old data requirements end and the old system is shut down. A return will therefore be required which ends on 30 September, regardless of an operator's usual reporting period.
- 5.18** Existing operators should begin collecting data under revised data fields from 1 October 2014. The next return can be either for:
- less than 12 months to re-establish the previous reporting period; or
 - 12 months which would establish a new reporting period.
- 5.19** The below table summarises the steps involved for existing operators to move to eServices which will incorporate the revised data items:

Table 2

	Submitting the final return on Online Returns <i>(Current data fields apply)</i>	Submitting the next return on eServices <i>(New data fields apply)</i>	Submitting subsequent returns <i>(New data fields apply)</i>
<p>Example 1:</p> <p>Return is due before new data fields take effect</p> <p>Operator usually reports for the period 1 August 2013 to 31 July 2014</p>	<p>Submit return at the scheduled time covering 1 August 2013 to 31 July 2014</p> <p>and</p> <p>Submit a return covering 1 August 2014 to 30 September 2014</p>	<p>Submit next return covering 10 months, 1 October 2014 to 31 July 2015, to re-establish the previous reporting pattern</p> <p>or</p> <p>Submit next return covering 12 months, 1 October 2014 to 30 September 2015</p>	<p>Following return should cover 12 months</p>
<p>Example 2:</p> <p>Return is due in alignment with new data fields taking effect</p> <p>Operator usually reports for the period 1 October 2013 to 30 September 2014</p>	<p>Submit return at the scheduled time covering 12 months</p>	<p>Submit 12 month return for the period covering</p>	<p>Following return should cover 12 months</p>

<p>Example 3:</p> <p>Return is due to end after the new data fields take effect</p> <p>Operator usually reports for the period 1 December 2013 to 30 November 2014</p>	<p>Submit a return covering 1 December 2013 to 30 September 2014</p>	<p>Submit next return covering 2 months, 1 October 2014 to 30 November 2014 to re-establish the previous reporting pattern</p> <p>Or</p> <p>Submit next return covering 12 months, 1 October 2014 to 30 September 2015</p>	<p>Following return should cover 12 months</p>
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6 Protection of customer funds: compliance and reporting requirements

- 6.1 The Commission consulted on [Protection of customer funds: proposals for amendments to current licence condition 4 for all gambling operators](#) at the end of 2013 alongside a wider package of proposed revisions to LCCP. The consultation considered a number of topics in this area including the definition of customer funds, the minimum level of protection that should be offered, enhanced disclosure to customers, and introducing new compliance and reporting requirements for operators.
- 6.2 Responses to this consultation were published in April 2014 in [LCCP changes part 2](#). Section 7 of LCCP changes part 2 stated that the Commission will introduce a formal mechanism for operators to regularly report on the levels of customer liabilities and funds held in the customer account(s), and a number of elements that such a report would need to include were outlined.

Segregation of funds

- 6.3 The final licence conditions on this topic were published in [Consolidated LCCP - May 2014](#). Licence condition 4.1.1 requires remote gambling operators who hold funds to segregate those funds into a separate bank account. This provision contains a definition of customer funds.

Disclosure to customers and the future rating system

- 6.4 Licence condition 4.2.1 requires operators to disclose information to customers about whether customer funds are protected, the level of such protection and the method by which this is achieved. This information must be made available in terms and conditions and must be acknowledged by the customer at the point of depositing funds. Changes to the arrangements for the protection of customer funds must be disclosed to the customer in terms and conditions and at any subsequent deposit of monies by the customer.
- 6.5 This condition also provides that if the Commission has published a rating system, operators must follow this system in their disclosure to customers. **The Commission will publish the rating system in August and will expect operators to apply the Commission's rating system by the date of implementation of the Act (expected to be 1 October 2014).**

Customer funds reporting to the Commission

- 6.6 The May 2014 consolidated LCCP contains several requirements for reporting of customer funds issues. These are as follows:
- any deficit on reconciliation of a segregated customer funds account must be reported as a key event to the Commission
 - information about customer funds must be reported as part of the overall quarterly regulatory return by remote operators as is currently the case for remote operators. Amendments to this data field following consultation are outlined in paragraphs 3.17 and 3.20 of this document
 - a further regular return will be required by remote operators for reporting of the reconciliation of customer funds at weekly reconciliation points.

Format of the customer funds report

- 6.7 This section now gives further information about the expected timetable for implementation and format of this additional regular report, to be called the customer funds report.
- 6.8 The customer funds report will be an online reporting system, under the Commission's e-services umbrella and therefore similar in format to the regulatory returns system, and

likely to use the same operator login. However, it is likely to be separate from the quarterly regulatory return because this gives the Commission some flexibility to vary the timetable of reporting of customer funds and not be tied to the timetable for regulatory returns submissions. This might eventually result in different timetables for reporting depending on a risk assessment of the operator's arrangements for the protection of customer funds, or on a risk assessment of different remote gambling sectors.

6.9 The customer funds report will be:

- Based on weekly reconciliation: The Commission does not consider it appropriate to receive only the information about one single snapshot of the situation, because it could be considered too easy for the operator to simply make sure that the customer account holds sufficient funds to meet liabilities only once during the reporting period, while at other times the account could be running at a deficit. We wish to see the flows of funds throughout the reporting period in order to deter such activity. We will give flexibility to operators to choose the day of reconciliation within the week and will simply ask for the reconciliation figures during a weekly period.
- The key information for the report will be: the amount of customer funds held in each of the relevant bank or investment accounts, the location of those funds, the total funds held and the total customer liabilities at that time.
- Reconciliation may be manual or automatic, though we expect most operators to be able to reconcile customer funds automatically using their current software systems.
- Reporting to distinguish between funds relating to the GC licence and other customer funds: it is important that the Commission can establish from the report that funds are available to cover the liabilities.
- The report must be verified and approved by a PML holder or equivalent for small-scale operators.

We are currently considering whether the report should initially be monthly, or quarterly in line with regulatory returns. See paragraph 6.8 below for more details on what impact these options would have on the timetable for the first report. In either case, we will review the format and timing of the report after 6 months to a year to assess in particular whether the timing should change in the light of the usefulness of the reports during that period. The Commission will continue informal discussions with operators on this reporting requirement during the first 6 months to a year of reporting. If a change is to be made to the timetable for customer funds reports after that period, it is likely that the Commission would announce this change in late 2015.

Timetable for the customer funds report

6.10 **The earliest date that the Commission will require the customer funds report will be for the period starting 1 October 2014.** We therefore expect weekly reconciliation to be implemented and tested by operators by this date. This means that reports will fall due in one of two options currently under consideration:

- If the Commission moves to monthly reporting, the first report will fall due at 1 November, and operators would have an additional 14 days to submit the report.
- If the Commission moves to quarterly reporting, the first report would fall due in line with the operator's first regulatory return following the 1 October 2014.

Appendix A: Revised data fields for the remote casino, betting and bingo regulatory return

Appendix A sets out the consolidated list of data fields on the remote casino, betting and bingo regulatory return that will be collected through the eServices system on a **quarterly** basis. Amendments made following the consultation have been **highlighted**.

Some guidance has been provided here to explain the substantive changes following the consultation. Further guidance is currently available in [Remote casino, betting, and bingo quarterly regulatory return guidance](#) and should be referred to where data requests have not been altered.

These data fields will be presented dynamically on eServices meaning that operators will only see those that are relevant to the licence types currently held. Guidance notes will be displayed alongside each data request and each screen will have an 'additional comments' section for operators to provide any explanatory notes to their submission.

Section 1: Contact information

Name of operator
Name of contact for this regulatory return
Address
Telephone
Email

Section 2: Workforce information

	GB staff	Non-GB staff
Total number of employees		

Guidance notes

Workforce information

This section should be completed by providing a breakdown between employees physically located in Britain and those based overseas. Where an employee works in Britain and overseas they should be counted where they are expected to spend most of their working time. If employees divide their time equally between Britain and overseas they should be counted where they are currently domiciled.

Section 3: Operational information

Research, education and treatment (RET)

Contributing annually to research, education and treatment of problem gambling in Great Britain is a mandatory condition of every operating licence		
Has a contribution been made in this quarterly period?	Yes	No
If 'Yes' please provide the following information:		
Has the contribution has been made via a trade body? <ul style="list-style-type: none"> If yes, please specify which one and proceed to operational events If no, please complete the below section 	Name of trade body	
Beneficiary of contribution		
Nature of contribution	Monetary	Non-monetary
	Both	
Value of monetary contribution	(£GBP)	
Details of non-monetary contribution		

Operational events

	TOTAL	Breakdown of TOTAL	
		GB customers	Non-GB customers
Complaints logged by the operator			
Of which, disputes logged by the operator			
Number of disputes referred to an ADR entity			
Self-exclusions made			
Known breaches of self-exclusions			
Self-excluded individuals opting to return to gambling (after minimum 6 month exclusion period)			
Exclusions by product			
Time-outs			
People who having gambled were unable to verify their age			
Incidents logged in the customer interaction log			
Individuals included in the customer interaction log			
Money laundering – suspicious activity reports			

Guidance notes

GB and non-GB activity

The 'total' figure and figure for 'GB activity' must be provided **for all of the operational events section**. Where the figure for British based customers cannot be provided accurately, an estimate should be provided and an explanation for how the estimate was arrived out should be given in the additional notes field. The non-British based customer field will be automatically calculated from the information provided in the total and GB based customer fields.

Exclusions by product

If an operator gives customers the option to exclude from some, but not all gambling products, please provide the number of individuals who have made use of this option during the reporting period. For example, a customer blocks their access to casino games but is able to continue placing sports bets. This must not include figures relating to self-exclusions made in accordance with social responsibility code provision 3.5.1. If the operator does not offer this facility, they should leave this section blank.

Time-outs

If an operator gives customers the option to take time-outs which temporarily restrict access to their account for a specified period, please provide the number of individuals who have made use of this option during the reporting period. For example, this could include short term 'time-outs' that prevent customers from gambling for a specified period. This must not include figures relating to self-exclusions made in accordance with social responsibility code provision 3.5.1. If the operator does not offer this facility, they should leave this section blank.

Money laundering – suspicious activity reports

A Suspicious Activity Report (SARs) is a report regarding known or suspected money laundering activity which is submitted to the National Crime Agency (the NCA).

Please record the number of SARs submitted to the NCA for the period relating to the regulatory return. Where the SAR relates to a customer located in Great Britain this should be recorded in the GB customer column. Where a customer is located outside of Great Britain, but a SAR is submitted to the NCA for example because the operator's remote gambling equipment is located in Great Britain, this should be recorded in the non-GB customer column.

Further information on the Proceeds of Crime Act 2002 can be found at www.nationalcrimeagency.gov.uk

Information security audit

Was the security audit conducted this quarterly period?	Yes	No
If 'yes' please provide the following information:		
Date the security audit was conducted		
Date this was submitted to the Gambling Commission		
Name of the firm that conducted the security audit		

Guidance notes

Information security audit

Operators should state whether their annual security audit, as required to be provided to the Commission in accordance with the [Testing strategy for compliance with remote gambling and software technical standards](#), was conducted during this reporting period, and if so, the date the audit was conducted, the date the report was submitted to the Commission and the name of the security audit company.

Section 4: Financial information

Guidance notes

GB and non-GB activity

The 'total' figure and figure for 'GB activity' must be provided **for all of the financial information section**. Where the figure for British based customers cannot be provided accurately, an estimate should be provided and an explanation for how the estimate was arrived at should be given in the additional notes field. The non-British based customer field will be automatically calculated from the information provided in the total and GB based customer fields.

Sector/product definitions

The following guidance on sector/product definitions is applicable to all of section 4. Where financial or account information is requested to be reported under a particular activity, provide information relating to each activity defined as follows:

- **Betting:** for all remote betting licence types. Where specified this must be by individual licence type e.g. pool, real event etc. Where a figure is requested for 'commission' taken please provide a figure for the money that the licence holder receives in respect of commission taken from bets offered in reliance on the operating licence.
- **Bingo:** for all bingo games. This **must not include 'mini-games'** of blackjack and roulette for example, that are played alongside bingo. These must be reported in the casino section.
- **Casino:** for all casino games (i.e. games of chance which are not equal chance gaming) that are offered in reliance on a remote casino operating licence. This includes poker where the customer plays directly against the operator, **but excludes peer to peer poker** where a customer plays against other customers. Note that the casino category must include 'mini-games' of blackjack, roulette and other casino games, that are played alongside bingo and peer to peer poker products.
- **Poker:** for all peer to peer poker products (i.e. where a customer plays against other customers). Where the 'rake' is requested please provide a figure for the money that the licence holder receives in from the games of peer to peer poker offered in reliance on the operating licence. This **must not include 'mini-games'**, blackjack and roulette for example, that are played alongside the poker product. These must be reported in the casino section.

4a. Account information

	TOTAL	Breakdown of TOTAL	
		GB customers	Non-GB customers
Funds held in customer accounts	(£GBP)	(£GBP)	(£GBP)
Total number of accounts for Gambling Commission licensed activities			
Total number of active for Gambling Commission licensed activities			
CASINO - Total number of active customer accounts (accessed during the last 12 months)			
BETTING - Total number of active customer accounts (accessed during the last 12 months)			
BINGO - Total number of active customer accounts (accessed during the last 12 months)			
PEER TO PEER POKER - Total number of active customer accounts (accessed during the last 12 months)			

Guidance notes

Account information at the date of submitting the regulatory return

Funds held in customer accounts: include all funds in accounts that customers could use to gamble on facilities licensed by the Commission. This should incorporate funds held in all accounts regardless of whether they are active, dormant or suspended accounts.

Total number of accounts for Gambling Commission licensed activities: the total number of registered customer accounts must be reported regardless of whether they are active, dormant or suspended.

Total number of active for Gambling Commission licensed activities: the total number of accounts that have been used by customers to gamble on Commission licensed activities within the last 12 months, and should not include suspended or dormant accounts. The last 12 months refers to the 12 month period prior to the end date of this regulatory return.

Total number of active accounts by licensed activity: the total number of active accounts should be provided by activity (casino, betting, bingo and poker (peer to peer)) where active accounts are those that have been used to gamble in the last 12 months.

If a breakdown of active customers by product cannot be provided, an explanation must be provided in the additional notes section. It is preferred that this figure only includes those accounts that are still active (that is, not since suspended) however if you are not able to make this distinction please explain in the additional notes.

4b. Customer registrations

	TOTAL	Breakdown of TOTAL	
		GB customers	Non-GB customers
Number of new registrations			

4c. Product information

	TOTAL	
	Amount wagered	Payout

Breakdown of TOTAL			
GB customers		Non-GB Customers	
Amount wagered	Payout	Amount wagered	Payout

CASINO

Card game	(£GBP)	(£GBP)
Table game	(£GBP)	(£GBP)
Slots	(£GBP)	(£GBP)
Other	(£GBP)	(£GBP)

(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)

BETTING (REAL EVENTS)

Horses	(£GBP)	(£GBP)
Dogs	(£GBP)	(£GBP)
Football	(£GBP)	(£GBP)
Golf	(£GBP)	(£GBP)
Tennis	(£GBP)	(£GBP)
Cricket	(£GBP)	(£GBP)
Financial	(£GBP)	(£GBP)
Other	(£GBP)	(£GBP)

(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)

	TOTAL	
	Amount wagered	Payout

Breakdown of TOTAL			
GB customers		Non-GB Customers	
Amount wagered	Payout	Amount wagered	Payout

BETTING (VIRTUAL EVENTS) All sub-categories removed

Betting (virtual events)	(£GBP)	(£GBP)
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(£GBP)	(£GBP)	(£GBP)	(£GBP)
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BETTING (POOL BETTING) Sub-categories of golf, tennis, cricket and financial removed

Horses	(£GBP)	(£GBP)
Football	(£GBP)	(£GBP)
Dogs	(£GBP)	(£GBP)
Other	(£GBP)	(£GBP)

(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)
(£GBP)	(£GBP)	(£GBP)	(£GBP)

BINGO

Bingo	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)
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Guidance notes

Product information

Please provide details of the amount wagered (to the nearest whole £) and the payout (to the nearest whole £) for each gambling activity listed if offered by the licence holder. This will allow for the calculation of the gross gambling yield (GGY) for each activity.

PEER TO PEER POKER

		Breakdown of TOTAL	
	TOTAL Rake	GB customers	Non-GB Customers
Peer to peer poker	(£GBP)	(£GBP)	(£GBP)

Guidance notes

Product information (peer to peer poker)

Please provide details of the rake received (to the nearest whole £). This must include all revenue raised from peer to peer poker eg from cash games and tournament fees.

REVENUE SHARE AGREEMENTS ONLY New section on revenue share agreements

Guidance notes

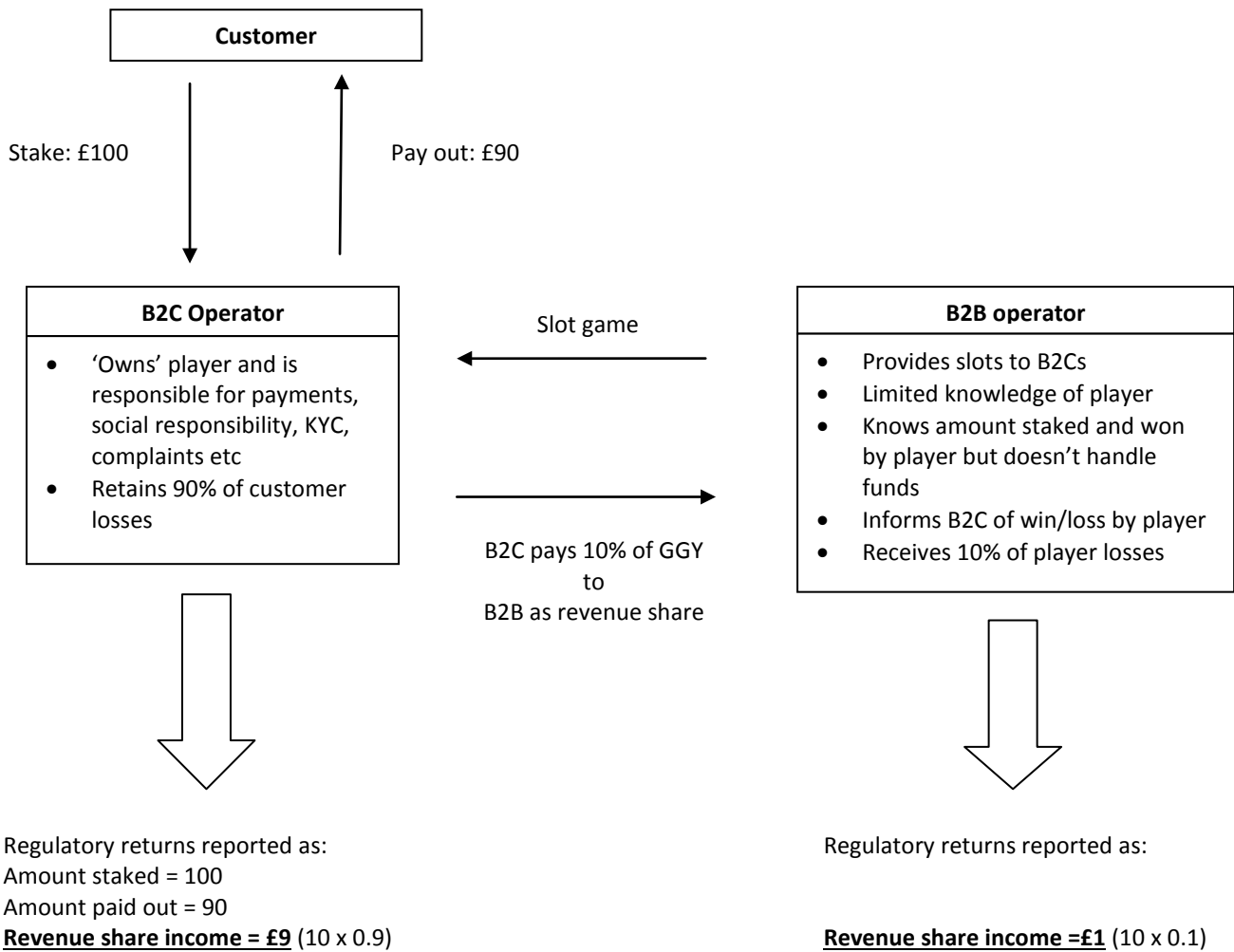
Revenue share agreements B2B and B2C

It is important that all GGY from gambling is accounted for through regulatory returns. For revenue share agreements, each of the respective parties within the agreement should only report the income that they receive.

This means that fees that are paid to another licensee as part of the agreement can be deducted before the total is reported in this section, as this will be reported by the other party in the agreement. However, ordinary cost of business, eg for graphics, must not be deducted from the GGY.

The below example illustrates how B2B and B2C operators should report their revenue share.

Figure 1. Example of revenue share reporting



- The B2C operator in this example is a sports-book and uses gambling facilities by another licence holder (the B2B operator) to offer casino products under its own branding
- The casino products are hosted on the B2B's equipment
- Customer stakes £100 on a slot game and wins £90.
- The GGY is £10 but this is split 90:10 between the B2C and the B2B.
- The B2C therefore has a GGY of £9 and the B2B has a GGY of £1 (Funds are not transferred between the B2C and B2B for each transaction but are reconciled at the end of an agreed period)

When compiling regulatory returns the B2C reports their portion of the revenue share, the amount staked and the amount paid out. The B2B will report as their share of the revenue received. This ensures double counting of the GGY is avoided.

Business to business (B2B) providers in a revenue share agreement

	TOTAL amount of revenue share received by the B2B	Breakdown of TOTAL	
		GB customers	Non-GB Customers
Card games	(£GBP)	(£GBP)	(£GBP)
Table games	(£GBP)	(£GBP)	(£GBP)
Slots	(£GBP)	(£GBP)	(£GBP)
Other casino games	(£GBP)	(£GBP)	(£GBP)
Bingo	(£GBP)	(£GBP)	(£GBP)
Betting	(£GBP)	(£GBP)	(£GBP)

Guidance notes

Business to business (B2B) providers in a revenue share agreement

In this section the **business to business (B2B) provider** in a revenue share agreement must provide the total amount of the revenue share that they retain from all agreements.

Business to customer (B2C) party in a revenue share agreement

	TOTAL amount of revenue share received by the B2C	Breakdown of TOTAL	
		GB customers	Non-GB Customers
Card games			
Table games	(£GBP)	(£GBP)	(£GBP)
Slots	(£GBP)	(£GBP)	(£GBP)
Other casino games	(£GBP)	(£GBP)	(£GBP)
Bingo	(£GBP)	(£GBP)	(£GBP)
Betting	(£GBP)	(£GBP)	(£GBP)

	TOTAL Amount staked	TOTAL Amount paid	Breakdown of TOTAL			
			GB customers		Non-GB Customers	
			Amount staked	Amount paid	Amount staked	Amount paid
Card games	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)
Table games	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)
Slots	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)
Other casino games	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)
Bingo	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)
Betting	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)	(£GBP)

Guidance notes

Business to customer (B2C) party in a revenue share agreement

In this section the **business to customer (B2C) party** must provide the total amount of revenue share received **by them** from any gambling that is subject to a revenue share arrangement. In these agreements it is expected that the total amount of revenue share received by the B2C will only be a proportion of the total GGY from the product as the remainder will be reported on the B2B licence holder's regulatory return.

The B2C party must also provide details of the total amount staked and total amount paid out, the amount staked and amount paid out in respect of GB and non-GB customers.

Business to business (B2B) providers in a revenue share agreement (peer to peer poker)

		Breakdown of TOTAL	
	TOTAL Rake	GB customers	Non-GB Customers
Poker (peer to peer)	(£GBP)	(£GBP)	(£GBP)

Guidance notes

Business to business (B2B) providers in a revenue share agreement (peer to peer poker)

Please provide details of the amount of rake received (to the nearest whole £) by the B2B provider for peer to peer poker.

Business to customer (B2C) party in a revenue share agreement (peer to peer poker)

		Breakdown of TOTAL	
	TOTAL Rake	GB customers	Non-GB Customers
Poker (peer to peer)	(£GBP)	(£GBP)	(£GBP)

Guidance notes

Business to customer (B2C) party in a revenue share agreement (peer to peer poker)

Please provide details of the amount of rake received (to the nearest whole £) by the B2C party for peer to peer poker.

4d. Betting intermediaries

	TOTAL commission taken	Breakdown of TOTAL	
		GB customers	Non-GB Customers
Horses	(£GBP)	(£GBP)	(£GBP)
Dogs	(£GBP)	(£GBP)	(£GBP)
Football	(£GBP)	(£GBP)	(£GBP)
Golf	(£GBP)	(£GBP)	(£GBP)
Tennis	(£GBP)	(£GBP)	(£GBP)
Cricket	(£GBP)	(£GBP)	(£GBP)
Financial	(£GBP)	(£GBP)	(£GBP)
Other	(£GBP)	(£GBP)	(£GBP)

4e. Gross Gambling Yield (GGY)

	TOTAL GGY	Breakdown of TOTAL	
		GB customers	Non-GB customers
Gross Gambling Yield	(£GBP)	(£GBP)	(£GBP)

4f. Reporting of jurisdictions which comprise total GGY

Jurisdictions from where GGY is obtained	% of GGY
(list all jurisdictions that are triggered by 3% or 10% thresholds, and those that the licence holder is actively targeting)	%

Guidance notes

Reporting of jurisdictions which comprise total GGY

Where an operator's total GGY is £5 million per annum or above, please provide a list of jurisdictions where GGY from that jurisdiction is 3% or more of the operator's total GGY.

Where an operator's total GGY is less than £5 million per annum please provide a list of jurisdictions where GGY from that jurisdiction is 10% or more of the operator's total GGY. Please also include any other jurisdictions that are not captured by the 3% (or 10%) requirement, but that are being actively targeted.

Section 5: Trading name information

All trading names used in connection with the licensed business

Guidance notes

Trading name information

Please add or remove trading names in this section. If a change has not already been notified to the Commission this needs to be done immediately as this requires a variation to an operating licence. Please see [Operating licence application to vary licence - form - August 2012](#) and [Operating licence application to vary licence - guidance notes - August 2012](#) for further information.

Section 6: Domain name information

All domain names used in respect of the operating licence to provide gambling facilities

Guidance notes

Domain name information

Please add or remove domain names that are used by the licensee to provide facilities for gambling. If a change is made to this list that has not already been notified to the Commission as a key event then a key event notification should be submitted immediately. Please see [Key Events](#) for further information.

Section 7: Remote gambling operations

Any instances of the following events must be recorded in this section.

	Number of events in relation to operations provided in reliance on the operating licence
Change controls	
Significant changes to system software	Date of event, description
Change to gaming parameter	Date of event, description
Game activated/deactivated	Date of event, description
Major changes to gambling infrastructure	Date of event, description
Software defects	
Faults affecting customer payout	Date of event, description
Software faults causing irrecoverable loss of customer account/gambling information	Date of event, description
Faults causing incorrect game results to be generated	Date of event, description
System outages	
Application/system shutdowns	Date of event, description
Switch-over to disaster recovery facility	Date of event, description
Manual interventions to standard operation and Random Number Generator (RNG) failure	Date of event, description
System Malfunctions/Failures	
Irrecoverable loss of customer account/gambling information	Date of event, description
System unavailable for significant periods of time	Date of event, description
Interruption to gaming or peer to peer betting	Date of event, description
System Security	
Identified breaches and successful attacks	Date of event, description
Discovery of malicious code	Date of event, description

Section 8: Demographic information and gambling trends New section on demographic information and gambling trends

8a. Age of customers

Age range	Percentage of GB customers (to nearest whole %)
18-24	%
25-34	%
35-44	%
45-54	%
55-64	%
65+	%

Guidance notes

Age of customers

Please provide the percentage of customers that have registered addresses in Britain for each of the specified age ranges.

8b. Gender of customers

Gender	Percentage of GB customers (to nearest whole %)
Male	%
Female	%
Other/unknown	%

Guidance notes

Gender of customers

Please provide the percentage of customers that have registered addresses in Britain based on their gender.

8c. GGY obtained from gambling through mobile devices by GB customers

TOTAL GGY from mobile devices	(£GBP)
--------------------------------------	--------

Guidance notes

GGY obtained from gambling through mobile devices by GB customers

Please provide the total GGY for British customers generated from gambling via mobile devices.

8d. GGY obtained from in-play betting by GB customers

TOTAL GGY from in-play betting	(£GBP)
---------------------------------------	--------

Guidance notes

GGY obtained from in-play betting by GB customers

Please provide the total GGY for British customers generated from in-play betting. .

Appendix B: Revised data fields for the gambling software regulatory return

Appendix B sets out the consolidated list of data fields on the gambling software regulatory return that will be collected through the eServices system on an **annual** basis. Amendments made following the consultation have been **highlighted**.

Some guidance has been provided here to explain the substantive changes following the consultation. Further guidance is currently available in [Gambling software annual regulatory return guidance](#) and should be referred to where data requests have not been altered.

These data fields will be presented dynamically on eServices meaning that operators will only see those that are relevant to the licence types currently held. Guidance notes will be displayed alongside each data request and each screen will have an 'additional comments' section for operators to provide any explanatory notes to their submission.

Section 1: Contact information

Name of operator
Name of contact for this regulatory return
Address
Telephone
Email

Section 2: Workforce information

	GB staff	Non-GB staff
Total number of employees		

Guidance notes

Workforce information

This section should be completed by providing a breakdown between employees physically located in Britain and those based overseas. Where an employee works in Britain and overseas they should be counted where they are expected to spend most of their working time. If employees divide their time equally between Britain and overseas they should be counted where they are currently domiciled.

Section 3: Operational information

Research, education and treatment

Contributing annually to research, education and treatment of problem gambling in Great Britain is a mandatory condition of every operating licence		
Has a contribution been made in this quarterly period?	Yes	No
If 'Yes' please provide the following information:		
Has the contribution has been made via a trade body? <ul style="list-style-type: none"> If yes, please specify which one and proceed to operational events If no, please complete the below section 	Name of trade body	
Beneficiary of contribution		
Nature of contribution	Monetary	Non-monetary
	Both	
Value of monetary contribution	(£GBP)	
Details of non-monetary contribution		

Section 4: Financial information

Income from gambling software supplied	Income received in relation to non-remote gambling software	Income received in relation to remote gambling software
Income from sales fees (e.g. flat fees, licence fees excluding revenue share income)	(£GBP)	(£GBP)
Income from revenue share agreements	(£GBP)	(£GBP)
Income from other activities provided in reliance on the licence (e.g. software support)	(£GBP)	(£GBP)

Guidance

Software supplied through non-remote/remote methods

Please provide details of the income received from gambling software supplied in reliance on the operating licence. This should be broken down on the basis of whether the gambling software is supplied by non-remote or remote means.

Software supplied through non-remote methods (tick all that apply)				Software supplied through remote methods (tick all that apply)			
Game	<input type="checkbox"/>	Platform	<input type="checkbox"/>	Game	<input type="checkbox"/>	Platform	<input type="checkbox"/>
Other	<input type="checkbox"/>	If 'Other please specify'	<input type="checkbox"/>	Other	<input type="checkbox"/>	If 'Other please specify'	<input type="checkbox"/>

Guidance notes

Software supplied through non-remote/remote methods

Please provide details of the type of gambling software supplied in reliance on the operating licence. This should be broken down on the basis of whether the gambling software is supplied by non-remote or remote means.

Software titles supplied through non-remote methods	Number of operators this has been supplied to
(List all titles)	

Guidance notes

Software titles supplied through non-remote methods

Please provide details of the software titles that have been supplied by non-remote means in reliance on the operating licence and the number of operators that have been supplied in this way.

Software titles supplied through remote methods	Number of operators this has been supplied to
(List all titles)	

Guidance notes

Software titles supplied through remote methods

Please provide details of the software titles that have been supplied by remote means in reliance on the operating licence and the number of operators that have been supplied in this way.

Section 5: Trading name information

All trading names used in connection with the licensed business

Guidance notes

Trading name information

Please add or remove trading names in this section. If a change has not already have been notified to the Commission this needs to be done immediately as this requires a variation to an operating licence. Please see [Operating licence application to vary licence - form - August 2012](#) and [Operating licence application to vary licence - guidance notes - August 2012](#) for further information.

Appendix C: List of respondents

A total of seven responses were received during the consultation. A list of non-confidential respondents is set out below and responses will be published on the Commission's website shortly.

Done Bros, T/A Betfred
Gibraltar Betting & Gaming Association
Inspired Gaming (UK) Limited
Rank Group Plc
Remote Gambling Association

Gambling Commission August 2014

Keeping gambling fair and safe for all

For further information or to register your interest in the Commission please visit our website at:
www.gamblingcommission.gov.uk

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