

Providing information to the Gambling Commission

There is a requirement for those manufacturing and supplying gaming machines to be licensed by the Gambling Commission, as well as those involved in certain aspects of machine maintenance.

Our effort is focused on the illegal supply of gaming machines. Illegal suppliers often conduct their transactions across a number of licensing authorities. Your help in supplying information about illegally sited machines helps us to take action against illegal suppliers and reduce the incidence of illegally sited machines in your area.

Please email intelligencereports@gamblingcommission.gov.uk, enter 'Illegal Gaming Machine Supply' in the subject line and provide:

1. the name of the manufacturer and game title
2. the stake and prize stated on the machine (if available)
3. all available contact details of the supplier.
4. a photograph of the machine if possible

Example labels:

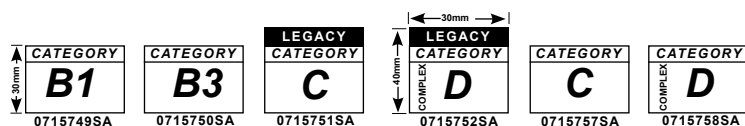
Model type:	<i>In spin cabinet</i>
Game version:	<i>Metal cabinet (Mpu6)</i>
Serial number:	972669002
Category Type:	C
Date of manufacture:	July 2011

NO PRIZE GREATER IN VALUE THAN

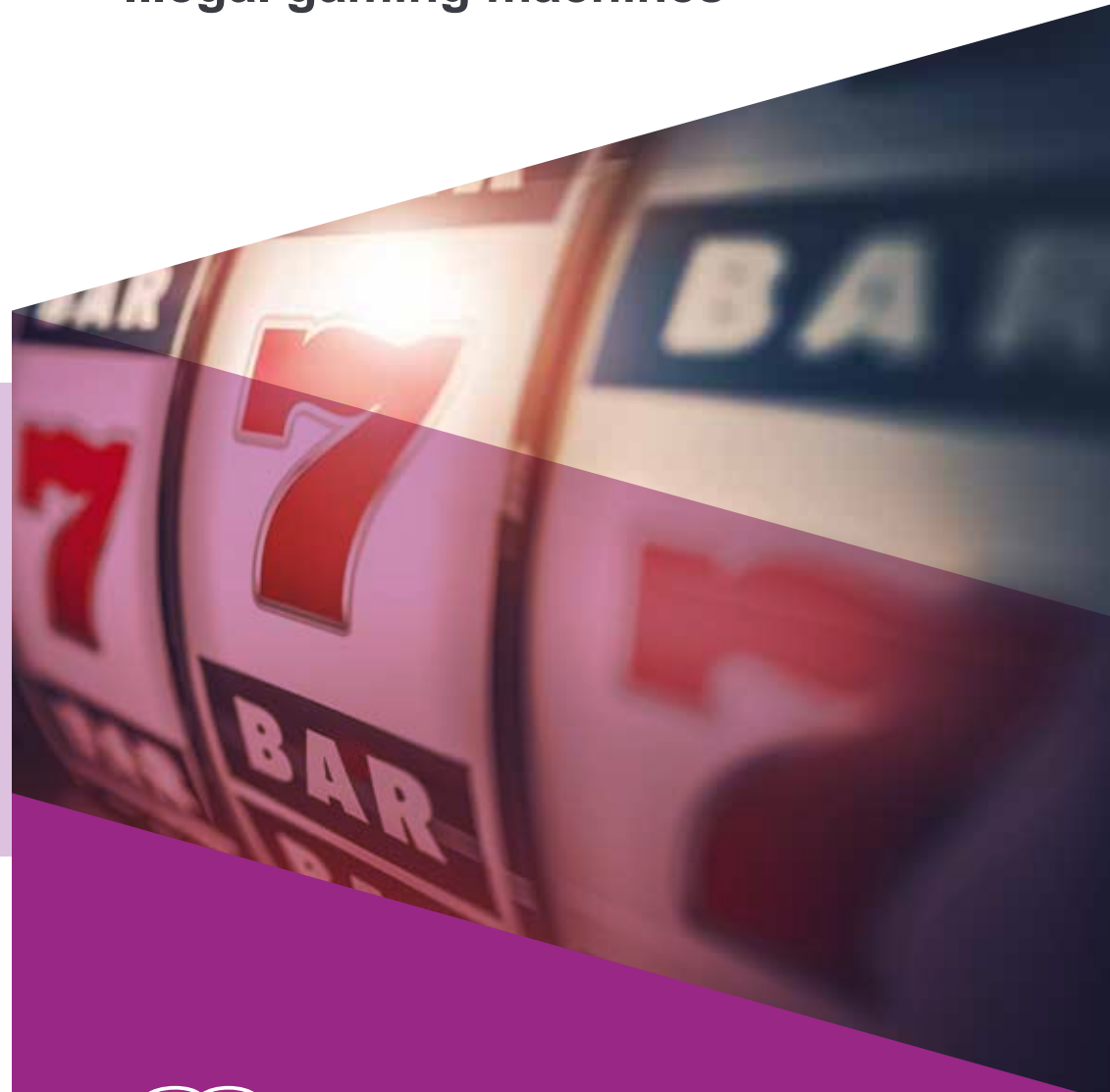
**ONE HUNDRED
POUNDS**

CAN BE WON FROM THIS
MACHINE IN ANY ONE GAME

Print Pantone 282 on Silver/Chrome Tamper proof Material



Illegal gaming machines



GAMBLING
COMMISSION

RAISING STANDARDS

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Making gambling fairer and safer

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A quick guide for licensing officers

Illegal gaming machines – A quick guide for licensing officers

In order to site gaming machines some form of authorisation is normally required*. Typically this is:

- ▶ an operating licence from the Gambling Commission and a gambling premises licence from a licensing authority or
- ▶ an alcohol premises licence from a licensing authority or
- ▶ a gaming machine permit from a licensing authority.

Depending on the authorisation, there are limits placed on the category of machines that can be sited and, in some cases, on the number of machines that can be made available for use.

* Except if there is no opportunity to win a prize from the machine, or the only prize is another opportunity to play the machine, or the value of the prize does not exceed any payment made to use the machine.

Establishing premises authorisation

Your public register of gambling premises will confirm whether a licence has been granted. A copy of the licence must be available for inspection.

Qualifying alcohol licensed premises are entitled to two gaming machines of category C or D upon notification to the licensing authority. A gaming machine permit is

required if there are more than two category C or D gaming machines sited (see part 26 of the *Guidance to licensing authorities* for details)

Clubs, miners' welfare institutes, and commercial clubs require a club machine permit for gaming machines to be sited within their premises.



Gaming machine category

The gaming machine category should be clearly labelled on the body of the cabinet, as this is a legal requirement (see the example illustrations at the back of this guide). If no category label is found, the category may be shown on the video screen.

A full list of machine categories, types of premises permitted to site machines, and machine category stakes and prizes is available in appendix A and B of the *Guidance to licensing authorities*.

Skill with prizes (SWP) machines

Genuine skill with prizes machines (SWPs) can be sited without permissions. However, the Gambling Commission considers that the higher the payout offered by this type of machine, the less likely the machine will be viable as a genuine skill machine simply because of the risk that very skilful players will win the top prize too frequently to make the machine commercially viable.

Generally, if a machine being marketed as an SWP offers prizes over £50 the Commission may be doubtful whether it can be a genuine SWP. Licensing authorities are asked to

inform the Commission of any SWP innovations which exceed this limit by contacting intelligencereports@gamblingcommission.gov.uk.

In the past machines have been marketed as SWP machines offering games designed to look like recognised games of chance (such as roulette, bingo or poker). Such machines are gaming machines and cannot be sited as SWPs.

Our advice note *Is a prize machine a gaming machine?* provides further information including a flow diagram to help determine whether a prize machine is a gaming machine.

What to do if gaming machines appear to be illegally sited

If the premises does not have authorisation to site gaming machines you should:

- ▶ advise the premises owner/occupier that they are committing an offence under the Gambling Act 2005 (sections 37 and 242) and are liable to a maximum penalty of imprisonment
- ▶ ask the premises owner/occupier to remove the gaming machine(s) from the premises. As the gaming machine(s) may be reliant on an authorisation granted by the licensing authority – for example an alcohol licence, a gambling premises licence or a club permit – other parts of their business could be put in jeopardy if they do not comply. They might, for example, lose their alcohol licence
- ▶ inform the police as they may be interested in potential instances of local illegality and may also be able to assist (a constable has the

power of an enforcement officer under the Gambling Act 2005)

- ▶ contact Her Majesty's Revenue and Customs (HMRC) as experience shows there is the possibility that the relevant duties/taxes applicable to gaming machines may not have been paid. HMRC also has powers under separate legislation to collect monies due and stop illegal machine usage
- ▶ inform the Gambling Commission (see below).

Under Section 317 of the Gambling Act 2005 an authorised person may 'remove and retain anything if he reasonably believes that it is being used or has been used in the commission of an offence under this Act'. This power has been used by a licensing authority to seize suspected illegal machines. You may wish to obtain advice as to the agreed regulatory processes within your licensing authority.

Seizing an illegally sited machine

If you intend to seize a machine which you believe is an illegally sited gaming machine in order to prosecute the operator, some of the details you would need to verify are as follows:

- 1 Does the machine play a game of chance or is the game presented as involving an element of chance? There may be more than one game available, take note of the types of game – roulette, poker, reel games etc.
- 2 Record the maximum stake for the machine. The maximum stake figure may be different for each game offered, check them all and record details.



- 3 Record the maximum prize available. The maximum prize figure may be different for each game offered, check them all and record details. Note some games may not give a maximum prize figure so you will need to calculate them from the odds given, for example, £10 on a single number in roulette at odds of 35 to 1 would mean the prize is £350.

- 4 Does the machine have a category or sub-category label fitted? This should be visible but may be on a help screen, or similar, within the game.

- 5 Does the machine have any problem gambling help information? This should be visible and must include a telephone number.

- 6 Does the machine have a 'no players under 18' notice? This should be visible but need not be fitted to a category D machine.

Working together

In relation to illegal machine supply, the Gambling Commission has acted with HMRC and/or the police and the local authority to seize illegal machines, examples of recent cases can be found in the *case studies* section of our website.