

## The Gambling Act 2005

### Summary of the Act

1. The Act repeals the Betting, Gaming and Lotteries Act 1963 (c.2), the Gaming Act 1968 (c.65) and the Lotteries and Amusements Act 1976 (c.32).
2. Gambling will be unlawful in Great Britain, unless permitted by:
  - the measures contained in this Act; or
  - measures contained in the National Lottery etc. Act (c.39), or pursuant to the Financial Services and Markets Act 2000 (c.8)
3. Two comprehensive offences are established: providing facilities for gambling or using premises for gambling, in either case without the appropriate permission. Such permission may come from a licence, permit or registration grant pursuant to the Act or from an exemption given by the Act. Where authority to provide facilities for gambling is obtained under the Act, it will be subject to varying degrees of regulation, depending on the type of gambling, the means by which it is conducted, and the people by whom and to whom it is offered.
4. The Act introduces a unified regulator for gambling in Great Britain, the Gambling Commission (“the Commission”), and a new licensing regime for commercial gambling (to be conducted by the Commission or by licensing authorities depending on the matter to be licensed). The Act removes from licensing justices all responsibility for granting gaming and betting permissions, which they exercised previously. Instead, the Commission and licensing authorities will share between them responsibility for all those matters previously regulated by licensing justices.
5. The commission will not regulate spread betting, which is currently the preserve of the Financial Services Authority (at least for the time being), or the National Lottery, which is regulated by the National Lottery Commission. Those aside, the Commission will regulate all commercial gambling in Great Britain.
6. The Commission will take over from the Gaming Board for Great Britain. In addition to assuming responsibility for the Board’s current remit of regulating gaming and certain lotteries, the Commission will take on responsibility for regulating betting. The Commission will be responsible for granting operating and personal

licences for commercial gambling operators and personnel working in the industry. It will also regulate certain lottery managers and promoters. The Act sets out different types of operating licence that cover the full spectrum of commercial gambling activities conducted in Great Britain. It also makes provision for the Commission to have powers of entry and inspection to regulate gambling, with safeguards for those subject to the powers.

7. The Act establishes a Gambling Appeals Tribunal to hear appeals from decisions made by the Commission.
8. Licensing authorities will have new powers to license gambling premises within their area, as well as undertaking functions in relation to lower stake gaming machines and clubs and miners' welfare institutes. In England and Wales local authorities are given these responsibilities; in Scotland they are given to licensing boards. There will be a new system of temporary new notices. These will authorise premises that are not licensed generally for gambling purposes to be used for certain types of gambling, for limited periods.
9. The Act contains three licensing objectives which underpin the functions that the Commission and licensing authorities will perform. These objectives are central to the new regulatory regime created by the Act. They are:
  - Protecting children and other vulnerable people from being harmed or exploited by gambling;
  - Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime; and
  - Ensuring that gambling is conducted in a fair and open way.
10. Regulation of gambling in Great Britain will be achieved through a variety of measures established under the Act. These include:
  - Secondary Legislation;
  - Conditions on Licences;
  - Codes of Practice; and
  - Guidance

11. The Act recognises and accommodates the significant technological changes that have taken place in the last 40 years. The Act requires regulation of gambling where the player is not present on the operator's premises. For example, operators based in Great Britain must obtain an operating licence to authorise the provision of gambling via remote communication eg via interactive television or the internet. Moreover, the new licensing system has been designed to keep pace with technological developments, so that, subject to appropriate Parliamentary approval, gambling delivered by new, unforeseen, methods can be regulated in the future
12. The Act revises the law of gambling. For example commercial bingo premises and casinos will no longer have to operate as clubs with a 24 hour membership rule (making them places to which the public will now have access); and a new class of betting intermediary operating licence has been introduced, to cater for the development of betting exchanges. The Act also repeals legislation that has prevented contracts relating to gambling from being enforceable through the courts.
13. The Act makes significant changes to the regime for casinos. It removes certain regulatory controls which existed under the Gaming Act 1968 (for example, "permitted" areas and the demand test). Three categories of casino are introduced (regional, large and small). These are defined according to a casino's size. A casino's category affects what forms of gambling can be provided at the casino. For example, a casino's gaming machine entitlement depends upon which category it falls into. There will be a minimum size limit for new casinos established under the Act.
14. The Act imposes an initial limit of 1 regional casino, and 8 small and 8 large casinos, to be licensed under the Act. There are powers to amend these limits or remove them entirely, subject to appropriate Parliamentary approval. Casinos which are in operation, or which can lawfully be operated, immediately before the casino provisions of the Act come into force will be allowed to continue to operate. This will be provided for by means of transitional provisions. A power is provided for licensing authorities to pass resolutions not to licence any new casinos premises in their area.
15. The Act introduces a new regime for gaming machines. A new definition of gaming machine is provided, together with power to prescribe categories. The Act provides certain entitlements for commercial operators to use specified numbers and categories of machines in consequence of their licences. It also establishes permit procedures for authorising use of the lower stake gaming machines in specific locations.

16. The Act provides protection for children and vulnerable adults from the effects of harmful gambling. It does this through a number of specific offences that will prevent children and young people from being given access to inappropriate or harmful gambling opportunities. In particular, it will be an offence to invite or permit a child or a young person to gamble contrary to the provisions of the Act. The Commission is required to promote socially responsible gambling through licence conditions and codes of practice directed at those providing facilities for gambling. The Act also provides powers for the Commission to void bets that are unfair, for example due to cheating.
17. A revised regime for the law of lotteries is contained in the Act, building upon that contained in the Lotteries and Amusements Act 1976, which the Act repeals. The Act regulates lotteries in two ways: either as exempt lotteries, or as licensable lotteries.
18. The Act makes provision for the advertising of gambling, creating new offences relating to the advertising of unlawful gambling and providing powers for the Secretary of State to make regulations controlling the content of gambling advertisements.
19. The Act establishes a series of authorisations for private and non-commercial gambling in Great Britain. This includes authorisations for domestic gaming and betting, and provisions for gaming and lotteries at non-commercial events.