

EXPLANATORY MEMORANDUM TO
THE GAMBLING (LICENSING AND ADVERTISING) ACT 2014
(TRANSITIONAL PROVISIONS) (AMENDMENT) ORDER 2014

2014 No. 1675

1. This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

The memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

The purpose of this instrument is to ensure that existing remote gambling operators in the Isle of Man can take advantage of transitional arrangements in respect of remote operating licences prior to the commencement of the new licensing requirements under the Gambling (Licensing and Advertising) Act 2014 (“the 2014 Act”).

It achieves this by correcting an error in the Gambling (Licensing and Advertising) Act 2014 (Transitional Provisions) Order 2014 (S.I. 2014/1641) (“the Order”), which provided for transitional arrangements in respect of advance applications to the Gambling Commission (“the Commission”) for a remote operating licence or to vary an existing remote operating licence under the Gambling Act 2005, prior to the commencement of the 2014 Act.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 This instrument has been made in consequence of an omission in the Order, and is to be issued free of charge to all known recipients of the Order. The Order enters into force on 16th July 2014.

3.2 This instrument will enter into force less than 21 days after the date on which it is laid to coincide with the entry into force of the Order, and so does not observe the ‘21 day rule’. The Department considers that this is, with regret, appropriate in the circumstances to ensure that remote gambling operators based in the Isle of Man do not suffer any commercial disadvantage as a result of the Department’s oversight.

4. **Legislative context**

4.1 The 2014 Act received Royal Assent on 14th May 2014. This instrument, like the Order, is being made by the Department in exercise of the powers under section 1(4), (6) and (7) of the 2014 Act, which entered into force on Royal Assent. The Order, as amended by this instrument, supports the transition to the licensing requirement enacted by section 1(2) of the 2014 Act.

4.2 The Department intends to commence the remainder of the 2014 Act on 1st October 2014. On its commencement, a remote gambling operator will be in breach of the law if on that date it does not hold a remote operating licence from the Commission.

4.3 At present, remote gambling operators in certain countries and places, including the Isle of Man, may provide facilities for remote gambling in Great Britain without being licensed by the Commission to do so.

4.4 One of the purposes of the Order is to provide specific arrangements to enable these remote gambling operators to continue to provide their existing facilities for remote gambling in Great Britain if they make an advance application on or before 16th September 2014 which is not determined by the Commission before the rest of the 2014 Act comes into force on 1st October 2014.

4.5 The Order, regrettably, did not include the Isle of Man in the definition of “relevant state” in article 2(1)(d). The effect was that any existing remote gambling operator in the Isle of Man would not be able to make an advance application under the 2014 Act to take advantage of these specific transitional arrangements. This instrument now corrects this by amending the definition of “relevant state” to include the Isle of Man.

5. Territorial extent and application

This instrument applies to Great Britain.

6. European Convention on Human Rights

As this instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

A full description of the policy background to reform of the remote gambling regulatory framework by the 2014 Act is set out in the Explanatory Memorandum to the Order available at <http://www.legislation.gov.uk/ukxi/2014/1641/memorandum/contents>

8. Consultation outcome

None.

9. Guidance

9.1 The changes to the law made by this instrument and the Order, as well as its consequences, are being communicated to operators in advance of their coming into force.

9.2 The Commission is responsible for implementation and enforcement of the 2014 Act. Detailed guidance and a 'frequently asked questions' document explaining how the transitional arrangements will operate will be available on its website.

10. Impact

10.1 A full impact assessment of the effect that the reform of the remote gambling regulatory framework will have on the costs of business is available from the Department for Culture, Media and Sport, 100 Parliament Street, London SW1A 2BQ.

10.2 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

This instrument applies to small business, as all businesses have to pay for the full cost of their regulation.

12. Monitoring and review

This instrument and the Order which it amends will be reviewed as part of the Post-Implementation Review of the reform by the 2014 Act of the remote gambling regulatory framework. In line with best practice, we expect the Department to conduct such a review within 3-5 years of the 2014 Act coming into force.

13. Contact

Please contact David Hughes at the Department for Culture, Media and Sport (020 7211 6335 or david.hughes@culture.gsi.gov.uk) with any queries regarding this instrument.