

24 April 2014

*Practice Group(s):  
Betting & Gaming*

## Gambling (Licensing & Advertising) Bill - What next?

*By Warren Phelops, Andrew Danson and Elizabeth Dunn*

With the Gambling (Licensing & Advertising) Bill ('Bill') awaiting Royal Assent, what's next for remote gambling operators targeting the UK market?

The final amendments were made to the Bill in the House of Commons on 26 March 2014, and it will become law once it receives Royal Assent. The Bill means that any operator wanting to target UK customers, including those already able to operate legally in the UK without a licence from the Gambling Commission under the current regime, will be required to obtain a licence from the Gambling Commission in order to access the UK market.

The Gambling Commission has published a revised set of [FAQs](#) setting out some basic information about how it intends to implement the Bill. Some key points to note are set out below:

### When:

- The timescale for implementation of the Bill will depend on the date of Royal Assent and the parliamentary process for secondary legislation. However, the Gambling Commission currently anticipates that the requirement to hold a Gambling Commission licence will not come into effect before 1 August 2014, with the deadline for submitting applications not earlier than mid July 2014.

### What:

- All operators intending to serve British customers will need to apply for a Gambling Commission licence, if they do not already have one for the applicable activity.
- Operators already providing services to British customers from within the EEA or 'white list' jurisdictions are likely to qualify for continuation rights under transitional arrangements, if they make an application (and pay a fee) within the transitional period.
- A continuation licence will enable operators to continue to supply only existing products made available in Great Britain, and will be subject to termination if the substantive application is not determined positively or if the operator's overseas licence(s) cease to have effect.
- The Gambling Commission has received a number of enquiries about the possibility of an 'advertising only' licence. However, the Commission has stated that it will not normally license 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.
- Certain key individuals within operators will need to apply for personal management licences (or Annex As for small scale operators).

## Gambling (Licensing & Advertising) Bill - What next?

### How:

- Operators will be able to apply for a licence using the Commission's new [online application service](#). A 'test run' facility is available in the online application service to enable operators to look at the way the system works.
- Applicants who qualify for continuation rights under the transitional arrangements will be able to opt to initially answer a reduced set of mandatory questions when submitting their application. The remainder of the questions must be completed within 14 days of submission of the application.
- Determination of full licence applications is likely to take around 6 weeks, depending on the complexity of the applicant's business.
- Once an operator has received either a continuation licence or full Gambling Commission remote operating licence, it will be required to comply with the Gambling Commission Licence Conditions and Codes of Practice (LCCP) including the Commission's technical standards. The Commission has been consulting on proposed changes to the LCCP, and has published the first set of amendments, which will come into force before the commencement of the new regime (see our [update](#) on these changes).

### Assessing the application:

- The Gambling Commission has indicated that, as part of the licence application process, it will require details of the markets that an applicant provides gambling services or facilities to, or accepts players from, details of any licences, permits or authorisations that the applicant holds in those markets, and the revenue that each of those markets generates as a percentage of the overall revenue generated by the applicant's remote gambling activities.
- For each market that provides 3% or more of the applicant's total revenue (or 10% if the applicant's annual revenue is less than £5m), the Gambling Commission will expect operators to explain why they think provision of gambling facilities is not illegal.
- Further details of how the Gambling Commission assesses applications are set out on its [website](#), in its [Statement of Principles](#) for licensing and regulation and its [Licensing Compliance and Enforcement Policy Statement](#).

If you intend to offer gambling services to British residents after August this year, and do not yet have the appropriate licence(s) from the Gambling Commission, you may already be preparing your application. If you are not, now is the time to start. In particular, for operators providing gambling facilities to multiple jurisdictions it is important to start considering early how to explain to the Gambling Commission the basis on which you think that providing those services is not illegal in each jurisdiction. With 48 offices on 5 continents, K&L Gates LLP is able to provide multi-jurisdictional advice, coordinated from our London office by our dedicated Gambling team. If you have any questions about this, the application process or the information requirements imposed by the Gambling Commission, please contact Warren Phelops or Andrew Danson, who would be happy to assist.

## Gambling (Licensing & Advertising) Bill - What next?

---

### Authors:

#### Warren Phelops

Warren.phelops@klgates.com  
+44.(0).20.7360.8129

#### Andrew Danson

Andrew.danson@klgates.com  
+44.(0).20.7360.8153

#### Elizabeth Dunn

Elizabeth.dunn@klgates.com  
+44.(0).20.7360.8256

## K&L GATES

Anchorage Austin Beijing Berlin Boston Brisbane Brussels Charleston Charlotte Chicago Dallas Doha Dubai Fort Worth Frankfurt  
Harrisburg Hong Kong Houston London Los Angeles Melbourne Miami Milan Moscow Newark New York Orange County Palo Alto  
Paris Perth Pittsburgh Portland Raleigh Research Triangle Park San Diego San Francisco São Paulo Seattle Seoul Shanghai  
Singapore Spokane Sydney Taipei Tokyo Warsaw Washington, D.C. Wilmington

K&L Gates practices out of 48 fully integrated offices located in the United States, Asia, Australia, Europe, the Middle East and South America and represents leading global corporations, growth and middle-market companies, capital markets participants and entrepreneurs in every major industry group as well as public sector entities, educational institutions, philanthropic organizations and individuals. For more information about K&L Gates or its locations, practices and registrations, visit [www.klgates.com](http://www.klgates.com).

This publication is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer.

©2014 K&L Gates LLP. All Rights Reserved.