

1. Casino (Amendment) Bill 2017 – First Reading approved

Mr Henderson to move:

That the Casino (Amendment) Bill 2017 be read a first time.

The President: Hon. Members, there are no leaves of absence this morning. The first Item of business is the Casino (Amendment) Bill, First Reading.

I call on the Hon. Member of the Council, Mr Henderson, to move.

Mr Henderson: Gura mie eu, Eaghtyrane.

Eaghtyrane, the Isle of Man Gambling Supervision Commission (GSC) has regulatory responsibility for all gambling activities on the Island. This includes both online and land-based licence holders, with the exception of the UK National Lottery.

Whilst online gambling has become a significant part of the Isle of Man's economy, the Island has always supported a small but well-regulated domestic gambling sector, which includes licensed casinos. Such entities are regulated under the Casino Act 1986. Licensed casinos – of which there is currently one, but opportunity for up to two – are required to operate from specified premises on the Island and can offer wagering on a variety of games.

This Bill is being introduced with the intention of ensuring the Isle of Man's reputation as a Tier 1 jurisdiction for gambling regulation is maintained, whilst also ensuring that its businesses have an appropriate environment and framework of regulation within which they can grow and further contribute to the Island's economy.

The gambling industry is a highly innovative and dynamic sector of the economy, both locally and worldwide. The Isle of Man is extremely well-placed to facilitate both the licensable and non-licensable elements of the international industry and, indeed, the Isle of Man's gambling sector has shown sustained economic growth over the last decade, despite the general downturn in the global economy.

Eaghtyrane, as the gambling industry has evolved and matured, so too have the international standards and best practices relating to regulation of the industry, specifically in relation to the ongoing fight against money laundering and terrorist financing.

Whilst the Gambling Supervision Commission has clear regulatory oversight of any casino licence via the Casino Act 1986, the existing Act does not provide explicit powers for the Commission in relation to oversight of a casino licence holder for the purposes of anti-money laundering and countering the financing of terrorism – that would be AML/CFT. These responsibilities are currently managed through licence conditions which are not in line with current best practice.

The lack of such powers was a specific area of discussion during the 2016 Moneyval visit, during which a recommendation was made that such powers should exist and be explicit.

The first amendment to the Casino Act 1986 looks to ensure that the GSC has explicit powers to supervise the anti-money laundering and countering the financing of terrorism compliance of a casino licence holder, permitting the revocation of a casino licence in cases of non-compliance with money laundering and financing of terrorism legislation.

In addition to the clarification of powers under which the GSC may act, the Bill also looks to support the Island's desire to allow its business to flourish and the GSC's responsibility to allow its operators to compete commercially.

Under the existing Act, a casino licence holder is unable to transfer its licence to new premises without first surrendering and subsequently reapplying for the same. The second amendment to the Casino Act 1986 facilitates the permanent transfer of a casino licence holder's facilities to alternative premises. It also permits the board to vary, with the consent of the holder of the licence and the

Council of Ministers, the facilities and amenities to be approved at the proposed casino or any proposed associated premises.

The third amendment relates to the Council of Ministers' ability to undertake to grant a casino licence to a person known as a 'concessionaire' who intends to provide premises specified in the concession which are to be used as a casino. Currently, the concessionaire must deposit with Treasury a sum equal to 20% of the estimated total cost of the provision of the premises. The amendment provides the Council of Ministers with flexibility to specify a percentage deposit to be supplied by the concessionaire in relation to a request for a concession for the development of new premises.

Eaghtyrane, having consulted on the policy behind the Bill previously, the GSC's formal consultation to canvass views on the proposals in this Bill produced no formal feedback to that consultation and, as such, no amendments were required. However, I can advise Hon. Council that, in fact, behind the scenes, detailed discussions did take place prior to the formal consultation being issued. The local industry is aware of these proposals and, as far as I am aware, they are content with them and, indeed, with some of the amendments which may help move their business forward in time.

During the Bill's passage through the House of Keys, there were no objections or matters arising at that point. Eaghtyrane, given the benefits that I have outlined today, I am pleased to be able to promote this Bill, which not only supports the Isle of Man as a centre of regulatory excellence but also ensures that local business is given every opportunity to flourish.

Eaghtyrane, I beg to move the First Reading of this Bill.

The President: Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Mr President.
I beg to second and reserve my remarks.

The President: Does anyone wish to speak?

In that case, I put the motion that the Casino (Amendment) Bill be read for the first time. Those in favour, say aye; against, no. The ayes have it. The ayes have it.