



Gambling Act 2005 – Transitional Arrangements

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Introduction

1. This paper is the first in a series setting out the Government's detailed proposals for the commencement and implementation of the Gambling Act 2005. It explains how the Government proposes to move from the existing regulatory framework, to the new system of operating and premises licences and permits established by the 2005 Act.
2. The paper seeks to explain in simple terms what the transitional arrangements will mean in practice for existing operators and new operators across the gambling industry. The draft order that would give effect to the proposed transitional arrangements will be published on the DCMS website: www.culture.gov.uk/gambling_and_racing/QuickLinks/consultations.
3. This paper does not cover the new system of personal licences created by the 2005 Act. The Government will consult separately on the arrangements relating to personal licences.
4. These proposals relate to the implementation of the Gambling Act 2005 in England, Scotland and Wales. The proposals have been drawn up in conjunction with, and agreed by, Scottish Ministers.
5. We anticipate that this paper will be of particular interest to:
 - local authorities and licensing boards;
 - licensing justices;
 - existing operators in the gambling industry;
 - potential new entrants to the gambling industry.
6. We would welcome any comments you may have on these proposals. Please send your comments to:

David Fitzgerald
Head of Gaming and Lotteries
Gambling Division
Department for Culture, Media and Sport
2-4 Cockspar Street
London
SW1Y 5DH
Email: gambling@culture.gov.uk
7. The closing date for the receipt of comments is 2 May 2006.

Structure of the paper

8. This paper is divided into two main parts:
 - **Part 1 – Existing operators** – This part explains what existing operators will need to do to convert their current licences/permits to the relevant new licences/permits under the 2005 Act, if they wish to continue operating after 1 September 2007.

- **Part 2 – New operators** – This part explains what people who wish to obtain a first licence/permit to begin operating in the run up to 1 Sept 2007 and beyond will need to do.
9. Please note that as the Act introduces a system of regulation for remote gambling for the first time, information relating to this area of regulation is included in Part 2. Part 2 also includes information relating to a number of other areas not currently covered by regulation, including gaming machine manufacturers and gambling software developers.

General principles

10. Our primary objective is to implement swiftly and effectively the system of regulation set out in the Gambling Act 2005, and through that deliver the licensing objectives of the new Act:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - ensuring that gambling is conducted in a fair and open way; and,
 - protecting children and other vulnerable persons from being harmed or exploited by gambling.
11. In doing so, we will seek to ensure that, as far as possible:
- the transitional arrangements are simple and user friendly for both industry and regulators;
 - the minimum burden is placed on operators, consistent with the need to ensure effective regulation when the new regulatory system takes effect on 1 September 2007;
 - the transitional arrangements give regulators and industry sufficient notice to prepare for the changes, and make it clear to everyone what they have to do and by when;
 - existing operators will benefit from certain continuation rights, which are explained below;
 - new operators will be able to set up in business under the existing law during the transition period;
 - where operators do not require both operating and premises licences under the 2005 Act, more streamlined and lighter touch transitional arrangements will apply;
 - the workload falling on the Gambling Commission and licensing authorities will be managed, and peaks and troughs of work avoided, particularly at the outset.
12. The transitional arrangements set a date of 1 September 2006, after which most existing commercial operators (casinos, betting, bingo, arcades) will not be required to renew their existing permissions. Instead, they will need to make advance applications for permission under the new Act in the spring of 2007. These arrangements are intended to strike a balance between minimising burdens for existing operators and ensuring effective regulation in the period leading up to full implementation of the new Act on 1 September 2007.
13. Most operators in the betting sector will have applied to renew their existing permissions under the existing legislation during the spring of 2006. Like operators in other sectors, betting operators will also be required to apply for permissions under the new Act in spring 2007.
14. DCMS and the Gambling Commission will work closely with all sectors to keep the additional administrative burden to a minimum. In particular, it is important to note that, because licensing

authorities will automatically grant applications for 2005 Act premises licences and permits which replace existing equivalent permissions under the current law, the application process for those licences and permits will be light touch. It is also important to note that the licences issued under the new Act will be of unlimited duration, so that operators will not have to apply to renew their 2005 Act licences in future. An annual fee will still apply.

15. Other arrangements will apply to gaming machine supply and repair companies, society lotteries, pubs, clubs and some minor gambling permissions. Operators in these sectors will generally not be subject to the requirements of both premises and operating licences. It is therefore proposed that they should continue to be able to rely on their existing permissions until they expire, and only then will they need to apply for a new permission under the 2005 Act.

Continuation and grandfather rights

16. Existing operators will benefit from special provisions intended to ensure that they can continue to operate without interruption during the transition period, including beyond 31 August 2007, if their applications for new licences under the 2005 Act have not been processed by that date. These provisions – which are termed continuation rights in this paper – are explained in full in Annex 1. The most important point to note is that, to qualify for continuation rights, operators will need to make advance applications for their new operating and premises licences by 27 April 2007. Any operator who does not apply by this date will still have their application considered, but will not have the guarantee that they will be able to continue to operate without interruption when the new Act is fully implemented on 1 September 2007.
17. New operators will also qualify for continuation rights provided that:
 - (i) they have made the necessary advance applications by 27 April 2007; and
 - (ii) they have applied for the relevant permission under the existing legislation before making the advance applications; and
 - (iii) the application under the existing law was granted before 1 September 2007.

Operators in this position will have a responsibility to notify the Gambling Commission and licensing authority (as appropriate) within 14 days that their application under the existing legislation has been granted. They will lose their continuation rights if they fail to do so.
18. Continuation rights are different from grandfather rights. The government's policy is that existing operators will be entitled to grandfather rights for the premises aspects of their existing permissions, as explained in paragraph 14 above. The terms of the grandfathered permit or licence will be the terms set according to the 2005 Act, including licence conditions. Holders of existing club registrations under Parts II and III of the Gaming Act 1968, existing permits in respect of amusement machine premises under Section 34(1) (a) of the 1968 Act, and existing prize gaming permits under Section 16 of the Lotteries and Amusements Act 1976 will also qualify for grandfather rights, which will entitle them to the equivalent permissions under the 2005 Act.

19. Special grandfather rights will apply to pubs and other alcohol licensed premises with existing permits under Section 34(5E) of the 1968 Act. This will mean that a pub will be entitled to a licensed premises gaming machine permit for the same number of gaming machines as authorised by its Section 34 permit.
20. In all cases where grandfather rights apply, in order to qualify, an operator will need to have an existing permission immediately before 1 September 2007, or have an outstanding application on that date under the existing legislation that is subsequently granted. An existing operator would not lose his entitlement to grandfather rights if, where appropriate, he does not make an advance application by 27 April 2007. However, an operator who did not apply by this date would not qualify for continuation rights, and would not be guaranteed that he could continue to operate without interruption after 1 September 2007.

Summary of proposals

Licences

BETTING

Permission renewals before 1 September 2006	Holders of permissions that expire before 1 September 2006 should apply for renewal in the normal way. Successful applications will be renewed with effect until 31 August 2007.
Permission renewals between 1 September 2006 and 30 August 2007	Existing permissions that expire on or between 1 September 2006 and 30 August 2007 will be renewed automatically up to 31 August 2007 without the need for an application or a fee.
Operating from 1 September 2007 – Operating Licences	Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Gambling Commission for the appropriate betting operating licences between 1 January 2007 and 27 April 2007 in order to qualify for continuation rights.
Operating from 1 September 2007 – Premises Licences (where appropriate)	Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Licensing Authority for a premises licence between 31 January 2007 and 27 April 2007 in order to qualify for continuation rights.
New operators before 1 September 2007	New operators wishing to begin operating before 1 September 2007 should apply for permissions in the normal way no later than 27 April 2007. The permissions will expire on 31 August 2007.
New operators from 1 September 2007	New operators wishing to begin operating from 1 September 2007 should apply for the appropriate licences under the Gambling Act 2005 from January 2007.

Summary of proposals (continued)

Licences

BINGO

Permission renewals before 1 September 2006	Holders of permissions that expire before 1 September 2006 should apply for renewal in the normal way. Successful applications will be renewed with effect until 31 August 2007.
Permission renewals between 1 September 2006 and 30 August 2007	Existing permissions that expire on or between 1 September 2006 and 30 August 2007 will be renewed automatically up to 31 August 2007 without the need for an application or a fee.
Operating from 1 September 2007 – Operating Licences	Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Gambling Commission for the appropriate bingo operating licences between 1 January 2007 and 27 April 2007 in order to qualify for continuation rights.
Operating from 1 September 2007 – Premises Licences (where appropriate)	Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Licensing Authority for a premises licence between 31 January 2007 and 27 April 2007 in order to qualify for continuation rights.
New operators before 1 September 2007	New operators wishing to begin operating before 1 September 2007 should apply for permissions in the normal way no later than 27 April 2007. The permissions will expire on 31 August 2007.
New operators from 1 September 2007	New operators wishing to begin operating from 1 September 2007 should apply for the appropriate licences under the Gambling Act 2005 from January 2007.

ARCADES – AGCs/FECs

Permission renewals before 1 September 2006	Holders of permissions that expire before 1 September 2006 should apply for renewal in the normal way. Successful applications will be renewed with effect until 31 August 2007.
Permission renewals between 1 September 2006 and 30 August 2007	Existing permissions that expire on or between 1 September 2006 and 30 August 2007 will be renewed automatically up to 31 August 2007 without the need for an application or a fee.
Operating from 1 September 2007 – Operating Licences	Existing operators who wish to operate as an Adult Gaming Centre or Family Entertainment Centre from 1 September 2007 should make an advance application to the Gambling Commission for a operating licence between 1 January 2007 and 27 April 2007 in order to qualify for continuation rights.
Operating from 1 September 2007 – Premises Licences	Existing operators who wish to operate as an Adult Gaming Centre, Family Entertainment Centre or unlicensed Family Entertainment Centre from 1 September 2007 should make an advance application to the Licensing Authority for a premises licence or permit between 31 January 2007 and 27 April 2007 in order to qualify for continuation rights.
New operators before 1 September 2007	New operators wishing to begin operating before 1 September 2007 should apply in the normal way no later than 27 April 2007. The permissions will expire on 31 August 2007.

New operators from 1 September 2007

New operators wishing to begin operating from 1 September 2007 should apply for the appropriate licence under the Gambling Act 2005 from January 2007.

EXTERNAL LOTTERY MANAGERS

Permission renewals before 1 September 2006

Holders of permissions that expire before 1 September 2006 should apply for renewal in the normal way. Successful applications will be renewed with effect until 31 August 2007.

Permission renewals between 1 September 2006 and 30 August 2007

Existing permissions that expire on or between 1 September 2006 and 30 August 2007 will be renewed automatically up to 31 August 2007 without the need for an application or a fee.

Operating from 1 September 2007 – Operating Licences

Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Gambling Commission for the appropriate lottery operating licences between 1 January 2007 and 27 April 2007 in order to qualify for continuation rights.

New operators before 1 September 2007

New operators wishing to begin operating before 1 September 2007 should apply in the normal way no later than 27 April 2007. The permissions will expire on 31 August 2007.

New operators from 1 September 2007

New operators wishing to begin operating from 1 September 2007 should apply for the appropriate licences under the Gambling Act 2005 from January 2007.

CASINOS

Permission renewals before 1 September 2006

Holders of permissions that expire before 1 September 2006 should apply for renewal in the normal way. Successful applications will be renewed with effect until 31 August 2007.

Permission renewals between 1 September 2006 and 30 August 2007

Existing permissions that expire on or between 1 September 2006 and 30 August 2007 will be renewed automatically up to 31 August 2007 without the need for an application or fee.

Operating from 1 September 2007 – Operating Licences

Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Gambling Commission for the appropriate casino operating licences between 1 January 2007 and 27 April 2007 in order to qualify for continuation rights.

Operating from 1 September 2007 – Premises Licences

Existing operators who wish to continue to operate from 1 September 2007 should make an advance application to the Licensing Authority for a premises licence between 31 January 2007 and 27 April 2007 in order to qualify for continuation rights.

New Applications – before 28 April 2006

New applications for permissions should be made in the normal way. The permissions will expire on 31 August 2007.

New Applications – after 28 April 2006

The Gambling Commission will not accept applications for certificates of consent under the Gaming Act 1968 after 28 April 2006. New applications after 28 April 2006 must be made under the Gambling Act 2005.

Summary of proposals (continued)

Licences

SOCIETY LOTTERIES AND LOCAL AUTHORITY LOTTERIES

Registration renewals before 1 September 2007	<p> Holders of registrations that expire before 31 August 2007 should renew their registrations in the normal way. From 1 September 2007 existing registrations will be automatically converted into the appropriate lottery operating licences, which will expire on the date on which the next registration renewal fee is due.</p>
Registration renewals from 1 September 2007	<p> From 1 September 2007 existing registrations will be automatically converted into the appropriate lottery operating licences. Holders of registrations should apply to Gambling Commission for a new lottery operating licence(s) at least two months before expiry.</p>
New operators before 1 September 2007	<p> New operators wishing to begin operating before 1 September 2007 should register in the normal way. From 1 September 2007 the registration will be automatically converted into the appropriate lottery operating licences, which will expire on the date on which the renewal fee for registration would be due.</p>
New operators from 1 September 2007	<p> New operators wishing to begin operating from 1 September 2007 should apply to Gambling Commission for the appropriate lottery operating licence(s) under the Gambling Act 2005.</p>

GAMING MACHINES SUPPLIERS OR REPAIRERS

Permission renewals before 1 September 2007	<p> Holders of certificates that expire before 1 September should apply for renewal in the normal way. From 1 September 2007 existing certificates will be subject to new conditions and codes of practice issued by the Gambling Commission.</p>
Permission renewals from 1 September 2007	<p> From 1 September 2007 existing certificates will be subject to new conditions and codes of practice issued by the Gambling Commission. Holders of certificates should apply to the Gambling Commission for a new gaming machine technical operating licence at least two months before expiry of their certificates.</p>
New operators before 1 September 2007	<p> New operators wishing to start operation before 1 September 2007 should apply for certificates in the normal way. From 1 September 2007 existing certificates will be subject to new conditions and codes of practice issued by the Gambling Commission. Holders of certificates should apply to the Gambling Commission for a new gaming machine technical operating licence at least two months before expiry.</p>
New operators from 1 September 2007	<p> New operators wishing to start operation from 1 September 2007 should apply to Gambling Commission for a gaming machine technical operating licence under the Gambling Act 2005.</p>

PUBS (ALCOHOL LICENSED PREMISES) AND CLUBS

Permission renewals before 1 September 2007	<p>Holders of permissions that expire before 1 September 2007 should renew their permissions in the normal way.</p> <p>From 1 September 2007 existing permissions will be automatically converted into appropriate permits under the Gambling Act 2005, which will expire on the same date as the existing permission.</p>
Permission renewals from 1 September 2007	<p>From 1 September 2007 existing permissions will be automatically converted into appropriate permits under the Gambling Act 2005. Existing holders of permissions should apply to the licensing authority for a new appropriate permit at least two months before expiry.</p>
New operators before 1 September 2007	<p>New operators wishing to begin operating before 1 September 2007 should apply for permissions in the normal way. From 1 September 2007 the permissions will be automatically converted into the appropriate permits under the Gambling Act 2005. Holders of permissions should apply to the licensing authority for a new appropriate permit at least two months before expiry.</p>
New operators from 1 September 2007	<p>New operators wishing to begin operations from 1 September 2007 should apply to the licensing authority for the new appropriate permission under the Gambling Act 2005.</p>

PRIZE GAMING PERMITS

Permission renewals before 1 September 2006	<p>Holders of permissions that expire before 1 September 2006 should apply for renewal in the normal way. Successful applications will be renewed with effect up to 31 August 2007.</p>
Permission renewals between 1 September 2006 and 30 August 2007	<p>Existing permissions that expire on or between 1 September 2006 and 30 August 2007 will be renewed automatically until 31 August 2007 without the need for an application or a fee.</p>
Operating from 1 September 2007	<p>Existing operators who wish to continue to operate from 1 September 2007 should make an application to the licensing authority for a Prize Gaming Permit between 31 January 2007 and 27 April 2007 in order to qualify for continuation rights.</p>
New operators before 1 September 2007	<p>New operators wishing to begin operating before 1 September 2007 should apply in the normal way. Permissions will expire on 31 August 2007.</p>
New operators from 1 September 2007	<p>New operators wishing to begin operating from 1 September 2007 should apply to the licensing authority for a Prize Gaming Permit after 31 January 2007.</p>

SUPPLY AND MAINTENANCE OF SINGLE MACHINES

Permit required before 1 September 2007	<p>Operators requiring permits before 1 September 2007 should apply for a permit in the normal way. Permit will be valid for 3 months.</p>
Permit required from 1 September 2007	<p>Operators requiring a permit from 1 September 2007 should apply to Gambling Commission for the appropriate permit under the Gambling Act 2005.</p>

Summary of proposals (continued)

Licences

AWP machines in chip shops etc

Permission renewals before 1 July 2006	Holders of permissions that expire before 1 July 2006 should apply for renewal in the normal way. The permit will have effect until its expiry date.
Permission renewals after 1 July 2006	It will not be possible to renew permissions after 1 July 2006.
New operators before 1 July 2006	New operators wishing to begin operating before 1 July 2006 should apply for permission in the normal way. The permit will have effect until its expiry date.
New operators after 1 July 2006	It will not be possible to acquire new permissions after 1 July 2006.

TRANSFERS / AMENDMENTS

Existing operators before 27 April 2007	Existing operators wishing to transfer or amend their permissions before 27 April 2007 should do so in the normal way.
Existing operators after 27 April 2007	Existing operators wishing to transfer or amend their permissions after 27 April 2007 must do so under the Gambling Act 2005. No transfers or amendments granted under the Gambling Act 2005 will have effect before 1 September 2007.

REMOTE

Remote Operating Licences	Existing remote operators wishing to operate from 1 September 2007 should make an advance application to the Gambling Commission for the appropriate remote operating licence between 1 January 2007 and 27 April 2007 to qualify for continuation rights.
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Key implementation dates

21. The broad timetable for the implementation of the Act is set out below. This is an indicative timetable only, and the arrangements for different sectors within the gambling industry do vary. Operators should refer to the chapter that relates to their sector for the arrangements that apply to them.
- 28 April 2006** **Casinos only** – Last date for applications for certificates of consent for new casinos under the 1968 Act.
- 1 July 2006** **Section 34 permits** – AWP's in chip shops, etc. Final date on which applications for new permits or renewals can be made.
- 1 Sept 2006** **Arcades/Betting/Bingo/Casinos/External lottery managers** – Existing permissions that expire on or after 1 September 2006 will be renewed automatically by the issuing authority, so that they are valid until 31 August 2007. These automatic renewals will not be subject to any fee.
- 1 Jan 2007** The Gambling Commission will begin to accept advance applications for permissions under the 2005 Act.
- 31 Jan 2007** Licensing authorities will begin to accept advance applications for permissions under the 2005 Act.
- 27 April 2007** Existing operators (and new operators with outstanding applications under the existing legislation) will need to apply to the appropriate licensing authority for permissions under the 2005 Act by this date to qualify for continuation rights.
- Arcades/Betting/Bingo/Casinos/External lottery managers**
No applications for renewals or new permissions under the existing legislation will be permitted after this date
- 1 Sept 2007** **All sectors** – Implementation date for 2005 Act. All licences/permits under 2005 Act take effect from this date.
- All existing operators who qualify for continuation rights will continue to be able to operate, even if their advance applications under the 2005 have not yet been resolved.
- Existing legislation is repealed.
- Arcades/Betting/Bingo/Casinos/External lottery managers** – Permissions issued under existing legislation lapse.
- Society lotteries/Gaming machine supply and repair/Pubs/Clubs** – Existing permissions will continue to have effect under the 2005 Act. Prior to 1 September 2007, operators will continue to apply for new permissions or renewals under the existing legislation. They will have to apply under the 2005 Act at least two months before their existing permission is due to expire.

PART 1: EXISTING OPERATORS

22. This part explains what existing operators will need to do:
- to convert their current permissions to the relevant new permissions under the 2005 Act; and,
 - to renew their existing permissions if they expire before 1 September 2007.

Chapter 1.1 Arcades, Betting, Bingo, and External Lottery Managers

23. This chapter applies to existing operators who wish to continue operating in the following sectors under the 2005 Act:
- Betting – Including general betting, pool betting and betting intermediary operating licences, with the exception of horserace pool betting for which separate provision will be made
 - Bingo
 - Licensed family entertainment centres
 - Adult gaming centres
 - External lottery managers

(i) New permission required under 2005 Act

24. All existing operators who wish to continue operating after 1 September 2007 will need to make advance applications under the 2005 Act
- to the Gambling Commission for an operating licence; and,
 - (where appropriate) to their licensing authority for a premises licence.
25. Advance applications for operating licences should be made to the Gambling Commission between 1 January and 27 April 2007, and for premises licences (if required) to licensing authorities between 31 January and 27 April 2007. All existing operators who submit their advance applications by 27 April 2007 will benefit from continuation rights.
26. Please note that operators will need to obtain operating licences from the Gambling Commission for both remote and non-remote operations, if they wish to offer both remote and non-remote services (see Chapter 2.6 for further details on remote operating licences).
27. The requirement for a premises licence will not apply to external lottery managers or those who are solely involved in providing facilities for remote gambling or to on-course betting operators.

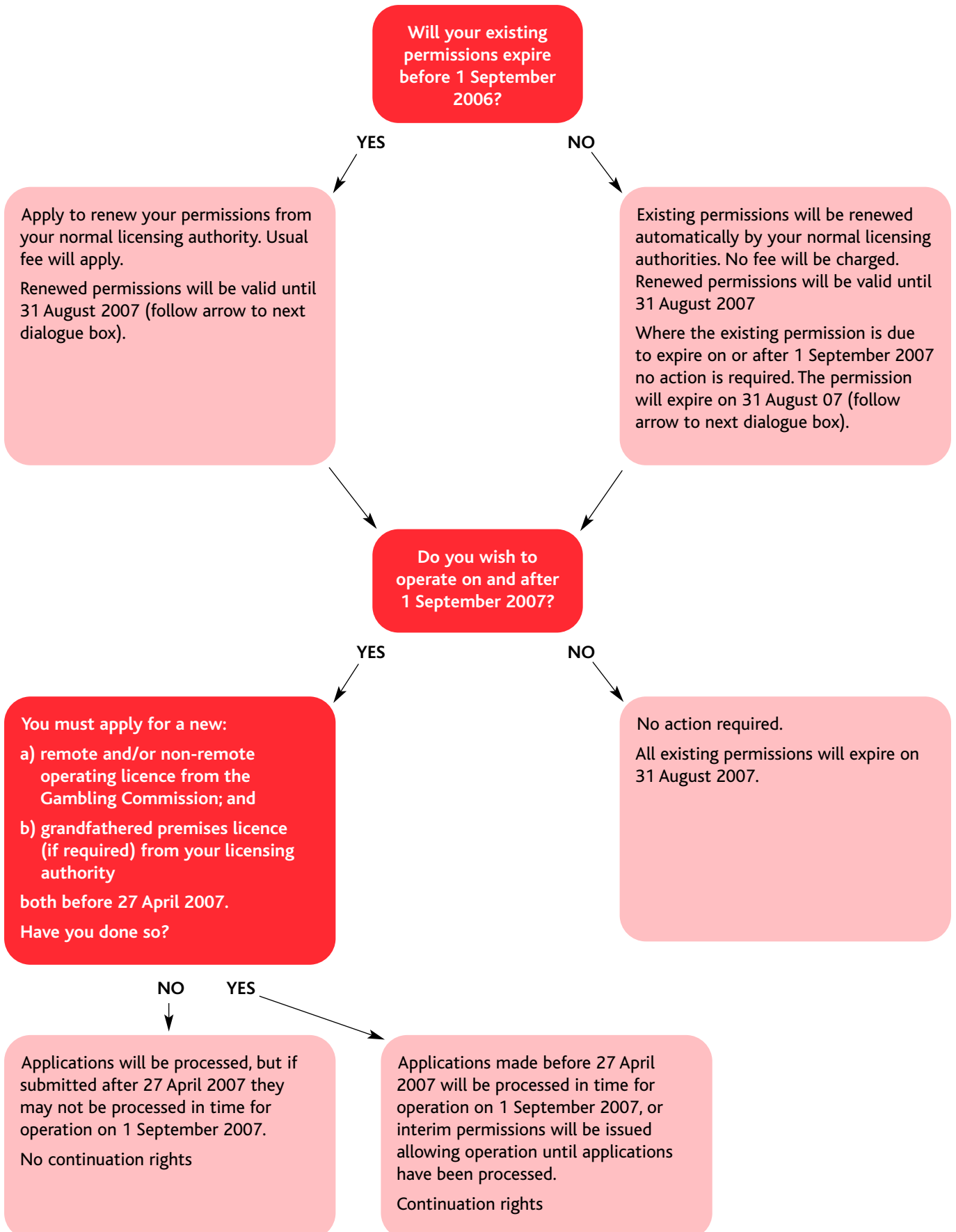
(ii) Renewal of existing licence or permit during transition period

- a) *Existing licence or permit expires before 1 September 2006*

28. Holders of existing permissions that expire before 1 September 2006 should apply to the issuing authority for their permission to be renewed in the normal way, and should submit the normal fee. If the application is successful, the permission will be renewed so that it has effect until 31 August 2007.
29. Registered pool promoters currently register with their local authority, and a continuation fee becomes payable to their local authority on 1 January each year. Pool promoters should submit their annual continuation fee for 2006 to their local authority in the normal way. The fee that becomes due on 1 January 2007 will be waived. However, registered pool promoters will continue to have to reimburse the local authority for any costs associated with the appointment of an accountant, in accordance with the requirements set out in Paragraph 12 of Schedule 2 of the Betting, Gaming and Lotteries Act 1963.
 - b) *Existing licence or permit expires between 1 September 2006 and 30 August 2007*
30. Existing licences or permits, which expire on or between 1 September 2006 and 30 August 2007 will be renewed without the need for an application. Nor will the renewal be subject to any fee. All existing permissions under the existing law will expire on 31 August 2007.

EXISTING OPERATORS:

1.1 Betting, Bingo, Arcades and External Lottery Managers

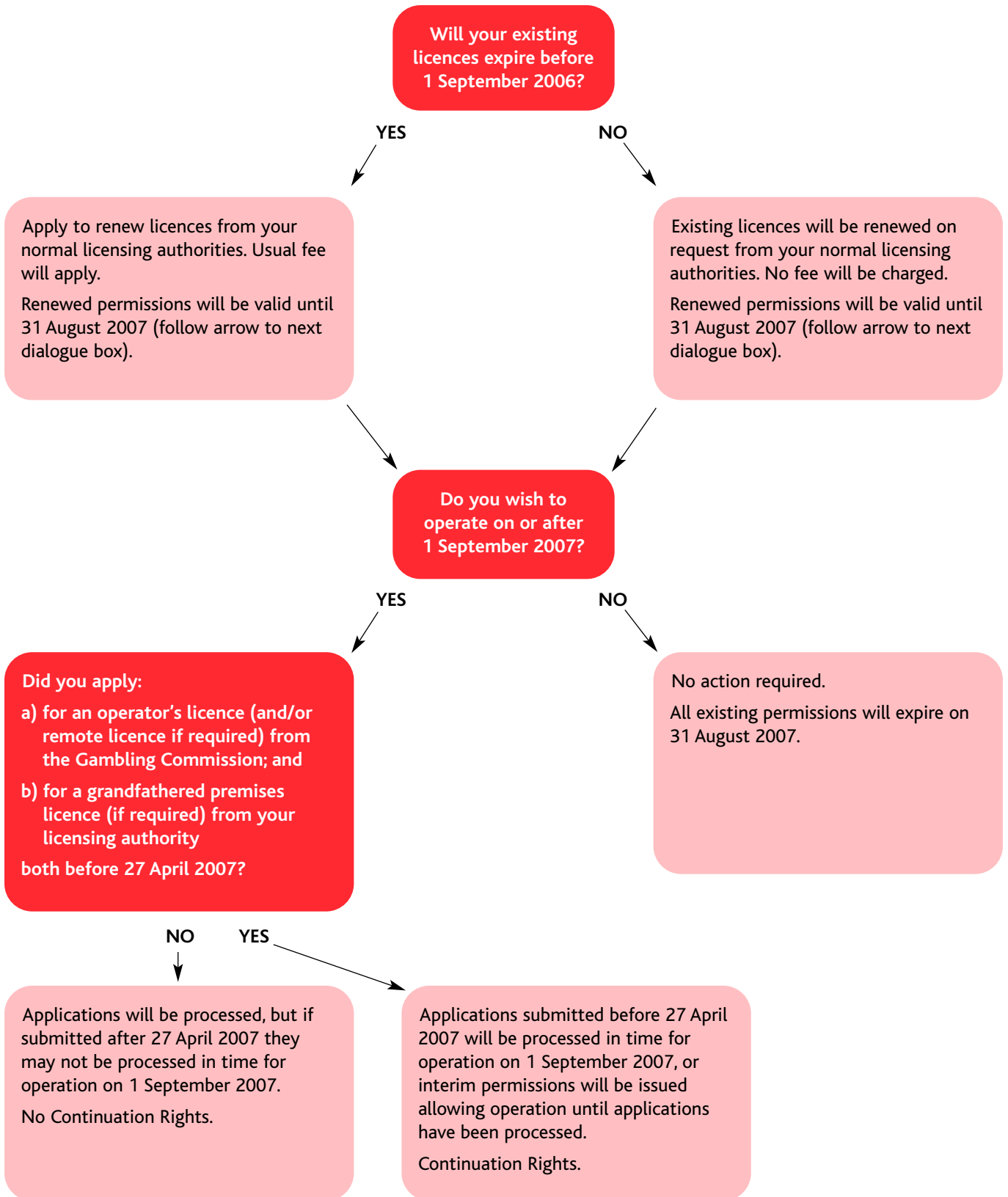


Chapter 1.2 Casinos

31. This chapter sets out the particular arrangements that will apply to casinos.
32. As far as is practicable, the same arrangements that apply to bingo and other operators in Chapter 1.1 will apply to casinos. However, the changes to the regulatory regime for casinos are such that some specific transitional arrangements will apply to this sector.
- (i) New permission required under 2005 Act**
33. All existing operators who wish to continue operating after 1 September 2007 will need to make advance applications under the 2005 Act:
- to the Gambling Commission for an operating licence; and
 - to the licensing authority for a premises licence.
34. Advance applications for operating licences should be made to the Gambling Commission between 1 January and 27 April 2007, and for premises licences to licensing authorities between 31 January and 27 April 2007. All existing operators who submit their advance applications by 27 April 2007 will benefit from continuation rights.
35. Where an application under the 2005 Act is made for a casino premises licence in respect of an existing casino, and that licence is issued in accordance with the arrangements for continuation rights, the following will apply:
- a. the casino will not be subject to the minimum size requirements which otherwise apply under the 2005 Act;
 - b. the casino premises licence will not count against the limits on premises licences specified in Section 175 of the 2005 Act;
 - c. the gaming machine entitlement under the 2005 Act is to be modified so that it only authorises these casinos to make available either 20 Category B gaming machines, or an unlimited number of Category C and D gaming machines.
- (ii) Renewal of existing licence during transition period**
- a) *Existing licence expires before 1 September 2006*
36. Holders of existing licences that expire before 1 September 2006 should apply to the Licensing Justices/Licensing Boards in Scotland for their licence to be renewed in the normal way, and should submit the normal fee. If the application is successful, the licence will be renewed so that it has effect until 31 August 2007.
- b) *Existing licence expires between 1 September 2006 and 30 August 2007*
37. Existing licences which expire on or between 1 September 2006 and 30 August 2007 will be renewed without the need for an application. Nor will the renewal be subject to any fee. All existing permissions under the existing law will expire on 31 August 2007.

EXISTING OPERATORS

1.2 Casinos



Chapter 1.3 Lotteries and gaming machine supply or repair certificates

38. This chapter applies to operators with the following existing permissions:
- a certificate under section 27 of the Gaming Act 1968 authorising the supply and/or maintenance and repair of gaming machines;
 - a Gaming Board lottery registration (for a society lottery or a local authority lottery) under the Lotteries and Amusements Act 1976.

Gaming machine supply or repair certificates

(i) New permission under 2005 Act

39. The 2005 Act introduces a new gaming machine technical operating licence, which will come into effect on 1 September 2007. This will govern the manufacture, supply, installation, adaptation, maintenance and repair of gaming machines, and will replace the section 27 certificate currently issued under the 1968 Act.
40. Existing certificates (issued under the 1968 Act) which expire after 1 September 2007 will continue to have effect under the 2005 Act.
41. The existing certificate will be made subject to general conditions issued by the Gambling Commission under the new Act. Relevant codes of practice issued by the Gambling Commission will also apply. Holders of existing certificates will be notified of any conditions or codes of practice by the Gambling Commission, and all operators will be expected to comply with these new conditions and codes from 1 September 2007.
42. Operators will only need to make an application to the Gambling Commission for a gaming machine technical operating licence under the 2005 Act when their existing 1968 Act certificate expires. Operators will need to ensure that they apply for the new licence at least two months before the date on which their existing certificate expires. Where an application is made by that date, the certificate will continue to have effect until the date on which the application for the operating licence is finally determined.
43. It is important to note that the scope of any certificate that continues to have effect on and after 1 September 2007 will remain the same. An application under the 2005 Act will be needed to authorise more than the 1968 Act certificate allows. The certificate will not permit existing operators to manufacture gaming machines after 1 September 2007. Any person wishing to manufacture gaming machines on or after 1 September 2007 will need to make an application for a gaming machine technical operating licence.

(ii) Renewal of existing certificate during transition period

a) *Existing certificate expires on or before 30 August 2007*

44. Holders of existing certificates that expire on or before 30 August 2007 should apply for their certificate to be renewed by the Gambling Commission in the normal way. If the application is successful, renewals of existing certificates will be granted in the normal way – for five years.

b) *Existing certificate expires on or after 31 August 2007*

45. Operators whose current certificates expire on or after 31 August 2007 will need to ensure that they apply to the Gambling Commission for a new operating licence under the 2005 Act at least two months before the date on which the certificate expires. Where an application is made by that date, the certificate will continue to have effect until the date on which the application for the operating licence is finally determined. The Gambling Commission will issue guidance about application procedures and lead times.

Lottery registrations

(i) New permission under 2005 Act

46. The 2005 Act introduces a new lottery operating licence, which will come into effect on 1 September 2007. This will replace the existing system of registration with the Gaming Board under the Lotteries and Amusements Act 1976.
47. Existing registrations with the Gaming Board, which are current at 1 September 2007, will be automatically converted into non-remote and remote lottery operating licences under the 2005 Act. The Gambling Commission will issue the relevant licences to any eligible societies or local authorities.
48. The converted operating licences will take effect from 1 September 2007, and will expire on the date on which the renewal fee for their existing registration would have become due. The licences will be made subject to general conditions issued by the Gambling Commission under the new Act. Relevant codes of practice issued by the Gambling Commission will also apply. Holders of existing registrations will be notified of any new conditions or codes of practice by the Gambling Commission, and all operators will be expected to comply with these new conditions and codes from 1 September 2007.
49. All holders of converted licences will have to apply to the Gambling Commission for non-remote and remote lottery operating licences under the 2005 Act prior to the expiry of their converted licences (which is taken to be the date upon which the renewal fee is due). The application will need to be made at least two months before the date on which the converted licence expires. Where an application is made by that date, the converted licence will continue to have effect until the date on which the application for the operating licence is finally determined.

(ii) Renewal of existing registration during transition period

a) *Existing registration renewal fee due on or before 30 August 2007*

50. Holders of existing lottery registrations (for society lotteries and local authority lotteries) whose triennial renewal fee becomes due on or before 30 August 2007 should submit their renewal fee to the Gambling Commission in the normal way.

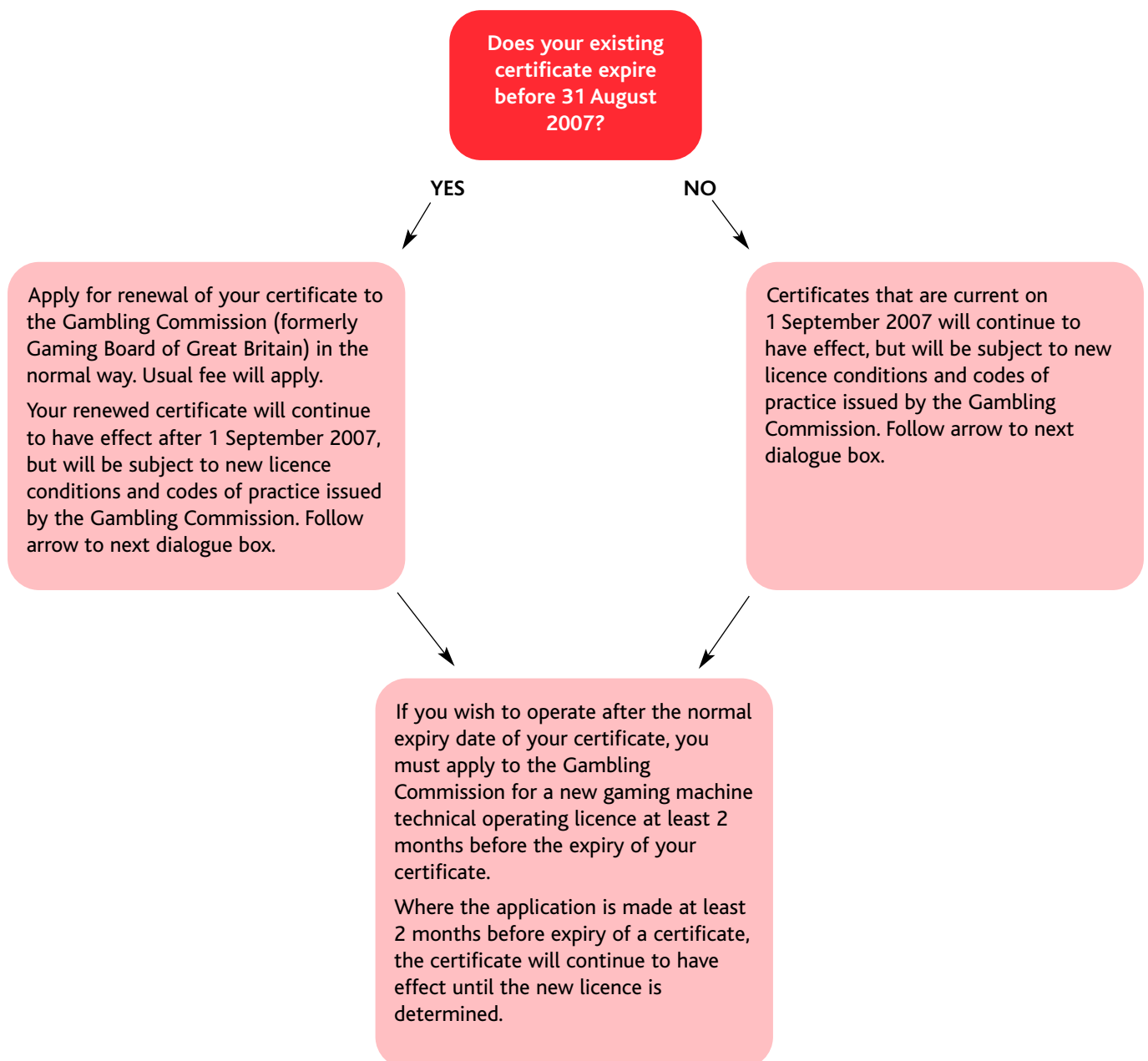
b) *Existing registration renewal fee not due until on or after 31 August 2007*

51. Operators whose last renewal fee was paid on or after 1 September 2004 will need to ensure that they apply to the Gambling Commission for their remote and/or non-remote lottery

operating licences under the 2005 Act. The application will need to be made at least two months before the date on which the converted licence expires. Where an application is made by that date, the converted licence will continue to have effect until the date on which the application for the operating licence is finally determined.

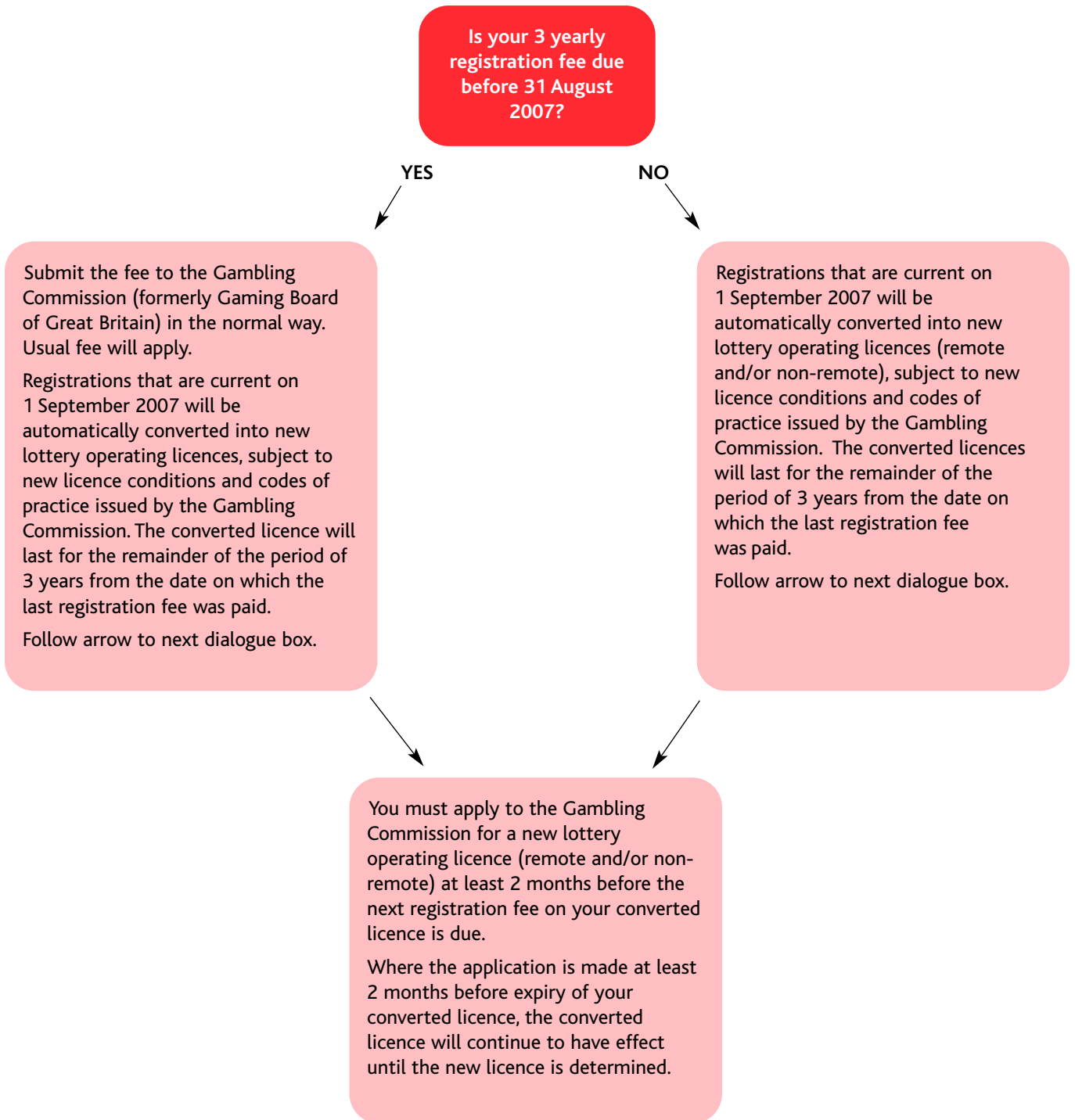
EXISTING OPERATORS

1.3 Gaming Machine Supply and Repair



EXISTING OPERATORS

1.3 Society and Local Authority Lotteries



Chapter 1.4 Gaming in pubs and clubs

52. This chapter concerns gambling permissions in alcohol licensed premises and clubs.

Alcohol licensed premises

53. The 2005 Act introduces new arrangements for the licensing of gaming machines in pubs and other alcohol licensed premises. Responsibility for licensing of gaming machines in pubs and other licensed premises in England and Wales was transferred from Licensing Justices to licensing authorities in November 2005, following changes made as a result of the Licensing Act 2003. Licensing authorities will continue to be responsible for this task under the Gambling Act 2005.

54. To help spread the burden of work falling on licensing authorities, the transitional arrangements for gaming and gaming machines in pubs and other alcohol licensed premises will work in a broadly similar way to the arrangements for gaming machine supply and repair permits described in Chapter 1.3.

(i) New permissions under 2005 Act

55. Existing section 34 permits (issued under the Gaming Act 1968) which expire after 1 September 2007 will continue to have effect and authorise gaming machine usage under the 2005 Act. Permits which continue to have effect in this way will continue to permit the holder to offer the number of machines specified on the permit.

56. A new code of practice on the location and operation of gaming machines will be published by the Gambling Commission, and will be widely publicised in the trade press and through trade associations. All permit holders will be required to comply with the new code of practice from 1 September 2007.

57. Permit-holders will only be required to obtain the appropriate new permission for their gaming machines under the 2005 Act when their existing section 34 permit expires. They will need to do this at least two months before the date on which the section 34 permit expires.

58. The 2005 Act replaces section 34 permits issued to alcohol licensed premises with two new permissions, depending on the number of gaming machines pubs and other alcohol licensed premises wish to provide:

- **Up to two gaming machines:** under Section 282 of the 2005 Act, pubs and other alcohol licensed premises (with a bar authorised to serve drinks without food) will be automatically entitled to up to two gaming machines (Category C or D). At least two months before their existing section 34 permit expires, holders of existing gaming machine permits which authorise only 1 or 2 machines will need to notify their licensing authority of their intention to make one or two gaming machines available, and to submit the prescribed fee.
- **More than two gaming machines:** pubs and other alcohol licensed premises (with a bar authorised to sell drink without food) which wish to offer more than two gaming machines will need to apply to their licensing authority for a licensed premises gaming machine permit, at least two months before their existing section 34 permit expires.

The procedure for such applications is set out in Schedule 13 of the 2005 Act. In Scotland, the procedures will be set out in regulations made under section 285 of the 2005 Act. The Scottish Executive will consult separately on a draft of such regulations at a later date.

59. Pubs will qualify for special grandfather rights. This will mean that a pub will be entitled to a licensed premises gaming machine permit for the same number of gaming machines as authorised by its Section 34 permit. If an existing permit holder who already has two or more machines wishes to increase the number of machines offered on the premises, they will need to apply for the new licensed premises gaming machine permit.

(ii) Renewal of existing permit during transition period

a) Existing permit expires on or before 30 August 2007

60. Holders of existing permits that expire on or before 30 August 2007 should apply to their licensing authority for their permit to be extended in the normal way. If the application is successful, renewals of existing permits will be granted, normally for three years.
61. Any applications that licensing authorities receive on or before 30 August 2007 will be treated and resolved as applications under the existing legislation, even if this means they are not resolved until after the formal implementation of the new Act.

b) Existing permit expires on or after 31 August 2007

62. Operators whose current permit expires on or after 31 August 2007 will need to ensure that they apply to their licensing authority for the relevant permission under the 2005 Act at least two months before the date on which the section 34 permit expires.

Clubs

63. The transitional arrangements for clubs will be broadly similar to those for pubs and other licensed premises outlined above. This approach is intended to ensure that the administrative burden on clubs and licensing authorities is kept to a minimum during the transition period.

(i) New permission under 2005 Act

64. The 2005 Act replaces the system of registrations under Parts II and III of the Gaming Act 1968 with two new permits: the club gaming permit; and the club gaming machine permit. The responsibility for issuing the new permits will pass from the Licensing Justices to licensing authorities as a result of the 2005 Act. In Scotland, this responsibility will remain with the licensing boards.
65. Registrations which have effect on and beyond 31 August 2007 will be converted into a new club gaming or machine permit as appropriate. The new permit will expire on the same date as the 1968 registration was due to come to an end. This conversion will occur automatically. Clubs will not have to request conversion of existing registrations, and licensing authorities will not be required to issue new permits.

66. After 1 September 2007, clubs will be required to comply with any relevant regulations, or codes of practice that are relevant to club permits. In particular, registered clubs will be required to comply with a new code of practice on the location and operation of gaming machines, which will be published by the Gambling Commission, and will be widely publicised in the sector.
67. Registered clubs will be required to seek the appropriate permission under the 2005 Act before their converted permit expires. They will have the choice between the club gaming permit (which allows equal chance gaming, games of chance and gaming machines) and the club gaming machine permit (which allows only machines). They will need to make the application at least two months before the date on which the converted permit expires. Where the application is made by that date, the converted permit will continue to have effect until the date on which the application is finally determined. Clubs also have certain rights, under section 269 of the 2005 Act, to undertake limited gaming without any permit at all.
68. The procedures for obtaining a club gaming permit or club gaming machine permit are set out in Schedule 12 of the 2005 Act. In Scotland, the procedures will be set out in regulations made under section 285 of the 2005 Act. The Scottish Executive will consult separately on a draft of such regulations at a later date.

(ii) Renewal of existing registration during transition period

a) Existing registration expires on or before 30 August 2007

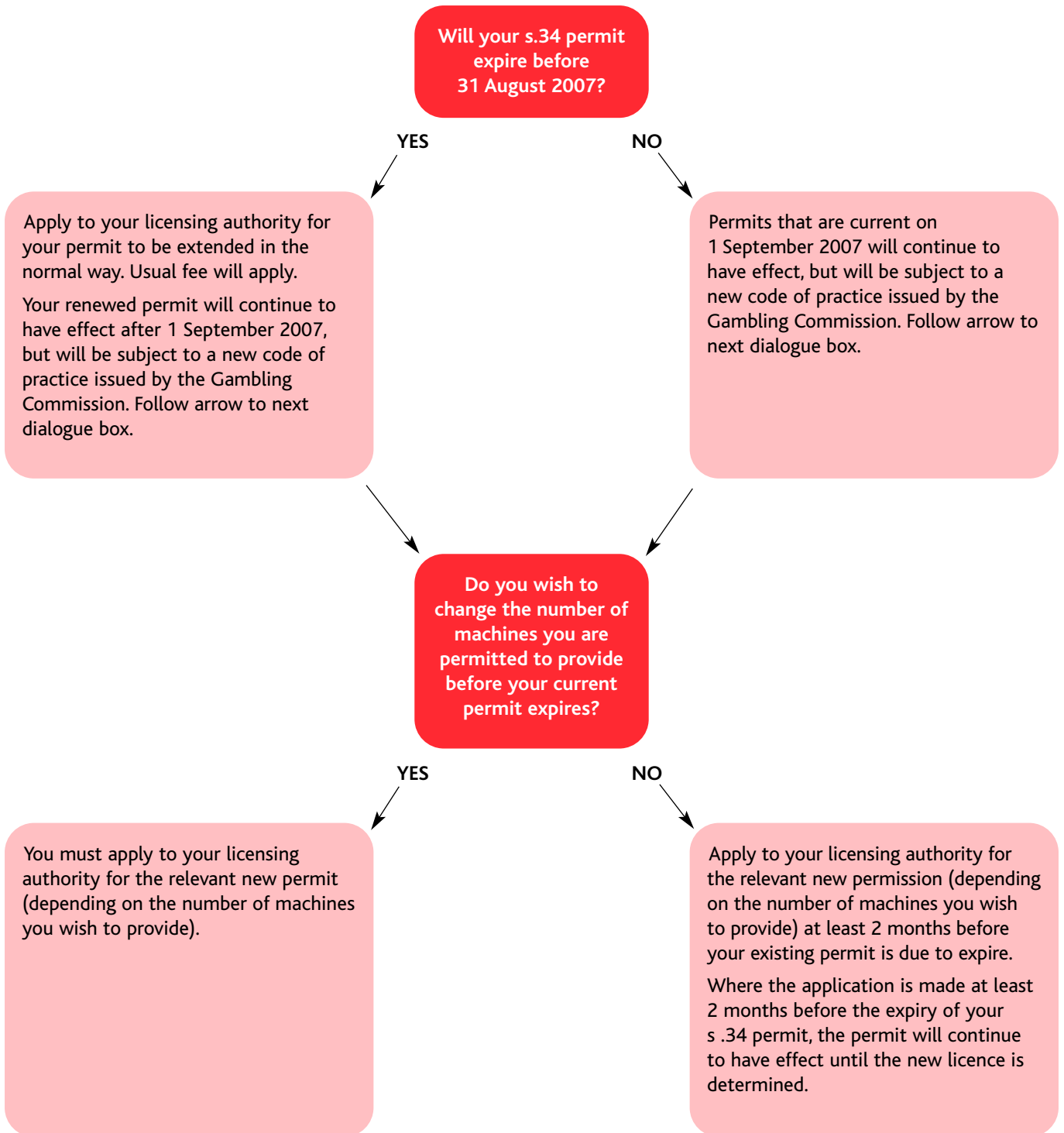
69. Holders of existing registrations that expire on or before 30 August 2007 should apply to the Licensing Justices (in Scotland, to the licensing boards) for their renewal in the normal way. If the application is successful, renewals of existing registrations will be granted as normal – for up to ten years for Part II registrations, and for 5 years for Part III registrations.
70. Any applications that Licensing Justices (licensing boards in Scotland) receive on or before 30 August 2007 will be treated and resolved as applications under the existing legislation by the Licensing Justices, even if this means they are not resolved until after the formal implementation of the new Act.

b) Existing registration expires on or after 31 August 2007

71. Clubs whose current registration expires on or after 31 August 2007 will need to ensure that they apply to their licensing authority for the converted permit under the 2005 Act to be renewed. They will need to make the application at least two months before the date on which the converted permit expires. Where the application is made by that date, the converted permit will continue to have effect until the date on which the application is finally determined.

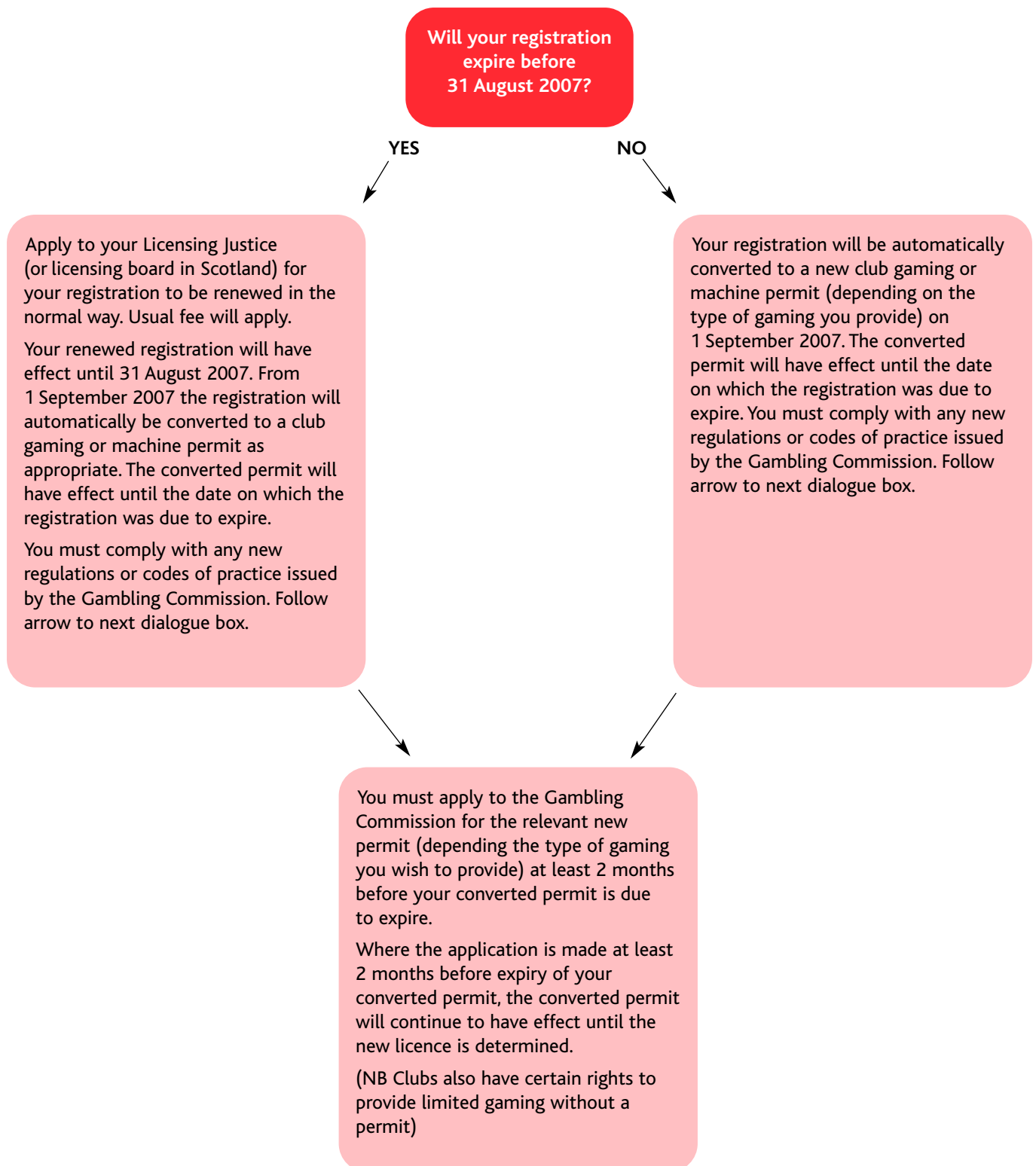
EXISTING OPERATORS

1.4 Pubs



EXISTING OPERATORS

1.4 Clubs



Chapter 1.5 Other non-remote gambling permissions

72. This chapter concerns a number of other non-remote gambling permissions, that are not covered by the requirement under the 2005 Act for an operating and/or premises licence. This includes the following permissions:
- unlicensed family entertainment centres (FECs) (s.34(1)(a) of the 1968 Act);
 - prize gaming (s.16 of the 1976 Act);
 - the supply and maintenance of single machines (permits under s. 27 of the 1968 Act);
 - small society lotteries (s. 5 and Sch 1 of the 1976 Act);
 - gaming machines in chip shops and similar premises (s.34(1)(aa) of the 1968 Act).

Unlicensed FECs and prize gaming permits

- 73 The transitional arrangements will be broadly the same as for other arcades in Chapter 1:
- All holders of existing permissions will be required to make an advance application to the licensing authority between 31 January 2007 and 27 April 2007:
 - for an FEC gaming machine permit, in accordance with the procedures set out in Schedule 10 of the 2005 Act; or
 - for a prize gaming permit, in accordance with the procedures set out in Schedule 14 of the 2005 Act.
 - All advance applications must be made between 31 January 2007 and 27 April 2007 for existing permit-holders to benefit from continuation rights.
 - Existing licences or permits, which expire on or between 1 September 2006 and 30 August 2007, will be renewed up to 31 August 2007 without the need for an application. Nor will the renewal be subject to any fee.
 - It is important to note that prize gaming permits under the 2005 Act will not give permission to make available any gaming machines. In particular, prize gaming permits will not confer any rights on operators to offer what have become known under existing legislation as “Section 16 machines.”

Supply and maintenance of single machines

74. Applications for single machine supply and maintenance permits should be made to the Gambling Commission under the existing legislation (s.27 of the 1968 Act) until 31 August 2007. If successful, permits will be granted, as now, for three months. After 1 September 2007, an existing permit will continue to have effect under the 2005 Act until it expires. Permit holders will be required to comply with any relevant new conditions.
75. Any application for permission to supply or maintain a single machine on or after 1 September 2007 will have to be made under section 250 of the 2005 Act. Permits issued after this date will have effect for up to 12 months.

Registration of small society lotteries

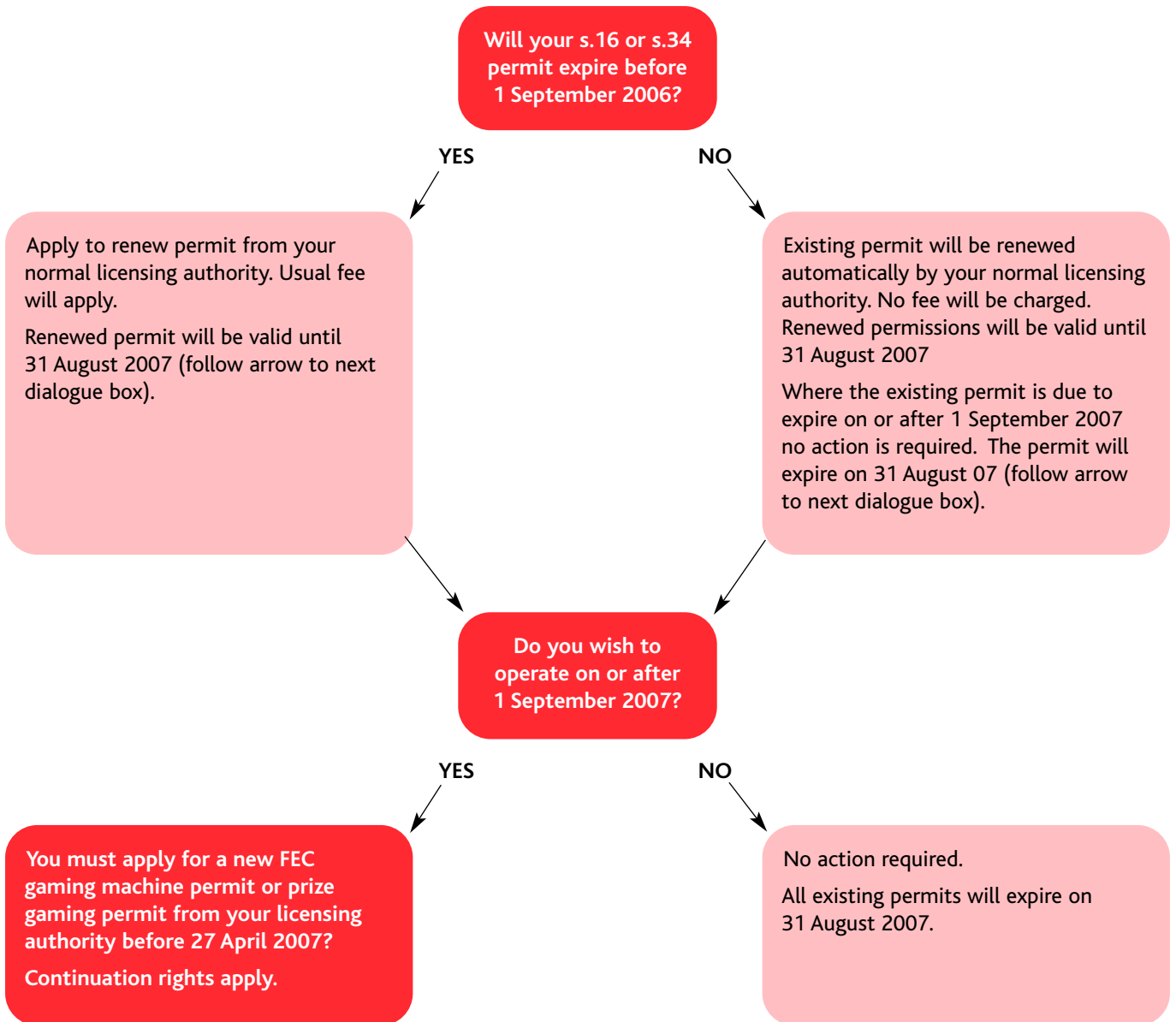
76. Under the 1976 Act, society lotteries with proceeds of less than £20,000 are currently required to register with their local authority, and to pay an annual fee. Similar arrangements will remain under the 2005 Act.
77. Any small society lottery which is required to pay the annual fee on 1 January 2007 should do so in the normal way.
78. All existing local authority registrations under Schedule 1 of the 1976 Act will be automatically converted into registrations under Part 5 of Schedule 11 of the 2005 Act.
79. The converted registrations will take effect from 1 September 2007, and will be subject to the requirement to pay an annual fee in accordance with the relevant provisions of the 2005 Act.
80. The converted registrations will be subject to the conditions specified in Part 4 of Schedule 11 of the new Act.

Section 34 permits – AWP machines in chip shops etc

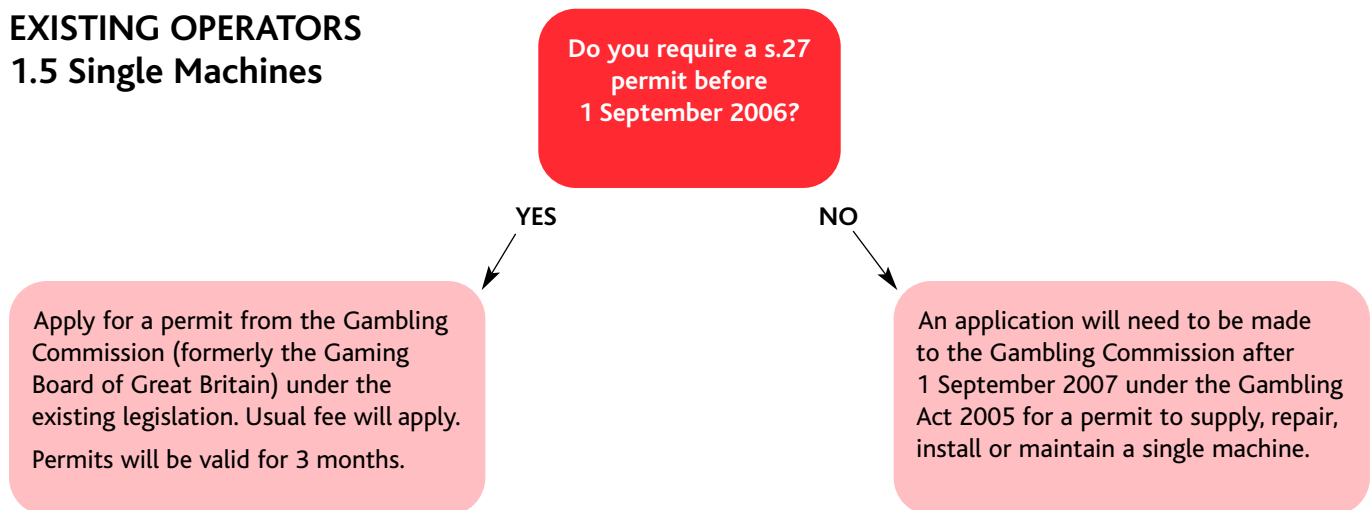
81. Under current legislation, proprietors of premises like minicab offices and fish and chip shops can apply to their licensing authority for a permit to provide low prize, low stake gaming machines (under section 34(1)(aa) of the 1968 Act). These are known as “coin or token” ‘amusement with prizes’ (AWP) machines, with a maximum stake of 30p and a maximum prize of £8 (£5 cash).
82. There is no provision in the 2005 Act which enables gaming machines to be provided on premises of this nature. This is intended to ensure that children and other vulnerable people are not exposed to ambient gambling in unregulated environments.
83. Licensing authorities will no longer be able to accept applications for Section 34(1)(aa) permits to such premises under the existing legislation after 1 July 2006. Permits issued on or before 1 July 2006 will be allowed to run their course.

EXISTING OPERATORS

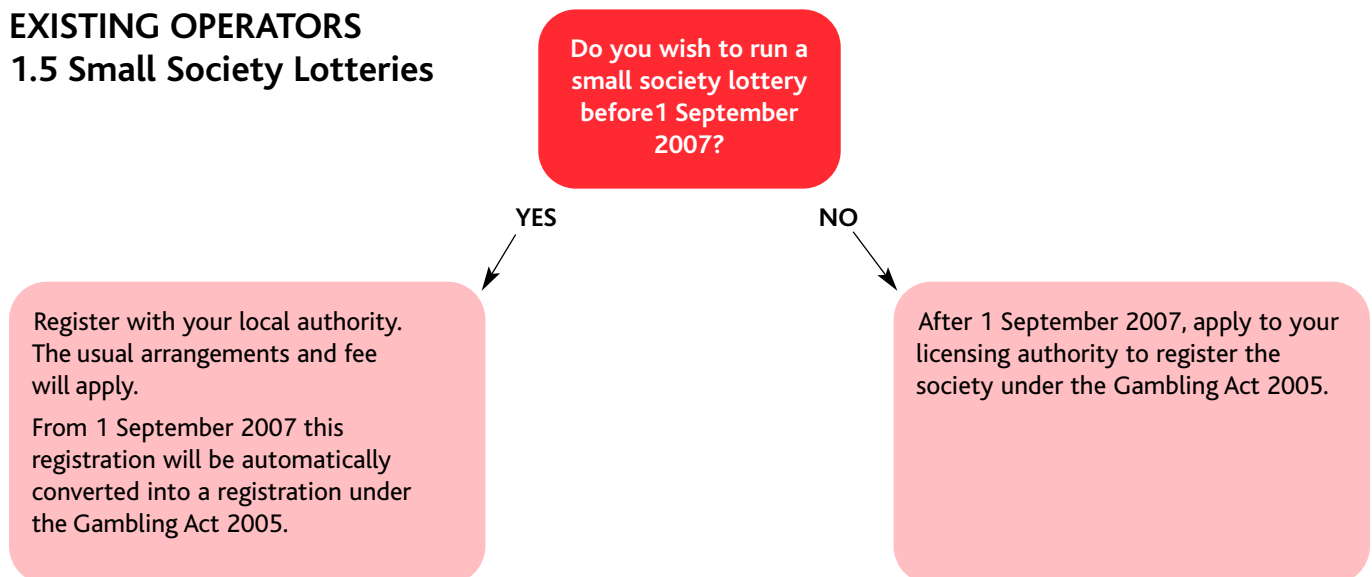
1.5 Unlicensed FECs and Prize Gaming



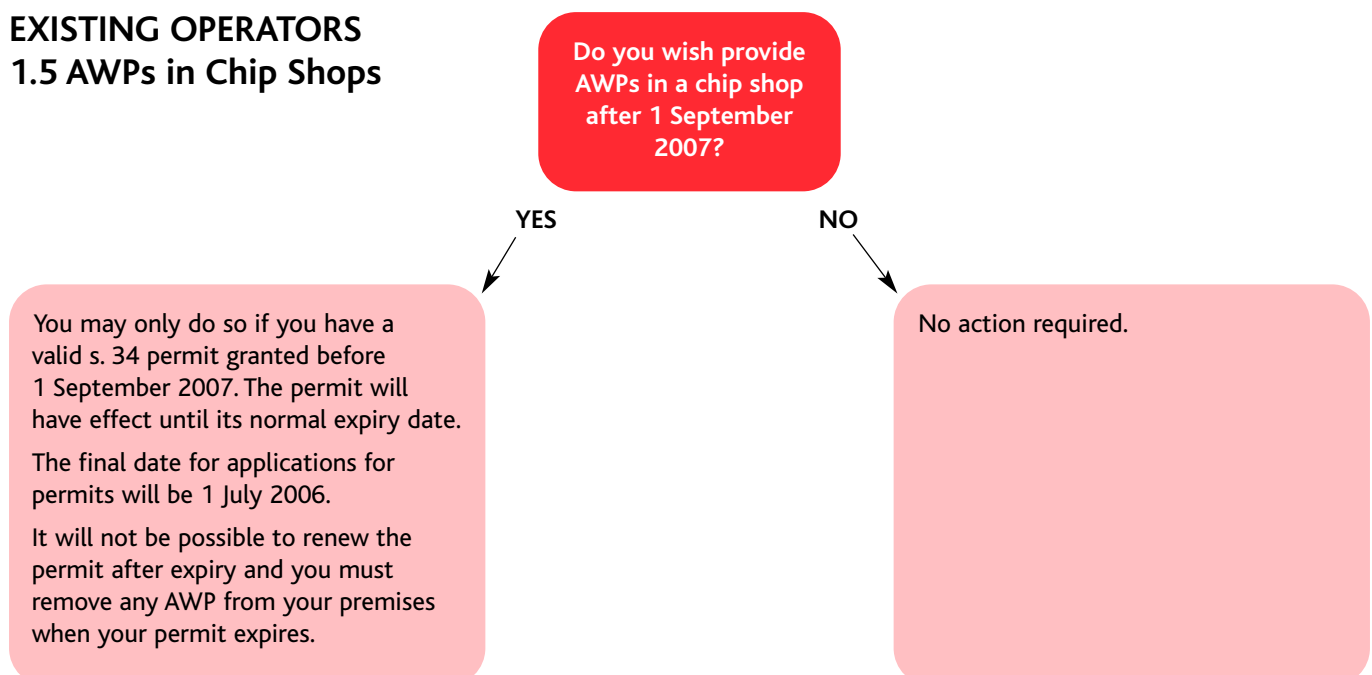
EXISTING OPERATORS
1.5 Single Machines



EXISTING OPERATORS
1.5 Small Society Lotteries



EXISTING OPERATORS
1.5 AWP's in Chip Shops



Chapter 1.6 Transfers or amendments to existing licences

84. Where an existing operator wishes to transfer a current permission under existing legislation to another person (where permitted under the current law) they can continue to apply to do so to the issuing authority in the normal way until 31 August 2007.
85. Where an operator has obtained an equivalent permission under the 2005 Act before 1 September 2007, they may apply to the appropriate authority before that date to be transferred or amended. However, no transfers or amendments made prior to 1 September 2007 will take effect prior to that date.

PART 2: NEW OPERATORS

86. This part explains what people who wish to obtain a first licence/permit to begin operating in the run up to 1 Sept 2007 and beyond will need to do.

Chapter 2.1 Arcades, Betting, Bingo and External Lottery Managers

87. This chapter applies to new operators who do not currently have permission to operate under the existing legislation, and who wish to operate in the following sectors under the 2005 Act:
- Betting – Including general betting, pool betting and betting intermediary operating licences, with the exception of horse race pool betting for which separate provision will be made in due course
 - Bingo
 - Licensed family entertainment centres
 - Adult gaming centres
 - External lottery managers
- a) *New operators wishing to begin operating prior to 1 September 2007*
88. Any person who wishes to begin operating prior to 1 September 2007 will need to apply for their first licence or permit under the existing legislation before 27 April 2007. If the application is successful, any permission granted will have effect until 31 August 2007.
89. New operators in this position will also have to make advance applications for licences under the new Act by 27 April 2007. However, they should not make their advance application before submitting their application under existing legislation. If their application under the existing legislation is successful, they will qualify for continuation rights, in the same way as other existing operators. Operators in this position will have a responsibility to notify the Gambling Commission and licensing authority (as appropriate) within 14 days that their application under the existing legislation has been granted. They will lose their continuation rights if they fail to do so.
90. Where an application under the existing legislation is rejected, or is not finally determined by 1 September 2007 (including any appeal against a rejected application), the application or appeal will continue until such time as it has been finally resolved by the relevant authority. Operators in this position will not qualify for continuation rights but will qualify for grandfather rights if their application under the existing legislation is subsequently granted.
91. All new applications under the existing legislation must be made by 27 April 2007. No new applications for licences or permits under the existing legislation may be made after this date, and any operator wishing to apply for a first licence thereafter will need to do so under the 2005

Act. Any operating and premises licences granted under the new Act will take effect only on 1 September 2007, and licence holders will not be able to operate before that date.

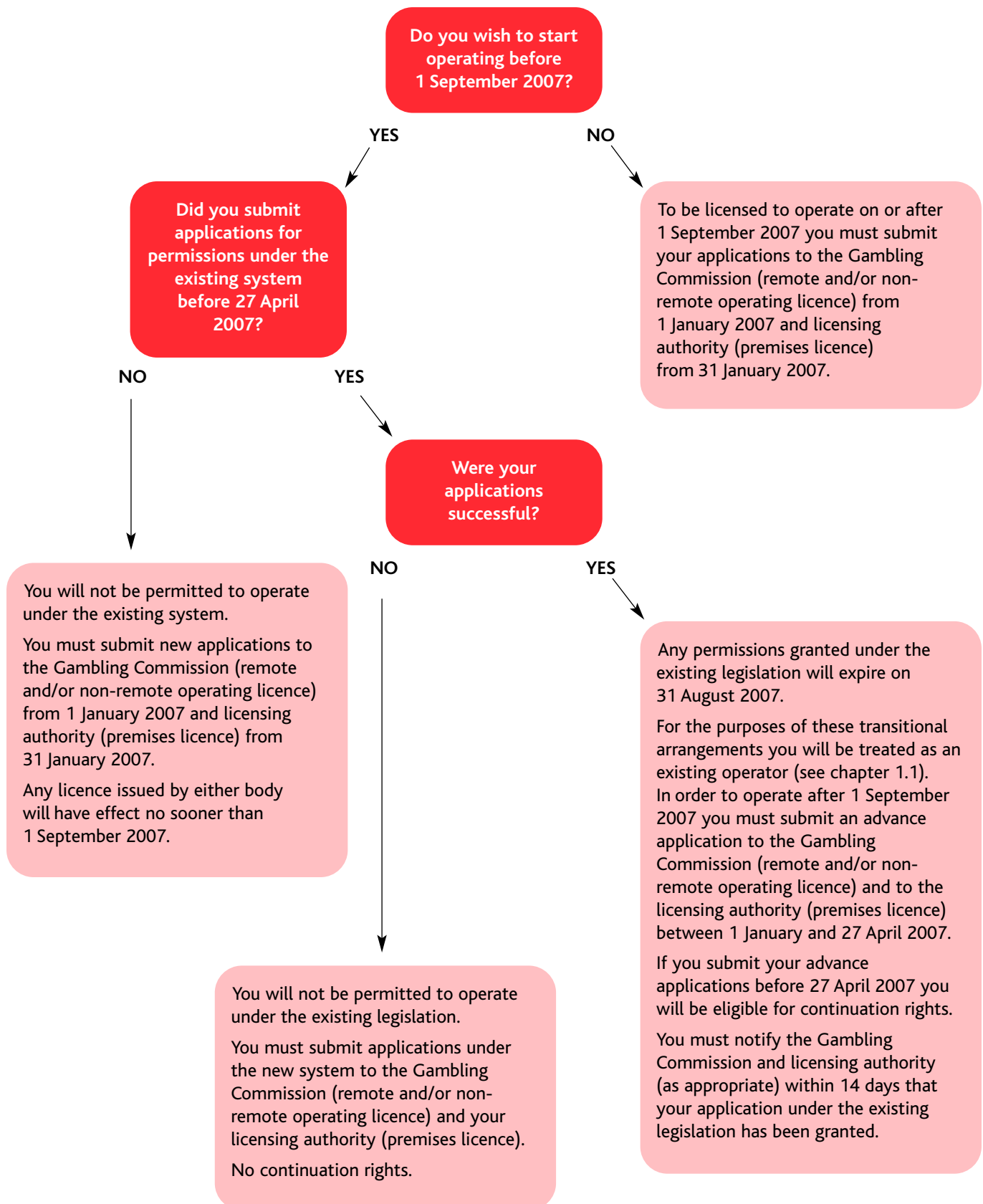
92. Special provisions will apply to prospective bingo operators. Once the transitional arrangements have come into effect, where a prospective bingo operator has applied to the Gambling Commission for a certificate of consent, they will also be able to make a provisional licence application to the licensing magistrates. All applications must be made by 27 April 2007, and before any advance application is made under the 2005 Act for operators to qualify for continuation rights. Licensing magistrates will not be able to determine applications for bingo licences, before the Gambling Commission has resolved the application for the certificate of consent.

b) New operators wishing to begin operating after 1 September 2007

93. Any person wishing to apply for a licence to begin operating on or after 1 September 2007 will have to do so under the 2005 Act. The Gambling Commission will be able to accept advance applications from new operators from 1 January 2007. Licensing authorities will be able to accept advance applications for premises licences from new operators from 31 January 2007.
94. Where an application is successful, the Gambling Commission may issue an operating licence and licensing authority may issue a premises licence prior to 1 September 2007. These licences will take effect only on 1 September 2007, and licence holders will not be able to operate before that date.

NEW OPERATORS

2.1 Betting, Bingo, Arcades and External Lottery Managers



Chapter 2.2 Casinos

95. This chapter sets out the particular arrangements that will apply to casinos.
96. As far as is practicable, the same arrangements that apply to bingo and other operators in Chapter 2.1 will apply to casinos. However, the changes to the regulatory regime for casinos are such that some specific transitional arrangements will apply to this sector.
- a) *Applying for a certificate of consent to apply for the grant of a casino licence*
97. Any person wishing to obtain a licence under the 1968 Act for a new casino will need to apply to the Gambling Commission for a certificate of consent by 28 April 2006. No further applications for certificates of consent for new casinos will be accepted after 28 April 2006.
98. In order to lodge a valid application, a potential applicant will need to have written to the Gambling Commission by 28 April 2006:
- stating formally that they are applying for a certificate of consent relating to a casino licence;
 - specifying the premises to which it is intended the licence will relate; and
 - enclosing the requisite fee.
99. The Gambling Commission will provide to all applicants relevant forms and details of other information needed to determine the application. In some cases this will be an iterative process, but the Commission will expect information to be supplied within the timescales requested or such alternative deadline as the Commission is willing to agree. The Commission has a duty to determine any application submitted to it which it takes to mean that it must do so within a reasonable timescale. In particular, in cases where it is not already the case, the Commission will expect applicants to demonstrate that they have an expectation of acquiring the right to occupy or control the premises concerned within a reasonable timescale.
100. If the application for a certificate of consent is successful, as now, prospective operators will have six weeks to apply to the Licensing Justices/Licensing Boards in Scotland for a licence. If this application is successful, the first licence (under the 1968 Act) will be granted until 31 August 2007.
101. Special provisions will apply. Once the transitional arrangements have come into effect, where a prospective casino operator has applied to the Gambling Commission for a certificate of consent, they will also be able to make a provisional licence application to the licensing magistrates. All applications must be made by 27 April 2007. Licensing magistrates will not be able to determine applications for casino licences, before the Gambling Commission has resolved the application for the certificate of consent.
102. All new operators will also have to make advance applications for licences under the new Act by 27 April 2007. This application will be for the conversion of an existing casino licence as described in Chapter 1.2. However, operators should not make their advance application before submitting their application under existing legislation. If their application under the existing legislation is successful, they will qualify for continuation rights, in the same way as other existing operators. Operators in this position will have a responsibility to notify the Gambling Commission and the

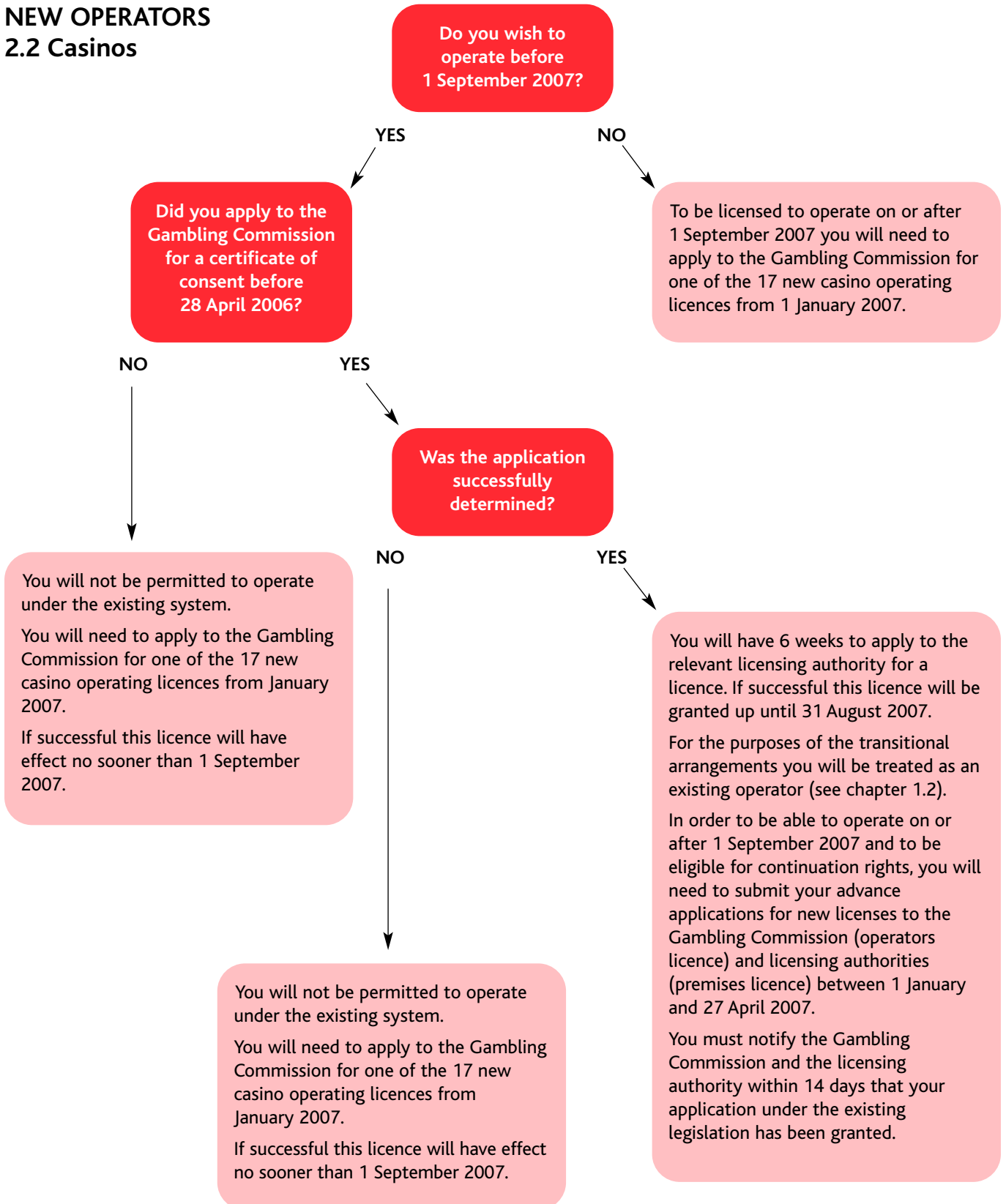
licensing authority within 14 days that their application under the existing legislation has been granted. They will lose their continuation rights if they fail to do so.

103. Where an application under the existing legislation is not finally determined by 1 September 2007 (including any appeal against a rejected application), the application or appeal will continue until such time as it has been finally resolved by the relevant authority. Operators in this position will not qualify for continuation rights but will qualify for grandfather rights, if their application under the existing legislation is subsequently granted.

b) Applying for a first licence on or after 28 April 2006

104. Any person who has not applied for a certificate of consent by 28 April 2006 or who has not applied for a casino licence by 27 April 2007, but who wishes to run a new casino will need to apply for a casino operating licence under the 2005 Act.
105. Under the 2005 Act, only 17 new premises licences (1 regional, 8 large, 8 small) will be permitted initially. The Government has appointed an independent casino advisory panel to advise it on the areas where the new casinos should be located, and it is expected that the panel will complete its work towards the end of 2006. On the basis of the panel's advice, the Secretary of State will make proposals to Parliament on the areas where the 17 new casinos should be located during the first half of 2007.
106. The Gambling Commission will be able to accept advance applications for casino operating licences under the 2005 Act from 1 January 2007. It will, however, not be possible to apply for casino premises licences until an order has been made and approved by Parliament specifying which local authorities (in Scotland, licensing boards) should be permitted to issue the 17 licences.

NEW OPERATORS 2.2 Casinos



Chapter 2.3 Lotteries and gaming machine supply or repair licences

107. This chapter applies to the following sectors:
- those wishing to obtain a certificate under section 27 of the 1968 Act authorising the supply and/or maintenance and repair of gaming machines;
 - those wishing to acquire a Gaming Board lottery registration (for a society lottery or a local authority lottery) under the Lotteries and Amusement Act 1976;
 - any person wanting these permissions or equivalent permissions under the Gambling Act 2005.

Gaming machine supply or maintenance certificates

a) New operators who wish to begin operating prior to 1 September 2007

108. Any person wishing to apply for a first certificate to begin operating before 1 September 2007 should do so under the 1968 Act. They should make their application to the Gambling Commission as now. If the application is successful, the first certificate will be granted for the normal period of five years.
109. After 1 September 2007 the existing certificate will continue to have effect under the 2005 Act, and the new operator will be treated in the same way as other existing operators (see Chapter 1.3).
110. All new applications under the existing legislation must be made by 27 April 2007. No new applications for certificates may be made after this date. Any operator wishing to apply for permission to operate after this date will need to apply for a gaming machine technical operating licence under the new Act.
111. Where an application under the existing legislation is not finally determined by 1 September 2007, the application will continue until such time as it has been finally resolved by the Commission.

b) New operators wishing to begin operating after 1 September 2007

112. Any person wanting a first licence to begin operating on or after 1 September 2007 may apply to the Gambling Commission for a gaming machine technical operating licence under the 2005 Act. The Gambling Commission will be able to accept advance applications from operators from 1 January 2007. Any licence granted under the new Act will take effect only on 1 September 2007, and 2005 Act licence holders will not be able to operate prior to that date.

Lottery registrations – new operators

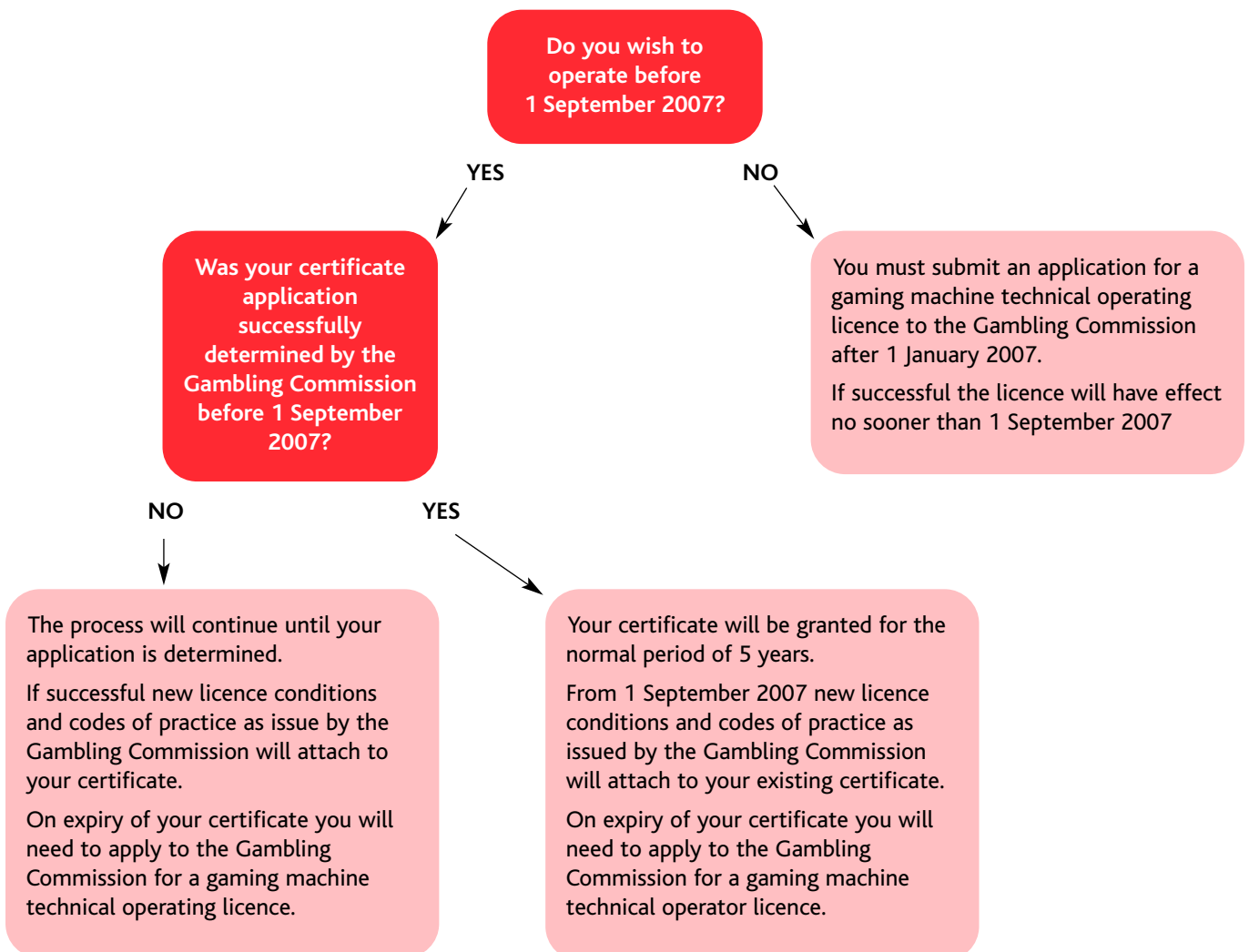
a) Requiring a first registration to begin promotion prior to 1 September 2007

113. Any society or local authority requiring a first registration prior to 1 September 2007, should apply to the Gambling Commission for registration under the 1976 Act.

- 114. If successful, a registration will be issued in the normal way, and a renewal fee will become due three years from that date, at which point an application for the relevant operating licences under the 2005 Act must be made. As in the case of other registrations having effect immediately before 1 September 2007, it will be automatically converted to a remote and non-remote operating licence on that date.
- 115. Where an application for registration under the existing legislation is not finally determined by 1 September 2007, the application will continue until such time as it has been finally resolved by the relevant authority.
 - b) *Requiring a first licence to begin operating after 1 September 2007*
- 116. Any new society or local authority requiring a first registration on or after 1 September 2007 will need to apply to the Gambling Commission for non-remote and remote lottery (if required) operating licences under the 2005 Act. The Gambling Commission will be able to accept advance applications from operators from 1 January 2007. Any licences granted under the new Act will take effect only on 1 September 2007, and 2005 Act licence holders will not be able to operate prior to that date.

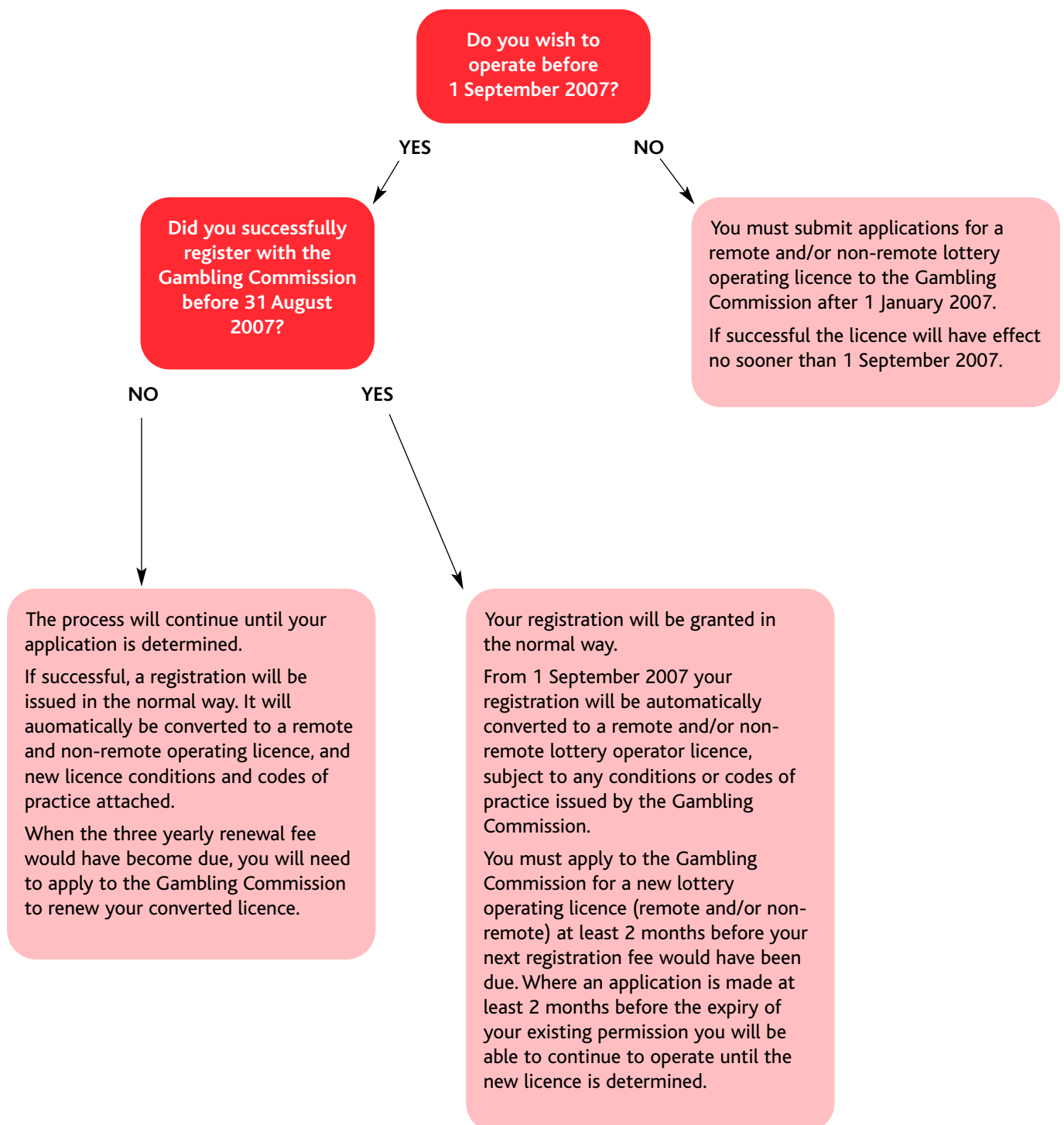
NEW OPERATORS

2.3 Gaming Machine Supply and Repair



NEW OPERATORS

2.3 Society and Local Authority Lotteries

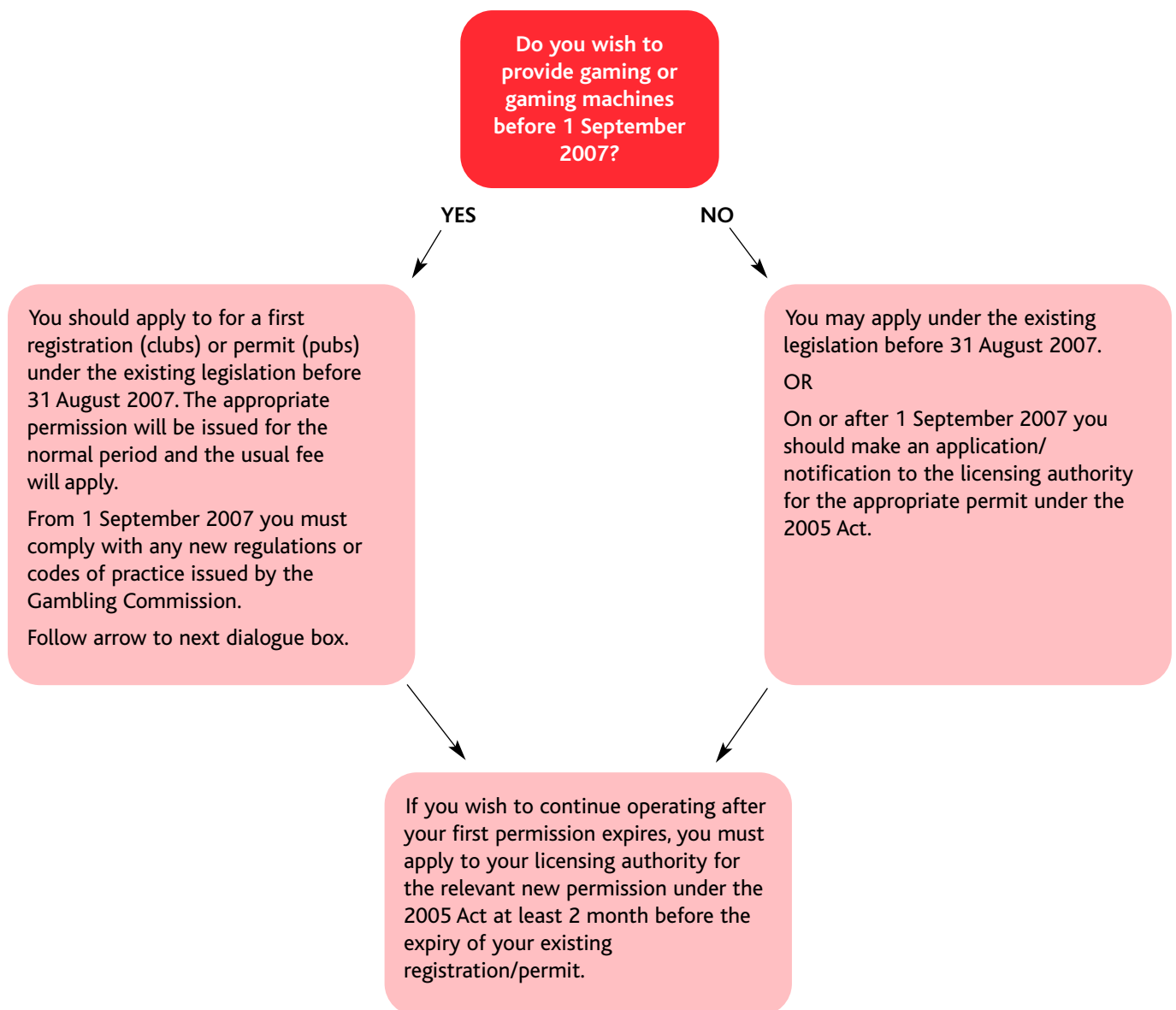


Chapter 2.4 Pubs and clubs

117. This chapter concerns operators requiring new gaming and gaming machine permissions in alcohol licensed premises and clubs.
- a) *New operators wishing to begin operating prior to 1 September 2007*
118. Any person wishing to begin to use gaming machines or offer certain types of gaming prior to 1 September 2007 will need to apply for a first registration (clubs) or permit (alcohol licensed premises) under the existing legislation.
119. Pubs and other alcohol licensed premises should apply to their licensing authority for a Section 34 permit. If the application is successful, the first permit will be issued for the normal period – usually three years – and they will then be treated like other existing operators (see Chapter 1.4).
120. Clubs should apply to the Licensing Justices (licensing boards in Scotland) for registration under Part II or Part III. If the application is successful, the first registration will be issued for the normal period – normally for a year for first grant (and thereafter up to ten years on renewal depending on the application) for Part II registrations, and for 5 years for Part III registrations.
121. All new applications under the existing legislation must be made by 31 August 2007. No new applications for permits/registrations may be made after this date, and any operator wishing to apply for a first permission will need to do so under the 2005 Act. Any permit granted under the 2005 Act will take effect only on 1 September 2007, and permit holders will not be able to operate before that date.
122. Any applications that licensing authorities or Licensing Justices (licensing boards in Scotland) receive on or before 31 August 2007 will be treated and resolved as applications under the existing legislation, even if they are not resolved until after the formal implementation of the new Act.
- b) *Requiring a first permit to begin operating after 1 September 2007*
123. Any new operator requiring a first permission on or after 1 September 2007 may apply under the existing legislation up to 31 August 2007 as outlined above. On or after 1 September 2007 operators must make a notification/application to their licensing authority for the appropriate permit under the 2005 Act.

NEW OPERATORS

2.4 Pubs and Clubs



Chapter 2.5 Other non-remote gambling permissions

124. This chapter covers a number of other non-remote gambling permissions, that are not covered by the requirement under the 2005 Act for an operating and or premises licence. This includes the following activities:
- unlicensed family entertainment centres (FECs);
 - prize gaming;
 - the supply and maintenance of single machines;
 - small society lotteries.

Unlicensed FECs and prize gaming permits

125. The transitional arrangements will be broadly the same as for other arcades in Chapter 2.1:
- People who wish to begin operating prior to 1 September 2007 will need to apply for a first Section 34 or Section 16 permit under existing legislation before 27 April 2007, and make an advance application under the 2005 Act.
 - New operators wishing to apply for a first permit to begin operating after 1 September 2007 will need to make an application for the relevant permit under the 2005 Act. Advance applications may be made to licensing authorities after 31 January 2007. If the application is granted prior to 31 August 2007, the permit will only take effect from 1 September 2007.

Supply and maintenance of single machines

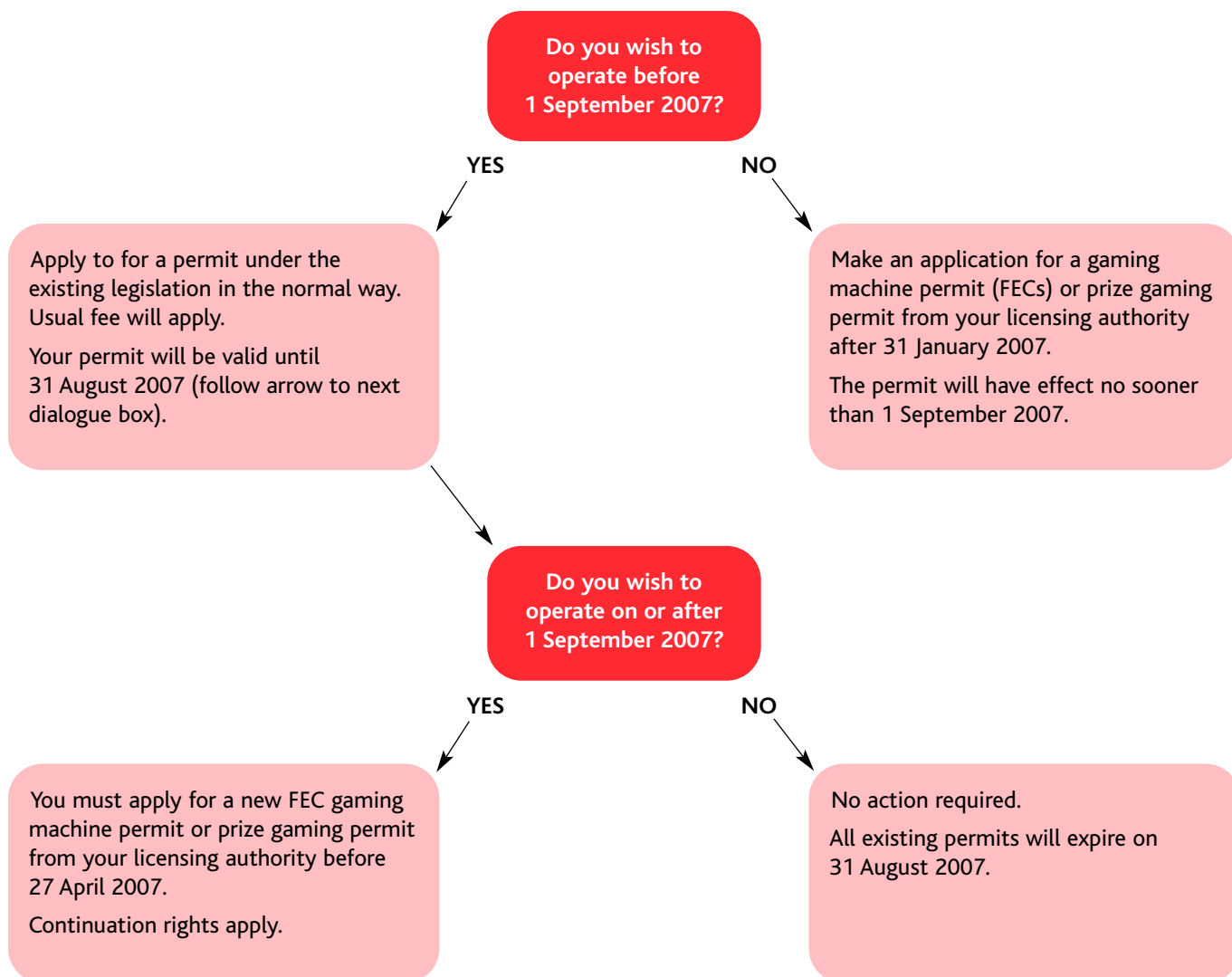
126. Up to 31 August 2007, any person requiring a first single machine supply and maintenance permit under Section 27 of the 1968 Act should apply to the Gambling Commission under existing legislation. After 1 September 2007, applications should be made to the Gambling Commission under section 250 of the 2005 Act.

Registration of small society lotteries

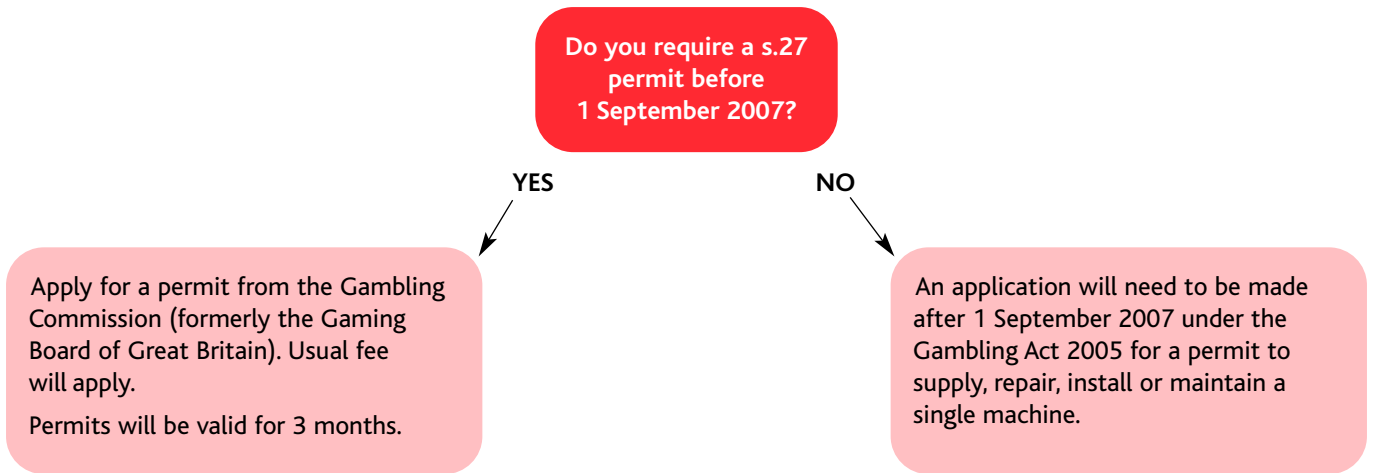
127. Up to 31 August 2007, any small society lottery requiring a first registration, should register with their local registration authority under the existing arrangements set out in the Lotteries and Amusements Act 1976. They will then be treated like existing operators (see Chapter 1.5).
128. After 1 September 2007, any new registrations should be made under the 2005 Act, and in accordance with the procedures set out in Part 5 of Schedule 11 of the 2005 Act. Further information will be available from local authorities.

NEW OPERATORS

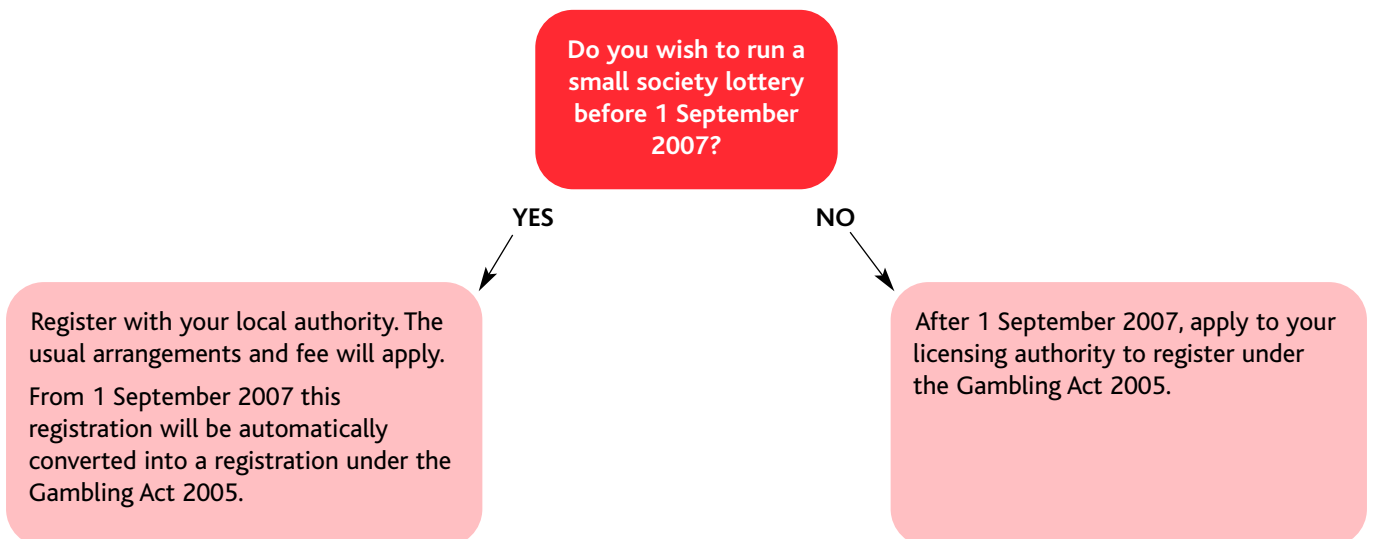
2.5 Unlicensed FECs and Prize Gaming



NEW OPERATORS 2.5 Single Machines



NEW OPERATORS 2.5 Small Society Lotteries



Chapter 2.6 Remote operating licences

129. The 2005 Act establishes a comprehensive system of regulation for remote gambling in Great Britain for the first time.
130. As this is a new system of regulation, all operators (with the exception of existing registered lotteries) wishing to offer facilities for remote gambling on or after 1 September 2007 will need to apply to the Gambling Commission for the appropriate remote operating licence.
131. The Gambling Commission will be able to accept advance applications from operators from 1 January 2007. Any licences granted under the new Act will take effect only on 1 September 2007, and operators will not be able to operate in reliance on a 2005 Act licence prior to that date.
132. Different arrangements will apply to registered lotteries and these are explained in Chapter 1.3 above.

Continuation rights

133. Under the existing legislation, some operators have relied on their existing licences to offer remote gambling services. These include holders of bookmakers' permits offering remote betting services, and holders of bingo licences offering linked or multiple bingo.
134. Holders of current permissions under the existing legislation will continue to be able to offer these remote services during the transition period (i.e. up to 1 September 2007).
135. The continuation rights explained in Annex 1 will apply to operators of remote gambling services under existing legislation in the same way as they apply to operators of non-remote gambling services.

Chapter 2.7 Areas not currently covered by existing gambling legislation

136. The 2005 Act also establishes a system of regulation in a number of other areas not currently covered by existing legislation. Various existing operators are likely to come under this category, including:
- Gaming machine manufacturers and machine software developers
 - Betting intermediaries who do not have a bookmaker's permit
 - Gambling software developers and suppliers in the remote gambling industry
 - Gaming machine repairers currently working in-house for a gambling operator
137. As with remote operators, as these are new areas of regulation, all operators wishing to operate in these areas after 1 September 2007 will need to apply to the Gambling Commission for the appropriate operating licence.
138. The Gambling Commission will be able to accept advance applications from operators from 1 January 2007. Any licences granted under the new Act will take effect only on 1 September 2007, and operators will not be able to operate in reliance on a 2005 Act licence prior to that date.

Continuation rights

139. Provided existing operators submit an operating licence application to the Gambling Commission by 27 April 2007, they will qualify for continuation rights. If an application is submitted on or after 28 April 2007, an operator must not carry on business after 31 August 2007 unless an operating licence has been granted.

ANNEX 1: Continuation Rights

140. In all cases, continuation rights only apply where the operator has made an advance application for the appropriate operating licence and (where necessary) for the appropriate premises licence by 27 April 2007. This date has been chosen to ensure that the new regulatory authorities are given a reasonable period of time to deal with the advance applications before 1 September 2007.
141. In the case of an existing operator, provided this condition is met, he will be entitled to continue operating from 1 September 2007 even if no decision on his operating licence application has been reached by that date or if the premises licence has not been issued. In those circumstances he will be treated as having been granted an interim operating licence and a premises licence. It is important to note that continuation rights will not permit an operator to anything more than they did on 31 August 2007. Any general conditions or codes of practice that are implemented under the 2005 Act will apply to these interim licences.
142. A prospective new operator will also be able to benefit from continuation rights provided that:
- he has made the necessary advance applications by 27 April 2007; and
 - he has applied for the relevant permission under the existing legislation before making the advance applications; and
 - the application under the existing legislation was granted before 1 September 2007.
143. If the application under the existing legislation is successful a new operator will have the same right to operate immediately under the Gambling Act 2005 as an existing operator. This will work as follows:
144. Where the application under the existing legislation is granted before 1 September 2007, a new operator will be in the same position as an existing operator in being able to operate from that date under an interim operating licence and a deemed premises licence (if not already granted).
145. Operators in this position will have a responsibility to notify the Gambling Commission and licensing authority (as appropriate) within 14 days that their application under the existing legislation has been granted. They will lose their continuation rights if they fail to do so.
146. Continuation rights are different from grandfather rights. The government's policy is that existing operators will be entitled to grandfather rights for the premises aspects of their existing permissions. This means that licensing authorities will automatically grant applications for 2005 Act premises licences and permits which replace equivalent permissions under the current law. The terms of the grandfathered permit or licence will be the terms set according to the 2005 Act, including licence conditions.
147. Operating licences do not attract grandfather rights. This means that there is no automatic grant of any application for an operating licence made to the Gambling Commission, and each application will be considered fully under the 2005 Act.

148. Continuation rights on the other hand apply to both operating and premises licences. Provided an existing operator makes his application for a new 2005 Act operating/premises licence before 27 April 2007, he will receive continuation rights, until such time as his application is (a) grandfathered (if it is a premises licence) or (b) determined (if it is an operating licence), as applicable.
149. Continuation rights cease if an application, following due process (including appeal), is refused. In this instance an operator must cease operation.



**Department for Culture,
Media and Sport**
2-4 Cockspur Street
London SW1Y 5DH
PP 881 February 2006