



2011

GUIDE TO THE BETTING,
GAMING AND LOTTERIES ACT
FOR GAMING MACHINE and
PREMISES OPERATORS



The Betting, Gaming and Lotteries
Commission, ©2011
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The Betting, Gaming and Lotteries Act (BGLA) in its entirety is available on our website, www.bglc.gov.jm . If you would like to pay us a visit, please be sure to call first as our location may have changed.

Prepared by:

The Betting, Gaming and Lotteries Commission ©2011

CHAPTER 1

INTRODUCTION

The Amendments to the Betting, Gaming and Lotteries Act (BGLA) which came into effect on June 22, 2010, have been several years in the making and herald a new era for Jamaica's Gaming Industry as a whole, affecting the sectors within the Industry: Betting, Gaming, Lotteries licensing and also Prize Competition approval. These industry wide changes were made for a number of reasons. Firstly, the BGLA was outdated, having not been comprehensively amended since 1975. The technology for gaming has developed dramatically since the Act was formulated, and continues to do so at a rapid pace, and an overhaul of the BGLA was needed to bring us in step with the possibilities and opportunities available in the 21st Century. Further, the international standards of gaming operation, regulation and monitoring had evolved greatly over the past 35 years. Negative changes have also taken place, such as money laundering and the financing of terrorism. Much more emphasis is therefore placed on ensuring that applicants are fit and proper to conduct gaming activities. In addition, every effort is being made to prevent minors from engaging in gaming activities, including significant sanctions being applied for encouraging or facilitating same. Today we embrace a new vision for modern, well controlled gaming in our nation by adopting and contributing to international best practices in the gaming industry.

The 2010 Amendments to the BGLA paves the way for the expansion of the local gaming industry to include internationally acceptable types of games, and cutting edge ways that games may be played. Technology has opened up the playing field for gaming and affords every adult the opportunity to participate by more convenient means.

The amended BGLA will also bring with it new Regulations to accommodate these developments in the international gaming industry and address technical issues as well. This includes more effective monitoring and control of licensees and punters, to protect the public and the nation from fraudulent and other illegal activities. Additionally the Amendments allow the BGLC to further extend our due diligence research into persons connected to applicants and licensees. Premises licensees now have a legal responsibility to ensure that all gaming machines in their premises are licensed. Amendments to applicable taxes and BGLC fees have also been made.

This handbook is broken down into four chapters detailing changes relevant to gaming machine owners:

1. Introduction including Definitions and some Industry wide changes in the Law

2. Fees and Taxes
3. Penalties
4. Gaming Sector Laws

To facilitate gaming lounge licensees who will be taking advantage of the new laws permitting betting or lotteries activities on their premises, Bookmakers who intend to establish betting lounges, and the Racing Promoter which intends to establish gaming facilities, this document includes relevant information on these areas.

For further information and clarification, please visit the Betting, Gaming and Lotteries Commission website at www.bglc.gov.jm , email us at bglc@bglc.gov.jm or visit us at 17 Ruthven Road, Building 2, Kingston 10, Jamaica, W.I.; Tel: 876-960-7279 – 80 or 960-1549. Kindly call us first to ensure we are still at this location. We look forward to hearing from you!

INDUSTRY WIDE DEFINITIONS (BGLA PART I (2) and Amendments s.2 1.)

1. **Licensee** - any person who is the holder of a license, permit, approval or authority granted by the BGLC under this Act.
2. **Minor** - a person under the age of eighteen years
3. **Connected Person** – connected as regards to the relationship between any person, and a licensee and an applicant. This means that the person is either,
 - a holding company, or
 - subsidiary of the licensee,
 - a subsidiary of a holding company of the licensee.
 - Any company in which the licensee has control, any company in which the licensee and the persons treated as connected with the licensee by virtue of any other paragraph of this definition together have control.
 - An individual who is a director, manager, a person in control of a licensee, any partner or immediate relative of such director, manager or person as aforesaid or a company of which any of the persons is a director, manager or has control.
4. **Online Betting** - betting by electronic means including any form of betting via telephone or the Internet or such other online communication system approved by the Commission.
5. **Electronic Betting** - betting using telecommunications network using telephone line, Internet, mobile phone or other means approved by the Commission.
6. **Electronic Ticket** - a paperless electronic document used for the acknowledgement of a stake or bet made under this Act which takes the place of paper tickets and can be purchased electronically.
7. **Live Television Broadcasts** - television broadcasts of races conducted in Jamaica or overseas which are transmitted simultaneously with the running of those races.
8. **Sports Betting** - the making of a wager on the outcome of a sporting event
9. **Telephone Betting** – betting using a telecommunications network using either telephone line, Internet, mobile phone or other means approved by BGLC.

10. **Prescribed Premises** - (a) any premises licensed under the Licences on Trade and Business Act or the Spirit Licence Act, as the case may be; (b) any club which is registered under the Registration of Clubs Act; (c) any premises licensed as a hotel under the Tourist Board Act, not being part of the precincts of a hotel which is part of an approved integrated resort development pursuant to the Casino Gaming Act; (d) a betting lounge; (e) a gaming lounge; or (f) any other premises approved by the Commission.

11. **Unlawful Gaming** – gaming carried out on unlicensed premises; or by an unlicensed promoter; or by a minor.

Betting Sector Definitions

12. **Betting Lounge** - constitutes premises with 19 or less gaming machines, sports and race bets, lotteries, simulcasts and general entertainment.
13. **Racing Promoter** - a person who is licensed to operate a race track and to engage in pool betting on horses and other species of animal and on sports. The operator is also eligible to operate up to 500 gaming machines.
14. **Non-Promoter Pool Betting** - a licensed operator of a pool betting business other than pool betting on horse races or greyhound races and such betting must take place in a totalisator or a racecourse in a country other than Jamaica which is approved by the BGLC for the purposes of Section 18
15. **Off-Track Betting Parlour** – a premises in which a racing promoter or his accredited agent is authorized to carry on pool betting business.
16. **Licensed Betting Office** – a premises in which approved betting operations are conducted with a valid betting office licence.

Gaming Sector Definitions

17. **Gaming Machine** - a machine, not being an excepted machine or a machine operated by a casino operator licensed under the Casino Gaming Act designed for the purpose of playing any game operated by means of tokens; machine credits; or electronic transfer of credits or tokens, by virtue of which winnings may become payable or some gain, advantage or prize is awarded. Also, a machine is defined as a playing station so that where a machine has more than one playing station each station is deemed a machine which shall attract contributions and levy payments in its own right.

18. **Gaming Lounge** – Any prescribed premises approved by the Commission, on which:
 - a. no less than 20 and no more than 150 gaming machines are operated, as per the amended definition of a gaming machine, counting every seat or playing station as a machine;
 - b. entertainment, food and drink are provided to the public; and
 - c. persons may place wagers on races and other approved sporting events and purchase lottery tickets issued by a licensed promoter.
19. **Exclusivity Period** – Period specified in an order for which the Casino Gaming Commission shall not, within the relevant geographical area, grant a casino gaming license to a person other than the approved developer or his nominee.
20. **Exclusive Geographical Area** – an area specified in an order within which the Casino Gaming Commission shall not grant a casino gaming licence to a person other than an approved developer, or his nominee during a specified exclusivity period. The Exclusive Geographic Area is soon to be declared by the Minister, but is expected to consist of St James, Trelawny and St Ann.
21. **Grandfather Clause** - an exception that allows an old rule to continue to apply to some existing situations, when a new rule will apply to all future situations. Often, such a provision is used as a compromise, to effect new rules without upsetting a well-established practice that was previously recognized in law. This extends the idea of a rule not being retroactively applied.
22. **Gross Profits** – computed by deducting payout of winnings from total sales earned from all amounts wagered by players of the machines, lotteries and betting. The exception is the racing promoter in which purses are also deducted from sales.
23. **Exclusivity period** is for 12 years after the first approval by the Minister of an integrated resort development (Casino Gaming Act section 9. (5)).

Lotteries Sector Definitions

24. **Lottery** - any game, method or device, including any electronic game, method or device not requiring the participation of the players involved, whereby money or money's worth is distributed or allotted in any manner depending upon or to be determined by chance or lot, held, drawn, exercised or managed, whether in Jamaica or elsewhere.
25. **Lottery Ticket** - includes any paper, electronic ticket, figure, writing symbol, or other article whatsoever, which either expressly or tacitly entitles or purports to entitle the holder or any other person to receive any money or money's worth on the happening of any event or contingency connected with a lottery.

INDUSTRY WIDE CHANGES

There are some changes to the BGLA that affect all sectors of the Gaming Industry as a whole.

1. When the BGLC conducts investigations on applicants to determine if applicant is “fit and proper” for conducting the activities for which they apply, the applicant will stand the cost of the investigation (BGLA Amendments s.7 (2) (2A)).
2. Breaches now attract fixed penalty offences, (similar to traffic tickets) laid out in Schedule 7 of the Act , payable within 15 days of receiving notice from BGLC of breach. This is to give the person charged the choice of paying the fine without going to the RM Court, which can impose a higher fine and or imprisonment if the person is convicted.
3. Offenders may permanently lose eligibility for licenses.
4. Licensees must seek BGLC’s written approval for change of address of premises; also, licensees have 7 days to notify the BGLC of change of ownership information.
5. Introduction of graduated penalties on late levy payments increasing over time (BGLA Amendments s. 44A (5)).
6. Preservation of exclusive Casino jurisdiction – no gaming lounges in the Exclusive Geographic Area, except where they are grandfathered.
7. Gross profit tax regimes applied across all sectors – betting, gaming and lotteries.
8. The ability of the Commission to impose fines on licensees for breaches has been replaced by a fixed penalty schedule and prosecution in the RM Court. The Commission’s authority remains to suspend, vary or revoke a licence, permit, approval or authority after holding an investigation (BGLA s.10)

CHAPTER 2

FEES AND TAXES

LICENSING FEES

The License period will end 31st March each year. Please see below the updated fees for Licenses issued by the BGLC.

1. **Prescribed Premises Application Fee** payable to BGLC is now \$500.
2. **Prescribed Premises Levy** payable at the Tax Collectorate is \$1,000.
3. **Playing Stations in Gaming Machines** Each seat in a Multi Station Gaming Machine is now counted as a gaming machine, and is taxed and counted individually.
4. **Gaming Machine License Fee:** All owners of less than 20 machines pay to the BGLC a licensing fee of \$2,500*
5. **Gaming Machine Disc Fee:** \$500. Per machine
6. **Gaming Machine Levies** Paid to the Tax Collectorate (for owners of such machines including those at race tracks)
 - a. Owners of less than 20 internationally made slot machines - \$10,000/machine/year
 - b. Locally made "Ten cent" machines, where machines are credited by operator and not the player - \$5,000/machine/year
7. Where an application is refused, the fee paid will be refunded to the applicant.
8. **LATE FEES FOR OVERDUE GAMING MACHINE LEVY PAYMENTS** – Levies are due on April 1st each year. If paid after the April 1 prescribed date, the following fines apply:
 - a. If gaming machine taxes are paid after April 1 but before July 1 – 15% of licensing levy/machine
 - b. On/after July 1 but before October 1 – 30% of licensing levy/machine
 - c. On/after October 1 but before January 1 – 45% of licensing levy/machine
 - d. On/after January 1 – 60% of licensing levy/machine

Regulations and Conditions attached to Licences, along with technical and other standards are being prepared and will be made available upon completion.

TAXES

BETTING, GAMING AND LOTTERIES COMMISSION				
TAX RATES AS AT JUNE 22, 2010				
22-Jun-10				
Betting Sector	<u>Consolidated Fund</u>	<u>BGLC</u>	<u>JRC</u>	<u>Sports</u>
Bookmakers				
Local - GPT	9%	3%	4.50%	
Overseas - GPT	9%	3%	4.50%	
Promoter	<u>Consolidated Fund</u>	<u>BGLC</u>	<u>JRC</u>	
Local - GPT	2%	1%	4.50%	
Overseas - GPT	2%	1%	4.50%	
Betting Sector	<u>Consolidated Fund</u>	<u>BGLC</u>	<u>CHASE</u>	
Sports Betting				
Bookmakers - GPT	7%	1%	1%	
Promoter - GPT	7%	1%	1%	
Lotteries Sector	<u>Consolidated Fund</u>	<u>BGLC</u>	<u>CHASE</u>	<u>GPT</u>
Cashpot	17% gross profit	1% gross sales	15% net sales plus 50% unclaimed prizes	15% of winnings over \$15k
Lucky 5	17% gross profit	1% gross sales	7.5% gross sales plus 50% unclaimed prizes	15% of winnings over \$15k

Dollaz	23% gross profit	1% gross sales	7.5% gross sales plus 50% unclaimed prizes	15% of winnings over \$15k
Lotto	23% gross profit	1% gross sales	7.5% gross sales plus 50% unclaimed prizes	15% of winnings over \$15k
Pick 3	17% gross profit	1% gross sales	4.17% net sales plus 50% unclaimed prizes	15% of winnings over \$15k
Instant	17% gross profit	1% gross sales	7.5% gross sales	15% of winnings over \$15k
Bingo	23% gross profit	1% gross sales	7.5% gross sales	15% of winnings over \$15k
<u>Note Net Sales = Gross Profit</u>	-			
Gaming Sector	<u>Consolidated Fund</u>	<u>BGLC</u>	<u>CHASE</u>	<u>Bet Winnings Tax</u>
Gaming Lounges	6.5% gross profit	2.5% gross profit	1% gross profit	-
Levy (Slots)	\$10K p.a	\$2.5K p.a	-	
Levy ("Ten Cent")	\$5K p.a	\$2.5K p.a	-	

Notes: Gaming Sector (BGLC Payments) - \$2.5K for Licence Fee and \$0.5K for Disc Fee

CHAPTER 3

PENALTIES (BGLA Amendment s. 14 and Schedule 7)

FIXED PENALTIES

Breaches of the BGLA now attract fixed penalty offences, (similar to traffic tickets) laid out according to a set schedule of the various offences. These penalties are payable within 15 days of receiving notice from BGLC of breach. Charges may be contested in Resident Magistrate Court, however, if the charge is upheld, this may result in higher fines imposed. Offenders may permanently lose eligibility for licenses. The Fixed Penalties are listed below, with the associated Penalty code, e.g.: "8(A)(1):

1. 8(A)(1): Failure to place current licence, permit, approval or authority in a conspicuous place on the premises: \$200,000.
2. 8 (B) 2: For obstructing authorized persons or constable in exercise of his function: \$200,000.
3. 8C: Failure to produce licence, permit, approval or authority to authorized person: \$100,000.
4. 8E(2) Failure to manager licensed premises in accordance with terms and conditions specified in licence permit approval or authority \$300,000.
5. 8E (3) To break or remove seal or other device affixed to a gaming machine or other equipment without the consent of the Commission \$1,000,000.
6. 20A Carrying on pool betting or book making without being authorized or licensed \$500,000.
7. 20B To permit a minor to bet, negotiate or participate in any betting, gaming or lottery or to be in a room where gaming machines are located \$500,000.
8. 20C (6) Operating a betting lounge without a valid licence \$250,000.
9. 22(1) Failure to manage licensed betting office in accordance with terms and conditions of licence or with Second Schedule \$300,000.
10. 24A(2) Failure of agent to obtain off track betting parlour opera-tor's licence; or failure of person to be authorized as agent by racing promoter or agent is under 18 years old \$250,000.
11. 25(4) Operating a totalisator contrary to section 25(2) \$300,000.
12. 32 (4) Failure to pay pool betting duty payable \$250,000.
13. (b) Failure to keep such books, records and accounts as prescribed or to permit any officer authorized by the Commissioner of Inland revenue to inspect and take copies of any books, records, accounts or documents used for the purpose of the business; \$250,000.
14. (c) Obstructs any officer in the exercise of this functions in relations to pool betting duty; \$250,000.
15. (d) Making false statement with intent to deceive or making use of any book, account, record, return or other documents which is false \$250,000.
16. (e) Being knowingly concerned in or taking steps with a view to fraudulent evasions of pool betting duty \$250,000.
17. 38 (2) Taking part in unlawful gaming or is present in any such gaming \$50,000.

18. 38 (3) Allowing premises to be used for unlawful gaming or make premises available to person who has committed an offence in connection with unlawful gaming \$375,000.
19. 43A Failure to obtain licence to manufacture, test, sell, supply, repair or operate gaming machines \$300,000.
20. 44A Operating gaming machines without being licensed \$250,000.
21. 44E (2) Failure to operate the number of machines specified in the licence, without prior approval by the Commission \$250,000.
22. 49A Failure to obtain lottery agent's licence or operating as lottery agent while ineligible \$250,000.
23. 58 (4) Failure of authorized person to conduct prize competition in accordance with terms imposed by the Commission \$250,000. *NB: This item may be amended in the near future.*
24. 61 (**General provision**) Any person who is guilty of an offence under the Act or any Regulations for which no penalty is provided elsewhere in the Act is liable to a fine not exceeding **\$500,000** or a term of imprisonment not exceeding six months.

NEW OFFENCES AT A GLANCE

GENERAL

1. Failure to place current licence, permit, approval of authority in a conspicuous place on the premises.
2. Permitting a minor to bet, negotiate or participate in any betting, gaming or lottery activity or to be in a room where gaming machines are located.

BETTING

3. Operating a betting lounge without a valid licence
4. Failure of agent to obtain off track betting parlour operator's licence or failure of person to be authorized as agent by racing promoter or agent is under 18 years.

GAMING

5. Allowing premises to be used for unlawful gaming or making premises available to person who has committed an offence in connection with unlawful gaming.
6. Failure to obtain licence to manufacture, test, sell, supply, repair or lease gaming machines.

LOTTERIES

7. Failure to obtain lottery agent's licence or operating as lottery agent while ineligible.

CHAPTER 3

GAMING SECTOR LAWS (BGLA Part IV)

NEW LAWS

Licensing of Gaming Activities

1. **Gaming machine manufacturers, vendors, repairers and testing facilities are now subject to licensing or approvals (BGLA Amendments s. 43A (1) and (2)).**
2. Licenses are now required for **Gaming Machine manufacturers, vendors, repairers, testing facilities** – to be issued by the BGLC. Licensee alone may work on (test, sell, supply, repair or operate) gaming machines. License is for a period of 5 years maximum; and is reviewed annually. If licensee changes partnership information, he or she has within 7 days of the change to return license to BGLC and apply for a new license. Any person who conducts any of the above mentioned activities without a license is guilty of an offence with a penalty of up to \$300,000 or 6 months imprisonment.
3. If persons are not satisfied with the BGLC's decision not to grant a **manufacturer's license** or a Gaming Machine License, appeals can be made in writing to the Minister within 14 days of a notice of refusal from the BGLC.
4. New definition of **prescribed premises to include** betting lounges and gaming lounges, and to exclude precincts of a hotel which is part of an approved integrated resort development pursuant to the Casino Gaming Act.
5. The **owner or operator of a prescribed premises** on which gaming machines are operated must apply for a licence each year, and pay associated fee of \$500 as prescribed by BGLC and a levy to the Collector of Taxes \$1,000. both due on April 1st of each year. **Licensed gaming premises operators have a legal responsibility to ensure that gaming machines in their premises are licensed to operate in them, failing which they are subject to penalties or fines (BGLA Amendments s.44 2. (3)).**
6. Each gaming machine must be operated **only on the prescribed premises** to which the licence is granted.
7. The BGLC can issue identification discs, prescribe a **fee for discs** (payable to the BGLC) for gaming machines and these must be displayed prominently on the machine.
8. The BGLC has the right to determine **the number of gaming machines** it sees fit for a particular premises/entity and such licensees cannot operate more machines than stated in license. However, the limits to the number of machines in premises provided for in section 43B of BGLA Amendments apply.

9. No licenses will be granted for a new gaming lounge or expansion of an existing gaming lounge in the Exclusive Geographic Area. Special provisions for new licence within Exclusive Geographic Area:
 - a. Licensed Hotels 1 gaming machine for every 10 rooms, whether inside or outside the Exclusive Geographic Area
 - b. no more than 5 gaming machines for premises operating as bars;
 - c. no more than 5 gaming machines for OTBs; and
 - d. no more than 2 gaming machines for LBOs.

10. Within an identified **Exclusive Geographical Area**, hotels, bars, OTBs and LBOs with more machines than stipulated by this schedule will not be asked to reduce the number of machines they have; they will also not be allowed to add more machines to what they already have even if this number is below the maximum allowed under the BGLA. This treatment is called 'grandfathering'.
11. Persons cannot own, operate, store, **display gaming machines or components** of gaming machines without the appropriate licenses and cannot lend property to do same. If offender is convicted for this breach, a constable may seize and detain any gaming machine or component or other equipment in relation to this offence; and the court may order forfeiture or destruction of these items.
12. A **Gaming Lounge** fits the following criteria:
 - a. premises with not less 20 – and not more than 150 gaming machines;
 - b. entertainment, food and drink are provided;
 - c. premises approved to be a gaming lounge by the BGLC;
 - d. offering wagers on horse races and sports betting, as well as lottery ticket sales;
 - e. Licenses granted for such premises will remain in effect for a maximum of 5 years, and are subject to renewal/review annually.
13. **Racing Promoter**
 - a. A racing promoter may operate up to 500 gaming machines in a maximum of 4 premises, none of which is required to be at the race track (BGLA Amendments s. 24 (2) (a)).
 - b. Off-Track Betting Parlours and Betting Lounges may have up to 19 gaming machines, outside of the Exclusive Geographic Area. Only a licensed bookmaker may apply for a licence to operate a betting lounge (s. 20C (2)).
14. Licensees who operate **more than the prescribed number** of machines shall be guilty of an offence and liable to a fine.
15. A **ship** may own and possess gaming machines **but cannot operate these** while in Jamaican waters, specifically, within a 12 mile radius of the mainland. However, This is

to facilitate cruise ships legally having gaming devices on them so long as these devices are not operated while in Jamaican waters. (BGLA Amendments s. 44F).

16. **Pre-approval by the Commission of certain games;** technology and equipment
17. See 1 above
18. Once **seized**, the court can order the gaming machine/ component to be destroyed or forfeited if the owner abandons the machine/ component – i.e.: no claim within 30 days after newspaper advertisement calling for owners to claim BGLC will have rights to dispose of or to sell the machine/ component to recover cost of seizure /disposal, if no one appears in court to contest the forfeiture.
19. An application may be made for a revocation of the forfeiture order within 30 days of the date of the order and if the court revokes the order, the person must pay all outstanding levies, licensing fees and approved Commission expenses in respect of seizure, transportation, storage, maintenance, administrative costs, security and insurance of the gaming machine/ component up to one and a half times the value of the gaming machine/ component.

SOME KEY LAWS REMAINING IN FORCE

1. A constable may arrest without a warrant, any person he suspects to be committing an offence
2. Person in a room where unlawful gaming is being conducted will be charged with unlawful gaming, unless he can prove that he tried all means to prevent it.
3. The Minister, if he so decides, may vary or revoke in writing, any exemption granted to an approved club
4. Unlawful gaming does not include the playing of games such as dominoes, draughts, darts, billiards or any other prescribed game on a premises licensed under the Spirit Licence Act, at a bazaar, fete, dinner, dance, fair, sales of work; or other similar special event approved by police and a JP, provided it is not played for high stakes; and the premises is not used primarily for gaming with those games. Proceeds from such entertainment after the provision of expenses, awards and/or prizes must be applied to personal gain; and the amount of these expenses and prizes must not exceed reasonable cost.
5. The BGLC will keep records of every person to whom a licence is granted along with a list specifying each gaming machine which has been licensed by the Commission, including the address of each prescribed premises associated with each gaming machine.
6. Every Licensee shall permit any person authorized by the Commission to enter the prescribed premises for the gaming machine, at any reasonable time, to inspect any

machine found therein and give information as to the operation of these machines; or affix a seal to the machine, for the purpose of protecting the integrity of the machine.