JERSEY GAMBLING COMMISSION

Remote Gambling Post Licencing Regulatory Framework

A Guideline to the Post Licencing Regulatory Framework

The licence or permit may be valid for 5 years, renewable annually on the anniversary of the licence / permit.

Governing Legislation

Gambling (Jersey) Law 2012

All remote gambling licences are subject to the Gambling (Jersey) Law 2012. Remote gambling permits are subject to this Law and also requirements of the Gambling (Ancillary and Miscellaneous Provisions) (Jersey) Regulations 2012.

Risk Based Approach

The Commission uses a risk based approach to regulation and some areas, like player registration and validation are considered high risk compared to the employee due diligence which is generally considered medium risk.

The Commission uses an inspection check-list and breaks its inspections into the following areas:

- Risk Based Approach

  o Individual responsible, qualifications and training

  o Risk approach approved by the board

  o Procedures reflect the risk based approach

  o Risk based approach schedule, how often is it reviewed.

  o How are risks measured against clients

- Corporate Governance

  o Internal Procedures and Controls

    ▪ Software systems

    ▪ Internal procedures and controls documentation freely available to all staff members

    ▪ Systems backups, schedules

    ▪ Disaster recovery plan, schedule

- - - Number of system administrators

      - Holiday cover

   o Financial Systems

      - Software used, patches, updates, routine maintenances

      - Staff qualifications and training

      - Players funds, segregation, operating funds – How

      - Audits, financial year, auditors, any changes since application/grant of licence

      - Holiday cover

   o MLRO

      - Individual responsible, qualifications and training

      - JFSC and JGC – current named officer

      - MLRO Duties and staffing

      - Deputy MLRO

      - Holiday cover

   o Outsourced functions

      - What functions are outsourced, to whom and why

   o Declaration of conflict of interests, Board or otherwise

      - Are there any

- Customer Verification/Authentication

   o Age verification – how is it done, software, any manual intervention – if so what.

   o How often is the customer reviewed and what is reviewed and how.

   o Due diligence on the customer, worldcheck, internet searches

   o Are high risk clients identified i.e. Politically Exposed Persons, if so, how are these clients dealt with. What controls are in place

      - How many have been identified

      - From which jurisdictions

      - What business aspects are the PEPs involved with

      - Validation/verification on the source of funds

- Ceasing/refusing relationship with a PEP, how and in what circumstances

- Accept cash deposits or funds transferred to third parties

- How are high risk clients identified in the internal controls and procedures

    o Verification and validation on the source of funds

    o What procedures are in place to ensure client due diligence is done prior to client acceptance

    o Client verification failure, how is this dealt and how is the relationship terminated

- Transaction Monitoring and Recording

    o How long are players records kept

    o How long is player play data kept

    o Are these backed up

    o Is there a disaster recovery solution

    o How often is the backup data verified and tested for integrity

- AML Suspicion Reporting – Suspicion Transaction Reports

    o Reporting forms and format

    o Staff training on reporting to the MLRO

    o Record Keeping, how long are these kept

    o How many reports have been reported to the MLRO

    o How many reports have been reported to the JFSC

- Employee Due Diligence and Training

    o Staff PNCs, which staff are subject to it, which not and explain

    o Staff references, are these followed

    o Staff induction programme

    o Staff handbook and Jersey employment contracts

    o Staff training schedule, to include AML reporting and procedures

    o Outsourced training, if so to whom and why.

The above checklist is by no means final and will evolve over time and adapt to new JFSC /JGC requirements and technology advancements.

The Law and Regulations allow for the Commission to make copies of any data, paper copies of any documentation that it sees fit and that may assist with any investigation.

Databases

The Commission currently takes the view that as gaming databases have millions of records it would not ordinarily seek to look into these as matter of course. If, however, there was a suspicion of irregularity or other just cause, it may resort to data mapping of the game databases or other methodologies necessary to investigate any such instances.

Databases are not required to be verified or tested by any third party testing house, but should be declared so the Commission is aware of whether the system is a commercial database server or an Open Source database, i.e. mysql.

Application Servers (Hardware and Software)

The Commission would ordinarily seek to ascertain during inspection that these actually existed as per the application. This does not apply if the operator is using a cloud solution from the accredited hosting provider.

Any changes to critical hardware/software or Cloud solution service, must be reported to the Commission and these are checked during inspection against our records.

Games

All games are required to be individually tested by an accredited independent testing lab, and during any inspection, the game versions and hashing algorithms are checked and tested against the certificate held on file by the Commission.