



BILLET D'ETAT FOR 19-07-2010

Date: 18th July, 2010

STATES OF ALDERNEY

BILLET D'ETAT FOR MONDAY 19TH JULY 2010

Members of the States:

I have the honour to inform you that a Meeting of the States will be held at 5:30pm on Monday 19th July 2010. This will be preceded by the People's Meeting, which will be held on Wednesday 14th July 2010 at 7:00 p.m. in the Island Hall.

Sir Norman Browse
President

Item 1 The Alderney eGambling (Amendment) Regulations, 2010 The Alderney eGambling (Amendment) (No.2) Regulations. 2010

The following letter has been received from Mr Willmott, Chairman of the Policy and Finance Committee:-

I attach copies of the above, made by the Alderney Gambling Control Commission in exercise of the powers conferred on it by sections 22 and 27 of the Alderney e-Gambling Ordinance, 2009 (the Ordinance).

The Alderney eGambling (Amendment) Regulations, 2010 were made on and came into operation on the 24th May. The Regulations were made as part of the preparations for the IMF inspection of the Bailiwick of Guernsey and their main purpose is to define terms used in other Bailiwick legislation and make necessary changes required as a result of changes to the Disclosure (Bailiwick of Guernsey) Law, 2007 and the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 and their respective regulation.

The Alderney eGambling (Amendment) (No.2) Regulations, 2010 were made on and came into operation on the 1st July. These Regulations are a result of a review undertaken by the Commission in line with the Commissions obligations under Section 2 of the Gambling (Alderney) Law, 1999. The Alderney eGambling (Amendment) (No.2) Regulations, 2010 deal with five main areas regarding the strengthening of the Commissions AML/CFT framework to reflect international best practise.

The amendment to Regulations 3 to 6 (of the 2009 Regulations) make provision to extend the requirement for licensees to take note and meet the requirements of certain notices issued by the Commission re the risks of money laundering and terrorist financing. In addition they provide clarity as to what constitutes a financial transaction and what constitutes a gambling transaction; the amendment to Regulations 59 and 60 affirm the stance that Foreign Gambling Associate Certificate (FGAC) holders do not undertake financial transactions with customers and further require them to take note and meet the requirements of certain notices issued by the Commission alerting them to the risks of money laundering and terrorist financing; the amendment to Regulation 175 clarifies the responsibilities of Category 1 eGambling licensees and specifies the obligations of licensees and FGAC holders with regards to the reviews they are required to undertake to ensure compliance with Schedule 16 of the Regulations (this being the lynch pin of the AML/CFT framework). In addition it imposes a new obligation on licensees and FGAC holders to maintain an independent audit function of how they meet their AML/CFT obligations; the amendment to Regulation 265 amends the definitions under this Regulation, financial transaction is a new definition to ensure that there is no confusion or overlap between the functions of Category 1 and Category 2 eGambling licensees or FGAC holders; the final amendments to the Regulations refer to Schedule 16 of the 2009 Regulations. These strengthen the obligations on licensees and FGAC holders to monitor transactions and where they record a finding of suspicion are to provide such intelligence to the Money Laundering Reporting Officer of the relevant Category 1 eGambling licensee, there is also the re-imposition of the requirement that where a Suspicious Transaction report is submitted to the Guernsey Financial Intelligence Service, the Commission is to be provided with a copy of that report. Clarity is also given as to the nature of training in AML/CFT that must be given to relevant employees of eGambling licensees and FGAC holders.

By virtue of the provisions of section 27(1)(c) of the Ordinance, the Regulations must be laid before the next meeting of the States. It will then be open to the States to annul them at this or its next Meeting (although I am not aware of any reason why it should do so and will recommend that the States resolves not to annul them).

I would be obliged if the Alderney eGambling (Amendment) Regulations, 2010 and the Alderney eGambling (Amendment) (No.2) Regulations, 2010 are placed before the States at its next Meeting together with an appropriate proposition.

R. G. Willmott
Chairman

The States is asked to resolve that The Alderney eGambling (Amendment) Regulations, 2010 and The Alderney eGambling (Amendment) (No.2) Regulations, 2010 not be annulled.

Issued 9th July 2010