

# GAMING HOUSE OPERATOR REGULATIONS, 2014

## Arrangement of Regulations

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**GAMING ACT, 2014**  
**(NO. OF 2014)**

**GAMING HOUSE OPERATOR REGULATIONS, 2014**

The Minister, after consultation with the Board, in exercise of the powers conferred by section 81 of the Gaming Act, 2014 makes the following Regulations —

**PART I – PRELIMINARY**

**1. Citation and commencement.**

- (1) These Regulations may be cited as the Gaming House Operator Regulations, 2014.
- (2) These Regulations shall come into force on a day to be appointed by the Minister by notice in the Gazette.

**INTERPRETATION**

**2. Application and definitions.**

- (1) These Regulations shall be read and construed in conjunction with the Gaming Regulations, 2014.
- (2) In these Regulations, any word or expression to which a meaning has been assigned in the Gaming Act, 2014, shall have the meaning so assigned and, unless the context otherwise indicates —

“**Act**” means the Gaming Act, 2014;

“**cash**” means any coins or paper-based currency customarily used and accepted as money;

“**effective date**” means the date of coming into force of these Regulations;

“**employee**” means a key employee or a gaming employee referred to in sections 23(1)(j) and (k) of the Act;

“**excluded person**” means a person who has been excluded from participation in gaming under section 74 of the Act;

“**interactive gaming**” means the conduct only of the interactive gaming transactions authorised by a gaming house licence and referred to in section 44(2)(a) of the Act;

**“interactive gaming system”** means the hardware, software, firmware, communications technology and other equipment which allows a player to remotely bet or wager through the Internet or a similarly distributed networking environment, and the corresponding equipment related to game outcome determination, the display of the game and game outcomes, and other similar information necessary to facilitate play of the game, but excludes computer equipment or communications technology used by a player to access the interactive gaming system;

**“personally identifiable information”** means any information about an individual maintained by a licence holder, including –

- (a) any information that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and
- (b) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information; and

**“return to player percentage”** means the theoretical ratio, expressed as a percentage, of all amounts won by the patrons of the holder of a gaming house operator licence to all amounts staked by such patrons in respect of a particular game authorised by such licence over a stipulated period of time.

## **PART II – APPLICATION PROCESS**

### **REQUEST FOR PROPOSAL**

#### **3. Invitation for gaming house operator and gaming house premises licences.**

- (1) No gaming house operator licence or gaming house premises licence may be applied for other than in response to an invitation to apply for such licences issued by the Board, with the concurrence of the Minister.
- (2) An invitation to apply for a licence referred to in this regulation shall take the form of a comprehensive Request for Proposal document (hereinafter referred to as a “RFP”).
- (3) Prior to making an RFP available to prospective applicants, the Board shall cause a notice to be placed in the Gazette setting forth —
  - (a) its intention to issue an RFP;
  - (b) the types of licences to which the RFP will pertain;

- (c) the purchase price in respect of the RFP;
  - (d) the date from which and the location at which the RFP will be made available for purchase; and
  - (e) the closing date for the purchase of the RFP.
- (4) The Board may fix such purchase price as it may consider appropriate in respect of any RFP issued by it.
- (5) No person may apply for a licence referred to in this Regulation unless such person tenders proof of purchase of the RFP issued by the Board in respect of the relevant application process, at the time of submission of such application.

#### **4. Contents of Request for Proposal.**

- (1) An RFP issued by the Board —
- (a) may set a limit on the number of licences of any category to be granted;
  - (b) may stipulate essential minimum requirements to be complied with by applicants for the relevant licences;
  - (c) may require applicants to commit to making monetary contributions towards —
    - (i) corporate social investment initiatives in The Bahamas in the minimum amount of one per centum of taxable revenue; and
    - (ii) any body established for the purpose of promoting tourism in The Bahamas;
    - (iii) the provision of infrastructure or the implementation of initiatives —
      - (aa) to promote, sustain or further develop educational facilities or opportunities in The Bahamas;
      - (bb) for the benefit of charitable or social causes in The Bahamas;
      - (cc) to support or further develop health care facilities in The Bahamas;
      - (dd) to enhance or improve public parks, beaches, botanical gardens and green spaces throughout The Bahamas;
      - (ee) to promote sports, arts and culture in The Bahamas; and
    - (iv) any other measure, project or initiative aimed at improving the general well being of the community, collectively in the minimum amount of one per centum of taxable revenue;

- (d) must set forth the evaluation criteria to be applied in considering applications for licences, and if applicable, the weight to be attached to each such criterion; and
  - (e) may require proof of compliance with the provisions of the Act or any other applicable legislation as a pre-condition for the grant of any licence to which such RFP relates.
- (2) An RFP may —
- (a) contain specific terms and conditions pertaining to the application and licensing process, which shall be binding on applicants; and
  - (b) set forth requirements against which the suitability of premises in respect of which gaming house premises licences are to be applied for will be evaluated.
- (3) Applications for licences which do not meet the essential minimum criteria stipulated in the RFP may be rejected.
- (4) The monetary contributions referred to in paragraph (1)(c), shall be placed into a fund to be administered by a committee to be appointed by the Minister.

## PART III – OPERATIONAL REQUIREMENTS

### 5. Interpretation.

For the purposes of this Part —

**“gaming equipment”** means any gaming device or equipment utilised by the holder of a gaming house operator licence in the conduct of its licensed operations;

**“internal control system”** means the document embodying the internal control standards of the holder of a gaming house operator licence;

**“politically exposed person”** means —

- (a) a person who has, or has had at any time, a prominent public function or who has been elected or appointed to such a function in a country or territory other than The Bahamas, including, without limitation —
  - (i) heads of state or heads of government;
  - (ii) senior politicians and other important officials of political parties,
  - (iii) senior government officials;
  - (iv) senior members of the judiciary;
  - (v) senior military officers; and

- (vi) senior executives of state owned body corporates;
- (b) an immediate family member of such a person including, without limitation, a spouse, partner, child, sibling, parent-in-law or grandchild of such a person and, for the purposes of this definition, “partner” means a person who is considered by the law of the country or territory in which the relevant public function is held as being equivalent to a spouse; or
- (c) a close associate of such a person, including, without limitation —
  - (i) a person who is widely known to maintain a close business or professional relationship with such a person; or
  - (ii) a person who is in a position to conduct substantial financial transactions on behalf of such a person;

**“licence holder”** means the holder of a gaming house operator licence; and

**“relevant legislation”** means the Financial Transactions Reporting Act, the Financial Transactions Reporting Regulations, the Financial Intelligence Unit Act, the Financial Intelligence (Transactions Reporting) Regulations, and the Proceeds of Crime Act and any other legislation in force in The Bahamas for the prevention and detection of money-laundering and counter-terrorist financing.

## INTERNAL CONTROL SYSTEMS

### 6. Internal control systems.

- (1) The purpose of an internal control system is —
  - (a) to provide a description by a licence holder of the controls and administrative and accounting procedures to which it will adhere when conducting the activities authorised by its licence; and
  - (b) to establish the standards and processes against which an ordinary investigation by the Board in the form of an inspection in accordance with regulation 40 will be undertaken.
- (2) At a minimum, an internal control system shall contain information about —
  - (a) accounting systems and procedures and chart of accounts;
  - (b) administrative systems and procedures;
  - (c) computer software;
  - (d) standard forms, terms and conditions;



- (e) general procedures to be followed for the conduct of any form of interactive gaming;
- (f) procedures and standards for the maintenance, security, storage and transportation of gaming equipment;
- (g) procedures for registering patrons, recording gambling transactions and paying winnings to patrons;
- (h) procedures relating to the identification and verification of domestic players to prevent persons who are not domestic players from engaging in any form of gaming with the licence holder;
- (i) procedures and controls for —
  - (i) protecting and preserving the confidentiality of patron accounts;
  - (ii) reasonably ensuring that interactive gaming is engaged in between the licence holder and natural persons only;
  - (iii) reasonably ensuring that interactive gaming is conducted honestly and fairly, including preventing collusion between registered patrons;
  - (iv) testing the integrity of gaming equipment on an ongoing basis; and
  - (v) protecting a registered patron's personally identifiable information, including but not limited to —
    - (aa) the designation and identification of one or more senior company officials with primary responsibility for the design, implementation and ongoing evaluation of such procedures and controls;
    - (bb) the procedures to be used to determine the nature and scope of all personally identifiable information collected, the locations in which such information is stored, and the devices or media on which such information may be recorded for purposes of storage or transfer;
    - (cc) the policies to be utilised to protect personally identifiable information from unauthorized access by employees, business partners, and persons unaffiliated with the company;
    - (dd) notification to registered patrons of privacy policies;
    - (ee) procedures to be used in the event the licence holder determines that a breach of data security has occurred, including required notification to the Board; and

- (ff) provision for compliance with all laws concerning privacy and security of personally identifiable information;
  - (j) positions to be designated as key positions; and
  - (k) its auditors.
- (3) Without prejudice to the generality of the foregoing, an internal control system shall describe the programmes developed by the licence holder, having regard to its business risk assessment, to ensure that it has such policies, procedures and controls as are appropriate and effective for the purposes of forestalling, preventing and detecting money laundering and terrorist financing, including information about the licence holder's —
  - (a) applicable internal policies, procedures and controls, including its policy for reviewing at appropriate intervals its compliance with the requirements of these regulations;
  - (b) arrangements to manage compliance;
  - (c) screening practices when recruiting relevant employees;
  - (d) ongoing employee training programme;
  - (e) audit function to test its systems;
  - (f) measures taken to keep abreast of and guard against the use of technological developments and new methodologies in money laundering and terrorist financing schemes;
  - (g) patron identification and verification systems; and
  - (h) ongoing due diligence of the patron relationship.
- (4) For the purposes of paragraph (3)(a) —
  - (a) in considering what is an appropriate interval, the licence holder shall have regard to the risk, taking into account —
    - (i) the size, nature and complexity of the interactive gaming it conducts;
    - (ii) its registered patrons and services; and
    - (iii) the methods by which it provides those services.
  - (b) its policy, for reviewing the requirements of these Regulations, which shall include the requirement to maintain an adequately resourced independent audit function to test compliance with such requirements.
- (5) For the purposes of paragraph (3)(g), the licence holder's patron identification and verification systems shall —
  - (a) incorporate robust client identification methods and measures in order to manage and mitigate the specific risks of non-face-to-face transactions inherent in the conduct of interactive gaming transactions; and

- (b) refer only to identification verification software and additional or alternative identification methods that have been approved by the Board.

## **7. Submission of internal control system.**

Prior to performing any of the activities authorised by its licence, the holder of a gaming house operator licence shall submit to the Board its internal control system for approval by the Board, in such manner and format as the Board may require or approve.

## **8. Criteria against which application evaluated.**

In considering whether to give approval for a licence holder's proposed internal control system, the Board shall have regard to whether it —

- (a) satisfies the requirements of the Act and these Regulations;
- (b) is capable of providing satisfactory and effective control over the conduct of any form of interactive gaming the licence holder proposes to operate; and
- (c) provides a safe and secure system for the conduct of interactive gaming.

## **9. Approval of internal control system.**

- (1) On completion of a full evaluation of a licence holder's proposed internal control system, if the Board —
  - (a) is satisfied that the internal control system satisfies regulation 8, it shall furnish the licence holder with written notice that the system has been approved; or
  - (b) is not satisfied that the internal control system satisfies regulation 8, a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Board for submission to the Board for its consideration.
- (2) Where an application for approval of a licence holder's internal control system is referred to the Board in accordance with paragraph (1)(b), the Board shall consider —
  - (a) the report submitted to it; and
  - (b) such other material and information supplied to the Board by, or on behalf of, the licence holder as it considers appropriate.
- (3) Where the Board considers that it has insufficient information on which to decide whether to grant or refuse the application, it shall defer its decision and shall require the licence holder to provide such further information or to implement such further measures or amendments as the Board may consider necessary or appropriate.

- (4) If the Board is satisfied that the internal control system satisfies regulation 8, the Board shall give the licence holder written notice that the internal control system has been approved.

#### **10. Regular review of approved internal control system.**

- (1) A licence holder shall keep its approved internal control system under regular review so as to ensure that it accurately reflects the manner in which it is conducting interactive gaming or operating under its gaming house operator licence and, when appropriate, it shall make an application in accordance with regulation 11.
- (2) Without prejudice to the generality of paragraph (1), a licence holder shall
  - (a) regularly review its business risk assessment so as to keep it up to date and where, as a result of that review, any change to the business risk assessment is required, it shall seek approval to make any corresponding change to its approved internal control system; and
  - (b) ensure that a review of its compliance with the requirements of these Regulations is discussed and minuted at a meeting of its board of directors held pursuant to the policy included in its approved internal control system by virtue of regulation 6(3)(a).

#### **11. Submission of change application.**

An application for approval of a change to a licence holder's approved internal control system, shall be made by letter setting forth the proposed change, accompanied by an extract of the application document submitted when the licence holder obtained approval of its existing internal control system, highlighting the proposed change, signed by a duly authorised officer of the licence holder and delivered to the offices of the Board, or in such other manner and form as the Board may from time to time determine.

#### **12. Approval of changes to internal control system.**

- (1) On completion of an evaluation of a proposed change to the approved internal control system submitted by a licence holder under regulation 11, if the Board—
  - (a) is satisfied that the proposed change satisfies regulation 8, it shall give the licence holder written notice that the change has been approved; or
  - (b) is not satisfied that the proposed change satisfies regulation 8, a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Board for submission to the Board for its consideration.

- (2) Where an application for approval of a change to the approved internal control system of a licence holder is referred to the Board in accordance with sub-paragraph (1)(b), the Board shall consider —
  - (a) the report submitted to it; and
  - (b) such other material and information supplied to the Board by, or on behalf of, the licence holder as it considers appropriate.
- (3) Where the Board considers that it has insufficient information on which to decide whether to grant or refuse the application, it shall defer its decision on the application and shall require the licence holder to provide such further information or to implement such further measures or amendments as the Board may consider necessary or appropriate.
- (4) If the Board is satisfied that the proposed change to the approved internal control system satisfies regulation 8, the Board shall give the licence holder written notice that the internal control system as changed has been approved.

## APPLICATIONS FOR APPROVALS

### **13. Application for approval.**

- (1) An application for approval of its gaming equipment and interactive gaming system shall in the first instance be made by the licence holder before it organises, promotes or effects any gaming transaction or commences operations under its gaming house operator licence.
- (2) A licence holder shall not operate an interactive gaming system unless—
  - (a) such system has been tested and certified as complying with the relevant technical standards applicable to such systems, as referred to in the Gaming Regulations;
  - (b) such system has been approved by the Board; and
  - (c) the licence holder has provided the Board with a list of all persons who may access the main computer or data communications components of its interactive gaming system.
- (3) An application for a modification of the approval of its gaming equipment shall be made by a licence holder before it utilises its gaming equipment, as proposed to be modified, to organise, promote or effect any gambling transaction or operate under its gaming house operator licence.
- (4) For the purposes of this sub Part, all references to “gaming equipment” shall be deemed to relate to any gaming device, as defined in the Act, used by the holder of a gaming house operator licence in the conduct of the activities authorised by its gaming house operator licence, including an interactive gaming system.

**14. Criteria against which application evaluated.**

- (1) In considering whether to give approval for the gaming equipment a licence holder proposes to utilise to conduct its business, the Board shall have regard to whether the equipment complies with the applicable technical standards, where applicable, and is technically and operationally capable of being —
  - (a) utilised safely, securely and fairly, when taken both individually and collectively, in the conduct of any form of interactive gaming proposed to be operated by the licence holder; and
  - (b) interrogated, and subjected to audit, by, or on behalf of, the Board, whether in accordance with monitoring conducted under regulation 38 or otherwise.
- (2) All games authorised to be offered for play by the holder of a gaming house operator licence must theoretically pay out a mathematically demonstrable return to player percentage of not less than seventy-five per centum and, where applicable, comply with the provisions of regulation 63 of the Gaming Regulations, 2014, which shall apply with the necessary changes.

**15. Approval of gaming equipment.**

- (1) On completion of a full evaluation of the gaming equipment for which a licence holder has sought approval, if the Board —
  - (a) is satisfied that the gaming equipment complies with the requirements of regulation 14, the Board shall give the licence holder notice that the gaming equipment has been approved; or
  - (b) is not satisfied that the gaming equipment satisfies regulation 14, a report containing details of the application and the evaluation carried out shall be prepared by a duly authorised officer of the Board for submission to the Board for its consideration.
- (2) Where an application for approval gaming equipment is referred to the Board in accordance with paragraph (1)(b), the Board shall consider —
  - (a) the report submitted to it; and
  - (b) such other material and information supplied to the Board by, or on behalf of, the licence holder as it considers appropriate.
- (3) Where the Board considers that it has insufficient information on which to decide whether to grant or refuse the application, it shall defer its decision on the application and shall require the licence holder to provide such further information or to implement such further measures or amendments as the Board may consider necessary or appropriate.

- (4) If the Board is satisfied that the gaming equipment satisfies regulation 14, the Board shall give the licence holder written notice that the gaming equipment has been approved.

## **16. Approval of gaming platforms.**

- (1) An application for the approval of a new gaming platform shall include the following —
  - (a) a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner of operation of the gaming platform the manner in which it complies with the applicable requirements of law and the prescribed norms and standards;
  - (b) a statement that, to the best of the manufacturer's knowledge, the gaming platform meets the prescribed standards in respect thereof;
  - (c) a certificate from a registered independent testing laboratory that it holds copies of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming transaction, submitted on electronically readable, unalterable media or electronically through direct FTP transfer to the independent testing laboratory;
  - (d) a copy of all graphical images displayed on the gaming equipment utilizing the gaming platform including, but not limited to rules, instructions and pay-tables;
  - (e) all materials relating to the results of the registered independent testing laboratory's inspection and certification process; and
  - (f) such further information as the Board may require.
- (2) The Board shall approve a new gaming platform only if it meets the prescribed standards.

## **17. Applications for new games or game variations.**

- (1) Any person seeking approval of a new game or game variation shall pay the costs of the application and game review.
- (2) Each application for the approval of a new game or the variation of a game must include —
  - (a) the name of the game which must be different from the name of a game currently approved by the Board;
  - (b) a description of the new game or game variation, including the rules of play, the proposed schedule of pay-outs, and a statistical evaluation of theoretical percentages of the game;

- (c) all materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under the Rules of the Board; and
- (d) such other information as the Board may require.

## PATRONS - REGISTRATION, FUNDS AND PROTECTION

### 18. Requirement for patron to be registered.

A licence holder shall not permit a person to engage in an interactive gambling transaction as part of its operations under its gaming house operator licence unless the person is a patron who has registered in accordance with regulation 19.

### 19. Procedure for registration of patron.

- (1) A patron shall register directly with a licence holder by completing an application process set forth in the licence holder's approved internal control system; provided that no patron may be registered by a licence holder unless —
  - (a) the patron is a natural person and a domestic player, as defined in the Act;
  - (b) the patron has physically presented himself at premises —
    - (i) on which the licence holder conducts the operations authorised by its gaming house operator licence, and
    - (ii) in respect of which a gaming house premises licence has been granted by the Board;
  - (c) the licence holder has established and verified —
    - (i) the identity of the patron;
    - (ii) the place of residence of the patron;
    - (iii) the age of the patron;
    - (iv) that the patron is a domestic player, with reference to valid documentary proof physically presented to the licence holder by the patron;
  - (d) the patron has confirmed that he is acting as principal and is not restricted in his legal capacity;
  - (e) the licence holder has established and verified that the patron is not an excluded person; and
  - (f) the provisions of the relevant legislation have been complied with.
- (2) Prior to registering a patron, or as soon as reasonably practicable thereafter, a licence holder shall undertake a risk assessment in respect of



that patron, in accordance with the terms of its approved internal control system, to determine if —

- (a) the proposed relationship with the patron is a high risk relationship; or
  - (b) the patron or any beneficial owner or underlying principal is a politically exposed person.
- (3) No employee of a licence holder shall be registered as a patron of the licence holder by which he is employed.
- (4) Prior to registering a patron, the licence holder must procure that the patron has affirmed —
- (a) that the information provided by the patron to the licence holder is accurate;
  - (b) that the patron has been informed and has acknowledged that, as an registered patron, he is prohibited from allowing any other person access to access or use his patron account;
  - (c) that the patron consents to the monitoring and recording by the licence holder of any interactive gaming transactions; and
  - (d) that the patron consents to the jurisdiction of the Board to resolve any disputes arising out of the conduct of the interactive gaming transactions authorised by the licence.

## **20. Patron accounts.**

- (1) A licence holder shall not set up anonymous patron accounts or accounts in fictitious names.
- (2) A licence holder shall maintain and manage patron accounts in a manner which facilitates compliance with the requirements of this sub Part.
- (3) A licence holder shall not permit a registered patron —
  - (a) to hold more than one patron account;
  - (b) to occupy more than one position at any game at any time; or
  - (c) to transfer funds to any other patron account or person.
- (4) An operator shall record and maintain the following in relation to a patron account —
  - (a) the date and time the patron account is opened or terminated;
  - (b) the date and time the patron account is logged into or is logged out of; and
  - (c) the physical location of the registered player while logged in to the patron account.
- (5) A licence holder shall, on an ongoing basis, maintain a separation between funds held by it on behalf of patrons in patron accounts and its own funds.

**21. Regular review of patron relationship.**

A licence holder shall, in accordance with the terms of its approved internal control system, regularly review any risk assessment carried out under regulation 19(2) so as to keep it up to date and, where changes to that risk assessment are required, it shall make those changes.

**22. Deposit, withdrawal and transfer of patron funds.**

- (1) The funds with which a patron pays for gaming transactions with a licence holder must be deposited directly into the patron's account with the licence holder in the manner set forth in the approved internal control system of such licence holder and after compliance with the relevant legislation.
- (2) A patron may deposit funds from an account held in that patron's name with a financial institution licensed in The Bahamas and nominated by the patron for that purpose; provided that no funds shall be so deposited unless that licence holder has first verified —
  - (a) the existence of the relevant account;
  - (b) that the account is active;
  - (c) that the account number corresponds with the account number provided by the registered patron; and
  - (d) that the account is in the name of and held exclusively by the registered patron.
- (3) Funds deposited into a patron account from a financial institution shall not be transferred out of the patron account to a different financial institution except as otherwise permitted by law.

**23. Recourse to funds held by the licence holder.**

- (1) A licence holder shall not have recourse to funds standing to the credit of a registered patron except —
  - (a) to make payment to the patron in person of such funds as the patron wishes to withdraw from his patron account;
  - (b) to debit the amount of a payment required for a gaming transaction that the patron indicates he wants to undertake through the licence holder;
  - (c) to remit funds in accordance with paragraph (2);
  - (d) to make adjustments following resolution of a dispute after documented notification to the patron;
  - (e) to debit inactive funds in accordance with the terms and conditions of its approved internal control system and the rules accepted by the patron prior to the addition of those funds.

- (2) Subject to compliance with any lawful requirement to do otherwise, a licence holder referred to in this regulation shall, on the written request of a registered patron, remit funds standing to the credit of that patron as directed by the patron —
  - (a) to the account nominated by the patron referred to in Regulation 22(2); or
  - (b) by providing a non-negotiable instrument marked “Account Payee” and made out in the name of the patron, pursuant to the terms and conditions governing the patron relationship as set out in the approved internal control system of the licence holder.

#### **24. Additions to patron’s funds held by the licence holder.**

- (1) If, as a result of effecting a gaming transaction through a licence holder, a registered patron accrues winnings, the licence holder shall increase the amount standing to the credit of the patron by the amount of those winnings in accordance with the terms and conditions governing the relationship between the licence holder and the patron as set forth in the approved internal control system of the licence holder.
- (2) If a registered patron accepts an offer from a licence holder referred to in this regulation of funds with which to effect a gaming transaction, made in accordance with terms contained in the approved internal control system of the licence holder, the licence holder shall increase the amount standing to the credit of the patron in accordance with those terms.

#### **25. House rules.**

- (1) A licence holder shall adopt, and adhere to written, comprehensive house rules governing wagering transactions by and between registered players that are available for review at all times by registered patrons through a conspicuously displayed link, which shall clearly set forth —
  - (a) a clear and concise explanation of all fees;
  - (b) the rules of play of a game;
  - (c) any applicable monetary betting limits; and
  - (d) any time limits applicable to the playing of a game.
- (2) Before a registered patron is permitted to engage in a gaming transaction with a licence holder, the licence holder shall make available to the patron in accordance with its approved internal control system, whether directly or by posting them on its website, the rules pertaining to the gaming transaction in question, and the patron will be required to confirm his knowledge and acceptance of such rules.

**26. Identifying patrons at risk.**

- (1) A licence holder shall establish and maintain procedures in accordance with its approved internal control system to identify patrons who are, or appear to be at risk of becoming, problem gamblers.
- (2) A licence holder shall take note of and act appropriately upon advances in information about problem gaming, technology to discover problem gaming, and techniques for combating problem gaming, and shall comply with every requirement of the Board designed to combat problem gaming.
- (3) A licence holder shall —
  - (a) provide problem gamblers and potential problem gamblers with sufficient information and assistance to enable them to obtain proper counselling or access to an appropriate support organisation; and
  - (b) if required by the Board, take steps to limit or cease gaming activities with a specified patron.

**27. Limitation on patron's gaming activity.**

- (1) A registered patron may, by written notice to a licence holder set a limit on his gaming activity with that licensee in accordance with one or more of the means specified in paragraph (2).
- (2) A limit may be set under paragraph (1) in relation to the amount a patron —
  - (a) may deposit during a period of time specified in the notice;
  - (b) may lose by way of a maximum amount that may be lost by reference to —
    - (i) any number of gaming transactions; or
    - (ii) any period of time, as specified in the notice; or
  - (c) may wager.
- (3) A limit set under paragraph (2)(c) may be set —
  - (a) in relation to a single gaming transaction or any number of gaming transactions;
  - (b) by way of a maximum limit that may be wagered over a number of gaming transactions specified in the notice or effected during a period of time specified in the notice; or
  - (c) at zero.
- (4) A licence holder who has received a notice under paragraph (1), shall not —
  - (a) accept a deposit; or
  - (b) permit a patron to lose; or

- (c) debit a wager from the patron's funds held by it, in excess of a limit set out in the notice.
- (5) A licence holder who has received a notice under paragraph (1) from a patron setting his limit in accordance with paragraph (2)(c) and (3)(c) at zero shall not directly market or otherwise publicise its gaming offerings to that patron whilst the patron's limit remains at zero.
- (6) A licence holder who has received a notice under paragraph (1) shall not, directly or indirectly, encourage the patron who has set that limit to raise or remove it.
- (7) A patron who has set a limit under this regulation may change or remove the limit by further written notice to the licence holder referred to in this regulation.
- (8) A notice in accordance with paragraph (7) amending or removing a limit shall not have effect unless —
  - (a) at least twenty-four hours have passed since the licence holder received the notice; and
  - (b) the patron has not notified the licence holder of his intention to withdraw the notice.
- (9) A notice reducing a limit takes effect upon receipt thereof by the licence holder.

## **28. Patron complaints or disputes.**

- (1) A licence holder referred to in this Part shall, if required by the Board, include on an appropriate page within the part of its website explaining the availability of a mechanism for resolving a patron's complaint, a hyperlink to the page on the Board's website dealing with its handling of disputes.
- (2) Where a registered patron makes a complaint to the Board about the operations of a licence holder, the complaint shall be dealt with by the Board in accordance with this regulation.
- (3) In the first instance, a duly authorised officer of the Board shall, by establishing contact with the licence holder and the relevant patron, attempt to resolve by agreement between the patron and the licence holder or associate any dispute between them on which the complaint is based.
- (4) Where the procedure set out in paragraph (3) is unsuccessful, the Board shall cause a full investigation of the complaint to be carried out by a duly authorised officer of the Board who, after consideration of a report about the complaint and the investigation thereof, shall —
  - (a) make a preliminary determination of the matter in dispute between the patron and the licence holder; and

- (b) give written notice of that determination and the reasons for it to the patron and the licence holder, at the same time enquiring of them whether each accepts his determination.
- (5) Where both the patron and the licence holder accept the preliminary determination of the Board, this determination shall be treated as final.
- (6) Where one or both of the recipients of the Board's preliminary determination do not accept it, the complaint shall be referred to the Board for hearing under regulation 29.

### **29. Hearing of patron complaint.**

- (1) Where a complaint by a patron has been referred to the Board for determination in accordance with regulation 28(6) —
  - (a) a date, time and place for the hearing shall be notified by the Board by the provision of at least fourteen days' written notice to the patron and the licence holder;
  - (b) the patron may elect to confine himself to making any written representations he wishes or may attend the hearing in person or through any representative;
  - (c) the licence holder may elect to confine itself to making any written representations it wishes or may attend the hearing through any representative.
- (2) At a hearing under this regulation —
  - (a) if the patron attends, he shall make his representations first;
  - (b) a duly authorised officer of the Board, in person or through any representative, shall present his report about the investigation of the complaint and shall be permitted to ask questions of any attendee;
  - (c) if the licence holder attends, he shall make his representations in response to the complaint after the conclusion of the officer's presentation; and
  - (d) questions may be asked at any time by members of the Board.
- (3) A hearing under this regulation shall be held in The Bahamas.

### **30. Board determination of customer complaint or dispute.**

- (1) At the conclusion of a hearing under regulation 29, after taking into account everything said and lodged by, or on behalf of, the parties, the Board shall determine —
  - (a) whether the patron's complaint has been established in full or in part;
  - (b) what steps, if any, to take in relation to the licence holder in accordance with the applicable provisions of these Regulations; and

- (c) whether to make any order about payment of the costs incurred by the Board or, as the case may be, the patron or the licence holder, in accordance with paragraphs (2) or (3).
- (2) In a case where the patron has appeared before the Board and it has determined that the complaint was frivolous, vexatious or manifestly ill-founded, the Board may direct the patron to pay —
  - (a) a contribution towards the expenses incurred by the Board in determining the complaint; and
  - (b) if sought by the licence holder, a contribution to the costs incurred by it in appearing before the Board.
- (3) Where the Board determines that the patron's complaint has been established in full or in part, it may direct —
  - (a) as part of the resolution of the dispute, that the licence holder compensates the patron for all or some of the costs he has incurred in making and pursuing his complaint; and
  - (b) that the licence holder make a contribution towards the expenses incurred by the Board in determining the complaint.
- (4) The Board shall give the patron and the licence holder written notice of its decision under this regulation and of the reasons for it.

## FINANCIAL ACCOUNTS AND REPORTS

### **31. Keeping of accounts.**

The holder of a gaming house operator licence shall —

- (a) keep accounting records that accurately record and explain the transactions and financial position for the operations conducted under its gaming house operator licence; and
- (b) keep the accounting records in a way that allows —
  - (i) true and fair financial statements and accounts to be prepared from time to time; and
  - (ii) the financial statements and accounts to be conveniently and properly audited.

### **32. Periodic operational reports and management accounts.**

- (1) The holder of a gaming house operator licence shall by no later than the 20th day of each month submit to the Board a report in the format determined by the Board containing the details required by the Board for such a report in respect of its operational performance under its gaming house operator licence during the preceding calendar month.

- (2) A licence holder shall, by no later than thirty days after the end of each quarter of its financial year, submit to the Board a report regarding its operations under its gaming house operator licence during the preceding quarter.

**33. Financial ratios.**

- (1) The holder of a gaming house operator licence shall at all times satisfy such financial ratios as are established or approved by the Board in respect of its operations from time to time and notified to it in writing.
- (2) A licence holder shall by no later than the 20th day of the month submit to the Board a report in the format required by the Board detailing its financial position during the preceding calendar month by reference to the ratios required of it in accordance with paragraph (1).
- (3) A licence holder shall, with reference to the financial position disclosed in its report under paragraph (2), be required to satisfy the Board that it maintains such financial requirements and ratios established by the Board in respect of its operations from time to time and notified to it in writing.

**34. Submission of other reports.**

- (1) The holder of a gaming house operator licence shall furnish such other reports to the Board as required by this regulation about the operations conducted under its gaming house operator licence.
- (2) A report under this regulation shall be given at the time stated in a written notice given to the licence holder by the Board.
- (3) The Board may, by written notice given to a licence holder, require it to provide the Board with further information specified in the notice within the time specified in the notice, being information that the Board reasonably requires in order to acquire a proper appreciation of the operations of the licence holder.

**35. Audit of operations.**

As soon as practicable after the end of the financial year, the holder of a gaming house operator licence shall cause the books, accounts and financial statements for the operations conducted under its gaming house operator licence for the financial year to be audited by the auditors for which approval has been given as part of its approved internal control system.

**36. Audit report.**

- (1) The holder of a gaming house operator licence shall provide a copy of the audited financial statements and any auditors' report following an audit conducted under regulation 35 to the Board —



- (a) within four months after the end of the financial year to which the audit relates; or
  - (b) within such longer period of time as the Board shall determine following an application made to it in accordance with paragraph (2).
- (2) If a licence holder believes that it will not be able to comply with paragraph (1), it may, by making application to the Board by letter signed by a duly authorised officer, seek an extension of the time within which a copy of its audited financial statements and any auditor's report must be supplied.
- (3) An application under paragraph (2) —
  - (a) shall be made no earlier than one month before the expiry of the time within which a copy of the audited financial statements and any auditor's report must be supplied; and
  - (b) shall set out the reasons why the copy of the audited financial statements and any auditor's report is currently incapable of being supplied.
- (4) The Board shall give the licence holder written notice of its decision under this regulation and of the reasons for it.

### **37. Further information following audit.**

Upon receiving a copy of a report provided in accordance with regulation 36, the Board may, by written notice to the holder of an gaming house operator licence, require the licence holder to provide the Board with such further information as is specified in the notice within the time specified in the notice about any matter relating to the licence holder's operations specified in the audit report.

## **MONITORING AND INVESTIGATIONS**

### **38. Monitoring operations.**

- (1) The Board may at any time carry out monitoring of any aspect of the operations of the holder of a licence referred to in this Part.
- (2) Without prejudice to the generality of paragraph (1), for the purpose of monitoring its operations under a gaming house operator licence, the licence holder shall —
  - (a) at the request of the Board, do anything reasonably necessary to allow an employee or agent of the Board to carry out such monitoring, including, without limitation, providing, or facilitating access to, any information or material held by the licence holder, and

- (b) be deemed to have authorised an employee or agent of the Board to obtain directly from a licensed supplier information or material in respect of the licensee's operations which is held by that licence holder.

#### **39. Presence at certain operations.**

In order to ensure the integrity of the conduct of gaming under a gaming house operator licence, the Board may, by written notice given to the licence holder, direct such licence holder not to do a stated thing in relation to any aspect of the operations conducted, or to be conducted, under its gaming house operator licence unless an employee or agent of the Board is present.

#### **40. Inspecting operations.**

- (1) Without prejudice to the generality of regulation 38, the Board may conduct an ordinary investigation by way of an inspection of the operations of a licence holder at any time.
- (2) The Board shall by notice in writing to the licence holder inform the licence holder that an inspection will be conducted, when it will be conducted and the reasons for the inspection.

#### **41. Inspection report.**

On completion of an inspection in accordance with regulation 40, a report containing details of the inspection and the assessment made regarding the conduct of its operations by the licence holder, shall be prepared by a duly authorised officer of the Board for submission —

- (a) to the licence holder, indicating what steps, if any, the licence holder might wish to take to improve its performance; and
- (b) to the Board for its consideration.

### **RESERVES**

#### **42. Reserves.**

- (1) An operator shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond or a combination thereof, for the benefit and protection of registered patrons' funds held in patron accounts.
- (2) The amount of the reserve shall be equal to the sum of all registered patrons' funds held in patron accounts, provided that amounts available to registered players for play that are not redeemable for cash may be excluded from the reserve requirement.
- (3) If a reserve is maintained in the form of —

- (a) cash, a cash equivalent or an irrevocable letter of credit, it must be held or issued, as applicable, by a bank licensed in The Bahamas;
  - (b) a bond, it must be issued by a licensed bank or insurance company in The Bahamas, and such reserve must be established pursuant to a written agreement between the operator and the licensed bank or insurance company, which must comply with the provisions of paragraph (4) be provided to the Board, in copy form, upon the execution thereof.
- (4) The agreement described in paragraph (3) must reasonably protect the reserve against claims of creditors of the operator other than the registered players for whose benefit and protection the reserve is established, comply with any parameters established by the Board from time to time and must provide that—
  - (a) the reserve is established and held in trust for the benefit and protection of registered players to the extent the operator holds money in patron accounts for such registered players;
  - (b) the reserve must not be released, in whole or in part, except to the Board on the written demand of the Board or to the operator on the written instruction of the Board. The reserve must be available within 60 days of the written demand or written notice.
  - (c) the operator may receive income accruing on the reserve unless the Board instructs otherwise;
  - (d) the operator has no interest in or title to the reserve except to the extent expressly allowed in this regulation; and
  - (e) the agreement may be amended only with the prior written approval of the Board.
- (5) An operator must calculate its reserve requirements each day, provided that if an operator determines that its reserve is not sufficient to cover the calculated requirement, the operator must, within twenty-four hours, notify the Board of this fact in writing and must also indicate the steps the operator has taken to remedy the deficiency.
- (6) An operator must engage an independent certified public accountant to examine the records relating to the reserve each month and determine the reserve amounts required by this regulation for each day of the previous month and the reserve amounts actually maintained by the operator on the corresponding days, and —
  - (a) an operator shall make available to the accountant whatever records are necessary to make this determination.
  - (b) the accountant shall report the findings with respect to each day of the month under review in writing to the Board and to the operator

- by no later than the tenth day of the month following the month in respect of which the review was conducted.
- (c) a report referred to in paragraph (b) shall include the statement of the operator addressing each day of non-compliance and the corrective measures taken.
  - (d) if approved in writing by the Board, the report required by this regulation may be prepared by an employee of the operator or its affiliate, provided that the employee is independent of the operation of the interactive gaming authorised by the licence.
- (7) The Board may require any reserve required by this section be increased to correct any deficiency or for good cause to protect authorised players.
  - (8) If the reserve exceeds the requirements of this section, the Board shall, upon the written request of an operator of proxy gaming or operator of restricted interactive gaming, authorise the release of the excess.
  - (9) When an operator ceases the operation of interactive gaming, the Board may demand payment of the reserve and any income accruing on the reserve after such operations have ceased, unless authorised to be retained by the operator, and, if instructions from the Board that income accruing on the reserve not be paid to the operator are in effect when operations cease, any income accruing since the instructions took effect. The Board shall take steps as are necessary to effect the proper distribution of the funds.
  - (10) In addition to the reserve required pursuant to this regulation, and other requirements that may be imposed pursuant to other regulations, an operator shall maintain cash in the sum of twenty five per centum of the total amount of registered patrons' funds held in patron accounts, excluding those funds that are not redeemable for cash; and
  - (11) For the purposes of this regulation, "month" means a calendar month unless the Board requires or approves a different monthly period to be used for the purposes of this regulation, in which case "month" means the monthly period so required or approved by the Board.

## CRIMINAL AND SUSPICIOUS ACTIVITIES

### **43. Detection and prevention of criminal activities.**

- (1) A licence holder shall implement procedures that are designed to detect and prevent transactions that may be associated with money laundering, fraud and other criminal activities and to ensure compliance with all relevant legislation.

- (2) A licence holder shall not exchange cash for cash except to enable a patron to participate in gaming where cash is used as the stake or for the purpose of converting cash won by the client after participating in gaming for different denominations of cash.
- (3) A licence holder shall not issue a cheque or other negotiable instrument nor shall any transfer of funds be effected to or on behalf of a patron in exchange for cash, unless the licence holder is satisfied that the patron has become legally entitled to such funds as a direct result of participation in gaming.
- (4) A licence holder shall comply with all the requirements of the relevant legislation and shall not knowingly allow, and shall take all reasonable steps to prevent, the circumvention of any of the provisions of this sub Part by multiple transactions with a patron or a patron's agent or accomplice.
- (5) For reporting purposes, a licence holder shall aggregate all cash transactions between itself and a patron or a person whom the licence holder knows or should reasonably have known to be the patron's agent or accomplice.
- (6) A licence holder shall in its system of internal control include procedures to comply with the provisions of this sub Part.

#### **44. Suspicious transactions.**

- (1) For the purposes of this regulation, a "suspicious transaction" means a bet which an operator knows, or it or its directors, officers, employees or agents thereof have reasonable cause to suspect is being attempted to be placed or has been placed—
  - (a) in violation of or as part of a plan to violate or evade any applicable law or regulation, or
  - (b) has no business or apparent lawful purpose or is not the sort of wager which the particular authorised player would normally be expected to place, and the operator can identify no reasonable explanation for the wager after examining the available facts, having regard to the background of the wager.
- (2) An operator shall file a report with the Board in respect of any suspicious transaction, regardless of the amount thereof, if the operator believes it is relevant to the possible violation of any law or regulation.
- (3) The report referred to in paragraph (2) shall be filed no later than seven calendar days after the initial detection by the operator of facts that may constitute a basis for filing such a report.
- (4) If no suspect was identified on the date of the detection of the incident requiring the filing of the report, an operator may delay filing a report for

an additional seven calendar days to identify a suspect, provided that in no case shall reporting be delayed more than fourteen calendar days after the date of initial detection of a reportable transaction.

- (5) In situations involving violations that require immediate attention, the operator shall immediately notify the Board, in person or by telephone, in addition to filing a report.
- (6) An operator shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report, which shall include supporting documentation which shall be deemed to have been filed with the report and shall be made available to the Board upon request.
- (7) An operator and its directors, officers, employees or agents who file a report pursuant to these Rules shall not notify any person involved in the transaction that the transaction has been reported.
- (8) The requirements of this regulation exist in conjunction with, and do not absolve an operator from, compliance with the requirements of the relevant legislation.

## RECORDS

### **45. Records to be retained by operator.**

- (1) In addition to any other record required to be maintained pursuant to this Part, each operator shall maintain complete and accurate records of all matters related to interactive gaming activities, including without limitation the following—
  - (a) the identity of all current and prior registered players;
  - (b) all information used to register a patron;
  - (c) a record of any changes made to a patron account;
  - (d) a record and summary of all person-to-person contact, by telephone or otherwise, with a registered player;
  - (e) all deposits into and withdrawals from a patron account;
  - (f) a complete game history for every game played including the identification of all registered players who participate in a game, the date and time a game begins and ends, the outcome of every game, the amounts wagered, and the amounts won or lost by each registered player; and
  - (g) disputes arising.
- (2) An operator shall preserve the records required by this regulation for at least five years after they are made. Such records may be stored by

electronic means, but must be maintained on the premises of the licence holder or must otherwise be immediately available for inspection.

## DISPLAY OF INFORMATION

### **46. Information to be displayed.**

A licence holder must provide for the prominent display of the following information on a page or display which, by virtue of the construction of a website or software, registered patrons must access before beginning a session for gaming—

- (a) the full name of the operator and address from which it carries on business;
- (b) a statement that the operator is licensed and regulated by the Board;
- (c) the licence number of the operator, if any;
- (d) a statement that only persons of or over the age of 18 years and only domestic players are permitted to engage in interactive gaming transactions with the licence holder;
- (e) active links to —
  - (i) information explaining how disputes are resolved;
  - (ii) a website or information page which offers information pertaining to responsible gambling;
  - (iii) the Board's website;
  - (iv) a website or page created by the operator that allows for an authorised player to choose to be excluded from engaging in restricted interactive gaming;
  - (v) the Act, these Regulations and any Rules made by the Board in relation to interactive gaming; and
  - (vi) a link to the house rules adopted by the operator.

## TRANSITIONAL PROVISIONS

### **47. Procedures for compliance with transitional provisions of the Act.**

- (1) The procedure for full and frank disclosure referred to in section 85(16)(a) of the Act shall be completed by such date as the Minister may determine by notice in the Gazette; provided that such date shall precede the closing date for the submission of applications for gaming house operator and gaming house premises licences stipulated in the RFP issued by the Board.

- (2) The Minister shall cause to be served on each person who is liable for the payment of the fees payable under section 85(16)(b)(i) of the Act and the penalties payable under section 85(16)(b)(iii) of the Act, a notice setting forth the quantum of the fees and penalties payable by such person (“the notice of liability”); provided that —
- (a) a notice of liability shall be served only if the Minister is satisfied, on the information made available to him, that the person in question has made full and frank disclosure of the matters referred to in section 85(16)(a) of the Act; and
  - (b) the service of a notice of liability shall not be construed as —
    - (i) precluding the Board, the Minister or any other competent authority from finding, after the date of service of such notice of liability, that such person has failed to make full and frank disclosure of the matters referred to in section 85(16)(a) of the Act; or
    - (ii) founding any legitimate expectation that the person in question is or will be regarded by the Board, the Minister or any other competent authority as —
      - (aa) having made full and frank disclosure of the matters referred to in section 85(16)(a) of the Act; or
      - (bb) qualifying for any licence provided for by the Act.
- (3) Any person on whom a notice of liability has been served and who alone or in conjunction with any other person, intends submitting an application for a gaming house operator licence, shall, within two days of receipt of such notice of liability, serve upon the Secretary of the Board a certified copy of such notice of liability.
- (4) Any person or entity referred to in paragraph (3) who makes payment of any fees or penalties referred to in paragraph (2) shall, contemporaneously with the making of such payment, serve on the Secretary of the Board —
- (a) a notice setting forth —
    - (i) the amount of the payment made;
    - (ii) the total amount of such fees and penalties; and
    - (iii) the balance, if any, of the fees and penalties due, which remains outstanding; and
  - (b) satisfactory documentary proof that such payment has been effected.
- (5) Any person on whom a notice of liability has been served and who alone or in conjunction with any other person, has submitted an application for a gaming house operator licence, who makes payment of any fees or penalties referred to in paragraph (2) shall, contemporaneously with the making of such payment, serve on the Secretary of the Board —



- (a) a notice setting forth —
    - (i) the amount of the payment made;
    - (ii) the total amount of such fees and penalties; and
    - (iii) the balance, if any, of the fees and penalties due, which remains outstanding; and
  - (b) satisfactory documentary proof that such payment has been effected.
- (6) The fees payable under section 85(16)(b)(i) of the Act and the penalties payable under section 85(16)(b)(iii) of the Act shall be paid in full by such date as the Minister shall determine which shall be set forth in the notice of liability referred to in this regulation.
- (7) Failure by any person to effect payment in full of the fees and penalties referred to in this Regulation by the date referred to in paragraph (6) shall be grounds for the refusal of a gaming house operator licence applied for by —
- (i) such person; or
  - (ii) any other person in which such person has a financial interest.
- (8) The expression “person”, where used in this regulation includes both natural persons and corporate bodies.
- (9) The Minister may by notice in the Gazette issue written directives requiring compliance with any other procedures or requirements to be implemented in relation to or during the transitional period.

**48. Affidavits.**

- (1) The affidavit referred to in section 85(18) of the Act shall be completed in the manner and form set forth in the *First Schedule* to these Regulations.
- (2) The affidavit referred to in section 85(20) of the Act shall be completed in the manner and form set forth in the *Second Schedule* to these Regulations.

## **PART IV - FEES AND GAMING TAXES**

### **FEES**

All fees contemplated in this Part exclude the costs of investigation by the Board of the application to which such fees pertain.

**49. New licence application fee.**

The new licence application fees payable under section 38(1) of the Act are as follows —

<b>KIND OF LICENCE</b>	<b>NEW LICENCE APPLICATION FEE (\$)</b>
Gaming house operator licence	5,000.00
Gaming house premises licence	2,000.00
Gaming house agent licence	1,000.00
Key employee licence	250.00
Gaming employee licence	150.00

**50. Annual licence and monitoring fees.**

The annual licence and monitoring fees payable under section 38(2) of the Act are as follows —

<b>KIND OF LICENCE</b>	<b>ANNUAL LICENCE &amp; MONITORING FEE (\$)</b>
Gaming house operator licence	250,000.00
Gaming house premises licence	2,000.00
Gaming house agent licence	1,000.00
Key employee licence	120.00
Gaming employee licence	80.00

**51. Application for a certificate of suitability to hold a financial interest in a licence holder.**

The application fees payable under sections 51(1) and 51(7) of the Act are as follows—

KIND OF LICENCE	APPLICATION FEE
Gaming house operator licence	5,000.00

**52. Renewal of a certificate of suitability to hold a financial interest in a licence holder.**

The renewal fees payable under section 51(6)(b) of the Act are as follows—

KIND OF LICENCE	RENEWAL OF CERTIFICATE \$
Gaming house operator licence	2,000.00

**53. Application for a certificate of suitability as a third party contractor.**

The application fees payable under section 54 read with section 55 and section 55(2)(b) of the Act are as follows—

KIND OF LICENCE	APPLICATION FEE \$
Gaming house operator licence:	1,500.00

**54. Renewal of a certificate of suitability as a third party contractor.**

The renewal fees payable under section 54, read with section 55(4)(b) of the Act are as follows—

KIND OF LICENCE	RENEWAL OF CERTIFICATE \$
Gaming house operator licence	750.00

RECOVERY OF COSTS

**55. Recovery of investigation costs for grant or renewal of licence.**

- (1) Unless otherwise specified by the Board, an application for the grant or renewal of a licence or certificate of suitability shall be accompanied by the following deposit, or such other deposits as the Board may determine, for the recovery of costs incurred under section 29 of the Act —

<b>KIND OF LICENCE</b>	<b>DEPOSIT (\$)</b>
Gaming house operator licence	100,000.00
Gaming house premises licence	30,000.00
Gaming house agent licence	15,000.00
Key employee licence	2,000.00
Gaming employee licence	1,000.00
<b>CERTIFICATES OF SUITABILITY</b>	<b>DEPOSIT (\$)</b>
For the procurement of a financial interest in the holder of a gaming house operator licence	10,000.00

- (2) An amount paid to the Board under paragraph (1) shall be paid into an interest-bearing account, which is to be separate from any other funds of the Board, at a banking institution to the credit of the applicant concerned.
- (3) The interest, if any, on money deposited under paragraph (1) shall accrue to the applicant.
- (4) The Secretary may from time to time draw upon the deposits paid by the applicant for payment of all costs incurred by the Board under section 29 of the Act.
- (5) The Secretary shall keep proper accounting records containing particulars and information of any money received, held or paid by him for or on account of an applicant.
- (6) If a deposit approaches a zero balance, the Board may request a further deposit of an amount equal to or less than the initial deposit; provided that, until receipt of such further deposit, any investigation relating to the application shall cease.

- (7) A statement of draws upon the deposit, payments made by the Board and the balance available shall, at the request of an applicant, be provided within fourteen days of the date of such request.
- (8) Where an application for a licence is —
  - (a) withdrawn by the applicant or refused by the Board or the Minister, as the case may be, any credit balance in respect of a deposit made shall be returned to the applicant within ninety days of the withdrawal or refusal accompanied by a statement reflecting all the draws upon the deposit, payments made by the Board and the balance available; or
  - (b) granted by the Board or the Minister, as the case may be, any credit balance in respect of a deposit made shall be transferred into a trust account opened by the Board in respect of such licence holder and managed by the Board, for the duration of validity of the licence, including any subsequent renewal thereof, in accordance with the provisions of this regulation.
- (9) If an applicant disputes any payments made or the need for further deposits, the applicant may request a written explanation from the Board regarding the matter in dispute.
- (10) No licence shall be issued until the applicant has made full payment to the Board of any costs incurred under section 29 of the Act.

## **PART V – TAX AND RELATED MATTERS**

### **GAMING TAXES AND FEES**

#### **56. Interpretation.**

For the purposes of this Part, unless the context indicates otherwise—

**“adjusted gross revenue”** means—

- (a) the total amount of all bets accepted and received by or accruing to a licence holder, less winnings paid out by a licence holder; provided that a bet shall be deemed to have been accepted by a licence holder at the licensed premises of such licence holder, if acceptance of the bet by the licence holder concludes the transaction; and
- (b) in relation to any gambling game in which the licence holder is not a party to a bet, all amounts received by or accruing to the licence holder as compensation for conducting such a gambling game;

**“month”** means any calendar month;

“**tax**” means the gaming tax imposed under section 64 of the Act;

“**taxable revenue**” means adjusted gross revenue;

“**tax period**”, in relation to a licence holder, means the tax period as determined in accordance with the provisions of regulation 58; and

“**winnings**” means the total value of all amounts paid to players or credited to player accounts by the licence holder as a result of winning bets.

**57. Gaming tax payable by the holder of a gaming house operator licence.**

- (1) Subject to paragraph (2), the gaming tax payable under section 64 of the Act by the holder of a gaming house operator licence shall be whichever is greater of —
  - (a) eleven per centum of the taxable revenue; or
  - (b) twenty five per centum of earnings before interest, taxes, depreciation and amortization,generated by the operations conducted under its licence in any tax period.
- (2) The tax payable under paragraph (1) shall be subject to review—
  - (a) during the transitional period following the receipt of the RFP and audited financial statements; or
  - (b) at such other time as the Minister may otherwise direct.

**58. Tax period.**

The tax period in respect of the licence holders referred to in this Part shall be a period of one month ending on the last day of each of the twelve months of the calendar year; provided that any such tax period may, subject to the prior written approval of the Minister, end within ten days before or after such last day; provided further that, where applicable, the first tax period of any licence holder shall commence on the date on which such licence holder becomes licensed under the Act or on the date on which he would have become licensed had he qualified for licensing.

**59. Alternative means of determining liability for tax.**

- (1) If a licence holder fails to keep the records used or required to be used to calculate taxable revenue, the Secretary may determine taxable revenue in respect of the period during which such records were not kept by having regard to—
  - (a) audits conducted by staff of the Board;
  - (b) statistical analysis; or

- (c) any other information in the possession of the Board pertaining to gambling transactions conducted by the licence holder.
- (2) If the liability for tax of a licence holder cannot be established as a result of incomplete or inaccurate data being stored or generated by an interactive gaming system, the Secretary may determine the taxable revenue of the licence holder in the manner referred to in paragraph (1) or by using such other reasonable method as he may determine.
- (3) Where the Secretary has determined a licence holder's liability for tax pursuant to this paragraph, the licence holder shall make payment of the amount of tax so determined within the prescribed period, notwithstanding that an objection or appeal may have been lodged in respect of such determination.

#### **60. Payment of taxes.**

- (1) A licence holder shall, within thirty days after the end of each tax period referred to in regulation 58 —
  - (a) submit to the Board a tax return in such format and containing such information as the Board, after consultation with the Minister, may from time to time determine; and
  - (b) pay into the bank account of the Board the amount of tax due to the Consolidated Fund calculated in the tax return referred to in paragraph (a).
- (2) Where a return referred to in paragraph (1) is inaccurate in any respect, the Secretary may remit such return to the licence holder and call upon the licence holder to resubmit an amended return.
- (3) The licence holder shall, within five days of receipt of an inaccurate return referred to in paragraph (2), submit an amended return to the Board, which shall replace the return submitted under paragraph (1).
- (4) Where applicable, upon submission of an amended return referred to in paragraph (3), the licence holder shall deposit into the bank account of the Board, any monies due to the Consolidated Fund in excess of the amounts paid over under paragraph (1)(b).
- (5) The Board shall within seven days of receipt of the tax referred to in paragraph (1)(b), or paragraph (4), as the case may be, pay such tax into the Consolidated Fund.

#### **61. Penalty and interest for failure to pay tax when due.**

If the gaming tax payable by a licence holder is not paid in accordance with the provisions of regulation 58, the licence holder shall pay a penalty on the amount of any outstanding tax at a rate of ten per centum of the tax for each week or part of a week during which the tax remains unpaid, provided that —

- (a) such penalty shall not exceed twice the amount of the tax in respect of which such penalty is payable; and
- (b) where the Secretary, with the concurrence of the Minister, is satisfied that the failure on the part of any licensee to make payment of the tax within the prescribed period was not due to an intent to avoid or postpone liability for payment of the amount due,

the Secretary may remit in whole or in part any penalty payable in terms of this regulation.

## **62. Payment of tax or licence fee pending appeal.**

- (1) The obligation to pay and the right to receive and recover any tax or licence fee chargeable under this Act shall not, unless the Secretary, with the concurrence of the Minister so directs, be suspended by any appeal or pending the decision of a court of law.
- (2) If any assessment is altered on appeal or in conformity with any decision referred to in paragraph (1) or a decision by the Secretary to concede the appeal to the Board, a due adjustment shall be made, amounts paid in excess being refunded, calculated from the date proved to the satisfaction of the Secretary to be the date on which such excess was received, and amounts short-paid being recoverable with any penalty calculated as provided for in this Part.

## **63. Offences and penalties for evasion of tax or fees.**

- (1) Subject to section 75(4) of the Act, any person who with intent —
  - (a) to evade payment of any tax or licence fee levied under the Act;
  - (b) to obtain a refund of any tax or licence fee to which such person is not entitled;
  - (c) to assist any other person to evade the payment of any tax or licence fee payable by such other person; or
  - (d) to obtain a refund of any tax under the Act to which such other person is not entitled —
    - (i) makes or causes or permits to be made any false statement or entry in any return rendered under the regulations or signs any statement or return so rendered without reasonable grounds for believing such statement or return to be true;
    - (ii) gives any false answer, whether verbally or in writing, to any request for information made by the Secretary or any person duly authorised by the Secretary or the Minister;
    - (iii) prepares or maintains or authorises the preparation or maintenance of any false books of account or other records or



authorises the falsification of any books of account or other records;

(iv) makes any false statement for the purpose of obtaining a refund of any tax or licence fee; or

(v) makes use of any fraud or contrivance,

commits an offence and shall be liable on conviction to a fine not exceeding two hundred and fifty thousand dollars or, in the case of a contravention of paragraph (d)(v), imprisonment for a period not exceeding ten years or to both such fine and imprisonment.

(2) A conviction for an offence under this regulation shall not exempt the person convicted from the payment of any tax, licence fee or associated penalty payable in accordance with the provisions of the Act.

**FIRST SCHEDULE**

COMMONWEALTH OF THE BAHAMAS

I/We, .....of the .....district of the island of .....one of the islands of the Commonwealth of The Bahamas make oath and say as follows:

1. That the I/we is/are the owner/co-owner [delete whichever is not applicable] of, and has been duly authorised to depose to this Affidavit on behalf of the following business enterprise (“the Enterprise”)
 

.....

.....
2. That the contents of this Affidavit have been reviewed by and agreed to by the Enterprise and every person who has a financial interest in the Enterprise.
3. That the Enterprise which, as at the date of coming into force of the Gaming Act (“the effective date”) was carrying on the business activities authorised by a gaming house operator licence under the Gaming Act, was, as at the effective date, operating such business activities on premises in respect of which a gaming house premises licence or a gaming house agent licence were required to be issued under the Gaming Act at, on or from the following ..... (insert total number) business premises.

TRADING NAME OF BUSINESS	FULL PHYSICAL ADDRESS OF BUSINESS	NATURE OF LICENCE REQUIRED UNDER THE GAMING ACT

4. That the Enterprise does not operate, and as at the effective date was not operating, any business activity required to be licensed under the Gaming Act, on any premises other than those premises listed in the table under paragraph 3 above.
5. That I/we have read and fully understand the provisions of section 85(16) – (26) (inclusive) of the Gaming Act, and has taken legal advice for this purpose, to the extent necessary.

6. That the Enterprise intends continuing the operation of the businesses listed in the table below during the transitional period, as defined in section 85 of the Gaming Act:

TRADING NAME OF BUSINESS	FULL PHYSICAL ADDRESS OF BUSINESS

7. That the Enterprise does not intend continuing the operation, during the transitional period or at any stage thereafter, of any business activity required to be licensed under the Gaming Act, on any premises, wheresoever located, other than those premises listed in the table under paragraph 6 above.
8. That I/we acknowledge that –
- 8.1. the continued operation of the businesses listed in the table under paragraph 6 above (“the subject businesses”) shall be subject to full compliance by the Enterprise with the requirements of section 85(16)(a), (b) and (c) of the Gaming Act;
  - 8.2. this Affidavit will be placed in the possession of the Commissioner of Police, whom shall have full powers to monitor and enforce compliance with the requirements of section 85(16)(c) of the Gaming Act in relation to the Enterprise and each of the subject businesses;
  - 8.3. any contravention by the Enterprise of the provisions of section 85(16)(a), (b) or (c) of the Gaming Act, in respect of any of the subject businesses will –
    - 8.3.1. render the continued operation of such business unlawful and subject to summary closure by the relevant authority; and
    - 8.3.2. be grounds for the disqualification of the Enterprise, and all persons having a financial interest in the Enterprise, for any licence provided for by the Gaming Act; and
  - 8.4. the provision of any false information in this Affidavit will —
    - 8.4.1 result in the owner being liable to prosecution for an offence against this Act;

- 8.4.2 be grounds for the disqualification of the Enterprise, and all persons having a financial interest in the Enterprise, for any licence provided for by the Gaming Act.
9. That I/we confirm that I/we have personally prepared this Affidavit and fully reviewed it for correctness prior to deposing thereto.
10. That I/we are aware of the fact that if any of the premises on which the business activities conducted by the Enterprise as at the effective date, and as referred to in paragraph 3 hereof, are not listed in the table under paragraph 6 of this Affidavit, the Enterprise –
- 10.1. shall be deemed to have elected not to continue the operation of such business activities on such premises during the transitional period; and
- 10.2. is legally bound to close such premises by no later than the fifteenth day following the effective date.
11. That I/we are aware that if this Affidavit is not personally served on the Secretary of the Gaming Board for The Bahamas within fourteen days of the effective date, the Enterprise —
- 11.1. shall be deemed to have elected not to continue the operation of such business activities on such premises during the transitional period; and
- 11.2. is legally bound to close such premises by no later than the fifteenth day following the effective date.

This Affidavit is made for the purpose of complying with the requirements of section 85(18) of the Gaming Act and I hereby confirm that the statements are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
SIGNATURE OF DEPONENT

\_\_\_\_\_  
FULL NAMES OF DEPONENT

Sworn to before me, the day and year aforesaid.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:

**SECOND SCHEDULE**

COMMONWEALTH OF THE BAHAMAS

I/we, .....of the .....district of the island of .....one of the islands of the Commonwealth of The Bahamas make oath and say as follows:

1. That I/we is/are the owner/co-owner [delete whichever is not applicable] of, and has been duly authorised to depose to this Affidavit on behalf of the following business enterprise (“the Enterprise”):  
.....
2. That the contents of this Affidavit have been reviewed by and agreed to by the Enterprise and every person who has a financial interest in the Enterprise.
3. That the Enterprise which, as at the date of coming into force of the Gaming Act (“the effective date”) was carrying on the business activities authorised by a gaming house operator licence under the Gaming Act, was, as at the effective date, operating such business activities on premises in respect of which a gaming house premises licence or a gaming house agent licence were required to be issued under the Gaming Act at, on or from the following ..... (insert total number) business premises.

TRADING NAME OF BUSINESS	FULL PHYSICAL ADDRESS OF BUSINESS	NATURE OF LICENCE REQUIRED IN TERMS OF THE GAMING ACT

4. That the Enterprise does not operate, and as at the effective date was not operating, any business activity required to be licensed under the Gaming Act, on any premises other than those premises listed in the table under paragraph 3 above.
5. That I/we have read and fully understand the provisions of section 85(16) – (26) (inclusive) of the Gaming Act, and has taken legal advice for this purpose, to the extent necessary.

6. That the Enterprise has elected not to continue the operation of the businesses listed in the table below during the transitional period, as defined in section 85 of the Gaming Act:

TRADING NAME OF BUSINESS	FULL PHYSICAL ADDRESS OF BUSINESS

7. That the Enterprise will cease the operation and effect the closure of all the businesses listed in the table under paragraph 6 by the fifteenth day following the effective date.
8. That to the extent that the Enterprise intends continuing the operation, during the transitional period or at any stage thereafter, of any business activity required to be licensed under the Gaming Act, a separate Affidavit has been or will be deposed to and timeously served on the Secretary of the Gaming Board for The Bahamas, in compliance with the requirements of section 85(16) of the Gaming Act.
9. That I/we acknowledge that –
- 9.3. this Affidavit will be placed in the possession of the Commissioner of Police, whom shall have full powers to monitor and enforce compliance with the requirements of section 85(16)(c) of the Gaming Act in relation to the Enterprise and each of the businesses listed in the table under paragraph 6;
  - 9.4. any failure by the Enterprise to cease the operation and effect the closure of all the businesses listed in the table under paragraph 6 by the fifteenth day following the effective date will –
    - 9.4.1 render the continued operation of such business unlawful beyond such date and subject to summary closure by the relevant authority; and
    - 9.4.2 be grounds for the disqualification of the Enterprise, and all persons having a financial interest in the Enterprise, for any licence provided for by the Gaming Act; and
  - 9.5. the provision of any false information in this Affidavit will —
    - 9.5.1 result in the owner being liable to prosecution for an offence against this Act;

9.5.2 be grounds for the disqualification of the Enterprise, and all persons having a financial interest in the Enterprise, for any licence provided for by the Gaming Act.

10. That I/we confirm that I/we have personally prepared this Affidavit and fully reviewed it for correctness prior to deposing thereto.

This Affidavit is made for the purpose of complying with the requirements of section 85(20) of the Gaming Act and I hereby confirm that the statements are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
SIGNATURE OF DEPONENT

\_\_\_\_\_  
FULL NAMES OF DEPONENT

Sworn to before me, the day and year aforesaid.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:

**Made this                      day of                      , 2014**

**MINISTER RESPONSIBLE FOR GAMING**