

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY DEPUTY K.C. LEWIS OF ST. SAVIOUR**

ANSWER TO BE TABLED ON TUESDAY, 16th JANUARY 2007

Question

Would the Minister inform members of his current policy on the authorisation of online internet gambling and state whether there have been any changes in his approach to this issue in recent months?

Answer

The Gambling (Jersey) Law 1964 currently prohibits any form of online gambling from Jersey. My officials are working with the Law Draftsman to produce a new regulation: the *Gambling (Disaster Recovery) (Jersey) Regulation 200**. The new regulation will allow an online gambling operator to have a contingency Disaster Recovery facility in Jersey and be able to invoke these facilities for a limited period, if a disaster were to occur in the home jurisdiction. I intend to bring this to the States for debate before the summer recess.

Initial steps have been taken to modernise the Gambling Law with the launch of the Shadow Gambling Commission on the 15th December 2006. The role of the Shadow Commission is to prepare for the transition to a statutory Gambling Commission and to advise the Minister, and Assistant Minister on changes to the Island's gambling laws.

Law drafting time has been allocated this year for the preparation of a new Gambling Law and for the proposed new Gambling Commission Law. If this legislation is passed by the States then regulations will be brought forward after public consultation and advice from the Commission in 2008.

The Shadow Commissioners will work with senior managers within the Economic Development Department to ensure that -

- Jersey retains its excellent international reputation as a well regulated jurisdiction;
- Business growth and investment is encouraged; and
- Potential harm is minimised and programmes introduced to protect the young and the vulnerable.

On the 31st October 2006 Deputy Alan Maclean represented Jersey at the first International Remote Gambling Summit in Ascot placing Jersey at the forefront of new developments in International principles. The Summit agreed that:

- remote gambling should be conducted responsibly and with safeguards necessary to protect children and vulnerable people;
- remote gambling should be regulated in accordance with generally accepted international standards to prevent fraud, money laundering and other crime, and should not be permitted to be a source of crime; and
- where offered, remote gambling should be verifiably fair to the consumer.

Members may be aware that on the 10th October 2006, the US President signed the unlawful internet gambling enforcement act, making it illegal for banks, credit cards companies and on-line payment systems to process payments to on-line gaming companies. This act does not, however, intrinsically change the nature of the present market. The prohibition approach is not a positive one, and only serves to drive legitimate businesses away and remove public protection. This goes against everything we are trying to achieve in Jersey and the new Shadow Commission will be assessing the impact of this development, if any, in the coming months.

There remains a strong, healthy and legitimate market for eGambling and, by definition, a demand for suitable disaster recovery locations. Operators will focus upon jurisdictions that offer an exemplary regulatory and technological infrastructure. I am convinced that Jersey can offer this infrastructure and that there will be a continued demand for well regulated eBetting and eGaming in the future.