

3.15 Deputy M.R. Higgins of the Minister for Economic Development regarding licences granted to online gaming companies.

Would the Minister update the Assembly on the number of licenses granted to online gaming companies to date and identify them; advise what the implications are for Jersey following the arrest of individuals in the U.S.A. allegedly engaging in bank fraud and money laundering linked to the top 3 online gambling companies and whether moves by the U.K. Government to reform how overseas-based operators are regulated will impact upon Jersey?

Senator A.J.H. Maclean (The Minister for Economic Development):

Do I get 3 times 90 seconds as there are 3 questions in that? There has been one formal application for a remote gambling licence to date and that is being dealt with at the current time by the Jersey Gambling Commission. The Commission will not make an announcement regarding the identity of any applicant until the application has been fully processed. There are no implications for Jersey following the events in the United States regarding 3 online poker gaming companies. Of particular relevance in this regard it is worth mentioning that to protect Jersey reputation the Jersey Gambling Commission Law has the added protection that can prevent any companies licensed here from offering services in jurisdictions such as the United States who have made online gaming illegal. The U.K. Government have recently undergone a public consultation on regulation and licensing of remote gambling and an announcement on the way forward was made last Thursday by John Penrose M.P. (Member of Parliament), the U.K. Minister with responsibility for gambling policy and regulation. I have had a number of discussions with Mr. Penrose on the subject on the subject and met him, together with Senator Cohen in London early last week. Following our meeting I welcome his public announcement as it provides clarity and leaves the way open for businesses licensed in Jersey to access the U.K. market.

3.15.1 Deputy M.R. Higgins:

Supplementary. In terms of the U.K. moves does the proposed tax on people gambling in the U.K. not ... in other words, the U.K. Government is planning on taxing the demand for online gambling rather than the supply, is that taxing of individuals gambling in the U.K. going to affect the business model that the Minister has based his online gambling strategy on?

Senator A.J.H. Maclean:

No, we do not believe that it will. The main thrust of our business model is business to business but notwithstanding that there are other professional reasons with the infrastructure and professional services available in the Island that we believe will still attract businesses to the Island and that it will still be beneficial overall to our economy.

The Deputy Bailiff:

Any other questions for the Minister on this subject? Final supplementary?

3.15.2 Deputy M.R. Higgins:

Yes, thank you. Going back to the arrest in the United States basically the 3 leading online gaming companies have been accused of bank fraud, setting up front companies to basically launder money that is coming from gambling to the gambling organisations overseas. These companies, I believe, also have been in talks previously with the authorities in Jersey about setting up here. They are, I believe,

regulated in Alderney and also the Isle of Man and can the Minister give us assurances that he will be speaking with the regulators in those centres and make sure that they are not authorised here?

Senator A.J.H. Maclean:

I can tell the Deputy that the regulators in Alderney and the Isle of Man have co-operated fully with the United States in this regard and they have indeed suspended the licences of the operators in question. The operations in the U.S. have been well documented. The United States has banned online gaming and, as such, I believe that both the other jurisdictions have acted most appropriately. I would expect our own regulator to do exactly the same in similar circumstances.