INSTITUTE
FOR GAMBLING
REGULATION

Minutes of the meeting of section Authorized Persons from 29/1/2019

Place: International Praha, Bivoj lounge

Date: 29th January 2019, 11:45-13:30

Participants: The Electrotechnical Testing Institute, s.p. and the Institute for Testing and Certification, a.s.

Excused: BMM Spain Testlabs, s.l.u.

Attachment to the minutes: Presentation

Program:

1. Summary of the Institute's activities up to now
2. The Reporting Decree
3. Collection of documents for the analysis of evaluation of the authorization conditions for professional assessment and certification
4. "Authorized person for one day"
5. Information on the preparation of the Information System for Gambling Operation, the so-called AISG
6. Prioritisation of the section's activities

Ad 1) Summary of the Institute's activities up to now

The IFGR concluded its activities up to now and its past negotiations with MoF, FAO, General Financial Directorate (hereinafter referred to as the "GFD") and with doc. MUDr. Viktor Mravčík, Ph.D., the head of the National Monitoring Centre for Drugs and Addictions. They further stated that they are seeking to negotiate with the First Deputy of the General Directorate of Customs (hereinafter referred to as the "GDC"), Col Ing. Lumír Šatran.

The IFGR has become a comment place for the preparation of legislation in the field of gambling at the MoF. The Institute sent the application for inclusion in a comment place to the Ministry of Justice and the Ministry of Industry and Trade, which is the administrator of the Act on the Regulation of Advertising.

There was a negotiation with MoF on the Reporting Decree, which addressed the issue of protecting game data of the individual participants and protecting the trade secret of individual game system manufacturers. **Next meeting with the MoF on this issue will take place on 4th February 2019**. The result of the meeting at the FAO was that the Institute was promised to participate in the forthcoming amendment to the AML Act, modification of the methodological guideline for the identification and the check of a client and in a consultation during the preparation of the National Risk Assessment. This Assessment is very important for gambling operators because the lottery, raffles and bingo were excluded from the AML Act in the light of the conclusions of this Assessment. As part of the AML

amendment, methods of remote identification could be expanded, but everything suggests that the FAO will not agree with this step.

IFGR introduced **the private part of its website**, which has a general section with access for all members of the Institute as well as a section with access only to members of that particular section. The private part will contain relevant legislation, methodologies, forms, FAQ, and video trainings. The IFGR plans to organize these video trainings in case of ad hoc addressed issues with participation according to the interest of individual members, when this method of seminars will save the IFGR members' time and costs related to commuting. It is also possible to send queries via the private part, which will be displayed only to the IFGR and not on the website itself.

The access can be obtained by sending an e-mail to institut@iprh.cz , stating the required number of accesses and the name, surname and e-mail of the person. The number of accesses per member is currently unlimited.

Ad 2) the Reporting Decree

The IFGR informed about the legislative status of the Reporting Decree, which was published on 18th January 2019 in the Legal Code. Given that the IFGR got involved in the legislative process of the Decree adoption only at the very end, it was no longer possible to change the method, in which data packages are sent, because the MoF refused to change the particular provision of the Decree. However, **the most significant change was the postponement of the effectiveness of the Decree to 1st June 2019 except the provision on registration (Section 2), which will come into force on 1st April 2019.** This provision imposes an obligation on an operator **to provide the data necessary to technically secure the provision of automated output** to the supervisory authority, according to the IFGR calculation, **by 2nd May 2019** at the latest.

The IFGR perceives the importance of protecting the personal data of players due to a very real impact on the results of gambling operation the moment it would be clear to the public that players' data are not sufficiently protected. **The IFGR believes that the MoF needs to assess the means, by which players' personal data provided on the grounds of the Reporting Decree will be protected.** In order to do this, the MoF was offered cooperation or drafting such a document. The MoF initially rejected the IFGR's argument, saying that they are anonymized data (but they are only pseudo-anonymized data), but has changed its approach on the grounds of the past negotiations and is currently dealing with this issue. This will be the subject of the aforementioned meeting at the MoF on 4th February 2019. In this context, the IFGR informed of the planned press conference of the Minister of Finance, where the adoption of the Reporting Decree will probably be emphasized. The conference is scheduled for mid-February.

The IFGR urged its members to **send their questions to the Reporting Decree by 1st February 2019**. The IFGR will prepare draft responses to the questions, which will then be sent to the MoF to ask for their correctness. Afterwards, these responses will be posted in the private part of the website in the FAQ section.

Ad 3) Collection of documents for the analysis of evaluation of the authorization conditions for professional assessment and certification

The IFGR informed the members of the intention to analyse the conditions set down by the MoF within the authorization, which will then be submitted to the MoF for further discussion and especially should

serve as the basis for the MoF's planned evaluation of the gambling regulation. **The Institute asked its members to send their inputs, which will serve as the basis for this analysis, by 19th February 2019.**

Ad 4) "Authorized Person for one day"

The IFGR described to the members a proven British concept ("in one's shoes") of possible engagement of the authorized persons in the process of training officers of state administration bodies, that is by allowing them to visit workplaces, where the professional assessment and certifications are carried out. Introducing the process of the professional assessment and certification should help to understand these processes in the subsequent evaluation of an output documentation within the administrative proceedings. In case of the members' interest, we would ask for information **no later than 1st March 2019**. The potential party would then be selected from the received applications and this program would be offered to the MoF. If this program does not interest the IFGR members, it will not continue.

Ad 5) Information on the preparation of the Information System for Gambling Operation, the so-called AISG

The IFGR summarized the previously known information on the preparation of AISG and in the following days will conduct a more detailed research based on the available tender specifications for the contract of the MoF, especially on its analytical and technical documentation. The research will be sent to all the IFGR members for **comments and queries that the Institute would then summarize and present to the MoF so that gambling operators have enough time** to adapt their gaming systems to the new technical requirements resulting from the launch of AISG.

The IFGR informed that on 17th February 2018, the MoF signed the contract on delivery of the AISG with company CCA Group a.s. The AISG will fully replace the current information system MF – SDSL. The system will have three modules - administrative, supervisory and analytical. The analytical module is created so-called in-house, when the supplier is the Treasury Shared Services Centre (STSSC). Although this is primarily an information system for state administration bodies, its functioning will likely have an impact on authorized persons, too.

- enabling the use of web forms for applications to issue/change the basic licence,
- storage of Authorized Persons, which could lead to the abandonment of delivery of the "paper" expert assessments and the operability certificates
- new channel for the check of identity and age in the Population Register, and
- launch of the Register of Excluded Persons and the related PID (player's ID), which should be only one for each player, and that is across all operators

Another issue that the IFGR will discuss with the Ministry of Finance is the issuance of the regulation setting out the technical parameters of joining of gambling operators to AISG and the technical specification. With the publication of the technical specification on the official notice board of the MoF, there will start to run the year period for the operators to join the Register of Excluded Persons and to start fulfilling other obligations stipulated by the GA - e.g. self-limiting measures for live game.

Ad 6) Prioritisation of the section's activities

The members of the section and the IFGR discussed the following areas:

- Storage of Authorized Persons in AISG. The members do not consider the solution outlined in the AISG specification problematic, because it will retain the current storages of Authorized Persons and will only create the so-called "mirror" in AISG. However, it will be necessary to discuss the issue of the form of the entered output documentation, its security and the entered reference data.
- The IFGR considers it appropriate to prepare summary material on the problem of issuing "negative" expert assessments, which was previously addressed by the MoF. A negative expert assessment is an assessment that concludes the inconsistency with the Gambling Act and implementing decrees.
- The IFGR proposes to create a document stating the individual provisions of the Gambling Act, the implementing decrees and the basic permit, which must be tested by an authorized person. The members agreed that the stated would unify the conditions between Authorized Persons. This material would then be submitted to the MoF for approval. Furthermore, there was discussed the issue of accreditation of an authorized person, which should be an overarching and adequate proof of consistency of the expert assessment and certification with the relevant legal regulations.
- An opinion on changes to game systems and the performance of the so-called audits is being prepared. The proposed MoF option is to divide the changes into critical and uncritical. The critical change will always have an impact on the certification of the game system, and a new expert assessment will need to be issued. The uncritical changes should be reported collectively in one month. If many non-critical changes cause a critical change, a new expert assessment would have to be issued. The obligation of the overall audit is proposed once a year, which members do not find completely effective in terms of the complexity of this process and the financial costs for gambling operators. The IFGR will ask the MoF, at what stage is the work on this opinion.

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Conclusions of the section's meeting:

- **In case of interest in the access to the private part of the website, IFGR members will send their request for the access to the email institut@iprh.cz stating the name, surname and e-mail of the person.**

- **Members can send their inquiries about the Reporting Decree by 1st February 2019.**

- **The main point of the IFGR negotiations with the MoF on 4th February 2019 will be the Reporting Decree and especially the issue of the need to assess the protection of personal data, to find out the details of the prepared methodological guideline, the forthcoming workshops and technical issues related to the testing environment.**

- **By 19th February 2019, members will send their suggestions to revise the conditions of authorization for the expert assessment and certification.**

- **In case of interest in participating in the project "Authorized Persons for one day", the section members will contact the IFGR no later than 1st March 2019.**

- **The IFGR will prepare a more detailed analysis of the joining of Authorized Persons to AISG.**

- **The IFGR will create a summary material on the problem of issuing "negative" expert assessments.**

- **The IFGR will prepare a material containing the provisions of the Gambling Act, implementing decrees and the basic licence, which should be the subject of the expert assessment and certification.**

- **The IFGR will ask the MoF about the status of the prepared opinion on changes in game systems and the so-called audits.**