Self-limiting measures

The provisions in question: Section 15 of the GA, transitional provisions

Proposed change: A new definition of net loss is introduced, which newly represents the difference between the total of all bets of a better for one day or one calendar month within a type of a gambling game, for which the self-limiting measure is set, and the total of all winnings of this better for that day or that calendar month within this type of a gambling game.

Current supplement stating that only bets, in which a win or lose are decided in one day or one calendar month, are included in the net loss is cancelled without substitution.

MoF's reasons given in the explanatory memorandum: The above step was taken especially with the intention to simplify the calculation of net loss for gambling participants, as net loss is one of the basic indicators within the self-limiting measures and, therefore, self-regulation of gambling behaviour.

Since the implementation of such a newly calculated net loss into operators' gaming systems would take some time, a 10-month period for this implementation, a new certification and the related submission of an application for the change of licence has been set.

Newly added is paragraph five, which obliges an operator to set up one SLMs for one type of a gambling game to a player, not for individual games of a specific type of a gambling game. So, one SLMs = one type of a gambling game.

Example: It is not possible for a player to set up one SLMs for one land-based technical game and another SLMs for one Internet technical game. This is one type of a gambling game and, therefore, one SLMs must be set up together. However, it is possible to have one SLMs for the Internet technical game, another SLMs for the Internet fixed-odds betting and the third SLMs for the Internet live game. In this case, there are three types of a gambling game.

Impacts: The new definition of net loss will mean modifying game systems and the related additional costs, re-certification, and changing the basic licence.

Setting the restriction that one SLMs are for one type of a gambling game is a reflection of the MoF's long-term interpretation of this issue in legal provisions. In view of this, we believe that operators have already allowed SLMs in this way.

IFGR's opinion: It needs to be assessed how the change in the definition of net loss will affect the individual games. The problem may occur with all the types of games and feedback from operators of all sections is needed.

Register of Excluded Persons

The provisions in question: Section 16 et seq. of the GA and transitional provisions

Proposed change: The list of persons entered in the Register by the MoF was narrowed down, and persons in insolvency will not be registered. In addition, the MoF's procedure for entering/deleting persons from the Register, including at the request of that person, is specified.

The transitional provision then imposes an obligation on operators related to the launch of AISG. Upon publication of the technical specification for AISG, an operator will have a year to set up their internal system in a way that it verifies players in the Register. During the year, an operator will also have to set a record date, by which they would verify all their present players with user accounts in the Register of Excluded Persons. The operator will have to notify the MoF about this day at least 10 days in advance. Upon such verification, each player will receive a game ID, about which the operator will be informed, and then the operator will verify players in the Register only with this game ID.

Impacts: The verification of all players in the Register will provide the MoF with information about all the players of an operator.

IFGR's opinion: It is not clear from the modification whether one player will have only one game ID across all operators. IFGR will ask the MoF for its opinion.

Operator's procedure in case of technical changes to the gaming system

The provisions in question: Section 112a to Section 112c, Section 123 of the GA

Proposed change: This is a completely redesigned procedure for an operator and an Authorized Person in cases of changes to the gambling software or to the whole gaming system.

There is an obligation to keep a record of all corrections and other changes to the gambling software or to the whole gaming system, through which a gambling game is operated. A similar obligation is currently imposed in the basic licence - to keep the book of corrections. The minimum requirements for such record, its form (paper/electronic), the method of recording individual records and the period of their retention are laid down. This record must be provided by an operator to an Authorized Person, who will use it to prepare the Report on Changes Assessment.

There is an authority laid down for an operator to take immediate action in the gaming system in order to correct an error when complying with the conditions in question, and to make a change to the system that will not be certified in advance. However, the obligation of an operator to send to the MoF, prior to this action, a notification containing the mandatory necessities, to carry out a new expert assessment within two months and to submit the application for a change of the basic licence is also related to this. The assessment must be attached to the application itself, otherwise the application will not be taken into consideration.

The Act also provides for a simpler procedure for cases of making small-scale changes, which, by definition, are such changes not affecting technical parameters set out in the Act or in the Decree on Technical Parameters (e.g. the change of the background colour of the game window). These small changes can be reported together once a month. In case that no such change is made within a period of 12 months, an operator is obliged to report this, too.

For the sake of completeness, we state that major changes (such as adding a new server, adding a new subsystem) must always be certified in advance and cannot be operated until a change to a licence is made.

In addition, the obligation to audit these small changes every 12 months is stipulated, resulting in the Report on Changes Assessment to be issued by an Authorized Person and submitted to the MoF within 14 days. The moments, from which the reported 12-month period are counted, are adjusted. It is also

stated that, if the Report on Changes Assessment shows that these minor changes are, in summary, a major change or that they are not small-scale changes, an application for a change of the basic licence must be submitted, that is within 2 months of the date of the report handover.

The introduction of the new obligations also corresponds to the introduction of new offenses and sanctions ranging from CZK 500,000 to 50 million.

Impacts: Given the current state, the MoF should be, according to the obligation to report any changes to facts, any even smallest change to the gambling software or to the gaming system. **The new regulation provides exceptions to this basic obligation.**

IFGR's opinion: The deadline for issuing the Report on Changes Assessment is short. Furthermore, the period of 2 months for issuing a new expert assessment is up for discussion with Authorized Persons.

Transitional Provisions

Proposed change: In addition to the obligations set out in the other chapters of this document, the transitional provisions of the amendment impose an obligation to set a record date for the purpose of verifying the identity and age of a player, who has a user account on that day via AISG. This is the same day as for the verification of these players in the Register of Excluded Persons (see Chapter 5).