

Minutes of a meeting of the Betting Licensing Authority held on the 21st day of January 2016 at 1.00pm at the Magistrates' Offices located in the Dame Lois Brown-Evans Building in the City of Hamilton, Bermuda

Members Present:

The Betting Licensing Authority (the "BLA") met to discuss the following:

- (a) Upcoming betting license applications;
- (b) Lottery tickets being sold in Bermuda through betting licensed locations; and
- (c) Meeting with potential betting license applicants

Upcoming Betting License applications

1. The Chair brought to the members' attention the current list of Betting Licence holders and which are:

- | | | | |
|-------|----------------|---|---|
| (i) | Gametime | - | Restricted Bookmaker's License (St. George) |
| (ii) | Gametime | - | Restricted Bookmaker's License (Sandy's) |
| (iii) | Gametime | - | Restricted Bookmaker's License (Hamilton) |
| (iv) | Seahorses | - | Bookmaker's License (Hamilton) |
| (v) | Paradise Games | - | Bookmaker's License (Hamilton) |
| (vi) | Triple Crown | - | Bookmaker's License (Hamilton) |

2. All members shared a common concern that in the past there might have been less scrutiny of the operations of betting licensed premises, particularly in respect the scope of activity taking place in the betting licensed premises. Discussion on the application of various sections of the Betting Act 1975 (the "Act") ensued. Further, having reviewed all of the relevant files it was discovered that each file did not have (i) a Certificate of the Minister of Finance (the "Minister") stating that the Minister is satisfied as to the business reputation and financial stability of the betting license holder as required under section 10(2) of the Act; or (ii) a financial Guarantee as required under section 12 of the Act.

IT WAS RESOLVED THAT: A hearing should be held for each of the applicants on their respective applications for a renewal of their betting licenses, and at which time inquiries will be made of each of the applicants as to the scope of activities taking place in their betting licensed premises, and as to the existence of their Certificates from the Minister and their financial Guarantees.

It was further resolved that going forward strong consideration should be given to requiring applicants, whether for new applications or for renewal of betting licenses, to obtain Certificates from the Minister and a financial Guarantee on a yearly basis. The basis for this was that financial circumstances and business reputations of applicants and guarantors may change from year to year and this should be reflected in any new or renewal applications. It was decided that discussions may have to take place with the Minister as to the practicality of this.

It was further resolved that the BLA need to find out more about the activities of the betting premises and that a letter should be written to each of them requesting details about:

- The nature of their businesses including but not limited to full details of the types of betting/bookmaking which occurs at their premises;
- Full written details of the procedure by which bets are placed by customers and how winnings are distributed;
- Security provisions employed by the betting licensed premises; and
- Photographs of the interior and exterior of their premises

Lottery Tickets sold in Bermuda

1. The Chair informed members that an inquiry was made by a reporter of the *St. John's News* as to the position of the BLA in respect of lottery tickets being sold in Bermuda. Apparently, this inquiry emanated from US based Powerball lottery tickets being sold by a local licensed betting premises in Bermuda.
2. Discussions ensued and members raised concerns about:
 - a. The license and control of the said activity fitting under the Act;
 - b. The structure and validity of any agreement that may be between a local operator and a foreign lotteries provider under Bermuda and foreign jurisdiction law;
 - c. A local operator's ability to pay in the event of a winning lottery ticket;
 - d. The public good;
 - e. Whether the sale of such lottery tickets in Bermuda was unlawful, primarily because it was unclear as to the process by which such lottery tickets were being sold and as to whether the activity is permitted under the Act. Moreover, the BLA was cognizant of section 2 of the Act which states that nothing in the Lotteries Act 1944 shall render unlawful the business of receiving or negotiating bets by a licensed betting premises.

IT WAS RESOLVED THAT: Before reaching a conclusion as to whether operators are or would be in breach of their betting licenses if they sold overseas lottery tickets at their licensed betting premises it was decided that the BLA should consider obtaining a legal opinion from the Attorney General's Chambers.

Meeting with potential applicants for betting licenses

1. The Chair brought to members' attention an email received from [redacted] dated 12th January 2016 requesting a meeting with the BLA "to discuss preliminary plans for making an application for a sports betting license".

IT WAS RESOLVED THAT: The remit of the BLA is to consider applications and renewals. Any meetings with interested parties prior to an application for a betting license being made would be inappropriate and that the BLA would run the risk of any ultimate decisions by the BLA being prejudiced by any prior discussions held with the interested party. It was decided that potential applicants should first submit an application to the BLA under the requirements of the Act and that the BLA would then, if deemed necessary, request any further documentation upon which a decision to grant a betting license could be made.

The BLA's role vis-à-vis that of the Bermuda Casino Gaming Commission

1. Members also discussed whether there would be an overlap of the function and authority of the BLA with that of the recently constituted Bermuda Casino Gaming Commission ("BCGC"). Specifically it was unclear to the BLA as to what if any role the BLA will play if proposed casino establishments include fixed odd or sport's betting (i.e. activities which require approval by the BLA under the Act); as to where the BCGC's remit will eventually begin and end in respect of betting activities in Bermuda; and, whether there is a possibility that the BCGC will eventually take over the authority of issuing betting licenses.

There was nothing to be resolved under this head as the questions were merely raised at this time for discussion purposes only.

The Meeting adjourned at 2.30pm.

Respectfully submitted

Chairman of the Betting Licensing Authority