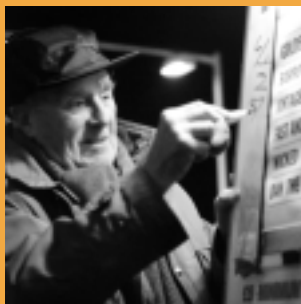


SMALL BUSINESSES AND LICENSING

The small-scale operator exemption

From 1 September 2007, legislation comes into force that places new responsibilities on gambling operators in Britain. Anyone who wishes to run a gambling business and certain other key staff must be licensed by the Gambling Commission. You may be exempt if you are classified as a small-scale operator. If, after reading this leaflet, you are unsure about your eligibility, please contact the Commission.



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Will I need a licence?

If you plan to provide facilities for betting, gaming or participating in a lottery you will require a licence. You might be providing these facilities remotely (for example through the internet or telephone), or on premises, including tracks.

There are three different types of licence.

You will need an **operating licence** if you provide facilities for gambling; and/or manufacture, supply, install, repair or adapt a gaming machine or gambling software.

In addition, some people in your organisation are also likely to need **personal licences**, depending on their roles and responsibilities.

You will also need a **premises licence** if you are providing gambling services to the public from fixed premises rather than remotely.

We have produced a range of leaflets that provide more information about the various types of licences you might need. The leaflets are available on our website, from the address below or by calling our enquiry line on 0121 230 6666.

I operate a small gambling business. Does this affect my application?

Applying for a licence differs in two ways for small businesses:

- you may be eligible for the small-scale operator exemption, which means that you are exempt from the requirement to obtain personal licences;
- you may be allowed to submit less detailed information for certain aspects of your operating licence application.

Does the small-scale operator exemption apply to me?

Generally you will be classed as a small-scale operator if three or less than three of the **'qualified persons'** occupy a **'qualifying position'** (as named on your operating licence). If this is the case, you may be relieved from the requirement for at least one member of management to hold a personal licence.

What are the qualifying positions?

Qualifying positions are those who have main responsibility in your business for any of the following:

- managing the licensed activity;
- managing the financial affairs;
- ensuring that the business complies with the requirements of the Gambling Act 2005;
- marketing the licensed activity;
- managing the information technology facilities that are used to provide the licensed activity;
- managing the licensed activity for a particular locality or area in Great Britain in which the business has five or more premises (for which you hold premises licences); or
- managing a single set of casino or bingo licensed premises.

Who are the qualified persons¹?

Qualified persons are those:

- named on the operating licence as holding a qualifying position; or
- who are the subject of an application to vary the licence to add their name as a person holding a qualifying position.

The type of job title a qualified person might have includes: Chief Executive Officer, Managing Director, Executive Chairman, Chief Operating Officer, Operations Director, Sectoral MD, Financial Director, Marketing Director, Commercial Development Director, Compliance Director, IT Director, Director or Trustee responsible for lotteries.

Will I lose the exemption if circumstances change?

The small-scale operator exemption will be lost if:

- more than three people in the business occupy qualifying positions for a period of more than 28 days, or
- more than three people in the business occupy qualifying positions for two periods each of more than 14 days where one such period occurs within 28 days of the other.

¹ A single qualified person can hold more than one qualifying position.

I operate a small business, do I have to submit as much information as larger businesses when applying for an operating licence?

If your business is classed as a small business, i.e. a general betting, arcades or bingo business that operates four premises or less, you must still answer all of the relevant questions on the operating licence application form. However, we understand that a small business may not always have extensive written documentation. Our guidance should help you understand the level of information you need to provide.

Detailed **licence application guidance notes**, as well as further information about how small businesses are defined and the financial evidence we require are all available on our website, or from our enquiry line on 0121 230 6666.

When should I apply for my operating licence?

If you are an existing operator, you should aim to submit your application as soon as possible. Existing operators who submit a valid application to us before 27 April 2007 will be able to continue to operate from 1 September 2007 until they receive their new licences.

For further information and advice about any licensing issue:

- email us on enquiries@gamblingcommission.gov.uk;
- call our enquiry line on 0121 230 6666; or
- write to us at the Gambling Commission, Victoria Square House, Victoria Square, Birmingham B2 4BP

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Victoria Square House,
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