

# **Betting, Gaming & Lotteries Commission**

## **Gaming Industry Summit 2016**

**The Honorable Audley Shaw, CD, MP**  
**Minister of Finance and the Public Service**

- ✓ ***Chairman of the BGLC- Clovis Metcalfe***
- ✓ ***Chairman of the JRC – Anthony Shoucair***
- ✓ ***Chairmen of the Casino Gaming Commission- Walter Scott***
- ✓ ***Executive Director of the BGLC***
- ✓ ***Stakeholders***
- ✓ ***Distinguished Guests***
- ✓ ***Ladies and Gentlemen***

It is indeed a pleasure to have been invited to deliver the Keynote Address at this, the 3<sup>rd</sup> Annual Gaming Industry Summit.

As we take steps towards economic growth and stability, we must recognize the value of each industry and the positive contributions that can be made in support of our objectives, remembering the principles of the mission of *Partnership for Prosperity* and the contribution we all must make in achieving this objective. The gaming industry is one such partner whose contribution can be significant and substantial.

As I note the areas of focus for this year's Summit deliberations;

- Emerging Trends in Internet Gaming
- The Future of Horseracing

- Responsible Gaming;

The Government recognizes the positive impact and growth that the industry has the potential to create with the support of all the key stakeholders. We must so package, advertise and distribute the offerings of the industry in a such a way, that like our music, sports and other aspects of our culture, the gaming industry in Jamaica becomes an international sensation, with its own local identity.

### **The Gaming Industry and the Growth Agenda**

We must step away from the thought that the industry promotes negative social behaviors; while not revoking our responsibility to control any negative circumstances that may arise, we must focus on the rewards that are to be achieved and the support that will be given to the growth of the Jamaican economy.

The mission is to promote the industry in a more productive and positive light to remove any stigma that exists. I wish to see a culture change among stakeholders as gaming needs to be viewed as a sport, and in so redefining the industry, we can diversify to further boost our tourism product, especially focusing on casino gaming in attracting foreign direct investments.

If this strategic framework can be created and the prospects for income generation, job creation and economic productivity

clearly mapped out then the support of the Government in promoting this new thrust will be seamless.

The role of the Gaming Industry in facilitating Jamaica's growth initiatives cannot be overemphasized as it provides decent paying jobs and it remits taxes and fees to local and central government.

Demand for gaming services over the past half-century in most parts of the world has been and is expanding rapidly for a number of reasons. Among the more important reasons are:

- a. Increasing amounts of discretionary income has been allocated to the leisure and entertainment sectors of economies;
- b. There has been greater social acceptance of gaming as a recreational activity
- c. There has been an increasing integration of gaming with other activities that have been growing in popularity into mainstream entertainment outlets, such as television, print media, and modern electronic communications media;
- d. Most significantly, there has been the explosion of computer, internet, and telecommunications technologies that have permitted the development of new gaming services

It is this Government's wish and intent to make sure that the gaming industry continues to be run responsibly, so that it provides a safe and enjoyable leisure activity, which is also an important source of revenue and jobs. We want to keep gaming crime-free, make sure that gaming is fair and open and we want to protect children and vulnerable adults from being harmed or exploited.

### **Proposal for over-arching supervisory and regulatory body for Gaming Industry**

Ladies and gentlemen, I propose a full review of the role and functions of the various regulatory bodies towards consideration of forming an over-arching body for Gaming regulation in Jamaica.

This body would be the main advisory body to the government on gaming and would be given the resources and powers to regulate the industry through the issuance of operating licences, the development of codes of practice and monitor compliance in regard to law and regulations. A Gaming Commission could also require that licensed gambling operators who provide products to consumers put in place measures to help people who might develop a gaming addiction. I am therefore proposing that we put in practice a Responsible Gambling Strategy.

## **Merger JRC and BGLC**

The work has already begun. The merger of the Betting, Gaming and Lotteries Commission (BGLC) and the Jamaica Racing Commission (JRC) continues to be a major focus for the Ministry of Finance and the Public Service. Activities were delayed with the change in Administration. However, a new Merger Committee will be named to continue discussions with the Ministry's Internal Review Team and to fast track this merger activity to an early conclusion.

Preparations for legislative amendments are continuing in order to facilitate the merger through consolidation of the two enabling statutes – the Betting Gaming & Lotteries Act (BGLA) and the Jamaica Racing Commission Act (JRCA).

A Legislative Committee which included representatives of both regulators, was established to steer the process and to simultaneously prepare amendments that would modernise and broaden the scope of the legislation to make it more relevant and consistent with industry developments. The amendments are expected to incorporate matters related to interactive and multichannel (includes internet and mobile) gaming; currently, there is no licensing/legislative mechanism.

This effort is of particular significance given the global proliferation of internet and mobile gaming and its various off-shoots - virtual and fantasy betting, e-sports, and similar practises, as well as the development of new variations of gaming products. The proposed harmonised Act, as well as a

paper outlining the scope, issues and opportunities related to these gaming activities are expected by the Ministry from the Board of the JRC and BGLC for further action.

The Ministry of Finance and the Public Service is also considering the feasibility of also merging the Casino Commission with the BGLC and the JRC as part of an overall plan for Public Sector transformation

Ladies and gentlemen, this concept of an over-arching governance body is not new. It has been the experience across the world. For example, in Canada, gaming is essentially regulated exclusively by a gaming commission in the different geographical provinces. The same structure prevails in Australia and the European Union, where gaming commissions or gaming authorities are established in the different jurisdictions. In the UK, the Gambling Commission and local licensing authorities are responsible for licensing and regulating all gaming in Great Britain.

In the United States, while gaming is legal under federal law, individual states have the right to regulate or prohibit the practice within their borders. Examples of Regulatory agencies are:

- Massachusetts Gaming Commission
- Nevada Gaming Control Board
- New Jersey Division of Gaming Enforcement
- New York State Gaming Commission

- Iowa Racing and Gaming Commission
- Kansas racing and Gaming Commission

I want to update you this morning on the recent developments in the casino sector of the industry and on the Divestment of Caymanas Track Limited.

### **1. Casino Gaming**

#### **Integrated Resort Developments**

Integrated Resort Development (IRD) Orders were approved for two (2) investors in August 2015. Integrated Resort Developments are largescale developments which must include 2,000 hotel rooms and casinos. The Development may also include other facilities such as shopping malls, restaurants and waterparks. They are expected to strengthen the tourism industry's competitiveness and bolster economic development through job creation, increased tax revenue and additional demand for locally produced goods and services.

One investor is scheduled to break ground in January 2017 and also plans to operate a temporary casino. With respect to the other investor, discussions continue regarding new construction timelines, among other matters.

## **2. Divestment of Caymanas Track Limited**

Subsequent to the approval of Supreme Ventures Limited as the Preferred Bidder for the CTL divestment in March 2016, a six member Negotiating Team was appointed on April 8. Negotiations have been finalized and the proposed terms will be presented to the Cabinet for approval by early October. Every effort is being made to effect handover no later than November 2016.

Ladies and gentlemen, the Government's mission is to ensure that Jamaica benefits immensely from the growth of the Gaming Industry. We will not allow any negatives to be to the detriment and destruction of our people, our social norms and our country. I am confident however, that as we promote this partnership, in the years to come we will reap the benefits of a great reward and allow our economy and our country to move steps closer in achieving the mandate of partnership for prosperity and the mission of Vision 2030, making Jamaica the place of choice to live, work, raise families and do business.

Thank you.