

ISLE OF MAN
GAMBLING
SUPERVISION
COMMISSION



Compliance Procedures:
Live Dealer Inspections

**These procedures are effective from the
23/9/15**

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1.Introduction

The Isle of Man Gambling Supervision Commission allows operators to partner with globally based live dealing facilities subject to test houses, approved by the GSC, confirming the suitability of the facilities.

Operators using live dealers carry additional licence conditions and are subject to additional compliance checks.

2.Additional Licence Conditions

The following licence conditions pertain to live dealing. These may be amended or added to, depending on the specific requirements of a licensee:-

1. The licensee will ensure that at least one on-site compliance visit to each live dealer studio is undertaken annually, in line with the current Live Dealer Inspection Procedures. This compliance visit must be undertaken by an Isle of Man approved test house.
2. A satisfactory test report must be provided to the Commission annually, on or before the anniversary of the last certificate provided, or at a date agreed with the Commission.
3. The licensee shall cover all expenses and costs incurred relating to each visit.
4. Licence conditions specifically relating to the supervision of live dealing can be reviewed and amended to reflect changing operational or supervisory practices. A review can be instigated by either the licensee or the Commission.
5. The agent providing the live dealing facilities must at all times enforce Isle of Man standards of AML/CFT and data protection in relation to Isle of Man facing business.

3.The Testing Process

Live dealing operations are inspected at the operators expense upon initial application and thereafter annually from the last satisfactory report.

Interim inspections may occur to verify compliance with any reports that indicate issues requiring attention.

Areas which the licensee should consider;

- The live dealer operation must be checked and approved by the GSC before it can be associated with the GSC's regulation, logo, etc.
- The licence will be amended and reissued to include live dealing, before it can be offered to players.
- The initial inspection and any follow-ups are paid for by the licensee.
- The licensee will appoint a GSC approved test house to conduct the studio audit.
- A copy of the audit report must be provided to the GSC by the licence holder. Upon receipt the GSC will confirm whether approval of the live dealer is granted.

The specifications covered in Section 4 below, can be used as a guide to the areas that the test house will cover, although they are not limited to these.

Once the visit has been performed, a report will be submitted to the GSC which will progress matters depending on the findings.

There is some flexibility to allow the live dealing operation to commence offering the game whilst certain minor issues are being remedied – the Director of Licensing and Compliance will provide guidance on this if required. Any issues highlighted as critical however, will have to be remedied before the operation goes live under the IOM licence.

The GSC will require a follow-up inspection, using the same test house, if the original report highlighted critical defects which would prevent a live dealer being approved.

4. The Specification

The Licensee must ensure a GSC approved live dealer test house is used to guarantee the suitability of the live dealing facility for use by an Isle of Man regulated operator. A list of approved test houses can be found on the GSC website.

Live Dealer Studio Test Facilities: <https://www.gov.im/gambling/atf.xml>

Responsibility Tests – these tests are designed to ensure that staff understand how to recognise problem gamblers and know the procedures which must be undertaken when appropriate. They must also understand AML/CFT procedures in force and understand when to escalate these to management.

Technical Tests – these relate to the hardware (roulette wheels, card shoes, tables, etc) and consumables (cards, dice, etc) used by the live dealing facility.

They must include checks on the randomness of any equipment or procedures (including commentary on the uniformity and independence of game elements) to ensure their fairness and integrity. Payout ratios must be checked and equipment inspected to ensure that it is free from defects or mechanisms that could interfere with fairplay.

Card shoes and similar devices must be equipped with adequate tamper controls once they have been loaded. Such controls must preclude interference prior to play and any cards must have an associated audit trail which shows which staff had access to the cards at any given time for any given operation. The procedures must also demonstrate that one person would not be able to undertake all duties concerning card management and that there is segregation of responsibilities prior to play, during play and after play.

Any equipment that is used to scan or otherwise detect the cards must be tested for reliability and all consumables that will be subjected to this hardware must be checked against it for defects prior to processing, in order to prevent play being disrupted.

Devices should be equipped with a manual over-ride that is clear to players when used and which allows a defective result (where the detection equipment misreads a card, the position of the ball, etc) to be over-ruled.

Security recordings – CCTV footage and all game logs must be captured in such a way that precludes interference or deletion. These should be stored off-site and subject to periodic analysis – they should be retained by an independent agent.

Game logs should be sent off-site for storage, analysis and review.

The gaming area should be defined and made secure. The pit boss or equivalent must always be present in this area when gaming is taking place.

Where the public have access to the facilities as well as online players, measures must exist to ensure that CCTV and video feeds that relay the game cannot be obscured – even temporarily – by the dealer or players. In addition, procedures must exist to handle situations where the dealer or pit boss suspects that a live player has interfered with the facilities.

Live players in the casino environment must be made aware that they are being filmed as part of a live feed.

Synchronicity Tests – these check that equipment or procedures designed to assure players that the game is live, cannot be interfered with or manipulated in such a way as to relay false information.

Staffing Tests – these should include checks on the recruitment, vetting, training, tracking and departure of staff.

Dealers and other staff involved in the live dealer operation should not know which game they will be attending until immediately prior to their shift commencing. Their allocation should incorporate a random element of some kind and procedures concerning rotas and shift patterns must be documented. Staff should not spend excessive time on a given game in order to minimise mistakes and prevent collusion.

The retention of documentation must be robust, allowing staff records to be audited and investigations to be performed where staff members are either involved directly or where their presence in a particular place and/or time, is crucial to understanding a chain of events.

Premises Tests – these are designed to ensure the suitability of the physical premises and include checks that they are secure, can only be accessed by authorised staff and that the facilities are legal in the jurisdictions in which they operate (for example, they comply with local fire and employment law, and so forth). The actual gaming area must be defined and a supervisory member of staff always present when gaming is taking place.

Where the environment is open to the public, the facility must ensure that adequate measures exist to exclude under 18s and problem gamblers, irrespective of local laws or customs.

Anti-collusion tests – these are designed to minimise the chances of player/player and player/dealer collusion.

The checks should ensure that player table activity (including choice of table, opposing players, play history, dealer choice) is tracked and available to the operator when required. The checks should also identify how dealers are allocated to tables (ideally without prior knowledge of which table they will be serving and with their time-on-table set at a level to deter harmful relationships being developed). In addition, the facility or the operator should have a system which detects players who reject tables and re-apply for another on a consistent basis until they arrive at their preferred table (while this isn't necessarily evidence of collusion, it should be flagged as a risk factor).

Systems Tests – these tests are designed to ensure the robustness of the live dealing facility's management and processes.

The tests should scrutinise any periodic reviews that are conducted by the facility to ensure that risks are identified, mitigated and underwritten by contingency plans; such reviews would be expected on IT systems, physical security, etc.

Systems should be in place to detect possible instances of cheating by players (by observing their behaviour for example). Cards that are beyond use must be marked to preclude their accidental re-use in games and should be destroyed.

Cards and other gaming consumables must utilise a mechanism (barcode, bin cards, etc) which allows their status to be readily identified and their stock history to be traced to staff members and locations.

Ideally, different stages of the process for the preparation of gaming consumables should be performed by different people.

Clear procedures must be present and understood by staff to include:- incorrect card detection; dropped cards; misdeals; respins; aborted games; and table closure. These events must also be collated into statistics which can be analysed for trends relating to games, staff and/or locations in the gaming area (e.g. blackjack table number 2).

Separate procedures must exist for each game and new games must have their procedures in place before being offered to players. Staff must understand any physical behaviour that is prohibited or mandated (including hand signals, talking, the handling of the cards, etc).

5. Archiving the Inspection Results

The operator will be responsible for providing to the GSC a copy of the inspection report along with any follow-up correspondence and/or documentation. Such documents will be retained securely by the GSC.