

Mr. Michael Walsh
Casino Gaming Control Section
Department of Justice, Equality and Law Reform
2nd Floor, Bishops Square
Redmond's Hill
Dublin 2

30 September 2009

Dear Mr. Walsh,

Re: The regulation of remote gambling II – marketing operations ('skins') active in the provision of front-end gambling services in Ireland

Further to a brief discussion last week, we agreed to provide you with the GLAI position on how 'skins' as distinct from 'operators' should be regulated in the remote gambling environment. For the sake of clarity, an '**operator**' is the company that actually runs the software that players play on, and will have a licence to operate this software in another jurisdiction. A '**skin**' is a marketer of the operator's product, usually under a 'front end' system, and the skin may not have a licence of its own but rely on the operator's licence through contracts with the operator.

As indicated in our submission on remote gambling, the GLAI recognises the freedom to provide services across EU borders and as such notes that remote gambling providers licenced in another EEA Member State should not be restricted in any way from providing their services to businesses and customers in Ireland. This does not preclude however the establishment of a remote gambling licence regime in Ireland, which in the case of 'skins' is necessary, not least because of the direct relationship between the skins and their customers.

Although an operator and a skin may be offering the same service, this service is offered through a different marketing strategy or vehicle, whereby the skin's offering looks different, and indeed is different in terms of promotions, to the operators. Many consumers are not aware that the two companies, which compete directly with each other and which are owned by separate entities, are in fact using the same backend software system.¹ However, the service offering, as far as the consumer in Ireland is

¹ Examples of this type of arrangement are numerous, and include:

1. PaddyPower Alderney limited is licenced in Alderney as a provider of online gaming. Yet that company offers services operated and owned by a number of companies which have licences themselves. PaddyPowerPoker offers a poker system called iPoker, owned and operated by Playtech, a London listed company. Playtech have a licence to operate this platform. So, while PaddyPowerPoker would be the 'offerer' in Ireland to the consumer, it is in reality a front end of the iPoker network as operated by Playtech. PaddyPokerBingo is provided by Virtue fusion. PaddyPowerCasino is operated by Wager Ware.
2. BoyleSports Poker is also a front end of the iPoker Network.
3. Irish Eyes Poker is a front end of the Entraction Poker Network licenced in Malta.



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concerned, is provided by the website brand, whatever that may be. It is because of this and the fact that GGR tax can be accounted for and collected far easier from the skin rather than the operator that the GLAI believes that the skin itself should be allowed to apply for a licence to operate in Ireland.

In addition to the recognition of this type of service offering, we also draw your attention to the fact that the skin operates on a much smaller scale than the operator, and as such, any licence fee should reflect this. The real value of licensing a skin operating in Ireland is less related to tax as it is to ensuring a high level of consumer protection for players playing on an Irish site, in Ireland. In addition, a clear licensing system for these skins should provide for employment opportunities in the sector.

Finally, as the skins, through their contracts with the software providers, are utilising the operator's licence in another jurisdiction, it is our opinion that any Irish regulatory regime should undertake to recognise the licences of these other jurisdictions where situated within the EEA, and that Irish licences when awarded to skins should be awarded in a way that compliments the other licensing jurisdictions terms and conditions. In all instances, it will be imperative to ensure that lines for legal recourse for consumers against all licence holders – be they 'local' skins, or EEA-licenced operators - are clearly set out.

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We hope that these comments prove useful in your deliberations and we look forward to discussing them with you at the appropriate time.

Yours sincerely,

Steven Merrick,
Director, GLAI

David Hickson
Director, GLAI

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4. Bruce Betting Poker is operated by the Ogame Network licenced in Kahnawake, Canada.