



State of New Jersey

Chris Christie
Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
P.O. Box 047
Trenton, NJ 08625-0047

Christopher S. Porrino
Attorney General

Kim Guadagno
Lt. Governor

David Rebuck
Director

September 29, 2017

Internet Gaming Counsel

RE: Internet Gaming Operations in Australia

Dear Counsel:

On April 18, 2016, the Division of Gaming Enforcement ("Division") issued Director's Advisory Bulletin 2016-01, titled "Impact of Operations in Grey Markets on Suitability for Licensure" ("DAB"). This DAB clarified the Division's position on the licensing implications of New Jersey applicants and licensees offering online gaming services in jurisdictions where the laws were ambiguous or not enforced ("grey markets"). The DAB states that when a grey market jurisdiction takes an affirmative step to enforce its restrictions on online gaming, such as prosecuting non-compliant companies or notifying the Division directly, the Division will categorize that jurisdiction as a black market where companies are not permitted to offer their services. Continued operations in a black market will affect a company's suitability for licensure in New Jersey.

On September 13, 2017, the Australian government effectuated amendments to its Interactive Gambling Act of 2001, which were enacted on August 16, 2017. These amendments restrict online gaming operations and marketing in Australia. More specifically, the amendments provide that: (1) certain online gambling services are prohibited and cannot be provided or advertised in Australia; (2) it is illegal to provide online gaming to Australians unless properly licensed by an Australian state or territory; and (3) directors, agents or affiliates may be subject to civil penalties if found to violate these amendments. Prohibited services include offering online casino games, slot machines, poker, and "in-play" sports betting. Further details regarding the restrictions can be found at www.acma.gov.au/interactivegambling.

Pursuant to the DAB, the Australian government, by letter dated September 14, 2017, has advised the Division of these new restrictions and has sought the Division's assistance



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Internet Gaming Counsel
Page 2
September 29, 2017

in notifying New Jersey operators of its new amendments. A copy of this letter is attached hereto and will be available on the Division's website (<http://www.nj.gov/oag/ge/index.html>). Thus, the Division now considers Australia a black market for those specified prohibited services. As such, every online gaming company that conducts business in New Jersey must comply with Australia's new laws and cease offering all prohibited services to customers in Australia. Failure to do so may result in the Division taking regulatory action against your company, including finding your company unsuitable for licensure in New Jersey.

Within 15 business days, please provide the Division a certification from a corporate officer that includes the following information:

1. If you are a Business to Consumer ("B2C") provider: The steps you have undertaken to comply with the new Australian regulations including all steps to block customer access, a timetable for completion, and an explanation of any continued operations in Australia (including social gaming and sports betting).
2. If you are a Business to Business ("B2B") provider: The steps you have undertaken to comply with the new Australian regulations including how you plan to enforce the prohibition on your games being offered by B2C providers illegally in Australia, a timetable for completion, and an explanation of any continued operations in Australia (including social gaming and sports betting).

All certifications should be sent to DAG Michael Golub at michael.golub@njdge.org. Should you have any questions, please contact DAG Golub at 609-441-7534.

Sincerely,



David Rebuck
Director

- c: Louis S. Rogacki, Deputy Director, Division of Gaming Enforcement
Chuck Kimmel, Deputy Attorney General, Division of Gaming Enforcement
Michael Golub, Deputy Attorney General, Division of Gaming Enforcement
Acting Chairman Richard Bean, Australian Communications and Media Authority
Jeanette Knowler, Australian Communications and Media Authority

14 September 2017

Mr David Rebuck
Director
New Jersey Division of Gaming Enforcement
1300 Atlantic Avenue,
Atlantic City, NJ 08401, USA

By email: david.rebuck@njdgc.org

ACMA reference: ACMA2017/755

Dear Mr Rebuck

Australian online gambling reforms

I am writing to inform you of changes to Australian laws regulating the provision and advertising of interactive gambling services, and the expanded role of the Australian Communications and Media Authority (ACMA).

You may be aware that the Australian government recently passed amendments to the *Interactive Gambling Act 2001 (Cth)* (IGA) and associated legislation, to clarify the law regarding the provision of online gambling services to Australians and strengthen enforcement and disruption mechanisms. These amendments came into effect on 13 September 2017.

The amendments make it clear that:

- > certain online gambling services are prohibited and cannot be provided or advertised in Australia;
- > it is illegal to provide online gambling services to Australians unless the person or company holds a licence under the law of an Australian state or territory; and
- > other persons, such as directors, agents or affiliates, may also be subject to civil penalties if they are found to be knowingly concerned in, or party to, a contravention of the IGA.

Prohibited services include online gambling services for games of chance or games of mixed skill and chance; such as casino-style games (e.g. blackjack, roulette), slot machines and poker. They also include online gambling services that accept "in-play" betting on sports events.

Penalties of up to AUD\$7.9 million per day can apply to corporations that provide prohibited or unlicensed services under a new civil penalty regime which complements the IGA's existing criminal penalty provisions.

A number of measures intended to disrupt or deter prohibited activities have also been introduced. These include:

- referral of directors and principals of offending gambling services to Australian border protection agencies for inclusion on the Movement Alert List which may lead to visa applications for travel to Australia being refused; and
- notifying breaches of Australian law to the gambling regulator in jurisdictions where the offending operator is licensed.

The ACMA has been given expanded responsibilities and new powers to enforce prohibitions and implement the deterrent and disruption measures. The amendments also require the ACMA to publish a register of licensed interactive wagering operators so it is clear which interactive services are legally provided in Australia.

Information about the changes to the IGA, along with a video summarising the key reforms, and the register are available at the following link: www.acma.gov.au/interactivegambling.

I understand the New Jersey Division of Gaming Enforcement administers a robust regulatory framework for online gaming under the New Jersey Casino Control Act Article 6C (*N.J. Rev. Stat. § 5:12-95 17 through 5:12-95.33*). I further understand that this framework aims to ensure the probity of New Jersey licensees and requires licensees to ensure foreign gaming laws are not violated.

In reference to your Advisory Bulletin: 2016-01 ('Impact of operations in grey markets on suitability for licensure', 18 April 2016), we would appreciate your assistance in informing online gaming operators licensed in New Jersey about the above changes so they can take the necessary steps to ensure they are not at risk of contravening, or facilitating a contravention of, Australian law.

More broadly, we are keen to share experiences with other online gambling regulators in this developing environment and establish working relationships to deal effectively with cross-border issues. We have put in place an Interactive Gambling Taskforce, headed by Jeanette Knowler. I have included her contact details below. The Taskforce would be happy to answer any queries you may have about the amendments to the IGA or the ACMA's activities.

Jonquil Ritter, Executive Manager of the Content Safeguards Branch, and Jeanette will be attending the International Association of Gaming Regulators conference in Johannesburg this October. If you or your colleagues will be in attendance, we look forward to discussing the many developing issues around the regulation of online gambling with you then.

If at any time you would like to contact or meet with the Taskforce, please don't hesitate to get in touch with Jeanette on +612 9334 7895 or by email at jeanette.knowler@acma.gov.au.

Yours sincerely



Richard Bean
Acting Chairman