



# Could Ireland Be The New Las Vegas?

## *Reform of Irish gambling laws*

By Dr. Max Barrett

**W**ith its damp climate, small population and currently troubled economy, Ireland might seem an unusual venue as a centre for gambling. However, new proposals by the Irish Government to reform Ireland's antiquated gambling laws, coupled with a business-sensitive tax regime, may yet see a fresh injection of dynamism into this already burgeoning sector of the Irish economy. The proposed changes will see casinos legalised, the rules relating to bingo liberalised, Ireland's lotteries legislation enhanced, and provision made for foreign operators to provide gambling services lawfully into Ireland. In addition, gambling debts will now become enforceable under Irish law. The intention is that only gambling that is licensed under the new legislation will be lawful.

### Casinos

Currently casino-gaming in Ireland takes place only in "private members' clubs". Under the new legislation up to forty casino licenses will be granted. Licenses will issue for ten years but will be renewable. The authorities will require a geographical spread of casinos and will prevent them from being located in sensitive places (e.g. near schools or healthcare facilities). Only small-scale casinos with a maximum of fifteen tables and twenty-five gaming machines will be allowed. Resort casinos will not be permitted, at least for

now. However, having crossed the Rubicon of legalising casinos, it seems inevitable that there will eventually be pressure for resort-style casinos.

### Online and remote gambling

Foreign gambling operators will be allowed to provide online and remote gambling services to persons in Ireland. So, under the new Irish law, an internet gambling service in the U.S. could lawfully enable persons in Ireland to access its services, though to do so it would need to be

licensed by the Irish authorities. Persons seeking licenses will be subject to police and other checks. The new legislation will be "technology neutral" so as to facilitate current and future forms of Internet and remote gambling.

### Bingo

Under the new legislation, the rules relating to bingo will be liberalised. Bingo will no longer need to be for a charitable or philanthropic purpose, though some link to local purposes will continue to be required. Caps on overhead allocations will be introduced and minimum prize money percentages will be established.

### Lotteries

Ireland already has a modern, well-functioning lotteries regime so only limited changes are planned in this regard. Thus provision will be made for remote lotteries and scratch-card games. In addition provision will be made for increased prize-money levels and for further such increases in the future.

## Gaming machines

The biggest winners under Ireland's reformed gambling regime may yet be gaming-machine vendors. Not only will casinos be allowed to house such machines but betting-shops, bars and fast-food restaurants will also be allowed to have gaming machines, subject to various requirements. Fixed Odds Betting Terminals will be banned outright and there will be specific offences regarding the use, supply and repair of same. In addition, the Minister will be empowered to restrict other games, machines and classes of machine. The ban on Fixed Odds Betting Terminals may reflect the continuing controversy in the UK, Ireland's closest neighbour, as to the allegedly addictive nature of such terminals.

## Office of Gambling Control, Ireland

Under the new regime, Ireland's Minister for Justice, Equality and Defence, will ultimately be responsible for the regulation of gambling. However, the day-to-day licensing and supervision aspects of the new regime will be discharged by a to-be-established gambling inspectorate, provisionally entitled the "Office of Gambling Control, Ireland" (OGCI). This Office will sit within the Minister's Department. It is intended that it will be self-financing through the imposition of fees and other charges on industry. OGCI officers will enjoy search and seizure powers. The OGCI will be empowered to deal with the police and also with fellow regulatory bodies, both foreign and domestic.

## Organised crime

It is no secret that some gambling centres have occasionally proved vulnerable to organised crime. The Minister who announced the Irish Government's gambling-law proposals noted that a "major priority" of the Irish law is to ensure that gambling operations do not come under the control of organised criminal gangs. Whether this laudable objective is realised in practice remains to be seen.

## Tax

Curiously the new gambling legislation will not address the all-important issue of tax. However, a 2010 report from within the Irish Government (though not the part of Government that deals with tax issues) acknowledges the critical role of tax when it comes to business decisions by gambling industry operators. The same report notes also that:

There would appear to be little point in

developing and maintaining a comprehensive regulatory framework for gambling if through its taxation policy a State puts companies at a disincentive from establishing themselves in or selling into the market.

So there is certainly sensitivity within the Irish Government to the critical interplay between tax policy and gambling industry dynamics. It is to be hoped that the Government will announce its detailed tax intentions at the same time that it drives its gambling legislation through the Irish Parliament.

## Social protection

Gambling can bring certain negative social consequences. The Irish Government has indicated that its new legislation will have the twin objectives of effectively regulating the gambling sector and also protecting vulnerable adults and young people. Its principal social protection measure will be to establish a "Social Gambling Fund" that will be funded by a levy on industry and will, for example, help fund addiction treatment services as well as having an information and education role. Other social protection measures will include provisions aimed at making it easier for customers to complain to, and seek compensation from, industry players (who will be required to maintain adequate financial reserves to meet such complaints). It is intended that these complaints and compensations arrangements will be funded by the gambling industry.

## Timing

Following the Government announcement, a "Gambling Control Bill" will be drafted. The Bill will then be introduced before the Irish Parliament with the likely enactment date being 2014, possibly sooner. As the current Irish Government enjoys a significant majority in the Irish Parliament, it can reasonably be expected that the Bill will be passed largely as announced.

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Until the perhaps inevitable eventual decision is taken to allow for resort-style casinos, Ireland cannot even seek to emulate, even on a smaller scale, the achievements of America's gambling capital. However, with the adoption of modern gambling legislation that recognises gambling as a legitimate recreation, rather than a vice, Ireland is taking the first step towards making the gambling sector a bigger contributor to its currently troubled economy. ♣



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