



MINISTRY OF TOURISM, TRANSPORT & MUNICIPALITIES

Senator the Hon. M.M. Fahy

MINISTERIAL STATEMENT

**Subject: International Casino (ICE)
Conference**

SENATE - 15th February 2017

Madam President, I recently attended the International Casino Conference, more commonly known as ICE, which took place from February the 7th to 9th at the ExCel Convention Centre in London, UK. The conference featured world-leading innovators drawn from the betting, bingo, casino, lottery, mobile, online, social and street sectors and provided a global perspective on all forms of gaming.

Also attending the conference were many vendors who had their latest products on display....casino operators who were looking for new games for their facilities.....to regulators in the casino gaming world.

Madam President, on Monday February 6th, there were a number of events on offer to the delegates before the conference started proper. This was a time for networking with the many participants from around the world – which concluded with the World

Regulatory Assembly meeting held at the Shakespeare Globe Theatre in London.

Madam President, you will recall that I assumed the role of Minister responsible for Tourism, Transport and Municipalities in May of 2016. Within that portfolio came the Casino Gaming Commission who at that time, were in the midst of working with the Ministry on amendments to the Casino Gaming Act 2014 that were intended to make it more user friendly in the Bermuda context.

Accompanying that legislation would be a raft of regulations designed to provide a regulatory framework to address the design and specifications of the gaming machines that are to be used in the licensed casinos, the types of games that would be permitted, the types of gaming chips to be used, to the gaming fees, among many other areas that have to be regulated.

It is critical that we get this right to ensure the integrity of our gaming product from the outset – as well as ensuring on the international stage, it complies with anti-money laundering legislation inter alia.

Madam President, like other areas within my Ministry, I quickly had to learn about gaming as the extent of my gaming to that point was playing card games. For this learning, I am extremely grateful for the Gaming Commission, led by Mr. Alan Dunch as well as Executive Director, Mr. Richard Schuetz. These gentlemen and their team have "taken me back to school". And although I am still not an authority on gaming, I can speak with some authority on the subject now.

Madam Present, as part of my ongoing emersion it was recommended that I attend the ICE Conference in London as previously mentioned. This conference, the second largest in the

world behind the Las Vegas conference, was truly an eye opener for me.

Madam President, there were so many topics listed on the agenda for the three day conference. My first session was held for regulators of the gaming industry with the speaker addressing areas of beneficial ownership (who owns the company), "Knowing your Client" (KYC), financial fraud, to cyber security.

Other sessions included, *eSports betting* and the need for this to be regulated – with many Regulatory Authorities around the world considering their next moves as to how this should be regulated when compared to other gaming platforms, to *sports betting*, the rate at which this type of gaming is growing internationally, the potential regulatory scenarios to who will be the future stakeholders in the sports betting market – among many other facets of gaming.

For Bermuda, this was especially critical as we need to ensure that whoever sets up shop in Bermuda will not tarnish our reputation as a financial jurisdiction. Equally important, we were reminded that the regulators should have the necessary resources to undertake any investigations to meet AML compliance as an example. Risk Based Assessments was another key area discussed along with the approach to undertaking the same.

Madam President, we were also reminded as regulators that the actual casino operators should tailor make their assessments to determine where they may be vulnerable in an effort to mitigate any risks to their establishments. This approach was recommended simply because the casino operator would know where their risks were better than any Regulator/Government. It was recommended that regulations should be drafted to ensure casinos updated their policies on an annual basis as part of their risk management practice. These policies would be submitted to the regulators accordingly.

Madam President, I must confess, that although I attended a number of sessions over the three day period, I found the most useful learning by actually walking the conference floor and speaking with the many vendors who had their new gaming products on display. As I suspected, what was extremely evident is that gaming changes at an alarming speed which leaves regulators always on the back foot trying to keep up – or catch up as in most cases.

As we walked the conference floor, Mr. Shuetz was able to explain how the games worked to the Bermuda contingent with authority, which left most vendors in awe of his experience and knowledge of the industry. In fact, in some cases, Mr. Shuetz ended up schooling some of the vendors on their own products. It was quite the experience to witness I might add. And based on that interaction, I knew we had the right man for the job in Bermuda as he was not only respected by the vendors, but he was well known and respected by many of the delegates at the conference.

Madam President, as I conclude my brief statement, I wanted to thank Mr. Alan Dunch and Mr. Richard Shuetz for all of their hard working on the legislation to ensure that the integrity of the Bermuda gaming product will be of the highest standard not only from a local perspective, but on the international stage.

Many of the speakers touched on the importance of having a robust legislative and regulatory framework in place. And I am certain that with the framework we are establishing, it will protect our banking, insurance and reinsurance sector reputation from being tarnished in any way.

Thank you, **Madam President**.