



Tasmanian Liquor and Gaming Commission

Tasmanian Gaming Licence Standards

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Tasmanian Liquor and Gaming Commission 2023

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An electronic copy of these Tasmanian Gaming Licence Standards is available at Standards is available at

<https://www.treasury.tas.gov.au/liquor-and-gaming/gambling/regulatory-requirements>

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Contents

Tasmanian Gaming Licence Standards	1
1. Overview	1
2. Key Bodies.....	5
3. Player Protection.....	6
4. General Requirements	8
5. Player Accounts, Cash Bets and Self Service Terminals.....	22
6. Methods of Determining Outcomes	37
7. Sports Betting	41
8. Race Wagering.....	42
9. Simulated Gaming.....	42
10. Major Lottery.....	46
11. Betting Exchange	46
12. Totalizator	48
13. Agent Endorsement.....	51
14. Simulated Gaming Jackpots	52
15. Taxation	54
16. Appendices	55

Preliminary

These Tasmanian Gaming Licence Standards are made in accordance with section 112PA of the *Gaming Control Act 1993* (the Act) and apply to the conduct of gaming and gaming activities. A prescribed licence holder and its employees must adhere to and enforce these Standards. Failure to comply may result in disciplinary action against the prescribed licence holder.

A term used in these Standards has the same meaning as the same term used in the Act. A reference in these Standards to 'wagering' means a 'gaming activity' under the Act. For the avoidance of doubt, a reference to an 'employee of the licence holder' includes the licence holder's agent or, where the licence holder is a natural person, itself.

These Standards are in addition to the conditions imposed on each licence by the Tasmanian Liquor and Gaming Commission and any other requirement under the Act.

Tasmanian Gaming Licence Standards

I. Overview

These TGL Standards are for:

- persons or businesses licensed to provide online gaming systems in Tasmania;
- persons or businesses that are interested in becoming licensed providers; and
- testing facilities accredited in Tasmania.

Prior to commencing the licence application process or contacting an Accredited Testing Facility (ATF), prospective licensed providers are encouraged to discuss their individual circumstances with staff of the Liquor and Gaming Branch of the Department of Treasury and Finance. Persons or companies wanting to become accredited as a tester should also contact the Branch.

- Phone: 03 6166 4040
- Email: gaming@treasury.tas.gov.au
- Web: www.treasury.tas.gov.au/liquor-and-gaming
- Mail: GPO Box 1374, Hobart TAS 7001

This version incorporates new online wagering staff training requirements in accordance with the *National Consumer Protection Framework (NCPF)* for online wagering in Australia. Accordingly, amendments to these standards require that the training in the provision of responsible online wagering services offered by a TGL holder (as a requirement of the Commission's Rules 4.6 to 4.10 inclusive) must be delivered in an approved format that achieves the minimum requirements set out in the *national Unit of Competency (CHCFIN005 - Provide responsible online wagering services (Release 1, as at March 2023))*, and be implemented by the prescribed date referenced under Appendix H of the Technical Requirements.

I.1 Purpose

The purpose of these standards is:

- to establish the minimum technical requirements for computer gaming systems used to provide TGL gaming activities in Tasmania;
- to ensure operators of gaming systems are aware of required functionality for system development and ongoing compliance;
- to provide a minimum requirement for processes such as player evidence of identity, player account operations; and
- to ensure testers of gaming systems understand what needs to underlie test scripts and guide assessments of gaming systems to produce compliance certification.

The fundamental underlying requirements are to ensure that Internet gaming provided in Tasmania is safe, secure and auditable, and to minimise any potential for harm to players.

These standards also provide information and advice about what is required of persons or companies to conduct TGL gaming activities from Tasmania. For example, prospective licensed providers must obtain:

- a Tasmanian Gaming Licence (TGL);
- a Certificate of Compliance from an Accredited Testing Facility (ATF), confirming that the proposed gaming system complies with the Act and the Commission's requirements; and
- approval for equipment, software, facilities and disaster recovery.

A flowchart of the licensing process from a prospective licensed provider making an initial inquiry to a licensed provider commencing business under a TGL is provided at **Appendix A**.

These standards establish minimum technical requirements but are generally principles-based and not prescriptive about how they are met. The Commission will consider proposals from prospective licensed providers:

- on how their practices and solutions will meet the requirements;
- for the use of new technology; and
- for minor and/or temporary 'dispensation' i.e. exemption from technical requirements, depending on the circumstances of each case and the associated risks.

Conducting TGL gaming activities can have high benefits and rewards; it can also be costly. Prospective licensed providers must give careful consideration to the investment required to operate a gaming business, as well as the costs required to be met under the relevant legislation. For example, applicants for a TGL will be assessed against a range of criteria including the financial and technical resources that they possess or have access to; their ability to conduct the proposed gaming activities; and whether the proposed model of operation is legal. TGL gaming activities create a tax liability that must be paid and therefore factored into business plans for the business.

1.2 Gaming in Tasmania

Tasmania is a State of Australia. It is the southern-most and only island-State. Tasmania has its own Government and its own Parliament that makes laws on matters that are not controlled by the Australian Government under section 51 of the *Australian Constitution*. For more information about Tasmania, its landscape, climate, history and people, go to the Tasmanian Government's website at www.tas.gov.au.

The Act sets out the regulatory framework that permits the different forms of legalised gaming and wagering in the State and is the principal authority. The *Gaming Control Regulations 2014* support the Act and include licence application and renewal fee details and further requirements for the operation of a TGL. You can access the legislation at www.legislation.tas.gov.au.

In addition to Internet-based gaming, the Act also applies to terrestrial-based gaming, ie in casinos, hotels and clubs. Terrestrial-based forms include table games, electronic gaming machines, Keno, as well as minor gaming activities that are not-for-profit (such as raffles, bingo and lucky envelopes).

Gaming in Tasmania is highly regulated and strictly controlled and covers gaming in Tasmanian casinos (commencing with the first Australian legal casino in 1973), Tasmanian hotels and clubs, minor gaming such as raffles, bingo etc. Additionally, since 1999, the Commission has regulated gaming activities conducted from Tasmania using the Internet and other remote connections. This

has since expanded to include Totalizator betting conducted remotely and at approved outlets in Tasmania.

The Commission undertakes probity investigations of licence applicants and requires ongoing disclosure, systems to be independently tested and requires some operational staff to be licensed. It also enforces strong consumer and player protection requirements.

Legislation passed by the Australian Government can also influence the operation of gaming and gaming activities in Tasmania. Prospective licensed providers should be aware of their obligations under Commonwealth legislation such as the *Interactive Gambling Act 2001*, *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and the *Corporations Act 2001*. You can access this legislation at www.comlaw.gov.au.

1.3 Gaming Over the Internet or Other Remote Connections

Internet gaming is licensed through the issue and regulation of a Tasmanian Gaming Licence (TGL).

A TGL must have at least one 'gaming endorsement', giving the holder the authority to conduct the activity. Endorsements are available for race wagering, sports betting, simulated gaming, major lottery, betting exchange, totalizator and agent arrangements. Please note that in addition to the general requirements for all endorsements, some requirements are specific to an endorsement type.

Some endorsement types (eg totalizator) also enables the operator to offer products from approved outlets and approved locations (see **Appendix B**).

Applicants must meet financial, probity and operational requirements, and must maintain compliance with technical requirements specified in these standards once a licence has been issued.

These standards are issued by the Commission and support the regulatory requirements contained in the Act and Regulations but they do not overrule the Act or Regulations.

1.4 Applying for a Tasmanian Gaming Licence (TGL)

A TGL is granted and in force under Part 4A of the Act. It is a licence that authorises a person or company to conduct approved gaming activities in Tasmania. A flowchart of the licensing process from an operator making an initial inquiry to an operator commencing business under a TGL is provided at **Appendix A**.

A TGL must be endorsed with one or more gaming activities (see **Appendix B**). It has effect for a period not exceeding five years (in most circumstances) and is renewable. A licence can be cancelled or suspended, as can a gaming endorsement. If the Commission agrees, a licensed provider may surrender either the licence or a specific gaming endorsement.

Prospective licensed providers should review 'Tasmanian Gaming Licence Guide to Applicants', which is available at www.treasury.tas.gov.au/liquor-and-gaming. This is a guide for the application process and outlines the investigations and assessments that are undertaken, specifies the application forms that need to be submitted to the Commission and notes application fees are payable.

The Commission also requires applicants to provide a submission describing how key features of a proposed gaming system will function (see 1.6 below).

The Act allows the Commission to approve 'gaming equipment' (under section 76ZZG) and a 'control system' (under section 76ZZI), if satisfied that each is suitable for use in a gaming business. These sections also require licensed providers to ensure that their equipment and systems comply with these standards. The Act allows the Commission to accept the advice of an ATF about the suitability of gaming equipment and technical elements of control systems. An ATF is required to be contracted to perform this examination and validation function and the costs incurred in the testing and evaluation of a system are met by the operator (see 2.4 below).

The licensing process and testing of the proposed gaming system can occur simultaneously.

Prior to commencing the licence application process or contacting an ATF, operators are encouraged to contact staff of the Liquor and Gaming Branch. They will advise each applicant based on their individual circumstances.

1.5 Sections of these standards applicable

All submissions or TGL operations need to meet and comply with the relevant parts of these standards, including:

- "Player protection" section;
- "General requirements" section;
- applicable parts of the "Player accounts, cash bets and self service terminals" section;
- applicable parts of the "Methods of determining outcomes" section; and
- sections that apply to the endorsement type/s issued.

In addition, the section on "Simulated Gaming Jackpots" will apply if jackpots are offered.

1.6 TGL Gaming Submission Requirements

As part of the application process, the Commission requires operators to provide a submission describing in detail how key features of a proposed gaming system will function. These features are incorporated into a general checklist at **Appendix C**. This requirement applies to a new applicant for a TGL or an existing licence holder requesting an additional endorsement. New applicants are usually required to complete the checklist in full.

These standards establish minimum technical requirements but is generally not prescriptive about how they are met. Prospective licensed providers have the opportunity to describe their proposed system, intended practices and solutions to meet requirements. Information submitted is assessed by staff of the Liquor and Gaming Branch and by the Commission, which provides a basis for an approval.

The use of new technology is encouraged, and the Commission is happy to consider the use of new technology.

Applications from operators for minor and/or temporary 'dispensation' (i.e. exemption) from some aspects of technical requirements will be considered by the Commission on a case-by-case basis. Granting dispensation is at the Commission's discretion and depends upon the circumstances of each case and the associated risks. For example, special allowance may be given for a temporary arrangement or an alternative approach, such as a manual process that achieves the aims of these standards while the system is being automated.

While gambling is a legitimate recreational activity in Tasmania and is enjoyed by many in its various forms, it can cause problems for some people. Licensed providers are strongly encouraged to make customer satisfaction a priority and to be committed to player protection. Player

protection is important to the Commission (as reflected throughout these standards), is the right thing to do and makes good business sense.

Prospective licensed providers are encouraged to seek advice from staff at the Liquor and Gaming Branch before providing their submission. Depending on the circumstances of each proposal, a prospective licensed provider may be required to provide information on features in addition to those included in the checklist.

2. Key Bodies

2.1 Tasmanian Liquor and Gaming Commission

The Tasmanian Liquor and Gaming Commission is established by the Act as the independent body responsible for overseeing the regulation of gaming and wagering in Tasmania. The Commission is comprised of three people and meets approximately monthly, as required. Its functions are prescribed in section 125 of the Act and are outlined in **Appendix D**.

For further information about the Commission, including its Operating Statement and Annual Reports go to: www.treasury.tas.gov.au/liquor-and-gaming.

2.2 Liquor and Gaming Branch

The Commission is supported by staff of the Liquor and Gaming Branch of Treasury. Branch responsibilities include preparing and coordinating information for the Commission's monthly meetings and specific staff have been delegated some of the powers of the Commission to facilitate efficient and effective regulation. The Branch also has licensing, compliance and policy support functions.

The contact details for the Commission and staff of the Liquor and Gaming Branch are:

- Phone: 03 6166 4040
- Email: gaming@treasury.tas.gov.au
- Web: www.treasury.tas.gov.au/liquor-and-gaming
- Mail: GPO Box 1374, Hobart TAS 7001

2.3 Prospective Licensed Providers

Prospective licensed providers intending to conduct TGL gaming or gaming activities in Tasmania should contact staff of the Liquor and Gaming Branch prior to commencing the licence application process or contacting an ATF. This is to ensure that any proposed operation or model is understood and that any potential issues are discussed.

While conducting gaming activities under a TGL can have high benefits and rewards, it can also be costly and operators must give careful consideration to the investment required to operate a gaming business, as well as the costs required to be met under the Act. Applicants will be assessed by the Commission against a range of criteria including the financial and technical resources that they possess or have access to, and their ability to conduct gaming activities of the type included in the application. Further information is included in the 'Tasmanian Gaming Licence Guide to Applicants' which is available at www.treasury.tas.gov.au/liquor-and-gaming.

2.4 Accredited Testing Facilities

ATFs are third party organisations approved by the Commission to test gaming systems, network security, system documentation and controls for compliance with these standards. ATFs must be

listed on the Roll of Recognised Manufacturers, Suppliers and Testers of Gaming Equipment which is available at www.treasury.tas.gov.au/liquor-and-gaming.

ATFs issue a Certificate of Compliance signifying compliance of a gaming system with these standards. If a gaming system does not fully meet the requirements of these standards, the ATF will need to advise the Commission.

While the costs incurred in the testing and evaluation of a system are met by the licensed provider, ATFs are undertaking their activities on behalf of the Commission and to the Commission's satisfaction.

It is recommended that potential applicants contact staff at the Liquor and Gaming Branch before applying for a TGL, engaging the services of an ATF or for more information about testing services.

2.5 Software Suppliers

If gaming software (or specifically designed gaming hardware) is created or maintained by a third party supplier that is to be used under a TGL by a licensed provider, it is likely that the supplier will need to undergo probity checks and be listed on the Commission's Roll. Unless otherwise authorised by the Commission, a Roll listing is required for manufacturers, suppliers and testers of gaming equipment. The current Roll listing can be viewed on the Commission's website at www.treasury.tas.gov.au/liquor-and-gaming.

Please contact the Liquor and Gaming Branch should further information be required.

2.6 Other External Certification

Licensed providers may need compliance certification from other external experts to verify compliance with other requirements that may be separate to these standards or that are outside the scope of ATF functions. For example, requirements for data centre accommodation in buildings. In this case, certification may be supplied by a contractor that is building or converting the facilities to indicate that it complies with the applicable requirements.

All associated costs are to be met by licensed providers. Contact staff of the Liquor and Gaming Branch for further information and advice.

3. Player Protection

This section covers both technical requirements and control system requirements in relation to specific player protection measures required to be in place. Areas of other sections also have player protection intent, but have been included in those sections as they are a better logical fit, dealing with the specific related matters.

3.1 Requirement for Player Protection

3.1.1. The Commission believes that strong player protection measures must be included in gaming products offered in and from Tasmania. This section (and elsewhere in the document) sets out the minimum requirements. The Commission is supportive of any additional facilities or initiatives that can be put in place to minimise or prevent player harm.

3.2 Gambling Helpline and Problem Gambling Information

3.2.1. All gaming systems must make available, whether logged in or not, information on obtaining help from problem gambling services, including a link to the brochures on the Commission's website and a link to Gamblers Helpline (or a similar service) and contact

telephone numbers. Procedures or a system solution must be in place to ensure that if links are broken that they are quickly identified and corrected.

3.2.2. All operations, including those operated from approved locations and approved outlets must abide by the TLGC Responsible Gambling Mandatory Code of Practice.

3.3 Loyalty Programs, Incentives, Promotions and Inducements

3.3.1. Any loyalty program, incentive, promotion or inducement offered by a licensed provider must:

- a) be operated in accordance with the TLGC Responsible Gambling Mandatory Code of Practice and Rules;
- b) not offer a person any credit, voucher or other benefit as an incentive to open an account or refer another person to open an account with the licensed provider;
- c) ensure that any credit, voucher, reward or other benefit provided via a loyalty program only occurs in accordance with the TLGC Responsible Gambling Mandatory Code of Practice;
- d) allow account holders to withdraw their winnings from complimentary betting credits or tokens without being subject to any turnover requirements;
- e) be operated in a manner that ensures account holders are not provided with any direct advertising or marketing material unless they have expressed their consent to receive this material;
- f) ensure that account holders are provided with a means to unsubscribe from receiving direct marketing materials and where such materials are sent electronically to account holders, they must be provided with a functional and easily accessible link to unsubscribe;
- g) ensure that no further direct marketing materials are sent to an account holder at any time after five business days from the time their unsubscribe request is received;
- h) ensure that excluded players and customers with closed accounts must not receive any direct advertising or marketing material from either the licensed provider or any contracted suppliers. Where external direct marketing arrangements are utilised, the arrangement must include the ability to remove all newly excluded and closed accounts;
- i) be managed by rules that are available and clear to participants or intending participants; and
- j) be auditable and details must be available to the Commission, eg for player protection or to assist with complaint resolution.

3.3.2. The Commission will disallow programs, incentives, promotions or inducements that it considers are unfair or do not comply with the Commission's Mandatory Code of Practice.

3.4 Provision of Training in Responsible Online Wagering Services

3.4.1. Any training in the provision of responsible online wagering services, including any course refresher training, must be offered and delivered by a TGL holder in accordance with the following options:

- a) External training, which includes either:
 - i. the online micro-credential operated by TAFE Queensland, funded by the TGL holder in accordance with the applicable TAFE course fees; or

- ii. accredited training in the relevant Unit of Competency developed by a Registered Training Organisation (funded by the TGL holder at market price).
- b) In-house training. For training developed in-house, it is a requirement that one of the following quality assurance methods is used:
 - i. employees undertaking the training pass the micro-credential knowledge test, at a cost to the TGL holder in accordance with the applicable TAFE course fees; or
 - ii. the TGL holder engages an independent reviewer to confirm the training meets the standards outlined in the relevant national Unit of Competency, and provides a report to the Commission within 21 days of completion.

3.5 Complaints

- 3.5.1. A gaming system must incorporate an easy and obvious facility for an account holder to make a complaint (pursuant to section 76ZN of the Act) directly to the Commission relating to the conduct of a gaming activity, the licensed provider or a special employee. One solution may be a facility to populate an email that is sent directly to the Liquor and Gaming Branch. The gaming system must request those wishing to complain to provide sufficient detail to identify the licensed provider and the issue to which the complaint relates. Customers should also be advised that complaints must be in writing (which can include email or other similar electronic method) and the complainant must provide their name and address.
- 3.5.2. Licence holders operating at approved venues and approved locations must ensure complaint forms approved by the Commission are available to customers. Once completed, the customer can forward these directly to the Commission. The approved form is available at the Commission's website www.treasury.tas.gov.au/liquor-and-gaming under 'Making a complaint' in the Contact Us section.
- 3.5.3. Where the Commission receives a customer complaint, it may either investigate the complaint or refer the complaint to the licensed provider to investigate and report back to the Commission and the complainant.
- 3.5.4. All parties involved will be given an opportunity to make submissions to the Commission for its consideration. The Commission has authority to determine the outcome of a complaint and its decision is final.
- 3.5.5. It must also be possible for a person to complain to the licensed provider. It is recommended that a licensed provider has in place a dispute resolution process that may address issues or customer dissatisfaction. The Commission considers that it is good commercial practice for a licensed provider to have the opportunity to resolve player issues with the player, but it must be made clear that this is separate from and does not preclude the person from making an official complaint to the Commission.
- 3.5.6. The detail of any in-house attempts to resolve the dispute must be kept and forwarded to the Commission, if requested, as this detail will be helpful in the Commission fully understanding the situation.

4. General Requirements

The following general requirements relate to all TGL gaming systems. As previously explained, additional specific requirements are defined within the individual TGL endorsement section(s) that also apply when those endorsement types are applicable.

In general, this section outlines a technical compliance environment in which:

- the gaming activities must be fair, secure, transparent and auditable;

- the gaming system must be approved, baselined, have robust validation and be able to verify operating software/configurations;
- an approved change control process must be in place that will require at least the critical aspects of the gaming system to be tested before being approved or changed;
- reliable access and performance during normal and peak loads is provided; and
- the system must be able to be audited by Inspectors of the Commission or an ATF and any required validated reports must be available.

4.1 Gaming System Functions

The Commission requires that the licensed provider implement a computerised system that meets the following broad functions:

- a) support the requirements of the Act and relevant Regulations, Commission Rules, Commission Directions, the requirements of these standards as well as any conditions included in the TGL and system approvals;
- b) comply with the Commission's Mandatory Code of Practice;
- c) effectively perform all tasks associated with providing the specific gaming business, including recording the full details of bets and outcomes, licensed provider details (where staff are involved), wins paid and with account based betting, all customer details of deposits, withdrawals and transfer of funds;
- d) minimise the risk of fraud and the system being used for money laundering;
- e) support the rules in force for the game or gaming activity and bet types approved and offered;
- f) manage the predicted system load and monitor system performance; and
- g) record and retain all telephone voice calls between the licensed provider and customers (for the period prescribed in **Appendix F**) and if requested, make these available to the Commission or the Branch.

4.2 Hardware Requirements

- 4.2.1. The Commission will approve the gaming equipment used by a licensed provider for gaming and wagering. In order to approve equipment, the Commission must determine if the equipment is suitable for that purpose and would normally receive certification from an ATF (paid for by the licensed provider) to assist that determination.
- 4.2.2. The criteria that will satisfy the Commission that equipment is suitable, is that it:
 - a) is fit for purpose and will support approved system functionality;
 - b) will not open the system to unauthorised access;
 - c) can be anticipated to meet peak load expectations;
 - d) can be expected to operate with resilience to unplanned interruptions and without loss of data or integrity; and
 - e) will deliver minimal risk for single point of failure scenarios.
- 4.2.3. Once approved, this configuration will be deemed the minimum hardware baseline configuration for that gaming activity.
- 4.2.4. Only approved hardware can be used, which must not fall below the approved minimum baseline configuration specification without notification to, and approval of, the Commission. Hardware can be replaced or upgraded to exceed the minimum specification without further Commission approval. However, hardware changes need to

be recorded in an asset register that documents the changes implemented. This register must be available to the Commission and/or the Branch.

4.3 Software Baseline and Version Control

- 4.3.1. The gaming system software must be approved by the Commission prior to it being used in live gaming. Software changes must also be approved before use with the exception being an implementation under the emergency change process detailed in section 4.4, or as otherwise authorised under an approved control system pursuant to section 76ZZI of the Act.
- 4.3.2. The software approved will either be the software of the whole system or an agreed subset, being the “core baseline” of the system.
- 4.3.3. If a core baseline is agreed, there must be a facility or process that will provide the Commission with confidence that the software that is being operated is identical to the core baseline software that has been tested and approved. This must include checking for different versions and unapproved software modifications.
- 4.3.4. The request to utilise a core baseline approach must include an explanation to the Commission of what will be put in place to mitigate core functions being controlled from outside the core baseline.
- 4.3.5. The licensed provider must submit a change control system to the Commission for approval pursuant to *section 76ZZI of the Act*. The licensed provider is required to comply with the approved control system to ensure the licensed provider, ATF and the Branch maintain a capacity to monitor progress and enable tracking of system changes. Dependent on the software development cycles, this could involve major batch release versions of software, more fluid incremental issues or product driven software changes.
- 4.3.6. The Commission may require that an ATF report be provided on any proposed change to the change control system or proposed changes to an existing control system process. In which case, these ATF reports would need to be paid for by the licensed provider making the request.
- 4.3.7. The Commission may allow for some flexibility in relation to the type of change control system and has in the past agreed to a variety of flexible models such as dividing the baseline into levels of different risk rating where all high risk changes must be fully tested in advance, while lower risk areas can be tested in grouped audits after the event. While this type of process can increase flexibility and reduce costs, if the system and conditions are not complied with, the Commission may revoke this privileged arrangement and return to full testing prior to approval and deployment.
- 4.3.8. Unless otherwise authorised by an approved control system, system changes must only occur where there is an approval notice in force for the change pursuant to section 76ZZG of the Act.
- 4.3.9. The licensed provider must ensure deployed gaming equipment, including gaming equipment deployments made by a third party, are approved by the Commission.
- 4.3.10. All approved system changes must only be operated in accordance with the Commission’s approval.

4.4 Emergency Change Process

- 4.4.1. A process approved by the Commission needs to be in place for a licensed provider to have access to the emergency change process in accordance with section 76ZZIA of the Act.
- 4.4.2. This process will allow a licensed provider to make changes to its gaming system when an emergency situation arises and the integrity of the system is, or may become, at risk.

- 4.4.3. An important part of any approved process will require the licensed provider to advise the Branch of emergency changes before they are implemented. It will not be necessary to wait for approval before the necessary changes are implemented.
- 4.4.4. Testing and approvals will be arranged following the changes through the normal process. This arrangement is designed to protect the integrity of systems in genuine emergency situations only and must not be abused or confused with urgent changes.
- 4.4.5. The Branch will expedite approvals for urgent changes if possible, however, these must be approved before being implemented.

4.5 Software Requirements

- 4.5.1. The gaming system must operate in accordance with the rules of approved gaming bet types and games.
- 4.5.2. The financial and gambling transactions of the system must be auditable.
- 4.5.3. The licensed provider is to have in place procedures for virus protection and detection, where a material risk of virus infection exists.
- 4.5.4. Encryption levels must be industry standard and appropriate for the risk. Storage of passwords on the system must be in an encrypted, non-reversible form.
- 4.5.5. The Commission requires that there be adequate security policies and configuration management procedures in place relating to any media library administration (and any off-site storage) of data. It is expected that all internal systems and maintenance programs are only able to be accessed through specific authorised accounts by the entry of a password.
- 4.5.6. Other forms of security can be used where it is assessed that these are more secure. Where unacceptable risks are identified, these must be mitigated. The Commission is open to new technology and as an example may be prepared to consider retina or fingerprint scanning, but where the licensed provider determines that one approach has underlying residual risks, the Commission may require combinations of password, PIN or other features to further enhance security.
- 4.5.7. Firewalls must be secure and effectively monitored and managed.
- 4.5.8. Unless otherwise approved, pre-compilation source code software must not reside on the gaming system.
- 4.5.9. The system must be able to correctly calculate any gaming tax payable.

4.6 Fairness and Transparency

- 4.6.1. Game rules and player instructions must be clear, unambiguous and must not be misleading. These must be available without the need for money to be deposited or for bets to be placed.
- 4.6.2. There must be transparency of bet types, particularly where a licensed provider holds multiple endorsement types. For example, it must be clear to the players and in the system: whether a bet being offered is as a betting exchange licensed provider and the bet is being facilitated to match opposing views of other customers; whether bets are being held by the licensed provider, such as under a sports betting or race wagering endorsement; or whether the bets are held as an agent of another licensed provider.
- 4.6.3. It must be clear to a player how much they are betting and what they are betting on. This includes situations where the bet includes multiple selections, ways bets or other grouping types such as dependent contingencies or any tokenisation that may be implemented.

- 4.6.4. If there is a minimum bet required, this must be clear to players (either via system limits and/or terms and conditions/rules).
- 4.6.5. The name of the game being played or the event being bet on must be clear to the player.
- 4.6.6. If applicable, the function on all buttons and controls must be clear.
- 4.6.7. The presentation of a game or betting opportunity must not state or imply that:
 - a) there is an element of skill or strategy, when there is none;
 - b) the player can influence an outcome, when they cannot; or
 - c) the chances of winning are better, when they are not.
- 4.6.8. If a strategy or selection is recommended to the player it must be:
 - a) a sound strategy or selection; and
 - d) able to be rejected or over-ridden by a player's alternative strategy or selection.
- 4.6.9. The odds, price or pay table applicable must be clear to players for each bet using fixed odds. Where prizes are variable, this must be clear to players as well as how the winnings will be calculated. These must be applied correctly in accordance with the rules.
- 4.6.10. Where fixed odds betting is offered, after being quoted a price and the price decreases before the bet is placed, the system must either accept the bet at the quoted price or cease placing the bet and requote. Where the price is decreased and re-quoted, the player must specifically accept any new price before the decreased price or odds are implemented. For bets placed in the reverse situation (where the offered price increases before the bet is placed), the improved price must be placed and the player advised.
- 4.6.11. In games that have a house edge, the system must either provide sufficient information to be able to calculate the return to player or advise the calculated return to player of each game or bet type.
- 4.6.12. Automatic play of simulated games is prohibited. A player must take an action to place a bet.
- 4.6.13. Players must be able to view the last game result for decided simulated games and the result of recently decided bets on real events.
- 4.6.14. The system must time-stamp and log all gaming information and make it clear whether coordinated universal time (UTC), local time or any other specific format is used.
- 4.6.15. Where facilities provide for bulk placement of wagers, eg via an Application Programming Interface or batch processing, the facility must ensure that the system provides information on bets placed and rejected and must ensure that account balance restrictions and loss limits are not exceeded.
- 4.6.16. Where multiple languages are offered, the rules must state the base language that will prevail in a situation of conflict of interpretation or translation.
- 4.6.17. The scale of fees or any commission to be deducted must be first approved by the Commission and information on these must be easily available to the player.
- 4.6.18. The system must provide adequate system audit functionality.
- 4.6.19. The system must be able to provide reports as required by the Commission and the Act.
- 4.6.20. The licensed provider must carefully consider the bet types for situations where the player will need to confirm the bet before it is placed. Additionally, some bet types will need system confirmation to be sent after each bet is accepted. With some gaming products it will be more appropriate that confirmation is given if the player has changed the amount being bet from one game to the next (such as a simulated gaming machine).

- 4.6.21. Where applicable, the licensed provider shall have in place controls to deter and detect collusive or cheating activities. This may relate to peer-to-peer game play or where competing customers could have the ability to collude to manipulate outcomes. Rules or terms and conditions must address these issues, if applicable. The Commission needs to be kept informed of detections and any ensuing outcomes where action is being taken against a player.
- 4.6.22. If there is the potential for some players to take advantage of time differences (such as delayed telecasts or faster equipment) or the use of robots to imitate human actions, players should be advised.
- 4.6.23. The Commission understands that mobile devices may have limited screen size or reduced controls and as such it is prepared to listen to innovative ways for the Commission's requirements to be met when impacted by these limitations. It is recommended that if this is potentially an issue, this should be discussed with Branch staff in the design stage before commitments to final development and testing are made.

4.7 Rounding and Currency Conversion

- 4.7.1. If betting enables transactions of amounts less than whole units, the system will need to be able to manage rounding.
- 4.7.2. If rounding occurs, the rules and general information available to players must describe how 'rounding' will apply when calculating amounts throughout the gaming system.
- 4.7.3. Rounding may also need to occur if multiple currencies are utilised or currency conversions occur. If currency conversions apply, players shall be advised where the conversion rates are drawn from.
- 4.7.4. The Commission will disallow rounding rules and currency conversion operations that it considers are unfair.

4.8 Applications Running on End Player Devices

- 4.8.1. Where the gaming system enables or requires applications to be downloaded and/or run on end player devices, the software is considered gaming equipment and also needs to be approved by the Commission before it is able to be used. This software will be included in the agreed change control process and will either require compliance testing or a risk assessment agreed by the Commission that shows the risk as minimal. Either way, the software changes will need to be approved under the change control process before changes are implemented.
- 4.8.2. Where specific application software is run on the end player device, the gaming system must identify the version of the software used to connect with the gaming system and only allow access to versions that are suitable.
- 4.8.3. Critical functions, including the generation of any game result, cannot be determined on end player devices.

4.9 Data Centre Security

- 4.9.1. Security is paramount to the integrity of the gaming system to protect against fraud, to secure information and ensure operations as designed and approved.
- 4.9.2. The central system must be located in a secure data centre. The facility must have a secure physical locking system to prevent unauthorised access and actively monitor access. Records of physical access to the centre must be retained for at least three months and be secure against deletion or editing. It is required that camera coverage is included in this monitoring.

- 4.9.3. Unless otherwise authorised by the Commission, secure data centres hosting gaming equipment and gaming activity records must only be accessible by technicians that are licensed by the Commission, or by staff, Commission Inspectors or contractors that are accompanied by a licensed technician. Non-licensed persons must not host or operate gaming equipment in a data centre or be left unaccompanied by a licensed technician unless specifically approved by the Commission under third party contractual arrangements between a licensed provider and a third party computing or storage provider pursuant to subsection 77V(2) of the Act.
- 4.9.4. If the data centre houses multiple organisations, additional assessment to address any access risks will need to be made.
- 4.9.5. The central system physical security must be constructed in accordance with the latest Australian Standard AS 2834 for computer accommodation. In this respect the Commission will accept certification in the areas of expertise by qualified builders, electricians etc. This requirement therefore does not require certification by an ATF.
- 4.9.6. Operation of the data centre shall be in accordance with the latest versions of Standards Australia requirements AS ISO/IEC 27001 and 27002 or equivalent documents.
- 4.9.7. The Commission requires documentation of the Network Security Policy. These standards is to be reviewed and evaluated by an ATF and will need to be approved by the Commission. It will also define how verification of areas under change control will be maintained.
- 4.9.8. Where central system processing is split so that part of the process are processed outside the secure data centre to another secure data centre, communications between them must be encrypted and secure against interception.
- 4.9.9. A data storage device must not be decommissioned unless all player information is permanently erased from it. If the information cannot be fully erased, the device must be physically destroyed.
- 4.9.10. If physical or logical security is detected as having been breached and there is a risk that player information, player funds or the system may have been compromised, the Commission must be informed as soon as possible and kept updated as the investigation progresses.
- 4.9.11. The use of a non-licensed third-party data storage provider may be acceptable for the purpose of hosting a licensed provider's approved gaming equipment and records, provided the contractual arrangements entered into are authorised by the Commission and ensure that:
 - a) access to all gaming equipment and records stored on third party infrastructure is restricted to the licensed provider;
 - b) gaming equipment and records are managed and maintained in accordance with these standards (including minimum data centre security requirements) and legislative requirements;
 - c) gaming equipment and records are only operated from third party infrastructure locations within Australia;
 - d) the licensed provider maintains full control and ownership of all gaming equipment and gaming activity content stored on third party infrastructure; and
 - e) in the event the contract is terminated, suitable controls must be in place with the third party storage to enable normal access and recovery of the licensed provider's gaming equipment and gaming activity content.
- 4.9.12. A licensed provider must ensure operating systems used to host gaming equipment and gaming records are patched and configured to protect against unauthorised access.

4.10 Internal Staff Access to Gaming Systems

- 4.10.1. The system must operate secure access controls, such as using staff system accounts to access system functions necessary for all access to system configuration, player accounts and bet information (other than by the player/account holder accessing their own details).
- 4.10.2. Staff system accounts must include the following elements and controls:
- a) The system must have strong controls to track and manage what staff are able to perform, make changes or initiate maintenance in the gaming system. Changes made must be recorded in the system which will also log the date and time and user name that made each change.
 - b) The access permissions granted must be limited to what is needed for each staff member to perform their assigned duties and include a hierarchy that appropriately manages the assignment of access controls. Where warranted, the hierarchy must protect important functions by requiring critical changes to be verified and authorised by another user with appropriate access.
 - c) The minimum password policy for staff system accounts must at least equal that required for customer accounts (detailed in section 5.7), but additionally requires that password changes must be forced where the password is reset (by an administrator) or where the security of an account is suspected as having been compromised. These access permissions or the accounts must be cancelled or suspended when each staff member's employment ceases.
- 4.10.3. Procedures for adequate protection of emergency passwords (if used) must be in place
- 4.10.4. The Commission encourages that adequate testing is undertaken but requires that once a system is approved as gaming equipment, all test accounts operated on the system be notified to the Commission prior to use. Notifications can be emailed to the Branch and must include details of the person responsible for the account, the duration required and the project description or intended use of the account.
- 4.10.5. For easy management of test accounts it is a requirement that a register of existing notifications is emailed together with notification for changes to facilitate reconciliation of test account status.
- 4.10.6. The Branch will email acknowledgement of the notification.

4.11 Communications with external Gaming Systems

- 4.11.1. If bet placement or pricing information is interfaced through an external wagering system, then the following must apply:
- a) Unless the external wagering system is within the same computer room and covered by the same physical security, secure communications must be in place.
 - b) Wagers placed by the system must receive clear acknowledgement of acceptance or rejection from the external wagering system.
 - c) If the cost of the wager is determined by the external system, there must be a positive confirmation sequence in place to enable the player to accept the bet cost and for the system to determine if there are sufficient funds in the player account to meet the cost of the wager. This must include validation to ensure that loss limits are not exceeded.
 - d) The player account is not to be debited until final confirmation is received.
 - e) Similarly, cancellation requests must also receive clear acknowledgement of acceptance or rejection. Credit of cancelled bets must not occur until final

confirmation is received from the external system, including the amount of the cancelled bet.

- 4.11.2. If winning bets are entered into the gaming system via an external system, then the following must apply:
- a) unless the external wagering system is within the same computer room and covered by the same physical security, secure communication must be in place;
 - b) confirmation of receipt of the winning combination must be acknowledged by the system; and
 - c) the gaming system must use this information to correctly pay winning bets.
- 4.11.3. If the gaming system is set up to receive core functions by communicating with external systems, validation and updating of the following is required whenever these change:
- a) current odds or prices;
 - b) current jackpot values, if any;
 - c) withdrawn/reinstated selections;
 - d) altered event starting time;
 - e) event or game open/close;
 - f) results entered/modified;
 - g) results confirmed; and
 - h) events abandoned.

4.12 Communications with External Non-Gaming Systems

- 4.12.1. Where online communications with external (non-gaming) organisations are implemented, such as financial services (banks, payment facilities etc), certification agencies, software, hardware or internet support providers, the following must apply:
- a) strong authentication must be used in connections between the system and third party organisations;
 - b) all logins involving third party organisations must be recorded to an audit file;
 - c) connections to third party organisations must not use the same network infrastructure as player connections;
 - d) gaming must be disabled on all network connections except for the player network;
 - e) host computer systems must not route data packets from third party connections directly to the player network and vice-versa;
 - f) host computer systems must not act as IP routers between player networks and third party systems; and
 - g) all financial transactions must be reconciled with financial institutions and payment agencies on a daily basis.

4.13 Business Continuity

- 4.13.1. It is important from a regulatory perspective and for the success of the operator's business that the system is reliable and that it can recover from system failures.
- 4.13.2. The data centre must have a monitoring system with stand-by power facilities including an uninterrupted power supply. Dependant on the inherent risk, an independent backup generator and/or redundancy from separate incoming power supplies would be highly valued and may be required.

- 4.13.3. If a generator is included, it will need to be test operated on a regular basis and this must be included in the procedures.
- 4.13.4. Cabling used in production networks must be protected against unauthorised physical access and malicious damage. All cabling and devices must be clearly documented and labelled and/or colour coded. Coding or labelling must match that on physical devices and cabling.
- 4.13.5. Power to devices inside and on the boundary of the baseline envelope must be provided from a filtered, dedicated power circuit.
- 4.13.6. Network documentation must be kept on site and in a form that can be easily viewed (even in the event of network destruction). Documentation must include patch records, device configuration, device location, cable location and fault procedures.
- 4.13.7. An operator must be able to demonstrate to the Commission (or an ATF) the gaming system's capacity to sustain expected traffic loads, recover from typical network failures or other interruptions and prevent network intrusions.
- 4.13.8. An asset register of gaming equipment and records of system failures must be maintained and regularly assessed for reliability issues, system weaknesses and vulnerabilities.
- 4.13.9. Where players can be disadvantaged by some channels being unavailable (such as where phone bets on a betting exchange still operate but internet and mobile betting is inoperable, preventing unmatched bets from being cancelled), procedures must be implemented to identify and address these situations to maintain integrity and fairness.
- 4.13.10. The Commission must, upon request, be provided with sufficient tools and/or procedures to verify at any point in time the configuration of all devices inside and on the boundary of the baseline envelope approved by the Commission.
- 4.13.11. Security incidents must be logged and be reviewed and followed-up by the operator in a timely manner.
- 4.13.12. All accounting and any security event data must be held and be able to be accessed or retrieved for a period as prescribed in **Appendix F**.
- 4.13.13. There must be a procedure provided by the operator whereby significant events will be reported to the Commission in a format to be determined by the Commission. See **Appendix G**.

4.14 System Backup and Disaster Recovery

- 4.14.1. There must be a method of ensuring that data related to customer entitlements and government revenue can be rebuilt up to the point of the disaster (eg fire, flood etc).
- 4.14.2. Database backups need to be completed frequently (ideally in near real time) and a copy must be retained at a location other than the primary site. Backup processes must be subject to regular tests to ensure backups are reliable and recoverable.
- 4.14.3. The method used to backup and retrieve the information must ensure that the information is secure and cannot be used or obtained in an unauthorised manner
- 4.14.4. The Commission requires that the system must be able to recover critical information from the time of the last backup and be able to adequately recover to the point of failure following an interruption.
- 4.14.5. The operator needs to have in place a disaster recovery plan for serious contingencies. These must be documented and be available to key staff at all times.
- 4.14.6. The operator must be aware that if the emergency procedures of the disaster recovery plan includes performing some gaming functions and operations from an emergency location, the Commission is required to approve those locations. In order to protect

against extortion threats etc, the Commission may agree to approve such locations and not make the information public. However, the actual addresses to be used will need to be kept up-to-date with the Branch.

- 4.14.7. The Commission recognises that not all operations are of equal magnitude and in this regard will assess the requirement for a disaster recovery configuration based on the risk of each operation. The Commission is also aware that the inability of players to access an internet gaming site for more than short periods will see customers seek more reliable businesses.
- 4.14.8. A licensed provider must ensure that gaming records hosted by third parties remain protected from unauthorised access.
- 4.14.9. The Commission may approve third party storage locations for emergency or backup purposes. Under these circumstances, the licensed provider will only be required to provide confidential addresses of the third party locations to the Branch.

4.15 System Integrity and Security Incidents

- 4.15.1. The operator must have in place and operate systems to detect collusion between players in operations where this can advantage/disadvantage players. Procedures must be developed and adhered to that detect and deal with such occurrences.
- 4.15.2. Terms and conditions need to cover situations if players collude or cheat and state the likely outcomes.
- 4.15.3. The system must self-monitor critical components and alert the operator of any serious issue or failure detected.
- 4.15.4. Where serious issues or security incidents are detected, these must be reported to the Commission and it must be kept informed of what is being done to correct issues and prevent future occurrences.

4.16 Unclaimed Moneys, Unclaimed Prizes, and Dormant Accounts

- 4.16.1. *The Unclaimed Money Act 2015* requires that under certain circumstances, customer funds must be paid to the Tasmanian Department of Treasury and Finance, from where (except for underage gambling) the individuals may claim recovery of the funds paid in. In relation to Tasmanian Gaming Licences, these circumstances are:
 - a) where (monetary non account) winnings are unclaimed after six months, they are to be managed in accordance with section 76ZRA of the Act;
 - b) where (non-monetary) prizes are unclaimed after three months, they are to be managed in accordance with section 76ZS of the Act;
 - c) where accounts are inactive (no activity and the player has not signed in) for a period of two years, these are to be managed in accordance with section 76ZP of the Act (see also section 5.23 of these standards);
 - d) where account holders have not completed the identity verification requirements within 13 months of account opening, the balance of funds retained must be paid to Treasury as Unclaimed Money (see also section 5.24.7 of these standards); and
 - e) the winnings of underage account holders are to be managed in accordance with section 116 of the Act and paid to Treasury as Unclaimed Money (see section 5.20).
- 4.16.2. In each case above, the operator must remit these funds to the Treasurer by the seventh day of the following month with a schedule that provides information relating to the payment.

- 4.16.3. Where 10 or more accounts are being paid, the Treasurer requires that the information is submitted in an electronic format. Please email unclaimed.money@treasury.tas.gov.au or telephone (03) 6145 5443 to obtain details of the acceptable file formats. A copy of the information must also be sent to the Branch.
- 4.16.4. Individual exemption from forwarding unclaimed money to Treasury may be given by the Commission, upon application, where the funds are the subject of an investigation or court case relating to fraud or integrity. If exemption is provided, these funds need to be locked until the case is resolved. The Branch must be kept informed of the status of these cases, as having up-to-date information on these matters will assist with managing customer complaints.
- 4.16.5. An operator must ensure that unclaimed prize money and dormant account funds are secure against illicit access.

4.17 Reporting to the Tasmanian Liquor and Gaming Commission

- 4.17.1. The Commission has the legal right to gaming information from systems that it licences and regulates. This extends to staff of the Commission appointed as Inspectors. This must be advised to customers in the terms and conditions and/or privacy rules.
- 4.17.2. The Commission and Branch staff are bound by secrecy provisions in section 157 of the Act and may not release the information outside the requirements set down. The gaming information will be used to verify tax payments, investigate complaints, uphold integrity and other purposes under the Act.
- 4.17.3. It is expected that information requirements will be met through a combination of:
 - a) downloadable reports, eg register of players;
 - b) query reports, eg all bets for a specific period or event;
 - c) periodic reports, eg taxation, turnover and jackpot reports (if applicable);
 - d) return to player reports (showing turnover, player wins, losses etc) for each simulated game; and
 - e) event triggered reports, eg account freezing or unfreezing.
- 4.17.4. The above reports will need to be verified by an ATF and be able to be locked down so the Commission can be assured that reporting criteria have not changed. The reports must be able to be accessed by the Branch securely and in an electronic format. Branch staff will liaise with licensed providers to detail the reporting required as this may vary to some extent between different endorsement types.
- 4.17.5. The Commission or the Branch may require some ad hoc reporting queries to be provided. The Branch will liaise with the operator should this need occur.
- 4.17.6. Reports relating to taxation must calculate correctly in accordance with the Act.
- 4.17.7. Internally, the system must include tools and mechanisms to:
 - a) identify, record and report significant events;
 - b) reconcile accounts, deposits and withdrawals etc;
 - c) monitor data integrity and report anomalies; and
 - d) monitor and verify the approved baseline system (see below section 4.19).
- 4.17.8. All telephone calls between the TGL licence holder and customers must be recorded and recordings must be retained and indexed to be able to be examined by, and extracted for the Branch, if requested. The retention period is a minimum of six months from the date of the call.

4.18 System Baseline, Approvals and Auditing Requirements

- 4.18.1. As part of the initial assessment of a system, the operator must document the system components and submit this to the Commission. These standards will include:
- a) a system network document that clearly identifies the main components of the gaming system and the system network. These standards will describe the network topology and detail the interconnection of components and modules;
 - b) any procedures that are relevant to securing control of the system, ie the control system documentation; and
 - c) indication of the system components that the operator considers are core to the operation or of high regulatory risk and must be in the system baseline.
- 4.18.2. In co-operation with the operator and ATF, the Commission will determine the system baseline that is under regulation. This part will be actively monitored and require approval of changes.
- 4.18.3. The following are examples of what is expected in the system baseline:
- a) application files such as those associated with transactions, account access, event control and revenue reporting;
 - b) applications that place, amend and settle bets;
 - c) any random number generators or computer based software that determines game outcomes;
 - d) interface software that interacts with any remote outlet or third party services; and
 - e) the software used to verify that the system is operating in an approved state.
- 4.18.4. The Commission will work with the operator and ATF to determine a change process for changes within the baseline.
- 4.18.5. Core system hardware (within the baseline) is also required to be approved under the Act. Hardware approvals can be generic and will usually specify a minimum specification only. For example, where a server needs replacing and higher specification equipment is available, it will not require a new approval, only logging that the asset has changed. Approvals will normally apply no restrictions that prevent multiple implementations to allow for horizontal distributed expansion or load sharing technologies.
- 4.18.6. The Commission requires that a process be in place to manage software and hardware change approvals to ensure that the system is suitable for use in a gaming business. This will concentrate on that within the baseline.
- 4.18.7. The operator is required to maintain a hardware asset register of equipment operated that must be available for Commission staff to inspect as required.
- 4.18.8. A range of solutions for software verification and approvals have been utilised in the past. Examples that have been accepted have ranged from a locked down system with a system baseline that is verified at each new release to a system based on risk management principles using a traffic light process. An example of this is where system functions have been classified as either needing to be tested before approval, to those that are either tested in arrears in batches or where the risks are considered minimal, only sample tested or not tested.
- 4.18.9. The default position is that the Commission will approve the system and subsequent software changes after testing. However, the Commission is willing to consider other processes. Any alternative processes must satisfy the Commission that the following will be met:

- a) that the risks (of not requiring ATF testing before approval) can be adequately managed and there are sufficient controls. If components are allocated lower risk and are to be treated differently, these must be identified and agreed as part of the process;
- b) if testing is permitted to be performed retrospectively after approval/implementation, timeframes of when testing will occur must be agreed as part of the process; and
- c) it must be possible for the ATF or the Commission to audit system software to determine how it was structured and implemented at a point in time; and also to determine if any unapproved changes have been made to the system baseline.

4.18.10. Section 76ZZIA of the Act enables the Commission to put in place a process to enable emergency system changes to be made to gaming systems. The emergency process must be reserved for true emergency situations where the faults are detected in gaming sites that makes it vulnerable or for players to be disadvantaged. Any emergency changes made must be approved by the Commission as soon as possible after they are made, through the agreed process. Prior to initiating an emergency change, the Branch must be notified by email (noting that receipt confirmation or approval is not required before solutions or protections are implemented).

4.19 System Test Bed

The Commission has a preference that operators have a dedicated test bed available that is as near to identical to the live system as practical that can be used for compliance, operability and integration testing. If this is not practical, the operator should discuss with the Branch alternative solutions that can achieve similar outcomes.

4.20 New Products and New Infrastructure

- 4.20.1. New gaming and wagering products will require submissions to the Commission for approval.
- 4.20.2. The operator may seek to have concepts pre-approved before substantial changes or new product development, testing and submission for final approval. This is an effective way to obtain confidence that products or system changes are more likely to be approved and can minimise costs and delays.
- 4.20.3. The operator and/or its suppliers must have in place a method to ensure the software on which any ATF evaluation is performed, is the same as the software submitted for approval and used in live operation. To this end the following goals are to be met:
 - a) the ATF must verify and confirm that all the system software being submitted for approval is the same as that which was evaluated and is subsequently added to the system baseline. Changes outside the system baseline will not be required to be approved.
 - b) there must be a procedure which outlines the method for verifying that the executable software on the production system is operating in an approved state.
- 4.20.4. It is expected that the operator will implement (and maintain) the following matters in regards to system audit:
 - a) ensure that adequate system security procedures and policies are in place (and that critical issues are actioned upon by management in a timely and accurate manner);
 - b) all significant audit log entries must be monitored and followed up;
 - c) there must be satisfactory security and control over database applications, and critical configurable parameters to ensure the integrity of the system;

- d) all remote or dial-in access must be strictly logged and monitored;
- e) network and communications security procedures are to be established, enforced and maintained; and
- f) all interfaces to any subsystems are to be managed securely, and security reviews are to be performed from time to time.

4.21 Computer Monitoring Systems and Network Management Systems

- 4.21.1. The Commission recommends a “Help Desk” facility be provided to assist outlets, approved locations and customers with problems, disputes and maintenance calls. This should have sufficient capacity for normal operations.
- 4.21.2. The operator must have in place mechanisms to:
 - a) monitor hosts inside or on the boundary of a baseline envelope; and
 - b) monitor network devices and network control devices inside or on the boundary of a baseline.
- 4.21.3. A device outside a baseline envelope must not be able to affect the configuration of network devices or network control devices by:
 - a) imitating the IP address of a host monitoring system or a network management system;
 - c) imitating the hardware address of a host monitoring system or a network management system;
 - d) replaying previously captured communications; or
 - e) modifying critical data or be able to affect the proper operation of the central system.

4.22 Internal Control and Accounting Manuals

- 4.22.1. The operator will need to prepare and have the Commission approve, detailed Internal Control and Accounting Manuals (ICAMs) of the gaming business.
- 4.22.2. The Commission will need to approve any subsequent changes to ICAMs.
- 4.22.3. The operation of the system must be administered in accordance with the relevant internal control system and the procedures included complied with.

5. Player Accounts, Cash Bets and Self Service Terminals

This section covers the technical requirements that are specific to player accounts, cash bets and self service terminals, where these services are offered.

Please note that a player account is not required for a player to make use of a ‘soft’ gaming product where play is non-monetary and for points only. If an account is used solely for this, the identity verification is not required. Any soft gaming offered by an operator must operate under the same parameters as any live gaming on the site including return to player, rules, etc, and must not be misleading.

5.1 Participation in Account-Based Gambling

To participate in gaming or wagering through a telecommunications system, telephone betting or the Internet, the gaming system must include an account service. To bet using these services, a person must:

- hold an account with that gaming system operator;

- be at least 18 years of age;
- not have exceeded their loss or deposit limit; and
- not be excluded.

5.2 Player Accounts

An account can only be created for:

- a) a natural person who is at least 18 years of age and is not excluded from gaming or wagering on the operator's gaming system; or
- b) a business where the business entity has nominated a responsible natural person who is at least 18 years of age.

5.3 Account Registration and Customer Identity Verification

- 5.3.1. To accept bets using player accounts (excluding soft gaming points play), the operator must ensure the player is registered with that operator. Registration must include full name, residential address and date of birth. It is recommended that the system have the ability to record other contact methods such as email addresses and telephone numbers.
- 5.3.2. Customer identity verification is a critical aspect of account gaming. It minimises the risk of criminal activity such as fraud, underage gambling and provides protection to operators and players. Strong identity verification requirements also enhance the ability to protect the integrity of racing and sporting events upon which gaming and wagering occur.
- 5.3.3. The key areas that require positive verification are full name, residential address and that the player is not underage (by verification of date of birth) which also becomes another item to link identity data.
- 5.3.4. With the exception of an initial period of three days from first registering, every account holder must have their full name and age verified, including confirmation the customer is not a minor. Unverified accounts must be prevented from funds being withdrawn or transferred and the Commission has set a maximum deposit limit for unverified accounts specified in **Appendix F** of these standards.
- 5.3.5. The Commission requires the operator to actively manage unverified accounts and encourage players to complete an approved process.
- 5.3.6. The identity verification processes used must first be approved by the Commission. It is possible that the process will consist of a combination of different methods to make up the approved process. For example, a combination of document based evidence may be combined with electronic evidence, provided the two methods can be soundly linked. Another example may be to mail 'welcome' information to new customer's residential address that includes a code to be entered into the account. In this example, the ability of these customers to be able to enter the correct code would provide acceptable verification that the residential address is correct at that time.
- 5.3.7. Changes of name (upon marriage etc) must be supported by documentation.
- 5.3.8. The date that identity is verified and the method used must be recorded so as to provide an audit trail of how each customer was verified. Where this is verified by approved third parties, details of the responsible party and method must also be recorded.
- 5.3.9. Operators should also be aware of their obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) which can often be aligned with the Commission's identity verification requirements.
- 5.3.10. Each account, on which satisfactory verification has not occurred after three days, must be frozen until positive verification occurs.

- 5.3.11. Where the verification method has identified that an account holder is a minor, all deposited funds must be returned to the account holder and the account must be immediately closed.
- 5.3.12. Accounts on which satisfactory verification has not occurred at 13 months since opening, must be closed and remaining funds treated as unclaimed money in accordance with section 4.16.1(d). These accounts may be reopened if subsequently verification is achieved.
- 5.3.13. Where an account that has previously been frozen or closed due to non-achievement of identity verification and verification is met, unfreezing or reopening the account must not override other reasons for restricting the account, such as exclusions or fraud investigation.
- 5.3.14. Accounts that are permanently closed must be recorded as such rather than the records deleted. This is required to ensure that customer accounts that are closed due to permanent exclusions, for example, are not reactivated.
- 5.3.15. The Commission reserves the right to require that all or some player verifications be re-verified or aspects re-verified if issues are detected.

5.4 Document based Identity Verification Methods

- 5.4.1. One option to verify customer identity is to utilise official documents such as passports and licences. This can be based on a process of physically sighting the original documents, or on copies or scans of the documents that have been endorsed by a Justice of the Peace or Commissioner for Declarations.
- 5.4.2. Copies or scans of documents used to meet the requirements must be archived as an audit trail for future reference and retained for at least one year after the account is closed.
- 5.4.3. Fully documented procedures will need to be developed and utilised in this process.

5.5 Electronic Player Identity Verification

- 5.5.1. The Commission may approve a system that either fully or partially verifies customer identity if it is satisfied that it will be accurate. The data sources utilised must contain trusted data only.
- 5.5.2. If only electronic data is used to verify identity, at least two separate data sources must be used and these must be authenticated by two fields of full name and date of birth

5.6 Third Party Player Identity Verification

- 5.6.1. Verification of player identity may be undertaken either by the operator or by a third party approved by the Commission.
- 5.6.2. If the operator is to use verification of player identity undertaken by a third party, the operator must establish a formal trust relationship with the third party prior to accepting verification advice. If used, the following will apply:
 - a) the trust relationship must not be hierarchical, ie an operator must establish a separate trust relationship with each third party;
 - b) the verification procedures by any third party must be approved by the Commission and be as stringent as those used directly by the operator;
 - c) the processes used must be audited (at least annually) by the operator. The Commission must be advised if deficiencies are detected;

- d) the operator shall have in place arrangements for Commission staff to be able to inspect the records of player verification information of the third party verifier, if required;
- e) the Commission may require an operator to terminate a trust relationship at any time. If a trust relationship is terminated by the parties involved, the Commission must be advised immediately; and
- f) the Commission reserves the right to require all or some player verifications established through a trust relationship to be re-verified if issues are detected.

5.7 Player Account Security

- 5.7.1. Player online session access must be restricted through the input of account name and secure passwords or a secure PIN when access is via a portable personal device, such as mobile phone or tablet devices.
- 5.7.2. Customer passwords associated with user accounts must be alphanumeric (contain a combination of both alpha and numeric characters) and be a minimum of eight characters in length. Storage of passwords on the system must only be in an encrypted, non-reversible form. If identification is other than by the use of passwords, the operator will need to demonstrate how it is as secure and obtain approval from the Commission.
- 5.7.3. Implementation of PIN access on portable personal devices, such as mobile phones or tablet devices, requires entry of a minimum of four characters (alpha, numeric or mixed). PINs must only be able to be set up or altered on the device after signing in with the player's full account name and password.
- 5.7.4. Player information of a personal nature must only be stored on the system in an encrypted or hashed form. Personal player information includes, but is not limited to:
 - a) passwords (which must only be stored in an encrypted, non-reversible form on the system);
 - b) PINs must be stored in an encrypted, non-reversible form. Reversible encryption is only permitted for the purpose of stateless authentication operations. Encrypted PIN information must remain secure when it is stored and decrypted PIN information must not be transferred, transmitted or kept for future use after PIN authentication has been completed.
 - c) all financial institution account numbers;
 - d) all credit card numbers;
 - e) all credit card expiry dates; and
 - f) questions and expected answers to challenge questions set up to confirm customer identity (eg mother's maiden name).

5.8 User Login for Accounts

- 5.8.1. The system must restrict the number of successive attempts to sign into a customer account using an incorrect password and implement other methods to detect and report attempts to breach account security.
- 5.8.2. Information relating to attempts to log into each account shall be retained by the system for at least the last 31 days, including IP address or the machine number if the attempt is made through a mobile device.
- 5.8.3. Where an account has not been accessed or attempted to be accessed for in excess of the last 31 days, only the last login or attempted login details need to be retained.

- 5.8.4. Upon successfully signing into an account, the system must disclose to the customer the date and time of the previous session.

Note: This requirement is also applicable to account operation made via SSTs.

- 5.8.5. It must be clear to each player when they are signed into their account. Should the operator selectively end an individual player's session, the player must be informed that this has occurred. This is not necessary where a session has timed out due to inactivity.
- 5.8.6. SSTs must have 'pause button' functionality made available from the venue operator's terminal so that SST transactions are able to be paused by venue staff.

5.9 User Log Out and Inactivity

- 5.9.1. The system must offer an easy facility for a player to log out of an account.
- 5.9.2. Where the system cannot detect disconnection of a player session, the system must log out each session with no player activity after a set time. The period set may be global across all players but is to be determined by the operator to be appropriate to the inherent risk. If the risk assessment rates this risk as low, then the period can be as long as 24 hours of inactivity, if appropriate, but not longer.
- 5.9.3. Where appropriate, the system may offer players the ability to be able to set a period that is less than that set under point 5.9.2 above, but not for a greater period.
- 5.9.4. The system must be able to quickly log off or prevent further system access of specific accounts or for all accounts, if required.

5.10 Cookies

The operator must include an 'Acceptable Cookies' policy in the Internal Control and Accounting Manual (ICAM) and disclose the use of Cookies to players.

5.11 Information Held in an Account

As a minimum, a gaming system must record and maintain the following information about an account holder and their account:

- a) the date the account was opened;
- b) full name of account holder and history of changes;
- c) date of birth of account holder (NB. holder must be 18 or older);
- d) residential address of account holder;
- e) postal address of account holder (discretionary);
- f) email address of account holder;
- g) current status of account, ie closed, open, frozen, and history of changes;
- h) transactions on the account;
- i) current status of identity verification, ie identity verified or unverified and history of changes;
- j) details of how identity was verified, when, how and by whom, eg physically sighted and/or received electronically; by the operator or a third party;
- k) exclusion details for the account holder and history of changes, ie whether an exclusion applies, its type, date it commenced and/or was revoked;
- l) deposit and/or loss limit details and history of changes;
- m) current unexpended loss limit and the remaining period or date the period ends;
- n) bank account details;

- o) transaction details (for an agreed period up to at least the preceding seven years); and
- p) security measures to access account, eg passwords, PINs, challenge questions and answers must only be stored using non-reversible encryption.

5.12 Account Records and Statements

- 5.12.1. Maintaining accurate records is good business practice and a requirement of the Act. It helps to ensure a system is auditable and assists to resolve complaints. Operators should be aware of the financial provisions under Part 9 of the Act as well as their obligations under the State's *Taxation Administration Act 1997*.
- 5.12.2. An operator must ensure that all records relating to a game or gaming activity it conducts are kept at a place approved by the Commission and are retained for not less than seven years after the completion of a transaction.
- 5.12.3. The Commission is aware that the *Taxation Administration Act 1997* requires financial records be retained for not less than five years, however, is of the view that gaming information should be retained for at least seven years in accordance with section 141 of the Act. Any questions about the type of records that need to be maintained can be addressed to Branch staff.
- 5.12.4. Players must be able to view any undetermined, unsettled or yet to be accepted bets (such as bet offers waiting to be accepted or matched).
- 5.12.5. Not all information needs to be maintained online and in real time. Account details should be available (near to real time) as should betting history and transactions required under section 14 of the Commission's Rules, but other historical data may be archived. The Commission must approve an operator's archive/storage procedure and any off site location of records.
- 5.12.6. Information about significant events is to be kept for two years. The Commission may consider alternative proposals from operators on the level of detail of transaction activity that must be maintained, on a case-by-case basis.
- 5.12.7. High level identifying information about account holders are to be kept for the life of the business, or for a minimum of 100 years, to ensure that excluded players are not able to re-register.
- 5.12.8. A licensed provider must keep an accurate and up-to-date register of players entitled to wager in a gaming activity by means of a telecommunications device. A person is a registered player if the person's name is in the register of players kept by the licensed provider.
- 5.12.9. Player records must be able to be inspected electronically at any time by the Commission and the Branch. The minimum detail included in the player records will be:
 - a) full name of account holder;
 - b) date of birth of account holder;
 - c) account number and reference used by the system such as username;
 - d) if the account is part of a master/sub account relationship – the master account number or reference must be recorded against each sub account;
 - e) date the account was opened;
 - f) date of first bet;
 - g) date of the last bet;
 - h) date of first deposit;

- i) date of last deposit;
- j) date of last customer activity, which can be the last successful login, even if no other action is performed;
- k) currency of the account, if applicable;
- l) current account balance;
- m) current exposure for unsettled bets;
- n) residential address of account holder including country (if Australian resident, include the state/territory as a separate field);
- o) current status of account, ie closed, open, frozen, excluded and the date that the status was last updated;
- p) identity verification status, ie identity verified or unverified and date of last change;
- q) exclusion status and date exclusion commenced (if applicable);
- r) the customer loss or deposit limit value set and period (ie daily, weekly, monthly, yearly); and
- s) the remaining value available to reach the current loss or deposit limit period.

5.12.10. An account statement must be available to the account holder via the gaming system. An account statement must include the transaction activity for that account (or to a level agreed by the Commission depending on the type of game and associated risk). As an example, race wagering systems will need to show sufficient detail to be able to identify the race (including date), runner, bet size and price taken of each bet and any winnings paid. A player statement for a simulated roulette game would need to show at least session dates and the total amount bet and won during that session. Statements should show total winnings, losses, deposits and withdrawals for the period of the statement, including information set out under section 14 of the Commission's Rules.

5.12.11. The purpose is to allow players to reconcile statements against their own records and to assist to resolve complaints. In addition, an operator may choose to provide account statements to account holders in an alternative form, such as by email or post.

5.13 Deposits and Withdrawals

5.13.1. Management of player accounts requires functionality to process deposits and withdrawals. Regulation by the Commission extends to all those processes to enable it to investigate complaints and ensure fairness for customers of licensed providers.

5.13.2. The Act requires that customer withdrawals are processed the next business day, following receipt of a valid withdrawal request. In this case, "processed" would include the initiation of a deposit to a financial institution or dispatch of a cheque. In other words, the Commission expects all parts of the process under the control of the operator to be completed by the next business day following receipt of the request.

5.13.3. As detailed in section 5.3.4, withdrawals or transfers of player funds or deposits exceeding the limit specified in **Appendix F** cannot occur until verification of the player's identity has occurred.

5.13.4. The provision of credit must not be provided to customers other than by way of a customer's independently-issued credit card and/or other equivalent customer forms of payment.

5.13.5. To process deposits using credit cards and other forms of payment, the operator must receive acknowledgement from the credit provider or payee before deposited funds can

be cleared and used to bet. Advice from an end player device that the transaction has been sent is not considered sufficient.

5.14 Account Holder Exclusions

- 5.14.1. An operator must provide a facility for a player to be excluded from a gaming activity on the gaming system, either:
- a) by receipt of a third party TGL exclusion order issued by the Commission. The Commission will determine if the third party is of sufficient close personal interest to the person subject to the application and whether the third party exclusion should be granted. A TGL exclusion order can only be revoked by the Commission; or
 - b) at the player's request (self-exclusion).
- 5.14.2. A self-exclusion must be received by written notice. Written notice can include an email from the account holder or a system facility that allows the request to be made online. Online system self-exclusions should provide all the information the player requires and necessitate entry of the user's password or PIN for authentication.
- 5.14.3. A self-exclusion cannot be revoked during the first six months it is in place. An operator's system must inform the player of this requirement.
- 5.14.4. In accordance with section 76ZNB(4) of the Act, as soon as practicable (and no later than three days) after receiving a self-exclusion notice or a TGL exclusion order, the player's account must be prevented from further betting. The account must be amended to indicate that it is excluded, the type and the date of exclusion and date after which it may be revoked.
- 5.14.5. An excluded person must be advised in writing (letter or email) that their account has been excluded (and how and when any funds remaining in the account will be remitted). This needs to take into account unsettled or incomplete bets. Preference is to minimise operator initiated contact with excluded players, so it is preferred that this advice is clear and comprehensive.
- 5.14.6. An operator must ensure that no marketing or other unsolicited information is sent to an excluded person. This is to include information from a third party that has been given the personal details of the excluded customer (for example third party marketing or customer survey contractors). These arrangements should be able to retract these customers to ensure no further contact.

5.15 Reporting Account Status Changes

- 5.15.1. It is a requirement of the Act that the Branch is notified of account status changes where:
- a) accounts or player funds are frozen or unfrozen; and
 - b) accounts have exclusions imposed or removed.
- It is preferred that this reporting is automated or by details being emailed.
- 5.15.2. If the status change is as a result of the freezing of the funds of the account, the Branch must be notified within 24 hours. If the status change is as a result of an exclusion, the Branch must be notified within three days. The information required in each case is:
- a) account number or identifier;
 - b) account name;
 - c) the date of effect; and
 - d) the reason for the change.

5.16 Account Loss Limits (Pre-Commitment)

- 5.16.1. All licensed providers offering account based betting must provide a way for customers to limit the amount of money that may be lost while participating in the gaming activity, eg a pre-commitment limit per period of time.
- 5.16.2. While the Act stipulates that the limits must be able to be set for a period of a month, the Commission also supports the use of player selectable options of weekly and annual periods provided that the monthly limit is one of the options available.
- 5.16.3. The ability to be able to set a loss limit is mandatory, although it is voluntary as to whether individual account holders choose to set a limit or not.
- 5.16.4. Implementing a loss limit takes effect immediately at a player's request. A licensed provider must inform a player that a limit has been set and the period it covers. The confirmation can be through the gaming system or by email.
- 5.16.5. A player must be able to amend their loss limit that has been set. If the amount that may be lost is decreased, the new limit must take effect immediately. If the amount that may be lost is increased, then the new limit cannot be applied for seven days from the time the change was requested. When adjusting a limit, a player must be informed that the limit has been implemented and when the limit will take effect.
- 5.16.6. Setting or editing a loss limit can be by way of a written notice or can be implemented through the gaming system, which should require password or PIN confirmation. The system should explain to players how to set and modify loss limits.
- 5.16.7. The Commission's preference is that loss limits are able to be easily accessed from both the sign up and deposits areas of the system.

5.17 Account Deposit Limits (Opt-Out Pre Commitment)

- 5.17.1. Account deposit limits must be made easily accessible and effectively promoted to account holders.
- 5.17.2. Customers opening accounts must be prompted to optionally set a binding deposit limit during the account sign-up process.
- 5.17.3. The gaming system must ensure that account holder deposit limits operate correctly and prevent customers from making further deposits after their limits have been exceeded.
- 5.17.4. Implementing a deposit limit takes effect immediately at a player's request. A licensed provider must inform a player that a limit has been set and the period it covers. Confirmation can be through the gaming system or by email.
- 5.17.5. Account holders must be able to amend their deposit limit that has been set. If the amount that may be deposited is decreased, the new limit must take effect immediately. If the amount that may be deposited is increased, then the new limit cannot be applied for seven days from the time the change request was received. After varying a limit, an account holder must be informed that the limit has been implemented and when the limit will take effect through the gaming system or email.
- 5.17.6. Account holders must be able to nominate the applicable time period for their deposit limit from a range of periods, including daily, weekly, fortnightly and monthly limit options.
- 5.17.7. Account holders (including account holders who have previously opted not to set a deposit limit) must be prompted by the licensed provider at least annually to set and review their deposit limit. As a minimum, the licensed provider must ensure that prompts are provided to account holders at or prior to the time of their next bet placement following each anniversary of their first bet.

Note: This requirement to annually prompt account holders to consider setting deposit limits is only applicable to active accounts where a betting transaction has been made on their betting account within the preceding:

- a) 12 months for non-player loyalty program members; or
- b) six months for player loyalty program members.

- 5.17.8. The prompt provided to an account holder to set or review a deposit limit must be made via the same channel being used by the account holder for placing their bet at the time the prompt is due. This provision does not apply to self service terminals.
- 5.17.9. The process provided to an account holder to change or set their deposit limit must be available via the same channels for placing a bet, in addition to being able to set or change their deposit limit in writing. This provision does not apply to self service terminals.
- 5.17.10. The licensed provider must ensure that the availability of the pre-commitment schemes are promoted beyond initial account sign-up, with education and awareness of the scheme shown on its website and its promotional material.

5.18 Trading Accounts

Trading accounts are prohibited.

5.19 Account Security and Privacy

- 5.19.1. A licensed provider must ensure that player accounts remain secure against unauthorised access to player funds and the information held in an account remains secure and private, is not manipulated in any unauthorised way and is only used for the purpose it was intended.
- 5.19.2. Account IDs must be unique. If the system provides the ability for new customers to choose an account ID, the system must include controls to prevent systematic mining of existing usernames.
- 5.19.3. Licensed providers need to comply with relevant Australian privacy provisions, including the *Privacy Act 1988* (Cth) and the current Australian Privacy Principles.
- 5.19.4. Information held in an account must be:
 - a) maintained online in a secure manner or stored offline as approved by the Commission; and
 - b) treated as strictly confidential, except where the release of that information is agreed by the player or as required by law.
- 5.19.5. Release of information to the Commission does not require account holder acceptance. However, this may need to be required for third party verification or integrity agreements with sporting and racing bodies.
- 5.19.6. A licensed provider must not prevent a player from participating in a gaming activity because they will not allow their personal information to be provided for marketing purposes.
- 5.19.7. A licensed provider must log every occasion it accesses a player's account and log every adjustment it makes to an account. This activity must be recorded and retained in accordance with procedures in place.

5.20 Minors

- 5.20.1. A 'minor' is a person who is under the age of 18 years.
- 5.20.2. The Act prohibits minors from participating in any gaming activity.

- 5.20.3. An operator must have procedures in place to address the involvement of a minor in a gaming activity, eg what to do if it is discovered that an account is held in the name of a minor or an account opened on a minor's behalf.
- 5.20.4. The Commission must be notified when a minor is detected participating in a gaming activity. That player's winnings, if any, must be forfeited to the Tasmanian Department of Treasury and Finance pursuant to *section 116 of the Act* and in accordance with the Unclaimed Money Act 2015.

5.21 Foreign Currency

- 5.21.1. If foreign currencies are offered, an operator must have procedures in place for converting currencies and these must be approved by the Commission. The procedures must specify when and how conversion takes place and the source of the rate(s) that are used.
- 5.21.2. The source of the conversion must be agreed by the Commission for taxation calculation purposes, which will be paid in Australian dollars.
- 5.21.3. Information must be available to players about when and how conversion takes place and the source of the conversion rate that will be used.
- 5.21.4. The Commission will disallow conversion methods that it considers are unfair.

5.22 Account Transactions

- 5.22.1. Appropriate methods of players making deposits into a player's gaming activity account can include transfers from customer independently-issued savings and credit accounts and from physical deposits. The Commission will consider proposals from operators for alternative ways of funding accounts.
- 5.22.2. An operator must not accept a bet that would cause an account to become negative or for a player to go beyond their loss limit.
- 5.22.3. A licensed provider's gaming system is required to take into account a player's exposure in order to ensure accounts are not overdrawn and that player loss and/or deposit limits are not exceeded. In doing so, the system may take into account fully hedged amounts or locked-in winnings.
- 5.22.4. A licensed provider must not allow player initiated transaction activity to commence for an account after it has been frozen or closed.
- 5.22.5. A player whose identity has been verified and who holds an active account that has not been frozen must be able to withdraw available funds from their account. Withdrawal of funds by the registered player or their personal representative, must be remitted to the player (ie have been sent from the operator) no later than the first working day after the request is received.
- 5.22.6. The system must record details of all transactions in a player account, including deposits, withdrawals, bets, payment of winnings and information set out under section 14 of the Commission's Rules. Commission approval is required for all schedule of fees, charges or commission rates to be charged to customer accounts.

5.23 Dormant Accounts

- 5.23.1. The system must have a way to identify and manage dormant accounts. An account is dormant if there has been no player activity recorded for two years. Player activity includes a player logging in, making a deposit or withdrawal of funds or the placing of a bet.
- 5.23.2. Unexposed funds in dormant accounts must be either returned to the player - or if they cannot be found - treated as unclaimed money.

- 5.23.3. At least one month prior to an account becoming dormant, an operator must make reasonable effort to contact the holder of these accounts. For small balances an email to the last known address is considered a reasonable effort but for larger amounts exceeding \$200, additional contact effort is expected, such as a telephone call or letter. Where a player is able to be contacted, they must be advised that:
- a) the account will be closed unless there is activity within the next month; and
 - b) any funds remaining in the account immediately prior to its closure must be treated as unclaimed money and be paid to the Tasmanian Department of Treasury and Finance in accordance with section 4.16.1(c) of these standards.

5.24 Frozen Accounts

- 5.24.1. The system must have a way of freezing an account. Freezing an account means to prevent further betting from that account and lock the funds in the account. The funds must not be disbursed in any way, unless specifically approved by the Commission.
- 5.24.2. Where an account is frozen, the operator must advise the Commission within 24 hours the details of the account being frozen and the date, time and reason for the change of status. It is recommended that the system is capable of reporting this information automatically to the Commission and that the system stores this information to assist with customer enquiries and reconciliations.
- 5.24.3. The licensed provider must attempt to contact the account holder to advise that the funds in the account have been frozen unless there is good reason against contacting them, such as they are now an excluded customer.
- 5.24.4. The status of an account must be changed to “frozen” where:
- a) it has existed for three days and the account holder’s identity has not been verified;
 - b) the account is held by a minor or a minor has been involved in gaming activity using that account;
 - c) the operator detects fraudulent or illegal activity and needs to protect funds in the account;
 - d) on other reasonable grounds freezing the funds is justified; or
 - e) where the Commission directs the operator in accordance with subsection 76ZQA(2) of the Act.
- 5.24.5. Unverified accounts are to be closed within a maximum period of 13 months of the account being opened.
- 5.24.6. Any funds remaining in the account immediately prior to its closure will be treated as unclaimed money and will need to be paid to the Tasmanian Department of Treasury and Finance in accordance with section 4.16.1(d) of these standards.
- 5.24.7. Players are to be advised of these processes, including directing the player to the Unclaimed Money website (www.treasury.tas.gov.au/budget-and-financial-management/guidelines-instructions-and-legislation/unclaimed-money-guidelines) which will explain how unclaimed money may be retrieved.
- 5.24.8. The status of a frozen account may be changed if, for example:
- a) the account holder’s identity is subsequently verified;
 - b) an investigation into the operation of an account is complete; or
 - c) the Commission directs that the funds are unfrozen.

5.25 Freezing Funds in an Account

- 5.25.1. It must be possible for the system to freeze all or a part of the funds in an account. Freezing part of the funds in an account will lock that amount from being able to be withdrawn, transferred or bet in the system, but does not inhibit use of the remaining funds.
- 5.25.2. Where funds in an account are frozen, the operator must advise the Commission within 24 hours the details of the account involved and the amount, together with the date, time and reason for the action. The account holder should also be advised what funds in the account have been frozen, unless there is good reason against contacting them, such as if they are now an excluded customer.
- 5.25.3. The Commission must be similarly advised if the frozen funds are later unfrozen, providing details of the account, the date, the amount of funds unfrozen and the reason for the change.
- 5.25.4. If the account is closed while part of the funds are still frozen, the Commission must be informed and provided with advice as to the reason for the account closure and what has happened to the part of the funds that were frozen.

5.26 Closing Accounts

- 5.26.1. The status of an account must be changed to "closed" if:
 - a) requested by the Commission in accordance with subsection 76ZU(5)(ca);
 - b) the account holder has been verified to be a minor;
 - c) the account holder has become a permanently excluded player. These may only ever be reopened with the approval of the Commission;
 - d) the account is dormant and funds have been paid to Treasury in accordance with section 5.23 of these standards;
 - e) the account holder's identity has not been verified within 13 months of the account being opened and funds have been paid to Treasury in accordance with section 5.24 of these standards;
 - f) the results of an investigation warrants its closure;
 - g) determined by the operator in alignment with its terms and conditions; or
 - h) at the request of the account holder. 5.26.2 The licensed provider must ensure that the process for account closure is prominent and clearly articulated on their website and made available within a customer's 'My Account' window or its equivalent.
- 5.26.2. The process provided to an account holder to close their account must be simple and provided via the same channels available to them to place a bet, in addition to other methods such as email and telephone.
- 5.26.3. The account closure process must commence as soon as practicable after a request has been received and result in the account being closed after all placed bets are settled.
- 5.26.4. An account holder must not be encouraged or induced to keep their account open following a request to close their account.

Note: It is acceptable for a licensed provider to explain the effects of closure to a customer and seek their confirmation before closing the account.
- 5.26.5. The licensed provider must not directly promote or market to an account holder following the closure of the account holder's account.

- 5.26.6. An account holder should be advised if their account has been closed. An email to the last advised email address is one acceptable method. A letter or telephone call (where the call is recorded) are others.
- 5.26.7. If the closure is the result of an exclusion, contact should be kept to a minimum, therefore, where possible, this advice should also provide detail of what will occur to remaining funds or outstanding undecided bets, if any.
- 5.26.8. The status of a closed account may be changed if:
 - a) the account was previously dormant and the account holder requests that it be reactivated;
 - b) the account holder's identity is positively verified and they are not a minor; or
 - c) an exclusion is revoked.

Cash Bets

5.27 Wagers Accepted at Approved Locations/Approved Outlets

- 5.27.1. Some endorsement types permit accepting wagers at approved locations or approved outlets (see **Appendix B** for endorsement types).
- 5.27.2. These locations/outlets must be approved by the Commission in advance to be able to accept cash bets.
- 5.27.3. Where cash bets are accepted at approved locations and outlets, the system must record full details of the bet and provide the customer with a receipt or ticket (in some form). The receipts or tickets issued can have abbreviated information but must still be clear as to the event date, the selection as well as the bet type and wager amount. The receipt or ticket shall be used for verification for collection of winnings.
- 5.27.4. The gaming system must record and take into account all bets accepted and all payout liabilities. Gaming systems must record the approved location or outlet and terminal at which transactions occurred.
- 5.27.5. If betting is able to be performed at an approved location or approved outlet using funds from the customer's account, a satisfactory identification method must be in place. A satisfactory system would include cards or other identity methods which are verified by entry of a password or PIN entered by the player in a terminal for verification or a similar secure method. It is not considered satisfactory security for customers to have to call out account and confirmation information in front of other customers.
- 5.27.6. If withdrawals from wagering accounts are possible from an approved location or approved outlet, a verification method equivalent to that required for section 5.13.3 will also need to be in place.
- 5.27.7. Points of sale, collection, account opening and enquiry counters at approved locations and outlets must be under coverage of recorded surveillance in accordance with the requirements of the TLGC Recorded Surveillance Rules.

5.28 Exclusions at Approved Venues and Approved Locations

- 5.28.1. A person can apply to be excluded under section 112B of the Act to enter approved venues or approved locations. Approved venues and locations affected need practices and procedures in place to ensure that excluded persons do not enter and must not be permitted to bet.
- 5.28.2. Under section 112C of the Act, a person with a close personal interest may apply to the Commission to exclude a person from entering the premises or betting with a licence holder. If the Commission agrees, it will issue an exclusion order. It may issue an exclusion

order from entering specified premises and from engaging in gaming or gaming activities at those premises. If affected, the TGL holder needs to have procedures in place to implement such exclusion orders.

- 5.28.3. Under section 112E of the Act, a TGL holder may exclude a person from entering the premises or betting with the licence holder. The TGL holder needs to have procedures in place to implement such exclusions.
- 5.28.4. Under section 112G of the Act, the Commissioner of Police may exclude a person from entering the premises or betting with a licence holder. In these circumstances, the TGL holder needs to have procedures in place to implement such exclusions.

Self Service Terminals (SST)

5.29 Self Service Terminals

The Commission may approve fixed location self service terminals (SSTs) to operate at approved outlets or approved locations within Tasmania, where:

- 5.29.1. SST hardware and software has been tested and certified to be secure, fair and auditable. This refers to physical security as well as secure communications with the host.
- 5.29.2. SST cards must have satisfactory protection against duplication and fraud
- 5.29.3. SSTs must be under the coverage of recorded surveillance in accordance with the requirements of the Commission's Technical Standards for Recorded Surveillance in all Gaming and Wagering Premises and must comply with any conditions determined appropriate by the Commission.
- 5.29.4. Where the SSTs enable fixed odds betting, the system must notify the customer if the price decreases between selecting the bet and placing it and return the customer to the bet screen where they may adjust their bet if required. Bets placed in the reverse situation (where the offered price increases before the bet is placed) must be placed at the improved price without needing to reject the original bet.
- 5.29.5. SST transactions must meet all requirements for dormant accounts (if applicable) and unclaimed winnings in relation to unclaimed monies. Funds must be handled in accordance with regulatory requirements outlined in section 4.16 of these standards.
- 5.29.6. Where SSTs use stored value cards or account based betting, operating transactions in an SST must meet the requirements of account based betting and have in place processes to ensure the player is not a minor or an excluded person and that betting on credit cannot occur.
- 5.29.7. Where SST cards operate either using account based cards or have functionality that enables transfers from other accounts, these must have pre-commitment (deposit or loss limit) functionality and include wins and losses through SSTs in these calculations.
- 5.29.8. SST operations must have clear and simple methods for customers to collect winnings or funds on abandoned/cancelled events. Customers must not be required to re-bet remaining or returned funds.
- 5.29.9. Where SST cards are issued on a temporary basis and are able to be re-used, the system must ensure that balances are not carried across from one user to another and that the systems are reconciled on a regular basis.
- 5.29.10. Where SSTs accept cash, the Commission will need to be satisfied that such implementation will sufficiently meet the Commission's requirements for management of exclusions and problem gambling for these types of systems to be operated, in addition to any other conditions imposed by the Commission.

5.30 Exclusions Operate on Self Service Terminals

- 5.30.1. As outlined in section 5.28, exclusions can be initiated by the affected person themselves, a third party with a close personal interest of the affected person, the Commissioner of Police or the TGL holder.
- 5.30.2. Exclusions can apply at applicable venues and locations, therefore TGL holders must ensure that practices and procedures are in place to ensure that excluded persons do not bet on SSTs at venues and locations included in an exclusion.

6. Methods of Determining Outcomes

6.1 General

- 6.1.1. All critical functions, including the generation of any functions that generate or contribute to game results, must be independent of the end player device or by a real event that is verifiable.
- 6.1.2. Game outcomes must not be affected by communications bandwidth, link utilisation, bit error rates or other characteristics of the communication channel between the gaming system and the end player device.

6.2 Random Number Generators

A random number generator (RNG) is a device that can generate sequences of numbers or symbols that do not exhibit a predictable pattern, ie they appear at random. Terms relevant to the operation of some, but not all, RNGs are defined in **Appendix E**. These terms include: cycle, cycling, entropy, mapping, range, raw results, scaling, state and seeding.

- 6.2.1. The outcome of a game of chance must be determined by an RNG in accordance with the associated rules, game design and payout table (eg the selection of game symbols, production of game outcomes or selection of mystery jackpot trigger values). The outcome must not be influenced, affected or controlled by any other means.
- 6.2.2. The Commission must approve all methods of RNG implementation. The following categories are recognised:
- a) software based (or pseudo) RNGs - use a deterministic algorithm, ie future outcomes are directly dependent on previous outcomes;
 - b) hardware based RNGs – use an electronic circuit or integrated circuit that is cryptographically strong. They must not be used as a stand-alone RNG, but to compliment the state or output of another RNG. They are a recommended source for seeding the initial state of an RNG; and
 - c) mechanically based RNGs – use a physical process that cannot be predicted as the initial conditions and subsequent changes are unknown, eg a roulette wheel, dice or ball drawing device.
- 6.2.3. The Commission recognises that:
- a) a RNG may comprise several other RNGs and of a different category;
 - b) there may be a specific underlying or low level RNG, within an overall RNG, that is used to generate raw results; and
 - c) software based RNGs are likely to be most commonly used, but each submission, regardless of the category of RNG proposed, will be considered on a case-by-case basis.
- 6.2.4. All RNG outcomes must be able to be proven to:
- a) produce outcomes that are unpredictable;

- b) be statistically independent;
- c) be uniformly distributed over their range and equally probable;
- d) pass various recognised statistical tests; and
- e) be secure from manipulation.

6.2.5. Operators are encouraged to contact the Branch for advice on RNG implementations while developing their application/submission.

RNG security:

6.2.6. The following information must be kept secure:

- a) the internal state of a software or hardware RNG; and
- b) RNG cycling and other background RNG activity.

6.2.7. It must not be possible for knowledge of RNG outputs or internal aspects of an RNG to be used to gain an advantage in a betting decision.

RNG seeding:

6.2.8. Software RNGs must be seeded. The RNG must gather sufficient entropy to create a unique and unpredictable initial state. Gathering random entropy for seeding from a hardware-based RNG is highly recommended.

6.2.9. Seeding must be minimised and must not become routine practice. The method of seed generation must:

- a) ensure that all seed values are determined securely;
- b) ensure that the next game outcome is not predictable;
- c) ensure that the system cannot operate after power up without a seed. Should the system use a hardware-based RNG, and that hardware is not present, this should be detected and the operator notified;
- d) ensure that the same sequence of random numbers is never used by more than one device at the same time;
- e) not be visible externally; and
- f) be approved by the Commission.

RNG scaling:

6.2.10. If a random value in a range shorter than that provided by the raw RNG output is needed, a method to scale raw output to the shorter range must be provided.

6.2.11. The method of scaling must ensure that all numbers within the lower range are equally probable.

6.2.12. The method of scaling must be linear and must not introduce any bias, pattern or predictability. RNG outputs both before and after scaling must pass tests for randomness.

RNG cycling:

6.2.13. The state of a software RNG must be kept unpredictable during operation by, for example, the use of cycling or the introduction of additional entropy.

6.2.14. The method used to keep the RNG unpredictable must not affect the statistical properties of the RNG outputs.

Use, range, period, and mapping, where applicable:

- 6.2.15. The RNG should not be used to determine an outcome until after bets have been placed according to game rules.
- 6.2.16. The period of the RNG, in conjunction with the methods of implementing the RNG outcomes, must be sufficiently large to ensure that all game outcome combinations are possible for the given games/applications.
- 6.2.17. The range of raw values produced by the RNG must be sufficient to provide precision and flexibility when scaling and mapping in order to accurately implement the game's mathematical model.
- 6.2.18. Any mappings to convert random numbers into events of chance must be uniformly distributed and unpredictable.
- 6.2.19. RNG determined outcomes must be immediately used in accordance with the rules of the game and must not be discarded due to adaptive behaviour by the game.

Mechanical RNGs:

- 6.2.20. Results from a mechanical RNG must be random, clear and not open to confusion.
- 6.2.21. The randomness of a mechanical RNG can be affected by inadequate operating techniques, mechanical wear, damage to, or tampering with, that device. Operating procedures must be in place and approved by the Commission that address:
 - a) care and preventative maintenance;
 - b) security, including recorded camera coverage;
 - c) the secure transporting of RNGs;
 - d) realistic maximum lifetime or maximum cycle limitations;
 - e) operational safeguards such as initial starting position not correlating to output position (eg ball drawing devices) and ensuring that the device remains level during operation; and
 - f) approved procedures for commissioning and decommissioning devices, such as sealing and unsealing devices to ensure there is no unlawful intervention.
- 6.2.22. A mechanical RNG must not have any taint, bias or patterns without acceptable safeguards in place that have been approved by the Commission. If the RNG develops any of these things, monitoring and testing must be continued on an ongoing basis to ensure that randomness is not being negatively impacted. If this is considered an issue, it must be reported to the Commission as soon as practicable.
- 6.2.23. Mapping is not preferred, but if used must be obvious, unambiguous and clearly visible eg odds and even results in Roulette.

6.3 Ball Drawing Devices

- 6.3.1. A ball drawing device is a mechanical RNG. It is used to jumble lottery balls and select them at random. The selected balls are able to be quickly identified.
- 6.3.2. The Commission must approve all methods of RNG, including ball drawing devices. Specific requirements are outlined from section 6.2.

6.4 RNG Monitoring

- 6.4.1. Mechanisms to monitor the randomness of all RNG types must be in place to identify when/if an RNG is not performing acceptably, results are not random or a hardware RNG has failed.

- 6.4.2. The randomness of an RNG must be monitored. Where applicable this will include review of:
- a) the seeding process;
 - b) RNG outcomes; and
 - c) mechanical wear or damage.
- 6.4.3. Any access to an RNG must be secure and securely logged.
- 6.4.4. Where unacceptable bias or patterns are detected, the Commission should be informed.

6.5 Real Events

- 6.5.1. A real event is an event that physically occurs and is not computer-generated or simulated.
- 6.5.2. The licensed provider must make rules easily available to all players about placing bets on real events. They must be consistent with the relevant section of the Act and its associated Regulation(s).
- 6.5.3. Betting rules must be published to explain at least the following examples that may apply:
- a) betting rules for event types;
 - b) bet types and the available options for each;
 - c) how the outcome of an event will be determined, eg if based on times, then specify official times or if the outcome is determined by the winner, then it needs to explain if that is determined by the racing body administering that code or another body;
 - d) what will occur if more than one selection satisfies the criteria for a winning outcome, eg a 'dead heat';
 - e) how the process will occur if there is a disputed result;
 - f) what will occur if an event is abandoned;
 - g) the circumstances under which the operator can amend and re-enter a result, such as when paying first past the post and there is a subsequent protest that is upheld;
 - h) what will occur if a selection is taken out of the pool, eg withdrawn or scratched;
 - i) circumstances where all wagers on a selection are lost when withdrawn or do not make the selection process, eg 'ante post' betting;
 - j) circumstances and outcome under which the operator may change the payout table/odds on an event, eg reduction factors or drawn results;
 - k) the handling of withdrawn selections for wagers involving multiple events, eg parlays, accumulators or multi bets; and
 - l) handling of re-instated selections, especially if 'field' selections are offered.
- 6.5.4. The licensed provider must keep a log of any changes to the rules relating to placing bets on live events.
- 6.5.5. Where rules are altered for events being offered, all rule changes must be clearly time and date stamped showing the rule applicable in each period. If multiple rules apply to an event, the system must apply the rules that were in place when the bet was accepted.
- 6.5.6. The Commission will disallow rules that are unfair or misleading.

6.6 Adjusted Payouts

- 6.6.1. Depending on the gaming product offered, the system may require a facility to enable resettlement of bets or adjustment of payouts (changes to winning selections or changed

rates, dividends or odds) after winners have been declared and/or paid (or losing bets refused).

- 6.6.2. This may occur where there is a runner scratched, the imposition of adjustment factors, an amendment of the official outcomes or recalculation of dividends or odds, as examples.
- 6.6.3. In each case where adjusted payouts can occur, the rules need to cover the situations and the following requirements must also be met:
- a) Details must be included in the rules to clearly explain the circumstances when such adjustments or resettlements may occur and, if so, how they will be calculated. If adjustment factors are to apply for scratched runners, the adjustment factors applicable to each runner must be available when bets are being entered.
 - b) How these will be implemented must be clearly set out to players. Where the bets were taken via account betting, the adjustments/resettlements will be implemented through the affected accounts as soon as practicable.
 - c) Where adjusted payouts of cash bets are necessary, the new rates or winning selections must be made available as soon as practicable. Where bets have not been collected, provision for adjusted payouts should be made available quickly and where payments have already been made but later require adjustment, processes must be put in place to facilitate this in an appropriate manner. This should include appropriate signage to advertise to patrons the changes and a process to confirm an adjustment is payable.
 - d) Where account betting is affected, the adjustments should be clear to customers. One approach may be to email affected customers explaining what has occurred and how it has been corrected. In some situations it may be more appropriate to also telephone affected customers. Some situations of cash betting may require advertising of the changes through the media.
 - e) These processes must be included in the Internal Control and Accounting Manuals and the processes need to be followed.
 - f) These events must be reported to the Commission and be recorded in a register. Details required include the reason for the change, the effect and how they were implemented.
 - g) Where customers are underpaid and are not able to be paid the adjustment funds, these must be included as unclaimed prizes in accordance to section 4.16 of these standards.

7. Sports Betting

7.1 Background

- 7.1.1. Sports betting requires the operator to hold a TGL with a sports betting endorsement.
- 7.1.2. This authorises the licensed provider to conduct betting on approved sports events by way of a telecommunications device (Internet and/or telephone/data line) or with persons who are physically present at an event or situated at an approved location.
- 7.1.3. Sports events include real races, real sports, games, fights, exercises or pastimes or any other prescribed activity, eg elections, social events, but do not include horse, harness or greyhound race events as these require a race wagering endorsement or a betting exchange endorsement. For clarity see the definition of "sports event" in the Act.

Please note that to have a prescribed activity added to the list requires an approved inclusion in *Gaming Control Regulations 2022* before the Commission can determine to

declare by Gazette Notice its approval for the activity to be wagered on. The process takes some time and early advice of an intention to offer new events is required.

7.2 Requirements

- 7.2.1. A licensed provider must develop and publish rules for sports betting.
- 7.2.2. A licensed provider must comply with the player protection requirements outlined in section 3 of these standards in offering sports betting to the public.
- 7.2.3. A licensed provider must comply with the general systems requirements outlined in section 4 of these standards.
- 7.2.4. A licensed provider's system must comply with the requirements of section 6 of these standards – *Methods of determining outcomes*.
- 7.2.5. A licensed provider with a sports betting endorsement must also comply with any other requirements the Commission may publish in offering sports betting to the public.

8. Race Wagering

8.1 Background

- 8.1.1. Race wagering requires the licensed provider to hold a TGL with a race wagering endorsement.
- 8.1.2. This authorises a licensed provider to offer betting on horse racing, harness racing and greyhound racing conducted with fixed odds systems. The licensed provider is authorised to accept wagers on horse races, harness races and greyhound races by way of a telecommunications device (Internet and/or telephone/data line) and from persons that are physically situated at an approved location.

8.2 Requirements

- 8.2.1. A licensed provider must comply with the player protection requirements outlined in section 3 of these standards in offering race wagering to the public
- 8.2.2. A licensed provider must comply with the general systems requirements outlined in section 4 of these standards.
- 8.2.3. A licensed provider's system must comply with the requirements of section 6 of these standards – *Methods of determining outcomes*.
- 8.2.4. A licensed provider with a race wagering endorsement must also comply with any other requirements the Commission may publish or request from time to time.

9. Simulated Gaming

9.1 Background

- 9.1.1. Simulated games betting requires the licensed provider to hold a TGL with a simulated gaming endorsement.
- 9.1.2. This authorises the licensed provider to conduct simulated games by way of a telecommunications device (Internet and/or telephone/data line) or a person physically situated at an approved location. Please note that in respect of simulated gaming, an approved location cannot include a location in which a Licensed Premises Gaming Licence is in force.

9.2 Requirements

- 9.2.1. A licensed provider must comply with the player protection requirements as outlined in section 3 of these standards in offering simulated gaming to the public.

- 9.2.2. A licensed provider must comply with the general systems requirements outlined in section 4 of these standards.
- 9.2.3. A licensed provider's system must comply with the requirements of section 6 of these standards – *Methods of determining outcomes*.
- 9.2.4. The theoretical return to player of approved games must be available to players and games must perform to that level after sufficient levels of play to ensure they operate as programmed with integrity.
- 9.2.5. Unless specific dispensation is granted by the Commission, games will not be approved where the calculated return to player is below 85 per cent.
- 9.2.6. Monitoring and reporting will be required on each variation of the game types offered to ensure that each are operating correctly and at the expected return to player. Data required to be collected and retained include the value of turnover and wins and the number of games played.

9.3 Time Limits on Play

- 9.3.1. While not mandatory, the Commission supports the use of players being able to set a limit on the amount of time they can spend playing simulated gaming.
- 9.3.2. Where tournaments or similar are being played, the time limits set should not prevent completion of the tournament, however, it should prevent commencement in a new tournament until the player's selected period of time has elapsed.
- 9.3.3. Where it is appropriate during sustained long game play, the Commission believes that the system should suggest to the player that it may be appropriate to take a break.

9.4 Game Fairness Objectives

- 9.4.1. Games must be able to be shown demonstrably, as well as theoretically, to meet the return to player percentage. If ancillary features (for example, free games or jackpot prizes) are available, these features must be available to be won at all times, when betting occurs.
- 9.4.2. Unless approved otherwise, the Commission would expect all simulated games offered to have an expected average overall return to player of at least 85 per cent.
- 9.4.3. Game play must be independent of previous games and must not adjust the theoretical return to player based on past payouts.
- 9.4.4. Game play and instructions must be stated unambiguously and shall not be misleading or unfair to the player. All statements must be true.
- 9.4.5. Game rules and pay table information must be directly available to the player or accessible from the player interface via a hyperlink or similar arrangement. This information should be available without the need of funds deposited or funds staked. Game information, symbols, artwork or help screens must not be indecent or offensive.
- 9.4.6. All games are to be fair to players in that the game must not be designed to give the player a false expectation of better odds by falsely representing any occurrence or event. For example, games (and features within games) that incorporate an illusion of control in that players are offered an option which appears to provide an opportunity to influence the outcome of a game using skill, when in fact the outcome cannot be influenced by the use of skill and/or the outcome has already been determined, will not be considered acceptable.
- 9.4.7. The outcome of a game must be independent of the end user device specifications (CPU, memory, etc) as well as effective bandwidth or other communication characteristics of the communications channel. These factors must not affect the outcome of any games.

- 9.4.8. The display of the result of a game outcome must not be misleading or deceptive to the player (eg must not improperly indicate a near-miss).
- 9.4.9. The mapping of numbers directly from the RNG output or through a scaling algorithm shall not influence a symbol to occur with a probability not equal to its statistical expectation.

9.5 Multiple Wins

- 9.5.1. The game should clearly state the payment of prizes where multiple wins are possible, including:
- a) a clear description of what patterns will be paid when a combination may be interpreted to have more than one winning combination and if more than one combination is paid, how they are treated (eg “coinciding wins are added” if that is what the game provides);
 - b) in relation to any scatters, or substitute features that can affect pay lines, the rules of the game must make clear the affect and treatment of those attributes; and
 - c) where multiple wins are awarded the game must make clear how the wins are being paid.
- 9.5.2. In displaying game outcomes in multi-win games, pay amounts for the individual and total prizes must be clearly displayed.

9.6 Multiple Wagers

Where it is possible for the player to place multiple wagers in a game, each separate bet and any winning amount, together with the total winning amount, must be clearly displayed.

9.7 Card Games

- 9.7.1. Any games that use multiple decks of cards must clearly indicate the number of cards and card decks in play.
- 9.7.2. The consequences for games depicting playing cards being drawn from a pack are:
- a) card selection must be from a deck of cards that correctly reflects the status of previously drawn cards (including changes in odds of drawing the remaining cards);
 - b) cards, once removed from the pack, must not be returned to the pack, except as provided by the rules of the game depicted;
 - c) the pack must not be reshuffled, except as provided by the rules of the game depicted; and
 - d) as cards are removed from the pack, they must be immediately used as directed by the rules of the game.

9.8 Ball Drawing Games

The consequences for games depicting balls being drawn from a barrel (eg keno) are:

- a) at the start of each play, only balls applicable to the game are to be depicted;
- b) balls, once removed from the barrel, must not be returned to the barrel, except as provided by the rules of the game depicted;
- c) the barrel must not be re-mixed, except as provided by the rules of the game depicted; and
- d) as balls are drawn from the barrel, they must be immediately used as directed by the rules of the game.

9.9 Spinning Reels, Dice Rolling, Coin Tossing Games

For games that simulate or involve:

- a) spinning reels;
- b) spinning wheels;
- c) rolling of dice;
- d) tossing of coins; or
- e) other similar activities.

the following will apply:

- i. for each spinning reel, the probability of any one position appearing must be as for the actual physical device (eg 1/20 for a 20 position reel), unless the game rules clearly indicate otherwise;
- ii. for each spinning wheel, die, coin etc, the probability of any one face or outcome being selected must be as for the actual physical device (eg 1/10 for a 10 segment wheel; 1/6 for a 6 faced die; 1/2 for a coin toss);
- iii. except where provided by the rules of the game, the behaviour of each reel, wheel, die, coin etc must be independent of all others; and
- iv. except where provided by the rules of the game, the behaviour of each reel, wheel, die, coin etc must be independent of its previous behaviour.

9.10 Other Games

- 9.10.1. Game fairness objectives for other games such as horse/car/animal racing, golf/football, virtual reality, etc, will be assessed on a case-by-case basis, applying the general game fairness objectives specified.
- 9.10.2. Any games which have a finishing sequence shall display all of the sequence, eg a race will display all contestants finishing.

9.11 Incomplete Games/End of a Play Definition

- 9.11.1. Where games can be left incomplete, the system must either complete these games according to the game rules or retain a player's position of the incomplete game and require that this is completed before the player can commence another game.
- 9.11.2. A play is considered incomplete when:
 - a) games with player choice have been commenced but the player has not made the selection to complete the game;
 - b) games trigger a free game feature and any subsequent free games have yet to be played out;
 - c) a "second screen" bonus feature is won but not played; or
 - d) games where the rules permit wagering of additional credits, where the additional selections have not been made.
- 9.11.3. In this section, a play is considered complete when the final transfer to the player's credit meter takes place (in case of a win) or when all credits wagered or won that have not been transferred to the credit meter are lost.
- 9.11.4. A valid exception to the requirements of this section are when there is a large win that is being processed or validated manually, and in these cases further games can be played before the transfer of the win has been finalised. Players must be advised that this is occurring.

9.11.5. Other exceptions to section 9.11.1 will need to be approved by the Commission.

10. Major Lottery

10.1 Background

- 10.1.1. Major lottery betting requires the operator to hold a TGL with a major lottery endorsement.
- 10.1.2. This authorises the licensed provider to conduct and sell tickets in major lotteries and/or pools by a telecommunications device (Internet and/or telephone/data line), through the post or from persons physically present at an approved location.

10.2 Requirements

- 10.2.1. A licensed provider must comply with the player protection requirements outlined in section 3 of these standards in offering a major lottery to the public.
- 10.2.2. A licensed provider must comply with the general systems requirements outlined in section 4 of these standards.
- 10.2.3. A licensed provider's system must comply with the requirements of section 6 of these standards – *Methods of determining outcomes*.
- 10.2.4. A licensed provider with a major lottery endorsement must also comply with the following specific system requirements in offering major lottery products to the public:
- Pay tables are to be approved by the Commission;
 - If the system uses an RNG, the RNG requirements of section 6.2 and other references to RNG operation must be complied with;
 - Where physical balls are drawn, the balls need to be certified to be within specification and kept in safe storage under continuous video recording between draws. The licensed provider will need to discuss security arrangements and the period retention of the video recordings with the Branch. Draw results will need to be retained and analysed for randomness in accordance with section 6;
 - Video of lottery draws will need to be recorded and the recordings retained. The Commission may seek to be represented in attendance at these draws; and
 - Any other requirements the Commission may publish or request from time-to-time.

11. Betting Exchange

11.1 Background

- 11.1.1. Betting exchange operations requires the licensed provider to hold a TGL with a betting exchange endorsement.
- 11.1.2. This authorises the licensed provider to operate a betting exchange by way of a telecommunications device (Internet and/or telephone/data line) and broker wagering through that betting exchange.

11.2 Requirements

- 11.2.1. A licensed provider must comply with the player protection requirements outlined in section 3 of these standards in offering betting exchange products to the public.
- 11.2.2. A licensed provider must comply with the general systems requirements outlined in section 4 of these standards.

- 11.2.3. A licensed provider's system must comply with the requirements of section 6 of these standards – *Methods of determining outcomes*.
- 11.2.4. A licensed provider with a betting exchange endorsement must also comply with the following specific system requirements in offering bet matching to the public:
- a) Betting Exchange income from account holders must come via an approved commission structure. However complex the structure of the commission rates, these must be pre-approved by the Commission;
 - b) Betting Exchange income from account holders must come via an approved commission structure. However complex the structure of the commission rates, these must be pre-approved by the Commission;
 - c) A report will need to be available to the Branch to be able to identify account holders, events or bets assigned a rate of commission in selected periods. Along with identifying the commission value or range requested, the report needs to be able to return values that are nil or null;
 - d) The licensed provider's system must only broker wagering for registered players with accounts;
 - e) The licensed provider must have the systems and resources to monitor transactions to be able to uphold the integrity of racing and sports betting on those events, including the ability to monitor direct and indirect participants in events;
 - f) The licensed provider must make available in real time, betting information to racing and sporting regulatory bodies (whose products are offered) and the Commission to enable monitoring of individual betting;
 - g) The licensed provider must have in place wagering rules for each brokered wagering event and its contingencies and ensure that registered players can consult those rules electronically;
 - h) The licensed provider must ensure that the Commission is able to inspect the wagering rules electronically at any time;
Rule changes after a market is opened must show the change and this must be time and date stamped;
 - i) The licensed provider's system must not broker wagering under disallowed wagering rules;
 - j) The licensed provider's system must not broker wagering in respect of a contingency for which there are no wagering rules;
 - k) Any wagering that occurs under wagering rules before their disallowance are to be settled as the Commission instructs;
 - l) Any wagering that occurs in respect of a prohibited brokered wagering event is to be settled as the Commission instructs;
 - m) Unless otherwise specifically approved, the bet matching process must match unmatched bets at each price point according to priority, based on the oldest unmatched bet that has next priority. Changes to price points offered must be treated as a new bet in relation to this priority; and
 - n) No skimming is permitted between the price that a betting exchange bet is accepted at, and the price the opposing bet is accepted for.

11.3 Offshore Computer Equipment

- 11.3.1. A licensed provider with a betting exchange endorsement may, with the written approval of the Commission, use offshore computer equipment for Tasmanian betting exchange operations.
- 11.3.2. A licensed provider with a betting exchange endorsement who uses authorised offshore equipment for Tasmanian betting exchange operations must comply with such instructions as the Commission may from time-to-time give regarding that computer equipment and its use.
- 11.3.3. Staff appointed as Inspectors by the Commission must be able to access information held on offshore equipment relating to Tasmanian operations, if requested.

11.4 Player Funds in Trust

- 11.4.1. All player funds must be held in trust and cannot be encumbered or used as security for a loan.
- 11.4.2. Accounts used by these trusts must be in compliance with *section 139 of the Act*.
- 11.4.3. Variation or exemption to these requirements can only be made by written approval of the Commission.
- 11.4.4. At all times, the balance of trust accounts must equal or exceed the total value of players funds held by the operator unless:
 - a) pending deposits have not been finalised by the deposit taking institution; or
 - b) the Commission has approved arrangements for funds to be held in trust in other Australian jurisdictions that satisfy this requirement. If approved, the value of the funds held in those jurisdictions may be taken into account to reconcile the trust value for this requirement.

12. Totalizator

12.1 Totalizator Background

- 12.1.1. Totalizator betting requires the licensed provider to hold a TGL with a totalizator endorsement.
- 12.1.2. It authorises the licensed provider to conduct pari-mutuel wagering on horse races, harness races, greyhound races and sports events by way of a telecommunications device (Internet and/or telephone/data line), or from persons physically present at an approved outlet.
- 12.1.3. Pari-mutuel betting is a system of betting where bets of each type are placed in a 'pool' and winners receive a share of the pool in proportion to their stake. When the results of an event are known, the pool (minus a commission) is divided by the total bets of winning selections to declare a dividend for payment per unit on that totalizator wagering contingency.
- 12.1.4. While some totalizator endorsements may entitle the licensed provider to exemption of annual fees to conduct sports betting, race wagering, simulated gaming and agency arrangements under that licence, the licensed provider must still comply with the requirements of those endorsements in these standards if those services are offered.

12.2 Requirements

- 12.2.1. A licensed provider must comply with the player protection requirements as outlined in section 3 of these standards in offering totalizator products to the public.

- 12.2.2. A licensed provider must comply with the general systems requirements as outlined in section 4 of these standards.
- 12.2.3. A licensed provider's system must comply with the requirements of section 6 of these standards – Methods of determining outcomes.
- 12.2.4. A licensed provider with a totalizator endorsement must also comply with the following specific system requirements in offering race wagering to the public:
- a) a licensed provider's system must ensure the wagering funds of registered players are not able to be disbursed or otherwise dealt with except as authorised;
 - b) a licensed provider's system must ensure an account used for the licensed provider's totalizator operations must:
 - i. not be used for any other purposes; and
 - ii. be maintained with an authorised deposit-taking institution that carries on business in Australia, at a branch or office of that institution that is physically located in Tasmania;
 - c) the licensed provider must have in place rules for totalizator wagering and ensure that players can consult those rules;
 - d) the licensed provider must ensure that the Commission is able to inspect the wagering rules electronically at any time;
 - e) the licensed provider's system must not allow wagering under disallowed wagering rules;
 - f) the licensed provider's system must not allow wagering in respect of a contingency for which there are no wagering rules;
 - g) any wagering that occurs under wagering rules before their disallowance is to be able to be settled as the Commission instructs;
 - h) any wagering that occurs in respect of a prohibited wagering event is to be able to be settled as the Commission instructs;
 - i) the licensed provider must not allow wagering on contingencies relating to:
 - i. competitions or events held in Tasmania that are unlawful; or
 - ii. competitions or events held elsewhere that would, if they were to be held in Tasmania, be unlawful.
 - j) subject to any prescribed requirements or conditions, the licensed provider's system is to be able to conduct a totalizator on behalf of a racing club at any meeting that is:
 - i. under the control of the racing club; and
 - ii. a race meeting or betting-only meeting within the meaning of the Racing Regulation Act 2004 - but not beyond, in aggregate, a total of 40 meetings in each calendar year for all racing clubs.
- 12.2.5. In relation to approved outlets and on-site betting:
- a) before on-site betting can occur from any location, details of the proposed outlet must be advised to the Commission with at least 10 days notice. The Commission may disallow an outlet;
 - b) the software and hardware utilised in each approved outlet must be approved; and
 - c) recorded camera coverage of each selling and winnings collection points must be in place and in accordance with the TLGC Recorded CCTV Surveillance Rules.

12.3 Dividend Calculations

- 12.3.1. Totalizator dividend operation, including its formula, must operate in accordance with sections 4D and 76ZEH of the Act and section 6 of the *Gaming Control Regulations 2022*.
- 12.3.2. The process used by a totalizator must include the following:
- a) dividend formula, including rounding of declared dividends and accounting for these values;
 - b) procedures for applying a minimum pool amount guarantee;
 - c) minimum prize payouts;
 - d) procedures for withdrawn selections;
 - e) procedures for multiple winners of a bet type through dead heats;
 - f) treatment of field wagers where changes of selections status can occur, such as withdrawn selections being reinstated;
 - g) abandoned event procedures; and
 - h) procedures and processes for when there are no winning bets including countback levels, jackpots and pool refunds (with or without commission), if these are to be used.
- 12.3.3. The calculated dividend payment must be rounded down to the nearest 5 cents, unless otherwise authorised pursuant to section 76XA of the Act.

12.4 Dividend Adjustments

- 12.4.1. Where a minimum pool amount is applied, if at the time of calculating the dividends the pool is less than the advertised minimum pool amount guaranteed, the totalizator operator must pay the pool top-up amount to equal the amount advertised.
- Note:** for the purposes of clarity the Act does not permit a licensed provider to discount unbacked situations when paying the top-up amount bets from the pool amount.
- 12.4.2. Where dividends are amended before any payouts have been made, it is preferable that the dividend is recalculated and the new rate is paid.
- 12.4.3. If there are not enough funds in the totalizator pool to pay players the minimum dividend, the totalizator must pay the shortfall.
- 12.4.4. Where dividends are increased after some payouts have been made, payout rates are to be adjusted for uncollected bets as soon as practical. The operator must have in place procedures to pay an adjusted amount for players who have already been paid the lower amount. This allows for an adjustment to raise the payout to the new rate.
- 12.4.5. Where players have been underpaid, the procedures must include a method to advertise that the dividends have been adjusted.
- 12.4.6. Where this occurs in relation to account based betting, the accounts of affected customers should be adjusted as soon as practicable and include sufficient advice for them to understand the reason for the adjustment.

12.5 Wagering Information

- 12.5.1. Players must be able to see reasonably up-to-date values of total wagering pools.
- 12.5.2. Players must be able to view reasonably up-to-date information for simple wagering pools (eg prospective payouts).
- 12.5.3. Where a minimum pool amount is applied, the minimum pool amount guaranteed must be advertised before wagers are accepted on any event.

12.5.4. Players must be able to view the results of all decided events.

12.5.5. Players must be able to view withdrawn participants in all events.

13. Agent Endorsement

13.1 Description

13.1.1. Authorises the licensed provider with an existing gaming endorsement to enter into and participate in arrangements with unrelated gaming or wagering providers under which the licensed provider may:

- a) provide electronic portals to gaming or wagering products of those providers;
- b) accept wagers on behalf of those providers by way of a telecommunications device (Internet and/or telephone/data line) or from persons physically present at an approved location; and
- c) in return, the licensed provider may receive fees, commissions or other financial benefits, either directly from the unrelated gaming and wagering provider or from the account holder.

13.2 Requirements

13.2.1. A licensed provider must comply with the player protection requirements outlined in section 3 of these standards.

13.2.2. A licensed provider must comply with the general systems requirements outlined in section 4 of these standards.

13.2.3. A licensed provider's system must comply with the requirements of section 6 of these standards – *Methods of determining outcomes*.

13.2.4. It must be clear to players that bets are being settled by an unrelated party to the licence holder.

13.2.5. Arrangements must be in place to advise customers what is in place if the agent betting provider does not, or is not able to, honour valid winning bets.

13.2.6. There must be a clear complaints process, obvious to players, that includes how the player can contact the regulator of the gaming or wagering operator conducting the service to the agent, whether that is the Commission or otherwise.

13.2.7. A licensed provider's system must ensure the wagering funds of registered players are not able to be disbursed or otherwise dealt with, except as authorised.

13.2.8. A licensed provider must also comply with the following specific system requirements in offering agent betting to the public:

- a) the licensed provider must have in place rules for agent betting and ensure that players can consult those rules;
- b) the licensed provider must ensure that the Commission is able to inspect the rules electronically at any time. The Commission may disallow any rules, which in the Commission's opinion are:
 - i. oppressive or unfair;
 - ii. inadequate or incomplete;
 - iii. misleading, inaccurate or poorly drafted; or
 - iv. unsatisfactory on any other grounds;
- c) the licensed provider's system must not allow betting under disallowed rules;

- d) the licensed provider's system must not allow betting in respect of a contingency for which there are no rules;
- e) any betting that occurs under rules that are subsequently disallowed must be able to be settled as the Commission instructs;
- f) any betting that occurs in respect of prohibited events is to be able to be settled as the Commission instructs;
- g) the licensed provider must not allow betting on contingencies relating to:
 - i. competitions or events held in Tasmania that are unlawful; or
 - ii. competitions or events held elsewhere that would, if they were to be held in Tasmania, be unlawful; and
- h) should the agent betting being undertaken be equivalent to a betting exchange process as described by the Act, the operator must have in place processes to comply with section 76ZDM regarding interested persons betting.

14. Simulated Gaming Jackpots

14.1 Jackpot Operations

- 14.1.1. The Act does not prevent a licensed provider offering a jackpot on or over the gaming products offered. Jackpots are considered gaming products and require approval of the Commission. Approval will encompass the equipment and software used, as well as the parameters and option settings.
- 14.1.2. In order to obtain approval, the Commission needs to understand how all jackpots operate, including methods of increment, triggers and resets. Detail should include the jackpot rules, how the different levels are structured, including start up, secondary pools and expected hit rates. Information on the hardware and software is also required.
- 14.1.3. Robust integrity and security of communication is required between the jackpot controller and the gaming system.
- 14.1.4. The following are the general principles that the Commission will expect to be in place in relation to jackpots that are offered:
 - a) all players contributing to a jackpot pool or participating in a jackpot must be capable of winning the jackpot;
 - b) jackpot operations are transparent, fair and unbiased;
 - c) jackpot contributions, increments and balances are correct;
 - d) jackpot totals reconcile and operate within approved parameters;
 - e) jackpot wins are paid to the winning players;
 - f) reports are built that demonstrate the above;
 - g) if the jackpot win is based upon a random event or target, then the methodology used to select the random event must comply with the requirements given in section 6 of these standards - *Methods of determining outcomes*; and
 - h) mystery trigger values (if used) must be a random selection within the required range and be stored in such a way as to prevent access by staff or customers to view or change the mystery hidden target value.
- 14.1.5. Retirement of jackpot pools will usually require approval of the disbursement method for any remaining balance. Normally, the funds that remain would be approved for transfer to a replacement jackpot or disbursed to players (that would likely have contributed) in some other fair way.

- 14.1.6. The Commission will need to understand how the gaming system will operate if the jackpot system fails to operate or communicate with jackpot controllers.
- 14.1.7. The licensed provider must make rules about jackpots available to all players. The rules must explain:
 - a) how a player becomes eligible to win a jackpot;
 - b) how a player is advised of a jackpot win;
 - c) any ceiling values for jackpot pools, including the handling of any overflow pools, if applicable; and
 - d) how the licensee will address and resolve any apparent simultaneous or coinciding wins (if any).
- 14.1.8. The Commission will disallow jackpot rules that are unfair or misleading.

14.2 Jackpot Information to Players

- 14.2.1. It must be obvious to players when they are joining and leaving a jackpot game/event.
- 14.2.2. Jackpot rules must be available to players and jackpots must operate according to those rules.
- 14.2.3. The current jackpot amount that is displayed on all participating end player devices must be updated by the system at least every 30 seconds.
- 14.2.4. When a jackpot (game deterministic or mystery) is won, notification of the win (and the amount) must be sent to the winning end player device.
- 14.2.5. Additionally, whenever there is a jackpot win, these should be advised to all players currently participating in that jackpot.
- 14.2.6. Players must be notified when a jackpot is not operating, eg by displaying “jackpot closed” or other relevant information on end user devices.
- 14.2.7. The rules must advise players if reactivation of the jackpot from the shutdown state will return the jackpot to its value immediately before the shutdown or otherwise.

14.3 Jackpot Controllers

- 14.3.1. A jackpot controller may be part of a licensed provider's gaming system or one or more separate jackpot controllers. If employed, they will form part of an approved gaming system, even if they are physically separate.
- 14.3.2. Where a “master controller” employs “slave controllers” to control a jackpot, the following requirements apply:
 - a) the master controller must be time-synchronised with the gaming system;
 - b) slave controllers must be time-synchronised with the master controller;
 - c) the communications between the gaming system, master controllers and slave controllers must be reliable and secure;
 - d) jackpot win events must be time-stamped and the jackpot controller must ensure that individual hits are registered within a technically safe time period and are allocated to the winning player or otherwise wins closer than this period will need to be considered as simultaneous wins; and
 - e) prize payouts for simultaneous wins are to be made in accordance with procedures established by the operator.
- 14.3.3. The jackpot system or controller must record sufficient information to be able to reconcile and reconstitute jackpot levels. If necessary, this may require current jackpot

values to be stored on two physically separate devices or be able to be accurately calculated from other metering information not stored on the same system as the jackpot device.

- 14.3.4. Where jackpots are maintained by jackpot controllers separate from the gaming system, the jackpot meter information must be periodically copied from the jackpot controller to the gaming system and recorded, including all wins and resets.
- 14.3.5. Where the jackpot has taxation implications, the system must be able to report correct gaming tax.
- 14.3.6. Once a jackpot has commenced, jackpot parameters must not be altered (ie modified or deducted from) without Commission approval. However, new or 'pending' approved parameters may be saved to apply after a jackpot currently underway is won.

15. Taxation

15.1 Point of Consumption Tax on Wagering Requirements

Division 1A of Part 9 of the Act sets out a point of consumption (POC) tax that is applicable to all TGL holders with totalizator, sports betting, race wagering and betting exchange endorsements where their net wagering revenue (NWR) from Tasmanian bets exceeds the annual tax-free threshold. These TGL holders must lodge monthly NWR returns and pay any POC tax liability by the 21st day of the following month.

Pursuant to the Act, the POC tax rate is 15 per cent of NWR and the annual tax-free threshold amount is \$150 000. The tax is payable on the net amount of wagering revenue earned by the TGL holder from Tasmanian customers - ie money wagered minus winnings paid; and/or commissions earned facilitating bets such as from a betting exchange or totalizator pools.

For the purpose of calculating the POC tax, the face value of free or bonus bets, ie the value of the credit, is excluded.

All reasonable steps must be taken by TGL holders to identify when services are used by Tasmanian customers at the time the bet is placed.

It is acceptable for a TGL holder to rely on the residential address registered by an individual customer or a business address registered by a corporation. However, if the TGL holder knows or has reasonable grounds to suspect that the registered address is not the location of the person when the bet is made, the TGL holder must use the location at which the bet is made.

Additional information on the POC tax requirements may be obtained from www.treasury.tas.gov.au/liquor-and-gaming under Home>Liquor and Gaming>Gambling>Point of Consumption Tax on Wagering.

15.2 Simulated Gaming and Major Lottery Tax Requirements

Section 150A of the Act sets out additional tax requirements that are applicable to simulated gaming and major lottery TGL holder endorsements. These TGL holders must pay the tax in relation to a month for any gaming activity undertaken under these endorsements no later than seven days after the end of that month.

Simulated gaming

The tax payable in relation to wagers from persons in Australia is:

- 20 per cent of the first \$10 million of gross profits for the year; and

- 17.5 per cent of that part of gross profits exceeding \$10 million and less than or equal to \$20 million; and
- 15 per cent of that part of gross profits for the year which exceeds \$20 million.

The tax payable in relation to wagers from persons outside Australia is four per cent of the monthly gross profits.

Major lottery

The tax payable is 35.55 per cent of the licensed provider's turnover, or such other amount as may be prescribed by the regulations to take account of the effect of the goods and services tax.

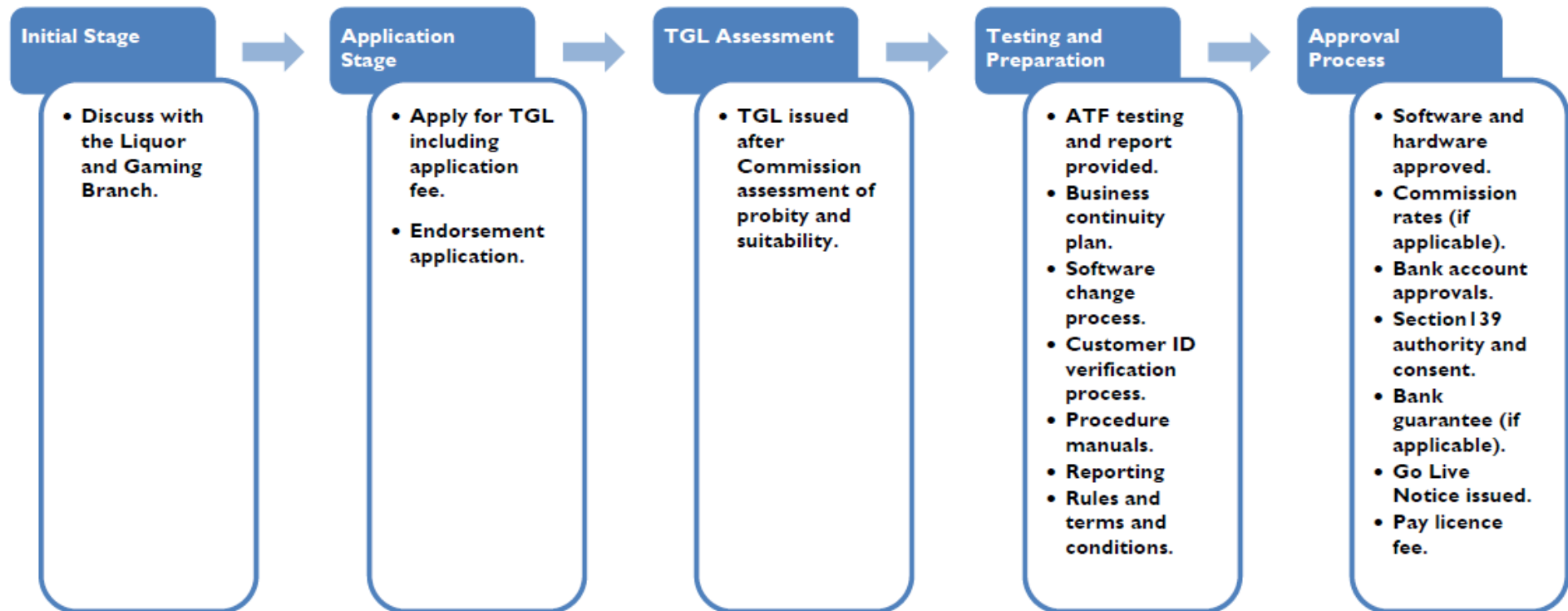
16. Appendices

16.1 Appendix A: Approval Process - Interactive Gaming in Tasmania

The following flowchart outlines the process starting from a licensed provider making an initial inquiry about interactive gaming in Tasmania to a licensed provider commencing business under a TGL.

Please note that some stages can be conducted at the same time and there is some flexibility in the order these can occur, such as testing could commence before a TGL is issued, however, this is not recommended in case conditions are imposed that need to be tested. Another example is that if bank accounts are already established, they could be approved by the Commission immediately after the TGL is issued and may not need to be dealt with in the final stage.

While there is no legislated "Go Live" notice, other approvals are likely to contain conditions that will be subject to a final approval that permit live bets to be taken.



16.2 Appendix B: Endorsements under a Tasmanian Gaming Licence

Endorsement (Gaming Control Act reference)	Activity
Sports Betting (section 76S)	The licensed provider is authorised to accept wagers on approved sports events by way of a telecommunications device (Internet and/or telephone) or with persons who are physically present at an event or situated at an approved location. Sports events include real races (but not horse, harness or greyhound races), real sports, games, fights, exercises or pastimes or any other prescribed activity.
Race Wagering (section 76T)	The licensed provider is authorised to accept wagers on horse races, harness races and greyhound races by way of a telecommunications device (Internet and/or telephone) and situated at an approved location.
Simulated Gaming (section 76U)	The licensed provider is authorised to conduct simulated games by way of a telecommunications device (Internet and/or telephone) and situated at an approved location.
Major Lottery (section 76V)	This endorsement authorises the licensed provider to conduct and sell tickets in major lotteries and/or pools by telecommunications devices (Internet and/or data line/telephone), by post or from persons physically present at an approved location.
Betting Exchange (section 76VA)	This endorsement authorises the licensed provider to operate a betting exchange by way of a telecommunications device (Internet and/or data line/telephone), and offer brokered wagering through that betting exchange.
Totalizator (section 76VB)	This endorsement authorises the licensed provided to conduct totalizator wagering on horse races, harness races, greyhound races and sports events by way of a telecommunications device (Internet and/or data line/telephone), or from persons physically present at an approved outlet.
Agent (section 76VC)	<p>This endorsement authorises the licensed provider to enter into and participate in arrangements with unrelated gaming or wagering providers under which the licensed provider may:</p> <ul style="list-style-type: none"> • provide electronic portals to gaming or wagering products of those providers; and • accept wagers on behalf of those providers by way of a telecommunications device (Internet and/or data line/telephone) or from persons physically present at an approved location. <p>In return, the licensed provider may receive fees, commissions or other financial benefits.</p>

16.3 Appendix C: Checklist of Submission Requirements for New Systems

To be completed by a new applicant for a TGL or an existing licence holder requesting a change to an already approved system (refer to section 1.6).

1 GENERAL

- a Provide internal controls, rules, procedure manuals, terms and conditions and other documents applicable for assessment.
- b Provide the system security policy.
- c Provide the system baseline document that includes the proposal under which system modifications are proposed to be managed and approved.

2 INTERNET GAMES

- a Provide the rules of each game.
- b Provide software for each game, including artwork and game information.
- c Supply the schedule of prizes for each game.
- d Provide details of the minimum specifications that an end player device must meet to participate in the game, and the minimum bandwidth required to play the game.
- e Provide details of how minimum requirements for bandwidth and end player device specifications will be enforced.
- f Describe how end player devices are polled.
- g Describe the operation of jackpots.
- h Describe what game information is recorded on the end system (temporary and permanent).
- i Describe details of information logged on end player devices.
- j Describe where and how decisions affecting game outcome are made.
- k Describe how the system handles incomplete games.
- l Describe the register of unclaimed prize moneys and how it is secured/maintained.
- m Describe the treatment of expired, unclaimed wins.

3 EVENT WAGERING

- a Provide details of all event wagering types to be provided including a description of the events and bet types, rules, etc.
- b Describe how results are selected for these events.
- c Describe links to external computer systems participating in the event wagering.

4 PLAYER REGISTRATION

- a Provide details of player registration.
- b Describe how information used to verify player identity is to be protected from unauthorised access.
- c Provide details of player authentication, ie how registered players identify themselves to the gaming system each time they connect.
- d Provide details of the player exclusion and bet limit mechanisms.

5 PLAYER FUNDS

- a Describe how player funds will be protected (include domicile of bank accounts).

6 PLAYER LOYALTY

- a For applications that allow for redemption of player loyalty points for play, provide details of the player loyalty scheme and rules. Player loyalty systems need to be compliant with the Commission's Responsible Gambling Mandatory Code of Practice.

7 TECHNICAL ENVIRONMENT

7.1 Recommendation from an Accredited Testing Facility

- a The process takes into account the following documents:
 1. System Baseline Document
 2. Network Security Document
 3. ATF Certification Recommendation
- b Provide details of the change control process used to cater for critical, essential and desirable changes to system software and hardware, as well as communications configuration changes.
- c Provide documentation describing the system baseline and any changes to that baseline since the last approval by the Commission.

7.2 System Testing Requirements

- a Testing Requirements and ATF Recommendation:
 1. The security and controls, functional and operational requirements of the system are to be evaluated and recommended by an ATF.
 2. An ATF's recommendation is required on:
 - the system integrity and reliability;
 - whether the system is consistent with the requirements of these standards and the Act;
 - whether the controls and procedures required exist and are effective; and
 - System Baseline, Network Security and Internal Control System documents.

- b Associated Systems Requirements:
 - 1. All software and equipment for devices/peripherals associated with the wagering system are required to be tested for reliability in processing and delivering all transactions for the gaming system.
 - 2. There should be adequate security arrangements and controls between the approved gaming system and the associated equipment.
 - 3. These security arrangements must form part of the independent assessment and ATF recommendation.
- c Provide proof that financial institutions to be used for financial transactions have certified and approved the hardware and software to be used for the transactions.
- d Provide details of the tests conducted and results obtained in gaining certification and approval from financial institutions.

7.3 Submission Requirements

- a The submission to the Commission for approval, at the minimum, should include the following:
 - 1. Background of the gaming system.
 - 2. Purpose of this submission – system/operational changes description.
 - 3. ATF recommendation of the gaming system in accordance with requirements.
 - 4. Licensed provider's comments on any conditions included in ATF's recommendation.
 - 5. List of all software versions and associated software check algorithms (if any).
 - 6. List of all relevant hardware and operating systems – product names, models and versions.
 - 7. Associated systems that are connected to the gaming system.
 - 8. A System Baseline document.
 - 9. A Network Security document.
 - 10. Internal Control Systems document.
- b Describe the method to be used to verify the integrity of the software operating on the production gaming system
- c Provide details of the physical location of each component of the central gaming system, including the location of staff.

The Branch needs to be kept updated in relation to major changes in these areas on an ongoing basis.

7.4 Test Plans and Scripts

The following is to be used by the Commission (or an ATF) as a guide for assessing the veracity, integrity and resilience of the system during an evaluation process:

- a There is to be no loss of information due to a failure of a redundant communications network within a system baseline. In this sense, all information traversing the network between remote equipment and the host should be recoverable once communications are restored.

- b Unused ports on network devices and network control devices inside (and on the boundary) of the system baseline should be disabled.
- c Host computer systems, network devices and network control devices inside and on the boundary of the system baseline must be immune from high loads (broadcast storms) or faults on any part of the network outside the baseline envelope.
- d Configuration changes to all devices inside and on the boundary of the system baseline must be password protected. Password protection procedures must exist and be implemented.
- e An audit log must be maintained for all changes to the configuration of any network devices inside and on the boundary of the system baseline. The audit trail must not be modifiable by persons authorised to make the configuration changes.
- f At a Central System site, all network devices, network control devices and hosts associated with a production network must be located inside an area that only persons with a valid authorisation clearance can enter.
- g Information flowing between different systems (if any) must be securely authenticated and encrypted to an industry standard, unless the intervening network is physically secure and under the complete control of the operator.

Note that WAN communication links will be generally deemed to be outside a system baseline. Hosts in separate system baselines that communicate with each other should be able to communicate when the sustained utilisation of any and all networks between the systems is 50 per cent.

- h There is to be no loss of information due to a failure of a redundant communications network between baseline envelopes.
- i Communication between devices in separate systems should be immune from computer/network attacks.
- j Data exchanged with computer systems and devices outside the system baseline must pass through at least one network control device (router or firewall). The network control devices must implement the controls as defined in the Network Security document.
- k The network control devices involved in implementing the Network Security document must be located at the boundary or inside the baseline envelope.
- l The control system should ensure an audit log is maintained for all changes to the configuration of any network control devices inside and on the boundary of the system baseline. The audit trail should not be modifiable by persons authorised to make the configuration changes.
- m Network control devices should be configured to discard all traffic other than that which is specifically permitted by the Network Security document. Configurations that discard specific traffic types and allow everything else, are not acceptable.
- n Computer systems within the systems baseline must not be affected by computer/network attacks emanating from outside the baseline envelope.
- o Operational procedures for network control devices must include the capturing and regular review and follow-up of all significant access violations.

- p Approval for information exchange with computer systems and devices outside the system baseline will be considered on a case-by-case basis taking into account, at a minimum, the following:
1. the message authentication scheme utilised;
 2. physical security of the network (including intervening hubs, bridges and routers);
 3. connections to the external devices;
 4. the sensitivity of the information being transferred;
 5. whether the computer system inside the system baseline or outside the system baseline initiates information transfer;
 6. audit information recorded on the central system pertaining to the transfer of files and information; and
 7. intrusion detection utilised and immunity from computer attacks.

Internet Connections

- a Internet connections must demonstrate adequate networked based and host based intrusion detection capabilities. This includes the automatic alerts in the event that a security breach occurs.
- b The gaming system at the point where it is connected to the Internet service provider must incorporate a DMZ like architecture.
- c The internal and external firewalls must be of a type to ensure that any weakness in one firewall structure is not duplicated in the other firewall.
- d The licensed provider must have the ability to terminate a remote customer's session.
- e The licensed provider must use systems of geo-positioning and record player IP or other identifying data of end user devices to connect to the system.

16.4 Appendix D: Functions of the Tasmanian Liquor and Gaming Commission

The functions of the Tasmanian Liquor and Gaming Commission are specified in section 125 of the Act as follows:

- a) to regulate and control gaming and wagering to ensure that it is conducted honestly and free from criminal influence and exploitation;
- b) to impartially, independently and in the public interest, research, promote, investigate and make recommendations about the impacts of gambling in Tasmania;
- c) to investigate, and make policy recommendations to the Minister on matters relating to gaming and other forms of wagering;
- d) to research and investigate matters relating to the control of gaming and other forms of wagering including the probity and financial security of persons involved in the management of gaming and other wagering operations;
- e) to liaise with authorities or persons responsible for the regulation and control of the conduct of gaming or other forms of wagering;
- f) to review and determine complaints relating to the conduct of gaming or other forms of wagering;
- g) to foster the responsible service of gambling and minimise the harm from gambling;
- h) to hear liquor licence applications referred to it by the Commissioner for Licensing under the Liquor Licensing Act 1990;
- i) to hear appeals against decisions of the Commissioner for Licensing under the Liquor Licensing Act 1990;
- j) to perform such other functions as are imposed on it by this Act or any other Act or as are prescribed.

The Act grants the Commission "...power to do all things necessary or convenient to be done in connection with the performance of its functions..." (section 126)

16.5 Appendix E: Glossary and Abbreviations

Term	Description
Accredited Testing Facility (ATF)	A corporation or individual accredited by the Commission to test and certify TGL systems and software against these standards. See section 2.4.
Act	<i>Gaming Control Act 1993.</i>
Baseline	A regulated specification or software application that has been formally evaluated, agreed and approved by the Commission, that thereafter serves as the basis for further development and that can be changed as authorised by the Commission in accordance with adopted change control procedures.
Bet	Wager.
Betting Exchange	A facility that enables persons to: <ul style="list-style-type: none"> place or accept, through the betting exchange operator, wagers with other persons; or place with the betting exchange operator wagers that, on acceptance, are matched with opposing wagers placed with and accepted by the operator (so as to offset all risk to the operator. See section 11.
Branch	The Liquor and Gaming Branch of the Department of Treasury and Finance.
Deposit Limit	A deposit pre-commitment limit set by the account holder restricting the amount of money that may be deposited into their account for participation in a gaming activity within a nominated period.
Excluded person	A person who is excluded from gaming or wagering on a licensed provider's gaming system either: <ul style="list-style-type: none"> at their own request (self-exclusion); at the operator's discretion; or by a third party applying to the Commission and upon the Commission's approval.
IGA	<i>Interactive Gambling Act 2001.</i>
Gaming	The placement of a wager or bet on the outcome of a game of chance or future uncertain event (for example, horse race or sports event).
Gaming Systems	Refers to electronic systems that provide online gaming and wagering products.

Term	Description
Interactive gaming	The act of gambling or wagering via a telecommunications device (such as the internet or data line/telephone) in a contingency relating to a sports event, fixed odds wagering event, a totalizator, simulated game, major lottery, pools or brokered wagering (betting exchange) event.
Licensed Provider	Means a person who holds a Tasmanian Gaming Licence. For the purposes of the IGA, a licensed provider is also a gambling service provider or a wagering service provider.
Lotteries	A lottery is a scheme or device for the distribution of a prize, where the distribution of the prize involves an element of chance for which payment or consideration is given (ie the sale of a ticket). The TGL major lottery endorsement is described at Appendix B .
Loss Limit	A net loss pre-commitment limit set by the account holder restricting the amount of money that may be lost while participating in the gaming activity within a nominated period. Mandated by section 76ZK of the Act.
Mandatory Code of Practice	TLGC Responsible Gambling Mandatory Code of Practice for Tasmania has been introduced pursuant to section 112L of the Act and is designed to minimise gambling harm. The current version is available at www.treasury.tas.gov.au/liquor-and-gaming .
Minimum Dividend	Means a minimum dividend in respect of a unit of investment bet on an event with a totalizator. Minimum dividend provisions are set out under licensed provider totalizator rules authorised by the Commission pursuant to section 76XA of the Act.
My Account or its equivalent	An online customer account set up with the licensed provider for the customer to conduct wagering.
PIN	Personal Identification Number. Can be implemented to operate in conjunction with personal mobile computing device unique identifier to perform player account sign-in. Can only be set up or altered using full account name and password processes.
Player expenditure	The amount of money that players have lost gambling during a given period.
Pools	A numbers game of chance where the winning numbers are based on the results of the United Kingdom, Australian or European soccer matches, or other sporting matches approved by the Commission.
Player Loyalty Program	A player loyalty program is a program that rewards players with incentives for participation in a gaming activity. Examples of incentives provided under such programs include complimentary prizes, promotions and offer of free credits.
Point of Consumption Tax	In accordance with section 145E of the Act, a point of consumption tax is applicable to licensed providers and betting operators licensed elsewhere in Australia where their net wagering revenue (NWR) from Tasmanian bets exceeds the annual tax-free threshold. The tax rate is 15 per cent of the NWR and the annual tax-free threshold amount is \$150 000.
Pre-Commitment	A consumer protection feature that provides account holders with an ability to set limits on the amount of money they may deposit or spend on a gaming activity over a nominated period.
Racing	The legal conduct of thoroughbred, harness or greyhound racing.

Term	Description
Random Number Generator (RNG)	A device that can generate sequences of numbers or symbols that do not exhibit a pattern, ie appear random.
RNG - cycle	The number of results generated before a pseudo RNG begins to repeat the previous sequence of raw results.
RNG - cycling	Continuously obtaining a new raw value from a pseudo RNG and discarding it without making any use of the value.
RNG - entropy	A measure of the uncertainty or disorder associated with a process. It is needed to seed an RNG as is also used to complement the state of an operating RNG.
RNG - mapping	Converting scaled RNG outcomes into actual game outcomes, ie selecting an outcome using the results from a RNG.
RNG - range	The size of the values produced by an RNG, and the lowest and highest value, required to determine an outcome.
RNG - raw results	The results from an RNG before any scaling or mapping occurs.
RNG - scaling	Converting raw RNG outcomes of a greater range into scaled outcomes of a lesser range.
RNG - seed	The initial state information.
RNG - seeding	The process used to establish the initial state of the RNG.
RNG state	The internal variables that a software RNG uses to determine outputs.
Minimum Dividend	Means a minimum dividend in respect of a unit of investment bet on an event with a totalizator. Minimum dividend provisions are set out under licensed provider totalizator rules authorised by the Commission pursuant to section 76XA of the Act.
My Account or its equivalent	An online customer account set up with the licensed provider for the customer to conduct wagering.
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Player Loyalty Program	A player loyalty program is a program that rewards players with incentives for participation in a gaming activity. Examples of incentives provided under such programs include complimentary prizes, promotions and offer of free credits.
Session	The period a player is securely signed in and able to participate in gaming/wagering or perform functions such as deposit, withdraw or set loss limits.
Soft gaming	A gaming product where games played/wagers placed do not involve financial investment or win, eg play for points.

Term	Description
Sports betting	The wagering on any type of local, national and international event, other than an established form of horse or greyhound racing event. These types of events are typically sporting events although can include events such as elections and award ceremonies or other types of cultural activities.
SST	A self service terminal.
Tasmanian Liquor and Gaming Commission	An independent statutory body established under the Act and responsible for overseeing the day-to-day regulation of gaming and wagering in Tasmania. Its functions are listed at Appendix D .
Tasmanian Gaming Licence (TGL)	A licence granted and in force under Part 4A of the Act. It authorises a person or company to conduct approved gaming activities in Tasmania. It must be endorsed with one or more of the gaming activities at Appendix B .
Totalizator betting	Pari-mutuel betting authorised under a totalizator endorsement. Run on race wagering or sports events where bets are pooled and after authorised deductions, winnings are divided among successful wagerers.
Totalizator Rules	Means the rules that a totalizator operator has in place in respect of a totalizator, as required under section 76XA of the Act.
Trading Account	Is a prohibited type of customer account that offers a line of credit.
Wagering	Wagering is all approved forms of gambling on racing and sporting events.

16.6 Appendix F: Commission limits schedule

Clause	Limits
Account based gambling – 5.13.3	Deposit Limits Approved \$1 000 AUD maximum during the period while player identity is not verified.
Account records and statements – 5.12	Record retention period – minimum seven years.
Inspection Tools 5.12.3 5.12.6	Data retention period: <ul style="list-style-type: none"> • Significant events - at least two years • Financial data - at least seven years.
Telephone call recordings 4.18.8	Telephone call recordings are to be retained for a minimum of six months.
Register of players	Registration retention period is the life of the business or 50 years, whichever comes first. This is to protect against excluded players signing up again.

16.7 Appendix G: Significant events

Typical significant events to be reported on are as follows:

- a) situations where the system is incapable of supporting the Rules;
- b) significant system failures;
- c) instances in a betting exchange where some access channels are available to place bets or cancel unmatched bets where other channels are unavailable;
- d) instances where there has been unauthorised access to the system;
- e) instances where control system procedures were unable to be followed;
- f) situations where system hardware or software version roll-backs were carried out;
- g) instances where a significant work-around was carried out by the operator;
- h) instances where a system verification test result came out incorrect, including RNG randomness test alerts;
- i) instances where late event/draw closures were identified;
- j) identified game malfunctions; and
- k) instances where incorrect payout calculations were identified.

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