

New law to license casino gaming in private clubs

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THE GOVERNMENT is to begin regulating and licensing casino clubs in a first step towards overhauling current gambling legislation.

Legislation to control casino gaming in private members' clubs is to be included in a new anti-money laundering Bill to be published shortly.

Minister for Justice Dermot Ahern has decided to press ahead with liberalisation of gambling laws despite the absence of cross-party agreement on the issue. Plans to establish an all-party committee on gambling reform floundered after the Labour Party and the Government disagreed on its remit.

Mr Ahern, with Government approval, now plans a two-step approach, first by setting up a casino gaming control section in his department to register and control the operation of casinos on an interim basis.

This section will then draw up legislation for a revised gambling code.

Despite the fact that casinos are illegal in the Republic, up to 50 private members' clubs are in existence offering casino-type games.

The legality of these operations will be tested shortly when the Atlantic Casino Club in Clonmel, which was raided by gardaí last year, is prosecuted in the District Court.

Mr Ahern said the new arrangements will involve voluntary compliance by clubs with a code of standards and ethics. Existing operators will not be guaranteed authorisation.

"In reality, by virtue of introducing regulation, it is likely that some venues may have to close down due to an inability to meet the conditions and standards expected in a regulatory environment."

Clubs will be subject to strict oversight by the departmental unit and will have to comply with anti-money laundering and terrorist financing legislation.

Large-scale casino developments will not be permitted, according to the Minister.

Mr Ahern says the longer-term aim is to put in place "a modern, responsive code that recognises the fact that some people gamble and enjoy gambling".

However, inherent dangers such as problem gambling, protection of under-18s and avoidance of criminal involvement would have to be addressed.

A Government report published last year recommended licensing and regulating casinos, while existing operators themselves have also been seeking such measures.

Michael Walsh, a principal officer in the department, will act as an authorised officer responsible for registering and controlling private members' clubs.

His unit will also bring forward a comprehensive new gambling code, designed to ensure that gambling is kept free of crime and is conducted fairly and openly. The new code will also focus on protecting young people.

The Government's obligations under EU law to put in place controls for money laundering and other similar activities is partly driving the move.

The gaming control unit will carry out a review which will look at the opportunities and threats posed by the online gaming industry, developments in the UK and the out-of-date nature of current legislation.

An industry-sponsored report recently claimed that regulation could generate up to €280 million for the economy and create 13,000 new jobs by 2020.

Most of the jobs would be in the area of information technology and software development.

Joe Kelly, a partner with AL Goodbody, said the Minister's proposals were welcome, but stressed that the Government needed to take seriously the opportunities offered by the online gambling industry.

He pointed out that the Government's own report, published last year, also established that the sector had huge potential from a job creation point of view.

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