

**DECISION OF ..... 2017 OF THE DIRECTORATE-GENERAL OF REGULATION OF GAMING AGREEING TO AUTHORIZE A LIQUIDITY MODALITY DIFFERENT FROM THAT PROPER TO THE PARTICIPATION OF PLAYERS WITH SPANISH USER REGISTRATION FOR THE GAME OF ONLINE POKER, AND MODIFYING CERTAIN DECISIONS ON THE GAMING ACTIVITIES PROVIDED FOR IN THE GAMING REGULATION ACT Nº 13/2011 OF MAY 27<sup>th</sup>.**

The legal system relating to the international liquidity of gaming activities is contained in Additional Provision Three of Royal Decree nº 1614/2011 of November 14<sup>th</sup> developing the Gaming Regulation Act nº 13/2011 of May 27<sup>th</sup> in relation with gaming licenses, authorizations and registers.

Paragraph 2 of the said Provision states that the operation may be authorized with liquidity different from that proper to the participation of users with Spanish user registration following agreement by the Spanish authorities with the competent authorities in gaming matters of other Member States of the European Economic Area or when duly justified exceptional circumstances occur which advise such authorization.

On 2017 July 6<sup>th</sup>, the Directorate-General of Regulation of Gambling and the regulating authorities of online gambling of France, Italy and Portugal signed an Agreement on shared liquidity in the game of online poker.

As France, Italy and Portugal are Member States of the European Economic Area, this Agreement confers the qualifying presupposition for the Directorate-General of Regulation of Gambling expressly to authorize, by means of the present Decision, the operation of the game of online poker with a liquidity modality different from that deriving from the participation of users with Spanish user registration, in accordance with the conditions expressly laid down herein.

In addition, with a view to the Directorate-General of Regulation of Gambling carrying out correct supervision and monitoring of the gaming activities offered in an environment of international liquidity, both for online poker and for other games whose operation in international liquidity may be authorized in the future, the present Decision modifies on one hand the Decision of 2014 October 6<sup>th</sup> of the Directorate-General of Regulation of Gambling passing the provision developing the technical specifications of play, traceability and security to be met by the technical systems of non-reserved gaming subject to licenses granted under the Gaming Regulation Act nº 13/2011 of May 27<sup>th</sup>, and on the other hand the Decision of 2014 October 6<sup>th</sup> passing the data model of the monitoring system of the information corresponding to the register of gaming operations.

This Decision also draws on the report of the Spanish Data Protection Agency.

By virtue of the foregoing, and following a favorable report from the State Legal Service in the Treasury Department of the Ministry of Finance and Public Function, this Directorate-General hereby decides:

One.- To authorize operators who apply for a singular license permitting the operation and exploitation of the game of “Poker” (linked to the gaming modality of “Other Games” referred to in Section 3.f) of Act nº 13/2011 of May 27<sup>th</sup>) and operators who already have the said license in order for them voluntarily to offer this game in an environment of international liquidity, in accordance with the following conditions:

1. These operators shall have a duly homologated technical gaming system for offering the game of poker in an environment of international liquidity, in accordance with the provisions of Article 8 of Royal Decree nº 1613/2011 of November 14<sup>th</sup> developing the Gaming Regulation Act nº 13/2011 of May 27<sup>th</sup> in relation with the technical requirements of gaming activities.
2. Once the authorization provided for in the previous paragraph has been obtained, all the operators involved, including operators who manage the gaming platforms and operators associated with those platforms, must previously and expressly inform the Directorate-General of Regulation of Gambling of the date of commencement of the game of poker in an environment of international liquidity.
3. The technical gaming system shall guarantee that players with Spanish user registration may only share liquidity with players with user registration of the Member States of the European Economic Area whose authorities have signed or supported the Agreement of 2017 July 6<sup>th</sup> on shared liquidity in online poker.
4. The operators shall guarantee, by means of the corresponding modification of the particular rules of the game and, as the case may be, by way of the opportune actions, that players with Spanish user registration have adequate and sufficient prior knowledge of the new environment in which their participation in the game will take place.

Two.- To modify the Decision of 2014 October 6<sup>th</sup> of the Directorate-General of Regulation of Gambling passing the provision developing the technical specifications of play, traceability and security to be met by the technical systems of non-reserved gaming subject to licenses granted under the Gaming Regulation Act nº 13/2011 of May 27<sup>th</sup>, in the following terms:

1.- In paragraph 1.2 of the Annex, entitled “Definitions,” the following is added:

“11. Game offered in an environment of international liquidity: that in which the economic amounts dedicated to participation in the game proceed from players with Spanish user registration and players without Spanish user registration.

12. International liquidity manager: the operator who manages a game offered in an environment of international liquidity.

13. Player with Spanish user registration: one who participates in the game by means of an account opened with a gaming operator in accordance with the Gaming Regulation Act nº 13/2011 of May 27<sup>th</sup>.”

2.- A new Section 7 is added to the Annex, with the following wording:

*“7. Game offered in an environment of international liquidity.*

7.1. In a game offered in an environment of international liquidity, the references made in Sections 1 to 6 of this Annex to the terms “participants,” “players” or “users” are to be understood as made to players with Spanish user registration.

7.2 The operation of a game in an environment of international liquidity is, in all cases, of a voluntary nature both for operators who apply for a singular license permitting the operation and exploitation of that game and for operators who already have a license of this type.

7.3 The technical gaming system which organizes, exploits and executes the activity of a game offered in an environment of international liquidity, in addition to fulfilling the provisions of this Decision, shall guarantee that the information provided to players with Spanish user registration is provided in at least the Spanish (Castilian) language.

7.4 All the information forwarded to the Directorate-General of Regulation of Gambling must use as reference the official time of Spain.

7.5 In games offered in an environment of international liquidity, the technical gaming system must maintain registers and logs of all the transactions which have taken place between the players who have used a Spanish user registration and the other players.

To these effects, the technical gaming system regulated in this Decision must conserve the full details of any rounds in which a player with Spanish user registration has participated, the unique user identifier, the identification data and jurisdiction of players different from players with Spanish user registration, the participations made by each one of them, the winnings received and the data of execution of the game which will permit reconstructing all the movements of the game.

The said data shall be gathered and processed pursuant to the provisions of the Personal Data Protection Act nº 15/1999 of December 13<sup>th</sup> and its implementing regulations.

7.6 The international liquidity manager must have procedures for the detection of fraud and money laundering involving a player with Spanish user registration and must promptly report any suspicious actions to the competent public bodies for their investigation.

7.7 The international liquidity manager shall take the necessary measures to guarantee that each one of the players participating in a particular game plays under a single identity.“

Three.- To modify the Decision of 2014 October 6<sup>th</sup> passing the data model of the monitoring system of the information corresponding to the register of gaming operations, in the following terms:

1.- The following definitions are added in Section 2:

“Game offered in an environment of international liquidity: that in which the economic amounts dedicated to participation in the game proceed from players with Spanish user registration and players without Spanish user registration.

International liquidity manager: the operator who manages a game offered in an environment of international liquidity.

Player with Spanish user registration: one who participates in the game by means of an account opened with a gaming operator, in accordance with the Gaming Regulation Act nº 13/2011 of May 27<sup>th</sup>.”

2.- A new paragraph 3.2.1 is added:

“3.2.1 Obligations of the international liquidity manager.

The international liquidity manager is only obliged to report on games (round, session or tournament) in which at least one player with Spanish user registration participates.

In the RUR/RUT, CJD/CJT, BOT, JUD, JUT, JUA and CEV files, only data of players with Spanish user registration will be included. In the ORT file, the international liquidity manager shall forward the economic information corresponding to the games with international liquidity broken down by operator (B2C) of the domain “.es” and by jurisdiction for operators not belonging to the domain “.es” who participate in the game.”

3.- In paragraph 3.4.8, between the sub-paragraphs “obliged operators” and “periodicity,” the following sub-paragraph is added:

“Games offered in an environment of international liquidity.

In games offered in an environment of international liquidity in which at least one player with Spanish user registration participates, the following must be reported:

- For the operations of operators in Spanish jurisdiction, the aggregated data by operator.
- For the operations of operators of other jurisdictions, the aggregated data by jurisdiction.”

4.- In paragraph 3.4.10 [Game registers (JUT, JUD)], in the sub-paragraph “Generic data common to all games,” the following field is added:

“• BooleanLI: S/N (must be marked as affirmative when a player without Spanish user registration has participated in the bet, round, tournament or hand. For games which are not in an international liquidity network the field is optional).”

5.- Paragraph 3.5.3.2 (“ORT register: network operator’s account”) is replaced by the following:

“3.5.3.2. *ORT register: network operator’s account.*

The description of the information is the same as that of the OPT register, taking into account that the annotations will be broken down by the operator who has contributed the participants to the network.

In the case of games offered in an environment of international liquidity, the international liquidity manager must report the economic magnitudes, breaking them down by operator in the case of operators who have a license in Spain and by an aggregate by jurisdiction for the rest of the operators.”

6.- In paragraph 3.5.4.1 [“Generic data common to all games (JUT and JUD)”], in the sub-paragraph “Data totalized games (JUT)”, the following field is added:

BooleanLI	S/N
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Four.- The present Provision shall enter into force on the day following that of its publication in the Official State Journal.

Madrid, XX YYYYYY 2017.

THE DIRECTOR-GENERAL OF REGULATION OF GAMBLING

JUAN ESPINOSA GARCÍA