

'India must legalise, regulate the whole gamut of gambling'

SARIKA PATEL, commissioner, Gambling Commission, the UK's sector regulator, was in India recently to attend an event organised by All India Gaming Federation. Patel, a chartered accountant with over 25 years of experience in public and private sectors, shares her views with **Sudipto Dey** on why it is in the country's interest to legalise and regulate the gambling sector. Edited excerpts:



SARIKA PATEL

Commissioner, Gambling Commission, UK

Could you share the role of Gambling Commission?

Gambling Commission was established through the Gambling Act 2005 to regulate commercial gambling in Britain. Our stated objectives are three-fold: One, to keep gambling free from crime; second, make gambling fair and transparent for the consumer, and finally, protect the vulnerable and keep the children away from gambling.

A new Act came into force on November 1, 2014. This requires all gambling operators that transact with, or advertise to British consumers to be licensed by the Commission, irrespective of where they are based.

So, how has been the UK's experience in regulating and promoting responsible gambling?

For the UK it has been a journey for over 400 years. Gambling laws have been in existence in some form or other depending on who the ruler was. The UK's gambling laws are comprehensive and include betting and gaming.

We also regulate the lotteries. The nation-

A SNAPSHOT OF UK'S GAMBLING INDUSTRY

£13.8 billion Total gross gambling yield (Oct 2015–Sept 2016) of Great Britain's gambling industry

106,678 jobs generated (Sep '16)

£1.7 billion Contribution to good causes from the National Lottery (Oct '15–Sep '16)

al lottery provides £1.7 billion for good causes every year. For instance, our museums, sports, such as the Olympic team training, are funded by the lottery money.

The revenue generated by the gambling sector contributes to the economy and creates jobs. It is a sector that has grown 53 per cent (in revenue terms) since 2009. From 2015, a point of consumption of tax of 15 per cent was introduced for all online operators. In fact, online gambling has grown exponentially in the last few years, and currently accounts for 30–40 per cent of the total gambling revenues in the UK. Very soon, it will equal the land-based gambling business.

Indian law makers have been wary of legalising gambling. Are there any takeaways for Indian lawmakers from the UK's experience?

In the UK, we consider gambling a legitimate



PHOTO: DALIP KUMAR

leisure pursuit. In my opinion anyone who wants to bet will bet, irrespective of whether the system is legitimate or illegitimate. If betting is illegal, it will push the system to dark basements. If betting is regulated, at least the players get protected. The operating companies, too, will have to work to protect their licences. That is the difference between legalising and regulating gambling. Just legalising gambling means companies in this

business will do anything they want. So, it has to be followed up with regulation. In the UK, the four big betting companies are listed, have investors and follow corporate governance codes. Every time an operator takes a new customer they have to do a KYC (Know Your Customer). Some even go for credit checks. They also have to put in place money laundering checks. We fine the operators for any lapses. That sends a strong message to their shareholders and investors. It also sends a strong message to competition that they need to look after their customers or the regulator will come down on them.

The lesson for India is that it has to legalise and regulate the whole gamut of gambling. The most important aspect of regulating this sector is protection for customers. The licence conditions need to have very strong safeguards for customers.

The Lodha Committee that looked into measures to reform the cricket administration has recommended legalising sports betting in India. What is your take on the issue?

There is no known case of match-fixing that has come to light in the English Football League. Legalising and regulating betting in sports only increases integrity. In the UK where sports betting are regulated, open and fair, we have the least amount of match-fixing issues. I definitely feel having everything fair and transparent in public eye, with the ability to regulate it, enquire when needed, brings in transparency.

How has the spread of technology impacted regulatory practices?

As technology progresses, it makes gambling more accessible. But technology is also able to protect the customer more. My view is that India can leapfrog and gain from technology changes and be able to track consumer spend and patterns of play to protect consumers.