



LEGISLATION AND REGULATION OF NEW FORMS OF GAMBLING “INTERACTIVE / REMOTE GAMBLING”

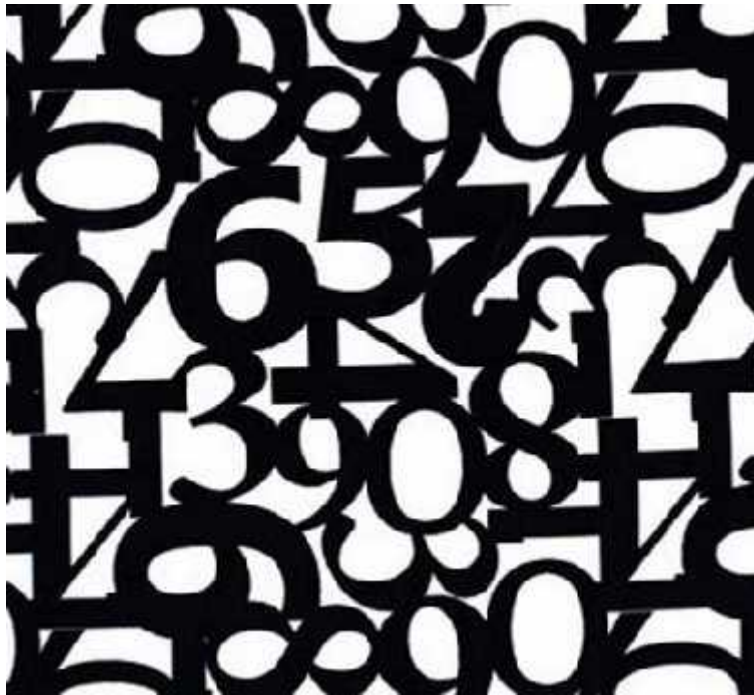
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Managing Director – GLI Africa

10th GRAF ANNUAL CONFERENCE

12 - 14 MAY 2014

Protea Hotel The Ranch Resort - Polokwane
South Africa

GLI BY THE **NUMBERS**



- 25 years
- > 750 employees
- 21 lab locations
- 6 continents
- More than 455 jurisdictions served
- More than 120,000 equipment certifications issued annually
- ISO 17025 and 17020 accredited
- Guide 65 accredited
- Services available 24/7

so much more than just **testing**

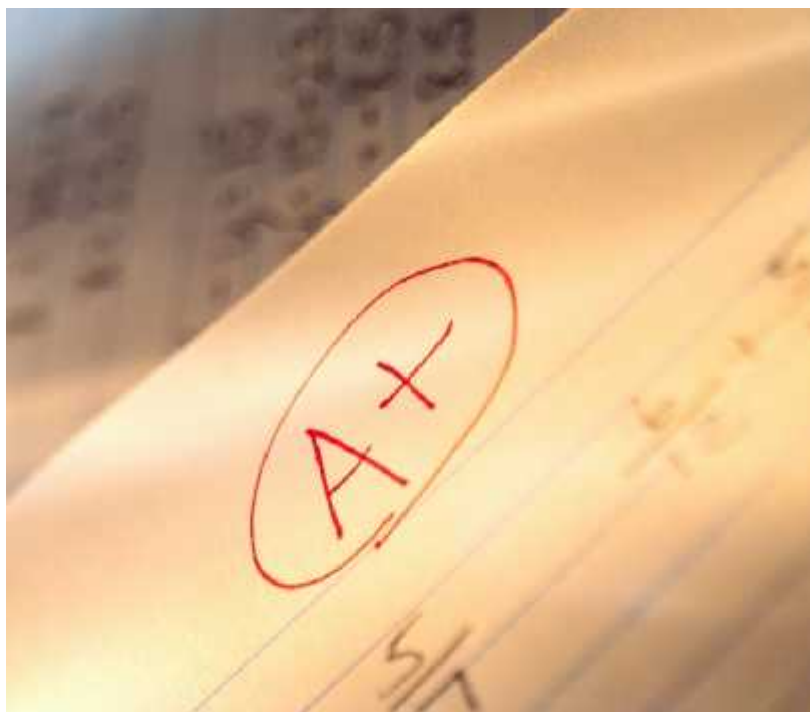


INDEPENDENCE THE FIRST STEP

- Referee is on the field but not noticed
- Referee doesn't affect the outcome of the game
- Referee doesn't make the rules
- Referee calls it like they see it
- Referee doesn't keep score



WE TEST AND ADVISE



- Test gaming devices
- Test gaming systems, player tracking systems, ticketing, cashless, server based and downloadable systems, bonusing systems and any other piece of technology that requires integrity testing
- I-Gaming Testing
- Video lottery devices and systems
- Lottery equipment, automatic draw machines, scratch ticket systems other lottery style equipment



OBJECTIVE TESTING



- We objectively test equipment
- All testing is done in a pass/fail format with recorded results
- Results are reviewable by regulators and the submitting party
- We cannot negotiate over scientific facts or data
- We provide a written report for both pass and fail so that resubmissions are easy and faults are specifically identified



iGaming can also offer a variety of types of gaming to the players

- Lottery offerings – instant scratch cards, internet purchase of tickets, other lottery products
- Casino Skill Games – poker, blackjack, poker variants, baccarat, other skill games
- Casino Games of Chance – roulette, craps, keno, etc
- Live dealer games – live dealer in a studio is broadcast via the internet, with the game outcome determined just as in a casino
- Event Based Wagering – sports betting as well as betting on other random events
- Betting Exchanges

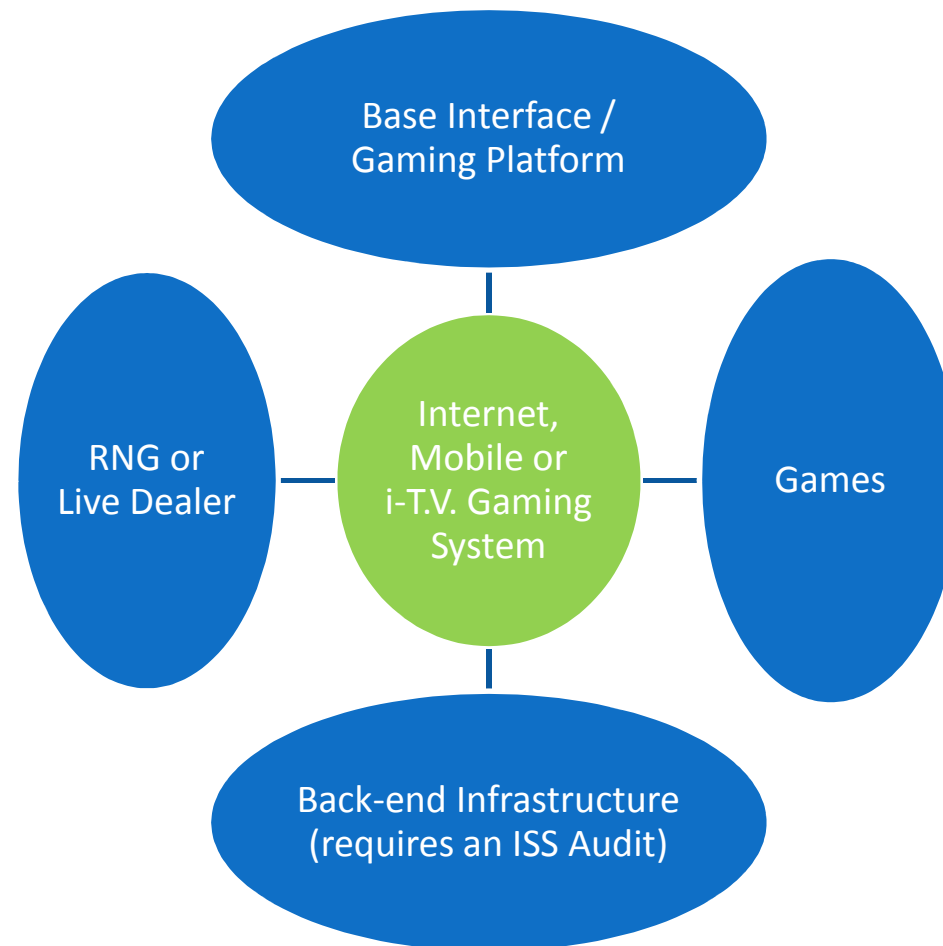


Features of a System to Regulate iGaming

- Licensing of online gaming website operators as well as iGaming Software Providers
- Authenticating that the person playing is who they say they are, this can be done with state ID cards combined with verification of bank accounts
- Providing for a reasonable tax rate on operators . Research has show that if the tax rate is too high, players are financially incented to use unapproved websites.
- ISP and Bank Blocking – using ISP providers to block access to illegal sites, as well as filter out potential players who are not domiciled in the right jurisdiction
- Branding of approved websites by having them display an approved seal on the web site so the players know it is a legitimate site
- Establishing self exclusionary lists for problem gaming
- **Establishing widely industry accepted technical standards for operators and software providers**
- **Independent laboratory testing and certification of all operator and iGaming software providers**



Technical Standard developed will cover:



Complex Areas GRI Expects to Test:

- Gaming Platform / User Interface
- Games & Mathematics (percentage return to player (%RTP) calculations)
- Random Number Generator (RNG)
- Full Information Systems Security (ISS) Audits
(Administrative Controls, Technical Controls, Physical & Environmental Controls)



GLI's Testing Processes Mitigate Risk

- Money Laundering
- Underage gambling (i.e.: age & identity verification)
- Location verification (i.e.: geolocation)
- Fairness (i.e.: games, % RTP & RNGs)
- Security of the systems
- Player protection



Approach for I Gaming Base Website



- Submitted Documentation Review
- Player/User Account Systems
 - Account registration
 - Account login (username & password)
 - Player interface account maintenance
 - Operator interface account maintenance
 - Accounting and financial reporting capabilities
 - Player protection / exclusion systems
 - Payment systems & financial institution interfacing
 - Player location identification software
 - Account deactivation
- Application Home Page
- Peripheral Web Pages



Approach for I Gaming Games

- Submitted documentation review
- Source code read
- Artwork (graphical and auditory user interface)
- Functionality
- Game specific aspects
- Accounting
- Mathematics (percentage return to player (%RTP) calculations)



ISS and System Security Evaluations

A BIG WHAT IF



How of your systems in
accounting and in I.T.?
do you know what you
don't know about the
security



Continuous Audit Requirements

FOUR ESSENTIAL AUDIT ELEMENTS

System
Verification



System
Configuration

Communication
Testing



Network
Security



Continuous Audit Requirements

Published International Standards for reference

- PCI DSS – Payment Card Industry Standard
- 27001 – Information Security Management
- 27002 – Code of Practice for Information System Security
- COBIT – Control objectives of Information related Technology.



THANK YOU ***Questions?***

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