



PENNSYLVANIA GAMING CONTROL BOARD
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**Explanatory Comment to Title 58, Part VII, Subpart L (“Interactive Gaming”)
Regulations**

Between December 2017 and April 2018, the Board adopted several temporary regulation packets to facilitate the implementation of interactive gaming in this Commonwealth as directed by the Act of October 30, 2017 (P.L. 419, No. 42) (“Expanded Gaming Act”). The Board has accepted public comment relative to these temporary regulations and, in response to those comments and inquiries, the Board provides the following clarifications:

Interactive Gaming Operator Licensure

The Expanded Gaming Act defines an “interactive gaming operator” as a person licensed by the [Board] to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder.” 4 Pa.C.S. § 1103. Chapter 803 of the Board’s regulations explains the licensing process for such entities. 58 Pa. Code §§ 803.1, *et seq.* Section 13B51(A)((3) of the Expanded Gaming Act, 4 Pa.C.S. §13B51(A)((3) directs that such entities pay a one-time nonrefundable authorization fee of \$1,000,000.

The Board interprets this category of licensee to include entities that provide customer-facing (“B2C”) interactive gaming operational services to, and on behalf of, interactive gaming certificate holders” (certificate holders”), either in concert with interactive gaming manufacturers, interactive gaming service providers and other third parties, or individually, and may include:

- Player acquisition and registration
- Product and game administration
- Day-to-day operational management
- Maintenance of player database
- Regulatory compliance matters
- Marketing and advertising
- Customer service

In contrast, the Expanded Gaming Act defines an “interactive gaming manufacturer” as a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to . . . authorized interactive games for use or play of . . . authorized interactive games in this Commonwealth for gaming purposes and an “interactive gaming supplier” as a person that sells, leases, offers or otherwise provides, distributes or services any . . . interactive gaming device or associated equipment for use or play of . . . interactive games in this Commonwealth. 4 Pa.C.S. § 1103. Chapters 805 and 806 explain the licensing process for such entities. 58 Pa. Code §§ 805.1, *et seq.* and 806, *et seq.* The Board, as authorized by Section 1202(b)(6) of the Expanded Gaming Act, 4 Pa.C.S. § 1202(b)(6), directs that such entities remit a one-time nonrefundable licensing fee of \$10,000.

The Board interprets this category of licensee to include entities that, in concert with and pursuant to terms dictated by interactive gaming operators, provide business facing (“B2B”) platform technology. Third party services such as geolocation, payment processing and KYC which are integrated into the platform are classified as gaming service providers. Other companies meeting the definition of interactive gaming manufacturers are those companies that provide interactive gaming content.

Interactive Gaming Accounts

As the Board noted in its April 30, 2018 Explanatory Comment to Regulation Packet 125-215, Section 812.4 of the Board’s temporary regulations provides that “a player shall have only one interactive gaming account for each interactive gaming certificate holder or interactive gaming operator licensee.” The Board interprets this language to permit the following:

- One interactive gaming player account registered with and maintained by the certificate holder; OR
- One interactive gaming player account per interactive gaming operator
 - Because certificate holders may employ multiple interactive gaming operators, it is possible that an interactive gaming player may be registered with more than one operator under the same certificate holder.
 - In recognition that interactive gaming operators may operate the interactive gaming systems for more than one certificate holder, it is possible that the interactive gaming player may have more than one account with an interactive gaming operator provided each account is specific to the certificate holder the interactive gaming operator is operating on behalf of.

An interactive gaming operator may provide the interactive gaming platform as well as operate the interactive gaming system or, an interactive gaming operator may be the entity that operates the interactive gaming system utilizing a platform provided by a third party. For an interactive gaming operator that operates multiple interactive gaming skins per certificate holder, player account registration may not occur at the interactive gaming skin level but instead must be completed at the interactive gaming operator level.

If the interactive gaming player’s account is registered and maintained with an interactive gaming operator operating an interactive gaming system on behalf of a certificate holder, the interactive gaming operator must share the unencrypted interactive gaming player data with the certificate holder and such information must clearly identify the interactive gaming player (e.g. name and other personally identifiable information in addition to the player’s gaming activity information). This requirement that interactive gaming operators share player identification and gaming activity information should not be interpreted to restrict or limit interactive gaming operators and certificate holders from agreeing to restrict or limit how the certificate holder uses such information provided that the restriction may not limit land-based marketing efforts by the certificate holder.

The Board requires that interactive gaming operators share player identification information with the certificate holders it operates on behalf of to assist the certificate holder to, among other things, comply with regulatory requirements including KYC, AML and exclusion list requirements and Board requests for player identification information as well as market to its land based gaming operations to such players.

Accessing Interactive Gaming Skins

Neither the Board's April 30, 2018 Explanatory Comment to Regulation Packet 125-215 or any of the other temporary interactive gaming regulations should be interpreted to require that potential interactive gaming players may only access interactive gaming operator sites or mobile applications through the certificate holder's website or mobile application. However, the interactive gaming operator website and mobile application that registers and/or maintains interactive gaming players in this Commonwealth must clearly and prominently identify the certificate holder on whose behalf the site is operating (this includes identifying the certificate holder on whose behalf it operates in the URL/web address of the landing site).