Alcohol and Gaming

Commission des alcools Commission of Ontario et des jeux de l'Ontario

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June 8, 2012

Mr. Peter McMahon Chief Executive Officer Commercial Gaming Association Ontario PO Box 34528 1533 Jane Street Toronto, Ontario M9N 3W7

Dear Mr. McMahon,

Re: Gaming Regulatory Reform

As you are aware, on June 1, 2012 statutory and regulatory amendments under the Gaming Control Act, 1992 came into force. The amendments support the Ontario government's ongoing initiative to modernize gaming and enhance flexibility for gaming operations in the province.

Among the changes, a new regulation (O.Reg 78/12) was introduced to replace the four previous sector-specific regulations, including the regulation that governed charitable gaming. The new regulation is thus comprehensive in scope, covering all the gaming activities under the AGCO's responsibility, including the new internet and electronic charitable gaming products being developed by the OLG. A single, comprehensive regulatory framework will allow a more adaptive regulatory approach that minimizes the need for future changes in regulation. We expect it will also lead to more consistency and efficiencies across gaming sectors and ultimately reduce red tape for operators, suppliers and gaming assistants employed in the charitable gaming sector.

The amendments also support the introduction of a more risk-based approach to regulation of Ontario's gaming sector. Specifically, the changes provide the Registrar of Alcohol and Gaming with authority to put in place standards and requirements to address various key areas of regulatory concern, such as security and surveillance at gaming sites, integrity of games and responsible gambling. Once implemented, these standards will replace the prescriptive, rules-based approach taken in the previous regulations. The objective is to provide more operational flexibility to the OLG, gaming operators and the many thousands of charities raising funds through charitable gaming activities, while at the same time ensuring that the integrity of gaming is preserved.

As you know, the transition to a standards-based regulatory model is part of a broader long term strategy that will be phased in gradually across sectors and gaming activities. We will continue to work with you and other key charitable gaming groups as we move ahead to ensure that regulation continues to be undertaken in the public interest and in a manner that best meets the needs of your sector.

I have attached a copy of the new gaming regulation for your reference. I have also attached a brief overview of the new registration framework and the areas in which it will impact registrants in the charitable gaming sector. Feel free to distribute to others if you think it will prove a worthwhile resource.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Tom Mungham

Chief Operating Officer

c: \ Harry

Harry Gousopoulos

Project Lead, Gaming Regulatory Reform