



GCB

Curaçao Gaming Control Board

WHITE PAPER

LACARGA

LATIN AMERICAN AND CARIBBEAN REGULATORS OF GAMING ASSOCIATION

March 2018
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Introduction

Annually, Gaming Laboratories International (GLI), through GLI University organizes regulator round tables all over the world, including for the Latin American and Caribbean region. The Latin American and Caribbean Gaming Regulators Round Table is always well visited by many gaming regulators and, as such, has proven the existence of a need to share knowledge and best practices and network with other regional regulators.

During the 2015 gaming regulators round table in Bogota, Colombia, undersigned, Mr. Gino Campbell, General Director of the Curaçao Gaming Control Board (CGCB), pitched the idea of an association of regional regulators of the gaming industry, the Latin American and Caribbean Regulators of Gaming Association, abbreviated LACARGA. This initiative was primarily fueled by the fact that, back then, membership of the North American Gaming Regulators Association (NAGRA) for the CGCB was not possible, and structural access to regional networking and data and knowledge sharing was very limited. It is evident that the development of the regulation of the gaming industry in the Latin American and Caribbean region, in general, is lagging behind the United States and most of Europe, that the challenges of the gaming jurisdictions in the Latin American and Caribbean Region are fairly similar and that working together within the region in an organized manner will benefit all participating gaming regulators and obviously improve regulatory quality in the jurisdictions they regulate.

The feedback on this proposal from fellow regulators was very positive. Mr. Manuel San Roman Benavente, General Director of Juegos de Casino y Máquinas Tragamonedas of the Ministerio de Comercio Exterior y Turismo especially, strongly motivated and supported me to push forward with the LACARGA initiative.

In this White Paper the objectives, advantages, challenges and pathway to realize LACARGA are explained for the purpose of informing fellow gaming regulators in the Latin American and Caribbean region and their governments of the importance of this initiative for improving the quality of gaming regulation in their jurisdiction, and, obviously, to sway the decision in the direction of concrete membership of and active participation in LACARGA and its activities.

Why LACARGA?

Any gaming regulator is aware of the complexity of regulating the gaming industry. Technical and other developments in the gaming industry are happening at an amazing pace and are very difficult to keep up with for gaming regulation and regulators. This is an often heard complaint from the gaming industry. Multi-faceted responsibilities for gaming regulators like licensing, ensuring fairness of the game, collection of gaming tax, supervision of compliance with international standards for anti-money laundering and combating terrorist financing (AML/CFT), enforcement, and promoting responsible gaming, may exponentially challenge the gaming regulator to adequately disburse its regulatory responsibilities. Limited availability of financial, technical and human resources often further obstruct the gaming regulator.



The gaming industry, by its nature, is categorized by the Financial Action Task Force (FATF) as high risk for being used for money laundering and the financing of terrorism. The pressure from the international community to adequately regulate the gaming industry is increasing. AML/CFT regulation of the gaming industry is relatively complex. Not properly regulating the gaming industry may eventually lead to black listing.

Games of hazard in the Latin American and Caribbean region have been in existence for ages. However, the regulation thereof in most of the jurisdictions in the region is in its initial stage and mostly incomplete. Only a few jurisdictions in the region have a clear policy for the regulation of the gaming industry. The main driver for gaming regulation is often still the generation of additional income for the jurisdiction through the levy and collection of gaming tax, but there are more aspects to regulating the gaming industry that need to be addressed for a gaming jurisdiction to minimize or mitigate certain risks, not in the least the risk of reputational damage.

LACARGA is an association, solely for gaming regulators in the Latin American and Caribbean region. Gaming jurisdictions and regulators in this region have similar challenges, that may include very limited financial, technical and human resources, and limited access to regional data, knowledge and best practices.

LACARGA is a non-political association of professional gaming regulators.

LACARGA may provide, among others:

- access to regional and international networking,
- shorter regional communication lines for a variety of regulatory needs (gaming policy, legislation, regulation, MICS and other standards, AML/CFT, CID/CDD, licensing, license verification, certification, responsible gaming etc.),
- formal and informal exchange of knowledge, best practices, quality standards, learning etc, through e.g. conferences, master classes, newsletters and forums,
- data collection and sharing opportunities,
- facilitating research e.g. through partnerships with educational institutions,
- human and technical resource sharing,
- efficiency, not reinventing the wheel through knowledge sharing and networking,
- registry of regional gaming, manufacturer and product licenses,
- liaising with similar and other relevant organizations, e.g. IAGR, NAGRA, IMGL, WLA, IAGA etc.,
- liaising with FATF, CFATF, GAFISUD etc., and
- support gaming regulators through National Risk Assessments and Mutual Evaluations.

LACARGA membership

The membership-area that LACARGA aims to cover, includes all gaming jurisdictions in South America, Central America, Mexico and the Caribbean.

Voting membership of LACARGA is only open to gaming regulators. However, other types of membership should be made possible for e.g. secondary and associate membership and sponsorship.



The main challenge that exists for LACARGA is the fact that the region covers multiple languages, primarily Spanish and English. GLI University's round tables have brought together Spanish and English speaking jurisdictions together for 10 years now and, as such, have proven that the language barrier is not an obstacle. All communication and reports as well as the LACARGA website will be in both the English and Spanish language.

Where we are

Since the first pitch in 2015 in Bogota, Colombia, several actions were taken to prepare for the incorporation of LACARGA. The Curaçao Gaming Control Board has taken the initiative to start the preparations.

- The Articles of Incorporation of LACARGA were prepared in draft in Spanish as well as in English. The Articles of the IAGR and NAGRA served as an example. The draft Articles are included in the Annex.
- The *lacarga.org* domain was secured.
- A draft design of the LACARGA logo is ready.
- A draft design of the LACARGA webpage is ready.

Moving forward with Founding Members

Founding Members

Moving forward, a team of five Founding Members is to be assembled. The Founding Members, obviously regional gaming regulators, will be responsible to set up, organize, activate and launch LACARGA and also to initiate the membership registration. That's why the Founding Members are selected on their vision, professionalism, commitment and drive to realize this important initiative.

The proposed timeline

- May 2018: The Founding Members meet in Medellin, Colombia, just before or during the V Cumbre Iberoamericana del Juego. Decisions are made and documentation is submitted to enable incorporation.
- June 2018: Incorporation of LACARGA in Curaçao.
- August 2018: Official launch of LACARGA during the GLI University Latin American and Caribbean Gaming Regulators Round Table in Lima, Peru.
- January 1, 2019: Official start of the LACARGA membership

Contact information

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Annexes

Draft Articles of Incorporation