

Associated Persons - Casinos

Significant influence and assessment of suitability.

Government Policy

The Gambling Act 2003 requires that persons whom it is determined have a significant influence in relation to a casino licence must be investigated by the Secretary for Internal Affairs to assess their suitability as an associated person. The meaning of significant influence is specified in section 7 of the Act.

Suitability criteria are specified in section 124. Vetting enquiries and requests for personal information are extensive and thorough.

Under section 149(8) from 1 July 2004, those persons approved as associated persons under section 48 of the Casino Control Act 1990 will be regarded as having the approval of the Secretary as an associated person.

Significant influence

Under section 7 of the Gambling Act the following persons are considered to exercise a significant influence in a casino:

- Someone who is, or will be a director of a casino licence holder;
- Someone who is, or will be the chief executive or a senior manager of a casino;
- Someone who owns, or will own shares directly or indirectly, in the holder of a casino licence where those shares confer 20 per cent or more of the voting rights of shareholders in any class.

In addition, significant influence in a casino includes any influence that the Secretary or the Gambling Commission (where relevant) considers to be a significant interest in the management, ownership or operation of a casino.

Some guidelines on the scope of significant influence are available on the Department's website (www.dia.govt.nz) to assist casino licensees in determining whether or not a person may exercise a significant influence in a casino (see Fact Sheet 30 - 'Significant Influence in Casinos').

The Secretary advises casino operators to seek the assistance of a chartered accountant or similar when considering significant influence guidelines and assessing circumstances that may confer significant influence in relation to their casino licence.

Both prospective associated persons and casino licensees have responsibilities to provide the Secretary with information in relation to persons with or about to have, a significant influence in a casino.

These responsibilities include the following:

- Under section 151 a person who acquires a significant influence in a casino but has not been approved as an associated person must inform the Secretary and each holder of a casino licence for the relevant casino;
- Under section 152, where possible, a casino licence holder must apply to the Secretary for approval of a person before they acquire a significant influence in a casino. The application must be in the relevant form, available from the Department from 1 July;
- Under section 153, as soon as a casino licence holder becomes aware that a person has acquired a significant influence in the casino, they must advise the Secretary.

The Secretary may at any stage receive or obtain information about the degree of influence a person has in relation to a casino licence.

Assessment of suitability

The Secretary for Internal Affairs is responsible for undertaking investigations and enquiries into the suitability of individuals holding (or about to hold) a significant influence in a casino.

Once the investigations are complete the Secretary will decide to either approve or refuse to approve the person as an associated person.

The Act requires that any person refused status as an associated person must not acquire, or continue to hold the position or interest that confers the significant influence.

An assessment of suitability includes, but may not be limited to the following:

- Criminal history
- Credit history
- Financial position, including any relevant shareholding

- Business skills (where relevant)
- Management structure (where relevant)
- Previous employment history.

Relevant professional bodies and regulators may also be contacted for information. A representative of the Department of Internal Affairs will generally interview applicants and their referees.

Applicants must provide photographs and fingerprints and attach a properly witnessed Statutory Declaration to their application. More detailed information about these requirements are contained in the application form available on the Department's website.

Applicants are required to complete a form that will permit their personal details maintained by the New Zealand Police to be disclosed to a third party. The information released relates to criminal convictions and criminal history. The location of this form is noted in the application form available on the Department's website.

Overseas applicants will be required to obtain an equivalent police clearance certificate from the relevant jurisdiction.

Some clearances could take considerable time to complete. This may be due to unclear or insufficient information provided by the applicant or referees that are difficult to contact.

To avoid unnecessary delays applicants should ensure that referees are available for an interview or that they promptly complete any questionnaires sent to them. An application may be halted where additional information sought is not provided in a timely manner.

Authorisation and privacy

The suitability checks conducted by the Department are done with the authority, knowledge and consent of the candidate. Relevant consent and disclosure forms are included in the application and must be completed and signed personally by the applicant.

The Department maintains secure records management systems. It will not share the information provided in an application or related investigations with any other government department unless it is authorised by the Gambling Act or any other relevant statute.

Fingerprints and photographs supplied with applications are destroyed immediately after the Secretary makes a decision. Where the Secretary's decision is adverse the application form will be returned to applicant.

Decision and recommendation

Once enquiries are complete, the Secretary will determine whether or not the person is suitable to become an associated person. Where the assessment is favourable, the Department will notify the person in writing and each casino licence holder to whom the decision directly relates.

Where there are concerns about an applicant's suitability, the Secretary may determine that the person is not suitable to become an associated person. Where the Secretary withholds approval, the Department will notify the person in writing and each casino licence holder to whom the decision directly relates.

Approvals remain valid until changes in personal circumstances or adverse information suggests that a review of the approval is warranted. The Secretary will periodically review the suitability of associated persons.

The Secretary requests that he / she is kept informed of up-to-date contact details of associated persons. The Secretary also requests that he / she is notified of changes that may affect the level of significant influence, or types of significant influence that an associated person exercises in relation to a casino.

Appeals

Under section 150 of the Gambling Act, applicants have a statutory right to appeal to the Gambling Commission within 15 days a decision of the Secretary to refuse, or revoke the status of an associated person.

Fees

The fee for an associated person application is \$337.33