



Nevada Sets Its Standards For Online Poker

The Nevada Gaming Control Board has published technical standards and minimum internal control standards for interactive gaming, as regulators close in on awarding the first U.S. licenses for online poker later this year.

The two sets of technical rules are key pieces in the Nevada regulatory jigsaw that started to take final shape last December when the Nevada Gaming Commission [adopted formal regulations for interactive gaming](#) for the first time.

The Silver State legalized online gaming in 2001, but it [waited a decade before enacting implementing rules](#) that now allow existing resort casino operators to seek licenses to offer peer- to- peer poker, limited to within Nevada's borders.

Las Vegas's South Point was first to apply for an online license last year.

It has since been followed by Caesars Entertainment, the Fertitta Interactive division of Station Casinos, and by Reno's Monarch Casino.

The owners of the Strip's Stratosphere Casino & Tower also have applied for a Nevada operator license. So, too, have MGM Resorts and Boyd Gaming — the [partners in waiting for Bwin.Party](#), should a federal poker law be passed.

Regulators say the state's first online licenses are likely to be issued within months.

But exactly when intrastate online poker goes live depends largely on how quickly supporting technology can be certified against the new [technical standards](#).

"I would expect that the first interactive gaming licenses to operators would come in the summertime, maybe late spring, and the longest item that we will undertake is the testing of equipment," Nevada Gaming Control Board chairman [Mark Lipparelli](#) told a seminar on U.S. Internet gaming regulation organized by GamblingCompliance and law firm DLA Piper to coincide with January's ICE expo in London.

"I think in a world where someone has certified technology taken through an independent test lab, and is married to a Nevada licensee, it's plausible that we could see Internet poker activity in Nevada within calendar 2012.

"But that's the optimistic side of things," Lipparelli said. "If that doesn't occur, it wouldn't surprise me."

As well as meeting technical compliance checks, poker platform suppliers must obtain their own interactive gaming licenses from Nevada regulators.

The regulations also contemplate the licensing or registration of "interactive gaming service providers" — a broad category that encompasses everything from payment processors to affiliate partners.

A number of Nevada's established gaming technology giants are already lined up for supplier licenses, according to state records.

IGT, Bally Technologies, Aristocrat, Shuffle Master and mobile device maker Cantor Gaming have all applied. Meanwhile, Fertitta Interactive is seeking a service provider license for CyberArts, the gambling software



company it acquired in October.

But the licensing process is also open to European- based online gambling specialists.

888 applied for Nevada interactive manufacturer and service provider licenses last year. London- listed mobile casino operator Probability also plans to step forward, the company said last week.

While intrastate online poker limited to Nevada's 3m residents is unlikely to prove tremendously profitable, the state's interactive gaming regime is still seen as significant, in part, because it offers the first opportunity for leading Internet gambling companies to undergo full U.S. licensing scrutiny.

Few are expecting an easy ride, though.

Regulatory experts gathered at ICE predicted a rude awakening for online operators so far familiar only with licensing reviews in European regulated markets or offshore jurisdictions.

Frank Catania, a former director of the New Jersey Division of Gaming Enforcement, told ICE delegates that online companies would find their first exposure to U.S. suitability standards a "culture shock" and "a very difficult time in their lives."

"The disclosure requirements in the U.S. are much higher than they are anywhere in the world," agreed Andre Wilsenach, CEO of the Alderney Gambling Control Commission and a former land- based casino regulator in South Africa.

"I think the U.S. is going to be more stringent, just from my experience at looking at how the U.S. regulates the terrestrial industry, and I think that's going to be something the [online] industry is going to have to get used to."

Speaking in London, Gaming Control Board chairman Lipparelli acknowledged that Nevada's suitability requirements may be "quite a bit higher than what most people are used to in the European market."

But any suggestion of an adversarial licensing process is wide of the mark, he told GamblingCompliance in a [video interview at ICE](#).

"You can paint a dark cloud about how difficult the process is but our process is very fair," Lipparelli said.

"It's one that requires great transparency, we do thorough work. Yet at the same time [our expectation is not perfection](#)."

Links:

[Nevada Interactive Gaming Regulations](#)
[Technical Standards for Interactive Gaming Systems](#)
[Interactive Gaming Minimum Internal Control Standards](#)