

Approved Arrangements for the Acquisition and Disposal of Gaming Machines

"Approved Arrangements" concerning the acquisition and disposal of gaming machines was first published in the July 1999 issue of the *Queensland Gaming Newsletter*. These arrangements have recently been updated following various legislative amendments and are reproduced below:

All approvals given by the Queensland Office of Gaming Regulation (QOGR), under the provisions of the *Gaming Machine Act 1991* ("the Act"), to acquire or dispose of gaming machines are subject to a number of standard conditions (commonly called "Approved Arrangements") specified pursuant to section 344(2)(a) of the Act and any other conditions specified by QOGR in a particular case.

Additionally, any approval continues to be subject to other provisions of the Act such as any restrictions concerning possession of a gaming machine.

In the approved arrangements, "Authorised Acquirer" and "Authorised Disposer" have the following meanings:

"Authorised Acquirer" means a licensed major dealer (gaming machine manufacturer/supplier), licensee (club/hotel), licensed monitoring operator (LMO), approved financier, gaming trainer, licensed service contractor, licensed repairer or a person from another State, Territory or Country, where possession of a gaming machine/s by that person is lawful.

"Authorised Disposer" means a licensed major dealer (gaming machine manufacturer/supplier), licensee (club/hotel), licensed monitoring operator (LMO), approved financier, gaming trainer, licensed service contractor or licensed repairer.

Approved Arrangements

1. The purchase price for a new gaming machine/s must be in accordance with the licensed major dealer's prevailing price list at the date of placement of the order, which has been provided to QOGR and all LMOs, unless the acquisition is a promotion referred to in item 3.
2. The purchase price of a new or second-hand gaming machine/s must be exclusive of other costs or charges, such as installation costs or delivery charges. Any costs or charges payable which are additional to the purchase price of a gaming machine/s, must be shown separately on the purchase order submitted with the

Application for the Acquisition/Replacement/ Disposal of Gaming Machines (Form 57).

3. It is acceptable for a new gaming machine/s to be purchased by a licensee from a licensed major dealer under a promotion for less than the standard amount shown in the price list, provided that:
 - the licensed major dealer has notified QOGR and all LMOs in writing of the special price payable under the promotion; and
 - the promotion is open to all licensees; and
 - the acquisition is a normal commercial arrangement and the transaction is not subject to any continuing obligations by the licensee after settlement, such as any exclusivity requirement with respect to the future purchase of gaming machines.
4. When a new or second-hand gaming machine/s is purchased by a licensee from a licensed major dealer, settlement must take place within thirty (30) days of installation, or such further period as may be approved by QOGR in writing, in a particular case.
5. It is acceptable for a second-hand gaming machine/s to be purchased by a licensee from a licensed major dealer under a promotion or other arrangement, provided that:
 - the promotion or other arrangement is open to all licensees; and
 - title to the gaming machine passes to the licensee at settlement; and
 - the acquisition is a normal commercial arrangement and is not subject to any continuing obligations by the licensee after settlement, such as any exclusivity requirement with respect to the future purchase of gaming machines.
6. It is acceptable for a second-hand gaming machine/s to be purchased by a licensee from an "authorised disposer" (other than a licensed major dealer) under a promotion or other arrangement, provided that:
 - settlement takes place within 30 days of the date of installation or such further period notified in writing to QOGR; and

- title to the gaming machine passes to the licensee at settlement; and
 - the acquisition is a normal commercial arrangement and is not subject to any continuing obligations by the acquirer after settlement.
7. The sale of a second-hand gaming machine/s by public auction is acceptable, provided that any advertisement in connection with the auction and the conditions of the auction, clearly restrict the bidding to "authorised acquirers".
 8. Trade-ins are allowable as part of the purchase price for new and second-hand machines, provided the amount of the consideration given for the trade-ins is disclosed on the purchase order.
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9. When a licensee has indicated destruction of a machine/s on the "*Disposal of Gaming Machines*" section of the Form 57, a copy of that part of the form must be provided to QOGR, by the relevant LMO, within seven (7) days of receipt of the completed Form 57.
 10. When a licensee has indicated trade-in of a machine/s on the "*Disposal of Gaming Machines*" section of the Form 57, to a licensed major dealer, a copy of that part of the form must be provided to the licensed major dealer, by the relevant LMO, within seven (7) days of receipt of the completed Form 57.