



Michigan Gaming Control Board Multistate Internet Poker Potential Tasks and Considerations for Operators and Platform Providers

The Lawful Internet Gaming Act (LIGA), MCL 432.305(3), provides that the Michigan Gaming Control Board (board) may enter into multijurisdictional agreements with other jurisdictions to facilitate, administer, and regulate multistate internet poker. Multijurisdictional internet gaming offered by Michigan internet gaming operators (operators) and internet gaming platform providers (platform providers) or offered to Michigan authorized participants must not include internet games other than poker. Further, multistate poker involving Michigan operators, platform providers, and/or authorized participants must not be conducted outside of the United States.

An operator or platform provider may not launch multistate poker until all of the following have occurred:

1. The board has entered into a multijurisdictional agreement and the agreement is in effect.
2. The operator, platform provider, and any other third parties involved in the conduct of multistate poker have obtained all necessary licenses and approvals and met all other requirements prescribed by the board.
3. The board has expressly authorized the operator or platform provider to launch multistate poker.

This document is meant to provide guidance regarding tasks an operator or platform provider may need to complete and other items an operator or platform provider may need to consider before the board will authorize the commencement of multistate poker. The extent to which these tasks and considerations will apply, if at all, will depend on the nature of each operator's or platform provider's multistate poker operation. Some potential scenarios include:

1. An operator that does not currently offer poker in Michigan may decide to launch multistate poker. This could be done via a partnership with a new platform provider, via a new platform provided by an operator's existing platform provider, or as a new game or remote gaming system (RGS) added to an existing platform.
2. An operator or platform provider that currently offers poker may introduce a new platform in Michigan to support multistate poker or may migrate its entire poker operation to a platform located in another state (e.g., New Jersey).
3. An operator or platform provider may continue to utilize its current platform while connecting to poker platforms in other states via a remote gaming system (located in Michigan or another state).

4. As it relates to games, an operator or platform provider may submit new game software or may conduct multistate poker using game software that is already approved by the board.

The specifics of each multistate poker operation – system architecture, operational methodology, sufficiency of current licenses and approvals, etc. – will dictate the applicability of various tasks and considerations and the overall path to launch authorization.

| Topic | Potential Tasks and Considerations |
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| Multijurisdictional Agreement | An operator or platform provider cannot launch multistate poker until the board formally enters into a multijurisdictional internet gaming agreement. In addition, an operator or platform provider must meet all conditions and requirements established in the multijurisdictional agreement. |
| Other Jurisdictions | An operator or platform provider may only conduct multistate poker involving other jurisdictions with which the board has entered into a multijurisdictional agreement. Further, an operator or platform provider must comply with applicable requirements in each other jurisdiction in which it offers or conducts multistate poker. |
| Supplier Licensing ¹ | New internet gaming suppliers an operator or platform provider will use in connection with multistate poker must obtain internet gaming supplier licenses from the board. This may include, without limitation, game software providers, providers hosting live internet gaming data, and affiliate marketers (revenue sharing). This may also include a new platform provider contracted by an operator that does not currently offer poker in Michigan. |
| Vendor Registration ¹ | New vendors an operator or platform provider will use in connection with multistate poker may be required to register with the board. This will depend on the goods and/or services the vendors intend to provide to the operator or platform provider (see R 432.629). Vendors requiring registration include, without limitation, affiliate marketers (non-revenue sharing) and data centers. |
| Occupational Licensing ¹ | New employees of an operator or platform provider involved in the conduct of multistate poker may be required to obtain occupational licenses from the board. Whether occupational licenses are required will depend on the positions and responsibilities of the employees (see R 432.623). |

¹ To the extent an individual or entity already holds a supplier license, occupational license, or vendor registration issued by the board under LIGA, a separate license or registration is not required for multistate poker.

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| New Platform Approval | If an operator or platform provider intends to migrate internet poker operations to a new platform or conduct multistate poker via a new platform, the platform will have to be approved by the board. |
| Platform Modifications | If multistate poker will be conducted via an existing platform, platform modifications may be required. These may include, without limitation, integration with new systems, activation of new games, modifications to technical security controls, establishment of new test accounts, updates to information provided to authorized participants (e.g., terms and conditions, complaint procedures, etc.), configuration changes, modifications to ensure multistate poker activity is properly reflected in account statements, updating of reporting capabilities, etc. Some modifications may require ITL testing, while others may only require notification to the board. |
| RGS Approval | If multistate poker will be offered via a new RGS, the RGS will have to be approved by the board. Integration of the RGS with the relevant platform will also require board approval. |
| Data Center | If a new data center will be used to house platform components, submission of a technical security standards questionnaire and a review/inspection of the data center will be required. |
| Server Location | If servers capable of receiving wagers will be located outside the state of Michigan, an operator or platform provider will have to obtain written board approval. |
| Game Approval | Any new internet game software will have to be approved by the board. This may include new RNGs and new progressive software. Multistate poker must be limited to poker games that can be authorized for multijurisdictional internet gaming under LIGA and the applicable multijurisdictional agreement. |
| Live Games | Any live multistate poker games will have to be approved by the board. Live games and the live game environment must comply with the board's live game regulatory framework and any other requirements prescribed by the board. If the live game environment will be located outside of Michigan, board approval will be required. |
| Geofencing | The multistate poker system must meet the board's geofencing and player location requirements. Players engaging in multistate poker from outside of Michigan must be located in a state with which the board has entered into a multijurisdictional agreement. |
| Platform Assessment | If multistate poker will be conducted via a new platform, a platform integrity and security assessment within 90 days of commencing operations will be required. |

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| Tournament Notification | An operator or platform provider must notify the board of any new tournaments it intends to offer on its multistate poker network. |
| ICS | <p>If multistate poker is not already addressed in an operator’s or platform provider’s internal controls and terms and conditions, an amendment will have to be submitted for board approval. Items that may be impacted include, without limitation:</p> <ul style="list-style-type: none"> • Procedures for platform failures. • User access controls. • Segregation of duties. • Risk management procedures. • Fraud prevention and detection. • Game approval. • Acceptance of wagers. • Recording and reconciliation. • Third-party platforms. • Geolocation. • Information sharing. • Complaints. • Server location. • Technical security controls. • Calculation of adjusted gross receipts. • Hacking, cyber-attacks, and tampering. • Cheating, collusion, and bots. • Third parties involved in internal controls. • Terms and conditions. • Change control processes. |
| Records, Adjusted Gross Receipts, and Taxes/Payments | Operators will have to ensure that multistate poker is properly captured and accounted for in their adjusted gross receipts and the resulting taxes or payments. The method for computing adjusted gross receipts generated by multistate poker will be dictated by LIGA, the relevant multijurisdictional agreement, and as directed by the board. Operators and platform providers will have to generate and maintain sufficient records to support their adjusted gross receipts. |

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| System Access | Operators and platform providers must provide the board with access to multistate poker systems and data on request. System access must be provided prior to launch authorization. |
| Branding | If an operator or platform provider will modify or introduce new platform branding as a result of multistate poker, board approval will be required. |
| Multistate Poker Launch Authorization | An operator or platform provider must obtain launch authorization from the board prior to commencing multistate poker. Launch authorization will not be granted until the operator or platform provider has obtained all necessary licenses and approvals and has met all other requirements prescribed by the board. |