

Responsible Gaming Day 2009 *Integrity and Sports*

I. Who we are

The European Gaming and Betting Association (EGBA) is the industry body representing leading online gaming and betting operators established, licensed and regulated within the EU, some of which are listed on the Stockholm, London and Vienna stock exchange. Its members offer services ranging from online poker to casinos, backgammon and sports bets.

EGBA promotes the implementation of a fair, competitive and regulated market in line with EU law for online gaming operators throughout Europe. The association believes that this regulated market should be based on genuine public order and consumer protection concerns and be adapted to the cross-border nature of the online market.

II. Responsibility & Integrity

Integrity of online gaming and betting is at the heart of discussions taking place at the European Parliament in the context of the own-initiative report held by the Committee on Internal Market and Consumer Protection. This report has generated heated debates within the Parliament as evidenced by the simultaneous adoption on 11 February 2009 of a minority report supported by MEPs from 7 different Member States.

It has also shown the great challenges faced by the EU regulated and responsible industry. Confusion and misunderstandings are still numerous. Many issues that are wrongfully associated specifically with online gaming and betting, are in fact relevant to either the gambling sector at large (including the traditional national land-based markets), to e-commerce or to the internet in general. Fact based discussions should also take on board how the internet can contribute to greater prevention and protection, and offer unique monitoring, transparency and traceability opportunities.

Several jurisdictions in Europe have clearly identified those opportunities and enforced regulations which, while securing a high level of integrity and responsibility in the market, offer EU regulated operators fair competition and a level playing field.

In addition to legally binding national licensing and regulatory requirement, industry associations have developed codes of conduct and self-regulation. EGBA members are required to comply with a set of 170 ambitious self-imposed standards which cover all aspects of the business, from a zero tolerance approach to fraud to ethical marketing practices and the protection of minors and vulnerable players. In order to ensure full compliance with these stringent standards, EGBA members are also subject to an annual audit by an independent third party.

A benchmarking study conducted in 2008 by eCOGRA, a leading standards and player protection body, revealed that 67% of EGBA's consumer facing standards match or even exceed the practices of leading state monopolies in Europe.

III. Bookmaking & Sports

Sports betting is a complementary and popular form of entertainment within the sports entertainment chain. It generates increased interest in the sports events and thereby enhances the attractiveness of competitions. In a regulated and competitive market, online sports betting can generate new and diversified sources of revenue for both grassroots and professional sports¹.

An increasing number of sports clubs and federations around Europe enter into multi annual audiovisual rights, live streaming and sponsorship deals with online sports betting operators. Online operators broadcast sports events that no TV station (whether public or private) would broadcast, providing even small and medium sized sports with a broader audience and additional marketing value. However, certain information that is freely available in the public domain - such as the names of events, score lines and fixture lists - is used by sports betting operators, as well as by other sectors and professions including journalists and the tourism industry.

Online gaming and betting is a growing market, but will remain for the next decades a small part of the overall European gaming market. The traditional land based offer is expected to grow from € 85 Billion GGR in 2008 to € 93 Billion GGR in 2012, thus keeping the lion's share with 88,1% of the market². The development of the online market will not reduce the Member States' tax income or the revenue of national historic gambling operators, and will therefore not deprive charities and sports, including grassroots sports from the existing revenue streams.

Finally, preventing the use of online betting for match fixing purposes remains a priority for the members of the EGBA, who have been working since 2005 with the European Sports Security Association (ESSA). ESSA's early warning system allows detecting all suspicious betting patterns and alert sports regulators, providing their disciplinary and legal departments with an electronic trail of data which can be used to launch the relevant investigations. The costs related to the ESSA system are entirely borne by the betting operators and used free of charge by leading sports federations.



¹ Sports business study «Study on the Contribution of the Gambling Industry to the Funding of Sports in Two Member States – the UK and France », November 2008

² Source: H2 Gambling Capital, January 2009