

## Key conclusions of EC online gambling workshops

### Green paper process on online gambling

The European Commission adopted and published the Green Paper on Online Gambling in the Internal Market on 24 March 2011.

The main aim of the Green Paper is to launch a broad consultation, as the Commission seeks to obtain a "facts-based picture of the existing situation in the EU online gambling market and of the different national regulatory models". Based on the feedback received to 51 questions posed, the European Commission will then decide whether there is a need for (and if so, the form of) any EU follow-up action in this field.

The written consultation period ran until 31 July 2011 with the Commission confirming that they had received 250 responses to this public consultation. It is expected that the conclusion of the consultation will be published in the first quarter 2012.

### European Commission's workshops on online gambling

To complement the Green Paper consultation process and to benefit from the knowledge and experience of experts in the field, the European Commission has organized 5 thematic workshops on the following topics:

1. "Sport Integrity" - 10 May 2011 (page 2)
2. "Detection and prevention of problem gambling" - 25 May 2011 (page 3)
3. "Systems of revenue distribution" - 6 June 2011 (page 4)
4. "Prevention of fraud and money laundering" - 1 July 2011 (page 5)
5. "National enforcement measures and administrative cooperation" - 16 September 2011 (page 6-7)

For each workshop, the Commission has selected the experts, set the agenda, chaired the discussions and drafted the conclusions which are publicly accessible [http://ec.europa.eu/internal\\_market/services/gambling-workshops\\_en.htm](http://ec.europa.eu/internal_market/services/gambling-workshops_en.htm).

This document provides the list of participants in each workshop and a summary of the key conclusions reached as reported by the European Commission.

## 1. On-line Gambling and Sport Integrity (with focus on match-fixing)

On 10 May, DG Internal Market and Services held the first expert-based workshop complementing the Green Paper on On-line Gambling in the Internal Market . The workshop focused on issues related to match-fixing, in particular the identification of the inherent risks, prevention and detection measures, sanctions and methods of enforcement as well as the resources entailed to sustain the endeavors undertaken. Representatives from the relevant sectors were taking part at this workshop, namely sport bodies, gambling operators, gambling regulators and various betting detection/alert systems.

As a result of roundtable debates on the pre-determined topics, participants agreed on the following key conclusions:

- *“Sport betting is not a threat to the integrity of sport competition in principle; risks emanate from the use of enabling technologies (internet, mobile commerce, IPTV) by unregulated online gambling operators” (p. 1)*
- *“There are several good initiatives for athletes, coaches and referees by sport bodies, operators and regulators, either jointly or individually (codes of conducts, training, statutes of sport bodies etc.)” (p. 2)*
- *“The challenges in communicating effectively with athletes can be facilitated through face to face interaction, player friendly websites and written material” (p. 3)*
- *“Financing of sports integrity mechanisms: An example given is the initiative by a number of sports betting operators to fund player associations in a select number of sport disciplines in some member States to deliver educational programmes to athletes” (p.3)*

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Workshop participants:

Barbara Clanzy (International Rugby Board), Antonio Constanzo (Bwin.party), Andy Cunningham (Betfair), David Folker (Sports Rights Owners Coalition), Pâquerette Girard Zappelli (International Olympic Committee), Pierre Ketterer (Fédération Internationale de l'Automobile), Andreas Krannich (Sportradar), Emilie Montane (Fédération Française de Tennis), Jens Nielsen European Lotteries Monitoring System, Risto Nieminen European Lotteries, Mike O’Kane (European Sports Security Association), Sonia Parayre (Council of Europe), Graham Peaker (Union des Associations Européennes de Football), Jean-François Périnel (Pari Mutuel Europe), Jeff Rees (International Tennis Federation), Francesco Rodano (Amministrazione Autonoma dei Monopoli di Stato), Bill South (William Hill), Simon Taylor (Professional Players Federation), Cécile Thomas Throphime (Autorité de Régulation des Jeux en Ligne), Nick Tofiluk (UK Gambling Commission), Marco Villiger (Fédération Internationale de Football Association).

## **2. On-line Gambling: Detection and prevention of problem gambling and addiction**

On 25 May, the second workshop was organized in cooperation with DG Research and Innovation, specifically through the ALICE-RAP (Addiction and lifestyles in contemporary Europe – Reframing Addictions project), a five-year transnational and interdisciplinary project funded through the Seventh Framework Programme . Participants were interested research experts from the broader ALICE-RAP consortium as well as representatives from gambling treatment centers.

Further to a debate on the predetermined topics, the following significant conclusions were reached:

- *“Given that on average around 0.5% of the adult population or 1% of active gamblers in Europe meet the criteria of 'pathological gambling' the relevance of gambling-related characteristics as an aetiological risk factor seems to be limited” (p.2);*
- *“The regulatory system in place in a Member State, be it a licensing system or a monopoly, does not seem to have a significant impact on the degree of problem gambling or gambling addiction” (p.2);*
- *“The access to online gambling products does not appear to have given rise to problem development or addiction at a higher rate than in the offline environment” (p. 2);*
- *“Online gambling provides good opportunities for close monitoring of individual gambling behaviour and early detection of problem development” (p. 2);*
- *“Information such as the time spent on the site, the option of self-exclusion and signposting to appropriate helpline and treatment centres are to be amongst information readily and constantly available to players on gambling websites” (p. 3).*

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Workshop participants:

Gerard Bühringer (Institut für Therapieforschung), Jim Fearnley (Responsible Gambling Fund, UK), Sharon Kalsy (GamCare, UK), Zofia Mielecka-Kubien (Panstwowa Agencja Rozwiazania Problemow Alkoholowych), David Nutt (Imperial College London), Vladimir Poznyack (World Health Organisation), Jürgen Rehm (Technische Universitaet Dresden), Julian Vicente (European Monitoring Centre for Drugs and Drug Addiction) plus other participants from ALICE-RAP partners <https://sites.google.com/site/aliceraproject/about/partners>

### 3. On-line Gambling and Systems of Revenue Distribution

On 6 June 2011, DG Internal Market and Services held the third expert-based workshop complementing the Green Paper on On-line Gambling in the Internal Market, with representatives from the relevant sectors: public and private gambling operators, charity lotteries, sport bodies and government authorities .

Participants agreed on these resulting fundamental conclusions following roundtable debates on the pre-determined topics:

- *“There is a wide offer of online and offline gambling services in Europe with existing data for the regulated open markets indicating marginal cannibalisation of the market” (p.1)*
- *“The business model and market environment of commercial operators is different to that of State - owned or State-controlled lotteries and thus the contribution has to be different” (p.2)*
- *“Diverging views were expressed on the notion of 'fair return to sports' by public and commercial operators”. “such a system may be to the detriment of smaller or less visible sports” (p.2)*
- *“Regulated market opening can provide a source of additional revenue in the Member States” (p.3)*

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Workshop participants:

Holger Blask (Bundesliga), Simon Burton (Camelot), Oscar Castro (Organización Nacional de Ciegos Españoles), Jacques Chartier (Union Europeene du Trot), Antonio Costanzo (Bwin.party), Christophe Dhaisne (Unibet), Clive Hawkswood (Remote Gambling Association), Jean-Piere Kratzer (Union Europeene du Trot), Holger Jakob (Deutsche KlassenlotterieBerlin), Mathieu Moreuil (Premier League), Julien Nizri (National Center for Development of Sport)Piet Van Baeveghem (Nationale Loterij), Tatiana Van Lier (Association of Charity Lotteries in the EU)

#### 4. On-line Gambling and prevention of fraud and money laundering

On 1 July, DG Internal Market and Services held the fourth expert-based workshop, with representatives from the relevant sectors: public and private gambling operators, gambling regulators and on-line payment service providers. The workshop addressed issues concerning the protection of public order, in particular looking at existing measures in place to detect and prevent fraud and money laundering.

Further to roundtable debates on the pre-determined topics participants agreed on the following key conclusions:

- *“Given the technical systems in place on-line gambling operations are traceable” (p.1)*
- *“The Internet facilitates the detection and subsequent investigation of fraud and money laundering. Detection systems developed in the on-line gambling sector are state-of-the-art technology and are also used in other sectors such as the banking or the insurance sector” (p.3)*
- *“It is not evident that the risks of fraudulent activities and money laundering operations have increased with on-line gambling, as far as regulated gambling markets are concerned”. (p.1)*
- *“The frequency and risk of cyber attacks is not considered higher than in any other industry sectors” (p.2)*
- *“Match fixing, occurring with the involvement of organised crime structures from non-European jurisdictions is deemed the most severe threat to sport betting operations and the integrity of sport competitions” (p.2)*
- *“There is a call to extend this [Directive on Money Laundering] to cover all types of games and to bring it up to date with the online systems” (p.2)*

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Workshop participants:

Joseph Borg (Lotteries and Gaming Authority, Malta), Kristoffer Cassel (Unibet), Christian Cosmidis (Opap services), Heliodoro Giner (Spanish Casino Association), Neill Ireland (UK Gambling Commission), Christian Kalb (CB Consulting), Michael Levi (Cardiff University), Peter Jelinek (CQR), Gaëlle Menu-Lejeune (Autorité de régulation des jeux en ligne), David Norman (Betfair), Philip Taylor (Alderney Gambling Control Commission)

## 5. Efficient national enforcement measures and administrative cooperation

On 16 September, DG Internal Market and Services held the fifth expert-based workshop, complementing ' the Green Paper on On-line Gambling in the Internal Market with representatives from gambling regulators, public and commercial gambling operators, and service providers from the IT and payment service sectors .

Further to roundtable debates on the pre-determined topics participants agreed on the following key conclusions:

- *“A number of regulators expressed a lack of experience with on-line gambling regulation, due to their unregulated or newly regulated markets, as well as their desire to draw knowledge from more experienced regulators”. (p. 1)*
- *“The majority of regulators do not see a need for such requirement [location of the server in the recipient Member State] from a technological standpoint. Instead, access to servers at a distance, central control units and real time control through technical supervisory tools (allowing, for example, for KYC checks by operators, central list of excluded players and storage of players' balances) are considered far more efficient and appropriate, provided that the information is processed and analysed adequately”. “Ensuring the accuracy of data is considered more important than physical access to it”. (p. 2)*
- *“Duplication of IT infrastructure furthermore increases the complexity of a system without necessarily facilitating access to information. The on-line environment requires pragmatic solutions. Software and hardware certification can play an important role in this respect.” (p. 2)*
- *“ISP blocking does not work as an isolated enforcement tool and can be circumvented, but it may serve as a deterrent though only in combination with other instruments. Adverse effects need to be considered (loss of forensics, blocking legitimate businesses, driving consumers to the unregulated market)”. (p. 2)*
- *“In a first step cooperation should focus on exchange of information and best practice, in order to share intelligence, reduce administrative burdens and build confidence and trust between regulators”. (p. 3)*

- *“While some regulators already use or refer to industry standards in their regulatory work, most participants consider the lack of common regulation as an obstacle to common standards, in particular with regard to the CEN-framework.” (p. 3)*
- *“Other possible areas of cooperation are consumer protection (e.g. cross-border selfexclusion list), licensing requirements, combating illegal offers and the fight against match-fixing”. (p. 3)*

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Workshop participants:

Sakari Airas (Ministry of Interior Finland), Jens Bader (Paysafecard), Andrew Beveridge (eCogra), Sigrid Birne (Lotteries and Gambling Supervisory Inspection Republic of Latvia), Phill Brear (Gambling Division Ministry of Finance of Gibraltar), Steve Brennan (Gambling Supervision Commission Isle of Man), Kristoffer Cassel (Unibet), Christile Drulhe (Permanent Representation of France to the EU), Rosa Godino Escolar (General Directorate for Gambling Regulation, Ministry of Finance of Spain), Thomas Goessl (Bayerisches Staatsministerium Des Innern), Sophie Guillonmorel (ARJEL, France), Håkan Hallstedt (Gaming Board for Sweden), Jimmy Heschl (bwin.party services (Austria) GmbH), Meglena Hristova (State Commission on Gambling Bulgaria), Dahlia Kownator (Fédération Française des Telecoms (FFT)), Jason Jersey Lane (Gambling Commission), Emil Mihalič (State Office for Gaming Supervision Ministry of Finance of Slovenia), Peter Naessens (Belgian Gaming Commission), Kika Orphanidou (Ministry of Finance, Cyprus), Roger Parkes (Betfair), Iptigenia Petrocosta (Ministry of Finance, Cyprus), Taivo Põrk (Entrepreneurship and accounting policy department Ministry of Finance of Estonia), Reuben Portanier (Lotteries and Gaming Authority Malta), Barry Quinn (Ministry of Justice, Ireland), Patrick Raude (La Française des Jeux), Jan Rehola (Ministry Of Finance Of The Czech Republic), Francesco Rodano (AAMS, Italy), Johan Röhr (Gaming Board for Sweden), Morten Rønne (Danish Gambling Authority), Michael Rotert (European Internet Services Providers Association), Christian Sammut (GO plc.), Angelique Skami Skaramanga (Ministry of Finance, Greece), Mirosław Świderek (Customs, Excise and Gambling Enforcement Department, Ministry of Finance of Poland), Nick Tofiluk (UK Gambling Commission), Vadászné Moticska Annamaria (National Tax and Customs Administration of Hungary Gambling Control Department), Eric Van Vondelen (Netherlands Gaming Control Board), Silvia Vrabelova (Ministry of Finance, Slovakia), André Wilsenach (Alderney Gambling Control Commission), Winfried Wortmann (WestLotto (Germany)).