

Public consultation on the Green Paper on on-line gambling in the Internal Market

You are invited to reply to the on-line questionnaire. The questions listed in the Green Paper are reproduced in the same order hereunder. A pdf version of the [Green Paper](#) is available in all EU languages for guidance to the questions.

There are 51 questions in the consultation document. You may reply to those questions in any one of the EU languages. You may focus your contributions on the areas of most interest to you; you are not obliged to answer all the questions.

Please save this document on your computer. Once you have completed the questionnaire, come back to the on-line questionnaire. You will be able to upload your answers on page 3 of the on-line questionnaire.

The consultation will close on 31/07/2011.

We thank you for your participation.

Your name / Your organisation:

EUROPEAN GAMING AND AMUSEMENT FEDERATION (EUROMAT)

Questions from the Green Paper on on-line Gambling in the Internal Market

1. Regulating on-line gambling in the EU: Recent developments and current challenges from the Internal Market standpoint
 - 1.1. Purpose of the consultation
 - 1.2. On-line gambling in the EU: current situation
- (1) Are you aware of any available data or studies on the EU on-line gambling market that would assist policy-making at EU and national level? If yes, do the data or study include licensed non-EU operators in the EU market?**

We provide below a non-exhaustive list of recent studies on the EU on-line gambling market:

Studies originating in Germany:

- Glücksspielmarkt Deutschland 2015 – Situation und Prognose des Glücksspielmarktes in Deutschland, Berlin, May 2010; editor: Goldmedia GmbH Media Consulting & Research, www.goldmedia.com

- Auswirkungen der Regulierung des Glücks- und Gewinnspiels auf die Marktentwicklungen und fiskalische Implikationen, Dr. Hans-Günther Vieweg, München (draft available)

Studies originating in Poland:

- Research Institute for Market Economics (2006) Poland covering all on-line operators available in the Polish market

Studies originating in the Netherlands:

- Kansspelen via nieuwe media 2005, Monitor betaalde interactieve internetkansspelen en telefonische kansspelletjes, Motivaction Reseach and Strategy, Amsterdam December 2005. This research analyses the Dutch internet gaming market and SMS or telephone gaming and is conducted on a yearly basis. The main goal of the analysis in 2005 is to monitor the nature and scope of this market and to gauge the extent of problematic behaviour.
- Kannibalisatie van on line spelen, 17 December 2008, Motivaction International
- “Aard en omvang van illegale kansspelen in Nederland”, Regioplan, Amsterdam July 2009,
- “Legalisatie van Kansspelen via internet, eindrapport van de Adviescommissie Kansspelen via internet”, August 2010.

Studies originating in the UK:

- British Gambling Prevalence Survey 2010:
<http://www.gamblingcommission.gov.uk/PDF/British%20Gambling%20Prevalence%20Survey%202010.pdf>
- British Gambling Prevalence Survey 2007:
<http://www.data-archive.ac.uk/findingdatasnDescription.asp?sn=5836&key=2007+Prevalence>
- British Gambling Prevalence Survey 1999,
http://www.gamblingcommission.gov.uk/research__consultations/research/bgps/bgps_1999.aspx
- Arnold, G., Collins, P., Eadington, W.R., Remmers, P. & Ricketts, T. (2003). Towards a Strategy for Addressing Problem Gambling in the U.K.: A Report to the Responsibility in Gambling Trust. London: Responsibility in Gambling Trust.
- Frischer, M., Hickman, M., Kraus, L., Mariani, F. & Weissing, L. (2001). 'A comparison of different methods for estimating the prevalence of problematic drug misuse in Great Britain'. *Addiction*, 96, 1465-1476.

- Gambling Research Centre. Commissioned by The Responsibility in Gambling Trust, U.K.. October 2004
 - Gambling Review Body, Department for Culture, Media and Sport. (2001). Gambling Review Report. Norwich: HMSO.
 - GamCare. (2002). GamCare Care Services Report. GamCare: National Association for Gambling Care, Educational Resources and Training.
 - GamCare. (2002-3). GamCare Annual Report. GamCare: National Association for Gambling Care, Educational Resources and Training.
 - GamCare. (2003). GamCare Care Services Report. GamCare: National Association for Gambling Care, Educational Resources and Training.
 - GamCare. (2004). GamCare News 19. Winter 2004.
 - Miller, W and Schwartz, M (1998) 'Casino gambling and street crime'. The Annals of the American Academy of Political and Social Sciences 556; 124-137
- Mintel. (1995). Gambling. London: Mintel.
- Grun, L. & McKeigue, P. (2000). 'Prevalence of excessive gambling before and after introduction of a national lottery in the United Kingdom: another example of the single distribution theory'. Addiction, 95, 959-966.
- Hall Aitken (2006) The Social and Economic Impacts of Regional Casinos in the U.K..
- Gambling. Windsor: University of Windsor Problem Gambling Research Group. Available at <http://www.gamblingresearch.org/>.
 - O'Neil, M (2006) Personal communication. Michael O'Neil, Director South Australian Centre for Economic Studies.
- Orford, J., Sproston, K., Erens, B., White, C. & Mitchell, L. (2003). Gambling and Problem Gambling in Britain. Hove: Brunner-Routledge.
- Pion Economics (2005) Casinos in England's Northwest: An Assessment of Market Demand. Final Report. June 2005
 - Policy Analytics, Llc (2006) A Benefit-Cost Analysis of Indiana's Riverboat Casinos for FY 2005. A report for the Indiana Legislative Council and the Indiana Gaming Commission. January 17 2006
 - Reid, S., Woodford, S.J., Roberts, R., Golding, J.F. & Towell, A.D. (1999). 'Health related correlates of gambling on the British National Lottery'. Psychological Reports, 84, 247-254.
 - Rogers, P. & Webley, P. (2001). 'It could be us! Cognitive and social psychological factors in UK National Lottery play'. Applied Psychology: An International Review, 50 (1), 181-199.
 - Sanders, P. & Rosenfield, M. (1998). 'Counselling at a distance: Challenges and new initiatives'. British Journal of Guidance and Counselling, 26, 5-10.

- Shepherd, R., Ghodse, H. & London, M. (1998). 'A pilot study examining gambling behaviour before and after the launch of the National Lottery and scratch cards in the UK'. *Addiction Research*, 6, 5-12.
- Sproston, K., Erens, B. & Orford, J. (2000). *Gambling Behaviour in Britain: Results from the British Gambling Prevalence Survey*. London: The National Centre for Social Research.

Studies originating in Scotland:

- Labour Market Statistics (2006) Scottish Executive. April 2006
- Rooney, M (2006) Personal communication. Matt Rooney, Public Relations Gamblers Anonymous Scotland

Studies originating in Spain:

- Sani, A., Ladouceur, R. & Carlevaro, T. (2002). Impact of a Counselling Session: Preliminary Results. 5 th European Conference on Gambling Studies and Policy Issues. Barcelona, Spain.

Studies originating in Sweden:

- Volberg, R.A. & Abbott, M.W. (1997). 'Gambling and problem gambling among indigenous peoples'. *Journal of Substance Use and Misuse*, 32 (11), 1525-1538.
- Volberg, R.A., Abbott, M.W., Rönnerberg, S. & Munck, I.M. (2001). 'Prevalence and risks of pathological gambling in Sweden'. *Acta Psychiatrica Scandinavica*, 104 (4), 250-256.

Studies originating in Switzerland:

- Sani, A. (2003). The Social Concept: A Prevention Model in a Swiss Casino. Paper presented at Discovery 2003. Available at <http://www.responsiblegambling.org/> .

Studies originating in Australia:

- Blaszczynski, A. (2001). *Harm Minimization Strategies in Gambling: An Overview of International Initiatives and Interventions*. Melbourne: Australian Gaming Council. Available at <http://www.austgamingcouncil.org.au/research>.
- Dickerson, M.G. (1993). 'A preliminary exploration of a two-stage methodology in the assessment of the extent and degree of gambling-related problems in the Australian

population'. In *Gambling Behavior and Problem Gambling*. W.R. Eadington & J.A. Cornelius (eds), Reno: University of Nevada Press (pp. 347-363).

- Dickerson, M.G., Baron, E., Hong, S.M. & Cottroll, D. (1996). 'Estimating the extent and degree of gambling related problems in the Australian population: A national survey'. *Journal of Gambling Studies*, 12, 161-178.

- Hing, N. (2002). 'The emergence of problem gambling as a corporate social issue in Australia'. *International Gambling Studies*, 2, 101-122.

- Hing, N. & M. Dickerson. (2001). *Responsible Gambling: Australian Voluntary and Mandatory Approaches*. Melbourne: Australian Gaming Council.

Available at <http://www.austgamingcouncil.org.au/research/files>.

- Centre for International Economics (CIE). (2002). *Gaming Machine Revenue at Risk*. Report prepared for Gambling Industry Operators Group. Canberra: CIE.

- Jackson, A., Thomas, S. & Blaszczynski, A. (2003). *Best Practice in Problem Gambling Services*. Prepared for the Gambling Research Panel by Melbourne Enterprise International. Melbourne: Gambling Research Panel. Available at <http://www.grp.vic.gov.au/>.

- Discussion Paper: Contexts, Characteristics and Impacts of EGM Technology. Prepared for the Gambling Research Panel, Victoria. La Trobe University, Australian Institute for Primary Care. Available at <http://www.latrobe.edu.au/aipc>.

- South Australian Centre for Economic Studies. (2003). *Evaluation of self-exclusion programs in Victoria*. Victoria, Australia: Gambling Research Panel.

Available at <http://www.grp.vic.gov.au/>.

- Thomas, S. & Jackson, A. (2000). *Longitudinal evaluation of the effectiveness of problem gambling counselling services, community education strategies, and information products -Volume 5: Natural recovery from problem gambling*. Melbourne: Victorian Department of Human Services.

Studies originating in Canada:

- Azmier, J. (2001). *Gambling in Canada: Triumph, tragedy or tradeoff? Final report and recommendations*. Calgary: Canada West Foundation.

Available at <http://www.cwf.ca/abcalcwf/doc.nsf/doc/Projects>.

- Europe Economics and Mintel (2006) *Fixed Odds Betting Terminals, the Code of Practice and Problem Gambling*. A second report for the Association of British Bookmakers Limited. Unpublished draft report

- Ferris, J. & Wynne, H. (2001). *The Canadian Problem Gambling Index: Final report*. Ottawa: Canadian Centre on Substance Abuse.

- Coups, E., Haddock, G. & Webley, P. (1998). 'Correlates and predictors of lottery play in the United Kingdom'. *Journal of Gambling Studies*, 14, 285-303.

- Jacques, C., Ladouceur, R., Ferland, F. & Giroux, I. (1997). Prevalence of Problem Gambling in Quebec Seven Years after the First Prevalence Study. Paper presented at the Tenth International Conference on Gambling and Risk Taking, Montreal, Canada. June 1997.

Studies originating in New Zealand:

- Abbott, M.W. (2001). Problem and Non-Problem Gamblers in New Zealand: A Report on Phase Two of the 1999 National Prevalence Survey. Wellington: Department
- Abbott, M.W. & Volberg, R.A. (1999). Gambling and Problem Gambling in the Community: An International Overview and Critique. Report Number One of the New Zealand Gaming Survey. Wellington: Department of Internal Affairs.
- Abbott, M.W. & Volberg, R.A. (2000). Taking the Pulse on Gambling and Problem Gambling in New Zealand: Phase One of the 1999 National Prevalence Survey. Report number three of the New Zealand Gaming Survey. Wellington: Department of Internal Affairs.
- Abbott, M.W., Williams, M. & Volberg, R.A. (1999). Seven Years on: A Follow-Up Study of Frequent and Problem Gamblers Living in the Community. Report Number Two of the New Zealand Gaming Survey. Wellington: Department of Internal Affairs.
- Paton-Simpson, G.R., Gruys, M.A. & Hannifin, J.B. (2004). Problem Gambling Counselling in New Zealand: 2003 national statistics. Palmerston North: The Problem Gambling Committee.
- Sullivan, S., Abbott, M.W., McAvoy, B. & Arroll, B. (1994). 'Pathological gamblers - will they use a new telephone hotline?' New Zealand Medical Journal, 107, 313-315.

Volberg, R.A. & Abbott, M.W. (1994). 'Lifetime prevalence estimates of pathological gambling in New Zealand'. International Journal of Epidemiology, 23 , 976-983.

Studies originating in the US:

- Castellani, B. (2000). Pathological Gambling: The Making of a Medical Problem. Albany, NY: State University of New York Press.
- American Psychiatric Association. (1980). Diagnostic and Statistical Manual of Mental Disorders, Third Edition. Washington, DC: Author.
- American Psychiatric Association. (1994). Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition. Washington, DC: Author.
- Baxandall, P and Sacerdote, B (2005) The Casino Gamble in Massachusetts. Rappaport Institute for Greater Boston, John F Kennedy School of Economics, Harvard University
- Chang, S (1996) 'Impact of casinos on crime: the case of Biloxi, Mississippi' Journal of Criminal Justice 24(5) 431-436

- Cox, S., Lesieur, H.R., Rosenthal, R.J. & Volberg, R.A. (1997). Problem and Pathological Gambling in America: The National Picture. Columbia, MD: National Council on Problem Gambling.
- Eadington, W (2003) 'Values and choices: the struggle to find balance with permitted gambling in modern society'. In G.Reith Ed. Gambling: Who Wins? Who Loses? New York: Prometheus Books
- Eadington, W.R. (2004). 'The future of online gambling in the United States and elsewhere'. Paper presented at the International Gambling Conference, Gambling and Problem Gambling in New Zealand: Taking Stock and Moving Forward on Policy, Practice and Research, Auckland. May 2004.
- Chicago, IL: National Opinion Research Center at the University of Chicago.
Available at <http://cloud9.norc.uchicago.edu/dlib/ngis.htm>
- Goodman, R. (1995). The Luck Business: The Devastating Consequences and Broken Promises of America's Gambling Explosion. New York: Simon and Schuster.
- Hunter, R. (1990). Problem Gambling in a Gambling Town: The experience of Las Vegas. Paper presented at the Eighth International Conference on Gambling and Risk Taking, London. August 1990.
- National Center for Responsible Gaming. (2004). 2003 Annual Report. Washington, DC: Author.
- National Gambling Impact Study Commission. (1999). Final report. Washington, DC: Government Printing Office. Available at <http://govinfo.library.unt.edu/ngisc/index.html>.
- National Research Council. (1999). Pathological Gambling: A Critical Review. Washington, DC: National Academy Press.
- NORC (1999) Analysis of the Casino Survey. Report to the National Gambling Impact Study Commission. University of Chicago
- North Health. (1996). Interim Report on Problem Gambling Management Prepared for Committee on Problem Gambling Management. Auckland: Author.
- Lesieur, H.R. (1998). 'Costs and treatment of pathological gambling'. Annals of the American Academy of Political and Social Science, 556, 153-171.
- Lesieur, H.R. & Blume, S.B. (1987). 'The South Oaks Gambling Screen (SOGS): A new instrument for the identification of pathological gamblers'. American Journal of Psychiatry, 144, 1184-1188.
- Palermo, D. (1999). 'Mississippi drafts new regulation'. International Gaming & Wagering Business, 20 (2), 16.
- Rush, B; Adlaf, E; Veldhuizen, S; Corea, L and Vincent, S (2005) Assessing the Geo-Spatial Association between the Prevalence of Problem Gambling, Treatment Availability and Help Seeking: Final Report. Ontario: Ontario Problem Gambling Research Centre

- Shaffer, H and Hall, M (2001) 'Updating and refining meta-analytic prevalence estimates of disordered gambling in the United States and Canada' *Canadian Journal of Public Health* 92. 3: Shaffer, H; LaBrie, R; LaPlante, D; Nelson, S and Stanton, M (2004) 'The road less travelled: moving from distribution to determinants in the study of gambling epidemiology' *Canadian Journal of Psychiatry* 49(8): 504-216
- Shaffer, H.J. & Hall, M.N. (2002). 'The natural history of gambling and drinking problems among casino employees'. *Journal of Social Psychology*, 142 (4), 405-424.
- Shaffer, H.J., Hall, M.N. & Vander Bilt, J. (1997). *Estimating the Prevalence of Disordered Gambling Behavior in the United States and Canada: A Meta-Analysis*. Boston, MA: Harvard Medical School Division on Addictions.
- Shaffer, H.J., Hall, M.N. & Vander Bilt, J. (1999). 'Estimating the prevalence of disordered gambling behavior in the United States and Canada: A research synthesis'. *American Journal of Public Health*, 89 (9), 1369-1376.
- Shaffer, H.J., LaBrie, R.A. & LaPlante, D. (2004). 'Laying the foundation for quantifying regional exposure to social phenomena: considering the case of legalized gambling as a public health toxin'. *Psychology of Addictive Behaviors*, 18 (1), 40-48.
- Shaffer, H.J., Vander Bilt, J. & Hall, M.N. (1999). 'Gambling, drinking, smoking and other health risk activities among casino employees'. *American Journal of Industrial Medicine*, 36, 365-378.
- Thompson, W; Gazel, R and Rickman, D (1996) *Casinos and Crime in Wisconsin*. Wisconsin Policy Research Institute Report 9.
- Volberg, R.A. (1994). 'The prevalence and demographics of pathological gamblers: Implications for public health'. *American Journal of Public Health*, 84 (2), 237-241.
- Volberg, R.A. (1995). *Gambling and Problem Gambling in Iowa: A Replication Survey*. Report to the Iowa Department of Human Services.
- Volberg, R.A. (1996). 'Prevalence studies of problem gambling in the United States'. *Journal of Gambling Studies*, 12 , 111-128.
- Volberg, R.A. (2001a). *When the Chips are Down: Problem Gambling in America*. New York, NY: The Century Foundation.
- Volberg, R.A. (2001b). *Gambling and Problem Gambling in North Dakota: A Replication Study, 1992 to 2000*. Bismarck, ND: Office of the Governor.
- Volberg, R.A. (2001c). *Changes in Gambling and Problem Gambling in Oregon, 1997 to 2000*. Salem, OR: Oregon Gambling Addiction Treatment Foundation. \
- Volberg, R.A. (2002). *Gambling and Problem Gambling in Nevada*. Report to the Nevada Department of Human Resources. Carson City, NV: Department of Human Resources. Available at <http://www.hr.state.nv.us/>.
- Volberg, R.A. (2003). *Gambling and Problem Gambling in Arizona*. Phoenix, AZ: Arizona Lottery. Available at <http://www.problemgambling.az.gov/statistics.htm>

- Stitt, G (2001) Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions. Final Report. U.S. Department of Justice
- Welte, J.W., Barnes, G.M., Wieczorek, W., Tidwell, M-C. & Parker, J. (2002). 'Gambling participation in the U.S.. - Results from a national survey'. Journal of Gambling Studies, 18 , 313-337.
- Walker, M (2006) A Review of Policy Analytics' "A Benefit-Cost Analysis of Indiana's Riverboat Casinos for FY 2005". Prepared for the Casino Association of Indiana. 17 th January 2006
- Walker, D (2003) 'Methodological issues in the social cost of gambling studies' Journal of Gambling Studies 15(3): 149-184
- Walker, D and Barnett, A (2003) 'The social costs of gambling: an economic perspective. Journal of Gambling Studies 15 (3): 181-212
- Wong, P; McAustan, P and Bray, B (2000) Survey of Problem Gambling in the Metropolitan Detroit Area. United Way Community Services

Others

- Abbott, M.W., Williams, M. & Volberg, R.A. (2004). 'A prospective study of problem and regular non-problem gamblers living in the community'. Substance Use and Misuse, 39 (6), 855-884.
- Abbott, M; Volberg, R; Bellringer, M and Reith, G (2004) A Review of Research on Aspects of Problem Gambling. Auckland University of Technology, Barron, J; Staten, M and Wilshusen, S (2002) 'The impact of casino gambling on personal bankruptcy filing rates' Contemporary Economic Policy 20, 440-455
- Bellringer, P. (1999). Understanding Problem Gamblers: A Practitioner's Guide to Effective Intervention. London: Free Association Books.
- Albanese, J (1985) 'The effect of casino gambling on crime' Federal Probation 64; 39-44
- Albanese, J (2003) 'Casino gambling and crime'. In G. Reith Ed. Gambling: Who Wins? Who Loses? New York: Prometheus Books
- Brown, R.I.F. (1987). 'Dropouts and continuers in Gamblers Anonymous: III. Some possible specific reasons for dropout'. Journal of Gambling Behavior, 3, 137-151.
- Brown, R.I.F. (1987). 'Dropouts and continuers in Gamblers Anonymous: III. Some possible specific reasons for dropout'. Journal of Gambling Behavior, 3, 137-151.
- Castellani, B. (2000). Pathological Gambling: The Making of a Medical Problem. Albany, NY: State University of New York Press.
- Centre for International Economics (CIE). (2002). Gaming Machine Revenue at Risk. Report prepared for Gambling Industry Operators Group. Canberra: CIE.

- Crown Casino. (2004). Responsible Gaming.

Available at www.crownltd.com.au/home.asp.

- Dorfman, S. (2000). Preventive Interventions under Managed Care: Mental Health and Substance Abuse Services. (DHHS Publication No. [SMA] 00-3437). Rockville, MD: Center for Mental Health Services, Substance Abuse and Mental Health Services Administration.

Available at

<http://www.mentalhealth.org/publications/allpubs/SMA00-3437/>.

- Farrell, L (2004) A Review of the Henley Centre Report: "Economic and Social Impact of the Proposed Gambling Bill". Department for Culture, Media and Sport. Technical Paper No. 9

- Fitzherbert, L., Guissiani, C. & Hurd, H. (1996). The National Lottery Yearbook. London: Directory for Social Change.

- Focal Research Consultants. (2001). 2001 Survey of gambling and problem gambling in New Brunswick. Fredericton: New Brunswick Department of Health and Wellness.

- Frisch, R; Govoni, R; Rupich, N and Getty, H (1999) Community Impact of Increased Gambling Availability on Adult Gamblers - a Four Year Follow Up. University of Windsor Problem Gambling Research Group. March 4 th 1999

ESSET (2002) The ecumenical service for socio-economic transformation (ESSET) Legalised gambling; Johannesburg 2002

- Ladouceur, R., Boisvert, J.M., Pepin, M., Loranger, M. & Sylvain, C. (1994). 'Social cost of pathological gambling'. Journal of Gambling Studies, 10 (4), 399-409.

- Lesieur, H.R. & Rothschild, J. (1989). 'Children of Gamblers Anonymous members'. Journal of Gambling Behavior, 5 (4), 269-281.

- Lesieur, H.R., Cross, J., Frank, M., Welch, M., White, C.M., Rubenstein, G., Moseley, K. & Mark, M. (1991). 'Gambling and pathological gambling among university students'.

- Addictive Behaviors, 16, 517-527. Livingstone, C., Woolley, R. & Borrell, J. (2004). The Changing Electronic Gaming Machine (EGM) Industry and Technology:

Livingstone, C (2001) 'The social economy of poker machines'. International Gambling Studies 1: 12-45

- Lorenz, V.C. & Yaffe, R.A. (1988). 'Pathological gambling: psychosomatic, emotional and marital difficulties as reported by the spouse'. Journal of Gambling Behavior, 4, 13-26.

- Maden, T., Swinton, M. & Gunn, J. (1992). 'Gambling in young offenders'. Criminal Behaviour and Mental Health, 2, 300-308.

- McLaughlin, I (2006) Personal communication. Irene McLaughlin, Director RCA Trust.

- Nichols, M; Stitt, G and Giacomassi, D (2004) 'Changes in suicide and divorce in new casino jurisdictions' Journal of Gambling Studies 20(4): 391-404

Nuffield, J and Hann, R (2000) Charity Casino Impact Study. Report of the Pre-Opening Period in Algoma District, Thunder Bay, Lambton County and Brantford. Prepared for Ontario Substance Abuse Bureau Ministry of Health and Long Term Care

- Nuffield, J and Hann, R (2004) Charity Casino Impact Study. Report of the Post-Opening Phase in Algoma District, Thunder Bay, Lambton County and Brantford. Prepared for Ontario Substance Abuse Bureau Ministry of Health and Long Term Care
- Olynik, S. (2004). Responsible Gambling Media Campaigns. Paper presented at Symposium 2004. Available at <http://www.responsiblegambling.org/>.
- Productivity Commission. (1999). Australia's Gambling Industries, Report No. 10. Canberra: AusInfo. Available at <http://www.pc.gov.au/>.
- Reith, G. (1999). The Age of Chance: Gambling in Western culture. London: Routledge.
- Ricketts, T., Bliss, P., MacDonald, H. & Rayer, C. (2000). The Extent of Gambling Among Offenders on Probation. Community Health Sheffield Trust.
- Riley-Smith, B. & Binder, J. (2003). Testing of Harm Minimisation Messages. Report prepared for NSW Department of Gaming and Racing. Sydney: Consumer Contact. Available at <http://www.dgr.nsw.gov.au/>.
- Room, R., Turner, N.E. & Ialomiteanu, A. (1999). 'Community effects of the opening of the Niagara Casino'. *Addiction*, 94 (10), 1449-1466.
- Room, R (2005) 'Banning smoking in taverns and restaurants: a research opportunity as well as a gain for public health' *Addiction* 100: 888-890
- Roy Morgan Research (2000) Seventh Survey of Community Gambling Patterns and Perceptions. Project Report. March 2000. Prepared for the Victorian Casino and Gaming Authority

SA Centre for Economic Studies (2005) Community Impacts of Electronic Gaming Machine Gambling (Part A). Final Report. Commissioned by the former Victorian Gambling Research Panel

- Gerstein, D.R., Volberg, R.A., Toce, M.T., Harwood, H., Palmer, A., Johnson, R., Larison, C., Chuchro, L., Buie, T., Engelman, L. & Hill, M.A. (1999). Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission.
- Gordon House Association. (2004). Services Report.
- Govoni, R; Frisch, C; Rupich, N and Getty, H (1998) 'First year impacts of casino gambling in a community' *Journal of Gambling Studies* 14(4): 347-358
- Govoni, R., Frisch, G.R. & Stinchfield, R. (2001). A Critical Review of Screening and Assessment Instruments for Problem
- Grinols, E (1999) 'Distance effects in consumption: measuring distance value with application to casino siting'. *Review of Regional Studies* 29(1): 63-76

- Grinols, E and Mustard, D (2001) 'Business profitability versus social profitability: evaluating industries with externalities, the case of casinos' *Managerial and Decision Economics* 22: 143-162
- Grinols, E and Mustard, D (2006 - forthcoming) 'Casinos, crime and community costs'. *Review of Economics and Statistics* 88(1) 143-162
- Harper, T (2003) 'Smoking and gambling: a trance inducing ritual.' *Tobacco Control* 12, 231-233
- Henley Centre (2004) *Economic and Social Impact of the Proposed Gambling Bill*. Henley Centre 2004
- Hinch, T and Walker, G (2003) *Casino Patrons, Travel Behaviour, Place Attachment and Motivations: A Study of Alberta Residents*. Final Report. Prepared for the Alberta Gaming Research Institute
- Jackson, A., Thomas, S.A. Thomason, N. & Ho, W. (2002). *Longitudinal Evaluation of the Effectiveness of Problem Gambling Counselling Services, Community Education Strategies, and Information Products*. Vol. 3: *Community Education Strategies and Information Products*. Melbourne: Victoria Department of Human Services.
Available at <http://www.problemgambling.vic.gov.au>.
- Jacobs D.R., Marston, A.R., Singer, R.D., Widaman, K., Little, T. & Veizades, J. (1989). 'Children of problem gamblers'. *Journal of Gambling Behaviour*, 5 (4), 261-267.
- Shercom Associates Inc and Opinion Research Centre (2003) *Casino Impact Study*. Report of the Survey of the General Population. Prepared for the Casino Impact Steering Committee of the City of Brantford. Final Report.
- Slutske, W.S., Jackson, K.M. & Sher, K.J. (2003). 'The natural history of problem gambling from age 18 to 29'. *Journal of Abnormal Psychology*, 112 (2), 263-274.
- Smitheringale, B. (2001). *The Manitoba Problem Gambling Customer Assistance Program: A summary report*. Winnipeg: Addictions Foundation of Manitoba.
Available at <http://www.afm.mb.ca/>.
- Volberg, R (Draft paper 2006-submitted) 'Changes in gambling availability, participation and problem gambling prevalence in four states'. Submitted to *Journal of Gambling Issues*
- Welte, J.W., Barnes, G.M., Wieczorek, W.F., Tidwell, M-C. & Parker, J.C. (2004). 'Risk factors for pathological gambling'. *Addictive Behaviors*, 29 , 323-335.
- Welte, J., Wieczorek, W., Barnes, G.M., Tidwell, M-C. & Hoffman, J.H. (2004). 'The relationship of ecological and geographic factors to gambling behavior and pathology'. *Journal of Gambling Studies*.

(2) Are you aware of any available data or studies relating to the nature and size of the black market for on-line gambling services? (Unlicensed operators)

Due to the fact that the provision of remote gambling services continues to be illegal or is currently in the process of being regulated in many Member States, there are very few studies or statistics that accurately reflect the nature and size of the black market for remote gambling services. Nevertheless, several of the studies mentioned in our answer to Question 1, cover also the black market. For instance the report “Aard en omvang van illegale kansspelen in Nederland” makes reference to the websites Pokerstars (licenced in the Isle of Man), Unibet, Everest Poker (licenced in Malta), and Party Poker (Gibraltar).

By way of illustration, however, information recently made public by the Bulgarian Ministry of the Interior the size of the black market in Bulgaria represents about 400 million EURO per year. In the response of the German Bundesrat to the Green Paper, the Bundesrat estimated the turnover of the illegal and black market between 0,6 and 1,7 Billion Euro per year (Bundesrat-Drucksache 176/11 (Beschluss)).

(3) What, if any, is your experience of EU-based on-line gambling operators licensed in one or more Member State and providing and promoting their services in other EU Member States? What are your views on their impact on the corresponding markets and their consumers?

EUROMAT refers to its statement of principles and notes that current regulation of remote services is inadequate as it lacks consistency, effective enforcement, consumer protection and distorts national and international markets by creating a competitive advantage for remote operators at the expense of licenced operators in the respective market, consumers and national government revenues.

In many Member States, EU-based (as well as non EU-based) remote gambling operators licensed in other Member States (or other countries) provide and promote their services in an uncontrolled manner. In addition to the considerable commercial disadvantage that this creates for the strictly controlled land-based sector, this situation also gives rise within the sphere of the remote gambling sector to a considerable lack of consumer protection, fraud, money laundering and an outflow of national income. By way of illustration, the research “Aard en omvang van illegale kansspelen in Nederland” concludes that more than 500.000 Dutch citizens, although online gambling is currently illegal in the Netherlands, gamble on the internet and their stake per game is on average 12 to 13 Euros.

In several EU Member States, remote gambling service providers are subject to lower taxes and have overall lower operating costs than their land-based counterparts. Therefore, they are able to offer services with more favourable price parameters (e.g. better bookmaking rates, higher withdrawals at casinos). Moreover, in several Member States remote gambling service providers operate illegally under the national legislation of those countries and as a result they do not pay any tax at all.

In Poland, for example, in light of considerable cross-border transactions, the offer of remote gambling service providers has significantly distorted the Polish market for many years. The offering of these entities has required both law-making authorities and domestic companies to

adjust whereby the Polish Parliament has proposed an act enabling domestic companies ("bricks-and-mortar") to offer also on-line sports betting. Thus, the companies will be able to compete not only through the traditional network, but also through the electronic network, using the advantage of their local brands. Polish fiscal authorities have not yet however resolved the issue of parity of tax rates so while domestic entities may enter the market, keeping market share is a challenge as their direct competitors are essentially paying no tax.

(4) What, if any, is your experience of licensed non-EU on-line gambling operators providing and promoting their services in EU Member States? What are your views on their impact on the EU market and on consumers?

EUROMAT refers here to its statement of principles on responsible gambling and notes that current regulation of remote services is inadequate as it lacks consistency, effective enforcement, consumer protection and distorts national and international markets by creating a competitive advantage for remote operators at the expense of licenced operators in the respective markets, consumers and national government revenues. The problems faced and the result of an uneven level playing field across the gambling industry is the same whether assessed at the national or the EU level.

In Germany and the Netherlands, for instance, many EU-based (and Non-EU-based) remote gambling service providers licensed in one EU Member State (or other countries) provide and promote gambling and sports-betting. They offer their services in an uncontrolled manner to the great disadvantage of the land-based strictly controlled amusement and gaming device industry and are not beholden to consumer protection rules. From the viewpoint of "bricks-and-mortar" companies licensed in Poland, on-line operations are very competitive. Difficulties arise where either licenced operators from another EU Member State or non-licenced operators compete directly with Polish-licenced entities but do not comply with Polish law.

(5) If any, which are the legal and/or practical problems that arise, in your view, from the jurisprudence of national courts and the CJEU in the field of online gambling? In particular, are there problems of legal certainty on your national and/or the EU market for such services?

Many EU countries are still in the process of regulating their remote gambling market. However, there are already several examples, where the proposed national regulations do not seem to be consistent and coherent, or are in some cases actually in breach of EU law. There is little doubt that CJEU jurisprudence has clearly signaled the remit of EU Member States to determine regulation of gambling within their jurisdiction, a signal welcomed by EUROMAT.

For example, the proposed amendment to the German Interstate Treaty on Gambling, which is currently under scrutiny by the European Commission, TRIS notification procedure ref. 2011/188/D, includes remote provision and promotion of lotteries, sport-betting and casino-gambling; only seven licences for on-line sport-betting during a seven-years-experimentation-period. This regulation does not ensure coherence and consistency between the public policy objectives pursued by the German State concerning the land-based commercial gaming industry and the proposed regulation for on-line gambling.

In Denmark, the package of regulations aimed at opening the market for online gambling services introduces a duties regime that would impose a differential tax treatment between online and land-based gambling operators. While, the tax rate for land-based casinos (roulette, black jack, baccarat, punto banco, poker and casino based gaming machines) will amount up to 75% of gross gaming revenue (GGR) and 71% of GGR for land-based gaming machines (i.e. amusement with prizes (AWP) such as slot machines in gambling halls and restaurants), the online provision of these games will be subject to a flat tax of 20% GGR. There is no reason to justify this difference, which is in breach of EU laws.

Some EUROMAT national associations, such as that from Poland, do however note a positive development from the CJEU jurisprudence and the clarity it has provided. Although Polish laws are, in many aspects, still in breach of the EU laws (e.g. acquisition in Poland of gambling services offered abroad is prohibited by Art.107 §2 of the Penal Fiscal Code. Furthermore, in accordance with the government's interpretation, even Internet cafes are used to access foreign gambling websites and are thus confiscated) the basic principles contained in EU laws are being increasingly considered by the national decision-making bodies and consequently Polish laws seem to be more consistent with European standards.

In the Netherlands, although the provision of on-line gambling services is still illegal, there is no enforcement, not even simple measures like fining, when it comes to illegal advertisements for on-line gambling services in newspapers or TV Channels, or IP blocking. So while CEJU jurisprudence may have empowered the Dutch Government to enforce national obligations on gambling service providers, this is not being done in practical terms.

(6) Do you consider that existing national and EU secondary law applicable to on-line gambling services adequately regulates those services? In particular, do you consider that coherence / consistency is ensured between, on one hand, the public policy objectives pursued by Member States in this field and, on the other hand, the national measures in force and/or the actual behaviour of public or private operators providing on-line gambling services?

We do not consider that remote gambling services are adequately regulated for the reasons set out in our statement of principles referred to above. Furthermore, as exposed in the previous point, although many EU countries are in the process of regulating their online gambling market, there are already several examples, where the proposed national regulations do not seem to be consistent and coherent, or are in some cases actually in breach of EU law. Added to this is the lack of enforcement of existing rules which is widespread across the EU when one considers the existence of a large and unregulated remote gambling sector the services of whom are easily accessible for consumer. A snapshot of various views in this regard reveals the following:

The proposed amendment to the German Interstate Treaty on Gambling is an example where a national law would not ensure coherence and consistency between the public policy objectives pursued by the German State concerning the land-based commercial gaming industry and the proposed regulation for remote gambling.

In Poland there is a common-held view that legal obligations at EU level are complicated, yet relatively coherent. The CJEU decisions have clarified some issues and the process will continue. The basic principles contained in EU laws are being increasingly considered by the national decision-making bodies and consequently Polish laws seem to be more consistent with European standards. Currently, the Sejm [lower chamber of the Polish parliament] enables Polish bookmaking companies to operate on-line and has thus also accepted foreign operators.

The UK is a current example of the revival of Governments driven by local financial pressures to review how they can capture the billions of tax revenue lost each year to off shore operators. Effective regimes, however, require a form of straight talking and commitment to practical enforcement that is usually avoided in preference for theoretical rhetoric of cross Governmental accords and recognitions. The UK's theoretical but highly funded regulatory regime has been a source of embarrassment since the inception of its new legislation and is a warning to other jurisdictions that "new lamps for old" does not mean better or effective legislation.

In Bulgaria, remote gambling has not yet been regulated at national level and the lack of procedures to identify either the real identity of the entity offering the online gambling services or the customers has been linked to an increase in the risk of fraud, money laundering, evasion of tax and to a reduced level of consumer protection. Despite recent efforts to bring Bulgarian rules in line with EU law, it cannot be said the regulation is adequate at this stage. Regulation of remote gambling requires a high level of coherence and consistency especially due to technology innovation, payment processing etc. In order to effectively regulate market more institutional regulations (i.e. banking, payment, data and consumer protection) should be addressed. In Romania, remote gambling services are in general properly regulated although it is early days as the new law was only recently adopted.

Other comments on issues raised in section 1

2. Key policy issues subject to the present consultation

2.1. Definition and organisation of on-line gambling services

(7) How does the definition of on-line gambling services in the Green Paper differ from definitions at national level?

We refer to our comments in our covering letter regarding the term 'online gambling' and suggest that this be substituted for the term 'remote gambling' where remote gambling means gambling in which persons participate by the use of remote communication. Remote communication means communication using (a) the internet (b) telephone (c) television (d) radio or (e) any other kind of electronic or other technology for facilitating communication. In this consultation we shall refer to remote gambling rather than 'online gambling' for the reasons set out above.

With respect to individual national regimes:

According to Polish legislation, the definition of gambling contains a closed list of permitted gambling activities, whereas the definition set down in the Green Paper is an open one. Furthermore, in Poland, on-line gambling (bookmaking) means a separate allowed service. Therefore, as regards stationary bookmakers' bets, on-line operations are not understood as a change of the channel of providing services only, but as a separate activity governed by the act. Another difference involves the limitation of the on-line gambling services permitted in Poland to sports betting only. In the Netherlands, there is no official definition of on-line gambling services yet. In Bulgaria, there is currently no adopted definition, although the draft law does appear in line with the definition proposed by EUROMAT, i.e. it includes regulation of remote gambling as internet gambling and gambling via other communication means. The definition set down in the Green Paper seems in line with the definition used in Danish legislation.

In accordance with the Romanian law, the definition of online gambling covers bingo games organised via Internet communication systems, landline or mobile telephone systems, online bets, lottery games, online gambling games which takes place otherwise than in the physical presence of players, organized and transmitted through the communication systems mentioned above. As a conclusion the Romanian definition covers all forms of "remote gambling" but is more prescriptive than the definition used in the Green Paper.

(8) Are gambling services offered by the media considered as games of chance at national level? Is there a distinction drawn between promotional games and gambling?

In general, games provided by the media are either considered to be games of chance or promotional games and in some instances either one or the other, but not both, forms of games are recognised. For both cases however there is a chance element involved, as opposed to skill.

By way of example, the services offered in Poland by the media considered in the form of games of chance are considered by the laws of Poland to be gambling services as are promotional games. In the Netherlands, gambling services offered by the media (in general SMS or paid telephone games) are considered to be promotional games, even if they (de facto) do not meet the requirements laid down in the special "code of conduct promotional games of chance", i.e. it concerns ordinary gambling.

In Bulgaria, gambling services provided by the media are considered to be games of chance. Promotional games, in the event there is a stake and the outcome is determined randomly, are also considered games of chance. In Romania, games of chance offered by the media are considered to be gambling services. Promotional services with a chance component are regarded to be a type of regulated gambling. The activities organised by various economic

operators in accordance with the law in order to stimulate sales, which do not involve a participation fee or additional expense, respectively, from the participants, or an increase in the price that the product had prior to the advertising campaign are not regarded as gambling games and can be carried out without authorisation.

(9) Are cross-border on-line gambling services offered in licensed premises dedicated to gambling (e.g. casinos, gambling halls or a bookmaker's shop) at national level?

The offer of cross-border on-line gambling services is usually not allowed in licensed premises dedicated to gambling in most EUROMAT member countries. Although in countries such as Germany and the Netherlands, for instance, this is actually offered in an illegal manner.

(10) What are the main advantages/difficulties associated with the coexistence in the EU of differing national systems of, and practices for, the licensing of on-line gambling services?

Gambling is an area in which there are significant moral, religious and cultural differences between Member States and is therefore better regulated at national level. Differing national regulatory systems can and do co-exist. In fact, the land-based gaming and amusement industry represents an industry that for more than 30 years has proven that it is possible to efficiently and effectively operate and cooperate within national frameworks.

The main difficulty concerning the licensing of online gambling services arises from the fact that the violation of national rules by cross-border operators in most cases does not lead to prosecution. However, this can be tackled through the proper enforcement of rules. In this sense, the EU institutions have a key role to play in ensuring that Member States have the legislative structures, incentives and powers required to regulate and enforce (at national level) operating licences across the spectrum of gambling services.

Other comments on issues raised in section 2.1

2.2. Related services performed and/or used by on-line gambling services providers

(11) With focus on the categories mentioned in the Green Paper, how are commercial communications for (on-line) gambling services regulated for at national level? Are there specific problems with such cross-border commercial communications?

Rules and regulations on advertising of gambling services exist, with a few exceptions, in most Member States. Generally advertising is allowed for authorised forms of gambling and totally forbidden for unregulated and unauthorised gambling services. Restrictions usually range from the prohibition to target minor and vulnerable audiences to sponsoring sport events and sport teams.

In Poland, there is a ban on remote gambling advertisement (except for a website devoted to remote gambling services). Advertisement available abroad is also available to Polish users (TV broadcasts, foreign press). In Germany and the Netherlands, advertising unlicensed games of chance is prohibited. But there are many advertisements for (per definition illegal) on-line gambling services in the papers, magazines, TV and on the internet itself (banners on non illegal sites like internet shops). In most cases these violations of the law are not enforced, despite the fact that enforcement could be relatively simple (e.g. a fine for a newspaper, putting a TV channel on black). In Romania, marketing, advertising, publicity or any other promotional activities carried out for remote gambling games or their related activities and services are subject to a fine ranging between RON 50 000 and 100 000. As a result of the new law the advertising aggressively promoted by some foreign remote gambling operators has declined appreciably. In Bulgaria, advertising is legal only for licensed land-based operations and since the remote gambling is still not regulated, its broad advertising in the country is not legal. Based on the recent experience with the illegal advertising of online gambling operators, the recently notified draft of a new Gambling law in Bulgaria (Notification 2011/128/BG) went further on to propose a total ban on advertising and providing any information about the industry, except announcement of the results of the games and drawings, and the terms and rules for participation in the games, which would lead to completed information block about the industry and challenge its legitimacy and transparency.

(12) Are there specific national regulations pertaining to payment systems for on-line gambling services? How do you assess them?

There are no specific national regulations pertaining to payment systems for remote gambling services in most EUROMAT member countries.

In the Netherlands, although no specific regulations as such are in place, banks have been asked to stop the servicing of internet gambling sites based on the fact that remote gambling is not legal and the services of (illegal) gambling sites is therefore in breach of law. Banks, however, have proven to be reluctant to comply with this request and there is no actual enforcement.

In Romania, gambling operators must sign a contract with a licensed monitoring and reporting operator before they can apply for a permit. One of the responsibilities of these monitoring and reporting operators is to file all financial transactions concluded between the operators of the gambling games and the player, in both directions, for a period of 5 years.

(13) Are players' accounts a necessary requirement for enforcement and player protection reasons?

We refer to EUROMAT's statement of principles and believe that existence and proper audit of players' accounts are necessary to achieve the equivalent player protection which is achieved through non remote provision of gambling services. Players' accounts are – prima facie – the only means of proper enforcement and player protection.

By way of example, players' accounts are required in both Denmark and Romania. In the latter a player must provide at least the following information: name, surname, citizenship, place and date of birth, address of domicile, personal number (CNP), valid e-mail address, number and series of their legal identification document, and details of the personal bank account to be used for any transfers to/from the game account opened with the respective gambling organiser.

(14) What are the existing national rules and practices relating to customer verification, their application to on-line gambling services and their consistency with data protection rules? How do you assess them? Are there specific problems associated with customer verification in a cross-border context?

National rules and practices relating to customer verification are an integral part of the provision of land-based gambling services and EUROMAT is of the view that all forms of gambling service providers, regardless of the distribution platform they choose to use, should be obliged to adhere to the same rules. This is, however, clearly not the case as regards remote gambling.

By way of example, in neither Poland nor Bulgaria (where remote gambling operations are still not regulated), are there any legal obligations in this regard on the remote gambling sector, where the operator is the one to propose the verification or data protection system. Conversely, the land-based gaming sector is subject to strict identification and data protection rules, among others.

In Romania, players of online games can register:

- directly by accessing the website of the gambling organiser, in which case the player must also supply to the gambling organiser a copy of legal identity documentation, namely:
 1. for citizens who do not belong to any of the Member States of the European Union: passport, diplomatic or consular identity card, temporary permit;
 2. for Romanian citizens or citizens of a Member State of the European Union: identity book/card or other documents issued by the police authorities, which bear a photo and the signature of the holder.
- At any of the premises where a gambling organiser who holds a licence and authorisation for online gambling games in which case the player must present to the gambling organiser one of the legal identity documents mentioned in point above, in original form.

Other comments on issues raised in section 2.2

2.3. Public interest objectives

2.3.1. Consumer protection

(15) Do you have evidence that the factors listed in the Green Paper are linked to and/or central for the development of problem gambling or excessive use of on-line gambling services? (if possible, please rank them)

EUROMAT strongly refutes the assumption made that “fast pay out slot machines” are amongst the most problematic forms of gambling. There are a number of studies which show the ability of the land-based sector to control problem gambling –through, although not only, the factors listed above- and to promote responsible gambling. Moreover, prevalence of problem gambling is no greater in the land-based sector than the remote sector, as shown in various prevalence studies published in the recent past. We make reference to some of these studies in our response in particular to questions 17 and 18. In fact, some of these studies reflect that the risk is greater in the online sector.

Several studies conducted in Germany analyzing problem and pathological gambling show a 12-month prevalence between 0,19 % to 0,56 % of the adult population concerning all gambling services. In particular, the PAGE-study deals with the influence of on-line gambling services on problem and pathological gambling (see: chapter 4). EUROMAT further refers to evidence referred to in the studies listed under questions no. 17 and 18.

(16) Do you have evidence that the instruments listed in the Green Paper are central and/or efficient to prevent or limit problem gambling relating to on-line gambling services? (if possible, please rank them)

Evidence exists that proves that this limited number of instruments are not sufficient to prevent or limit problem gambling relating to remote gambling services. The experience drawn from the 30-year long experience of the European land-based sector shows that a holistic all inclusive approach is required to effectively prevent or limit problem gambling.

Responsible gambling should be the commitment to promoting responsible behaviour amongst customers, industry and employees. In 2009, EUROMAT and its members proposed a Statement of Four Principles that should be applied to the development of corporate social responsibility. The four principles are namely, research, effective education and communication, regulation and the treatment of pathological gambling (see EUROMAT’s brochure “Responsible Gambling: a Statement of Principles and a Showcase of Best Practice from the European Gaming and Amusement Industry”).

We also note that much has been made of the CEN Workshop Agreement 152599: 2011 on responsible gambling in the online environment. Compiled by remote gambling operators, there is little to suggest that the measures set down in this industry agreement would actually bear fruit in terms of proper and robust player protection in the remote gambling environment. Given the untested nature of this agreement and the fact that it was drawn up by the very sector being examined would seriously question its neutrality or indeed applicability in the real world.

(17) Do you have evidence (e.g. studies, statistical data) on the scale of problem gambling at national or EU level?

EUROMAT strongly believes that credible evidence-based studies form the bedrock of sound responsible gambling. We provide below a non-exhaustive list of such studies:

Originating in Germany

- Pathologie-Potenziale von Glücksspielproduktion – Eine komparative Bewertung von in Deutschland angebotenen Spielformen, Prof. Dr. Dr. Franz W. Peren und Prof. Dr. Reiner Clement, Forschungsinstitut für Glücksspiel und Wetten, May 2011
- Jahrbuch Sucht 2011 - Edited by the Deutsche Hauptstelle für Suchtfragen e.V., (see in particular the chapter: Glücksspiel-Zahlen und Fakten, pages 109-127)
- Pathologisches Glücksspielen und Epidemiologie (PAGE): Entstehung, Komorbidität, Remission und Behandlung - Prepared by the German universities of Greifswald and Lübeck
- Gambling and gambling problems in Germany: results of a national survey 2008
<http://www.thieme-connect.com/ejournals/abstract/suchttherapie/doi/10.1055/s-2008-1042440>
- Pathological gambling in Germany: gambling and population based risks 2007:
<http://www.neuland.com/index.php?s=sen&s2=inh&s3=2007506>

Originating in the UK

- British Gambling Prevalence Survey 2010:
<http://www.gamblingcommission.gov.uk/PDF/British%20Gambling%20Prevalence%20Survey%202010.pdf>
- British Gambling Prevalence Survey 2007:
<http://www.data-archive.ac.uk/findingdatasnDescription.asp?sn=5836&key=2007+Prevalence>
- British Gambling Prevalence Survey 1999:
http://www.gamblingcommission.gov.uk/research__consultations/research/bgps/bgps_1999.aspx

Originating in Denmark

- Danish Prevalence Study 2007:
http://www.sfl.dk/graphics/SFI/Pdf/Arbejdsrapporter/Arbejdsrapporter/09_2006WP.pdf

Originating in Norway

- Norwegian Health Study 2007 (Sintef Rapport):
<http://www.sintef.no/upload/Helse/SINTEF-Rapport%20Pengespill%202007.pdf>

Originating in The Netherlands

- **Wired To More Than A Game: a study on the nature and extent of problem gambling in the Netherlands 2006:** <http://english.wodc.nl/onderzoeksdatabase/bijdrage-prevalentie-en-aard-van-kansspelslaving-in-nederland.aspx?cp=45&cs=6798>

Gambling study commissioned by the European Parliament's Internal Market and Consumer Protection (IMCO) Committee 2008:

<http://www.europarl.europa.eu/activities/committees/studies/download.do?file=23191>

(18) Are there recognised studies or evidence demonstrating that on-line gambling is likely to be more or less harmful than other forms of gambling for individuals susceptible to develop a pathological gaming pattern?

There are actually numerous studies which show the ability of the land-based sector to control problem gambling and to promote responsible gambling better than the online sector, contained in many of the studies listed in the previous question. For instance, the research “Verslingerd aan meer dan een spel”, on the nature and extent of problem gambling in the Netherlands, conducted in 2005 and published in 2006 by Centrum voor Verslavingsonderzoek, concluded that the number of problem gamblers decreased from 70.000 in 1995 to 40.000 in 2005, mainly due to the prevention measures taken by the (private) gambling industry. Concerning the internet the research concludes that although the number of players on the internet is smaller, it is conspicuous that (ex-) players at risk and (ex-)problem players participate more often in internet gambling than recreational players (page 112, table 41). In 2005, the Dutch Gaming Control Board requested an analysis of the Dutch internet gaming market and SMS or telephone gaming. The main goal of the research carried out by Motivaction International was to monitor the nature and scope of this market and to gauge the extent of problematic behaviour. With respect to problematic behaviour the study concluded: “This year’s study served as a third measurement of problematic behaviour associated with paid interactive gaming activities via internet. 14% of all participants are at risk of problematic behaviour. None of the participants show actual problematic behaviour”.

More recent researches conducted in the Netherlands include the following:

- “Aard en omvang van illegale kansspelen in Nederland” (Nature and size of illegal games of chance in the Netherlands), Regioplan, Amsterdam, July 2009 (requested by the Dutch Ministry of Justice). This study concluded that about 1 million Dutch citizens played an illegal game of chance last year; the most popular were the games of chance via the internet, 5,1 % (about 500.000 Dutchmen) played via the internet once and a while; after a fast growth in 200 – 2003, the growth of internet gambling stopped and the market stabilized; the total amount of stakes of the players of the five illegal games under research (i.e. off line bingo,

off line poker, lotto/toto, internet, vlt's) was Euro 242 million of which Euro 180 million concerned the internet. It has to be said that a lot of insiders/experts in the (Dutch) world of gambling are of the opinion that the real illegal market on the internet is much bigger than the research shows.

- “Legalisatie van Kansspelen via internet, eindrapport van de Adviescommissie Kansspelen via internet”, August 2010.

The German studies “Jahrbuch Sucht 2011” and PAGE mentioned above also provide a good overview of the German gambling and gaming market including remote gambling and the problem of pathological gambling in Germany. As part of their study, Prof. Peren and Prof. Clement (see question 17) concluded that, measured by the input of the players, commercial amusement-with-prizes (AWP) machines are after lotteries the least problematic gambling and gaming services.

There are also a range of research from the UK that reflect that problem gambling on the Internet is a more serious problem than in the land-based sector, namely:

- Internet Gambling, Health, Smoking and Alcohol Use: Findings from the 2007 British Gambling Prevalence Survey, August 2009, Dr. M. Griffiths, H. Wardle, J. Oxford, K. Sporston, B. Erens; Page 1: “Analysis of DSM-IV scores show that problem gambling prevalence rate was significantly higher among Internet Gamblers than non-internet gamblers (5 % vs 0,5 %) and that Internet gamblers were significantly more likely to endorse individual DSM-IV items compared to non-Internet gamblers”
- Internet Gambling: An Online Empirical Study Among Student Gamblers, April 2007, Dr. M.Griffiths page 195: “the anonymity of the Internet provides gamblers with an a-sociable gambling environment which removes psychological and social safety nets as there are no friends or acquaintances to help monitor their gambling habits. Page 202: with reference to a study by Smeaton and Griffiths (2004): “The study also found that many Internet gambling operators carried out very poor (if any) age verification checks. Often it was simply the ticking of a “Yes, I am over the age of 18 years,” leaving minors free to gamble on the Internet with the misuse of credit cards or accessing accounts of people they know”

(19) Is there evidence to suggest which forms of on-line gambling (types of games) are most problematic in this respect?

EUROMAT refers to evidence referred to in the studies listed above highlighting specific areas of concern regarding remote gambling.

(20) What is done at national level to prevent problem gambling? (E.g. to ensure early detection)?

We refer to EUROMAT's publication on “Responsible Gambling: Examples of Responsible Gambling initiatives in EUROMAT member countries” which provides a good overview of the measures taken by private operators of the gaming and amusement machine industry to prevent problem gambling. In most instances the protection of players forms part of the regulatory regime applied to the land-based sector, most measures having been originated by

the private sector itself, but there is also a wealth of action taken by the sector itself to protect its customers. By way of example, we refer to the following:

In Germany, at the beginning of 2011 the Caritasverband für das Erzbistum Berlin e.V. signed an agreement with the German federations of the gaming and amusement industry, whereby skilled staff from the former is training the employees of the operating companies to identify and help problem and pathological gamblers. The cooperation includes the training of about 1.000 persons per year and runs for three years with the possibility for two more years.

In Germany, in addition to the measures described in the EUROMAT's Responsible Gambling Brochure, at the beginning of 2011 the Caritasverband für das Erzbistum Berlin e.V. signed an agreement with the German federations of the gaming and amusement industry, whereby skilled staff from the former is training the employees of the operating companies to identify and help problem and pathological gamblers. The cooperation includes the training of about 1.400 attendees per year and runs for three years with the possibility for two more years.

In Bulgaria, the Bulgarian Gaming Association (BTAMOGI) launched a long-term nationwide program "Play Wisely" amongst its member operators and other national operators for early detection and prevention of problem gambling. It promotes responsible gambling through different seminars, and meetings with industry representatives, leaflets and stickers on each gaming machine, educating of the personnel, organizing social and therapy programs together with special psychological clinics in Bulgaria. The law itself prohibits gaming locations within 300 meters of schools and educational institutions. There is a strict prohibition for allowing people under 18 to enter gaming premises.

In the Netherlands, employees of arcades are well trained in recognizing problem gambling behaviour. Once observed/identified, these employees talk to the player, provide him with information concerning treatment and discuss a self exclusion. Besides, brochures in different languages are available and displayed, amongst others containing a self test, treatment possibilities etc. The staff of single site venues (pubs and bars) is also trained in recognizing problem gambling. This training is a mandatory part of their license to run a pub or bar. All Dutch providers of games of chance (Lotteries, Sports betting, Casino's, arcades etc) apply a Code of conduct with respect to advertisements for games of chance.

In Austria, responsible gambling has been actively promoted by the industry in Austria for more than 25 years, not only with limited stakes and prices and minimum payouts, but also with strict age limits, restrictions on gambling locations and appropriate stickers on gambling machines with warnings and telephone numbers of different helplines. These helplines are sponsored by the operators and the industry. In one county there are also entry controls with a member's card required for arcades with AWP's.

In Belgium, the objective of the policy pursued by the authorities is to limit gaming opportunities and to protect the player. It is prohibited for any operator to allow players any form of loan or credit. Operators of gaming establishments must inform their clients about this in a legible and conspicuous manner in all areas accessible to the public. Leaflets containing information on gambling addiction must be made available to the public in a visible place (in casinos, gaming arcades and pubs). Every player can ask, on a voluntary basis, to be excluded from casinos and gaming arcades. The list of excluded persons has to be checked by the operator of casinos and gaming arcades at every visit. For each game of chance operated in casinos, gaming arcades and pubs the law fixes the maximum amount of bet, loss and gain. A maximum average hourly loss per player is also fixed. Access to the gaming halls of casinos and gaming arcades is prohibited to persons less than 21 years of age. The player has to present an identity card and provide his full name, date and place of birth, occupation and address and has to sign a register. Minors are prohibited from playing games of chance in pubs.

In Croatia, the industry has been increasingly active in the promotion of responsible gambling behaviour amongst customers. Private companies provide customers with key information on how to prevent problem gambling and where to seek help if necessary.

In Denmark, the Danish legislation on gambling requires AWP operators to pay 1% of the profit (stake - cash out) for treatment and research into problem gambling. Distributing pamphlets with the addresses of treatment centres is also the part of the activities to raise the awareness of problem gambling.

In Great Britain, the Gambling Act 2005 sets out three licensing objectives that gambling should be fair and open, free from crime and should ensure the protection of children and vulnerable adults. On a voluntary basis all licensees make a contribution to research, education and treatment of problem gambling, public education on the risks of gambling and how to gamble safely.

In Greece, there are strict legal measures in place which deny the access to gaming arcades and casinos to persons under 18 years of age.

In Hungary, people younger than 18 years of age are not allowed to play gaming machines. Category I gaming machines cannot be placed within 200 meters of schools, youth institutes, religious institutes or hospitals. All locations offering gambling services (lottery shops, restaurants) have to display signs stating that playing is not allowed under the age of 18 and that the employees have to ensure the implementation of this regulation. EUROMAT member, Magyar Szerencsejatek Szovetseg advertises its commitment to responsible gambling in the media.

In Italy, the Ministry of Finance regulates wagering games in Italy, the Italy's gaming authority (AAMM), has promoted a press/advertisement campaign called «Gioco Sicuro» (Safe Gaming) following cooperation between the Government and Italian Association.

In Lithuania, in 2004, the State Gaming Control Commission started to implement the programme of the voluntary restriction to gamble. Its procedure allows the person who wants, for whatever reason, to restrict his gambling opportunities, to appeal to the State Gaming Control Commission to hand in an application and to present a photo. This application is forwarded to all gambling organisers/operators. In 2008, NGGBA has initiated a review of this voluntary programme in order to expand its scope and introduce more preventative measures (e.g. education of gamblers, workforce, restrictions for misleading advertising, and clear links to health specialists).

In Poland, the gambling law has many provisions meant to prevent problem gambling but is not aimed at combating gambling addiction. The Polish gaming association co-operates with several associations working on gambling addiction on private gaming operators' initiatives. Entry into gaming arcades and participation in machine games is limited and strictly regulated. Some initiatives are also being undertaken by the national authorities. The government has also established a foundation devoted to research and education.

In Romania, several measures are taken in order to prevent and combat problem gambling. An organiser of online gambling games must, for example, provide the player with an application to set daily, weekly, and monthly deposit limits, as well as to request to be temporarily or permanently excluded from the game. Any request for exclusion issued by the player must be implemented immediately and the gambling organiser must inform the person about options for receiving counselling and treatment for pathological addiction to gambling, in a treatment centre. The gambling organiser shall keep a register with the players who request permanent or temporary exclusion. Gambling organisers are prohibited from sending any advertising material to players who excluded themselves, temporarily or permanently, from participation in online gambling games. Furthermore, some operators and the gaming associations are increasingly advertising the dangers and risks of gambling addiction and promoting self-control measures which players should take to ensure that their gaming experience is an enjoyable one. No minors are allowed in any gaming location in the country, and non-compliant operators risk losing their licence.

In Serbia, revenues are used to fund the Serbian Red Cross and other social organisations and associations of persons involved in programmes aimed at protecting and improving the general position of organisations, sports and local self-management.

In Slovakia, measures to promote responsible gambling have been in place for the past 15 years. These take different forms such as limited stakes and prizes, age limits and strict age verification. Gaming operators often voluntarily support rehabilitation clinics with financial

contributions. These provide assistance for people with various types of addictions including gambling.

In Spain, responsible gaming programmes are being progressively put in place by the 17 regional governments. The purpose for these programmes is more for avoiding problems than for limiting gaming. Most private operations, especially casinos but also arcades and bingos, have own-initiative prevention programmes in place. The lines followed by regional governments in their gambling policy are: (1) limiting the gaming offer; (2) information and training to players/operators and (3) help lines for people in trouble. Casinos, bingo and adult gaming arcades have controlled access with proof of age and identity required. Self-exclusion programmes are also in place for a minimum of one year.

In Sweden, the controlling body, Lotteriinspektionen (LI), has the authority to set standards on the promotion of responsible gambling behaviour as a condition to the allocation of gaming licences. If LI identifies a problem in a certain sector it has the authority to develop regulation to deal with the specific situation. Despite this not being the case in the past, LI has recently started to interact with the state-owned monopoly Svenska Spel AB, in the same way that it has always treated the private sector, i.e. applying the same scrutiny to its dealings with state- and private-operators.

For more information we refer to the following documents:

RESPONSIBLE GAMBLING: a Statement of Principles and a Showcase of Best Practice from the European Gaming and Amusement Industry (EUROMAT):

http://www.euromat.org/uploads/documents/EUROMAT_brochure_1_web.pdf

RESPONSIBLE GAMBLING: Examples of Responsible Gambling Initiatives in EUROMAT member countries:

http://www.euromat.org/uploads/documents/EUROMAT_brochure_2_web.pdf

(21) Is treatment for gambling addiction available at national level? If so, to what extent do on-line gambling operators contribute to the funding of such preventive actions and treatment?

Treatment for gambling addiction is available at national level in many EUROMAT member countries and is at times funded by the private land-based sector. The contribution of remote gambling service providers is however not known in all cases or inexistent due to illegal nature of the remote gambling sector in that country.

By way of example, we refer to the following:

In Austria, there are various competing counselling and therapy centres, groups, advisors and clinics for pathological gamblers in the nine Austrian counties, a number of which also care for persons indirectly affected by pathological gambling. They are supported by the industry and operators, and some treatment centres are supported by the county governments and social services.

In Bulgaria, the Bulgarian Gaming Association (BTAMOGI) has launched the nationwide program "Play Wisely", entirely funded by land-based operators.

In Belgium, the Belgian Gaming Commission provides links to a number of different self-help groups that are privately funded (www.gamingcommission.fgov.be/website/index.html).

In Denmark, there are 4-5 treatment centres, none of which are officially recognised or owned by the state. They are, however, recognised in the sense that the public health system refers patients there for treatment. They are funded by the 1% of turnover given by the industry.

In Germany, there are many authorities, organisations, associations, clubs and clinics devoted to dealing with pathological gambling and pathological gamblers mostly founded by the church, social services and the state. With few exceptions, all bodies are involved in out-patient counselling and treatment, inpatient provision and self-help are represented in the "Deutsche Hauptstelle für Suchtfragen e.V." (The German Centre for Addiction Issues).

In Great Britain, the GREaT Foundation is an independent charity set up by the gambling industry and funded through donations from the gambling industry to carry out treatment, research and education.

In Hungary, several organisations, including EUROMAT member the Hungarian Gaming Association, provide treatment services on an anonymous basis. There are no legal internet gaming organisers, therefore the online sector does not contribute to the costs.

In Ireland, some voluntary organisations/charities (e.g. Gamblers Anonymous Ireland or the Rutland Centre) are devoted to the prevention of problem gambling and the treatment of gambling addiction but most are without state assistance.

In Italy, there are several organisations dealing with problem gambling, such as Società Italiana di Intervento sulle Patologie Compulsive, ALEA - Associazione per lo studio del gioco d'azzardo e dei comportamenti a rischio and Gamblers Anonymous Italy.

In Lithuania, the centres for addictive disorders of the biggest cities (Kaunas, Vilnius, Klaipėda Panevėžys) provide consultations for pathological gamblers, although official statistics on level of demand for these services are not available.

In the Netherlands treatment is available at national level. There is no information that (by definition, illegal) on-line gambling operators contribute to the funding. Licensed off line operators contribute to the funding of their preventive actions, not to the funding of treatment.

In Poland, the state-owned company has a monopoly on a number of games and charges 25% of fees on each bet sold by each company. It donates 3% of the said amount to the foundation dealing with education and prevention. There are officially recognised agencies, funded by the National Health Service.

In Romania, there is no treatment for gambling addiction available at national level.

In Slovakia, there are several private and public help centres which deal with a variety of addiction issues, pathological gambling being one of them.

In Spain, the National Health System deals with the issue of problem gamblers as a regular disease in their psychiatric department. There are private associations for compulsive gamblers (mostly run by former gamblers) which aim to provide therapies and remedies, and rehabilitate problem gamblers. These are usually very small, run at regional or local level and require payments from compulsive gamblers.

In Sweden, the Swedish National Institute of Public Health is now investigating the extent of problem gambling in the country and how to tackle the situation. Today no particular authority is responsible for problem gamblers or the associated costs that research and treatment produce.

(22) What is the required level of due diligence in national regulation in this field? (e.g. recording on-line players' behaviour to determine a probable pathological gambler?).

The situation varies across EUROMAT member countries. There are very patchy rules, if they exist at all for the remote gambling sector. By way of example, there are no legal

requirements in Poland, while in Romania the following information must appear in websites offering gambling services:

- Information about responsible gambling and the possible harmful effects of gambling. This information must be drawn up in collaboration with a treatment centre;
- Access to a self-test regarding addiction to gambling;
- Information about and a contact address for a helpline which gives recommendations relating to gambling addiction issues and the treatment centres in Romania or other Member States of the European Union;
- A clock must also be displayed on the gambling operator's website, to enable the player to keep track of the time spent on the gaming page. The clock shall indicate the current date and time and must be visible to the player at all times.
- Furthermore, the gambling operator must provide the player with an application that would enable them to request to be temporarily or permanently excluded from the game. Any request for exclusion issued by the player must be implemented immediately.

(23) What is the statutory age limit for having access to on-line gambling services in your Member State? Are existing limits adequate to protect minors?

Age limits are statutory by law for the land-based amusement and gaming device industry across the EU and we believe very necessary, and strictly observed by land-based operators. Where such limits do exist for the remote gambling sector (not always the case) they are easier to bypass given the lack of face-to-face engagement between remote gambling operators and their customers.

(24) Are on-line age controls imposed and how do these compare to off-line 'face-to-face' identification?

On-line age controls, where they do actually exist, are always riskier than "face-to-face" identification in the land-based amusement and gaming device industry in single sites and gaming arcades. In general the land-based must verify in person the age of anyone entering their premises which compares favourably when compared to what remote gambling operators can realistically do to confirm the age of their players.

(25) How are commercial communications for gambling services regulated to protect minors at national or EU level? (e.g. limits on promotional games that are designed as on-line casino games, sports sponsorship, merchandising (e.g. replica jerseys, computer games etc) and use of social on-line networks or video-sharing for marketing purposes.

Rules and regulations on advertising of gambling services exist, with a few exceptions, in all Member States. Generally advertising is allowed for authorised forms of gambling and totally forbidden for unregulated and unauthorised gambling services. Restrictions usually range from the prohibition to target minor and vulnerable audiences to sponsoring sport events and sport teams. Media used to advertise vary from country to country as in some countries there is a preference for print advertisements while in others audiovisual media are preferred. By way of example, we refer to the following:

In Great Britain, operators are required to comply with the advertising codes or practice that apply to the form and media in which they advertise their gambling facilities and services. Advertising is subject to the CAP (non-broadcast) and BCAP (broadcast) codes which are administered by the Advertising Standards Authority (ACA). Operators also follow the Gambling Industry Code for Socially Responsible Gambling which supplements the CAP and BCAP and is monitored by the Review Group for Socially Responsible Advertising. The Gambling Industry Code was developed by the gambling industry and sets minimum standards in a number of areas not covered by CAP and BCAP and reinforces the message that advertising of adult-only gambling products or product suppliers should never be targeted at children.

In the Netherlands, all gambling operators (sports betting, lotteries, casinos, etc.) apply a Code of Conduct (“Gedrags- en Reclamecode Kansspelen) on the advertisement of their services. To protect minors, the Code dictates for instance that no promotion may be made specially focused on minors, people acting in commercials may not look younger than 18 years, no commercials on TV before 19.00 hours, no advertisements on bill boards, swanks, etc in the sight of schools, no direct mailing to minor (see in particular, art III.1 – III.7 of the Code of Conduct)

In Poland, all types of advertisement of gambling services outside a website aimed at sales are prohibited. In Bulgaria, although there is currently no regulation of online gambling yet, the proposed new draft law prohibits any informational and commercial communication for gambling completely. In Romania, commercial communications for online gambling services are permitted in all mass media types only for operators licensed in the country.

(26) Which national regulatory provisions on license conditions and commercial communications for on-line gambling services account for the risks described in the Green Paper and seek to protect vulnerable consumers? How do you assess them?

For the most part there are no regulatory provisions whatsoever for the vast majority of remote gambling service providers which account for these risks. In Romania, gambling organisers are not allowed to send any advertising material to players who excluded themselves, temporarily or permanently, from participation in online gambling games. The holder of a licence and authorisation for the online gambling games shall not provide sports betting services to teenagers under 18 years of age. Other than that, we are unaware of any concrete effective provisions in this regard across the EU.

Other comments on issues raised in section 2.3.1

2.3.2. Public order

(27) Are you aware of studies and/or statistical data relating to fraud and on-line gambling?

It is common knowledge that online gambling is open to the abuse of money laundering, match fixing and other kinds of fraud. A recent example is the case that led to the prosecution of the founders of the first three online poker sites operating in the United States, namely PokerStars, Full Tilt Poker and Absolute Poker, on bank fraud and money laundering charges.

(28) Are there rules regarding the control, standardisation and certification of gambling equipment, random generators or other software in your Member State?

Virtually all national laws for the land-based gambling sector contain strict rules on all of the above. By way of example:

In Germany, only Amusement with Prizes (AWP) machines approved by the German National Metrology Institute (PTB) are allowed in pubs, restaurants and gaming arcades. The technical design guidelines are strictly regulated in the Gaming Ordinance (Spielverordnung).

In the Netherlands all gambling equipment, especially AWP's, has to meet strict (technical) requirements, laid down in several acts and decrees, like the Wet op de Kansspelen (Gaming Act), Speelautomatenbesluit 2000 (Amusement Machines Decree 2000). The requirements concern the average hourly loss, the maximum stake and prizes, the speed of a game, randomness, warnings on the machine with the view on player protection, etc. All models of AWP's have to be tested and approved by a Metrology Institute/testing Lab and on all machines have to be provided with a label with a unique number. Special civil servants check the equipments on location frequently.

In Romania, the Monitoring and Reporting Operators have the obligation to issue a certificate stating that the gaming programme, the theoretical prize payout percentage (RTP), and the random number generator used by the online gambling organiser are internationally certified by bodies/laboratories that are renowned in the field and meet the requirements stipulated in the new law for this certificate. If the Monitoring and Reporting Operator does not issue this certificate within the stipulated period, the gambling organiser can contact the Commission directly. The control and certification for land-based gaming equipment is conducted by the Romanian Bureau of Legal Metrology.

(29) What, in your opinion, are the best practices to prevent various types of fraud (by operators against players, players against operators and players against players) and to assist complaint procedures?

In our view, the best model to prevent fraud and assist complaint procedures in the remote gambling environment would be a licensing system at national level with proper enforcement.

(30) As regards sports betting and outcome fixing - what national regulations are imposed on on-line gambling operators and persons involved in sport events/games to address these issues, in particular to prevent 'conflicts of

interest'? Are you aware of any available data or studies relating to the magnitude of this problem?

No comment.

(31) What issues should in your view be addressed in priority?

We refer to EUROMAT's statement of principles and believe that a consistent regulatory regime for remote gambling in each Member State with effective enforcement and taxation should be introduced without delay. It is essential to achieve a level playing field across the gambling industry.

(32) What risks are there that a (on-line) sports betting operator, which has entered into a sponsorship agreement with a sports club or an association, will seek to influence the outcome of a sports event directly or indirectly for profitable gain?

No comment.

(33) What concrete cases are there that have demonstrated how on-line gambling could be used for money laundering purposes?

The recent case that led to the prosecution of the founders of the first three online poker sites operating in the United States, namely PokerStars, Full Tilt Poker and Absolute Poker, on bank fraud and money laundering charges.

(34) Which micro-payments systems require specific regulatory control in view of their use for on-line gambling services?

No comment.

(35) Do you have experience and/or evidence of best practice to detect and prevent money laundering?

The majority of Member States have provisions in place to monitor, control and prevent money laundering in the gambling sector. Member States have transposed the 2005 Third Money Laundering Directive into national legislation and apply various methods to control the origins of funds when they exceed a certain amount. For example:

In Belgium, in order to tackle the issue of money laundering, any transaction higher than €10,000 must be processed either by credit card (in casinos only) or by debit card (in gaming arcades and casinos). No such obligations apply to remote gambling operators as they are not authorised under current Belgian legislation.

In Bulgaria, there is a strict obligation for gaming machines and casino operators to ask the player to identify the origin of any funds or stakes made over €15,000. Any transaction over €3,000 requires strict identification and submission of information to the relevant authorities. This is not the case for the remote gambling sector.

In Denmark, banks and financial institutions have a legal obligation to report any suspicion of money laundering from any activity, gaming included. A series of standard anti-fraud policies are in place but there is no specific treatment for the gaming sector.

In Germany, there are specific provisions in the German Criminal Code (StGB) which consider manipulating gaming and amusement machines (Article 263) and using counterfeited coins and notes to play on gaming and amusement machines to be criminal offences. There are no controls for the remote gambling sector as it is unofficially illegal to provide remote gambling services in Germany although as noted the reality is very different. The German Prevention of Money Laundering Act (Geldwäschegesetz vom 13. August 2008) obliges the industry in general and state casinos in particular to exercise with due diligence by transactions of 15.000 Euro and more.

In Hungary, gaming machines outside casinos can only be operated with a control device, which records the movement of counters, the process of the game, the opening of the door of the machine, etc. In bigger gaming halls, there is also a video control system. However, a different set of rules with regard to money laundering applies to the casino sector. There are no money laundering rules applied to the remote gambling sector.

In the Netherlands, anti-money laundering principles fall within the scope of the Dutch “Unusual Transactions Law” which sets the obligations for casinos to report all unusual financial transactions (which are officially identified by the Ministry of Finance) to a special agency of the Ministry of Finance when there are certain indicators. As online gambling is still not legal in the Netherlands, in 2007 the Ministry of Justice officially indicated that banks and credit card companies should not process payments from and to illegal online gaming operators. There are however no official regulations which force the financial institutions to do so.

In Poland, during the licensing process, companies, owners, board members and the supervisory board are subject to additional scrutiny (by Tax Control Office, Internal Security Agency, Police and Courts). Internal financial cash flows are controlled on a daily basis and bank account information must be disclosed for all licensing procedures.

In Romania, if there are any suspicions, before transferring the winnings to the player's bank account, the operator can, within 10 days, carry out tall necessary verification and then decide to make the transfer or notify the competent bodies. The operator should not allow any transfer of money, impulses, chips, etc. between players' game accounts. A sum of money can only be paid by the gambling organiser to the player to the same bank account from which the funds were transferred by the player. There is an obligation to register all financial transactions conducted between remote gambling operators and the player, in both directions, for a period of 5 years. Furthermore, operators cannot accept stakes from a player unless there are enough funds in the game account to cover the value of the stake, or if these have been transferred in accordance with the law.

In Spain, the Third Money Laundering Directive was transposed into Spanish law without major changes and it is currently in force. In terms of the gambling sector, it applies mainly to casinos and does not currently apply to the remote gambling sector.

(36) Is there evidence to demonstrate that the risk of money laundering through on-line gambling is particularly high in the context of such operations set up on social web-sites?

No, although this question highlights the need for proper enforcement at national level of all operators providing gambling services in that territory.

(37) Are national e-commerce transparency requirements enforced to allow for illegally operated services to be tracked and closed? How do you assess this situation?

Most EUROMAT member countries do not have such requirements in place, although some of the new laws on remote gambling do foresee them. The draft Danish and new Romanian laws on online gambling both include on-line gambling transparency requirements.

Other comments on issues raised in section 2.3.2

2.3.3. Financing of benevolent and public interest activities as well as events on which on-line sports betting relies

(38) Are there other gambling revenue channeling schemes than those described in the Green Paper for the public interest activities at national or EU level?

The private land-based sector, as a highly taxed highly regulated sector, largely contributes into state budgets mainly going to public interest activities. By way of example, the gaming and amusement machines sector in Germany pays about 1,5 billion Euro per year on tax and duties, including about 400 Euro million to the municipalities on local amusement tax. In the Netherlands the sector pays about 200 million Euro per year into state budgets (29% of the Gross Gaming Revenue). In fact, in many EUROMAT member countries, state revenues on gambling come solely from the land-based sector and despite having market share, remote gambling operators do not make any fiscal contribution to the country in which they supply services.

(39) Is there a specific mechanism, such as a Fund, for redistributing revenue from public and commercial on-line gambling services to the benefit of society?

Funds collected from land-based gaming taxes and other duties levied on land-based gaming operators (particularly in the case of state monopolies or state-owned operators) are directly allocated to fund services of general public interest, or to support other activities such as sport and social activities in some EU Member States (such as in Bulgaria, Denmark, Finland, Germany etc.), while this is not the case in other Member States (i.e. Belgium, Spain, etc.). In most countries land-based private gaming operators pay a gaming tax on Gross Gaming

Revenues (GGR) in addition to corporate tax and sometimes VAT, which goes into the State funds and is then used by the State to finance its public services at its discretion.

We make reference to the following examples:

In Belgium, there are no provisions in the tax law to allocate part or the entirety of the taxation levied on gambling services to activities of general interest or good causes, the money collected contributes to the state finances and it is up to the state to allocate appropriate funds to those activities.

In Bulgaria, as the Lottery and the Bulgarian Sport Toto Game are state-owned, they are specifically required to allocate their income to activities of general interest and good causes. The terms of such commitments are determined by the Ministry of Finance on a yearly basis.

In Denmark, the profit from the Danish state's own gaming company, Danske Spil, is allocated to purposes of general public interest, especially sports activities. Foreign gaming companies do not pay parts of their income to these activities. Danske Spil profits (approx. €13 million) are channelled into the state coffers and it is the State which then redistributes the money to organisations that apply for funding. In the same way for 2007, the gaming and amusement devices industry allocated €2.9 million to activities of general interest.

In Germany, taxes and duties levied on gaming and amusement machine services are not directly allocated to a specific cause or public service, however, the contribution made to the coffers of the Federal State, the states and the municipalities by the sector is considerable. In 2010, it amounted to €1.5 billion, including about €400 million in so-called 'amusement' taxes only to the municipalities. In 2010, around 6,000 medium-sized companies in the gaming machines and amusement industry as a whole had a turnover of approx. €5,14 billion. Turnover from amusement-with-prizes (AWP) machines and amusement-without-prizes machines is subject to VAT. For AWP machines, this is assessed on the amount of money remaining in the machine's cash depot after payment of payouts to players (minus VAT). The sum remaining for the entrepreneur (operator) after deduction of taxes, charges and operating costs is subject to tax on earnings (i.e. in particular corporation tax - KSt. and/or income tax - ESt). In addition, the municipalities of the Federal States, with the exception of Bavaria, charge local amusement taxes for AWP machines and amusement-without-prizes machines.

In Hungary, the tax revenues originating from gaming machines function as a general tax and are allocated to the overall state budget. Its distribution is determined by the government, there is no previously determined objective they are spent on.

In Ireland, income from duties and taxes levied on gaming machines is not directly redistributed to a specific cause, however income from the National Lottery is returned to the Government to fund projects in various social/sporting/cultural sectors. In terms of anti-money laundering instruments, the government is in the process of transposing the EU Third Money Laundering Directive into national legislation, while at the same time reviewing the country's gambling law.

In the Netherlands, most operators are legally obliged to pay (a part of) their net revenues to the State or to a public good, apart from and/or in addition to their gambling tax obligations. With respect to some licensees (State lottery, sports betting, lotto, horse betting, scratch cards, casinos) the law dictates to which public goods they have to contribute, and how much (in percentage). There are also four "national good causes lotteries", that have to pay at least 50 % of the stakes to good causes, namely the Nationale Postcode Loterij (which allocated 270 million Euros to 83 organisations in 2010), the Vriendenloterij (allocated 45 million Euros to 36 good causes and more than 3.600 (sports) clubs and associations in 2010), the BankGiro Loterij (allocated 60 million Euros to 57 museums and other cultural institutions in 2010), and the Stichting Samenwerkende non-profitloterijen (allocated 13 million Euros to good causes in 2009).

In Poland, tax revenues from gambling services are partly allocated to a specific cause. For instance, part of the tax revenues from lotteries is allocated to a fund aimed at building sports infrastructure and culture, sports betting companies usually pay sports associations for the permission to bet on their sports' results. In general, tax revenues from gambling services contribute directly to the State coffers. The yearly contributions to the sports and culture fund amount to an estimated €200 million whereas the contributions to sports associations from sports betting companies amount to an estimated €1 million.

In Romania, the state collects the operating licence fees which go directly into the state budget. A 5% percentage is allocated as follows: 1.5% to the Cinema Public Fund and 3.5% to the National Programme for the Restoration of Historic Monuments.

In Spain, there are no specific provisions to allocate revenues from gaming machines into specific causes or services of public interests with the exception of soccer pool revenues, which are transferred to sport federations, and revenues from the Catalonia regional lottery revenues, which go into the Catalonian Social Welfare department of the regional government. In general most of the taxes collected flow into the common national or regional coffers.

(40) Are funds returned or re-attributed to prevention and treatment of gambling addiction?

The situation varies considerably between Member States. By way of example, we give the following references:

In Germany, organizations for problem and pathological gambling receives funds from the State budget and directly from the state lotteries.

In Great Britain, there is a tripartite structure comprising of the GREaT Foundation, which led by the industry raises funds through voluntary donations to support research, education and treatment of problem gambling, the Responsible Gambling Fund (RGF), which is the distributing body, and an independent Responsible Gambling Board.

In Poland, the additional payments received from number games account for 20% of which a 3 % is allocated to the fight against addictions.

In the Netherlands, prevention is paid by the operators themselves, and, as a rule, treatment by the State budget, but not contributions coming from gambling. However, some operators of AWP also contribute to treatment organisations and/or local communities on a voluntary basis.

In Romania, the Government has not provided a direct allocation for this purpose. Some operators involved in the campaign of responsible gaming have voluntarily allocated resources for advice and treatment.

(41) What are the proportions of on-line gambling revenues from sports betting that are redirected back into sports at national level?

No comment.

(42) Do all sports disciplines benefit from on-line gambling exploitation rights in a similar manner to horse-racing and, if so, are those rights exploited?

No comment.

(43) Do on-line gambling exploitation rights that are exclusively dedicated to ensuring integrity exist?

Not in countries such as Poland or the Netherlands. In Romania, operators must ensure the integrity and transparency of their operations guaranteeing the correctness, integrity, reliability, safety, transparency, and confidentiality of the activities and functions carried out, as well as the correct and prompt payment of the prizes.

(44) Is there evidence to suggest that the cross-border "free-riding" risk noted in the Green Paper for on-line gambling services is reducing revenues to national public interest activities that depend on channelling of gambling revenues?

Absolutely. The non-payment of taxes at national level by remote gambling operators who believe themselves to be exempt from taxes of jurisdictions in which they have customers but

no license to officially operate without doubt reduces state revenue which could be channelled to public interest activities.

(45) Do there exist transparency obligations that allow for gamblers to be made aware of whether and how much gambling service providers are channelling revenues back into public interest activities?

This varies between Member States. Whereas in the Netherlands, for instance, legal operators are obliged to publish an annual report which reflects the revenues channelled back into public interest activities, there are no transparency obligations in other countries such as Romania. However, in the latter the channelling of the revenues is stipulated by law.

Other comments on issues raised in section 2.3.3

2.4. Enforcement and related matters

(46) Which form of regulatory body exists in your Member State and what are its competences, its scope of action across the on-line gambling services as defined in the Green Paper?

As the situation varies between EUROMAT member countries, we provide the following examples:

In Belgium, the Gaming Commission is the authority in charge of gambling policy and it is located within the Ministry of Justice. In terms of gambling policy, it is an advisory, decision-making and regulatory body. It issues licenses and supervises application of and compliance with the Belgian law.

In Bulgaria, a State Commission on Gaming is responsible for gambling policy and is directly controlled by the Ministry of Finance as part of the common administration of the State. Authorisations or licences granted by the State Commission on Gaming are necessary for any gaming operator and each gaming location to legally operate in Bulgaria. Gaming operators are subject to administrative control by the State Commission on Gaming. Fines, suspension and revocation of gaming licences are handed down as sanctions to those operators who fail to comply with Bulgarian gaming regulations.

In Denmark, gambling policy is the main task of the Danish Gaming Board. It acts in an advisory capacity to the Ministry of Taxation.

In Germany, the legal regulation of the commercial gaming sector comes under the authority of the Federal Ministry of Economics and Technology (BMWi), while the German Metrology Institute (Physikalisch-Technische Bundesanstalt), a national authority accountable to the

BMWi, looks after the approval of amusement-with-prizes (AWP) machines and the structural approval of replicated machines. In order to install AWP machines, entrepreneurs require a licence from the local authorities of the municipalities. The local authorities monitor the observance of the relevant legal requirements pertaining to the installation and operation of AWP machines.

In Hungary, the Finance Ministry is responsible for regulation of gambling services, issuing gaming licences and carrying out inspections through the Gambling Department of the Hungarian Tax and Financial Control Administration. The gaming market is liberalised and a licensing system for gaming machine operators is in place.

In Ireland, gambling policy is the responsibility of the Department of Justice. At present, no regulatory authority exists but its' establishment is debated in a recent Government commissioned report. A licensing system is in place and gaming operators hold an annual gaming (premises) licence. However, it is up to the local authorities to decide whether or not to allow gaming in their area.

In the Netherlands, gambling policy is the responsibility of the Ministry of Justice, while supervision of compliance with gambling policy is performed by the Dutch Gaming Control Board, (College van Toezicht op de kansspelen), which acts as an advisory body to the Minister of Justice. The gaming control board supervises the lottery, casino, sports betting and horse race betting sectors but not the gaming and amusement machine sector. Gaming and amusement machines are subject to supervision by the "Institute of Weights and Measures", also part of the Ministry of Justice. The testing of new machines is carried out by one of the three official testing institutes. Supervision of local authorisations for gaming machines is carried out by the police and/or local civil servants who are appointed as officials for the supervision of gambling. Finally all gaming operators need to get a licence in accordance with the Dutch "Act on Games of Chance".

In Poland, the Ministry of Finance is responsible for gambling policy and acts as the regulatory authority supervising the whole gaming sector. Therefore, in Poland the gaming authority comes under total governmental control.

In Romania, gambling policy falls under the competences of the Ministry of Economy and Finance, which can propose sector legislation. The regulatory authority with a supervisory role over the gaming sector is the Gaming Commission, also known as the "Commission for authorising games of chance". This is an inter-ministry commission made up of representatives of the Ministry of Finance, Interior Ministry and the anti-money laundering office. The Gaming Commission has monthly meetings in which representatives of the different gambling sectors participate in a consultative role with a view to providing the perspective of the industry on any draft law proposal.

In Spain, gambling policy, including regulatory and control functions, is the full responsibility of the 17 Autonomous Communities, with the exception of the national lottery and the charity soccer pools (“Quiniela”) which is regulated centrally by the State. According to a high court ruling, challenged by some regions at the constitutional court (decision still pending), games of chance that cover more than one region and horse race betting are also the responsibility of the central government. This has an impact on some charitable lotteries, off-track horse race betting and Internet gaming. A “National Gambling Commission”, run by the Spanish Ministry of Interior, exists and its objective is to co-ordinate all gaming activities in Spain. Its regulatory and control powers are very limited as gambling policy on private gaming operations is regulated at regional level by 17 different Gambling Commissions.

(47) Is there a national register of licensed operators of gambling services? If so, is it publicly accessible? Who is responsible for keeping it up to date?

Most EU member states keep a register of licensed operators of gambling services, although this is not publicly accessible in countries such as Poland and the Netherlands, or just partially accessible in Romania, but only for slot-machines operators. As remote gambling is a licensed activity in only a handful of EU Member States, there are very few national registers of remote gambling service providers.

(48) Which forms of cross-border administrative cooperation are you aware of in the domain of gambling and which specific issues are covered?

The Gaming Regulators European Forum (GREF) consists of representatives from gaming regulatory organisations throughout Europe.

(49) Are you aware of enhanced cooperation, educational programmes or early warning systems as described in the Green Paper that are aimed at strengthening integrity in sport and/or increase awareness among other stakeholders?

No comment.

(50) Are any of the methods mentioned in the Green Paper, or any other technical means, applied at national level to limit access to on-line gambling services or to restrict payment services? Are you aware of any cross-border initiative(s) aimed at enforcing such methods? How do you assess their effectiveness in the field of on-line gambling?

There are in some EU Member States, such as a blocking mechanism in Italy. The Polish and Romanian regulators, for instance, apply such methods. It is, however, difficult to assess the effectiveness, because the regulations have been adopted but have not entered into force yet and enforcement is on the whole very weak. The new online gambling regulations in Denmark also foresee blocking although how that will be enforced is not yet clear.

(51) What are your views on the relative merits [in terms of suitability and efficiency] of the methods mentioned in the Green Paper as well as any other technical means to limit access to gambling services or payment services?

We are of the view that website blocking and restrictions of financial transactions are only part of a wider solution to ensure the advent of a truly legal remote gambling sector across the EU. Anyhow a blocking mechanism is not really a save protection because it can be very

easily bypassed, (see for instance the response of the German Bundesrat to the Green Paper, to question No 51 (Bundesrat Drucksache 176/11 (Beschluss)). We further refer to our statement on remote gambling regulation in this regard.

Other comments on issues raised in section 2.4

Other comments on issues raised in the Green Paper
