

## 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:

Svensk Travsport - the Swedish Trotting Association

### 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?**

**(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)**

**(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?**

Swedish Trotting Association arranges about 10 000 races in 900 meetings on 33 tracks each year, on which EU based on-line operators with licenses in other Member States organise betting.

Since 1923, the Swedish Trotting Association has been allowed to organise betting services according to those requirements and rules that the Swedish state has decided upon. Since 1974, this has been done via the Association's own gambling operator ATG, which gives all its profits back to the sport.

With internet, gambling has in the 21st century become more and more global, and made it possible for operators from other Member States to offer betting services with rules that the Swedish state does not accept in the Swedish market. These foreign operators can offer betting services without control or regulation from the Swedish state.

Foreign gambling operators often use the Swedish Trotting Association's races without its permission as objects for placing bets. They use the Swedish Trotting Association's information and databases without any compensation to the race organiser. Because trotting and thoroughbred racing sports are financed by 85 % with income from betting, this "parasite" gambling offer by foreign operators creates a serious risk to the Swedish trotting and thoroughbred racing sports' existence.

The current situation with foreign operators who do not give any compensation to the race organiser and who operate under another framework of rules leads to distorted competition. This means that foreign gambling operators can offer consumers better odds on the Swedish Trotting Association's races than what its own gambling operator ATG can offer. By doing this, the foreign operators "steal" clients from the Swedish regulated market for horse betting. This again, leads to the Swedish Trotting Association loosing significant sums of money, calculated to be up to 20 million EUR on a yearly basis.

**(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?**

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Foreign gambling operators often use the Swedish Trotting Association's races without its permission as objects for placing bets. They use the Swedish Trotting Association's information and databases without any compensation to the race organiser. No compensation

is being paid to the sport either. Because trotting and thoroughbred racing sports are financed by 85 % with income from betting, this “parasite” gambling offer by foreign operators creates a serious risk to the Swedish trotting and thoroughbred racing sports’ existence.

The current situation with foreign operators who do not give any compensation to the race organiser and who operate under another framework of rules leads to distorted competition. This means that foreign gambling operators can offer consumers better odds on the Swedish Trotting Association’s races than what its own gambling operator ATG can offer. By doing this, the foreign operators “steal” clients from the Swedish regulated market for horse betting. This again, leads to the Swedish Trotting Association losing significant sums of money, calculated to be up to 20 million EUR on a yearly basis.

**(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?**

**(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?**

#### 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?**

**(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?**

**(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?**

**(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?**

It is a great advantage to have parallel national systems. Each country can then, based on its traditions, culture and gambling policy, create a national regulatory framework that considers in an appropriate way social aspects related to gambling, secures animal welfare, and gives a possibility to long term financing for the horse industry.

Well-functioning national Tote Models (Pari Mutuel Models) have been a prerequisite for the European Trotting sport's development and survival. This model is now being threatened by on-line gambling services, when operators coming from countries with differing legislative frameworks can get an advantage and thus create distorted competition.

**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?**

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

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

For the Swedish Trotting Association, a secure gambling offer and responsible gambling are of utmost importance. The Swedish legislative framework works well with a view to reaching these goals.

The Swedish Trotting Association believes that it is good to identify consumers in environments that enable this, to secure that the existing legislative framework is being abided by. This is the case e.g. regarding age control. When placing bets at a sales representative or at track, a national gambling account with a financial link to the country where the consumer is based in can fill this function. In other physical environments, an identity check can work in a similar manner as the gambling account.

**(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?**

**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)**

**(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)**

The Swedish Trotting Association has through long-term work on responsible gambling reached the current situation that meets well the objectives set to prevention of excessive gambling. Through its own gambling operator, ATG, the Swedish Trotting Association offers betting on trotting races according the Tote Model (Pari Mutuel Model). This means that all players bet against each other while the operator, ATG, takes a fixed percentage, a commission, from the total betting pool. Consequently, the operator does not have any interest in the racing results.

ATG does not offer gambling on fixed odds and does not allow gambling on losing horses. Both of these increase the risk of fixed races, which exposes both the players and the operators to increased risks. Furthermore, ATG does not offer bonus to players. Surveys conducted by the Public Health Authority (FHI) show that betting on horses is not amongst the most dangerous forms of gambling.

The Swedish Trotting Association has set an age limit of 18 years for betting and it does not allow betting on credit. Through ATG, the Swedish Trotting Association works to promote security for gamblers and offers the consumers tools to help them control their gambling. In all betting locals and on betting receipts, information can be found where to turn if the consumer experiences problems.

Both the Swedish Trotting Association's and ATG's marketing is guided by ethical rules to ensure that marketing is done in a responsible way and to decrease the risk of problem gambling. Both organizations especially aim to protect children and adolescents. It is important that representatives who sell betting services have good knowledge about the risks of gambling, and it is mandatory for the personnel to undergo responsible gambling training. ATG, together with the other Swedish gambling operators, actively participates the work of Spelmarknadens Etiska Råd (SPER, "Gambling market's ethical board").

It is a core value for the Swedish trotting sport and for ATG to put the horse in focus. In marketing, the Swedish Trotting Association and ATG focus on the horse and on the sport

because they want to highlight the unique holistic experience of live sport and live betting. Therefore, it is only on special occasions the organizations market the chance to win jackpots.

The Swedish Trotting Association's and ATG's marketing is mainly focused on V75, a race that takes place only once a week and that accounts for 40 percent of ATG's turnover. ATG does not advertise in connection with rapid daily games that are more risky from the point of view of problem gambling.

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

**(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?**

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

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

**(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?**

In Sweden, it is the Swedish government that is responsible for organizing treatment for problem gamblers. The Swedish Trotting Association's own gambling operator, ATG, works to spread out information and to educate about the risks of gambling, and to prevent problem gambling.

ATG is contributing with about 145 million EUR each year in tax to the state, which then in its turn distributes funds to research as well as to treatment of problem gamblers. Through ATG, the Swedish Trotting Association is contributing to the financing of treatment to problem gamblers in Sweden. Foreign on-line gambling operators do not contribute to this end in the areas mentioned.

**(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?).**

**(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?**

Studies show that people who have begun gambling at an early age have a higher risk to become problem gamblers compared to other people. This means that age limits are an important means to fight problem gambling. In Sweden, people under 18 years old are not allowed to gamble. The Swedish Trotting Association believes that the existing Swedish age limits are being well respected.

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

In Sweden, the Swedish Trotting Association's gambling operator ATG implements age limit controls both on-line and off-line, i.e. at a sales representative and at the tracks.

The Public Health Authority's (FHI) studies show that on-line gambling services are more risky than off-line services from problem gambling and under aged gambling points' of view. In off-line (physical) environments, the consumer can be identified, which is not the case when the consumer is gambling from home, etc. On-line gambling results in more problem gambling than traditional off-line gambling.

Sweden has especially strict rules for on-line gambling; the operators are obliged to carefully control the age of the consumers. Statistics from the Swedish Public Health Authority (FHI) show that today a significantly lower amount of people aged 16-18 years show interest in placing bets on horse racing compared to before.

It is the Swedish Trotting Association's view that when it comes to betting on horse racing, age limit controls work well both on-line and off-line.

**(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.**

**(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?**

The Swedish Trotting Association together with its betting operator ATG have through long-term work on responsible gambling reached the current situation that meets well the objectives of preventing problem gambling.

One important part in this work has been marketing; it is guided by ethical rules to ensure that it is done in a responsible way and in a way to decrease the risk of problem gambling. The Swedish Trotting Association and ATG especially aim to protect children and adolescents. It is important that representatives who sell betting services have good knowledge about the risks of gambling, and it is mandatory for the personnel to undergo responsible gambling training. ATG, together with the other Swedish gambling operators, actively participate the work of Spelmarknadens Etiska Råd (SPER, "Gambling market's ethical board").

It is a core value for the Swedish Trotting Association and for ATG to put the horse in focus. In marketing, both organizations focus on the horse and the sport because they want to

highlight the unique holistic experience of live sport and live betting. Therefore, it is only on special occasions the organizations market the chance to win jackpots.

The Swedish trotting Association's and ATG's marketing is mainly focused on V75, a race that takes places only once a week and that accounts for 40 percent of ATG's turnover. ATG does not advertise in connection with rapid daily games that are more risky from a problem gambling perspective.

ATG's marketing clearly differs from that of the foreign on-line gambling operators' who are aiming their commercial message to the Swedish consumers without following ethical guidelines defined by Spelmarknadens Etiska Råd (SPER, "Gambling market's ethical board").

The Swedish Trotting Association believes that SPER's guidelines protect the Swedish consumers well and provide a solid platform for an ethically correct marketing of gambling.

### **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?**

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

**(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?**

**(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?**

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

**(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?**

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

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

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

**(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?**

**(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?**

The European horse racing industry is built on the Tote Model (Pari Mutuel Model). It is a betting model that has been extremely successful in offering security to consumers and in directing money back to the sport. The Swedish Trotting Association, through its gambling operator ATG, offers betting in accordance with the Tote Model, on-line as well as off-line, on Sweden's 33 tracks.

The Tote Model means that players bet against each other. All bets on the start are gathered to one pool. A fixed percentage is taken out of this pool as a betting deduction, and the rest is distributed to the winners of the bet. A tax to the state is paid from the betting deduction, as well as a payment to ATG to cover the cost of its work. The rest is directed to trotting and thoroughbred racing sports to cover the operations, i.e. to finance prize money to race winners, up-keeping of the tracks, selective breeding, and research.

Security for gamblers is one of the important and positive aspects of the Tote Model. All information about turnover, payments to winners, odds, totals etc. are open and available to the media and the general public. All attempts of manipulation and fraud are revealed through this transparency that is a part of the Model. Even attempts to wins through fake races and similar frauds are revealed.

Legitimacy and trust in Swedish trotting sport as well as security for gamblers are very high thanks to the Tote Model.

## 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?**

**(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?**

The trotting sport in Sweden has its roots in the rustic society, and it has from 1923 onwards been developed through the Tote Model (Pari Mutuel Model). Since 1974, betting on horses has been offered by ATG which is the trotting and thoroughbred racing sports' own gambling service operator owned by the Swedish trotting and thoroughbred racing federations. ATG arranges betting only on starts that are being organised by its owners. Due to an agreement with the Swedish state, ATG has an exclusive right to organise betting on horses in the country.

ATG's profits are directed back to the trotting and thoroughbred racing sports, resulting in that about 85 percent of the sports' are financed by betting offer on the sports' own races and activities. Our model is a successful symbiosis between sport and betting. This symbiosis is not unique for Sweden; it makes the basis for the whole European trotting sport. It is built on the trotting sport being guaranteed a reasonable share of the gambling revenues to be able to survive and develop.

The Tote Model means that players bet against each other. A deduction is being made from the gathered sum. A part of this is a gambling tax stipulated by the state, a part goes back to the trotting sport to cover administrative costs, but above all to finance the sport in the form of prize money, up-keeping of racing tracks, selective breeding, research, etc.

Approximately 13 percent of the total turnover is directed back to the trotting (and thoroughbred racing?) sport. Payments to gamblers constitute 70 percent in the form of wins, the state tax is 11 percent and ATG needs six percent to cover for its costs.

Trotting is one of Sweden's largest sports; each year about 10 000 races in 900 meetings on 33 tracks are being arranged. These races are followed by about 1.4 million visitors at the track and by even more people via TV and Internet.

Trotting sport is a sport for the people, and it attracts many followers. Interest in horses and in races creates a lifestyle that is characterized by passion and in involvement in the sport, by social encounters, and by a sense of being part of a community at these 33 tracks. For many, trotting sport is work, and for many more people the sport is a leisure-time activity. To attend a horse race is something important in Sweden.

The trotting sport's revenues to 85 percent come via betting operation on races that the Swedish Trotting Association arranges and that the Association is paying all the cost for. This successful model is based on the trotting sport receiving a reasonable share of betting revenues so that it can survive and develop.

For the Swedish trotting sport, it is self-evident that it shall own the rights to its own races. Unfortunately, foreign operators are parasitizing on the sport by offering Swedish consumers betting services on its races without giving any compensation back. This gives these foreign operators an economic advantage that makes it possible for them to offer consumers better odds than ATG.

Sweden has today about 280 000 horses and 500 000 followers of the sport. ATG's betting turnover in 2010 was 1.4 billion EUR. The large interest in horses also results in a high demand in products and services related to trotting and thoroughbred racing sports. This demand is estimated to be of the same size as the turnover of betting.

The Tote Model is resulting in ATG being the engine in the Swedish trotting and thoroughbred racing sports. Every year, ATG pays 450 million EUR in taxes to the Swedish state and gives employment to 30 000 people. 10 000 of the jobs are in the horse racing industry and 20 000 of them in related industries.

The foundation of the European trotting and thoroughbred racing sports is the Tote Model, a betting model that has been very successful from a security for gamblers point of view and as a means of directing money back to the sport. Via ATG, the Swedish Trotting Association offers gambling in accordance with the Tote Model on-line as well as off-line on Sweden's 33 tracks.

Security for gamblers is important when considering all the positive aspects of the Tote Model. All information about turnover, payments to winners, odds, totals etc. are open and available for the media and the general public. All attempts of manipulation and fraud are revealed through this transparency that is a part of the Model. Even attempts to wins through fake races and similar frauds are being revealed.

The Swedish Tote Model is deeply rooted with the Swedish people. A survey made in 2009 showed that over 80 percent of the people with a resolute view felt it was better that surplus from betting goes to the trotting and the thoroughbred racing sports than to stock owners of private gambling operators.

Legitimacy and trust in the Swedish trotting sport as well as security for gamblers are very high thanks to the Tote Model.

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

The Swedish Trotting Association works on responsible gambling through its gambling operator ATG. ATG aims to prevent problem gambling e.g. with information and training, and takes action in the case of problem gambling.

According to the Swedish model, the Swedish state that has the responsibility for the treatment of gambling addicted. A state gambling tax makes money available for the treatment.

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

The trotting sport in Sweden has its roots in the rustic society, and it has from 1923 onwards been developed through the Tote Model (Pari Mutuel Model). Since 1974, betting on horses has been offered by ATG which is the trotting and thoroughbred racing sports' own gambling service operator owned by the Swedish trotting and thoroughbred racing federations. ATG arranges betting only on starts that are being organised by its owners. Due to an agreement with the Swedish state, ATG has an exclusive right to organise betting on horses in the country.

ATG's profits are directed back to the trotting and thoroughbred racing sports, resulting in that c.a. 85 percent of the sports' are financed by betting offer on the sports' own races and activities. This model is a successful symbiosis between sport and betting. This symbiosis is not unique for Sweden; it makes the basis for the whole European trotting sport. It is built on the trotting sport being guaranteed a reasonable share of the gambling revenues to be able to survive and develop.

The Tote Model means that players bet against each other. A deduction is being made from the gathered sum. A part of this is a gambling tax stipulated by the state, a part goes back to the trotting sport to cover administrative costs, but above all to finance the sport in the form of prize money, up-keeping of racing tracks, selective breeding, research, etc.

Approximately 13 percent of the total turnover is directed back to the trotting and thoroughbred racing sport. Payments to customers constitute 70 percent in the form of wins, the state tax is 11 percent and ATG needs six percent to cover for its costs. In terms of cost structure or division of the turnover, there is no difference between on-line and off-line betting. During the 21st century, on-line betting has developed quickly, and is getting close to 40 % of the total turnover.

Trotting is one of Sweden's largest sports; each year about 10 000 races in 900 meetings on 33 tracks are being arranged. These races are followed by about 1.4 million visitors at the track and by even more people via TV and internet.

Trotting sport is a sport for the people, and it attracts many followers. Interest in horses and in races creates a lifestyle that is characterized by passion and involvement in the sport, by social encounters, and by a sense of being part of a community at these 33 tracks. For many, trotting sport is work, and for many more people, the sport is a leisure-time activity. To attend a horse race is something important in Sweden.

For the Swedish trotting sport, it is self-evident that it shall own the rights to its own races. Unfortunately, foreign operators are parasitizing on the sport by offering the consumers betting services on the its races without giving any compensation back. This gives these foreign operators an economic advantage that makes it possible for them to offer consumers better odds than ATG.

Money that ATG directs back to the sport is not only financing racing operations on Sweden's 33 tracks, but financing also research, horse care, education in college and professional training, maintenance of national facilities for breeding, and development projects in the trotting and thoroughbred racing sports.

The foundation of the European trotting and thoroughbred racing sports is the Tote Model, a betting model that has been very successful from a security for gamblers point of view and as

a means of directing money back to the sport. Via ATG, the Swedish Trotting Association offers gambling in accordance with the Tote Model on-line as well as off-line on Sweden's 33 tracks.

Security for gamblers is important when considering all the positive aspects of the Tote Model. All information about turnover, payments to winners, odds, totals etc. are open and available for the media and the general public. All attempts of manipulation and fraud are revealed through this transparency that is a part of the Model. Even attempts to wins through fake races and similar frauds are revealed.

The Swedish Tote Model is deeply rooted with the Swedish people. A survey made in 2009 showed that over 80 percent of the people with a resolute view felt it was better that surplus from betting goes to the trotting and the thoroughbred racing sports than to stock owners of private gambling operators.

Legitimacy and trust in Swedish trotting sport as well as security for gamblers are very high thanks to the Tote Model.

**(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?**

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

**(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?**

The gambling operator ATG is jointly owned by the Swedish trotting and thoroughbred racing sports. ATG offers betting only on races that are arranged by its owners.

Today, ATG has an exclusive right to offer betting on trotting and thoroughbred racing in Sweden. It does so in accordance with the Tote Model. All surpluses after return payments to customers, gambling tax and costs for organizing betting, is directed back to the sport.

For a long period of time, foreign on-line gambling operators have been offering betting services on Swedish races to Swedish players, but operating without a license or any agreement with the Swedish trotting and thoroughbred racing sports. These foreign operators are not paying for the use of databases, information etc. that belong to ATG and the Swedish trotting and thoroughbred racing sports. Because the Swedish trotting and thoroughbred racing sports are getting their income from ATG, these foreign operators are parasitizing on the Swedish trotting and thoroughbred racing sports' business. For every bet that is placed on a foreign game, the Swedish trotting and thoroughbred racing sports lose 13 percent of the bet's value. The Swedish trotting and thoroughbred racing sports do not receive any contributions from these foreign gambling operators.

As an example the Swedish Trotting Association can mention the ongoing legal dispute between ATG and the Maltese gambling company Unibet. Unibet has, without permission or a license, offered betting services on Swedish trotting races to Swedish consumers since 1998.

ATG estimates that the turnover generated by Unibet (between 1/1 – 2000 and 30/6 – 2007) that otherwise could have been placed on ATG's games, sums up to 250 million EUR. Modest calculations show that the Swedish trotting and thoroughbred racing sports have lost about 22 million EUR that now have been distributed to Unibet's shareholders. This development can be devastating for the Swedish trotting and thoroughbred racing sports in the long term. Therefore, for the Swedish Trotting Association it is of great importance that all possible revenues are being directed back to the trotting and thoroughbred racing sports.

The Swedish Tote Model is deeply rooted with the Swedish people. A survey made in 2009 showed that over 80 percent of the people with a resolute view felt it was better that surplus from betting goes to the trotting and the thoroughbred racing sports than to stock owners of private gambling operators.

**(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?**

The Swedish trotting sport and ATG have made it praxis be open and inform about the Tote Model and all its advantages in terms of security for gamblers and money that is being directed back to the Swedish trotting and thoroughbred racing sports. There is no obligation by law to do this, but the Swedish Trotting Association and ATG believe that ATG has a moral obligation to give information both to the customers and to other interested actors, such as the media.

#### **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?**

**(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?**

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

**(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?**

(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?

(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?

**Other comments on issues raised in section 2.4**

**Other comments on issues raised in the Green Paper**

Knowing that the European trotting racing sport is mainly financed through betting using the Tote Model (Pari Mutuel Model), it is easy to understand how crucial it is that the sport is guaranteed a reasonable share of these revenues also in the future. After all, it is the trotting sport that owns the races. This surplus from betting also allows for a good security for gamblers and a high level animal welfare. With the Tote Model, it is possible also in the future to develop trotting and thoroughbred racing sports - sports that both enjoy a wide support in the society.

Therefore, the EU's gambling policy needs to pay attention to the specific preconditions of the trotting and thoroughbred racing sports that differ them from other sports subject to betting. National traditions and trotting and thoroughbred racing sports' unique preconditions require that possible EU level actions in the field of gambling are flexible enough to allow for national solutions utilizing the Tote Model and solutions that make provision for a viable sport in Europe.

On-line gambling is only a technical solution to make gambling available to the consumers, and technologies used are changing constantly over time. On-line is, as defined in the Green Paper, one of many distribution channels to gambling that may also be on offer off-line. Therefore, the Swedish Trotting Association believes that the same regulations must apply to gambling on-line and off-line. It is impossible to have differing political goals or regulatory frameworks for the physical and digital environments.