

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:

CENTRIC MULTIMEDIA S.A & SPORTINGBET PLC

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?

In the first instance we recommend that as a starting point the Commission use the report prepared in 2009 by DG Trade: The European Commission Report to the Trade Barriers Regulation Committee (June 2009). The market will not have changed in a meaningful way since then and it draws on hard data that was provided to the Commission on a confidential basis by a wide-range of European online gambling operators.

In addition we would suggest:

Study of Gambling Services in the Internal Market of the European Union. Final Report, 14 June 2006. Swiss Institute of Comparative Law.

Online gambling: a Report for the European Parliament, November, 2008, Europe Economics.

The Global Gambling Report (updated monthly), GBGC

Interactive Report, February 2011, GBGC

(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?

The review must take into account the nature of the geographical scope of online operators and the fact that they are not over-affiliated with any one market. Similarly, the consumer tendency to gamble across multiple sites in Europe with minimal effort. Both factors produce a rich, competitive market resulting in the best possible user experience and product for the customer. Unduly onerous regulation will result in a less competitive, and ultimately less-used regulated market and will lead to greater customer mobility away from regulated sites.

Regulations should be passed to aid and protect the consumer over and above benefitting the member state. Overly onerous regulations will impact upon the uptake of licences and thus the strength of the legal market and will ultimately result in intelligent customers moving to unregulated sites, which in turn impacts upon member states' ability to gather revenue.

(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?

As before, as the gaming business is online the customer will see no differentiation between EU and non-EU sites. In our view, the Regulations should recognise this reality and accommodate a global picture, not focussing entirely on EU.

However, unlike some continents, in Europe we are all regulated under heavy jurisdictions that are very similar if not alike in terms of consumer protection and responsible gaming

(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?

We need to see a consistent approach from the EC when addressing national legislation but more importantly we need proper action with respect to infringement of EU judgements. This needs to be supported by a uniform approach across Europe to prevent national courts making divergent rulings.

(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?

There is not a consistent approach across Europe, both in local judicial rulings or the approach taken by member states.

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?

Not materially

(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?

Yes.

(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?

No

(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?

This creates unnecessary burdens for the operators. Consumer protection is assured as long as the operator is licenced in one member state. Other member states should respect that licence and gain confidence that a EU gaming commission recognises and approves an operators ability to provide safe gaming within Europe. It is a huge and unnecessary burden to expect the operator to obtain 27 licences for 27 different requirements that are effectively the same.

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?

The approach to commercial communications is inconsistent across members and is often poorly thought out or implemented. It often takes second place to other commercial considerations, such as revenue generation.

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

in some member states there are.

this is an obstacle for any operator. The banks are not always well educated and block payments of legitimate transactions. Likewise gaming operators appear discriminated against over cross border payments.

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

Yes

(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?

Customer verification is important from a fraud, data protection and anti-money laundering perspective however too onerous approaches leads to loss of customers to illegal offshore sites. The correct balance must be struck between customer experience and security.

There is no specific verification rules that apply solely to gambling.

Also a consistent approach must be applied to off line operators as well as on line. One can argue that on line operators have better verification approaches.

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)

NO

(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)

To date we regard items 4,2 and 1 are important in responsible gaming. Most reputable operators have safe guards in place to safeguard all three points.

(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?

The Harvard study suggests that off line and on line games have the same, low, pathological gaming patterns.

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

Not to our knowledge

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

None nationally to our knowledge

(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?

There are so many factors involved in addiction, be it to gambling or otherwise, it is ineffectual and overly simplistic to point to online gaming companies in isolation.

(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?).

Due diligence not set out in full by regulators, codes of practice only, it is very much a self regulated area where online operators are creating best practice.

(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?

In Greece and the UK 18 is the limit

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

N/A

(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.

These are market dependent.

(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?

Please review the Danish approach to on-line gaming. They have a pragmatic solution that protects their consumers but still is workable for operators

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?

Not in Greece but there are globally recognised testing companies that some jurisdictions nominate to test operators systems.

(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?

A well-developed licensing regime with a requirement to maintain a fraud prevention function and full audit of operator processes.

(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?

Key point is that the operators are as against this as anyone. It is not in our interest. We work closely with organisations such as ESSA, RGA and EGBA to educate sportsmen and to monitor erratic betting patterns.

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

Manipulating the outcome of Sporting events is a high 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?

There is no risk

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

None that we are aware of

(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?

Sportingbet and Centric have internal processes alongside PCI compliance to reduce the risk of money laundering. these include Id and address validation in conjunction with the protection provided by the card issuers. Where mainstream payments are unavailable then the risk of fraudulent transaction increases.

(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

(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?**

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?**

NO. This should be a decision for the national governments to decide how best to utilise the tax revenues generated through on-line gaming, as already happens with the UK National Lottery and also the German state lotteries. For operators no specific scheme exists nor is required. Charitable donations are made in the ordinary course.

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

As Above

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

In the UK there is a levy applied to horseracing. However there are multiple commercial ventures that benefit from sports and a consistent approach should be applied to both off and online gaming.

(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?**

N/A

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

N/A

(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?

No since local off line operators do not have a similar obligation. In Greece for example the off line operator has 0% gaming tax and therefore there is no freeriding risk there.

(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?

N/A

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?

In Greece the regulatory body has yet to be formed despite the market regulating some years ago. in the UK the Gambling commission exists but historically taken a greater interest in the offline industry.

(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?

NO

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

ARJEL and AAMS are on the verge of a cross border agreement. The AGCC have understandings with Italy, Greece and Spain. The individual regulators are far ahead of the European Commission and will have local harmonisation before any other bodies.

(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?

ESSA conducts training and education for sportsmen across Europe to help them deal with integrity in their sports.

(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?

In some member states they are applied.

(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?

AS LONG AS THERE IS A LICENSING ENVIRONMENT THAT CAN PROVIDE LEVEL PLAYING FIELD FOR ALL LICENSED OPERATORS THEN ENFORCEMENT WILL BE CRUCIAL. THE METHODS YOU DESCRIBE ARE THE ONLY ONES THAT CAN BE USED, HOWEVER THERE ARE ALWAYS GOING TO BE THOSE THAT DO NOT COMPLY, HENCE AN EFFECTIVE ENFORCEMENT REGIME MUST BE IN PLACE.

Other comments on issues raised in section 2.4

Other comments on issues raised in the Green Paper

The timescales of this paper are not in line with the rate of regulation across Europe. the key European markets will be regulated and operating successfully by the time this paper reaches conclusion.