

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:

Holland Casino

Holland Casino is a foundation formed by the Dutch government. The government has granted an exclusive licence to Holland Casino to operate casinos within the legal framework of the Games of Chance Act and the Casino Games Decree. Holland Casino opened its first casino in 1976. In the years that followed another thirteen casinos were opened

Holland Casino is under government control; the members of the Supervisory Board are appointed by the Minister of Finance. The body responsible for advising and supervising Holland Casino on behalf of the government is the Netherlands Gaming Control Board (College van toezicht op de kansspelen), which has seven independent crown-appointed members. The Gaming Control Board gives advice to the Minister of Justice and other ministries involved, either on request or of its own motion, on the implementation of the Games of Chance Act.

Holland Casino remits all its net profits to the state, except for any amounts allocated to its equity. The Minister of Finance acts as the official 'shareholder' of Holland Casino. The State Secretary of Security and Justice is the formal licensing authority and is responsible for the legislative regulation of all forms of gambling, betting and lotteries.

The objectives of Dutch gaming policy can be summarized as follows:

- consumer protection
- prevention of problem gambling
- fighting illegal gambling and crime.

Holland Casino's business strategy is consistent with these policy objectives. In developing and implementing its policy, Holland Casino constantly seeks the best possible balance

between social responsibility and financial performance, with a unique combination of gambling, leisure and entertainment.

Holland Casino is member of the European Casino Association (ECA). This means that next to our responses to the Green Paper on on-line Gambling in the Internal Market we fully endorse the ECA responses to the Green Paper.

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)

see question 3

(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?

Providing online gambling services is illegal in the Netherlands. Nevertheless there are various online operators that are providing illegal services to or aimed at the Dutch market. Estimates indicate that app. 500.000 players are playing for money online in the Netherlands. The app. turn over is 350-450 million Euro. Compared to the figures of the licensed Dutch land based casino operator (Holland Casino), turnover €500 million and 1 million unique visitors you can state there is false competition. Furthermore from a policy point of view there is a major inconsistency because the land based casino market is highly regulated where it concerns consumer protection, prevention of gambling addiction and prevention of fraud/ criminal actions. These levels of prevention and protection are not reached by any means by the operators that are illegally providing online gambling services to the Dutch market.

(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?

see question 3

(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?

The Dutch legislation is the most restrictive in Europe at this moment. In that light it is very undesirable to create a free market. For the current policy, which results in a low rate of problems for gamblers, can not be guaranteed and it opens the door to unfair competition.

(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?

For Holland Casino it is very important to measure up to policy that is set by the Dutch government. There is little to no coherence/consistency between public policy objectives pursued by the Dutch government and the actual behavior of private operators providing online 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?

Yes to both questions.

(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?

Officially not, but there are indications that there are illegal services offered.

(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?

Our expectation is that the Dutch (strict) legislation will never become standard in Europe. Yet we acknowledge the principal of subsidiarity.

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 gambling law in the Netherlands indicates that the commercial communications should be reasonable and balanced. There is an agreement/code amongst the Dutch operators gambling services that sets standards for commercial activities. Cross border commercial communications are not allowed according to Dutch regulations.

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

In the Netherlands online gambling is not permitted, which officially means there are no payment systems available.

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

Yes, if in the future when online gambling is regulated in the Netherlands players' accounts must be mandatory. Especially since this is an important tool to check the age limit.

(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?

It is very important to have customer verification to verify the age of a customer also when online gambling will become legal. In the Netherlands it is prohibited to gamble under the age of 18.

Other comments on issues raised in section 2.2

Regarding payment systems for online gambling, Holland Casino recommends a system in which first must be guaranteed that the websites of the banks are fully secured and reliable. Players must be able to deposit their money without risk. Second the identity of the player is determined by the bank. Third a double-check on the identity with a (government) identity website.

Furthermore the banks should enforce the legislation by blocking payments to illegal online providers and it must be prohibited for players to play on credit.

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)

The Netherlands has no available research on excessive use of online gambling. Yet international research estimates that risk for addiction are between 18% and 25%.

(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)

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

In 2005 the Dutch government has published a report called "Verslingerd aan meer dan het spel" which was the starting point for the registration of the number of problem gamblers in the Netherlands. According to researchers the estimated number of addicted gamblers is 40.000. Besides this number there are about 76.000 gamblers who are at the risk of becoming addicted

(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 no studies in the Netherlands that demonstrate the effects of online gambling compared to offline gambling.

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

According to the report "Verslingerd aan meer dan het spel" slot machines and casino games have the highest risks for addiction.

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

Holland Casino has an extensive prevention program in our land-based casinos. The core of our program is an active approach to possible problem gamblers. This starts with registration and identification of every guest who is entering the casino. The frequency of visits is monitored through an integrated system which includes all 14 casinos which are operated by Holland Casino. After the 8th visit we address the player by mirroring his or her behavior. In 2/3 all cases the frequency of visits drops drastically. For those who continue to show addictive behavior, the specially trained personnel of Holland Casino is able to detect and confront players with their behavior resulting in forced or voluntary visit limitations (2010: 3870) and 4392 permanent exclusions. In 2010 30.277 preventive talks took place. The main problem is that the players that are excluded from Holland Casino are welcomed by local slot machine operators who do not have a solid and active prevention system which is additionally

negatively impacted by the fact these operators are lacking a registration and identification system. That is why Holland Casino pleads for a consistent policy and a similar approach to prevent problem gambling on-line.

Furthermore Holland Casino applies special prevention measures for young adults to protect them. Because of their age they are more at risk.

(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 is treatment for (on-line) gambling available at national level. Some gambling operators fund preventive actions and measures.

There are several rehabilitation centres which provide proactive help to problem gamblers online and offline.

Online operators do not contribute any funds.

(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 required level of due diligence still has to be determined.

(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?

On-line gambling is prohibited, which means there is no such legislation. The age limit for landbased casinos is 18 years. This limit must be retained for online gambling. Moreover there must be strict supervision on the compliance of the age limit by operators.

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

At the moment there are no on-line age controls, because there is no legislation for on-line gambling. Holland Casino proposes that the best way to have a waterproof age control system is to link the on-line casinos to the land based casinos. This means that players should identify themselves first off-line before opening an account on-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.

All commercial communication for gambling services are regulated by the industry through an agreement/code.

Also, the Dutch gambling law sets a standard.

(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?

There are no national regulatory provisions on license conditions and commercial communications for on-line gambling services, because there is no regulation on online gambling in the Netherlands.

It is important that the legislation for landbased operators will also be administered to the online gambling services.

Other comments on issues raised in section 2.3.1

In the Netherlands legislation for on-line gambling is being developed. For Holland Casino it is very important that the legislation contains strict norms regarding the protection of consumers. In our casino we manage a very strict consumer protection and prevention program. This should be extended to the on-line legislation. The standards that ought to be adapted are :

- 1) Waterproof identification and registration
- 2) Clear and extensive information about online gambling and its risks on the website with a link to the sites of gambling addiction treatment organizations.
- 3) Prohibit playing on credit
- 4) Oblige players to determine their maximum play time and maximum deposit
- 5) Active monitoring for the detection of problem gamblers. Collect all information of players from on - and offline gambling services in a central database.
- 6) Active intervention with problem gamblers
- 7) Strict guarantees of fair game play
- 8) Anti-money laundering measures by storing transaction information and an exclusive link to the bank
- 9) Prohibit promotion directed at minors

Futhermore we recommend that the EU should also adapt these norms in the future.

2.3.2. Public order

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

In 2009 the Dutch government has published a report called "Aard en omvang van illegale kansspelen in Nederland" which includes estimated fact and figures about the illegal on-line gambling market in the Netherlands.

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

Yes, they are included in the legislation for land-based casinos.

(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?

The best practices are similar to the approach of fraud in land-based casinos, which is constant monitoring of players and operators. On-line this kind of monitoring is even easier to carry out due to the technical possibilities. Nevertheless, the monitoring has to be done by sufficient very well trained personnel, just like in the land-based casinos.

In the Netherlands the supervisors of Holland Casino are the national bank and the Financial Intelligence Unit. They monitor the procedures concerning cash transactions.

(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?

There has not been a concrete case of on-line money laundering in the Netherlands, since on-line gambling is prohibited.

However internationally several online poker services like Pokerstars and Full Tilt Poker are currently under suspicion of money laundering and have been indicted.

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

When on-line gambling is regulated in the Netherlands, then all micro-payment systems require regulatory sample controle.

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

Yes, experience and evidence in land-based casinos has proven that good legislation as well as well-trained personnel do work. They should be able to intervene when there is a suspicion of money laundering. On-line instruments for the detection of money laundering are for example, storing transaction information and an exclusive link to the bank.

(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?

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?

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

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

(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?

(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?

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?

There is no regulatory body for on-line gambling currently. Nevertheless Dutch parliament is discussing a law which should establish a regulator.

(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?

Yes, there is a national register for licensed land based operators of gambling services. It is publicly accessible. The ministry of Security and Justice is responsible for keeping the list 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?

Not yet, the banks have a list with illegal operators on the Dutch market. Though the banks are not required by law to block bank accounts of illegal operators.

(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?

Of the proposed methods in the Green Paper: Domain Name System (DNS) filtering, internet protocol (ISP) blocking, payment blocking. The most suitable and efficient method is payment blocking.

Other comments on issues raised in section 2.4

Other comments on issues raised in the Green Paper