

InfoStat minutes – ICE 2018

ExCel London – Tuesday 6th February 2018, 10am – 4 pm.

Participants:

- Clément Martin Saint-Leon (ARJEL)
- Flóra Felső (Netherlands Gaming Authority)
- James Green (Gambling Commission, Great Britain)
- Magnus Graunlund (Swedish Gambling Authority)
- Marta Ziarko (Ministry of Finance, Poland)
- Michael Herborn (Danish Gambling Authority)
- Signe Birne (The Lotteries and Gambling Supervisory Inspection of Latvia)
- Wessel Oomens (Netherlands Gaming Authority) – Wessel joined after lunch

0. Approval of minutes

The minutes from the Autumn 2017 meeting were approved.

1. Developments in individual markets

The meeting opened with members exchanging information on recent developments within their own gambling markets. Much of the discussion followed a more informal pattern, where participants shared experiences and received feedback at the same time.

Where quarterly statistics for the fourth quarter were available, attendees reported that there were significant rises in GGR in the fourth quarter of 2017, indicating that these rises were most likely due to market events.

Evidence from participants indicated that the gambling sector is a significant contributor to total advertising revenues in the jurisdictions where this type of information was available. Both the Netherlands and Sweden reported using market research companies, such as A.C. Nielsen for compiling this information. Research from Sweden also pointed towards low consumer trust in the gambling sector.

Bonuses, and particularly their measurement, was also considered by participants, not least with regard to the inclusion of bonuses as a topic for the Special topics survey.

Some of the key points relating to individual jurisdictions were:

Sweden

- Betting and online casino markets are set to be liberalised, with the state monopoly (Svenska Spel) opened up to competition as of 1st January 2019.
- There is a discussion on the precise nature of the regulation for horse racing, including the potential implementation of a levy for horse racing.
- Magnus, our new group member, has taken on the role vacated by our former co-chair, Joel Kitti-JunRos. However, he is not the only new face at the authority as the liberalisation of the market means that a number of new employees have been taken on by the Swedish Gambling Authority to be ready for the licensing process.

Latvia

- The regulated Latvian betting and online casino markets continue to grow in the wake of liberalisation.
- The Latvian model is based upon flat rate fees where casino operators pay a fee for the number of tables they host at a casino, which are also open to online sales, with profits from gambling then subject to standard corporation taxes.
- The Latvian authorities will move to new headquarters in October 2018.

Netherlands

- The process of liberalisation is still subject to parliamentary review in the Netherlands, though it is anticipated that the market will open in 2019. As part of this process, the state-owned Holland Casino may also be privatised.
- There has been an increase in gambling advertising in the Netherlands, presumably with an eye to future liberalisation, which can be seen in reports commissioned by the Netherlands Gaming Authority.
- In conjunction with liberalisation of gambling, the Authority has been considering the definition of gambling and has published a paper on this topic.

France:

- Privatisation of the state monopoly provider, FDJ, is under active consideration, with ARJEL potentially taking on regulatory responsibilities for this sector. Online casinos are also under consideration for liberalisation.
- PMU has had success with a jackpot system, whereby successful low stake bets on horse races can land winners an extra jackpot if they also have the correct number (numero plus) printed on their tickets. This is similar to a lottery, though is regulated as a form of betting with increased odds.
- A similar product in the online poker market has also proved popular – Winamax's Poker Expresso – whereby relatively small stakes are boosted through jackpots.

Poland

- Following the liberalisation of the betting sector, there has been considerable growth in the online betting market. Liberalisation was seen as a means of securing space for a regulated betting market in Poland.
- Market share is protected through measures including sanctions for banks/payment providers that facilitate betting through blacklisted illegal websites, as well as sanctions for Internet Service Providers hosting such sites.
- The Ministry of Finance has experienced that lawyers are often keen to test the limits of the law, which has led to a number of frivolous cases being brought. To discourage this tendency, while at the same time recognising the administrative burden placed upon the Ministry by these cases, a case handling fee has been implemented.

Great Britain:

- Growth in the online sector has been relatively strong, though has not been replicated for lotteries.

- A new bidding round is being prepared for the licence to operate the national lottery, which is currently held by Camelot, also with the potential for new licensing models to be introduced.
- The Gambling Commission is concentrating on consumer experience as an element of its regulatory activities, in collaboration with the Consumer and Markets Authority. This includes issues such as clarity of terms and conditions and how operators deal with complaints.

Denmark

- Since the start of 2018, the bingo market has been liberalised, with online bingo now considered a form of casino game and open to operators with an online casino license.
- The Danish Gambling Authority has implemented a new internal structure, whereby regulatory activities are divided into separate divisions for each market rather than divisions reflecting different regulatory activities (i.e. divisions for online gambling, land-based gambling, and lotteries as opposed to divisions for compliance and licensing)
- A key focus for 2018 is improving the quality of statistics on land-based gambling, including ways to integrate GIS type data with gambling statistics.

2. InfoStat Figures survey

- As with previous years, GREF will run an InfoStat survey on gambling market statistics which will run from mid-April to mid-May.
- It was agreed that the survey will examine data for both 2016 and 2017, with the survey then repeated in the autumn for those unable to provide data for 2017 at this point in time.
- Based upon the success of this model, the figures survey will then be moved to the autumn in future years, with data posted online and available for members earlier than previously, where data was first published after the GREF conference.
- Moving to an autumn survey will allow more energy to be focused upon the special topic surveys in the spring.
- The format will be identical to the 2017 survey (on 2015 market data), though with the inclusion of two extra questions – do you want to join InfoStat, and if you publish market data online, where can this data be accessed.

3. InfoStat Special topics survey

- As agreed at the November 2017 InfoStat meeting in The Hague, InfoStat will run a special topics survey on bonuses and the definition of certain key issues in the gambling, such as skin-betting, loot boxes, and so on.
- Participants received a draft suggestion for the survey in the days leading up to the meeting, though too late to enable discussion of the concepts and set up for the survey.
- The draft suggestion included two more ideas. Firstly, the inclusion of a set of questions where respondents detail the type of information they are able to access and publish. Secondly, an expansion of the definitions question to include questions on the definition of gambling itself.
- With regard to the second question, Wessel Oomens of the Netherlands Gaming Authority presented findings from a paper he has prepared for the Authority highlighting three key characteristics in the definition of gambling – the stake, the prize, and the role of chance.

- It became clear from the discussions that while all participants could recognise the inclusion of these concepts in our own legislation, thresholds for when these conditions were met were not uniform. Understanding the rationale for these differences was therefore a worthy topic for discussion within GREF, though was also something under consideration by the eGambling Working Group.
- It was agreed that the co-chairs would look at this issue together with the eGambling Working Group to establish which forum was most appropriate for this issue.

4. Next meeting

- The InfoStat Working Group will meet at GREF 2018 in Prague, where we expect, as with previous GREF meetings, more members to be able to attend. An agenda for the meeting will be sent to all GREF members at the end of April.
- Venues for a potential InfoStat Working Group meeting in Autumn 2018 were also mooted, with Martha kindly agreeing to investigate whether the Polish Ministry of Finance could act as hosts for a two-day meeting in Warsaw. A final decision will be taken prior to the GREF conference. Signe also noted that due to relocation of the Latvian Gambling Authority in October, this may hinder her ability to participate in the meeting, which will be taken into account when planning the next meeting.

Michael Herborn, 11th April 2018