INSTITUTE FOR GAMBLING REGULATION

NEWSLETTER
April 2019

WHAT'S UP IN THE INSTITUTE

MAIN NEWS – MEETING OF SECTIONS WAS SUCCESSFUL



On 15 April 2019, the second meeting of the IFGR sections took place in the premises of PragueStartUpMarket in Holešovice Market. The meeting was divided into a common general section and working meetings of each section. In the general part, topics related to the Reporting Decree, players' data protection and the draft of tax amendment of the MoF were discussed. At the same time, a representative of the Financial Analytical Office, Mgr. Tereza Bábová, introduced the process of the 2nd round of National Risk Assessment.

We would like to thank everyone for their participation as well as the factual and constructive debate during the individual sections. Meeting minutes will be sent to you in separate emails and will be available in the member section of the IFGR website.

WHAT ELSE

- On 29 April 2019, IFGR filed a petition to the OPDP to investigate the Ministry of Finance's process in connection with the Reporting Decree. You can find the full text of this petition in the member section of the website or in the link here.
- Institute Director, Mgr. Jan Řehola, spoke at Prague iGaming Affiliate Conference on 18 April 2019.
- Institute Director, Mgr. Jan Řehola, attended a meeting of the expert group regarding the Annual Report on Gambling for 2018 headed by MUDr. Viktor Mravčík Ph.D. See the meeting report below.

WHAT'S NEXT

- Thursday, 2 May 2019, was the last day for registration of all your basic licences and casinos according to the Reporting Decree.
- The IFGR conference is postponed from June 2019 to **September 2019** due to the time-consuming nature of the need to ensure the participation and appearance of all public administration representatives. We will inform you about the exact place and time of the event in advance.

CURRENT INFORMATION ABOUT THE TAX AMENDMENT AND COMPARISON OF TAX RATES IN GAMBLING IN EU



www.freepik.cz

IFGR keeps you informed about the upcoming amendment to Act No. 187/2016 on Gambling Tax. We sent a summary of comments to the draft to the MoF, which were also sent to the IFGR members and are available in the member section of the website. The next step in the consultation process will be the MoF's response to the comments sent. We will inform you about the result.

IFGR experts **prepared a comparison of tax rates in the field of gambling in the relevant EU countries.** The basic aspect of the selection of the monitored countries was always only the similarity of the calculation of the gambling tax, i.e. the so-called GGR rate, and in case the tax progression was set in the monitored states, the resulting rate is always their average. What is the outcome of the comparison? The entire material is available in the member section of the IFGR website.

EVENTS IN THE CZECH REPUBLIC

- **Deadline for the initial registration for the Reporting Decree**
  We would like to inform you that **Thursday, 2 May 2019, was the last possible day for registration of all your basic licences and casinos according to the Reporting Decree**. For this reason, a registration notification had to be submitted via the CA form on Thursday. In case that you did not send the registration notification but already have a valid change decision under the so-called relicencing, which requires the registration, you would breach the basic licence. The CA, or the MoF, would then probably initiate administrative proceedings for the breach of the conditions of the basic licence.

- **The Ministry of Finance published FAQ to the Reporting Decree**
  The MoF published a document containing the most frequently asked questions from among the addressees of the Reporting Decree (the so-called FAQ), to which the Ministry has prepared answers. These answers also include some of the IFGR questions that we had received from you. You can find the whole document here.

- **IFGR comments to the Amendment to the Act on Gambling Tax**
  As a comment place, the IFGR received a bill amending the Act on Gambling Tax, which, except technical games, increases all rates of gambling tax. As we evidently do not agree with such a non-conceptual and unjustified increase in gambling tax, we sent comments to it. You can find the full text here. In general, the following comments have been made:
    - Failure to comply with the Government's Legislative Rules
    - Failure to comply with the Government's Policy Statement
    - Violation of the rule of legislative restraint in the tax area
    - Negative impacts of tax increase, the so-called detrimental effect
    - Failure to achieve the declared goals of the bill
    - Unjustified level of rates for individual types of gambling games

- **Results of meeting of the expert working group on the Annual Gambling Report**
  On 26 April 2019, a meeting of the NMS Working Group on Monitoring of Gambling and Its Impact was held and the Director of the IFGR was invited for the first time. In this form, the cooperation was established, which was agreed by the head of the National Monitoring Centre for Drugs and Addiction, doc. MUDr. Viktor Mravcik, Ph.D. and the IFGR Director at a joint meeting last December. At this working meeting, there were provisionally presented results to be published in the NMS's Annual Report on Gambling for 2018. This report will be sent to the IFGR for comments in June. It will then be submitted to the Government for approval. At the meeting, the Director of the IFGR drew attention to the inconsistency of the analysed data (IN/BET comparison) and the subsequent distortion of the outputs. He also offered our assistance with the analysis of prevalence of problem gambling in the EU to see whether the strict measures applied in the Czech Republic comply with the European standard and whether they go beyond what is strictly necessary to reduce the problem gambling.

- **Request for an IFGR opinion on the check of a client from the FAO and Bonwer Win a.s.**
  As we informed you at our meeting, the IFGR was asked by the FAO to give an opinion on the factual possibility of conducting a client check in accordance with the AML Act during the participation in technical games. Company Bonver Win a.s. also contacted us with the request for an opinion on this matter. Due to the fact that this company is not a regular member of the IFGR, Bonver Win a.s. were informed that this request for an opinion will be subject to a fee and that the IFGR members will receive this opinion on the comments before its final version is sent to the applicant.

EXPRESS NEWS FROM ABROAD

- **Sweden**
  Radio Sweden server has recently dealt with the topic of participation of men and women in gambling and has drawn a surprising conclusion - **as many as 65% of gambling participants are women**. A similar trend was seen by analysts in the USA. The trend is most likely due to an increase in online gambling, which allows women to bet without prying eyes of surrounding people. The topic was also addressed by the server idnes.cz.

- **Latvia**
  Last week, the Latvian Parliament passed an amendment to the Lottery Act, which explicitly prohibits citizens of the country from participating in gambling games operated by operators not holding the Latvian licence. A citizen who illegally participates in gambling may be fined up to € 350. A fine of up to € 20,000 may be imposed to an Internet provider who learned about the operation of illegal gambling but did not report it to competent authorities. In the past, the Latvian regulator "blacklisted" up to 1,500 domains, with only one third being blocked. You can read more here.

- **Great Britain**
  Europe's largest gambling market regulator, British Gambling Commission, published a **business strategy for 2019 and 2020** that will also be the basis for the next 10 years. The plan contains **five basic strategic priorities**: consumer protection, public protection, increase in standards and transparency of gambling games, the use of profits from gambling for the purposes of public benefit and the continuous improvement of gambling regulation.
  Neil McArthur, Chief Executive of the commission, said the business strategy not only establishes short-term priorities for the UK regulator until 2020, but also prospects for the future. **The goal is not only to create the ideal environment for responsible gambling, but also to develop the market itself.**

- **Vietnam**
  Most foreign media pay attention to what is happening in Vietnam, where law enforcement authorities are gradually exposing a huge betting mafia. Vietnam's Interior Minister, Than Nien, said last Thursday that 22 people were arrested. This is probably the biggest case of match and bet fixing in Vietnam. The case concerns company Fun88, a partner for football clubs such as Newcastle United, Tottenham Hotspurs and FC Burnley. You can read more for example here.