INSTITUTE FOR GAMBLING REGULATION

NEWSLETTER
February 2019

WHAT'S UP IN THE INSTITUTE

MAIN NEWS – Meeting of IFGR members and 73rd Division of the Ministry of Finance



On 4th February 2019, representatives of the IFGR and the Ministry of Finance, namely the 73rd Division for Process Agendas and Regulation of Gambling, had a meeting. This meeting can be considered very important as the IFGR representatives **met the new director of the Division, Mr. Ing. Martin Šabo, for the very first time**. After mutual introductions of the IFGR members and the director and his co-workers, possible ways of cooperation of the two entities were outlined. The main topic of the meeting was the Reporting Decree. You will find the main conclusions of the meeting in the section WHAT'S UP IN PUBLIC ADMINISTRATION and we will send the complete minutes of the meeting in a separate e-mail, after it is approved by the management of the 73rd Division.

WHAT ELSE

- On 29th January 2019, **historically the first IFGR expert sections meeting** was held. With large participation of the members, representatives of fixed-odds betting, technical and live game, lotteries, authorized persons and manufacturers were explained the operation of the Institute, the current issues were discussed, and medium-term goals of the individual sections were defined. You learned more in the meeting's minutes. We ask the members to **send their names, surnames and e-mail address to access to the IFGR member section by the end of the week. The Accesses will be set up for all registered members at the same time.**

WHAT'S NEXT

- On 11th February 2019, a **second meeting of IFGR representatives and the General Financial Directorate** will take place; we will inform you of the outcome.
- On 13th February 2019, a **meeting of the IFGR representatives with the second highest-ranking man of the Customs Administration, 1st Deputy Managing Director of GDC, Col. Ing. Lumír Šatran,** will take place. We will also inform you of the outcome of this meeting.
- The IFGR representatives will take part in the largest gambling expo of the year 2019 - ICE London Conference, held between 5th and 8th February 2019.

IFGR DIRECTOR APPEARED IN THE EUROPEAN PARLIAMENT



On 23rd January 2019, director of the Institute for Gambling Regulation, **Mgr. Jan Řehola, appeared alongside experts from Poland and Romania on the so-called "Round Table" during the European Parliament Conference in Brussels on gambling regulation in Eastern Europe.**

One of the other topics of the conference was the termination of the EU Expert Commission on Gambling and the willingness of experts to re-establish it. The future fate of the Commission will then depend on the will of the new European Commission.

WHAT'S UP IN PUBLIC ADMINISTRATION

- **Press Conference of the Minister of Finance**
  For Wednesday, 6th February 2019, the Ministry of Finance of the Czech Republic scheduled a **press conference of Minister, JUDr. Alena Schillerová PhD**. According to the Institute's information, number of important information for members will be heard at the conference. The Minister intends to comment on the upcoming information system AISG and to provide details of the Reporting Decree, especially of **the launch of testing environment, the issue of the methodological guideline, registration process, and the launch of "helpdesk" for queries.**

- **Main conclusions of the meeting between IFGR and MoF**
  As we have already mention at the expert section meeting and stated in the main news of this Newsletter, the IFGR representatives met with the representatives of the 73rd Division of the MoF on 4th February 2019. The IFGR is preparing the official minutes of the meeting, which will be sent to the MoF for approval. For now, we inform you of the main conclusions of this meeting:

  - Representatives of the IFGR and the MoF agreed on **regular meetings over the issues currently addressed**; next meeting should take place at the end of March. If it is necessary to resolve an issue earlier, an earlier meeting would be scheduled.

  - The MoF stated that it is fully aware of the **necessity to carry out an assessment of impacts of the processing of personal data and game and financial data on the protection of personal data of customers** as anticipated under the Decree.

  - The MoF agreed that **the IFGR would send queries with draft responses to the Reporting Decree**, and they would confirm the correctness of the proposed responses.

  - In near future, the MoF should initiate the process of the so-called **relicensing**.

  - Ing. Šabo promised to involve the IFGR in **the process of assessing the impacts of the gambling regulation** that will be the basis for a future amendment to the Gambling Act.

- **Open competition at MoF**
  Currently, there is an open competition at the MoF to select the head of the division Gambling Regulation. The deadline for the end of this competition is 11th February 2019.

EXPRESS NEWS FROM ABROAD

- **EU**

  "About 60% of countries in the European Union uses blocking of websites as a tool to enforce online gambling regulation, but the standard of strictness varies greatly from country to country and it is easy to get around it," says a new study by the European Commission.

  Although the regulation in the EU is highly fragmented, its goal is similar in all countries – the effort for maximum success in law enforcement and the transfer of demand to authorized websites. Interestingly, if a tool is successful in one country, it does not mean it works in a different country. Still, it is certain that website blocking itself cannot be considered too effective. However, some regulators widely use it. For example, 1,278 websites have been blocked since 2017 in Poland, 7,000 in Italy, while the Spanish regulator blocks an average of 3 websites a year and the Slovenes have blocked 7 pages in total so far.

  What is also interesting is the fact that **52% of countries have a methodology and a concept for the blocking of websites, but what is even more interesting is that only 30% apply this concept.**

  Three of the 24 countries surveyed have completely banned advertising on the web: Italy, Latvia and Lithuania, while Ireland and Slovenia do not regulate it in any way, according to the report. In most cases, operators can advertise freely if they meet certain standards.

  The individual country policies also differ significantly in terms of penalties; in 2017, the smallest average sanction imposed was € 510, while the largest was € 580,000, and between 2015 and 2017, 39% of the regulators did not impose any fines. 52% do not make the fines public at all, which, according to the statistics, does not pay off as they work well as a deterrent example.

  The study for the European Commission was carried out by the Centre for the Study of Commercial Law in collaboration with the School of Electronic Engineering and Computer Science at Queen Mary University in London. **More information about the issue will be given to you in the member part of website www.iprh.cz, which will be operational by the end of this week.**

- **SLOVAKIA**

  The Slovak Parliament **outvoted the presidential veto of the new Act on Gambling, which will make the Internet market available to foreign operators for the first time**. These will be able to apply for a gambling operation license. At the same time, online slots and casino games will be legalized. A new national gambling regulator will be established, and its goal will be to make supervision of gambling more efficient. The Bill was submitted and approved last December, but President Kiska vetoed it saying he would prefer stricter gambling regulation. However, the Slovak Parliament was not very concerned about the president's objections and approved the Act in the identical form. **Applications for the operation of online casinos may be submitted from 1st March 2019 and first licenses may be granted on 1st July 2019. Applications for the operation of online fixed-odds may be submitted from 1st July 2019 and first licenses may be granted on 1st July 2020.** The Slovak Parliament also promised to continue prosecuting unlicensed operators and blocking their websites. It is interesting that the Slovak regions were guaranteed very little autonomy regarding the approval of gaming premises, where they may not allow the operation only in such a gambling room or a casino that is located 200 metres and less from schools or health facilities.