INSTITUTE
FOR GAMBLING
REGULATION

NEWSLETTER
March 2019

WHAT'S UP IN THE INSTITUTE

MAIN NEWS – SECTION MEETING ON 15TH APRIL 2019



On 15 April 2019, **a second meeting of IFGR sections** will be held. The place of the meeting will be **PRAGUE STARTUP MARKET**, Bubenské nábřeží 306/13, Prague 7, hall No. 24. Program of the meeting will start at 9:00 with a general meeting for all IFGR members, which should end at 10:30. Then, a special meeting of sections Technical and Live Game, or Authorized Persons, will start at 11:00 and the meeting of Fixed-odds Betting and Lottery sections, or Manufacturers, will follow at 12:00. Individual discussion points as well as the complete program will be sent to you in as a separate document.

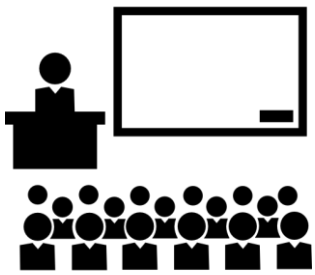
WHAT ELSE

- As of 15 March 2019, the IFGR registers 31 members. The section of Fixed-odds Betting consists of 4 members, the section of Technical and Live Game has 16 members, the Lottery section has 2 members, the Manufacturers section has 7 members and section of Authorized Persons has 4 members.
- IFGR representatives finished the **initial rounds of meetings** with representatives of individual public administration authorities, whose activity relates to regulation of gambling. There were meetings with representatives of National Monitoring Centre for Drugs and Addiction, Financial Analytical Office, supervision and control division of Ministry of the Interior, Ministry of Finance, General Financial Directorate and General Directorate of Customs.
- GFD representatives confirmed IFGR's participation in **annual meeting of financial administration in Telč, which will take place 28 June 2019**. IFGR representatives will present the Institute's activities and defend your interests here. If you have any initiatives/questions, which the IFGR should discuss with GFD representatives, do not hesitate to send them.

WHAT'S NEXT

- Sections of IFGR meeting on 15 April 2019.
- Conference of IFGR in June 2019.
- Presentation of IFGR activities at the annual meeting of the Financial Administration on 28 June 2019.

IFGR CONFERENCE IN JUNE 2019



In **June 2019**, IFGR will hold an **expert conference** and will invite a wide range of public officials, operators, associations, scientists, scholars and all other entities who are in some way involved in the gambling sector. The aim of this conference is to bring together, at least once a year, **to "one table" all the legal entities on the gambling market, experts and public administration representatives** so that they could inform each other and discuss current trends related to the field of gambling regulation. We cordially invite you to this conference, and we will be pleased to send you specific information about the time, place and program of the conference well in advance during April. We believe that the exchange of up-to-date knowledge and practical experience will lead to easier work on both sides of the imaginary barricade and, ultimately, to more effective regulation of gambling as a whole. We are looking forward to your participation.

WHAT'S UP IN PUBLIC ADMINISTRATION

The main event of these months is the **implementation of the Reporting Decree**, and we give you an overview of what happened and what are the plans for this field:

- IFGR representatives participated in both MoF's Workshops on 25 February 2019 and 11 March 2019. Topics that were discussed in these Workshops were overviewed in the meeting minutes, which were sent by e-mail to all members and can be found in our website's member section.

- On 4 March 2019, **testing environment** made for the testing of "mutual communication" of internal game systems of operators in the Czech Republic was launched.

- The same day, **Helpdesk CS,** available on e-mail address hazard@cs.mfcr.cz or during working hours 7:00 – 15:30 on phone +420 261331997, or via application HelpLine https://www.celnisprava.cz/cz/aplikace/Stranky/helpline.aspx was launched. **IFGR has a set-up account in the application**, and, if you have any questions, do not hesitate to send them.

- MoF gradually publishes technical documents aimed at facilitating the implementation of the Reporting Decree, which we are following. The last thing was an **instruction video for daily game reporting** *zde* and **the list of explanatory notes of individual possible errors** in the confirmation package zde.

- At the Workshops, MoF promised that they will **publish methodical materials**, which should describe in detail contents of data packages, its individual items and description of exact data, which should be provided, in near future.

- We are still waiting for the MoF's approval of the proposed questions to your answers to the Reporting Decree. MoF announced that they will publish own list of frequently asked questions and answers, the so-called FAQ, which will be available on its website.

EXPRESS NEWS FROM ABROAD

- **USA**
  Naturally, IFGR registers the news on dynamic esports growth not only from Europe and Asia, but also from the US market. According to estimates of europeangaming.com, up to **25% increase in advertising revenue, which could reach up to $ 200 million,** is expected in 2019. So, the trend, which transformed the activity of several enthusiasts into multimillion business, continues. In 2019, around 30 million people in the USA will watch esport at least once a month. By 2023, there could be up to 46 million people watching. Furthermore, esport spectators are, thanks to their profile, a very interesting subject of marketing – they are often young people from the middle class with an interesting purchasing powers, who are open to marketing.

EXPRESS NEWS FROM ABROAD

- **Great Britain**
  In addition, during the recently held London Affiliate Conference, there were, among other things, discussions on esports, but this time on their risks. The biggest determined risks were the participation of people under the age of 18, influencing the results of computer games and operations on unauthorized websites. Learn more in member section of our website.

- **World**
  Internet magazine Igamingbusiness published current **study of development of the world online gambling**. It shows that the size of **online market interannually grows**. While in 2008, online gambling market was worth EUR 17.3 billion, it was already EUR 40.17 billion in 2017. The module also calculates that, by 2023, further growth can be expected, that is by a 1/3 of its current size. Interesting information is also provided by the chart that aims at the share of legal and illegal operation of online gambling in total sales. The fact that, between 2004 and 2007, the percentage of revenues from legal operations was declining slightly but has been increasing since 2008 can be detected form it. It is approaching 60% now.
  Europe has the biggest share in online gambling revenues, where it amounts to 54%. In Asia and the Middle East, the share is 27%. What is also interesting is the division of revenue share in terms of products. Practically equal is the 26% share in casino games, 24% share in sports betting and 27% share in horse race betting. The rest of the share is divided between lotteries, poker and bingo.

- **Norway**
  In past Newsletters, we informed you of situation on markets in the North Europe, except the Norwegian market. It continues to have no special regulation, where **only two operators with state share operate here.** Norwegian regulator (NGA) tries to face the illegal foreign operators in a way that it presses banks, where these operators have accounts, not to allow their payment transactions. There is logically a public debate on this issue in this north country, because practically all neighbouring countries are introducing regulations and system solutions. You can find out more in our website's member section.

- **Sweden**
  While the speed of issuing of licences for gambling operation as well as the method of the regulator in Sweden is exemplary, gambling operator has already provoked not only the Ministry of Consumer Protection Affairs, but also the public with the aggression of their marketing. According to research of company Sifo, **more than 50% of Swedish population wants to restrict advertisements on gambling, while 30% would like to ban it completely**. Obviously, this is a very negative signal for the operators, since the Minister of Consumer Protection Affairs Ardalan Shekarabi has already said that gambling advertising will be significantly restricted if operators do not calm down. You can read more here.