INSTITUTE
FOR GAMBLING
REGULATION

Minutes of IFGR Members' Meeting of 26 April 2022

Place: **Prague Startup Centre**, Pražská tržnice, Bubenské nábřeží 306/13, hall 24

Date: 26 April 2022, 13:00-15:10

Annex to the minutes: Presentation

Programme:

1. **Prediction of further development of regulation**
2. **Information on the conclusions of personal meetings**
3. **NMC's summary report on addictions**
4. **"Gambling in a Better Light" - commissioning an economic analysis**
5. **Information on the development of the Responsible Gambling project**
6. **Current progress in the fight against illegal gambling**

Point 1 – Prediction of Further Development of Regulation

We informed members about individual topics that had been discussed with the representatives of the Ministry of Finance (MoF) just before the members' meeting as well as about the course of the meeting with the director, Ing. Šabo, and his team.

We informed members especially about the fact that the MoF was preparing an amendment to the GA, which should take effect on 1 January 2024. Factual consultations and discussions should take place by the end of the summer of this year and the prepared bill should be put into the legislative process early next year. The IFGR appealed to the MoF to allow for sufficient time for adaptation to the new regulation, especially in regards to certain more technical changes. In this respect, we were promised that, when it comes to some of these changes, it shall be possible to count on the postponed entry into force of 1 January 2025.

At the initiative of the Institute, the following topics were discussed within the ARHA conclusions:

- The process of issuing subsequent basic licences in connection with the adjustment of the deposit regime
- Licence to operate Internet live game in the so-called live dealer game mode
- Change of conditions for verification of participants in land-based gambling through the REP
- Deletion of the obligation to have a notary present for the drawing of selected types of lotteries

Certain proposals of the MoF were also discussed with them:

- Obligation to set up a user account in case of live game and bingo in land-based environment
- Technical game jackpot - whether to state the probability of possible winning of the jackpot (currently not required)
- Information obligation - clarity, legibility and accessibility

Last but not least, the IFGR, based on suggestions from certain members, suggested that the MoF, within the amendment, also consider the need to valorise the maximum possible bets and related legal limits with regard to inflation.

A more detailed presentation of the individual discussed conclusions from ARHA in the area of gambling regulation can be found in the annexed presentation.

Detailed minutes of the meeting with the Ministry of Finance, including elaborated conclusions and a proposal for further process in individual areas, will be sent to members in a separate document.

Discussion:

Operators' experience with displaying players' account + total losses on technical devices – it is necessary to bring attention to the need to protect the players' privacy! No one wants someone else to look over their shoulder and see how much they have lost, so the noticeability and visibility of this data must have limits.

The IFGR pointed this essential circumstance out to the MoF representatives when discussing information obligations.

Point 2 – Information and Conclusions of Personal Meetings with Key Representatives of The State Administration and The Chairman of Parliamentary Committees of Chamber of Deputies of the Parliament of CR

The director of the Institute informed in a clear way about the meetings with representatives of the state administration and with deputies, who are in certain respects key to the gambling sector.

It was emphasized that the IFGR proactively initiated meetings so that we could establish and maintain contacts in important places even before we need to address any current issues with them. Our goal is also to keep these key positions preventively and educationally so that there are no unnecessary changes in the field of taxation and regulation, therefore increasing legal certainty of entities operating in our sector, and, finally, that the necessary changes are properly discussed and argued for with all the interested parties in advance.

The complete overview and course of these meetings, including the schedule of other upcoming meetings, can be found in the annexed presentation.

During the discussion, this activity of the Institute was appraised in the reactions from the plenary and its importance was appreciated, especially the establishment and maintenance of contacts with deputies and chairpersons of relevant committees.

Point 3 – NMC's Summary Report on Addictions

The IFGR informed members about the issuance of the first Summary Report of the National Monitoring Centre on addictions. We appreciate that the relevant places noticed the need for such a summary report from us and that it is finally possible to compare the individual addictive goods in one document in this way.

We brought attention to the fact that the conclusions of this report could be considered positive – it is clear that gambling is statistically significantly less socially harmful and dangerous than other addictions. The report also states that the regulation is set **according to the principle of proportionality**, focusing on areas with greater societal impacts.



This is contradicted by the recommendations for the area of gambling, especially the ban on the promotion of gambling and the setting and optimization of taxes, which we consider to be potentially very risky.

We informed members that we would discuss the above issues at the planned meeting with the National Drug Coordinator Jindřich Vobořil and the Head of the National Monitoring Centre for Drugs and Addictions Pavla Chomynová.

Point 4 – "Gambling in A Better Light" - Commissioning an Economic Analysis

As part of a long-term strategy to present gambling in a better light, we would like to follow up on the last year's public opinion poll, which we presented to members at the last meeting; we are still using the information in it in various situations where supporting arguments are needed.

On behalf of the Institute, we presented a proposal to conduct a comprehensive economic analysis that would provide us with overall data on the situation on the gambling market. No one is currently preparing such summary material: the MoF provides certain ad hoc data upon request, but a large comparative analysis would be needed. Economic data works best as arguments that could reverse many overly ambitious regulatory and tax proposals and changes.

We approached the so-called Big Four with a request to state the price of such an analysis, of which only Ernst & Young has sent us the price quote so far. You will find the options, including the corresponding amounts, in the annexed presentation.

Afterwards, we contacted the Centre for Economic and Market Analyses (CETA), which would prepare the individual options offered by Ernst & Young at one-third prices. However, such an analysis does not have the same repute as analyses done by any of the Big Four companies.

In this context, after all members have gone through the offered options, we will contact them to inform us about the possible preparation of such analysis.

Point 5 – Information on The Development of The Responsible Gambling Project

The director of the Institute presented to the members further developments within the Responsible Gambling project. The implementation of the Responsible Gambling obligations is currently being implemented according to the schedule, and a revision of commitments specifically for the land-based area is being prepared.

There was established the Expert Council of the project, which brings together experts from the fields of addictology, psychology, economics, as well as representatives of organizations that focus on helping high-risk and addicted groups. The Expert Council is chaired by doc. Mravčík. More information about the Council can be found in the annexed presentation.

As part of Responsible Gambling, the network of support and assistance has been expanded to include new organizations – there is currently 40 of them across the Czech Republic.

We are working with the Naberte kurz organization to set up a helpline that could work non-stop.

The online campaign starts in the first week of May, the first podcasts are filmed and a meeting with journalists is planned for the end of May. Also, the next year of Responsible Gambling Week and project awareness research is coming up in the autumn of 2022.

Point 6 – Current Progress in The Fight Against Illegal Gambling

At the end of the joint part of the meeting, we presented the current progress and activities in the field of fight against illegal gambling. We presented a scheme of coordinated action in this area together with APKURS and GTO Solutions, s.r.o.: APKURS mainly focuses on reporting illegal online casinos to the Customs Administration and GTO Solutions on searching for illegal activities in the online environment, reporting illegal advertising and searching for PR articles and websites with illegal content. Then, through the IFGR, Illegal advertising is reported and entities that, knowingly or unknowingly, promote illegal gambling on their domains are notified.

We also informed members about the cooperation with the state administration. A joint workshop between the IFGR, the MoF and the Customs Administration on the fight against illegal gambling took place in February this year, followed by a joint meeting between the IFGR and the GDC in March. We also gained insight and received feedback from the Customs Administration and gathered more information about where the potential problems were.

We also presented the previous experience with illegal gambling in the land-based environment and other steps that the IFGR intends to take in this area.

Detailed information on this topic can be found in the annexed presentation.

FINAL QUESTIONS AND DISCUSSION

1. It was mentioned that complete information on the number of employees in the gambling industry was not available. However, the Czech Statistical Office should have very detailed information at its disposal. It is, therefore, a question of who has the right to provide it in the end (would be worth trying to find this out again).

2. Suggestion for the MoF to prepare and make forms and information about the REP available in foreign languages
   - ✓ The IFGR informed members that they mentioned this request during the MoF morning meeting. The Ministry does not consider this a priority and allegedly solves potential problems on the ad-hoc basis.
   - ✓ It would be worthwhile to test their functioning more.

3. How real is the threat of the ban on advertising promotion on gambling?
   - ✓ We will try to resolve it for the IFGR, currently with J. Vobořil, then, of course, on other levels, if it turns out to be truly real. In any case, we must bear in mind that such a trend is advancing in Europe.

4. Suggestion - given that the MoF is preparing the amendment, according to the IFGR members, it is essential to be in touch with those deputies who have a normal relationship with the field of gambling, or rather do not consider it a priori a dangerous and socially harmful vice.