NEWSletter



March

INSTITUTE
FOR GAMBLING
REGULATION

2024

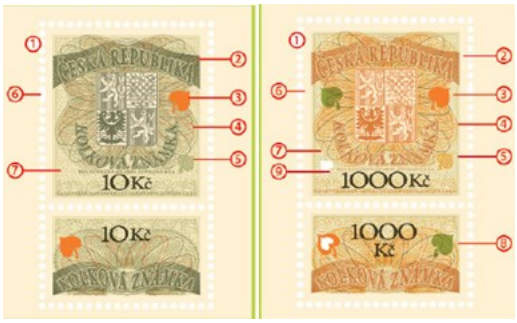
THIS YEAR, STAMPS ARE ENDING. THERE IS TIME UNTIL THE END OF THE YEAR FOR THEIR RETURN OR REFUND.

One of the changes brought by the government consolidation package is the termination of the option to pay administrative and court fees through stamp duties. This option will only be available until the end of this year, including their exchange or redemption.

Stamp duties have been one of the methods for paying administrative or court fees so far. From January 2025, other existing payment methods will be available, such as card payment, cash, or bank transfer. Further information will be provided by the relevant authority.

The purchase and exchange of damaged unused stamp duties for new ones, or the repurchase of undamaged pieces, will be possible only until the end of this year and only at selected branches of the Czech Post, where this transaction will be charged according to the current price list.

Savings are behind everything. From 2014 to 2021, the costs related to the production and distribution of stamps amounted to almost half a billion crowns. The abolition of stamp duties will enable the state to save tens of millions annually.



GAMING & TECH SUMMIT WAS HELD IN PRAGUE AGAIN

The Prague Gaming & TECH Summit 2024, organized by HIPTHER, concluded with tremendous success and satisfaction among all participants. Attendees had the opportunity to gain many valuable insights during two packed days of various panel discussions or to network and socialize at networking events.



On March 26th and 27th, leaders from the gaming industry, technological development, innovative startups, and gambling regulation gathered in Prague to exchange information on the latest trends, strategies, and cutting-edge technologies shaping the future of gaming. The summit kicked off with a panel discussion titled "Gambling Industry Spotlight: Czech Republic," focused on the current regulation in the Czech Republic. Our institute's secretary, Petr Kozák, participated in this panel. Together with Jan Urbanec, Jakub Kolomičenko, and Robert Skalina, they mainly addressed the latest developments in the Czech gambling market.

The market has recently experienced a positive shift in the approach to illegal online gambling, as Petr Kozák pointed out. This includes simplifying the process of blocking illegal websites and the ability to block sites promoting illegal gambling. However, evaluating how the simplified blocking of illegal websites will perform in practice requires a longer time horizon. He also reminded that the state's approach itself encourages players to switch to illegal operators, especially due to increased taxation on gambling and stricter taxation of winnings combined with the authorities' rigid approach in approving new products in the market.

Jakub Kolomičenko from Kaizen Gaming highlighted new player protection measures, particularly the intro-

duction of the so-called panic button. We are pleased that operators, like us at IPRH, welcome measures aimed at protecting players.



Before the evening announcement of this year's GamingTECH CEE Awards 2024, Jan Řehola, the director of IPRH, spoke on his discussion panel, emphasizing the key role of the Responsible Gaming project and the benefits of majority market participation. Just as in the Czech Republic, where Fortuna CZ, Chance, SAZKA a.s., and Tipsport jointly participate in the project, mutual data sharing enables more efficient player protection across the legal market.

Together with Jan Řehola, Matej Novota also debated, pointing out the need for standardization of responsible gaming measures and the role of operators in this process. And Bill Pascrell spoke about innovations in the concept of responsible gaming in the USA. In overseas, the debate on this issue is gradually unfolding with the legalization of online betting, and the practices from EU countries can be a good example for inspiration, according to him.

THE RESPONSIBLE GAMING PROJECT SECURED FIRST PLACE IN EUROPEAN COMPETITION!

Last year in Budapest marked the first time our Responsible Gaming project received international recognition for the best support in the field of responsible gaming. This year, amidst strong international competition, we defended last year's victory at the GamingTECH CEE Awards 2024!

Once again, our Responsible Gaming project succeeded in the category of Best Support for Responsible Gambling. We are delighted that our long-term efforts in prevention and society education have repeatedly received international recognition. It's another testament to the meaningfulness of our activities. This victory is even more valuable to us considering the finalists included companies such as Casino Guru, EGT Digital, Fortuna, Gamblers Connect, Kindred Group plc, Mindway AI, PIN-UP.TECH, SOFTSWISS, and Wazdan. These are all companies making significant strides in the field of safe gaming, whether it's timely identification of at-risk players, communication with them, or other attributes in the realm of safe gaming. However, it's evident that our Responsible Gaming project is truly unique, as it aims to involve multiple operators in the timely identification of at-risk players, a factor appreciated by the voters.



RESPONSIBLE GAMING COULD BE SEEN IN THE SUBWAY



The campaign of Responsible Gaming was visible in the subway station Můstek throughout the whole month, featuring characters such as Passionate Gambler, Odds Tracker, Reckless Bidder, and Enthusiastic Bettor. The main goal of this campaign was to raise awareness about selected myths and misconceptions associated with gambling. It aimed to highlight the options provided by current legislation and legal operators, such as player self-limiting measures or the registry of excluded persons (REP), as ignorance about available options for safe gaming is unfortunately very high among the population.

The campaign also aimed to offer help to those affected by providing information about the assistance options offered by the Responsible Gaming project to players and their families.

Therefore, the campaign included contact information for the Helpline of the Helping Hands Society, which is now available to players around the clock every day.

PRAGUE WILL DEFEND ITS DECREE AT THE CONSTITUTIONAL COURT

The uncertainty surrounding gambling regulation in the capital city continues. In addition to the Office for the Protection of Economic Competition (ÚOHS), the Ministry of the Interior (MV) has also entered the fray.



In early March, the Ministry called on the Prague City Hall to annul a part of the decree regarding the ban on live gaming in certain parts of Prague within 60 days. It demands that the same conditions apply to the entire capital city. Prague is thus faced with a decision whether to opt for a complete ban on gambling throughout its territory or to allow it everywhere.

Following the mentioned call from the ministry, the legislative committee of the city hall met to discuss further steps. Several options were considered. One of them was to discuss the ministry's call at the next session of the Prague City Council and for the council to decide on remedying the unlawfulness or explicitly decide not to endorse the call.

The prevailing opinion among the committee members was clear: not to heed the call and defend the current regulation of gambling in the capital city through legal means. Specifically, Councilor Zábranský (for the Pirates) strongly advocated for suspending problematic parts of this decree and turning to the Constitutional Court (ÚS) in this matter. This solution would mean maintaining the validity of the decree as a whole (i.e., a blanket ban on technical games throughout Prague's territory), but without restrictions on live gaming as regulated by individual municipal districts.

Councilors (e.g., Tylová) generally sharply criticized the decisions of ÚOHS and the approach of MV. Only Councilor Brož advocated for changing the decree as demanded by the interior ministry. Councilor Marvanová defends the current decree and also supports the intention to defend it at the Constitutional Court.

At the next coalition meeting or at the meeting of the City Council, Councilor Zábranský was to prepare a proposal for a solution on which the coalition would agree and then inform this committee.

In mid-April, Prague city officials agreed not to amend the decree regulating gambling in the metropolis, even after the call from MV. The final fate of the decree will likely be decided by the Constitutional Court.

„The Office for the Protection of Economic Competition and the Ministry of the Interior do not recognize subsidiarity in the sense that Prague, when approving the decree, could take into account the request of individual municipal districts for a complete ban on gambling on its territory when gambling is allowed in other municipal districts. It will be best for everyone if the Constitutional Court reviews this disputed part of the decree as soon as possible,“ says Councilor Adam Zábranský, responsible for property, transparency, and legislation.

The Antimonopoly Office has repeatedly fined Prague in the past precisely because of the current and previous versions of the decree, which the city is defending in court.

"We currently have two lawsuits against the final decisions of the Office for the Protection of Economic Competition, which will be decided first by the Municipal Court, then in the case of a cassation complaint, by the Supreme Administrative Court, and then in the case of a constitutional complaint, by the Constitutional Court. This case would reach the Constitutional Court via this route only after many years. If the Ministry of the Interior suspends the effectiveness of the disputed part of the decree, as it announced, the issue will be resolved much sooner," summarizes Councilor Zábranský.

If the ministry suspends the problematic part of the decree, live gaming may return to the entire territory of Prague until the Constitutional Court's decision. The blanket ban on machines and other technical games should remain in effect.

SLOVAKS LOST 1,32 BILION EURO LAST YEAR

At the end of March, the new CEO of the Office for the Regulation of Gambling in Slovakia, Martin Bohoš, presented the developments of the Slovak market for the year 2023 and also outlined several current topics in the field of gambling.

In 2023, Slovaks wagered a total of €21.36 billion, with winnings totaling €20.04 billion. Overall, they lost €1.32 billion. *„As a relevant indicator of the 'betting rate', one should consider the GGR (Gross Gaming Revenue), which is the difference between the amounts wagered and the winnings," stated Martin Bohoš, adding that "the contribution to the state budget from gambling for the year 2023 amounted to over €301 million, representing an annual increase of over €50 million in contributions to the state budget.“*

Internet casinos hold a dominant position in the market in terms of bets, winnings, and revenues, indicating the overall development of gambling in the gambling market. This growing trend is related to the dynamic growth of online gambling in Slovakia. Brick-and-mortar gambling establishments and popular betting shops among Slovaks follow.

In terms of revenue contributions to the state budget, internet casinos lead with a contribution of over €93 million, followed by betting shops, which contributed €80.48 million, and then brick-and-mortar gambling establishments, which contributed €61.9 million through a flat-rate levy.



Regarding online gaming, it is interesting to note that Slovaks prefer online betting in 90% of cases for betting shops. Conversely, when it comes to numerical lotteries, Slovaks prefer to visit brick-and-mortar outlets, with only 14% opting for online numerical lotteries.

Similar to the Czech Republic, Slovak municipalities and cities have very strong tools to regulate gambling within their territory, particularly through so-called banishing

generally binding ordinances, which can prohibit the placement of gambling halls and casinos within their municipality. They can also issue restrictive generally binding ordinances to regulate, for example, the location of gambling halls near schools or educational facilities. As a result of the banning ordinances of municipalities, the Office for the Regulation of Gambling expects a 22% decline in revenues from brick-and-mortar gambling establishments and casinos to the state budget in 2025.

The director-general of the office pointed out that municipalities and cities are not paying sufficient attention to the issue of gambling, leading to various shortcomings in the process of issuing generally binding ordinances. Failure to comply with the 5-day deadline prescribed by law to fulfill the reporting obligation by municipalities and cities to the Office for the Regulation of Gambling results in the office not considering such generally binding regulations in the licensing process.

„From the regulator's perspective, we need to openly discuss the risks associated with the prohibition of legal gambling, which creates conditions for the emergence of illegal gambling establishments. I would like this issue to be subjected to a broader societal discussion because if someone feels that by banning legal gambling, they are dealing with gambling in a larger city, yes, they are dealing with legal gambling, but the risks of illegal gambling remain high," said CEO Bohoš.

THE NETHERLANDS IS FIGHTING AGAINST ILLEGAL ADVERTISING ON AFFILIATE WEBSITES



At the end of last year, the Dutch Gambling Authority (KSA) declared that combating illegal gambling operators would be one of its main priorities in 2024. They took their words seriously. Right from the beginning of the year, they conducted two inspections aimed at advertising by illegal operators. The inspections targeted both affiliate websites and online news portals.

The reason KSA focused on these websites was not only because they attracted players to illegal gambling but especially because they deliberately targeted individuals registered in Cruks. This is equivalent to our Registry of Excluded Players.

During its investigation, KSA identified four most visited affiliate websites that exclusively targeted self-excluded players. However, the owners of these websites remain unidentified, so KSA initiated subsequent investigations to track down the owners.

The second wave of inspections targeted affiliate marketing for illegal casinos. In July 2023, a ban on untargeted advertising was introduced. This ban aims to protect vulnerable groups, including young people, from the risk of gambling addiction. The law also prohibits advertising in most media.

This inspection revealed ten affiliate websites violating the law, with five of them responding to the threat of enforcement measures by immediately ceasing their violations. Investigations into the other five websites are still ongoing.

There have long been concerns that affiliates and the black market would try to exploit the ban on untargeted advertising, prompting KSA, when the law was introduced, to promise to investigate reports from stakeholders and concerns about illegal branches and operators.

It was also found that these affiliates advertised seven illegal casinos, prompting KSA to initiate enforcement proceedings against all seven illegal operators.

The regulator also contacted six online news websites that directed their consumers to affiliate companies promoting illegal gambling. All of these digital newspapers took "immediate" action and removed the advertisements.

In the Czech Republic, we have been supplementing this activity as part of IFGR for a long time. Over the past two years, in collaboration with GTO Solutions s.r.o., we have warned 61 editors and owners of websites that a total of 518 articles refer to or even purposely promote illegal online gambling. With our efforts, we managed to convince editorial offices to withdraw articles in more than 73 percent of cases.

LITHUANIANS SUPPORT ADVERTISEMENT BAN, GOVERNMENT SURVEY REVEALS



Lithuanians unequivocally support the ban on gambling advertisements, as revealed by a recent survey conducted by the Lithuanian National Radio and Television Station (LRT). The survey, commissioned by the Lithuanian government to gauge public sentiment regarding the proposed ban on gambling advertisements, was conducted among 1,115 adults.

The survey unveiled that 80% of the Lithuanian population either "fully agrees" (49%) or "somewhat agrees" (31%) with the idea of banning gambling advertisements. Only 15% of respondents held the opposite view, while 5% had no opinion.

The proposal to ban advertisements was more supported by women (86%) than men (72%).

Mindaugas Ardišauskas, the head of the Responsible Business Association in Gambling (ALVA), warned legislators that there is still a significant market for illegal gambling, and "restricting legal offerings will increase illegal ones."

Liutauras Ulevičius, president of the National Gambling and Gaming Business Association (NLZVA), stated that the advertising ban would "play into the worst market scenario," in which gambling would be concentrated around a few dominant market players offering socially riskiest games, such as online casinos and slot machines.

"From the perspective of a diversified market, the advertising ban should be differentiated according to the types of gambling," Ulevičius said.

He believes that there should be a complete ban on advertising the "most dangerous gambling," which he defines as casino games, as well as unlimited betting and slot machines, while games like bingo or lottery products should be "almost unregulated."

The survey results come shortly after more than 40 lawmakers from the largest ruling party, Homeland Union – Lithuanian Christian Democrats, introduced a bill on February 12 to ban gambling advertising in Lithuania. Since the bill was introduced to the Lithuanian parliament, Seimas, there have been no discussions or further official progress.

The law would come into effect on January 1, 2025.

However, Ulevičius noted that the proposal to ban advertising is only "one of ten" legal changes related to gambling that politicians are discussing.

„The Lithuanian Gambling Law, which underwent major changes in 2015, and the Lottery Law, which underwent major changes in 2019, should be revised and consolidated into a new single gambling law," he added.

„It is a sign that the pandemic and online services have significantly changed the market structure, and the state should respond to keep the market under control," he said.

Lithuania began significantly restricting gambling advertising on November 1, 2021. However, the restrictions did not have the intended impact.

Lottery and gambling operators spent €12.73 million on advertising in 2023, more than double the €6.36 million spent in 2021. Operators' profits also increased from €20 million in 2021 to over €53 million in 2022.

IN AUSTRALIA, SPECIFICALLY TRAINED PERSONNEL WILL OVERSEE SLOT MACHINE PLAYERS

According to current data, poker machines pose the highest risk of harm from gambling in New South Wales, Australia. One in three regular players are considered mildly or moderately risky players according to the severity index of problem gambling. Recent research has shown that late-night gambling on poker machines is strongly associated with problem gambling.

Therefore, the local government has committed to requiring responsible gambling officers to oversee safer gambling practices directly in venues with more than 20 gaming machines in hotels and clubs. The number of gaming machines also dictates the requirement for more responsible managers on-site. Places with 100 or more machines must have at least two such employees, while venues with 300 or more machines must have at least three such individuals on duty.

Of course, these individuals may perform other duties, but their primary responsibility is to be available to players, monitor their behavior, and provide assistance if needed. According to local experts, the "proposed duties of RGOs will include identifying at-risk customers and engaging with them, followed by interventions with venue managers in case of serious negative impacts. Additionally, RGOs will maintain an incident register, provide information on responsible gambling, and assist with self-exclusion processes upon request." From midnight to 8:00 am, at least one nominated RGO will also be required to be largely dedicated to RGO responsibilities.



RGOs will have to undergo rigorous training for their roles, similar to "higher roles in hotels and clubs operating gaming machines," which includes over 3,600 employees. Accreditation deadlines are spread between September of this year and the following June in order of increasing seniority.

As of October 31st last year, there were 1,152 venues in New South Wales with more than 20 gaming machines out of a total of 2,181 gaming establishments.