Three years of gaming under a new regulator
We had good reason to select this title for the 2015 Annual Report. When the Netherlands Gaming Authority was established in 2012, we set ourselves the goal of having developed into a “good regulator” within three years’ time. Those three years have now passed. So it is time to not only assess the previous (financial) year, as an annual report is supposed to do, but also the remaining two of those three years.
As Chairman of the Board of Directors, I am very proud of what we have created and achieved in the previous year: a professional, sound and efficient organisation. We coordinate activities related to the prevention of addiction, use our capacity as regulator to intervene, issue licenses and cooperate with other (semi) public and civic organisations on both the national and the international levels.

Expertise
Expertise cannot be gained by the passage of time alone. It requires investment. We invest in building expertise in various ways. We gain expertise by reaching out to outside sources, for instance by having an external Advisory Council in place, collaborating with external experts and by sharing the knowledge possessed by experts by organising lectures. In addition, we look for and find knowledge from other sources, for instance by organising work visits to our peers abroad and participating in international conferences and seminars to increase our knowledge. Now, I can already hear you think: “Such praise! But that was just to be expected from a board chairman talking about his own organisation!”

Performance of the Netherlands Gaming Authority
While such scepticism is valid, my praise is also based on the results of a 2015 external and independent investigation into our organisation. This investigation identified many positives, but also a number of issues to be addressed. For instance, the industry was found not to consider us all that transparent all the time and would like for the Netherlands Gaming Authority to become more open about its processes of and reasons for coming to a decision. The Netherlands
Gaming Authority is now committed to improve on this. We are confidently looking forward to the statutory investigation into the performance of the Netherlands Gaming Authority to be held by the Ministry in 2018.

Market
The gross gaming revenue of the legal gaming industry amounts to some 2 billion euros. Lotteries continue to be the largest and most popular games of chance. The introduction of legal online gambling still forms the most important change in the market. The legislation enabling the provision of online gambling opportunities was already being discussed when our organisation was established in 2012. We believe the consumer is entitled to proper legal regulation of games of chance and the associated consumer protection. It all took quite a bit more time than we had hoped, but we’re ready for it now. I am happy to hear that the House of Representatives intends to debate the bill in early 2016.

Channelling versus illegal offerings
It is of great importance to ensure that a high percentage of online players make use of the legal offerings and that players do not partake of illegal games. In short, channelling is required. Channelling forms the best way to protect players against the risks inextricably linked to online gambling. All other European countries preceding the Netherlands in regulating online gambling have come to this conclusion, and it seems unlikely that the Netherlands will find differently. Channelling also helps in reducing the illegal supply of online games, allowing the Netherlands Gaming Authority to deploy more of its enforcement capacity to tackle illegal providers.

Channelling versus gaming tax
The government aims to achieve a channelling percentage of 80%, but we should point out that this will impact profits. For the way things work means that it would seem that a tax of 29% will be levied on the gross gaming revenue. This would make realising the objective a highly ambitious endeavour, as would also appear from the experience in other European countries.¹ The option exists to have this tax rate be reduced to 25% once three years have passed. But why should we wait three years for an assessment? The degree of channelling achievable in practice should be clear after two years already, at which point we should also be able to consider whether to adjust the tax rate. This means that we feel that the assessment could be performed at an earlier date.

2015
Even apart from the remote gambling issue, there was a lot going on in 2015. In fact, it was an exciting year for the Netherlands Gaming Authority. We made good progress in fighting illegality and crime, as you can read on page 16. Progress was also made in the field of preventing problem gambling. Our coordinating role in this connection will only increase once remote gambling becomes

---

¹. For an explanation, please refer to the August 2015 online market scan on www.kanspelautoriteit.nl, page 51 ff.
legalised. A special meeting was organised to bring gambling operators and addiction services closer together. While the cooperation between these parties is take more concrete form from here on out, a start was made.

**International**
While our regulatory duties formally stop at the Dutch border, we do look beyond it. For developments elsewhere do impact the Dutch gaming industry.

Hence, I am very happy to have been able to conclude multiple collaboration agreements in 2015, both with separate jurisdictions and on the pan-European level. Regulators have a lot to learn from each other and require one another to effectively regulate the ever more internationally operating national gaming industries.

Collaboration is also of great importance within the bounds of the Kingdom. Each of the four constituent countries of the Kingdom – the Netherlands, Aruba, Curaçao and Sint Maarten – feature their own legislation on games of chance. The regulation of the gaming industry, too, is the autonomous responsibility of each of the countries. Yet, it becomes ever clearer that we need to cooperate to ensure that the differences between the various national legislations and enforcement activities do not negatively impact the countries.

This last year, we fined an illegal gambling provider established on Curaçao for the third time. We need to cooperate with our Curaçaoan peers to ensure that this provider will not violate the Betting and Gaming Act again.

So I am very happy to say that we have started exploring how to intensify the collaboration between the four constituent countries.

**Collecting fines**
Another issue requiring further collaboration is the collection of fines imposed on companies established abroad. While it is possible to collect fines from companies in other EU Member States via the courts and while options are available within the Kingdom as well, this all takes a lot of time and effort. It should be possible to make it easier to collect administrative fines through closer cooperation, rendering the Netherlands Gaming Authority that more effective an organisation.

So, in all, there are plenty of issues in the gaming industry we would like to see improve. A given, really, as the industry is innovating and developing at breakneck speed. Rules and legislation will as a matter of course always have to play catch-up to market developments. But we need to make sure that this gap does not turn into an insurmountable chasm.
Parliament is able to support us by laying down objectives to be achieved and by more often employing open standards. This would allow regulators to translate legal standards into concrete obligations that are in line with the latest insights. Such a way of working provides more options to have our enforcement activities and our issuance of licenses respond to market developments – all the while giving consumer protection paramount importance.

As a regulator, we are familiar with the market. Wherever possible, we build up trust in the market as concerns consumer protection. But wherever such is not possible, we intervene. And that is something Parliament can rely on.

Jan Suyver
Chairman of the Board of Directors
Three years of the Netherlands Gaming Authority

The Netherlands Gaming Authority, three years later

Preventing gambling addiction, preventing illegal and criminal practices, and protecting and informing consumers: these are the three objectives central to the mission of the Netherlands Gaming Authority. Objectives it has been striving to meet since it was established in 2012. The Netherlands Gaming Authority has performed various activities over the past few years in working towards these public objectives. The results achieved and the preparations taken to face the immediate future are detailed further on in this chapter.
Consumer at the core
In working to realise its public objectives, the player in a game of chance, that is, the consumer, is at the core of the Netherlands Gaming Authority’s efforts. The consumer should be able to have a go at a game every now and then and to do so in a trusted environment. The Netherlands Gaming Authority works to enable this by keeping illegal practices out of the gaming industry and protecting consumers against the negative effects associated with gambling.

Mission
The Netherlands Gaming Authority’s three public objectives are inextricably linked to its mission. The Netherlands Gaming Authority’s mission defines what the Netherlands Gaming Authority is out to realise: Safeguard a safe and fair gaming market.

Vision
The Netherlands Gaming Authority has been active on multiple fronts since it was first established in 2012. It has been working hard to realise its 2012 vision. Within three years, society, management, providers, and consumers must perceive the Gaming Authority as a good regulator. This 2012 vision has by now “expired”. To investigate whether the “outside world” still believes the Netherlands Gaming Authority to be a good regulator, it started a survey.
In October 2015, the Netherlands Gaming Authority phrased a new vision with new core values.

This new vision is as follows:

The gaming industry is developing rapidly, making it even more important to ensure that the interests of the consumer are properly safeguarded. The Netherlands Gaming Authority plays a leading role in this connection.

The Netherlands Gaming Authority concretises its vision by:
• Properly informing the consumer;
• Offering clear frameworks and guidelines to the industry;
• Identifying risks and problems well in time;
• Deploying innovative tools and resources and pursuing an effective enforcement policy;
• Cooperating with both national and international partners;
• Accumulating and sharing expertise.

Core values
Four core values form the essence of the Gaming Authority’s work:
• Proactive;
• Consistent;
• Professional;
• Transparent.

“Four core values form the basis of the actions taken by all the Authority's employees: Proactive, Consistent, Professional and Transparent.”
As concerns addiction prevention, the Netherlands Gaming Authority is charged with a statutory task: “to prevent and reduce gambling addiction”.

In its fulfilment of this task, the Netherlands Gaming Authority works towards three goals:
- Keeping the relatively low national percentage of problem gamblers at that level or even reducing it, such in cooperation with other stakeholders;
- Identifying both problem gamblers and individuals at risk in time and guide them towards proper assistance where necessary;
- Encouraging stakeholders to take their own responsibility.

**Regulating the gambling operators’ duty of care**

Every gambling operator providing games of chance is to implement suitable measures to counter gambling addiction.

For gambling operators are by law required to prevent gambling addiction to the extent possible. This means that gambling operators are to monitor player behaviour and, where necessary, to intervene in time. It is very important that players displaying problem behaviour be referred to professional assistance.
At present, the Netherlands Gaming Authority’s role in the field of addiction prevention is limited to supervising the existing licensees providing offline games of chance. However, it will come to play a more wide-ranging and intensive part once the new remote gambling legislation enters into force. The Netherlands Gaming Authority’s preventative tasks will from that point onward also extend to licensees providing online games.

Addiction prevention strategy

With an eye on the Draft Bill on Remote Gambling and the associated increase in its prevention regulation tasks, the Netherlands Gaming Authority has started to reassess its addiction prevention strategy. An analysis of the developments in the field of gambling addiction has led it to reconsider its objectives and primary focus. The revised strategy was discussed in early 2016.

The Netherlands Gaming Authority proceeds from the principle that the players are themselves responsible for their gaming behaviour. It is essentially up to the player to decide how long, how often and for what stakes they play. However, the player is to be properly informed by the gambling operator to be able to take this responsibility. When a player is unable to take their responsibility, for instance because they belong to a vulnerable group or are already showing signs of addiction, the gambling operator has a responsibility to identify irresponsible gambling behaviour and to take fitting action wherever necessary. The Netherlands Gaming Authority supports and monitors the duty of care the gambling operator is charged with and is proactive in the fulfilment of its regulatory duties, always with due observance of the responsibilities held by players and gambling operators.

In this way, the Netherlands Gaming Authority ensures that gambling operators act in accordance with their responsibilities and that more care is taken in the performance of their obligations. The core principle is that addiction prevention is to be an integral part of business operations, both in policy and in practice. To effect this, the Netherlands Gaming Authority develops license regulations pertaining to addiction prevention and monitors compliance with these regulations, structurally consulting with licensees and directing them to implement effective preventative measures to minimise the risk of individuals becoming addicted.

“At interacting with its social partners, the Netherlands Gaming Authority is able to include signs, developments in prevention and new scientific and practical insights in its enforcement of the prevention policies in place at the gambling operators.”
Coordinating role
The Dutch gaming policy is to ensure that the percentage of problem gamblers is kept low. Gambling addiction is a complex problem that can only be tackled in cooperation with other stakeholders. Gambling operators, addiction services, self-help organisations and knowledge institutes all play an important part in combating gambling addiction, each working from their own unique angle and employing their own special expertise. The Netherlands Gaming Authority plays an important coordinating role in this connection, allowing all partners to play their own part and take their own responsibility.

In 2015, the Netherlands Gaming Authority in the framework of a new “round of introductions” consulted with 14 social partners from the addiction services sector, including the Dutch Mental Healthcare Association, the Addiction Services Network, the AGOG Gamblers Anonymous foundation, and multiple knowledge institutes. These meetings were meant to take stock of one another, exchanging expectations of the role to be played by the other, points of attention and information. More such meetings will be held in the coming year. By interacting with its social partners, the Netherlands Gaming Authority is able to include signs, developments in prevention and new scientific and practical insights in its prevention policy.

Addiction prevention stakeholder meeting
On 7 December 2015 the Netherlands Gaming Authority organised an “Addiction Prevention” meeting for stakeholders. The meeting was attended by representatives from the current and future gambling operators, addiction services, self-help organisations and knowledge institutes. The goal of this meeting was to get the parties involved in the issue of prevention together and to help them become more familiar with each other. During the meeting, information, knowledge and best practices on addiction prevention was exchanged, and it became more clear how the various parties interpret the role to be played by the Netherlands Gaming Authority. By organising the meeting, the Netherlands Gaming Authority facilitated the parties involved becoming more closely acquainted with each other.

In addition, information was exchanged on the addiction prevention policies of both current and future gambling operators, while the addiction services representatives shared their knowledge on effective prevention measures. Finally, all parties present provided input on organising follow-up meetings.

JOOP POT, BOARD OF DIRECTORS MEMBER
“For the gambling operator, the effectiveness of its addiction prevention policy is key in properly performing their statutory duty of care.”

Facts and figures
The meeting was held in connection with the many questions the market parties and social partners had about how to perform their future obligations arising from their duty of care and the division of roles, tasks and responsibilities on the issue of prevention. A follow-up meeting is planned for a mid 2016 date.

Curriculum assessment
The Dutch Mental Healthcare Association, VAN Dutch Gaming Machine Organisation and the Netherlands Gaming Authority in 2015 met to assess the curriculum for courses on the gambling issue. This curriculum was developed in 2012 by the Dutch Mental Healthcare Association and VAN Dutch Gaming Machine Organisation under the auspices of the Netherlands Gaming Authority. It contains a number of quality criteria with respect to the prevention courses on the gambling issue as provided to amusement arcade staff, as well as with respect to the course trainers. VAN presented a progress report on the implementation of the curriculum to the Netherlands Gaming Authority, which includes a number of recommendations.

The Netherlands Gaming Authority will, in 2016, investigate how the duty of care imposed on licensees of games of chance is to be applied in practice. At the same time, it will consider whether the curriculum is to be independently assessed or whether such assessment can be conducted as part of the investigation.

“Play With Care” for the entire gaming industry
To increase consumer awareness of the risks associated with playing games of chance, all national licensees of games of chance and amusement arcade operators have started to use the “Play With Care” slogan in all their promotion and advertising activities from 1 July 2015 onwards. In so doing, all national licensees of games of chance and amusement arcade operators have taken the next step in promoting responsible gaming. The “Play With Care” slogan applies to the entire gaming industry.

“The ‘Play With Care’ slogan applies to the entire gaming industry.”
OUTLOOK

Addiction Fund
Due to the specific character of online games of chance, the Draft Bill on Remote Gambling contains a provision on contributions payable to the as yet to be established Addiction Fund. This fund will provide funding for prevention aid, for research into prevention and treatment of gambling addiction, and for (anonymous) treatment of gambling addiction. The Netherlands Gaming Authority will help implement the as yet to be established Addiction Fund. The fund will be established once the Draft Bill on Remote Gambling passes into law.

Central Exclusion Register
The Draft Bill on Remote Gambling introduces a new resource to prevent gambling addiction: the Central Exclusion Register. Players can be registered both voluntarily and involuntarily and, once listed in this register, they will be barred from participation in the most addictive games of chance for no less than six months. This includes games in casinos and amusement arcades as well as online gambling offerings. The Netherlands Gaming Authority will serve as administrator of this automated, always available register.
In 2015, the Netherlands Gaming Authority has charted the provisional scope of and functional requirements for the Central Exclusion Register on the basis of the draft bill. In the end, of course, it is up to Parliament to determine the effects of the register. Work has by now been started on constructing the register so as to be able to have licensees have access to it upon the Draft Bill on Remote Gambling being passed into law.
PUBLIC OBJECTIVE
Prevention of illegal and criminal practices

The Netherlands Gaming Authority has attached high importance to countering illegal online gambling offerings and allowing consumers to participate in games in a safe and reliable environment.

Illegal Internet games
The Netherlands Gaming Authority agitates against online gambling operators offering their games to the Dutch gambling market. Why is that? At present, Dutch law does not contain provisions on online gambling offerings. The Draft Bill on Remote Gambling was submitted to the House of Representatives to address the issue. Until the Remote Gambling Act enters into force, it is illegal, and thus prohibited, to provide online gambling offerings. The Netherlands Gaming Authority will continue to impose fines on online gambling operators offering their games without having a license.

MARC MERX, HEAD OF THE ENFORCEMENT DEPARTMENT

“In 2015, we not only dealt with illegal operators doing great harm to the public interest, but also took our first steps to being able to address the organisations making such illegal offerings available.”
Enforcement
Due to the massive number of Internet offerings, the Netherlands Gaming Authority prioritises targeting those online gambling operators meeting one or more priority criteria:
• The website the gambling offering is made available on ends on .nl; and/or
• The website the gambling offering is made available on is available in Dutch; and/or
• Advertisements aimed at the Dutch market appear on the radio, the television or in print.

Providers not meeting these priority criteria are not in the clear, however. For that online gambling provider still offers games of chance without having a license to do so and can therefore at a later stage still be the target of enforcement activities. In addition to dealing with online gambling operators, the Netherlands Gaming Authority also acts against the organisations facilitating online gambling offerings, like payment service providers and advertisers.

Raising barriers
In addition to imposing fines, the Netherlands Gaming Authority also employs other measures to counter the offering of illegal online gambling offerings. This past year, it committed itself to preventing and removing advertising by online gambling operators and blocking payments to them.

MARJA APPELMAN, CHIEF EXECUTIVE OF THE NETHERLANDS GAMING AUTHORITY
“There has been a reduction in online gambling offerings provided in the Dutch language as compared to the years before. The Netherlands Gaming Authority continues to be on top of the illegal provision of online gambling in the Netherlands, using smart software and technology to monitor online offerings.”
Some examples from actual practice:

**Agreement to prevent and take down advertising by illegal online gambling operators**

The Netherlands Gaming Authority on 4 June 2015 concluded an agreement to prevent and take down advertising by illegal online gambling operators with a number of media providers. The aim of the agreement is to protect Dutch consumers against illegal online gambling operators.

By signing the agreement, these media operators have given a clear message: there will be no advertising space for illegal gambling operators.

The following organisations are party to the agreement:
- The Platform Affiliate Networks Netherlands Association (PAN);
- Eredivisie Media en Marketing C.V.;
- FOX International Channels Netherlands B.V.;
- The Netherlands Gaming Authority;
- RTL Nederland B.V.;
- Sanoma Media Netherlands B.V.;
- SBS Broadcasting B.V.;
- Stichting Ether Reclame (Ster).

The Netherlands Gaming Authority aims to get more organisations to sign the agreement.

**Blocking payments to illegal online gambling operators**

In 2014, the Netherlands Gaming Authority signed an agreement with a number of payment services providers to tackle illegal online gambling offerings. Under this agreement, the payment services providers would refuse to provide their services to illegal online gambling operators previously fined by the Netherlands Gaming Authority and cease any existing service provision to such operators. In addition to observing the agreement, some of the signatories have voluntarily, i.e., without invoking the agreement, ceased the provision of their services to online gambling operators.

The Netherlands Gaming Authority regularly provides the parties to the agreement with a list stating the details of the operators fined by it. Moreover, the effect of the agreement is annually assessed by all partners. The first assessment was performed in October 2015.

**Publication of sanctions**

The Netherlands Gaming Authority publishes all sanctions it has imposed on its website. Publication not increases transparency, but also serves as a preventative measure, as it keeps other illegal online gambling operators from operating on the Dutch market.
Jan Suyver, Chairman of the Board of Directors of the Netherlands Gaming Authority increased powers results in improved consumer protection.

"By imposing higher fines on repeat offenders, the Netherlands Gaming Authority shows that it is serious in combating illegal providers. However, Dutch consumers would benefit more from the Netherlands Gaming Authority being empowered to take down websites directly or blocking payments. We presently do not have such powers, but they are included in the Draft Bill on Remote Gambling currently debated by the House of Representatives. We hope Parliament is quick to pass the bill into law."
Money Laundering and Terrorist Financing (Prevention) Act

The Netherlands Gaming Authority was on 1 January 2016 tasked with enforcing the Money Laundering and Terrorist Financing (Prevention) Act as applicable to games of chance, an authority previously held by De Nederlansche Bank. The Netherlands Gaming Authority has, over the course of 2015, made internal preparations to take up its task under this Act, closely cooperating with the Ministry of Finance, De Nederlandsche Bank and the Netherlands Authority for the Financial Markets. It has also acceded to various networks of and consultations between regulators under the Money Laundering and Terrorist Financing (Prevention) Act.

What does its regulatory task under the Act entail?

- The Netherlands Gaming Authority is responsible for regulating casinos (Holland Casino, one State-owned enterprise with 14 locations);
- Upon the amendment of the Betting and Gaming Act (remote gambling), the group of online gambling providers will also be regulated under the Money Laundering and Terrorist Financing (Prevention) Act;
- In mid 2017, once the Fourth Money Laundering Directive has been implemented, the entire gaming industry will be regulated under the Money Laundering and Terrorist Financing (Prevention) Act.

Betting terminals

Betting terminals, which allow a consumer to bet on sports games by computer in, for instance, a café or call shop, are banned from the Dutch market. Betting terminals are not just illegal, they are also undesirable, primarily due to the risk they pose to the gambler. For the (technical) reliability of the equipment and software used cannot be verified. In addition, such unregulated gambling evades any and all financial and fiscal accountability of income and expenditure, including the payment of amounts won, while it is not known what attention is given to preventing excessive gambling and gambling addiction. Moreover, given the lack of supervision inherent to such terminals, minors, too have access to them. This may result in gambling addiction and, consequently, to rising gambling debts or other social problems. Nor do addicted players receive the necessary care, whereas casino staff, for instance, are suitably trained to recognise problem behaviour and help the player. Finally, these terminals may be used to launder large amounts of money. The betting terminal market is an illegal market worth an estimated millions of euros per annum.
Cooperation
To counter the placement and use of betting terminals, the Netherlands Gaming Authority works closely together with the police, municipal authorities and the Tax and Customs Administration. The Netherlands Gaming Authority receives reports on betting terminals being used somewhere from various sources, like consumers directly reporting to the Netherlands Gaming Authority, reports made via the Meld Misdaad Anoniem anonymous report line, or reports made to the police or the municipal authorities. Wherever necessary, the Netherlands Gaming Authority supports the police and municipal authorities in investigating betting terminals and taking appropriate enforcement action. While the municipal authorities have the independent authority to act against the use of betting terminals, they often lack the required knowledge to take proper action.

Informing municipal authorities
The Municipalities Act, the Licensing and Catering Act and general municipal byelaws all provide the municipal authorities with the power to independently take action against establishments featuring betting terminals. Netherlands Gaming Authority staff by way of personal meetings inform municipal authorities of how to take appropriate enforcement action themselves. This power held by the municipal authorities with respect to betting terminals was the topic of a television and radio broadcast in January 2015. Refer to this video. Since then, the Netherlands Gaming Authority has started training municipal enforcement staff, thus increasing the ability to become aware of and take action against betting terminals.
“The regulatory activities of the Netherlands Gaming Authority have produced clear results. While legislation is still to be amended, we are modernising our regulatory and enforcement activities. The gaming industry takes our advice seriously. And we do make an impact. Together with the police and municipal authorities, we’re tackling illegal betting terminals, removing some 25 each year.”

Some examples from actual practice:

• **Assisting the police: 8 December 2015**
  The Netherlands Gaming Authority assisted the Rotterdam police force during an inspection. This inspection was, *inter alia*, performed as part of a drive against illegal gambling operations. In addition to the police and the Netherlands Gaming Authority, the municipal authorities and the Tax and Customs Administration were also involved. Five computers were seized during the inspection.

• **Assisting the Arnhem municipal authorities during an inspection, 13 November 2015**
  The Netherlands Gaming Authority assisted the municipal authorities during an investigation into illegal gambling operations. As a result of this inspection, one building was immediately closed down. The inspection was a joint operation by the police, the municipal authorities and the Netherlands Gaming Authority.

• **Assisting the police: Amsterdam Nieuw-West, 3 November 2015**
  The Netherlands Gaming Authority assisted the Amsterdam Nieuw-West police during a site inspection. This inspection was performed as part of a drive against illegal gambling operations. In addition to the Netherlands Gaming Authority, the following parties were also involved: the Public Prosecution Service, Customs, the Labour Inspectorate and the Amsterdam municipal authorities. Five men were arrested during the inspection. The police also seized a sizeable amount of money.
Enforcement operation in Hoorn: betting terminals seized, 30 September 2015
During a joint enforcement operation by the police, the Tax and Customs Administration, the Hoorn municipal authorities and the Netherlands Gaming Authority, two betting terminals were seized. The operation took place in response to previously obtained signals and earlier inspections. The police seized the betting terminals in connection with launching criminal investigations. In addition to providing illegal gambling devices, the operators were also found to have committed multiple other violations, including a violation of the provisions of their operating permit, failure to comply with the smoking ban and violations of the fire safety requirements.

Illegal gambling operations in Amsterdam catering establishments, 14 March 2015
In cooperation with the police, the Public Prosecution Service and the Tax and Customs Administration, the Netherlands Gaming Authority raided a number of establishments in Amsterdam. In addition to arresting multiple persons, some laptops were seized for further investigation.

Illegal gambling operations in Haarlem, March 2015
During a joint operation, illegal gambling operations were discovered in Haarlem. It concerned an operation conducted jointly by the Tax and Customs Administration, the Fiscal Intelligence and Investigation Service, the Public Prosecution Service and the Noord-Holland Regional Information and Expertise Centre (RIEC).

Shop closed down due to illegal gambling operations, 26 February 2015
The Netherlands Gaming Authority provided assistance during a shop inspection in Almelo. During the inspection, betting terminals were found. The mayor of Almelo consequently closed down the building.

Illegal sports betting operators fined EUR 37,500, 29 April 2015
Thee en Koffiehuis Kayseri and Stichting Sport Twente were both fined by the Netherlands Gaming Authority for illegal sports betting operations using betting terminals.

Illegal gambling operations in Rotterdam catering establishments, 10 April 2015
During a joint inspection by the Rotterdam police, the Netherlands Gaming Authority, the Tax and Customs Administration and the City Management department, four Rotterdam catering establishments were found to have betting terminals installed.

The Hague pub fined, 26 August 2015
The Netherlands Gaming Authority fined the owners of Café/Bar Bağcıklı for providing sports betting opportunities via a laptop. The fine amounted to EUR 7,500.

Illegal gambling operations in Rotterdam catering establishments, 10 April 2015
During a joint inspection by the Rotterdam police, the Netherlands Gaming Authority, the Tax and Customs Administration and the
- **Arrests in connection with illegal football betting,**
  **18 February 2015**
  The Netherlands Gaming Authority provided assistance during an international investigation into illegal betting on football matches and money laundering. The results: the Fiscal Intelligence and Investigation Service was able to arrest five suspects.

- **Foundation fined for having a betting terminal installed,**
  **8 January 2015**
  Following an unannounced inspection by investigating officials of the Netherlands Gaming Authority, the Stichting Trefcentrum Brinkstraat in Enschede was fined in connection with a violation of Section 30t of the Betting and Gaming Act. Opportunities for sports betting by way of a betting terminal were provided in an Enschede building of Stichting Trefcentrum Brinkstraat.

### Research into betting terminals

“Betting terminals are related to serious crime.” So concludes Toine Spapens, Professor of criminology at Tilburg University, and his co-researcher Monique Bruinsma. The two conducted research into the betting terminals phenomenon for nine months. Not only are tens of millions of euros involved in betting terminal operations, the operators and organisers of the terminals are also often involved with various types of serious crime.

---

2. The research into the betting terminals phenomenon was conducted by Toine Spapens and Monique Bruinsma on the instructions of the Netherlands Gaming Authority.

---

**JAN SUYVER, CHAIRMAN OF THE BOARD OF DIRECTORS OF THE NETHERLANDS GAMING AUTHORITY**

“We heartily endorse closer cooperation with other investigative and municipal authorities. And we call on consumers not to make use of betting terminals. For you will only fund criminal activities by doing so.”

The researchers therefore recommend that a team be established to perform large-scale criminal investigations into betting terminals. The two researchers believe such a team should be composed of staff from the Netherlands Gaming Authority, the police, the Fiscal Intelligence and Investigation Service and the Tax and Customs Administration. For more on completed and ongoing research, please turn to page 48.
Other illegal gambling operations

Illegal casino in Goor
On 30 October 2015, the Netherlands Gaming Authority, in collaboration with the Hof van Twente municipal authorities, prevented an illegal casino from opening its doors in Goor. The Netherlands Gaming Authority imposed an administrative order for incremental penalty payments demanding that the operator remove all materials. As he refused to do so, this was performed by the Netherlands Gaming Authority. The Hof van Twente municipal authorities imposed an administrative order for incremental penalty payments as the operator lacked the required licenses for the premises. The Netherlands Gaming Authority on 7 December 2015 closed down the same casino once again.

Illegal house lottery
In March 2015, the Netherlands Gaming Authority decided that a lottery organised by a home owner in Winterswijk aiming to raffle off his house constituted an illegal lottery. The organisation was issued a warning by the Netherlands Gaming Authority which was also published on the regulator’s website. The lottery organiser appealed the decision and engaged the services of a lawyer. The Gelderland district court judged the appeal to be unfounded.
### Investigations

<table>
<thead>
<tr>
<th>Investigation Type</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigations into illegal gambling offerings on the Internet</td>
<td>Initiated</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>19</td>
</tr>
<tr>
<td>Investigations into betting terminals</td>
<td>Initiated</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>9</td>
</tr>
<tr>
<td>Investigations into poker and bingos</td>
<td>Initiated</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>6</td>
</tr>
<tr>
<td>Investigated complaints about gaming machines</td>
<td>Initiated</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>52</td>
</tr>
<tr>
<td>Investigations into gaming machine operators</td>
<td>Initiated</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>18</td>
</tr>
<tr>
<td>Investigations into other gambling operations</td>
<td>Initiated</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>11</td>
</tr>
</tbody>
</table>

**Note:** Where more investigations were completed than initiated, this number includes investigations started in the previous year.

### Breakdown of municipal and police investigations in 2015

<table>
<thead>
<tr>
<th>Activity</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance provided</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Investigations completed</td>
<td>31</td>
<td>28</td>
</tr>
<tr>
<td>Site visits</td>
<td>78</td>
<td>53</td>
</tr>
<tr>
<td>Site temporarily closed down</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Site permanently closed down</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Municipal measure</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Equipment seized by police</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

**Facts and figures**

- **Three years of gaming**
- **Developments**
- **Facts and figures**
- **Public objective**
- **Cooperation**
### Sanctions

<table>
<thead>
<tr>
<th>Sanctions</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of sanctions imposed</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Of which: Administrative fine</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Of which: Administrative order for incremental penalty payments</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Of which: Administrative enforcement</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Of which: Notice under Section 5:50(2) (a) of the General Administrative Law Act</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total value of fines in EUR</strong></td>
<td>821,500</td>
<td>529,000</td>
</tr>
<tr>
<td>Number of sanctions for online gambling</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Number of sanctions for betting terminals</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Number of house lotteries</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Number of bingos</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Number of unlicensed operations</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Other gambling</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

### Requests under the Government Information (Public Access) Act

<table>
<thead>
<tr>
<th>Requests under the Government Information (Public Access) Act</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of requests received</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Of which: Decision</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Of which: Withdrawn</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Of which: Referred</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

### Total number of sanctions imposed

- **Total number of fines imposed in EUR**
  - 2014: €821,500
  - 2015: €529,000

- **Total values of fines imposed in EUR**
  - 2014: €725,500
  - 2015: €706,000

---

**Three years of gaming**

- **Public objective**: Cooperation

**Developments**

**Facts and figures**
### Legal consequences of decisions to impose a sanction

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of decisions to impose a sanction</td>
<td>Decision</td>
<td>10</td>
</tr>
<tr>
<td>Objection to the decision to impose a sanction</td>
<td>Initiated</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>7</td>
</tr>
<tr>
<td>Objection to the publication</td>
<td>Initiated</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>7</td>
</tr>
<tr>
<td>Objection to licenses</td>
<td>Initiated</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>8</td>
</tr>
<tr>
<td>Preliminary injunction</td>
<td>Initiated</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>3</td>
</tr>
<tr>
<td>Applications for judicial review</td>
<td>Initiated</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>5</td>
</tr>
<tr>
<td>Appeal</td>
<td>Initiated</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>0</td>
</tr>
<tr>
<td>Complaint under the General Administrative Law Act</td>
<td>Initiated</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Completed</td>
<td>2</td>
</tr>
</tbody>
</table>

### Fewer sanctions imposed by the Netherlands Gaming Authority

The Netherlands Gaming Authority over 2015 had personal meetings with municipal authorities to inform them of their own powers to act against establishments featuring betting terminals. For the Municipalities Act allows municipal authorities to move against such establishments without requiring the intervention of the Netherlands Gaming Authority. As they did so over the past year, the number of investigations conducted by and sanctions imposed by the Netherlands Gaming Authorities decreased in 2015.

### Objections

Notices of objection are processed by an advisory committee on settling objections. This committee has an independent chair and is tasked with hearing all parties concerned and rendering advice to the Board of Directors on its decisions on objections filed against decisions made pursuant to Sections 35, 35a or 35b of the Betting and Gaming Act or Section 5:32 of the General Administrative Law Act.
PUBLIC OBJECTIVE
Protecting and informing consumers

The law protects the consumer by making it compulsory for gambling providers to inform consumers promptly and properly about the game in question, the applicable conditions (costs, prizes, and period of subscription) and any risks of addiction. So as to have consumers be able to participate in safe and reliable games of chance, the Netherlands Gaming Authority ensures that gambling operators observe their obligations towards consumers. The Netherlands Gaming Authority is also charged with providing consumers with information on games of chance. An Information Line staffed by information officials is available for consumers to ask questions or file complaints on games of chance and licensees. The Netherlands Gaming Authority in 2015 received 2,156 consumer questions in total.

Protect
Gambling operators are to observe the obligations they have towards consumers. The Netherlands Gaming Authority in this connection monitors:

- the licensees (regular monitoring);
- licensee integrity;
- the reliability of the games on offer;
- the transparency of the games on offer;
- the promotion and advertising activities of the licensees.
Regular monitoring of licensees

The Netherlands Gaming Authority regularly monitors licensees, mainly to investigate whether the operator observes its obligations. Regular monitoring is a continuous process. Specific reports on a licensee may result in more in-depth investigation, consultations with the licensee on their way of operating, or requests for further clarification.

In addition, thematic monitoring is conducted of a specific component of all (relevant) gaming industry sectors or operators. The objective of such thematic monitoring is to investigate the possible methods for keeping risks manageable. The themes are selected during special sessions held internally by the Netherlands Gaming Authority. Finally, the Netherlands Gaming Authority also conducts ad hoc monitoring.

So as to prevent licensees using their license to operate for criminal purposes, the Netherlands Gaming Authority assesses the integrity of current and potential operators on the basis of the Public Administration (Probity Screening) Act.
Reliability of the games on offer

In 2015, the Netherlands Gaming Authority, in the performance of its duty to regularly monitor licensees, visited two lottery providers. The goal of these visits was to obtain a better view of how licensees organise themselves as concerns the reliability of their games on offer. The licensees visited both make use of risk management systems. Risks that may affect reliability are analysed, assessed and brought down to acceptable levels by the licensees. In addition, all lottery machines and electronic processes undergo annual repeat inspections, the reports of which are submitted to the Netherlands Gaming Authority. Slot machine licensees (parties holding a license to

Licensee integrity

So as to prevent licensees using their license to operate (slot machines) for criminal purposes, the Netherlands Gaming Authority assesses the integrity of current and potential operators on the basis of the Public Administration (Probity Screening) Act.

What does such assessment involve?

When an operator applies for a license, the Netherlands Gaming Authority first assesses the sources of funding and organisational structure of the applicant. It then checks which persons act as capital providers, managers and/or directors. Next, it assesses the applicant’s criminal and regulatory records.

The Netherlands Gaming Authority may in this connection request a recommendation from the National Public Administration Probity Screening Agency.

Should the applicant fail (parts of) the test, this may impact the license (application). The Netherlands Gaming Authority may in such case decide to reject the application or to revoke an existing license. This allows for safe and reliable offerings of games of chance and protects the consumer, bona fide entrepreneurs and the integrity of the gaming industry as a whole.

FREAK DE KORT, HEAD OF THE LICENSING DEPARTMENT

“Consumers should be able to safely assume that they are dealing with a reliable operator offering reliable games. It is up to us to ensure that licensees are and remain such reliable operators and that they take their responsibilities with respect to the public objectives we strive to reach.”

Reliability of the games on offer

In 2015, the Netherlands Gaming Authority, in the performance of its duty to regularly monitor licensees, visited two lottery providers. The goal of these visits was to obtain a better view of how licensees organise themselves as concerns the reliability of their games on offer. The licensees visited both make use of risk management systems. Risks that may affect reliability are analysed, assessed and brought down to acceptable levels by the licensees. In addition, all lottery machines and electronic processes undergo annual repeat inspections, the reports of which are submitted to the Netherlands Gaming Authority. Slot machine licensees (parties holding a license to

Facts and figures
operate these machines) are required to have all new games and devices they would like to offer be approved in advance by a recognised institution.

**Transparency of the games on offer**

Where necessary, the Netherlands Gaming Authority organises meetings with licensees to impart standards on providing information to consumers. The meetings held in the past year focused on clarity and completeness with respect to: the games on offer, the gaming rules, the prizes to be won and the chances of winning a prize. In addition, the Netherlands Gaming Authority informed licensees of their duty to comply with consumer law and formulated a new reporting obligation: licensees are to report to the regulator on turnover and prizes to be won on the level of the individual games.

The Netherlands Gaming Authority considers it important that consumers should be able to have no difficulties understanding a game offered by a licensee, to know what prizes can be won and to realise their chances of winning a certain prize. It in this connection issued the “Lotteries: chances of winning, prizes and award percentages” fact sheet. The aim of this publication is to provide a better overview of the various lottery elements, allowing consumers to better decide whether or not to take part in a lottery.
The Netherlands Gaming Authority surveys and analyses the advertising activities by licensees. In so doing, it obtains a better picture of the advertising strategies used to promote the various games offerings.

**Transparent communication on prizes**

To the Netherlands Gaming Authority, providing clarity to the consumer is key. The consumer is to have a clear overview of the prizes to be won when taking part in lotteries and of the way these prizes are awarded. While the average consumer assumes that the prizes advertised will in fact be awarded, in practice some of them are not guaranteed to be awarded and the winning numbers for others are drawn from a so-called “universe”, which means that the numbers are drawn from a list including unsold lottery tickets. So as to increase transparency in this connection, the Netherlands Gaming Authority has laid down new license regulations on transparent communication, which will become applicable to all multi-year lottery licences on 1 April 2016. From that day onward, lotteries will, in their promotional materials, have to specify which prizes are not guaranteed to be awarded. They also need to specify whether unsold tickets are included in a draw and state the proportion of sold to unsold tickets.

**Promotional and advertising activities by licensees**

So as to more efficiently and more effectively monitor the promotional and advertising activities of gambling operators, the Netherlands Gaming Authority started up a project to better shape its regulatory activities. One of the results of the project is the development of a guideline for current and future licensees and advertising agencies. This guidelines will provide gambling operators and advertising agencies with frameworks for creating and designing advertisements for games of chance.

**Inge Zuurendonk, Legal Affairs and Communications Senior Adviser**

“The guideline will hopefully have all parties active in the gaming industry become more aware of the statutory regulations applicable to and limits set to advertising. Gambling operators are responsible for producing sound and clear promotional materials that fit within the legal frameworks and dovetail with the public gaming policy objectives. The guideline will help them comply with this responsibility.”

---

**Facts and figures**

The Netherlands Gaming Authority surveys and analyses the advertising activities by licensees. In so doing, it obtains a better picture of the advertising strategies used to promote the various games offerings.
Some examples from actual practice:
Within the framework of its duty to monitor licensees, the Netherlands Gaming Authority in the summer of 2015 investigated an advertisement by BankGiro Loterij (a part of Goede Doelen Loterijen). It concerned advertising mail suggesting the receiver had been given an envelope containing free tickets to an amusement park. However, the consumer would in fact only receive these tickets after having participated in the BankGiro Loterij lottery for no less than three months. In autumn 2015, the Netherlands Gaming Authority determined it concerned misleading advertising constituting a violation of the Betting and Gaming Act. The Netherlands Gaming Authority next called BankGiro Loterij to account for the advertisement. BankGiro Loterij promised not to use this method of advertising again and will provide the Netherlands Gaming Authority with an explanation on the creation of all its direct mail advertisements for the period of one year.

Granting licenses
Everyone in the Netherlands should be able to participate in games of chance in a reliable environment. The Netherlands Gaming Authority works to ensure this. One way of doing so is by granting licenses for, for instance, organising lotteries and operating slot machine. So as to improve monitoring, it also issues marks for slot machines, allowing municipal regulators to identify the machine as being compliant with the rules.

### Applications for and granting of licences

<table>
<thead>
<tr>
<th>Subject</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-off lotteries</td>
<td>Applications</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Granted</td>
<td>45</td>
</tr>
<tr>
<td>Multi-year gambling operation licenses</td>
<td>Granted</td>
<td>7</td>
</tr>
<tr>
<td>Modified multi-year lottery licenses</td>
<td>Applications</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Granted</td>
<td>51</td>
</tr>
<tr>
<td>Revoke slot machine operation licenses</td>
<td>Applications</td>
<td>53</td>
</tr>
<tr>
<td>Model slot machine allowances</td>
<td>Applications</td>
<td>314</td>
</tr>
<tr>
<td></td>
<td>Granted</td>
<td>203</td>
</tr>
<tr>
<td>Slot machine conformity marks</td>
<td>Granted</td>
<td>5,788</td>
</tr>
</tbody>
</table>
### List of operators 2015

<table>
<thead>
<tr>
<th></th>
<th>31-12-2013</th>
<th>31-12-2014</th>
<th>31-12-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating licenses issued on 1 January</td>
<td>762</td>
<td>732</td>
<td>713</td>
</tr>
<tr>
<td>Number of slot machines in arcades</td>
<td>15,685</td>
<td>15,606</td>
<td>16,859</td>
</tr>
<tr>
<td>Number of slot machines in catering establishments</td>
<td>20,498</td>
<td>19,613</td>
<td>18,255</td>
</tr>
<tr>
<td>Number of skill with prizes (SWP) machines</td>
<td>4,660</td>
<td>4,351</td>
<td>3,393</td>
</tr>
<tr>
<td>Number of catering establishments</td>
<td>10,887</td>
<td>10,165</td>
<td>9,355</td>
</tr>
<tr>
<td>Number of arcades</td>
<td>262</td>
<td>301</td>
<td>327</td>
</tr>
</tbody>
</table>

**Note** The numbers are based on gaming tax information and adjustment data from licensees.
Informing
Supporting the consumer is key to the Netherlands Gaming Authority. In addition to protecting consumers, the Netherlands Gaming Authority also employs various methods to provide consumers with information, for instance by informing them of their rights and obligations via social media. The Netherlands Gaming Authority also issues warnings should it believe them to be warranted. In addition, the information officials available on its Information Line stand ready to answer consumer questions on everything related to games of chance every day. In 2015, its information officials received 1,079 telephone requests and 1,077 e-mail requests for information.

Warning on fake lottery recruiting members by telephone, 6 February 2015
The Netherlands Gaming Authority warned consumers about a fake lottery abusing the name of the Dutch State Lottery. The warning was issued following consumer complaints about a fake lottery. They were approached by telephone by someone pretending to be a lottery provider selling lottery tickets on behalf of the State Lottery.

Warning consumers against South African house lottery, 17 July 2015
The Netherlands Gaming Authority issued a warning in the newspaper Trouw, warning consumers against illegal house lotteries. A license is required to offer games of chance (a lottery in this case) in the Netherlands. No licenses are issued for house lotteries. Such lotteries are therefore illegal.
Consumer complaints taken seriously
The Netherlands Gaming Authority in 2015 received multiple consumer complaints on the operating methods of the Fictory (Fictory.eu) and Megapot (Megapot.nu) organisations. While those organisations offered a contest subscription, which is not covered by the Betting and Gaming Act, the Netherlands Gaming Authority still found reason to inform consumers of their rights by referring them to the proper authority. It therefore recommended that they contact the ConsuWijzer government desk, which serves as the information desk of the Netherlands Authority for Consumers & Markets.

Informing the industry
The Netherlands Gaming Authority on 18 February 2015 issued an “interpretation” to the industry, such for the purpose of clarifying its role in relation to financial instruments and games of chance to the industry. In its interpretation, the Netherlands Gaming Authority made it clear that it did not consider itself to be competent to assess financial products like binary options.

Publication of licenses granted
In 2015 as well, the Netherlands Gaming Authority published the one-off licenses, slot machines licenses and model slot machine allowances it had granted on its website. These lists of licenses allow a consumer to verify whether a given gambling operator is operating legally.
Public information
The Netherlands Gaming Authority informs its target groups via an Information Line, its website www.kansspelautoriteit.nl, by e-mail and social media, such as Facebook, Twitter and LinkedIn. In addition to informing consumers, the Netherlands Gaming Authority also deals with complaints from consumers pertaining to gambling and slot machine operators. The Netherlands Gaming Authority also registers complaints about slot machines and reports about illegal gambling and, if necessary, warns consumers about illegal gambling.

Complaint handling
If a licensee does not resolve a complaint to a consumer’s satisfaction, the complaint may be filed with the Netherlands Gaming Authority. Consumers are always first to file their complaints with the organiser of a game of chance. This procedure ensured a considerable decrease in the number of complaints on licensees in 2015. In 2014, the Netherlands Gaming Authority received 54 complaints, a number that went down to 34 complaints in 2015.

In 2015, the Netherlands Gaming Authority received 2,156 requests for information in total.
Contact with the Netherlands Gaming Authority

### Method of contact

<table>
<thead>
<tr>
<th>Method of contact</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone contact</td>
<td>1,275</td>
<td>1,079</td>
</tr>
<tr>
<td>E-mail contact</td>
<td>1,035</td>
<td>1,077</td>
</tr>
<tr>
<td><strong>Total contacts</strong></td>
<td><strong>2,310</strong></td>
<td><strong>2,156</strong></td>
</tr>
</tbody>
</table>

### Subject of contact

<table>
<thead>
<tr>
<th>Subject of contact</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints about lotteries, horse racing betting, Holland Casino and slot machine operators</td>
<td>54</td>
<td>34</td>
</tr>
<tr>
<td>Complaints about promotional gambling</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Reports of illegal gambling</td>
<td>572</td>
<td>376</td>
</tr>
<tr>
<td>General questions</td>
<td>1,161</td>
<td>1,760</td>
</tr>
<tr>
<td>Questions about online gambling</td>
<td>129</td>
<td>136</td>
</tr>
<tr>
<td>Questions about lotteries and slot machines</td>
<td>841</td>
<td>688</td>
</tr>
<tr>
<td>Questions about promotional gambling</td>
<td>60</td>
<td>159</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Questions from the media</td>
<td>137</td>
<td>136</td>
</tr>
</tbody>
</table>

### Top 3 groups requesting information
1. Consumers
2. Businesses/organisations
3. Government/municipal authorities/police

### Top 5 questions
1. Slot machines
2. Reports of illegal gambling
3. Lotteries
4. Promotional gaming
5. Online gambling (remote gambling)

### Personal data
The Netherlands Gaming Authority employs a personal data protection official charged with resolving complaints and assessing incidents related to the processing of personal data by the Netherlands Gaming Authority.
National and international cooperation

The Netherlands Gaming Authority works together with other regulators and organisations at the national, Kingdom and international levels, such as with a view to increase its knowledge, share information, take joint action against illegal gambling and increase the effectiveness of its enforcement tasks.

National cooperation

Within the Netherlands, the Netherlands Gaming Authority cooperates with the Tax and Customs Administration, the police, the Public Prosecution Service, ministries, municipal authorities and payment service providers.

Collaboration agreement

Since it was first established, the Netherlands Gaming Authority has concluded collaboration agreements with various partners. The Netherlands Gaming Authority in December 2015 signed an agreement with the Public Prosecution Service and the Netherlands Authority for Consumers & Markets. In both cases it concerned a renewal of an existing agreement. These renewed agreements include new working arrangements to intensify the already high levels of cooperation even further.
Market Regulators Council
The Netherlands Gaming Authority seeks to collaborate with the other members of the Market Regulators Council. The Market Regulators Council brings the Dutch market regulators together to improve the level and increase the efficiency of their regulatory duties. Two seminars were organised by the Market Regulators Council in 2015. One of the seminars was focused on the topic of international collaboration between regulators. The other was about balancing formal and informal regulation. In addition, the regulators exchanged knowledge on the use of open source intelligence during a joint project.

International cooperation
To the Netherlands Gaming Authority, regulation and enforcement do not stop at the country’s borders. While gambling operators and the gaming market might be regulated on the national level, they move across borders. This means that the Netherlands Gaming Authority seeks to collaborate with its foreign peers and other authorities as well, such with a view to protecting the interests of Dutch consumers. The Netherlands Gaming Authority also closely collaborates with its peers and other authorities on the Kingdom level.

Alderney
The bailiwick of Guernsey, which includes the Channel Island of Alderney, is one of the largest jurisdictions in terms of remote gambling - a new field of gaming the Netherlands Gaming Authority is preparing to become more involved with. In connection therewith, André Wilsenach, Executive Director of the Alderney Gambling Control Commission and Marja Appelman, Chief Executive of the Netherlands Gaming Authority, on 20 January 2015 signed a declaration of intent to more closely work together.

Isle of Man
The Isle of Man, a British Crown Dependency in the Irish Sea, is another of the largest jurisdictions in terms of remote gambling. For this reason, this jurisdiction, too, is interesting to the Netherlands Gaming Authority. Steve Brennan, CEO of the Isle of Man Gambling Supervision Commission and Marja Appelman therefore signed a declaration of intent to more closely work together on 6 May 2015.

These two bilateral agreements provide the Netherlands Gaming Authority with a framework for collaboration, the making use of the counterparty’s knowledge and expertise, the streamlining of processes and the exchange of information, especially on cross-border remote gambling, all such with a view to better protect consumers, improve monitoring of gambling operators and create a more streamlined licensing process for gambling operators operating across borders.
European collaboration agreement
In addition to these two bilateral agreements, the Netherlands Gaming Authority on 27 November 2015 also signed a multilateral collaboration agreement. This concerns an agreement between the 31 gaming regulators of the Member States of the European Economic Area (EEA) – which Alderney and the Isle of Man form no part of – that have, under the auspices of the European Committee, worked to draw up an agreement providing for the regulated and intensive exchange of information between regulators. This concerns, for instance, the exchange of information on gaming markets, gambling operators, licensees, investigations in the performance of regulatory and enforcement duties, consumer protection, countering gambling-related fraud, money laundering and match fixing, and decreasing unnecessary administrative burdens.

Active role in international fora
The Netherlands Gaming Authority in 2015 played an active role in international gaming regulators fora, like the International Association of Gaming Regulators (IAGR), the Expert Group on Gambling Services, presided over by the European Committee, the Gaming Regulators European Forum (GREF) and the InfoStat Working Group Meeting of the GREF, even serving as host of this working group in November 2015. During the InfoStat meeting, a lot of progress was made in exchanging statistical data between European regulators and a survey was held of the different tax regimes of the various countries that are members of GREF.

At the annual GREF meeting on 6 May 2015, Marja Appelman was elected to serve a two-year term on the GREF Executive Board. To the Netherlands Gaming Authority, the election of its Chief Executive to this Board forms an important step towards intensifying international cooperation. In addition, staff of the Netherlands Gaming Authority have become active members of GREF and IAGR working groups and of the Expert Group on Gambling Services. The working groups contribute to finding common solutions to shared problems on issues like match fixing, money laundering, responsible gambling and online and land-based gambling.

International conferences
The Netherlands Gaming Authority in 2015 participated in international conferences like ICE and the IAGR annual conference to share information and knowledge and keep in touch with other regulators and gambling operators.

Working visits
Within the framework of the upcoming granting of licenses to and monitoring of remote gambling operators, various working visits were made to international peers that have been active granting such licenses and performing such monitoring duties for some time now: on 13 January, a visit was made to ARJEL (Paris, France); on 20 and 21 January, a meeting was held with the AGCC (Alderney/Guernsey); and on 29–30 January and 8 February we met with the UKGC (Birmingham, UK).
Cooperation within the Kingdom

A special form of international cooperation is the cooperation between the four constituent countries of the Kingdom of the Netherlands (the Netherlands, Aruba, Curaçao and Sint Maarten). In 2015, the level of cooperation within the Kingdom was intensified, as it had become clear that differences in gaming laws and regulations between the countries resulted in undesirable situations like illegal gambling offerings in the Netherlands. Ms Appelman visited Curaçao on 12 and 13 October to explore opportunities to have the gaming laws and related regulatory activities of the four countries become more uniform in the future, all with due observance of the autonomous competences of the four countries.

Even though the islands of Bonaire, Sint Eustatius and Saba (the so-called BES islands) are part of the country of the Netherlands, the Netherlands Gaming Authority is not empowered to serve as a gaming regulator for those islands: Parliament has restricted the powers of the Netherlands Gaming Authority to the European part of the Netherlands. Under current legislation, the Governing Councils of the BES islands are responsible for the granting of licenses and the regulation of games of chances on the islands. In 2015, the Netherlands Gaming Authority started exploring practical ways to more closely collaborate, so as to optimise the knowledge and expertise in the field of granting licenses and monitoring compliance within the country of the Netherlands.
Developments in the gaming industry

The gaming industry is developing rapidly. These developments mean that the Netherlands Gaming Authority is to take on new roles and tasks. In addition to implementing and enforcing observance with the Draft Bill on Remote Gambling once Parliament has passed it into law, the Netherlands Gaming Authority will have to prepare for and perform new tasks arising from the reforms in the lottery and casino systems and the revision of the Gaming Machines Decree.
The gaming industry three years later

Remote gambling
While Parliament is still to actually pass the Draft Bill on Remote Gambling into law, the Netherlands Gaming Authority is already preparing for the adoption of the Remote Gambling Act, under which its role will be altered. The Remote Gambling Act as currently proposed will regulate online gambling and provide a basis for the creation of a licensing system, allowing Dutch players to take part in online gambling offerings in a safe and reliable environment.

Legislative process
In 2015, members of Parliament submitted well over 600 questions on the draft bill to the State Secretary of Security and Justice in connection with two extensive written rounds of questions. These were submitted to the House of Representatives by the Ministry of Security and Justice in two memoranda, dated April and December 2015. The Netherlands Gaming Authority provided its own input in this connection. In between those two rounds, a round-table debate was held on the Remote Gambling Act. At that occasion, too, the Netherlands Gaming Authority provided its input. The next step in the parliamentary process is formed by the plenary discussion of the bill in the House of Representatives.

Call for interest and thematic meetings
The Netherlands Gaming Authority issued a call for interest in December 2014. Parties interested in acquiring a license to operate remote gambling were able to make their interest known to the Netherlands Gaming Authority by completing a form. The Netherlands Gaming Authority received a great many such completed forms in 2015. The total number of interested parties now stands at well over 300. In January, May and September 2015, the Netherlands Gaming Authority issued newsletters to inform the interested parties of the progress made in the preparations towards processing the license applications. In addition, the Netherlands Gaming Authority on 10 and 31 March 2015 organised thematic meetings for national and international gambling providers who had made their interest in obtaining a remote gambling license known. These providers all had proven experience with providing gambling offerings, allowing the Netherlands Gaming Authority to benefit from their input.

Reform of the lottery licensing system
At the request of the State Secretary of Security and Justice, the Netherlands Gaming Authority in November 2014 extended the multi-year gaming licenses that expired in late 2014 by another two years. These licenses will expire in late 2016. The Government³ has elected to allow new national charity lottery initiatives to enter the market as per 1 January 2017. In consultation with the Ministry of Security and

---

Justice, the preparations for realising a sound and transparent licence granting system were started up in 2015.

**Casinos**
The Government has decided to privatise the Nationale Stichting tot Exploitatie van Casinospelen in Nederland (Holland Casino), currently the only legal casino operator in the Netherlands, and to allow other providers to enter the market. So as to allow for the implementation of this decision, Parliament is to adopt new legislation. The current Holland Casino, with its fourteen branches, will be split up and sold. Ten of these branches will be sold as Holland Casino. The remaining four will be sold separately. In addition, two new casino licenses will be issued, bringing the possible total number of casinos in the Netherlands from 2017 onwards up to sixteen.

The licenses will be divided over five regions so as to prevent a clustering of casinos in specific parts of the country. The Netherlands Gaming Authority will come to act both as licensor and as regulator. In addition, it will be charged with assessing the practicability of the intended policy. Upon adoption of the plan by both Houses of Parliament, the Netherlands Gaming Authority will start issuing licenses on the basis of the new policy framework.

Holland Casino is currently the only legal provider of casino games. The State is the sole shareholder.

**Gaming Machines Decree**
The Ministry of Security and Justice aims to revise the Gaming Machines Decree 2000, modernising and simplifying the outdated and complex legislation on gaming machines. The decision to revise was made following an investigation into the bottlenecks in the current legislation and into ways to improve matters conducted on the instructions of the Ministry of Security and Justice. The Netherlands Gaming Authority is involved in the preparations in its capacity as licensor and regulator. In 2015, it rendered advice and submitted recommendations in response to the investigation. In view of its expertise, it will also be charged with assessing the implementation of the new system.
Expertise

The Netherlands Gaming Authority always strives to increase its all-round expertise. In this connection, it engages the services of an external Advisory Council, organises lectures and case law discussions for the entire organisation, has research conducted by external agencies and encourages the formation of new ideas on its policy domain by annually awarding the Netherlands Gaming Authority Thesis Award, which will be awarded for the first time in early 2016.

Netherlands Gaming Authority Advisory Council
As from 1 March 2014, the Netherlands Gaming Authority has engaged the services of an external advisory council. While this is not required by law, the board of the Netherlands Gaming Authority believes it to be very important to be able to consult with experienced and independent experts on important topics from time to time. The council both on request and on its own volition provides the board of the Netherlands Gaming Authority with advice on developments that may influence the organisation’s work. The Advisory Council for example considers the budget, the action plan and other important documents related to the work of the Netherlands Gaming Authority. The Advisory Council met thrice in 2015.

In May 2015, Mr Pieter Remmers left the Advisory Council. He was succeeded by Ms Dike van de Mheen, who, amongst other positions, serves as professor of Addiction Research at Erasmus University Rotterdam and as director of the IVO Addiction Research Institute.

The Advisory Council in 2015 was comprised of the following members:
- Arthur Docters van Leeuwen (chair);
- Pieter Winsemius;
- Theo Schuyt;
- Han Moraal;
- Pieter Remmers (up until 14 May 2015);
- Dike van de Mheen (from 8 July 2015).
“We attach great value to the advise rendered by the Advisory Council”

Lectures
So as to encourage the sharing of knowledge, various well-attended monthly lunch meetings, book review sessions and case law discussions were held within the organisation. Both Netherlands Gaming Authority staff and external parties were invited to speak.

Investigations
In order to increase its level of expertise, the Netherlands Gaming Authority instructs external agencies to conduct research on its behalf:

• **Research into the betting terminals phenomenon**  
  *Conducted by Toine Spapens and Monique Bruinsma.*  
  A criminology investigation into the organisation of betting terminal operations in the Netherlands, the scope of the problem, the criminal background of the parties involved and ways to more effectively combat the phenomenon.

• **Online legal and illegal gambling consumer behaviour**  
  *Conducted by SEO.*  
  Consumer survey into the factors that play a part in a consumer choosing between playing legal or illegal online gambling offerings.

• **Relationship between the marketing of games of chance and gambling**  
  *Conducted by IVO.*  
  An overview of the scientific literature into the relationship between the marketing of games of chance and the gambling behaviour of new and existing players.

• **Safeguarding the public interest when the gaming industry subcontracts operations**  
  *Conducted by SEO.*  
  How will the public interest be safeguarded when gambling operators subcontract their business processes? The researchers also considered the role of internal compliance officers, the provision of information on the risks and the pros and cons of business-to-business licenses complementing existing business-to-consumer licenses.

• **Market scan into the testing of games of chance in the Netherlands**  
  *Conducted by Ecorys.*  
  Investigate the extent to which the performance of tests on games of chance by independent inspection and testing institutes currently safeguard the public interest.

• **Gambling addiction, risks and prevention**  
  *Conducted by CVO.*  
  A literature study into the risks associated with games of chance and the nature and effectiveness of preventative measures.
Thesis Award
The Netherlands Gaming Authority in 2015 introduced its annual thesis competition for students in tertiary education. By awarding the Thesis Award, the Netherlands Gaming Authority aims to encourage the formation of new ideas on its policy domain.

Research partners
So as to further increase its knowledge and expertise in 2016, the Netherlands Gaming Authority in 2015 entered into a partnership with four research partners. These four experts will, in 2016, provide support to the organisation on topics like addiction prevention, the legal and economic aspects of regulation and enforcement, and crime and compliance monitoring.

Quality assurance
The Netherlands Gaming Authority attaches great importance to its core value of being a professional organisation and, thus, to quality assurance. Hence, the Netherlands Gaming Authority is open to all suggestions for improvement, involving the gaming industry where necessary. The Netherlands Gaming Authority achieved a number of results in terms of quality assurance.

Employee satisfaction
The results of an employee satisfaction survey conducted to improve its employment practices show that the Netherlands Gaming Authority receives high marks for motivation, involvement and organisational objectives. Issues like efficiency, clarity and management required improvement and the Netherlands Gaming Authority took action to tackle this.

Performance of the Netherlands Gaming Authority
An independent 2015 investigation into the performance of the Netherlands Gaming Authority listed a number of positives. There were some negatives as well, including the Netherlands Gaming Authority not always being very transparent and clear on how and why it does what it does. The Netherlands Gaming Authority is now taking steps to remedy this.
Public Line communication survey
A survey held of the level of the communication provided by the
Netherlands Gaming Authority measured how the communications
task of the Netherlands Gaming Authority is valued or scored.
The survey was held with the aim of optimising service provision.
The Public Line was awarded a score of 8 out of 10 for General,
Helpfulness, and Expertise.

Confidential adviser
The Netherlands Gaming Authority in April 2014 appointed a
confidential adviser, who is available to all members of staff if
they have integrity issues to report or feel unsafe.

Review
The Netherlands Gaming Authority operates by submitting its
policies and draft policies to the involved parties or the general public
for review. In 2015, it submitted the Market scan online and the
Market scan land-based in this fashion.

Data leaks protocol
The Netherlands Gaming Authority in 2015 implemented an
internal data leaks protocol to meet its duties under the Data Leaks
(Reporting Obligation) Act, an amendment act amending the
Personal Data Protection Act.
Facts and figures
The Netherlands Gaming Authority as an organisation

Organisation Chart

Staff

<table>
<thead>
<tr>
<th>Employed with the Netherlands Gaming Authority</th>
<th>Headcount in 2014</th>
<th>Headcount in 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Senior Management</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Management</td>
<td>3.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Licensing Department</td>
<td>12.5</td>
<td>11.8</td>
</tr>
<tr>
<td>Enforcement Department</td>
<td>17.1</td>
<td>16.6</td>
</tr>
<tr>
<td>Legal Affairs and Communications Department</td>
<td>16.0</td>
<td>17.6</td>
</tr>
<tr>
<td>Facility Management Department</td>
<td>16.1</td>
<td>15.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67.8</strong></td>
<td><strong>67.8</strong></td>
</tr>
</tbody>
</table>

Note: The Facility Management department does not only perform administrative tasks. It is also charged with the administration of licences.
### Division in permanent and flexible employment

<table>
<thead>
<tr>
<th></th>
<th>Late 2014</th>
<th>Late 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Permanent employment</strong></td>
<td>50</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>71% permanent</td>
<td>74% permanent</td>
</tr>
<tr>
<td><strong>Permanent employment in probationary period</strong></td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>Temporary employment</strong></td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>29% flexible</td>
<td>26% flexible</td>
</tr>
<tr>
<td><strong>Seconded</strong></td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Via temporary employment agency</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Hired on contract</strong></td>
<td>5</td>
<td>0*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>73 (excl. board)</td>
<td>70 (excl. board)</td>
</tr>
</tbody>
</table>

**Note:** No formative positions were held by hired staff. Hiring contracts were concluded for temporary advisory work. These contracts have not been included in this overview.

### Age

- **2014:**
  - 20-29: 10%
  - 30-39: 15%
  - 40-49: 51%
  - 50-59: 16%
  - 60+: 4%

- **2015:**
  - 20-29: 10%
  - 30-39: 15%
  - 40-49: 51%
  - 50-59: 16%
  - 60+: 4%

### Male / Female

- **2014:**
  - 51% Female
  - 49% Male

- **2015:**
  - 51% Female
  - 49% Male

### Staff

- 2014: 36 people
- 2015: 37 people

**Total:** 73 people
Knowledge development

<table>
<thead>
<tr>
<th>Training provided</th>
<th>2014 Expenses</th>
<th>2015 Expenses</th>
<th>2015 Reserved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entire organisation</td>
<td>EUR 24,523</td>
<td>EUR 17,930.99</td>
<td></td>
</tr>
<tr>
<td>Specific department</td>
<td>EUR 26,782</td>
<td>EUR 65,670.16</td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>EUR 39,576</td>
<td>EUR 76,085.15</td>
<td></td>
</tr>
</tbody>
</table>

Total

EUR 104,139 / 1,446 per person
EUR 159,686.30
EUR 2,000 per person

Sickness absence

4.9%

Average sickness absence in 2015, including long-term absence. Excluding long-term incapacity to work, the total 2015 sickness absence figure stands at 2.3%.
Salary scales

Note Salary scales based on Government classification

73 people
(incl. CEO/Board)
Works Council
An elected Works Council became operative in February 2015. The three-member Works Council provided input and advice on a number of subjects:
• HR policy input;
• advice on organisational changes in consequence to a relocation;
• IT policy plan input;
• risk inventory and assessment;
• 2016 Restructuring input.

Investing in young talent
A young organisation like the Netherlands Gaming Authority invests in young talent by creating a sizeable number of internship posts. In fostering the development of its own staff, it offers all its employees opportunities to acquire knowledge and experience and to share such by way of internal and external training courses.

TAMSIN VAN STEENIS, ENFORCEMENT INTERN
“I’m close to completing my Master’s programme in Criminology, and being able to finish my studies with the Netherlands Gaming Authority to me is the cherry on the cake. After having been warmly received by the organisation’s enthusiastic staff, I started my graduation research, investigating an issue of interest both to me and to the Netherlands Gaming Authority: how do the parties being regulated by the Netherlands Gaming Authority experience such regulation? I consider myself very lucky to be able to investigate this issue in such a lively, instructive and dynamic working environment!”
IT

Relocation
To the IT Department, 2015 was largely about the Netherlands Gaming Authority’s relocation from the Muzentoren building to the nearby Hoftoren building in The Hague. All infrastructural IT provisions needed to be re-installed. This meant that the relocation was the perfect time to replace most of the Netherlands Gaming Authority’s by now depreciated hardware. About 75% of all PCs and almost all network components (routers, switches, etc.) have been replaced. As a consequence, the continuity and reliability of the provision of IT services have been safeguarded for the years to come.

Information systems
Much work was done to expand and improve the Netherlands Gaming Authority’s information systems in 2015. In consultation with the parties in charge, the procedure of issuing and registering slot machine marks was improved and completely automated, rendering the issue of marks even more efficient and quick. The existing workflows have been re-assessed and, where necessary, modified. Adjustments to the workflows for processing one-off licence and operating licence applications have resulted in an improved information provision system.

Collaboration between implementing agencies
In 2014, the Netherlands Gaming Authority signed a Letter of Intent to become a member of the KleinLef partnership. It formally acceded in 2015. Some twenty other organisations, including the Central Information Unit on Healthcare Professions and the Dutch Safety Board also became KleinLef members in 2015. KleinLef is a voluntary partnership of smaller implementing agencies that aims to improve its members’ provision of services to citizens, businesses and governmental bodies by working on common solutions and joining forces. KleinLef’s prime focus is on the Digital government 2017 project, which aims to improve the digital provision of services to citizens and businesses. The Netherlands Gaming Authority is active in multiple KleinLef working groups.
Financial statements

These 2015 figures are a summary of the Netherlands Gaming Authority’s 2015 annual accounts. The annual accounts have been prepared in accordance with the provisions of Section 35 of the Non-Departmental Public Bodies Framework Act.

Balance as at the end of 2015
(after accounting for result, in thousands of euros)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Intangible fixed assets</td>
<td>2,760</td>
<td>1,853</td>
</tr>
<tr>
<td>2. Tangible fixed assets</td>
<td>189</td>
<td>253</td>
</tr>
<tr>
<td>a. Inventory</td>
<td>-</td>
<td>62</td>
</tr>
<tr>
<td>b. IT</td>
<td>189</td>
<td>124</td>
</tr>
<tr>
<td>c. Renovations</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>3. Current assets</td>
<td>6,773</td>
<td>5,211</td>
</tr>
<tr>
<td>a. Inventory marks</td>
<td>49</td>
<td>23</td>
</tr>
<tr>
<td>b. Receivables, prepayments, and accrued income</td>
<td>384</td>
<td>203</td>
</tr>
<tr>
<td>c. Imposed fines</td>
<td>706</td>
<td>775</td>
</tr>
<tr>
<td>d. Cash and cash equivalents</td>
<td>5,634</td>
<td>4,210</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>9,722</strong></td>
<td><strong>7,317</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Equity</td>
<td>3,309</td>
<td>2,952</td>
</tr>
<tr>
<td>a. Earmarked reserve Ministry of Security and Justice</td>
<td>493</td>
<td>493</td>
</tr>
<tr>
<td>b. Equalising reserve</td>
<td>56</td>
<td>606</td>
</tr>
<tr>
<td>c. Statutory reserve</td>
<td>2,760</td>
<td>1,853</td>
</tr>
<tr>
<td>5. Provisions</td>
<td>708</td>
<td>730</td>
</tr>
<tr>
<td>6. Long-term debt</td>
<td>3,700</td>
<td>2,000</td>
</tr>
<tr>
<td>a. &lt; 1 year</td>
<td>370</td>
<td>-</td>
</tr>
<tr>
<td>b. &gt; 1 year</td>
<td>3,330</td>
<td>2,000</td>
</tr>
<tr>
<td>7. Current liabilities</td>
<td>2,005</td>
<td>1,635</td>
</tr>
<tr>
<td>a. Short-term bets</td>
<td>302</td>
<td>147</td>
</tr>
<tr>
<td>b. Sanction decisions</td>
<td>1,250</td>
<td>1,131</td>
</tr>
<tr>
<td>c. Accrued liabilities</td>
<td>453</td>
<td>357</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>9,722</strong></td>
<td><strong>7,317</strong></td>
</tr>
</tbody>
</table>
Statement of income and expenditure (in thousands of euros)

<table>
<thead>
<tr>
<th>Income</th>
<th>Actual 2015</th>
<th>Budget 2015</th>
<th>Actual 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaming levies</td>
<td>7,005</td>
<td>7,000</td>
<td>6,992</td>
</tr>
<tr>
<td>Levies and fees</td>
<td>1,135</td>
<td>1,100</td>
<td>1,237</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>8,140</strong></td>
<td><strong>8,100</strong></td>
<td><strong>8,229</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Actual 2015</th>
<th>Budget 2015</th>
<th>Actual 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>5,272</td>
<td>5,892</td>
<td>4,550</td>
</tr>
<tr>
<td>Hiring staff</td>
<td>1,505</td>
<td>2,021</td>
<td>1,808</td>
</tr>
<tr>
<td>Housing</td>
<td>608</td>
<td>786</td>
<td>564</td>
</tr>
<tr>
<td>Organisation</td>
<td>655</td>
<td>641</td>
<td>507</td>
</tr>
<tr>
<td>IT</td>
<td>408</td>
<td>768</td>
<td>284</td>
</tr>
<tr>
<td>Depreciation</td>
<td>186</td>
<td>209</td>
<td>174</td>
</tr>
<tr>
<td>Interest</td>
<td>56</td>
<td>68</td>
<td>19</td>
</tr>
<tr>
<td>Remote Gambling/Central Exclusion Register</td>
<td>-907</td>
<td>-2,388</td>
<td>-1,203</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>7,783</strong></td>
<td><strong>7,997</strong></td>
<td><strong>6,703</strong></td>
</tr>
<tr>
<td>Operating result</td>
<td>357</td>
<td>103</td>
<td>1,526</td>
</tr>
</tbody>
</table>

Explanatory notes on the balance sheet, income statement, and valuation principles

**Intangible fixed assets**

The preparatory work of the Netherlands Gaming Authority for the opening and regulation of the online market is capitalised. These are development costs that can be capitalised because they are expected to be recouped via the gaming tax on online licensees once the legislation for the online market is introduced.

Development costs are valued at production cost, and will be decreased in the future, by accumulated amortisation and impairment losses.

These development costs primarily include the salary costs of personnel involved. The capitalised costs will be amortised after completion of the development phase and after the introduction of legislation for the online market, over their estimated useful life (10 years). Amortisation is calculated using the linear method.

**Tangible fixed assets**

Tangible fixed assets are valued at their historical cost of acquisition, minus linear depreciation based on the estimated useful life. Investments are depreciated from the date of commissioning.

The depreciation periods are six years for inventory and three years for hardware and software. For renovations, depreciation takes place until the end of the rental agreement (per 31 December 2015).
Results
The 2015 statement of income and expenditure provides an insight into the actual and budgeted result in 2015. The income statement compares the actual results to the budget set by the Board of Directors.

Income and expenses are attributed to the period to which they relate.

Remuneration
In accordance with the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act, all senior officials are to be named and listed. The remuneration granted to senior officials conforms to the approved standards.

Auditor
The annual accounts provide a true and faithful representation of the size and composition of the assets of the Netherlands Gaming Authority as on 31 December 2015 and of the 2015 results. The annual accounts are in accordance with the Non-Departmental Public Bodies Framework Act and the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.
The external auditor (KPMG) issued an unqualified audit certificate on 1 April 2015.

Receivables
Receivables are valued at nominal value, less the provision deemed necessary for bad debts.

Cash and cash equivalents
The Netherlands Gaming Authority holds a current account with the Ministry of Finance and the Ministry manages any funds.
The Netherlands Gaming Authority received a loan from the Ministry of Finance of EUR 3.7 million for work to be performed in preparation for remote gambling (online legislation).

Provisions
Deferred compensation represents the nominal value of the estimated future obligations, for long-service anniversaries, the part-time employment system for seniors, and for the early retirement of personnel. A provision has also been made in connection with a dispute with a former supplier.
## Remuneration (x EUR 1,000)

<table>
<thead>
<tr>
<th>Name</th>
<th>Start date employment</th>
<th>End date employment</th>
<th>Scale employment</th>
<th>Remuneration</th>
<th>Taxable fixed and variable expenses</th>
<th>Provision reward payable in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior officials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman of the Board of Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>mr. J.J.H. Suyver</em></td>
<td>01-04-12</td>
<td></td>
<td>67%</td>
<td>88</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Member of the Board of Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>mr. H.W. Kesler</em></td>
<td>01-04-12</td>
<td></td>
<td>33%</td>
<td>41</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Member of the Board of Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>drs. J.G. Pot</em></td>
<td>01-11-14</td>
<td></td>
<td>33%</td>
<td>41</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Chief Executive of the Board of Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>drs. M.D. Appelman</em></td>
<td>23-09-13</td>
<td></td>
<td>100%</td>
<td>107</td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

The “Provision reward payable in the future” item in the above table relates to the pension costs paid by the Netherlands Gaming Authority as an employer.

The Netherlands Gaming Authority employed the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act as a system of standards when drafting this annual accounts and had adhered to these standards.
Appendix

Market data
Interested in knowing the size of the legal market in the Netherlands? The below table shows the turnover figures and gross gambling result of licensees.

The figures are based on 2014 annual reports. All figures are in millions of euros. Occasional lottery licences (for instance by a club trying to find money to build a sports canteen) have not been included in this list. Promotional gaming has also not been included in this list.

More information
For more information on the size of the gaming industry, please refer to the Market scan online gambling and the Market scan land-based games of chance. Both reports can be retrieved from the Netherlands Gaming Authority website.
Market value, net gaming tax

- **GSR**: Gross gambling result (gambling turnover minus purchase value of net prizes)
- **GT**: Gaming tax

Includes: Nationale Postcode Loterij, BankGiro Loterij and VriendenLoterij

Includes non-cash prizes: Economic value (not adjusted for purchase discounts)

Includes: Jantje Beton Loterij, de Grote Clubactie Loterij, de Zonnebloem Loterij, KWF seizoensloterij, SupportActie Loterij and Nationale Scoutingloterij

Includes Instantloterij

Excluding casino tips

Source: 2014 Market scan land-based games of chance

<table>
<thead>
<tr>
<th>Sector</th>
<th>Licensee</th>
<th>Turnover</th>
<th>Prizes¹</th>
<th>GSR²</th>
<th>Contribution to charity</th>
<th>Payment to government</th>
<th>GT³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lotteries</td>
<td>Dutch State Lottery</td>
<td>737.8</td>
<td>447.0</td>
<td>290.8</td>
<td>110.7</td>
<td>64.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Holding National Good Causes Lotteries⁴</td>
<td>850.6⁵</td>
<td>295.4⁶</td>
<td>604.6</td>
<td>425.3</td>
<td>40.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cooperating non-profit Lotteries⁷</td>
<td>24.8</td>
<td>0.7</td>
<td>24.1</td>
<td>19.4</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>De Lotto</td>
<td>253.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14.5</td>
</tr>
<tr>
<td>Sports betting</td>
<td>De Lotto</td>
<td>68.7</td>
<td>159.0</td>
<td>162.8</td>
<td>59.0</td>
<td></td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Sportech Racing B.V.</td>
<td>22.5</td>
<td>16.8</td>
<td>5.7</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casinos</td>
<td>Holland Casino (parlour games)</td>
<td>258.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>75.1</td>
</tr>
<tr>
<td>Slot machines</td>
<td>Holland Casino (slot machines)</td>
<td>626.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>181.7</td>
</tr>
<tr>
<td>Total market</td>
<td></td>
<td>2,187.3</td>
<td>505.2</td>
<td>110.7</td>
<td>439.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Market value, net gaming tax
2. GSR = Gross gambling result (gambling turnover minus purchase value of net prizes)
3. GT= Gaming tax
4. Includes: Nationale Postcode Loterij, BankGiro Loterij and VriendenLoterij
5. Nationale Postcode Loterij 624.1; BankGiro Loterij 125.1; VriendenLoterij 101.4
6. Includes non-cash prizes: Economic value (not adjusted for purchase discounts)
7. Includes: Jantje Beton Loterij, de Grote Clubactie Loterij, de Zonnebloem Loterij, KWF seizoensloterij, SupportActie Loterij and Nationale Scoutingloterij
8. Includes Instantloterij
9. Excluding casino tips
10. Source: 2014 Market scan land-based games of chance
Statutory requirements

Under the Non-Departmental Public Bodies Framework Act, annual reports have to meet various statutory requirements. These requirements relate to:
1 the performance of the duties;
2 the policy pursued;
3 the quality assurance policy pursued.

In accordance with Section 19(3) of the above Act, an explanation must be given concerning all actions taken in the performance of the duties and powers relating to:
4 punctual preparation and implementation;
5 the quality of the procedures used for that purpose;
6 the proper treatment of persons and institutions that come into contact with the NDPB;
7 the proper processing of objections and complaints received;
8 the measures adopted to allow people and institutions that come into contact with the NDPB to make proposals for improving methods and procedures.