Gaming safely in a fair market
## Public objectives
- Consumer protection
- Enforcement: prevention of illegal and criminal practices
- Addiction prevention

## Innovating together
- Developments: transparent procedures in an open gaming industry
- Cooperation: working together towards a trustworthy gaming market
- In-house expertise

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## Publishing details & legal requirements
Compass

Foreword
As of 2017, the Netherlands Gaming Authority has been in existence for five years. In accordance with the law, our efficiency and effectiveness will be assessed in 2017. This will be a wide-ranging, independent assessment, with all interested parties making a contribution. I am exceedingly curious to find out what this milestone will bring. It is, after all, the criterion on the basis of which the government and Parliament will consider whether the Netherlands Gaming Authority is serving the purpose for which the legislator created it in 2012.

In the meantime, we have conducted or had others conduct several surveys in recent years, including in 2016, to establish what you, the people’s representatives, the providers and the consumers, think of us. Several recurrent themes can be identified, the most important of which is that the Netherlands Gaming Authority should take more enforcement action, or in any event be more transparent and act in accordance with a clear and known policy. The House of Representatives also made its opinion loud and clear last year when discussing the online law. We have taken that criticism on board. Our supervision and enforcement policy is now explained on the website and we have made considerable headway in our supervisory activities. The Netherlands Gaming Authority pursues its enforcement policy actively. For instance, in 2016 the Netherlands Gaming Authority took action to combat betting terminals, tackled gambling operations online, applied strict tests when granting in situ licences for slot machines, provided
training for enforcement partners and helped to close down gaming premises. The Netherlands Gaming Authority does not only actively enforce its policy with public penalties, such as fines. It also enforces its policy in other, less visible ways, which are usually more effective. These other measures include notices and cautionary meetings. In most cases, these measures result in an actual change of behaviour, leading to gaming apps being taken down or the relevant party no longer providing illegal gambling. Alternatively, agreements are entered into with payment institutions to put a stop to payment transactions involving illegal gambling sites.

We, the Netherlands Gaming Authority, still have some way to go. We are aware that visible enforcement is the Achilles heel of a supervisory authority. We will have to shift up a gear and that is what we are going to do, especially once the online law has entered into force. In the interests of protecting all players in our country, I ardently hope that this will happen in 2018. The Netherlands Gaming Authority is ready to help achieve the government’s target of channelling 80% into legal offerings by doing what it can to stop and combat gaming companies without licences. Only a strictly regulated and attractive offer based on legislation and regulations for the provision of online and offline games of chance will offer a long-term solution enabling us to counter illegal offers. Without an attractive legal alternative, Dutch consumers wishing to try their hand at a game of chance will always be able to find an illegal operator.

That said, I would like to make a few comments with regard to the criticism that the Netherlands Gaming Authority’s enforcement activities lack visibility. Firstly, the Netherlands Gaming Authority does not yet have sufficient enforcement powers. It will have these once the online law enters into effect. It is also important to realise that tough enforcement is a slow and meticulous process that is regulated by legal safeguards on all sides and is accompanied by judicial review in all instances. Furthermore, enforcement is not the Netherlands Gaming Authority’s only task. Read Section 33b of the Betting and Gaming Act (Wok) if you want to check. I have never seen a more multi-faceted and complicated statutory duty assigned to a single agency. However, in more substantive terms, I find that the criticism often, and understandably, runs along the lines of: do not overburden me, a licensee and conscientious payer of the gaming levy, with observance of formalities, but go after my illegal competitors instead. Unfortunately, it turns out that it is not always possible to trace them. And then again I often hear the - also understandable - cry: Netherlands Gaming Authority, just have a look online, where you will find a host of dreadful things. Do something about it! I can assure you that our super-smart cyber inspectors are all aware of this. We will only take enforcement action when one or more of the three public objectives are in jeopardy: consumer protection, preventing and combating illegal practices and helping to prevent gambling disorders. The Netherlands Gaming Authority will primarily take action when consumer protection is at issue, for example because a provider is targeting Dutch consumers or vulnerable players, such as young people.
I say this, not as a tu quoque, but as perhaps a somewhat sharp-edged reaction which I think you should hear, because initial reactions usually hold up to some extent. None of this detracts from the Netherlands Gaming Authority’s responsibility to strive constantly for the right balance in enforcement - and, apparently, improve the information we provide in this regard - given the three public objectives and the available capacity. Your - and I am talking now specifically to the providers - valued contribution is required for this. The Netherlands Gaming Authority and current and potential licence holders must listen to and communicate with each other in a business-like fashion, with appreciation for each other’s role and position, and above all with respect. Is this a truism? No, because this is not always the case, and I note that knowledge, insight and experience of administrative relations will be required of all parties. On our part, an understanding of the markets and sometimes more respect for the entrepreneur is required. On the part of providers, there is a need to generously accept that the world has changed, with a supervisory authority which makes demands and which must treat everyone equally and strictly (but fairly). This remains a rocky road. By definition, dealings between a supervisory authority and parties subject to supervision are fraught with tension and require both parties to have a compass. This compass must lead to the correct relationship between the Netherlands Gaming Authority and market operators, a relationship contained in the big compass aimed at a healthy gaming industry. This involves a permanent development process for the Netherlands Gaming Authority, but also for providers. We are working on it.

I have deliberately limited this foreword to these observations. By considering the fairly consistent but heterogeneous criticism of our enforcement policy and the arguments and perceptions behind it, I eventually came to the relationship between the government supervisory authority and the market. This relationship is always unequal and uneasy, and therefore is in continuous need of an administrative compass. A correct relationship is essential if the Netherlands Gaming Authority is to perform its duties properly. If it can do so, everyone benefits, the providers as well as the players. After all, everyone benefits from an unspoiled gaming industry. That is why the legislator created the Netherlands Gaming Authority. The Netherlands Gaming Authority has spent five years trying passionately to perform these multi-faceted duties. The major evaluation in 2017 will show whether we have succeeded.

I hope this annual report will increase your knowledge and understanding of the Netherlands Gaming Authority. I welcome any comments you might have: jsuyver@kansspelautoriteit.nl.

Jan Suyver
Chairman of the Board of Directors of the Netherlands Gaming Authority
Public objectives

• Consumer protection;
• Prevention of illegal and criminal practices;
• Prevention of addiction
PUBLIC OBJECTIVE

Consumer protection

Anyone, with the exception of minors, should be able to try a game of chance if he or she wishes to, but this should happen within a secure environment. For this reason, the Netherlands Gaming Authority supervises:

- The licensees (through regular supervision);
- The reliability of the games on offer;
- The transparency of the games on offer (provision of sound and timely information);
- The promotion and advertising activities of licensees.

The Intraval survey (2016)\(^1\) shows that more than 60% of Dutch people have recently taken part in legal games of chance. Lotteries are by far the most popular. Games of chance supplied legally must provide a safe and attractive gaming environment for consumers. The Netherlands Gaming Authority wants licensees to take their share of responsibility for this by meeting licence requirements concerning, among other things, the reliability of the game offered and transparency, at all times. To ensure consumer protection, it is important that licensees provide information which is complete, accurate, current, comprehensible and not misleading. This is the only way consumers will be able to make a well-considered decision as to which provider’s games they will play, what they will

\(^1\) Modernisering kansspelbeleid, Intraval, 2016
play, for how long they will play and how much money they wish to spend. Consumers should also take personal responsibility in this.

The Netherlands Gaming Authority itself also provides consumers with information in order, among other things, to encourage consumers to opt for the licensed offer. The Intraval survey shows that 4% of Dutch people have recently taken part in illegal gambling. The Netherlands Gaming Authority is trying to move consumers in the direction of the legal gaming market. It is seeking to achieve this through a combination of information provision to consumers, enforcement action to counter illegal offers and encouraging the licensed market to offer an attractive gaming environment.

A fair game
The Netherlands Gaming Authority advocates a safe and fair gaming market. This is why it only grants licences to ethical gambling operators that comply with the legislation and regulations and offer consumers a fair game. Examples include lotteries and slot machines. The Netherlands Gaming Authority also determines which types of slot machine are permitted in the Netherlands. It does this by means of the ‘model approval admission’. A manufacturer or importer may introduce a new slot machine model to the market only after a model approval admission has been granted for that type. The Netherlands Gaming Authority also issues approval stickers for slot machines. This has the added effect of making it clear to municipal regulators whether a particular machine complies with the rules.

Applications for and granting of licences

<table>
<thead>
<tr>
<th>Subject</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-off lotteries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>49</td>
<td>43</td>
<td>41</td>
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<tr>
<td>Granted</td>
<td>45</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Multi-year gambling operation licences</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Granted</td>
<td>7</td>
<td>0</td>
<td>10</td>
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<tr>
<td>Modified multi-year lottery licences</td>
<td>28</td>
<td>24</td>
<td>19</td>
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<tr>
<td>Slot machine operation licences</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>59</td>
<td>34</td>
<td>45</td>
</tr>
<tr>
<td>Granted</td>
<td>51</td>
<td>31</td>
<td>60</td>
</tr>
<tr>
<td>Revoked slot machine operation licences</td>
<td>53</td>
<td>33</td>
<td>41</td>
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<tr>
<td>Slot machine model approval admissions</td>
<td></td>
<td></td>
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<tr>
<td>Applications</td>
<td>314</td>
<td>211</td>
<td>159</td>
</tr>
<tr>
<td>Granted</td>
<td>203</td>
<td>211</td>
<td>154</td>
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<tr>
<td>Slot machine approval stickers</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>5,788</td>
<td>5,743</td>
<td>5,421</td>
</tr>
</tbody>
</table>

Publications of licences granted
In 2016 as well, the Netherlands Gaming Authority published an updated list on its website every month of the one-off licences, slot machine licences and model slot machine allowances it had granted. These lists of licences allow a consumer to verify whether a given gambling operator is operating legally.
More stringent requirements for multi-year licences

In 2015, the first steps were made towards obtaining a clearer view of the reliability of the games offered by holders of multi-year licences. That process was continued in 2016. Based on the mandatory audit reports, the Netherlands Gaming Authority discussed risk management with all holders of multi-year licences. Following those discussions, agreements were made to ensure further improvement. As part of its regular supervisory activities, the Netherlands Gaming Authority carries out checks to verify whether those agreements are adhered to.

Warnings in 2016

In 2016, the Netherlands Gaming Authority posted a number of notices on its website warning consumers about misleading games of chance.

Warning about misleading sales of subscriptions to ‘sites offering discounts’ and give-aways, news report on 9 September 2016. Following various reports to the Information Line and through ConsuWijzer, the information desk of the Netherlands Authority for Consumers & Markets (ACM) supervisory authority, a news report was posted on the website. In that report, the Netherlands Gaming Authority warned readers about misleading sales of subscriptions. This mainly had to do with the telephone sales of subscriptions to ‘sites offering discounts’ and give-aways. In view of the number of reports received, the ACM called on consumers to report any misleading sale of subscriptions to ConsuWijzer.

Online gambling is not regulated in the Netherlands and this means the Netherlands does not supervise the way the game is offered and its fairness. In May 2016, having regard to the addictive nature of apps, the Netherlands Gaming Authority announced it would be using a thematic campaign for several months to target illegal gambling apps. The result was that an initial 49 much-used apps and later a further six so-called real money gambling apps were removed from the market. It is now no longer possible to download those 55 apps from Dutch accounts. The Netherlands Gaming Authority remains alert with regard to such apps.

Dozens of gambling apps no longer available for download, news report on 12 October 2016. The Netherlands Gaming Authority warns consumers about a misleading campaign on social media, news report on 29 December 2016. Through the media, the Netherlands Gaming Authority received reports of a ‘gift’ campaign on social media with all the hallmarks of a pyramid scheme. A pyramid scheme is prohibited under the Betting and Gaming Act. The reports mentioned a ‘secret sister gift exchange’, where the participant sends one gift and receives between 6 and 36 packages in return. In its news report, the Netherlands Gaming Authority advised consumers not to participate in this or any similar offers. The majority of participants received no package at all or even suffered a loss.
Further tightening of the regulations attached to licences is another way in which the reliability of the games on offer is safeguarded. For instance, a provider of lotteries is obliged to report any change in the draw procedure to the Netherlands Gaming Authority and, where necessary, arrange a re-inspection of the lottery machine. The duties and responsibilities of the civil-law notary present at a lottery draw have also been modernised.

**New obligations**

Holders of multi-year licences were also faced with new obligations in 2016. For instance, those licensees must have a management risk system in place. The applicable requirements and the mandatory audit of such systems have been expanded. The obligation to report incidents and the presence of a compliance officer to ensure internal compliance with legislation and regulations for all holders of multi-year licences has also been introduced. The same applies to the obligation to offer consumers transparency. Where necessary, the obligations in this area have been tightened or tailored to the specific circumstances of the games on offer. The obligations concerning transparency have now also been included in all multi-year licences.

**Advertising is permitted, provided certain conditions are met**

The following applies to gambling operators with a licence granted by the Netherlands Gaming Authority: advertising games of chance is permitted. Legal gambling operators must be able to develop an attractive range of games to offer. They may advertise them, provided they comply with existing legislation and regulations for advertising. After all, it is in consumers’ best interests to be able to play with operators in possession of a licence and under the supervision of the Netherlands Gaming Authority. However, advertising must not mislead consumers or incite them to excessive gaming behaviour, with addiction lurking around the corner.

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**Miniseries: what is a betting terminal and how can you counter it?**

What exactly are betting terminals? To explain, the Netherlands Gaming Authority made a brief video series in 2016. The miniseries also shows how the supervisory authority and its partners counter betting terminals and what action consumers themselves can take. The video series is published on the Netherlands Gaming Authority’s website and can be found on YouTube and social media. http://www.kansspelautoriteit.nl/nieuws/alle-nieuwsberichten/2016/februari/wewe/
Guidance for advertising
On 22 February 2016, the Netherlands Gaming Authority published guidance for advertising on its website. In that guidance, the Netherlands Gaming Authority provides guidelines regarding the application of legislation and regulations in practice and has positioned gambling advertising within the public purposes of the Dutch gaming policy and the Netherlands Gaming Authority. The statutory regulations apply to all operators of all kinds of games of chance.

Online gambling and advertising
All online games of chance are now illegal. Therefore, advertising them is also illegal. As soon as the Remote Gambling Act is in force, operators of such games of chance may apply for a licence. They may also produce advertisements as soon as they have that licence. Their advertisements must comply with legislation and regulations.

Facilitation is also prohibited
Anyone facilitating advertising for a game of chance or a gambling operator must also comply with rules. Advertising a game of chance or a gambling operator without a licence is a punishable offence. For example, anyone facilitating advertising campaigns for such games of chance and operators, placing or sending advertisements or accepting banners on a website is in contravention of the rules.

Sanne Muijser, VAN Games of Chance Sector Organisation
‘The VAN is in favour of a rapid introduction of legislation for Remote Gambling, which will be an important tool in, among other things, combating illegal offers. The Netherlands Gaming Authority is making preparations for this, and we assume that the fight against illegal offerings will continue unabated.’
Closer supervision of advertisements of the Nationale Goede Doelen Loterijen, the Dutch national charity lotteries

In the period between 30 October 2015 and 1 November 2016, the Netherlands Gaming Authority supervised the direct marketing communications of the Nationale Goede Doelen Loterijen (GDL) more closely. During that period, the GDL accounted for the origin of the direct marketing communications for the period concerned in regular quarterly consultations with the Netherlands Gaming Authority. Throughout that period, the Netherlands Gaming Authority saw no communications which could be categorised as misleading. The closer supervision has now ended. Naturally, the Netherlands Gaming Authority will continue to supervise the advertisements of all licensees, including those of the GDL.

A well-informed consumer

The Netherlands Gaming Authority attaches great importance to ensuring that consumers are well-informed. Gambling operators are obliged by law to provide players with sound and timely information about the game on offer and the conditions applicable to it: which costs are attached to it, which prizes could you win, is a subscription on offer and, if so, for how long is it valid? Operators must also point out to players the potential risks of addiction. The Netherlands Gaming Authority ensures that gambling operators meet those obligations.

Annette Sluijter, information official of the Netherlands Gaming Authority

‘Every question, every report and every contact with the Information Line may result in follow-up action ranging from answering questions about the Dutch gaming policy to new reports being posted on the website or to additional inquiries being made.’
It is also the Netherlands Gaming Authority’s duty to inform consumers about games of chance and to advise them of players’ personal responsibility. Where it believes such is warranted, the Netherlands Gaming Authority will issue warnings.

**Information Line**
The Netherlands Gaming Authority informs its target groups through an Information Line and through its website: Kansspelautoriteit.nl. It also offers users the opportunity to ask questions related to games of chance by email or through the contact form on the website. The Netherlands Gaming Authority also disseminates information through social media, such as Facebook, Twitter and LinkedIn. In addition to protecting and informing customers, the Netherlands Gaming Authority also analyses complaints and reports of consumers about holders of licences to operate lotteries and complaints about slot machines. It also records reports about illegal gambling or gambling that might be illegal and, if necessary, warns consumers about illegal gambling.

In 2016, the Netherlands Gaming Authority’s information officials received 2,202 requests for information: 941 telephone requests and 1261 requests for information sent by email.

**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 should always first file their complaints with the organiser of a game of chance. There has been a slight increase in the number of complaints about licensees: from 34 complaints in 2015 to 37 complaints in 2016.
In 2016, the Netherlands Gaming Authority received 2,202 requests for information in total.

### Contacting the Netherlands Gaming Authority

<table>
<thead>
<tr>
<th>Method of contact</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone contact</td>
<td>1,275</td>
<td>1,079</td>
<td>941</td>
</tr>
<tr>
<td>Email contact</td>
<td>1,035</td>
<td>1,077</td>
<td>1,261</td>
</tr>
<tr>
<td><strong>Total contacts</strong></td>
<td><strong>2,310</strong></td>
<td><strong>2,156</strong></td>
<td><strong>2,202</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subject of contact</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints about lotteries, horse betting, Holland Casino and slot machine operators</td>
<td>54</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Complaints about promotional games</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Reports of illegal gambling</td>
<td>572</td>
<td>376</td>
<td>273</td>
</tr>
<tr>
<td>General questions</td>
<td>1,161</td>
<td>1,760</td>
<td>1,654</td>
</tr>
<tr>
<td>Questions about online gambling</td>
<td>129</td>
<td>136</td>
<td>115</td>
</tr>
<tr>
<td>Questions about lotteries and slot machines</td>
<td>841</td>
<td>688</td>
<td>651</td>
</tr>
<tr>
<td>Questions about promotional games</td>
<td>60</td>
<td>159</td>
<td>164</td>
</tr>
<tr>
<td><strong>Other</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Questions from the media</td>
<td>137</td>
<td>136</td>
<td>101</td>
</tr>
</tbody>
</table>
Illegal gambling is not a game. This was the title of the pilot and information campaign launched by the municipality of Rotterdam together with the Netherlands Gaming Authority, the Public Prosecution Service and the police in 2016, in collaboration with the Tax and Customs Administration. The campaign was targeted at gamblers, their social environment and owners of bars and callshops. The central message of the campaign read as follows: ‘Are you betting illegally on football matches? My brother would never do that! Right?’ and: ‘Illegal gambling in my shop. I would never allow that.’

Background to the campaign
Illegal gambling is one of the forms of undermining criminality which the municipality of Rotterdam is examining in more detail. The municipality thinks the scale of illegal gambling and the criminal networks behind it is substantial. A combination of measures, including an information campaign, was deployed to combat it.

Combination of measures
The Illegal Gambling campaign involved various operations. For instance, 1200 hotel and catering establishments, foundations and associations in South Rotterdam received an informative mailshot. That mailshot was used to draw their attention to the fact that betting terminals are illegal in the Netherlands. Selected hotel and catering establishments and foundations were also subjected to a physical inspection.

Social media approach
Through posters, messages on Facebook and a video, consumers as well as owners of bars and callshops were warned about illegal gambling and all its potentially deleterious consequences. In addition to posters, an advertisement on Facebook with a link to the geenspelletje.nl website was also used to target consumers. The advertising campaign on Facebook generated 540 clicks on the geenspelletje.nl link in total and reached 10,000 people.

‘The Netherlands Gaming Authority was a vital partner in the “Illegal gambling is not a game” campaign. With the help and knowledge of the Netherlands Gaming Authority, we were able to take action against the illegal gambling offered in the city. This was the first time we had worked together this way, and the experience is worth repeating as far as we are concerned.’

Ahmed Aboutaleb, mayor of Rotterdam
PUBLIC OBJECTIVE

Enforcement: prevention of illegal and criminal practices

Consumers wishing to participate in a game of chance must be able to do so in a reliable environment. Moreover, we must not allow the Dutch gaming industry to be used or misused for criminal activities, such as money laundering. For this reason, the Netherlands Gaming Authority believes it is important to supervise licensees closely and to take strict enforcement action against operators supplying illegal games of chance:

• Supervising the integrity of licensees;
• Countering illegal offerings;
• Supervising the implementation of measures aimed at preventing money laundering and the funding of terrorism.

The Intraval survey (2016) shows that more than 4% of Dutch people have recently taken part in illegal gambling. This mainly involves illegal online gambling. The characteristic features of illegal offerings vary from distribution channel to distribution channel: apps, internet and land-based supply. The Netherlands Gaming Authority is adjusting its approach accordingly.

The availability of illegal games of chance through apps has increased sharply in recent years. In 2016, the Netherlands Gaming Authority achieved great success by making an app store remove all gambling apps of unlicensed operators. In one fell swoop, that
operation ensured that more than 50 operators were no longer able to offer their products through that distribution channel and saw the turnover they generated through this channel evaporate. Thanks to measures taken by the Netherlands Gaming Authority, this distribution channel will remain free of illegal online offerings from now on.

The nature of the internet makes it difficult to prevent the spread of illegal gambling when there is no legal online alternative. Only an attractively regulated online offer, which the Draft Bill on Remote Gambling will facilitate, will offer a long-term solution. The Netherlands Gaming Authority is focusing its enforcement measures aimed at countering illegal online gambling primarily on those phenomena likely to cause the consumer the most harm. Considering the vast number of offers available, in its approach, the Netherlands Gaming Authority prioritised those sites which target Dutch consumers through the Dutch language, .nl websites or advertising on radio, television or in print media. That approach was successful. Operators have adjusted their sites to make them more difficult to find or have withdrawn completely. The Netherlands Gaming Authority is pressing ahead with its fight against illegal online gambling and is also examining any conflict with public interest. Only by making the game offered inaccessible to the Dutch consumer can an unlicensed gambling operator protect itself against enforcement measures.

In each separate case, the Netherlands Gaming Authority will consider where in the online illegal offering chain it can take the most effective action. Using this chain-related approach, the Netherlands Gaming Authority is also taking action against facilitators of illegal gambling, such as financial service providers and advertisers.

As for illegal land-based availability, betting terminals represent a major problem. The Netherlands Gaming Authority receives about 100 reports a year about betting terminals. Spapens and Bruinsma (2016) estimate that, in the last five years, betting terminals were found at roughly 800 locations, or there were signs that betting terminals had been present at those locations. The Netherlands Gaming Authority is therefore giving high priority to combating this phenomenon. The Netherlands Gaming Authority is cooperating with many parties to this end, including the police, municipal authorities, the Public Prosecution Service and the Tax and Customs Administration.

The Netherlands Gaming Authority chooses the sanction most appropriate to the situation. A warning or a notice stating the authority’s intention to impose an order subject to periodic penalty payments or an administrative enforcement order can sometimes be highly effective. A notice stating the authority’s intention to impose an order was sent in more than 20 cases in 2016. In those cases where the notice of intent was not sufficient to put a stop to the infringement, an order was imposed. The order was enforced in only a few cases. This has proved to be a highly effective remedy. Where necessary, the Netherlands Gaming Authority opts for a fine, even though they take a long time to process and practice shows that it is often difficult to actually collect a fine.
Licences to operate and integrity

Anyone planning to install slot machines must apply to the Netherlands Gaming Authority for an operation licence (slot machine licence). Only slot machines which have been approved by the Netherlands Gaming Authority may be operated. Moreover, a municipal authority in situ license for slot machines will be required if the slot machine is a gaming machine. There were 710 slot machine operators in the Netherlands at the end of 2016.

The slot machine sector is susceptible to criminal influences and criminal money. This means there is an increased risk of fraud, laundering and other criminal offences.

The Netherlands Gaming Authority is therefore strict on eligibility and assesses the integrity of the applicants and holders of a licence to operate. For instance, on the basis of the Public Administration (Probity Screening) Act (wet Bibob), it assesses not only the applicant but also the line managers and directors of the company which will operate the slot machines. Doubt as to the integrity of the gambling operator is sufficient reason to refuse the licence applied for or to revoke an existing one.

Eligibility assessment: Public Administration (Probity Screening) Act

Since 2014, the Netherlands Gaming Authority has been assessing every application for an operation licence within the framework of the Public Administration (Probity Screening) Act. After that eligibility assessment, holders of an operation licence which represent, or may represent, a risk to the integrity of this market segment are also regularly examined during the term of a licence.

The integrity assessment takes place at a number of stages:
- When an application is made for an operation licence;
- In the event of a relevant amendment of an operation licence; and
- Periodically, after the operation licence has been granted.

List of operators 2014 2015 2016

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of operation licences</td>
<td>732</td>
<td>713</td>
<td>710</td>
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<tr>
<td>Number of slot machines in arcades</td>
<td>15,606</td>
<td>17,018</td>
<td>16,451</td>
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<tr>
<td>Number of slot machines in catering establishments</td>
<td>19,613</td>
<td>18,692</td>
<td>16,876</td>
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<tr>
<td>Number of ‘skill with prizes’ (SWP) machines</td>
<td>4,351</td>
<td>3,495</td>
<td>2,970</td>
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<tr>
<td>Number of catering establishments</td>
<td>10,165</td>
<td>9,609</td>
<td>8,655</td>
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<tr>
<td>Number of arcades</td>
<td>270</td>
<td>271</td>
<td>276</td>
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</table>

n.b. Figures of 2016 are preliminary figures based on gaming tax information 2016.
105 Public Administration (Probity Screening) Act assessments

In 2016, the Netherlands Gaming Authority performed 105 Public Administration (Probity Screening) Act assessments. Seventy-one cases involved applications for licences, including applications from 2014 and 2015, which were still being assessed in 2016. In eight cases (11%), an application for an operation licence was rejected. Following this eligibility test, the Netherlands Gaming Authority uses alerts received from its network partners. In 2016, the Netherlands Gaming Authority revoked fourteen operation licences on the basis of such alerts. In total, 23% of the Public Administration (Probity Screening) Act assessments resulted in a licence being refused or revoked. This means that a licence was granted or remained in force in 77% of all cases.

National Public Administration Probity Screening Agency (LBB)

First and foremost, the Netherlands Gaming Authority performs the probity screening under the Public Administration (Probity Screening Act) itself. If it believes such is warranted, it may submit a request for a recommendation to the Ministry of Security and Justice’s LBB. The Netherlands Gaming Authority submitted a total of 11 requests for a recommendation to the LBB in 2016. Nearly all the recommendations were adopted and resulted in the licence applied for being refused or an existing one being revoked.

2016 Public Administration (Probity Screening) Act assessments for operation licences

<table>
<thead>
<tr>
<th>Public Administration (Probity Screening) Act assessment 2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of Public Administration (Probity Screening) Act assessments</td>
<td>105</td>
</tr>
<tr>
<td>Licences granted</td>
<td>60</td>
</tr>
<tr>
<td>Amended licences</td>
<td>11</td>
</tr>
<tr>
<td>Refused licences</td>
<td>8</td>
</tr>
<tr>
<td>Revoked licences</td>
<td>14</td>
</tr>
<tr>
<td>Licences which were not revoked</td>
<td>3</td>
</tr>
<tr>
<td>Ongoing assessments</td>
<td>9</td>
</tr>
</tbody>
</table>
Network partners

Effective supervision is possible only within a professional network. That is why it is important to continue to invest in relationships and to cooperate closely with network partners such as the Tax and Customs Administration, municipal authorities, the police and the Public Prosecution Service.

Jos Kuiper, enforcer of special laws at the security and communities department of Tilburg municipality, on the benefits of training

‘Having completed the “Identifying betting terminals” training course, we are even better able to take enforcement action when we are alerted to illegal gambling. We take that action on the basis of our local legislation, combined with the Betting and Gaming Act. We also know that the Netherlands Gaming Authority will support us at a distance if we have any questions when carrying out our checks.’
Results in 2016

Betting terminals are prohibited

The betting terminal market is an illegal market estimated to be worth many millions of euros (each year). Betting terminals are also intertwined with serious crime, according to a report by Toine Spapens, professor of Criminology in Tilburg, and his fellow researcher Monique Bruinsma. This report was published in 2015.

What are betting terminals?

Betting terminals are computers with an internet connection which are designed and configured in a way that allows a consumer to bet on sporting competitions. They are also known as ‘internet terminals’ or ‘football terminals’ and can be found in coffee houses or callshops, for example. Betting terminals are not only illegal, but also undesirable. Gamblers run a substantial risk because the (technical) reliability of the equipment used and the software cannot be verified. Furthermore, this unregulated gambling is not subject to any financial or tax-related accountability for income and expenditure, including the payment of amounts won. Nor is it known whether and, if so, how the illegal operator gives consideration to the prevention of immoderate gambling and gambling addiction. Moreover, there is no supervision to detect the participation of minors and this phenomenon usually takes place within criminal circles.

In 2016, the Netherlands Gaming Authority handed down its biggest ever fine on a betting shop in Rotterdam. The relevant case involved a combination of legal and illegal offerings. The Netherlands Gaming Authority imposed a fine of EUR 373,750 on the organisers of the betting shop. In December 2016, in cooperation with the Rotterdam police, the Netherlands Gaming Authority carried out a subsequent inspection and found that illegal games of chance were still being provided. The Netherlands Gaming Authority’s Board of Directors may impose a fine of EUR 820,000 or (if this is greater) ten per cent of the turnover in the financial year prior to the administrative fine. In the meantime, the premises have been closed down by order of the mayor.

Gamblers who bet using betting terminals run an increased risk of becoming addicted to gambling, with mounting gambling debts or other social and criminal problems as the result. No care is taken of players who become addicted, whereas staff at legal amusement arcades or casinos, for example, are well trained in recognising problematic behaviour and helping the player with it. Finally, there is a risk of large sums of criminal money being ‘laundered’ within the betting terminal sector.

Cooperation with municipal authorities
In 2016, the Netherlands Gaming Authority invested mainly in cooperation with other partners, such as municipal authorities, which also have administrative powers, including powers other than those vested in the Netherlands Gaming Authority. Municipal

Training for enforcement partners
The Netherlands Gaming Authority does not merely provide its local partners with advice and assistance as regards the action actually undertaken. The Netherlands Gaming Authority invests in its partners to enable them to identify illegal gambling earlier, develop greater scope for action, be capable of acting with greater independence and improve their access to information. The fact is that the Netherlands Gaming Authority has sufficient reason to assume that there are far more illegal offerings than the registers currently show. This is why the Netherlands Gaming Authority has developed a comprehensive, tailor-made training course specially for them. In 2016, the Netherlands Gaming Authority trained regulators of the municipalities of Amersfoort and Tilburg. That training proved to be a success. Various other municipal authorities are also showing an interest in these training courses. For this reason, a minimum of five training courses have already been scheduled for the first half of 2017. The Netherlands Gaming Authority charges no fee for these training courses.
authorities often have the option of shutting down premises where illegal gambling is taking place. This tool is at least as effective in combating illegal offers. In 2016, the Netherlands Gaming Authority provided support on 21 occasions during comprehensive checks carried out in collaboration with the municipal authorities and the police; the majority of those operations resulted in the premises concerned being closed down.

**Cooperation in Rotterdam**

Various parties are working together to combat the so-called ‘undermining problems’ in South Rotterdam. This is a very deprived district in many respects (a high school dropout rate, unemployment, criminality and poor housing stock) and it has been noticed that the underworld and the legitimate world are becoming entwined. Illegal gambling is one element of this. The Netherlands Gaming Authority has already done much work in this district together with the municipal authority and the police to combat the illegal provision of sports betting through betting terminals. An information campaign which is aimed specifically at this district has also been launched with these partners, with the Netherlands Gaming Authority making a substantial contribution to it. [see also Consumer Protection]

**Illegal internet games**

The Netherlands Gaming Authority can take action against online gambling operators offering their games in the Dutch market if those operators meet the priority criteria or if the Netherlands Gaming Authority receives complaints about them. At present, Dutch legislation has no provisions for online games, and the range on offer is huge. Until online games of chance targeted at
the Netherlands are regulated, the Netherlands Gaming Authority cannot guarantee the reliability of the operators and the games offered. This also means that it cannot verify whether a game of chance is fair and whether the operator has a prevention policy to combat gambling addiction among players and vulnerable groups, such as minors.

**Draft Bill on Remote Gambling**

In July 2016, the House of Representatives adopted the Draft Bill on Remote Gambling. The draft bill is currently being debated in the Senate. Until the Remote Gambling Act is in force and the operator has a licence granted by the Netherlands Gaming Authority, the offering of games of chance online remains illegal and therefore prohibited.

**Real money game of chance apps from the app store**

In May 2016, the Netherlands Gaming Authority announced that it would be conducting further research into game of chance apps available to Dutch consumers. Using such apps, they can participate in games of chance offered by unlicensed parties. The use of apps for games of chance is increasing sharply compared with gaming on a PC or laptop. Apps on mobile devices make it possible to participate in games of chance 24 hours a day and from any location. The combination of the accessibility of apps and the greater risk to young people was reason enough for the Netherlands Gaming Authority to scrutinise gambling apps in 2016.

The Netherlands Gaming Authority initially targeted gambling apps where money is paid in and out, i.e. the apps known as ‘real money gambling apps’. The baseline measurement taken by the Netherlands Gaming Authority at the end of April revealed that Dutch consumers were able to download 49 illegal real money gambling apps at that time. A further six new apps were identified subsequently. The action taken by the Netherlands Gaming Authority ultimately resulted in the removal of all 55 identified gambling apps from the app store concerned. Even after the successful completion of this operation, the Netherlands Gaming Authority is continuing to supervise real money gambling apps. The Netherlands Gaming Authority will also have any new apps removed as soon as they appear.

As soon as the Act enters into force, it will be possible to apply to the Netherlands Gaming Authority for a licence in the Netherlands to offer games of chance online.

**Taking acting against online gambling operators**

The number of games of chance on offer online is substantial. The Netherlands Gaming Authority therefore concentrates on taking action against online gambling operators which meet one or more of the following priority criteria:

- The website on which the game of chance is played ends in .nl;
- The gambling website is available in the Dutch language;
- There is advertising aimed at the Dutch market on the radio, on television or in print media.
Designing barriers and taking enforcement action against intermediaries
The Netherlands Gaming Authority takes action not only against online gambling operators but also against those facilitating the supply. Examples of this include the prevention and combating of advertising by online gambling operators and countering payment transactions involving illegal online gambling. The Netherlands Gaming Authority is therefore working closely with various payment service providers and parties in the media. Several agreements were concluded in 2014 and 2015. In 2016, another payment service provider also signed this Agreement to combat illegal online gambling.

In 2015, the regulator launched thematic operations in its enforcement action against those parties facilitating illegal offers. In early 2016, the Netherlands Gaming Authority announced that it had had to take action against several payment service providers.

In 2015, the regulator launched thematic operations in its enforcement action against those parties facilitating illegal offers. In early 2016, the Netherlands Gaming Authority announced that it had had to take action against several payment service providers.

Advertisements for an online game of chance
The Netherlands Gaming Authority intervened during the sports summer season of 2014, when consumers were bombarded with online advertising for online games of chance. In the spring of 2016, the Netherlands Gaming Authority issued a further warning to operators and advertisers of online games of chance. In a newsletter on its website, the Netherlands Gaming Authority stated that it would not tolerate excessive online advertising concerning major sporting events and would take enforcement action. The regulator supervised advertising in 2016 and found no excesses which required the Netherlands Gaming Authority to take action.

Payment services ‘promote’ games of chance
The payment service provider which received an order subject to periodic penalty payments initially lodged an objection and then filed an appeal. On 18 November 2016, the District Court in East Brabant handed down a ruling in relation to this case. The district court agreed with the Netherlands Gaming Authority: a provider supplying payment services to game of chance websites without a licence is promoting unlicensed games of chance, and that is prohibited by law.

Direct approach to tackling illegal online gambling
The Netherlands Gaming Authority will be changing its approach to illegal online gambling with effect from 1 January 2017. It announced this change on 1 December 2016 on its website. One of the changes concerns the Netherlands Gaming Authority’s decision to cease sending individual notices to online gambling operators without a licence granted by the Netherlands Gaming Authority, with effect from 1 January 2017. Everyone in the gaming industry should know that it is illegal to supply games of chance, including online, without a licence. As from 1 January 2017, the Netherlands Gaming Authority will be taking direct enforcement action.

Payment services ‘promote’ games of chance
The payment service provider which received an order subject to periodic penalty payments initially lodged an objection and then filed an appeal. On 18 November 2016, the District Court in East Brabant handed down a ruling in relation to this case. The district court agreed with the Netherlands Gaming Authority: a provider supplying payment services to game of chance websites without a licence is promoting unlicensed games of chance, and that is prohibited by law.

3 The payment service provider has since taken its case to a higher court.
Transparency regarding action taken, including enforcement action

The Netherlands Gaming Authority publishes all sanctions imposed on its website. This way, it provides clarity regarding its way of working and the choices it makes. Publication also serves a preventive purpose, namely to discourage other gambling operators from offering their games of chance on the Dutch market without a licence. This information is also important to facilitators, such as payment service providers or advertisers, and to consumers. Using this information, traders and consumers can make a conscious and well-considered decision regarding whether or not to do business with such operators.

Fines are difficult to collect

A fine is an important tool which can be used to penalise undesirable behaviour and also has a deterrent effect. The effectiveness of this tool has so far proved limited. The fact is that, despite its efforts, the Netherlands Gaming Authority has succeeded in collecting only a small number of fines. This is because there is no binding legal means enabling fines to be collected from foreign illegal online operators and also because offenders within the Netherlands are usually unable to pay fines because of debt problems. The Netherlands Gaming Authority is taking various steps in order to improve the fine collection rate nonetheless.

<table>
<thead>
<tr>
<th>Investigations (completed)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation concerning the illegal offering of games of chance online</td>
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<td>4</td>
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<tr>
<td>Investigation concerning a betting terminal</td>
<td>9</td>
<td>31</td>
<td>13</td>
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<tr>
<td>Investigation concerning poker and bingo</td>
<td>6</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Complaints about gaming machines examined</td>
<td>52</td>
<td>42</td>
<td>40</td>
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<tr>
<td>Investigations concerning the operating of gaming machines</td>
<td>18</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Investigations concerning other games of chance</td>
<td>11</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>
### Division of investigations between municipal authorities and the police

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of times assistance was provided</th>
<th>Completed investigations</th>
<th>Number of sites visited</th>
<th>Temporary closure of sites</th>
<th>Permanent closure of sites</th>
<th>Measure taken by the municipal authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>34</td>
<td>31</td>
<td>78</td>
<td>8</td>
<td>2</td>
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<tr>
<td>2015</td>
<td>35</td>
<td>28</td>
<td>53</td>
<td>2</td>
<td>3</td>
<td>5</td>
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<tr>
<td>2016</td>
<td>27</td>
<td>27</td>
<td>40</td>
<td>3</td>
<td>6</td>
<td>11</td>
</tr>
</tbody>
</table>

### Sanctions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of sanctions imposed</th>
<th>Of which, by type of sanction:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total number of sanctions imposed</td>
</tr>
<tr>
<td>2014</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>2015</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>2016</td>
<td>27</td>
<td>1</td>
</tr>
</tbody>
</table>

**Of which, by game of chance:**

- **online**: 3, 3, 0
- **betting terminals**: 3, 7, 7
- **lottery**: 2, 0, 2
- **bingo**: 1, 0, 0
- **gaming machines**: 1, 8, 18
- **other games of change**: 0, 1, 0

**Total value of the fines in €**: 821,500, 529,000, 373,750
Money Laundering and Terrorist Financing (Prevention) Act (Wwft) for games of chance: Measures to combat money laundering

With effect from 1 January 2016, the Netherlands Gaming Authority will also be the regulator for the Money Laundering and Terrorist Financing (Prevention) Act (Wwft) for games of chance. De Nederlandsche Bank was previously responsible for performing this Wwft supervisory duty.

There is a substantial amount of money (cash) in the gaming industry. Games of chance are therefore highly susceptible to money laundering practices. For this reason, gambling operators are subject to an obligation to investigate: among other things, they are obliged to carry out customer due diligence checks. They must also continuously inspect transactions. Unusual transactions must be reported to the Financial Intelligence Unit (FIU).

Supervising gambling operators

The Netherlands Gaming Authority is responsible for supervising casinos. To date, that is Holland Casino (a single state shareholding with 14 branches). The Fourth Anti-Money Laundering Directive will be introduced in mid-2017 and the entire gaming industry will be covered by this supervision. Future new operators, such as remote gambling providers, will have to comply with it.
Activities in 2016
In 2016, the Netherlands Gaming Authority supervised Holland Casino within the framework of the Wwft. It also provided the Ministry of Finance with information to prepare for the introduction of the Fourth Anti-Money Laundering Directive. The Netherlands Gaming Authority is linked to networks and consultative bodies, including the Wwft supervision committee and the Duty to Report Committee. Finally, the authority is preparing for the expansion of its duties and has carried out an ex ante assessment to identify the consequences this expansion of its tasks will have for its organisation.

What to expect in 2017
With the introduction of the Fourth Anti-Money Laundering Directive in mid-2017 the entire gaming industry will be subject to the Wwft. Exceptions may be made for operators which are less susceptible to laundering and therefore do not need to comply with, or do not need to comply with all, the Wwft obligations. The Ministry of Finance will decide on this. As soon as it is known which games of chance or operators are excluded entirely or partly from the Wwft obligations, the Netherlands Gaming Authority will make this known on its website. Guidelines will also be provided for those who must meet the Wwft obligations.
PUBLIC OBJECTIVE
Addiction prevention

The Netherlands Gaming Authority attaches great importance to preventing and limiting gambling addiction. To that end, it ensures that gambling operators perform their statutory duty of care. It is also cooperating with municipal authorities, organisations in the healthcare sector and other national and international organisations in order to share knowledge and conduct research.

It is the Netherlands Gaming Authority’s duty to ensure the prevention and limiting of gambling addiction. To this end, the Netherlands Gaming authority is undertaking two types of activity:

• The development of rules and standards and supervising compliance with them;
• A coordinating role whereby, in structured consultation with market players and social organisation, it will work towards strategies aimed at preventing gambling addiction as far as possible.

Until the Draft Bill on Remote Gambling enters into force, the Netherlands Gambling Authority has limited scope for supervising licensed gambling operators to ensure they are performing their duty of care. The draft bill provides the necessary provisions to amplify and complement the concept of duty of care for all involved in the gaming industry, as well as some additional tools for the Netherlands Gaming Authority.
A survey conducted by Intraval (2016) shows that there are currently 95,700 players at risk and 79,000 problem gamblers in the Netherlands. Each party involved must take responsibility if gambling addiction is to be prevented and limited: gambling operators, players, municipal authorities and the Netherlands Gaming Authority as the regulator.

Gambling operators have a statutory duty of care to counter gambling addiction as far as possible. This means that they must implement measures, supervise the behaviour of players and intervene if the playing behaviour gives them cause to do so. Such measures also include referrals to the appropriate help services.

Players are responsible for their own playing behaviour. In other words, each player determines for how long he or she will play, how often and how much money he or she will spend on playing. The player must personally ensure that he or she has sufficient information to enable him or her to make a realistic assessment of the risks inherent in games of chance. It may be that the player is incapable of taking on that responsibility, for example, because the player belongs to a vulnerable group or is already showing the characteristics of addiction. In that case, it’s the gambling operator’s responsibility to identify the player’s irresponsible behaviour and to intervene, for example, by denying him access to the game of chance.

The Netherlands Gaming Authority supervises gambling operators to ensure they are performing their duty of care. Addiction prevention must form part of their business procedures, policy and practice. The regulator also has an active coordinating role, advising gambling operators of their own responsibilities and enabling knowledge to be exchanged and best practices to be shared.

To date, the Netherlands Gaming Authority is able to supervise addiction prevention only in respect of offline licensees. As soon as the legislation for remote gambling is in force, it will also start supervising online gambling operators.

Municipal authorities have an important role to play in preventing addiction in amusement arcades. A person wishing to operate an amusement arcade will require an in situ licence for slot machines and an amusement arcade licence from the municipal authority. The mayor can only grant a licence for an amusement arcade if that power is permitted in the municipality by law. If that is not the case, it will not be possible to establish an amusement arcade. Municipal authorities must attach certain rules to those licences, including rules pertaining to the duty of care. Municipal authorities also have a role in the continued supervision of compliance with these licensing rules.
**Some empirical facts**

**Thematic supervision shows that the implementation of the duty of care in the slot machine sector must improve**

In 2016, the Netherlands Gaming Authority conducted what is known as a ‘thematic survey’ in respect of compliance with the duty of care in amusement arcades and casinos. The random checks of a number of amusement arcades was a good reflection of this sector: visits were paid to small and large slot machine operators, ranging from sole traders to family businesses and chains, throughout the country. The most significant finding from the survey is that only very few slot machine operators have a proper grasp of their duty of care and have a proper policy in place. Holland Casino is a positive exception to this rule.

The gaming industry is itself responsible for training and briefing employees. Both Holland Casino and the amusement arcades visited ensure that their employees attend courses in the area of addiction prevention. Attending courses is not enough, however. The extent to which employees at the amusement arcades visited actually apply, or are able to apply, the content of the courses in the course of their everyday work was not clear. Do employees have sufficient time and opportunity to talk to players about their playing behaviour and, where necessary, advise them that they have the option of having themselves excluded (whether or not temporarily) from participation? Are problem gamblers referred to an institution for addiction treatment? The Netherlands Gaming Authority also finds it concerning that it is being made increasingly easy for players to play for too long. It has identified a trend towards fewer ‘moments for reflection’ in amusement arcades. For instance, money changers were found in various amusement arcades, which means players no longer need to report to an employee. Playing times have also been relaxed, and players are offered full meals, for example. This makes them inclined to extend their playing time.

The Netherlands Gaming Authority thinks it is important that slot machine and amusement arcade operators should raise their policies in the area of duty of care and addiction prevention, and the implementation of those policies, to a higher level. In the years ahead, it will be supervising the slot machine sector more closely to ensure that operators have a written addiction prevention policy in place and are implementing it in practice.

**Results of the Curriculum evaluation**

Employees of amusement arcades should know what to look out for in order to prevent gambling addiction. It is therefore compulsory for them to attend a prevention course dealing with gambling problems periodically. In 2012, under the auspices of the Netherlands Gaming Authority, the Dutch Mental Healthcare Association and the VAN Games of Chance Sector Organisation prepared a curriculum which describes the minimum quality requirements the courses and trainers must meet. The evaluation of the ‘2012 curriculum for courses dealing with gambling problems’ began in 2015. At the end of 2016, the Dutch Mental Healthcare Association and the VAN submitted their final
conclusion concerning the evaluation of the curriculum and any items that might require improvement. The key items to be addressed and items requiring improvement are:

- Supervision of the timeliness of training courses;
- Ensuring the uniformity of training courses;
- The option of e-learning as a component of the training module;
- And the importance of using a ‘hands-on’ expert in all training courses.

That completed the evaluation. VAN and the Dutch Mental Healthcare Association are still discussing the items requiring improvement identified. Separate from this evaluation, as from 2017, the Netherlands Gaming Authority will be organising a meeting with VAN and the Dutch Mental Healthcare Association twice a year at which the developments and state of affairs as regards the courses on gambling problems will be discussed.

**Addiction prevention strategy and activities have been established**

Following a consultation in February 2016, the addiction prevention strategy was established. The Netherlands Gaming Authority’s objectives as regards addiction prevention are described in that strategy. The general objective is to guarantee, together with other interested parties, a relatively low national percentage of gambling addicts. To achieve this, the Netherlands Gaming Authority intends to ensure that individual players at risk and gambling addicts are identified in good time and are, where necessary, shown where to find help. It also intends to encourage
Contact with municipal authorities
The Netherlands Gaming Authority is keen to involve municipal authorities in addiction prevention. In practice, it is proving difficult to provide municipal authorities with information on a group basis or at least in a coordinated fashion. That is why, last year, municipal authorities were provided with information regarding their role in respect of slot machines on an occasional basis and at individual level.
The Association of Netherlands Municipalities (VNG) refers individual municipalities with questions directly to the Netherlands Gaming Authority. As a result, various municipalities contacted the Netherlands Gaming Authority’s Information Line directly.

Enforcement operations concerning the problem of betting terminals and other illegal games of chance in which municipal authorities have been involved in recent years have proved a great success. The regulator is therefore trying to learn from this successful approach and to apply it in its cooperation with municipal authorities in the area of addiction prevention as well.
Janny Wierda, Chief Executive Officer of Security and Responsible Gaming at Holland Casino:

‘Holland Casino and the Netherlands Gaming Authority share an important basic principle: games of chance must be provided in a safe and responsible manner, now and in the future. With input from addiction services, we have developed an effective prevention policy of which we, Holland Casino, are proud. With the professional way in which our hospitable and well-trained employees put it into practice every day, we are setting high standards both nationally and internationally. The Netherlands Gaming Authority’s prudent approach ensures that we will keep a constant check on the high-quality implementation of this policy.’
Visit to AGOG

On 11 March 2016, at the invitation of Gamblers Anonymous in the Netherlands (AGOG), the Netherlands Gaming Authority attended an event involving anonymous gamblers and people close to them. The Netherlands Gaming Authority found this a valuable meeting. It is important to hear from gamblers themselves what it means to have a gambling problem, how their addiction to gambling came about and in what specific areas they have problems. A striking discovery was that they did not necessarily need to have substantial debts to feel that they had a gambling problem.

AGOG board of directors

‘The trouble with gambling addiction is that playing gradually changes into compulsive playing behaviour. At that point, taking responsibility for your own actions is no longer an option. Others will then have to be able to intervene. This is why regulations and statutory protection are urgently needed.’

Jolijn Fanoy, senior addiction prevention adviser, on the AGOG event:

‘It was a thought-provoking meeting because the term ‘gambling addiction’ really came to life, and the stories behind it are no longer faceless.’

With addiction prevention, the Netherlands Gaming Authority seeks:
• Jointly with other stakeholders, to maintain or reduce the relatively low percentage of gambling addicts;
• To identify individual players at risk and gambling addicts in good time and, where necessary, show them where to find help;
• To encourage gambling operators, players and other societal stakeholders to take their own responsibility.
Innovating together
Developments: Transparent procedures in an open gaming industry

People wishing to have a gamble must be able to do so in a safe and reliable environment. This is why the Netherlands Gaming Authority grants licences to gambling operators and supervises those licensees. This way, it can protect consumers, thwart crime and create an attractive gaming industry for players and respectable operators.

A number of changes in the law and new licensing procedures which had already been announced were implemented in 2016. These changes apply to lotteries, among others. Casinos also face privatisation and a partial opening of the market. And then there is the Draft Bill on Remote Gambling, which has yet to be adopted by the Senate. As soon as this law enters into force, the Netherlands Gaming Authority will be able to start regulating the online gaming industry.

Lotteries, competitions and instant lotteries: new licences, new procedures

In 2016, far-reaching changes were implemented for the lottery industry. For charity lotteries, lotto games, instant lotteries, sports betting and parimutuel betting for horse racing, the licence expired on 31 December 2016. The granting of new licences for charity lotteries and parimutuel betting now finds itself in a different framework.
‘2016 was a year of change for lotteries and charitable organisations. The Government has redesigned the policy rules for Section-3 lotteries. For the first time, there are provisions stating explicitly that licences must be used on a non-profit basis. This means pure gain for charities. In addition to the three traditional objectives of the gaming policy - consumer protection, combating addiction and preventing fraud and illegal practices - we also welcome an equally important fourth pillar, which concerns revenue for society. A strict but fair and equal licence-granting process operated by the Netherlands Gaming Authority is a prerequisite if that revenue is to be guaranteed after 2016 as well.’
The market is open to charity lotteries

The charity lottery market was opened up to new tendering parties in 2016. Licences are granted in a transparent procedure where the candidate must comply with a number of stringent conditions. The reason for the opening of the market is the court ruling of 12 May 2016 in the Lottovate case, with which the restriction on the number of tendering parties was ended on the basis of Section 3 (charity lotteries). Owing to the restriction on the number of tendering parties being lifted, the State Secretary of Security and Justice laid down new Policy Rules on the granting of Section-3 lottery licences on a recurrent basis on 12 July 2016. Together with the rules under the Betting and Gaming Act and the Betting and Gaming Decree, these policy rules form the framework for the licence-granting process. An application form and a model licence have been drawn up on the basis of this framework. On 2 August, after stakeholders had been consulted on the application form and the draft model licence, the new procedure was launched. A licence had been granted to five parties by the end of 2016. They are the Nationale Postcode Loterij nv (NPL), VriendenLoterij nv (VL), BankGiro Loterij nv (BGL), Lottovate Nederland bv and Stichting Samenwerkende Non-profit Loterijen (SNL). The Nationale Stichting Grote Clubactie, Vereniging Scouting Nederland, Nationale Vereniging De Zonnebloem and the Stichting Nationale Jeugd Fonds Jantje Beton belong to the SNL. Several applications are still being dealt with.

Licence for Lotto

The licences for organising lotto games, instant lotteries and sports betting have always been in the hands of Lotto bv since the introduction of the law. Under the law, licences for the provision of lotto games, sports betting and instant lotteries may be granted to only a single legal entity. The Board of Directors of the Netherlands Gaming Authority has decided to grant the various licences to Lotto bv again because it comes under the direct management of the State, since Lotto has now merged with the State Lottery.

New procedure for parimutuel betting

The licence for organising parimutuel betting for horse racing and harness racing was granted privately up to and including 2016. As from 29 November 2016, that licence is also being granted through a transparent procedure. The new procedure is the result of a judicial ruling and will have consequences for the granting of licences as from 1 January 2017. The court ruled that, under European regulations, the parimutuel betting licence could no longer be granted privately. The new transparent procedure was announced on 15 November and began on 29 November. Anyone wishing to bid for a licence must have submitted an application before 30 December 2016. The Netherlands Gaming Authority is scrutinising the applications and anticipates actually granting the licence in the first half of 2017.
Draft Bill on Remote Gambling

The Netherlands Gaming Authority continued the preparations for the implementation of the Remote Gambling Act (KOA), which is yet to be adopted by the Senate. Only when the Act enters into force will the Netherlands Gaming Authority be able to start granting licences to online providers of games of chance, under strict conditions.

The draft bill offers the Netherlands Gaming Authority significant powers to enforce laws and rules for games of chance. These powers are urgently needed to protect players or games of chance consumers. Not just for online games of chance, but for all games of chance supervised by the Netherlands Gaming Authority. For instance, under the new Act, the Netherlands Gaming Authority will be given the power to deploy mystery guests, to place a dwelling under seal, to enter a dwelling and to seize items.

Legislative procedure

The Remote Gambling Act was approved by the House of Representatives on 7 July 2016. This milestone means that we are slightly closer to regulating the online gaming industry. To prepare for the debating of the Act, the Senate put some written questions to the State Secretary in October. The bill is yet to be the subject of a plenary debate in the Senate.

Contact with the industry

In April 2016 and October 2016, the Netherlands Gaming Authority
sent newsletters to parties interested in a licence to provide remote gambling services. By means of the newsletter, the Netherlands Gaming Authority keeps interested parties up-to-date with the preparations it is making with a view to the imminent entry into force of the Act.

In the October newsletter, the Netherlands Gaming Authority asked those parties to provide it with information concerning their practical experience of ‘near real time reporting’. The Netherlands Gaming Authority uses their information to prepare properly for the process of granting licences for online games of chance and for organising the supervision thereof.

Modernising the Gaming Machines Decree

The Ministry of Security and Justice has indicated that it will start modernising slot machine regulations in due course. In January 2016, at the request of the Ministry, the Netherlands Gaming Authority delivered its opinion on the eight proposals from the Price Waterhouse Coopers (PWC) ‘Results of the study concerning the modernisation of the Gaming Machines Decree’ report. In its opinion, the Netherlands Gaming Authority concludes, among other things, that the present regulations for slot machines are inadequate as far as addiction prevention is concerned. The regulations could even be counterproductive, since the complexity of the game might in fact encourage people to keep playing for longer on the slot machine. In its opinion, the Netherlands Gaming Authority indicated the basic principles which should apply to the modernisation of slot machine regulations:

- Staff should help to prevent addiction;
- Scope should be given to the slot machine industry for innovation within the present regulations, in exchange for a more active implementation of the duty of care;
- Regulations should be simplified;
- The operator should be given a wider role;
- Cooperation with the municipal authorities should be stepped up.

The Netherlands Gaming Authority applies these basic principles when supervising slot machines within the present regulations.

Casinos and the law on casinos

State shareholding Holland Casino is still the only legal provider of casino games in the Netherlands. The government is planning to privatise Holland Casino and partly open up the casino market. This will require a change in legislation.

In May 2016, the legislative proposal providing for the opening of the casino market was submitted to the House of Representatives. The Netherlands Gaming Authority was closely involved in it. The intention is that Holland Casino, as it currently stands (consisting of fourteen branches), should be split up and sold by the State. Ten branches will be sold under the name Holland Casino.

4 On 31 January 2017, the House of Representatives agreed to the legislative proposal, which will govern the new organisation of the market and make privatisation possible.
Four branches will be sold separately. In addition, two licences are being granted for new branches.

The Netherlands Gaming Authority will retain its licence-granting and supervisory role under the new regime. It is involved in the preparation of more detailed regulations to enable the practicability of the proposed policy to be tested.
Legal proceedings

Compared with previous years, the Netherlands Gaming Authority conducted very few legal proceedings in 2016. It ruled on 80 objections in 2016. Of these, 31 cases were dealt with after being taken to appeal.

Of those cases, 24 concerned decisions of the Netherlands Gaming Authority not to grant licences to newcomers for the organisation of charity lotteries, instant lotteries and sports betting/De Lotto, or proceedings against licences granted to existing market players. In the course of those licensing proceedings, the Netherlands Gaming Authority had to base its decisions on the Policy Rules on Applications for licences under the Betting and Gaming Act of 13 October 2014 issued by the State Secretary of Security and Justice. A total of 35 legal proceedings were initiated against decisions taken on the basis of those Policy Rules. In 19 of those proceedings, the court ruled that the refusal to grant a licence or the granting of a licence was unlawful; 16 proceedings are still ongoing.

In the other appeal proceedings (the majority being related to sanction decisions), the Netherlands Gaming Authority won the case, like in previous years.

<table>
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<th>Legal proceedings</th>
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<td>Decision on objection under the Government Information (Public Access) Act (WOB)</td>
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<tr>
<td>Decision on an objection under the WBP</td>
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<td>0</td>
<td>1</td>
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<tr>
<td>Complaints related to the AWB dealt with</td>
<td>2</td>
<td>7</td>
<td>1</td>
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WBP: Personal Data Protection Act; AWB: General Administrative Law Act
Cooperation: working together towards a trustworthy gaming market

Like a spider in a web, the Netherlands Gaming Authority enjoys fruitful cooperation with other parties in the Netherlands and beyond. This enables it to increase its knowledge, share information and improve its supervision. With its national and international partners, it can take joint action against illegal forms of gambling and improve the trustworthiness of the gaming market.

NATIONAL: TAKING JOINT ENFORCEMENT ACTION IN THE NETHERLANDS

With other regulators, the Tax and Customs Administration, police, the Public Prosecution Service, municipal authorities, ministries and payment service providers, the Netherlands Gaming Authority is stepping up action to combat illegal gambling. The Netherlands Gaming Authority is working with organisations in the healthcare sector and player or consumer organisations in the area of addiction prevention.

Sharing knowledge with other industry regulators

The Netherlands Gaming Authority is affiliated with the Market Regulation Council. As part of this consultative process, the Dutch market regulators are working together to ensure better and more efficient supervision. The Market Regulation Council organised two events in 2016. The role of social media, among other things, was dealt with at the first event, which had to do with ‘Supervision and communication’. The subject-matter of the second event was the
'Impact of innovation on markets and supervision'. Technology and internet technology are playing an ever greater role. For this reason, the regulators discussed the impact of those technological innovations on their area of work and the ways in which they can make use of such innovations.

The market regulators are also continuing to share with each other their knowledge concerning the use of open source intelligence. They also plan to cooperate further in the area of the training and development of employees.

Sascha de Wied, municipality of Amsterdam

‘The municipality of Amsterdam is cooperating with the Netherlands Gaming Authority in the investigation into the illegal provision of games of chance, and we appreciate being able to make use of its reports. When we discover that illegal gambling offerings are being provided, the mayor can decide to use his powers to close those locations.’

The municipality of Amsterdam closed down seven businesses for illegal gambling in 2016, five on the basis of information received from the Netherlands Gaming Authority and two on the basis of information obtained through digital forensics.
AT INTERNATIONAL LEVEL: CROSS-BORDER SUPERVISION IS ESSENTIAL

The gaming industry is changing fast. Not only within our jurisdiction but beyond it too. This means the Netherlands Gaming Authority’s supervision activities do not stop at national borders. As soon as those international trends affect the interests of Dutch consumers of games of chance, cause gambling addiction, foster gambling-related fraud or criminal or illegal practices, it is time for the Netherlands Gaming Authority to take action.

However, the Netherlands Gaming Authority’s powers do stop at national borders. That is why it is often only possible to take action with the assistance of foreign fellow regulators of games of chance, or - if there is none - with the assistance of other authorities.

Within an international gaming industry, the granting of licences, supervision and enforcement should also be organised at international level. ‘Supervision across borders’ is therefore not only desirable, but essential, if we are to continue to be able to carry out effective supervision within an international gaming industry. The Netherlands Gaming Authority is therefore cooperating as actively as possible at international level with one or more parties, in order to exchange information, share knowledge, agree technical standards, discuss penalties and combat the illegal gaming market.

In 2016, that cooperation was aimed primarily at combating match-fixing, addiction prevention and responsible gaming, collecting international fines, combating the illegal gaming market and knowledge-sharing.

**Combating match-fixing**

When the Remote Gambling Act was debated on 7 April 2016, an amendment calling for the institution of a Sports Betting Intelligence Unit within the Netherlands Gaming Authority was accepted. To prepare for this, the Netherlands Gaming Authority invested in the international exchange and development of practical knowledge and skills in 2016.

Furthermore, the Netherlands Gaming Authority committed itself in 2016 to the Council of Europe’s Keep Crime Out of Sports programme. Within that programme, it took part in events held by the network of national sports betting regulators, study visits and regional seminars. On 20 and 21 July 2016, the Netherlands Gaming Authority organised one of those seminars (Keep Crime Out of Sport – Recognising the problem, creating the trust) in The Hague.

The Netherlands Gaming Authority also took part in and contributed to the ‘Developing European initiatives to fight match-fixing’ event on 17 and 18 February 2016, which had been organised by the European Commission.
Exploratory talks were also held in 2016 to find out whether the Netherlands Gaming Authority could join an international platform of the International Olympic Committee (IOC) to exchange information. This will probably result in the signing of a Memorandum of Understanding (MoU) between the IOC and the Netherlands Gaming Authority, which will give it access to the Integrity Betting Intelligence System (IBIS).

Addiction prevention and responsible gaming
The Netherlands Gaming Authority is keen to perform its statutory duty of ‘helping to prevent and limit gambling addiction’ properly, hence the importance of acquiring, developing and exchanging knowledge with international fellow regulators. With this in mind, it played an active part in the event held in 2016 by the Responsible Gambling Working Group of the GREF (Gaming Regulators European Forum). In this working group, the regulators of various countries share experiences and knowledge connected with promoting responsible gaming.

From 13 to 16 September, the Netherlands Gaming Authority took part in the European Conference on Gambling Studies and Policy Issues – Development of the invisible and unknown: Research, Responsibilities and Regulation. The organiser of this biennial conference for scientists, policy makers, practitioners and providers is the European Association for the Study of Gambling (EASG). The conference provided an insight into the latest scientific opinions, for example, on measures for responsible gaming and the impact of the legalisa-

‘Gambling is truly a global industry and it is my experience that regulators around the world share a wish to face this challenge in a coordinated and cooperative way. Consequently, I believe strongly in the strength and value of multilateral forums, such as GREF and IAGR.’
tion of online gambling on the scale of gambling addiction. On 26 November 2016, the Netherlands Gaming Authority took part in the ‘Regulation and addiction: strategies, challenges, views’ workshop. The French regulator ARJEL organised that workshop.

In addition, on 7 and 8 December 2016 the Netherlands Gaming Authority took part in the Harm Minimisation Conference of the British Responsible Gambling Trust. The conference provided a clear picture of the present state of affairs and the direction in which the study into the problems of games of chance appears to be developing.

**Collecting international fines**
When the Netherlands Gaming Authority imposes administrative fines on operators which are established in another jurisdiction, it is unable to collect those fines. This mostly concerns operators of games of chance which have no licence in the Netherlands and are therefore in contravention of the Betting and Gaming Act. The Netherlands Gaming Authority asked for attention to be given to this problem within various international forums in 2016, including the European Commission’s Expert Group on Gambling Services. Improved cooperation between regulators or other enforcement agencies is therefore necessary. Various solutions have been discussed.

**Cooperation within the Kingdom**
There is a special form of international cooperation between the four constituent countries of the Kingdom of the Netherlands: the Netherlands, Aruba, Curaçao and St. Maarten.

That cooperation was stepped up as from 2015 because it had become clear that the differences between the countries in terms of gaming laws and regulatory activities was creating undesirable situations, such as the illegal provision of games of chance in the Netherlands.

It would therefore be advisable to make the gaming laws and related regulatory activities more uniform, with due regard, of course, for the autonomous powers of the four countries. The options available in this area are still being examined. In anticipation of this, the Netherlands Gaming Authority and its partners within the Kingdom shared knowledge and expertise and exchanged information in 2016.

Although the islands of Bonaire, St. Eustatius and Saba (the “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: The Netherlands Gaming Authority’s powers are restricted by the legislator to the European part of the Netherlands.

**Combating the illegal gaming market**
The international exchange of knowledge and cooperation between regulators in relation to the illegal gaming market is necessary if we are to continue to supervise the Dutch gaming industry effectively. Making sound and workable arrangements regarding the exchange of information is a point requiring constant attention when agreements, or cooperation agreements, are entered into with foreign regulators.
On 6 June 2016, the Netherlands Gaming Authority took part in a workshop concerning the illegal gaming market, organised by the French regulator ARJEL. Legal proceedings and ISP and website blocking were discussed in comparative sessions and presentations concerning illegal gaming. The Netherlands Gaming Authority gave a presentation on the agreement with financial service providers which it concluded in 2015 in order to combat the illegal gaming market.

The Netherlands Gaming Authority also sought information from the Australian Ministry of Social Affairs, which published the ‘Review of Illegal Offshore Wagering’ research report on 28 April 2016. The report

Harrie Temmink, European Commission

‘The European Commission is strongly committed to improving cooperation between national regulators in the area of online gambling. Ultimately, all Member States are endeavouring to protect the consumer, players, minors and public order, which is why the Commission offers a platform by bringing the EEA regulators together four times a year to exchange experiences. In this context, it has also facilitated a Memorandum of Understanding between the regulators which is intended to ensure increased trust.’
In November 2016, a member of the Netherlands Gaming Authority spent one week as a guest of the UK Gambling Commission (UKGC) in Birmingham. The purpose of the visit was to learn from British experiences with the opening of the online gambling market. The Netherlands Gaming Authority also found out how the UKGC assesses licence applications for online gambling, which sources are consulted in the process and how criminal offences and offences liable to a fine are weighed. The Netherlands Gaming Authority and the UKGC exchanged best practices during the visit. The British organisation also shared its experiences with the challenges pertaining to advertising and risk-based supervision. Important contacts were made during the visit: fertile ground for future cooperation. One of those forms of cooperation is the exchange of information for the benefit of an integrity assessment.

Sharing knowledge
To acquire, develop and exchange knowledge concerning gaming markets and gambling operators, the Netherlands Gaming Authority has undertaken to play a leading role in the statistical working groups of GREF (Gaming Regulators European Forum) and IAGR (International Association of Gambling Regulators). Marja Appelman, Chief Executive of the Netherlands Gaming Authority was elected vice-chair of GREF in May 2016.

On 8 November, members of the Board of Directors visited the Landesconferenz zum Glückspielwesen [State Conference on Games of Chance] in Düsseldorf. This conference was about developments in German legislation on games of chance.

The Netherlands Gaming Authority had an agreement with the UK Gambling Commission (UKGC) in 2016 on gathering knowledge concerning the granting of licences for online gambling. As part of that agreement, a relevant member of the Netherlands Gaming Authority was given a work placement with the UKGC from 21 to 25 November 2016. [see box]
In-house expertise

Anyone involved in the gaming industry will have all manner of aspects to deal with which go beyond legislation and regulations alone. This is why the Netherlands Gaming Authority employs specialists in all kinds of areas, from lawyers and ICT specialists to gaming theoreticians and economists. The level of knowledge is high. The regulator wishes to maintain that level and increase its expertise. It is also acquiring knowledge in new areas, such as internet technology, gambling apps and gaming.

The Netherlands Gaming Authority has an external Advisory Council made up of experienced and independent experts. The regulator also collaborates with research partners and organises events at which all employees of the organisation can acquire greater knowledge. The Netherlands Gaming Authority attends conferences at which it regularly gives presentations, goes on working visits to or completes work placements with foreign regulators and has research conducted by external firms. It encourages new ideas in its policy area by awarding the Netherlands Gaming Authority thesis prize, the first of which was awarded in 2016.
Advisory Council

The Netherlands Gaming Agency has set up an Advisory Council so that it can also present topics to external and independent experts. The Council provides the Board of Directors with solicited and unsolicited advice on developments which might have an impact on the functioning of the organisation. For instance, the Advisory Council scrutinises the Netherlands Gaming Authority’s budget and work plan. The Advisory Council met three times in 2016. Topics discussed at those meetings included the Netherlands Gaming Authority’s new supervision strategy, developments in the market for charity lotteries, the relationship with the Ministry of Security and Justice, including the control exercised, the new addiction prevention strategy and the Draft Bill on Remote Gambling.

In 2016, the Advisory Council was made up of:

- Arthur Docters van Leeuwen
  (chair and former chair of the board of the Netherlands Authority for the Financial Markets)
  Area of expertise: supervision

- Pieter Winsemius
  (ex-politician and former chair of the Board of Supervisory Directors of Charity Lotteries)
  Area of expertise: matters pertaining to gambling

- Theo Schuyt
  (professor of Philanthropic Studies at VU University Amsterdam)
  Area of expertise: social purposes/charities

- Han Moraal
  (former procurator general and national chief advocate general, representing the Netherlands within Eurojust)
  Area of expertise: legal/investigation

- Dike van de Mheen
  (professor of Transformations in the Care Sector at Tilburg University, professor of Addiction Research at the Erasmus University Medical Centre, Rotterdam; professor of Care and Prevention of Risk Behaviour and Addiction, University of Maastricht)
  Area of expertise: gambling addiction prevention
**In-house 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. Employees of the Netherlands Gaming Authority as well as external parties provided input. One of those giving a lecture was Fatima Moreira de Melo, ex-professional hockey player and now a professional poker player. In her lecture on 20 October 2016, she spoke about her experiences as a gambler, the relationship between sport and gambling, match-fixing, international developments, gambling addiction and its prevention, gambling in the future (KOA) and experiences of dealings with (foreign) regulators.

One special guest in 2016 was Sally Gainsbury from Australia, who gave a speech entitled ‘Assessing the impact of interactive gamblings and new technologies: Considerations for harm minimisation policies’ on 27 June 2016 at the Netherlands Gaming Authority for stakeholders from the sector. Sally Gainsbury dealt with existing literature on:

- The relationship between remote gambling and gambling addiction;
- The increasing convergence between social gaming and paid games of chance; and
- The various ways in which the government and operators can reduce the negative impact of problematic player behaviour.

Sally Gainsbury is a psychologist and a senior lecturer at the University of Sydney. Her presentation was also published on the Netherlands Gaming Authority’s website.

**Lectures outside the Authority’s premises**

The Netherlands Gaming Authority also provided lectures outside its own premises. During the Market Regulation Council meeting, the Netherlands Gaming Authority held a lecture on the effectiveness of the thematic action in respect of gambling apps and a knowledge session concerning signal management. It gave a presentation on gaming taxes during the GREF meeting in Malta.

**Conferences and working visits**

Employees of the Netherlands Gaming Authority attended various conferences of a scientific nature or covering the technical aspects of gaming in, among other places, London, Las Vegas, Tilburg, Amsterdam and Lisbon. A speech on its own internal market research concerning the relationship between gaming tax on games of chance and channelling towards legal online gambling was given at the biennial conference of the European Association for the Study of Gambling (EASG).

**Gaming or gambling?**

The Netherlands Gaming Authority asked the research agency SuperData Research to conduct a study in respect of the connection between social gaming and paid online gambling. The study, which started in October 2016, clarified the characteristics of the producers and consumers of social (casino) games and the connection between social gaming and paid games of chance.
The results show that the dividing line between social gaming and participation in paid games of chance (gambling) is becoming more and more blurred. The fact is that specific forms of social gaming are increasingly displaying the characteristic features of games of chance. The same development is taking place in the reverse direction. It is often not clear to consumers at which point social games stop being social games and become games of chance. Providers of social games and paid games of chance also turn out to be closely connected: four of the ten major social casinos are owned by gambling companies.

Players of social games - it is estimated that more than 4.1 million Dutch people play them - form a cross-section of the population, with highly-educated young men being slightly over-represented. At some point, half of the young people (13-24 years) in the Netherlands will make the transition from social gaming to paid gambling. The reverse is also true. The games known as social casino games come closest to online gambling. The report also explains digital collectible card games, fantasy sports, amateur e-sports and competing for virtual items (such as skin gambling).

This study is consistent with the Netherlands Gaming Authority’s strategy of also keeping a close eye on the periphery of the area it supervises. The fact that is social gaming is not covered by Dutch gambling legislation. The Netherlands Gaming Authority is continuing to supervise developments and is doing so in close collaboration with fellow regulators in other European countries. If such is warranted, the Netherlands Gaming Authority will be able to conduct a further study, or arrange for a further study to be conducted, in respect of the nature and scale of risks faced by Dutch consumers and specific groups of vulnerable players. The findings of the study report may have consequences in various areas for the granting of licences and supervision of licensed gambling operators, affecting current offline operators as well as future online operators. The Netherlands Gaming Authority will work out the precise details of the additional rules to be applied when granting licences and supervision in due course.

Research and Documentation Centre follow-up research
The study conducted by the Research and Documentation Centre (WODC) of the Ministry of Security and Justice produced results which require further research, which is why the IVO research agency began secondary analyses of data made available by the WODC in 2016. In its analyses, the IVO looks at addiction risks of vulnerable groups and illegal offerings, and at the gambling behaviour and addiction risks among (non-Western) immigrants. The results are expected in the first half of 2017.

Thesis prize
In 2015, the Netherlands Gaming Authority introduced its annual thesis competition for students in higher education. By awarding the thesis prize, the Netherlands Gaming Authority aims to

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5 Modernisering kansspelbeleid, Intraval, 2016
encourage new ideas in relation to its policy area. The 2015 thesis prizes were awarded to Charlie van der Star (Faculty of Law at the University of Amsterdam) for her Master’s thesis on ‘Consumer protection in online gambling’ and to Jeroen Schep (Sports Economics Research Centre at the HAN University of Applied Sciences) for his Bachelor’s thesis entitled ‘Where are the opportunities for the sports sector in the Netherlands?’, A study showing how gaming policy influences the economic impact of sport in the Netherlands’.

Research partners
In 2015, the Netherlands Gaming Authority formed a partnership with four research partners in order to further develop its knowledge and expertise.
• Saskia Lavrijssen, a professor from Tilburg at the Tilburg Law and Economics Center, who specialises in the regulation and governance of network sectors;
• Joost Poort, a university senior lecturer at the University of Amsterdam’s Institute for Information Law, who specialises in market regulation matters, copyright and telecommunications;
• Karin van Wingerde, a university lecturer in the Criminology department at Erasmus University Rotterdam, who specialises in the governance, regulation and compliance of companies;
• Dick de Bruin, a researcher at the CVO agency in Utrecht, who specialises in gambling addiction and addiction prevention.

The four external experts provided the organisation with support in 2016 on topics such as addiction prevention, the legal and economic aspects of regulation and enforcement and crime, and supervision of compliance. They also contributed to the internal supervision of training courses.

Dick de Bruin, research partner:
‘Good preventive policy also pays off for gambling operators. Amusement arcades and casinos which operate such a policy will have a good image and are therefore attractive to employees and customers. Players feel safer here.’
Facts and figures
In 2016, the Netherlands Gaming Authority laid down its strategy for the years 2016 - 2020. At the heart of its strategy is its desire to guide the gaming industry towards a new responsible balance. The Netherlands Gaming Authority is aiming to achieve this by moving towards a higher channelling level, without tampering with established standards. Only when consumers play with licensed operators can the Netherlands Gaming Authority protect them effectively and counter any remaining illegal and criminal practices. This requires targeted supervision of risks and problems and enforcement action (risk-based supervision).

The strategy is based on six objectives:

• Online operators will opt to apply for a licence.
• The Netherlands Gaming Authority will counter any remaining illegal and criminal practices.
• Licensees will take personal responsibility.
• Participants will play in a responsible manner and gambling addiction will remain at a relatively low level.
• Participants will play with legal operators.
• Participants will be placed in a position where they can take personal responsibility.

The first three objectives are aimed at operators, and the latter three at consumers. All six objectives determine a large part of the Netherlands Gaming Authority’s activities.
Restructuring of the Netherlands Gaming Authority
The Netherlands Gaming Authority adjusted its internal organisation in the first half of 2016. The restructuring was the culmination of a process in which the Netherlands Gaming Authority formulated a new vision, core values and strategy with a view to future developments. Points requiring improvement which came to light as a result of the survey in respect of employee satisfaction were also addressed. Those points requiring improvement were largely in line with the objectives the restructuring sought to achieve. People from all departments of the Netherlands Gaming Authority were involved in this process. The restructuring centred on two objectives:

- A future-proof set of tasks for each department with a clear and logical connection between the responsibilities and powers;
- Reduced scope (span of control) for the departments engaged in core activities (core business departments), to enable them to give the necessary attention to the complex files and to ensure there is scope to accommodate growth.

The existing positions have been redistributed among five departments. There was no shrinkage, but rather an expansion to include a management position. Information management and risk-based supervision are key areas and have been given scope for additional staffing. Much attention will be paid to constructive cooperation within and between teams to ensure the success of the new strategy. The training policy for 2016 - 2018 has also been tailored to the strategy. This not only means that the Netherlands Gaming Authority has sufficient employees in house, but also that it has maintained the level of knowledge it needs to achieve the objectives it has set itself in the years ahead.

New ICT environment
In 2016, the Netherlands Gaming Authority made important improvements to its ICT environment. Not only the regulator’s employees, but also external parties are benefiting from these improvements.

Information system for slot machines
The provision of information concerning slot machines was improved substantially and made more efficient in 2016. Thanks to a newly developed functionality, it is now possible to enter the monitoring results for large numbers of slot machines into the information system automatically. All monitoring results and the history of each machine are recorded in the system. All the...
data required can be retrieved for each slot machine separately. Such data include, for example, details of the present and previous installation locations of a slot machine and information showing whether the machine concerned does or does not meet the prescribed technical requirements. This enables inspectors of slot machines to carry out their work more effectively.

**Secure Cloud environment**
A secure Cloud environment was put into use in December 2016. This segregated online environment allows documents to be exchanged securely between third parties and the Netherlands Gaming Authority. For instance, the Netherlands Gaming Authority and applicants for a parimutuel betting licence communicate through the secure Cloud environment. Parties can download and upload documents without running the risk of unauthorised third parties being able to inspect them.

**New architecture**
The most important change involved new architecture for the technical environment, most of which is hosted by the hosting party. Technical changes made by the hosting party and the wishes and requirements of the Netherlands Gaming Authority necessitated this change. One of these wishes was to be able, where possible, to use the latest technology and software. The ICT department is now able to manage the system more effectively as well. Employees of the Netherlands Gaming Authority have had to learn how to operate within the new ICT environment. The ICT department therefore devoted much attention to the preparation and briefing of its colleagues.

Following a comprehensive test period, the transition to the new environment took place flawlessly in the summer of 2016. The employees were enthusiastic about the improvements.

**Personnel files available in digital form**
All information in personnel files will henceforth be available in digital form as well. The Netherlands Gaming Authority is using the Exact Synergy Enterprise information system for this. Needless to say, only a limited number of employees is authorised to inspect a personnel file. This will usually be the employee himself or herself, his or her manager and the authorised HR employees.

**Working digitally**
The first steps towards a fully digitised working environment were taken in 2016. The Netherlands Gaming Authority has acquired new scanning equipment and invested in new, advanced scanning software. That software enables documents to be viewed through Optical Character Recognition (OCR) and recorded automatically. As a result, work can be performed more efficiently whilst the chance of errors in the document recording process is reduced. With the aid of this software, purchase invoices were fully digitised by the end of 2016. The process of scanning and recording documents and starting a work flow is now almost fully automated.
The ICT department’s aim is to digitise all administrative processes in a similar manner by mid-2017.

**Quality assurance in 2016**
The Netherlands Gaming Authority attaches great importance to its core value of professionalism and, consequently, to quality assurance. It is therefore open to all suggestions for improvement, involving the gaming industry where necessary. The Netherlands Gaming Authority has achieved varying results in the area of quality assurance.

**Employee satisfaction**
The results of an employee satisfaction survey conducted in 2015 showed that the Netherlands Gaming Authority receives high marks for motivation, involvement and organisational objectives. Issues such as efficiency, clarity and management required improvement and the Netherlands Gaming Authority undertook to bring this about. Another employee satisfaction survey will be conducted in early 2017 to measure the results of the steps taken in 2016.

**Performance of the Netherlands Gaming Authority**
An independent survey conducted in 2015 into the performance of the Netherlands Gaming Authority listed a number of positive findings, but also some negative ones requiring further action. There was a demand for greater transparency and an explanation of why it does what it does. The Netherlands Gaming Authority met that demand in 2016 by publishing its long-term strategy and its strategy for addiction prevention. It also provided a more comprehensive explanation of its enforcement policy and the choices made within it. It also published guidance for advertising and introduced a transparent licensing procedure for lotteries.

**Public Line communication survey**
Every year, the Netherlands Gaming Authority measures the satisfaction of customers, organisations and other authorities requesting information about the gaming policy or filing a complaint with the regulator. Everyone who telephoned or emailed the Netherlands Gaming Authority in 2016 in that context received a digital questionnaire in the second quarter allowing them to give their opinion on the contact with the regulator by awarding marks and answering one open question. The score for the ‘general’ and ‘expertise’ parts was lower than in 2015, at 7.1 and 7.5 respectively (the scores awarded in 2015 were 8.2 and 8.3 respectively). The lower score appears to be mainly attributable to complaints about slot machines. Consumers filing a complaint about a gaming machine wrongly expect the regulator to deal with their complaint without delay and to carry out checks immediately. In principle, licensees should deal with complaints themselves. The Netherlands Gaming Authority operates a risk-based approach to supervision and carries out checks when it considers such are warranted.

**Confidential adviser**
The Netherlands Gaming Authority appointed a confidential adviser in April 2014. This advisor is available to all members of
Consultation
The Netherlands Gaming Authority operates by submitting its policies and draft policies to the parties involved or the general public for consultation. In 2016, it submitted the licensing procedure for charity lotteries, the activities plan for 2016 - 2017 (including the Netherlands Gaming Authority’s 2016 - 2020 strategy), the Wwft implementation decree in connection with the transfer of powers to the Netherlands Gaming Authority and the strategy for addiction prevention in this fashion. The Netherlands Gaming Authority also presented the 2015 market scan to stakeholders, asking them to report any factual ambiguities, inaccuracies or errors.

Processing personal data
The text of the General Data Protection Regulation (GDPR) was published on 4 May 2016. This GDPR will enter into effect on 25 May 2018. Like other organisations, the Netherlands Gaming Authority will be affected by this Regulation, which contains rules for the processing of personal data. Examples include the Central Exclusion Register, which will have to be set up with the introduction of the Remote Gambling Act. The Netherlands Gaming Authority began its preparations to deal with the future consequences of the GDPR in 2016.

In June 2016, the Netherlands Gaming Authority announced that it had destroyed any personal data wrongly received. These were judicial system data of several people who had an operating licence in the period between 2012 and 2015. After an internal investigation revealed that the Netherlands Gaming Authority had received such data for too many people, it destroyed the surplus data. The persons concerned were informed by letter.

Works Council
The works council comprises three members.
In 2016, the works council reviewed the following topics:
- Consultation of employees with regard to the restructuring;
- Advice on the restructuring;
- Preparation and implementation of a vitality plan;
- Input for Working Any Place, Any Time and on Any Device;
- Contribution of ideas towards the design of a second employee satisfaction survey;
- Risk assessment and evaluation;
- Two general course of affairs consultations with the directors (Section 24 of the Works Councils Act).
The Business Operations department does not only perform administrative tasks. It is also charged with the administration of licences.
**Male/Female**

- **2014:** 36 male, 35 female (Total: 71 people)
- **2015:** 37 male, 36 female (Total: 73 people)
- **2016:** 38 male, 37 female (Total: 75 people)

**Salary scales**

- **2014:**
  - S5-S7: 5%, S8-S10: 33%, S11-S13: 50%, S14-S16: 50%, S17-S19: 5%
- **2015:**
  - S5-S7: 4%, S8-S10: 50%, S11-S13: 50%, S14-S16: 5%, S17-S19: 5%
- **2016:**
  - S5-S7: 7%, S8-S10: 4%, S11-S13: 51%, S14-S16: 5%, S17-S19: 5%
Staffing level trends

The staffing level has remained largely the same, in accordance with the plan. In mid-2016, the management prepared for the consequences which would ensue if the Draft Bill on Remote Gambling were not debated in the House of Representatives before the summer. This meant there was a risk that political decision-making on the legislative proposal would not take place during the present government’s term of office. A postponement of political decision-making would require the Netherlands Gaming Authority to adjust its strategy, resulting in HRM implications. The management had prepared measures, such as a recruitment freeze, a freeze on permanent contracts and a revised approach to external hiring. There was no need to implement those measures because the Draft Bill on Remote Gambling was in fact debated in the House of Representatives before the summer of 2016.

The ratio of permanent appointments versus temporary appointments remains 70:30.

The male/female ratio is stable at 50:50.

In terms of age structure, we note that the natural increase in the over-50 age category is being offset by the inflow of younger members of staff.

The following table shows the distribution in percentage terms.
**Working conditions**

**Sickness absence**

<table>
<thead>
<tr>
<th>Number of sickness reports</th>
<th>people</th>
<th>days</th>
<th>Percentage of FTE off sick compared with FTE available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Throughout 2016</td>
<td>115</td>
<td>54</td>
<td>1,634</td>
</tr>
</tbody>
</table>

In total, 1,634 days of sickness absence were recorded in 2016. This brought the absence percentage to 6%. This percentage was heavily influenced by a few cases of non-work related occupational disability (accounting for 1,025 days in all).

**Working from home**

One of the findings from the employee satisfaction survey was that there was a need for a better work-life balance. A pilot involving 20% of employees gave an insight into the opportunities provided by working from home. It turned out that this option could be offered to all employees safely and responsibly and with a positive effect on results.

For this reason, the WATAPAD project was introduced more or less simultaneously with the new ICT environment. The WATAPAD acronym stands for Working Any Place, Any Time and on Any Device. The new ICT environment perfectly meets the requirements set and wishes expressed as a result of this project.

Employees are now able to use the ICT environment at home (or elsewhere) and have access to all applications. They are free to choose whether they wish to make use of this opportunity. The initial experiences are positive.

Joop Pot, member of the Netherlands Gaming Authority’s Board of Directors

“The Netherlands Gaming Authority’s ICT department is in perfect working order.”
**Finances**

The following figures for 2016 are a summary of the Netherlands Gaming Authority’s 2016 annual accounts. The annual accounts have been prepared in accordance with the Non-Departmental Public Bodies Framework Act (Zbo).

**Balance sheet as at 31 December 2016**

(After accounting for the result, in thousands of euros)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Intangible fixed assets</td>
<td>3,314</td>
<td>2,760</td>
</tr>
<tr>
<td>2. Tangible fixed assets</td>
<td>132</td>
<td>189</td>
</tr>
<tr>
<td>3. Current assets</td>
<td>6,219</td>
<td>6,773</td>
</tr>
<tr>
<td>a. Inventory of approval stickers</td>
<td>36</td>
<td>49</td>
</tr>
<tr>
<td>b. Accounts receivable</td>
<td>68</td>
<td>202</td>
</tr>
<tr>
<td>c. Receivables, prepayments and accrued income</td>
<td>397</td>
<td>182</td>
</tr>
<tr>
<td>d. Imposed fines</td>
<td>406</td>
<td>706</td>
</tr>
<tr>
<td>e. Cash and cash equivalents</td>
<td>5,312</td>
<td>5,634</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>9,665</strong></td>
<td><strong>9,722</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Equity</td>
<td>3,726</td>
<td>3,309</td>
</tr>
<tr>
<td>a. Earmarked reserve, Ministry of Security and Justice</td>
<td>493</td>
<td>493</td>
</tr>
<tr>
<td>b. Equalisation reserve</td>
<td>–81</td>
<td>56</td>
</tr>
<tr>
<td>c. Statutory reserve</td>
<td>3,314</td>
<td>2,760</td>
</tr>
<tr>
<td>5. Provisions</td>
<td>717</td>
<td>708</td>
</tr>
<tr>
<td>6. Long-term debt or equivalent</td>
<td>3,330</td>
<td>3,700</td>
</tr>
<tr>
<td>a. &lt; 1 year</td>
<td>370</td>
<td>370</td>
</tr>
<tr>
<td>b. &gt; 1 year</td>
<td>2,960</td>
<td>3,330</td>
</tr>
<tr>
<td>7. Current liabilities</td>
<td>1,892</td>
<td>2,005</td>
</tr>
<tr>
<td>a. Accounts payable</td>
<td>174</td>
<td>3</td>
</tr>
<tr>
<td>b. Short-term debts</td>
<td>1</td>
<td>299</td>
</tr>
<tr>
<td>c. Imposed fines</td>
<td>980</td>
<td>1,250</td>
</tr>
<tr>
<td>d. Accrued liabilities</td>
<td>737</td>
<td>453</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>9,665</strong></td>
<td><strong>9,722</strong></td>
</tr>
</tbody>
</table>
Statement of income and expenditure  
(amounts x €1,000)

<table>
<thead>
<tr>
<th>Income</th>
<th>Actual 2016</th>
<th>Budget 2016</th>
<th>Actual 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gaming levies</td>
<td>7,316</td>
<td>6,750</td>
<td>7,005</td>
</tr>
<tr>
<td>2. Levies and fees</td>
<td>1,228</td>
<td>1,100</td>
<td>1,135</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>8,544</strong></td>
<td><strong>7,850</strong></td>
<td><strong>8,140</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Actual 2016</th>
<th>Budget 2016</th>
<th>Actual 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Staff</td>
<td>5,791</td>
<td>5,415</td>
<td>5,272</td>
</tr>
<tr>
<td>4. Hiring staff</td>
<td>736</td>
<td>1,874</td>
<td>1,505</td>
</tr>
<tr>
<td>5. Housing</td>
<td>1,051</td>
<td>1,068</td>
<td>608</td>
</tr>
<tr>
<td>6. Organisation</td>
<td>561</td>
<td>549</td>
<td>655</td>
</tr>
<tr>
<td>7. Automatisering</td>
<td>401</td>
<td>540</td>
<td>408</td>
</tr>
<tr>
<td>8. Depreciation current value/ estimated value</td>
<td>91</td>
<td>79</td>
<td>186</td>
</tr>
<tr>
<td>9. Interest</td>
<td>50</td>
<td>50</td>
<td>56</td>
</tr>
<tr>
<td>10. KOA/Central Exclusion Register</td>
<td>−554</td>
<td>−1,725</td>
<td>−907</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>8,127</strong></td>
<td><strong>7,850</strong></td>
<td><strong>7,783</strong></td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td><strong>417</strong></td>
<td>−</td>
<td><strong>357</strong></td>
</tr>
</tbody>
</table>

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

**Intangible fixed assets**

In 2016, the Netherlands Gaming Authority prepared for the opening and regulation of the online market. Expectations are that the costs incurred will be recouped within the anticipated useful life of ten years through the gaming levy on online licensees once the legislation for the online market is introduced. Amortisation is calculated using the linear method.

This mainly concerns staff costs and the costs of hiring staff. Development costs are valued at production cost, and will be decreased in the future by accumulated amortisation and impairment losses.

**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 period for hardware and software is three years.
**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 at the end of 2016 for work to be performed in preparation for remote gambling (online legislation).

**Provisions**
Deferred remuneration represents the nominal value of the estimated future obligations, for long-service anniversaries, the part-time employment system for older employees and for the early retirement of staff. A provision has also been made in connection with a dispute with a former supplier.

**Results**
The 2016 statement of income and expenditure provides an insight into the actual and budgeted result in 2016. The income statement compares the actual results with the budget set by the Board of Directors.

Income and expenditure 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.

Remuneration

<table>
<thead>
<tr>
<th>Name</th>
<th>Start date</th>
<th>Part-time %</th>
<th>Remuneration x € 1,000</th>
<th>Taxable expense allowances x € 1,000</th>
<th>Provisions for remuneration payable in the short to medium term x € 1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board of Directors</td>
<td>01 April 2012</td>
<td>67%</td>
<td>91</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Mr. J.J.H. Suyver</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of the Board of Directors</td>
<td>01 April 2012</td>
<td>33%</td>
<td>43</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Mr. H.W. Kesler</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of the Board of Directors</td>
<td>01 November 2014</td>
<td>33%</td>
<td>43</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>J.G. Pot</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Executive</td>
<td>23 September 2013</td>
<td>100%</td>
<td>104</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>M.D. Appelman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ‘provisions, remuneration payable in the short to medium term’ item in the above table relates to the pension contributions paid by the Netherlands Gaming Authority as an employer. The Netherlands Gaming Authority applied the WNT as a system of standards when drawing up the annual accounts and adhered to those standards.

Auditor (BDO)

The annual accounts provide a true and faithful representation of the size and composition of the Netherlands Gaming Authority’s assets as at 31 December 2016 and of the 2016 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 (WNT).
Annex: Market data

The following table gives an insight into the size of the gaming industry in the Netherlands in 2015. The data were taken from the 2015 Market scan for land-based games of chance.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Licensee</th>
<th>Turnover</th>
<th>Prizes¹</th>
<th>GGR²</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>691.9</td>
<td>413.4</td>
<td>278.5</td>
<td></td>
<td>103.8</td>
<td>59.3</td>
</tr>
<tr>
<td></td>
<td>Holding Nationale Goede Doelen Loterijën⁴</td>
<td>886.6⁵</td>
<td>339.1⁶</td>
<td>633.8</td>
<td>443.3</td>
<td>36.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cooperating non-profit lotteries⁷</td>
<td>25.8</td>
<td>0.6</td>
<td>25.2</td>
<td>19.2</td>
<td></td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>De Lotto⁸</td>
<td>262.5</td>
<td>191.0</td>
<td>166.7</td>
<td>60.0</td>
<td></td>
<td>13.8</td>
</tr>
<tr>
<td>Sports betting</td>
<td>De Lotto</td>
<td>95.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sportech Racing B.V.</td>
<td>22.8</td>
<td>16.8</td>
<td>6.0</td>
<td>1.6</td>
<td></td>
<td>0.3</td>
</tr>
<tr>
<td>Casinos</td>
<td>Holland Casino (table games)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>233.3⁹</td>
<td>67.7</td>
</tr>
<tr>
<td>Slot machines</td>
<td>Holland Casino (casino slot machines)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>294.2</td>
<td>85.3</td>
</tr>
<tr>
<td></td>
<td>Arcade machines¹⁰</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>730.9</td>
<td>212.0</td>
</tr>
<tr>
<td><strong>Total market</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,368.5</strong></td>
<td><strong>524.1</strong></td>
</tr>
</tbody>
</table>

1 Market value, net gaming tax
2 GGR = 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 655.0; BankGiro Loterij 125.6; VriendenLoterij 105.8
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 seizensloterij, SupportActie Loterij and Nationale Scoutingloterij
8 Includes Instantloterij
9 Exclusive of casino tips
10 Source: 2015 Market scan for land-based games of chance
### Annex: List of definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Best practice</strong></td>
<td>Best way of doing something derived from practice</td>
</tr>
<tr>
<td><strong>Cloud</strong></td>
<td>Internet environment</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>Complying with rules and regulations</td>
</tr>
<tr>
<td><strong>Gambling</strong></td>
<td>Betting, usually involving money, on a certain outcome</td>
</tr>
<tr>
<td><strong>Gaming</strong></td>
<td>The act of playing interactive games on a computer. The main risks are to be found in online games.</td>
</tr>
<tr>
<td><strong>Betting terminal</strong></td>
<td>Device (PC or laptop) with an internet connection that can be used to play games of chance. This will often involve sports betting.</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>Management, administration</td>
</tr>
<tr>
<td><strong>Enforcement</strong></td>
<td>The act of enforcing the rule of law or preventing the law being violated</td>
</tr>
<tr>
<td><strong>ISP- and website blocking</strong></td>
<td>The act of blocking websites and internet service providers (ISPs)</td>
</tr>
<tr>
<td><strong>Jurisdiction</strong></td>
<td>Legal capacity</td>
</tr>
<tr>
<td><strong>Channelling</strong></td>
<td>Standardising, placing under a standard or law</td>
</tr>
<tr>
<td><strong>Online gambling</strong></td>
<td>Games of chance which are offered through the internet by operators without a Netherlands Gaming Authority licence</td>
</tr>
<tr>
<td><strong>Remote gambling</strong></td>
<td>Online gambling (international): the providers of remote gambling.</td>
</tr>
<tr>
<td><strong>Land-based games of change</strong></td>
<td>Games of chance based in a specific country</td>
</tr>
<tr>
<td><strong>Order subject to periodic penalty payments</strong></td>
<td>Imposing an obligation on (ordering) a person to cease committing an infringement. An order subject to periodic penalty payments may be imposed if the offender fails to comply.</td>
</tr>
<tr>
<td><strong>Way of living</strong></td>
<td>A term used in, among other things, the Public Administration (Probity Screening) Act. A licence may be revoked if it is apparent that an operator’s way of life is disreputable, for example, because he or she is committing criminal offences or engaging in criminal activities.</td>
</tr>
<tr>
<td><strong>On the way to real time reporting</strong></td>
<td>A virtually immediate reporting of results</td>
</tr>
<tr>
<td><strong>Legal remedy</strong></td>
<td>A means of protesting against a judicial judgment, such as an objection or an appeal</td>
</tr>
<tr>
<td><strong>Sanction</strong></td>
<td>A punitive measure, such as a fine</td>
</tr>
<tr>
<td><strong>Sanction case</strong></td>
<td>A case where a punitive measure (sanction) is imposed</td>
</tr>
<tr>
<td><strong>Social gaming</strong></td>
<td>Communicating with other players whilst playing an (online) computer game</td>
</tr>
<tr>
<td><strong>Parimutuel betting</strong></td>
<td>Betting on the outcomes of horse races and harness racing</td>
</tr>
<tr>
<td><strong>Wet Bibob</strong></td>
<td>Public Administration (Public Screening) Act</td>
</tr>
</tbody>
</table>
Board of Directors and Chief Executive of the Netherlands Gaming Authority.
From left to right:
Henk Kesler,
Member of the Board of Directors of the Netherlands Gaming Authority
Jan Suyver,
Chairman of the Board of Directors of the Netherlands Gaming Authority
Joop Pot,
Member of the Board of Directors of the Netherlands Gaming Authority
Marja Appelman,
Chief executive of the Netherlands Gaming Authority
Statutory requirements
Under the Non-Departmental Public Bodies Framework Act, annual reports must meet statutory requirements. Those requirements relate to:
1. The performance of 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 coming into contact with the NDPB;
7. The proper handling of objections and complaints received;
8. The measures adopted to allow people and institutions coming into contact with the NDPB to make proposals for improving methods and procedures.