



*The Netherlands Gaming Authority (Kansspelautoriteit) has been tasked with overseeing the Dutch gambling market. What can (future) license applicants expect from this regulator? We spoke with Marja Appelman, the regulator's chief executive, to find out.*



### Strict if need be, hands off if possible

The Kansspelautoriteit aims to be a strict regulator, in particular in regard to our role as a gatekeeper. Our foremost goal is to keep unreliable operators away from Dutch consumers and out of the Dutch market.

On the other hand, we feel that licensed operators, who have proven themselves trustworthy and reliable, deserve a looser rein. Once operators have convincingly demonstrated that they take consumer protection seriously, it would make sense to provide them with more leeway. For instance, the more trustworthy we consider an operator, the more room such an operator might be given to experiment with its product offering. It is in the best interest of the consumer, after all, to be able to make use of an attractive, yet regulated offering.

Alternatively, we might consider allowing reliable operators to report less frequently or in a different manner. But everything depends on possessing a proven track record and, of course, on keeping us well-informed.

### Consistent and transparent

Being perceived as a constructive partner to trustworthy operators is something that we would

obviously welcome, but to us this is not a goal in and of itself. It is rather more important, we feel, to be consistent and transparent, so that every operator knows, as much as possible, what to expect from us.

When considering a license application from an operator, we weigh facts in order to reach a verdict on the reliability of the applicant. We will provide a level playing field and assess all applications consistently. Still, each application must be judged individually, as each operator will have different facts to report. But while we might not always be asking identical questions to each applicant, we will certainly treat their responses consistently. Whether we are sufficiently consistent is ultimately for a court to decide, if it comes to that.

In any case, there never will be a mere checklist to determine whether an applicant will be given a license. By law, operators have a positive obligation to prove their

reliability. It takes whatever it needs.

### Do not lie or withhold information

Although it will necessarily take some effort to acquire a license, not getting one is rather more simple. Withholding relevant information, or outright lying, is the fastest way to see your application denied.

We take into account all relevant facts, not just civil or criminal convictions, but also, for instance, regulatory or taxation disputes, both domestic and foreign. Additionally, we will closely scrutinize both actions and inactions performed by the applicant, its directors, shareholders, or other key personnel.

On the other hand, a past conviction or fine will not automatically lead to a refusal

of the application for reasons of integrity, as we also take the relevance and recentness of the facts into account. However, voluntary and timely disclosure of these facts is paramount. Any failure to do so, will be detrimental to the application. Coming clean is really the only option there is.

### Enforcement

In 2016, the Kansspelautoriteit has imposed nine sanctions on operators and secondary services providers. While to some this may not seem much, the Authority for the Financial Markets (AFM) – a much bigger organization for a much bigger market – has issued seven fines during the same period. Few people would say that the AFM has not been effective.

The fact of the matter is that there are more efficient methods to protect consumers than issuing fines to operators. Taking action against facilitators, such as app stores or payment service providers has a much bigger impact than fining a single, or even a couple operators. Our aim is to choke off the access points through which unlicensed gambling business is conducted.

Still, we will be going directly after operators if there is sufficient occasion. Late last year, we updated our enforcement policy. From now on, we will no longer start off by issuing a warning. If we find operators in clear violation of our enforcement priorities, we will impose sanctions immediately.

But even if online operators refrain from explicitly targeting Dutch players, they might still face sanctions if there are further reasons – for instance

fraud – to take action against them.

### Vigilant oversight

Gambling, as an industry sector, requires permanent vigilant oversight. In that regard, I see quite a few parallels with the financial sector: we have to make sure that products are intelligible, that consumers know what they are getting into. In some cases, consumers even need to be protected against themselves. Additionally, the industry is vulnerable to fraud, money laundering and other forms of crime.

## “Operators better take us seriously”

Like the financial sector, the gaming industry needs a strict gatekeeper to ensure a healthy market. Our oversight, however, should not stop there. For instance, we will have to make sure that licensed operators do not engage in excessive advertising and that minors are not unduly exposed to gambling.

With regard to these issues, we see that foreign regulators, for instance in the UK, are now in the process of raising standards, because the gambling industry has been unable to effectively police itself. To future Dutch-licensed operators, I would like to say: ‘Make sure this does not need to happen over here.’

### Cooperation

One thing I am particularly proud of is our cooperation with many foreign regulators. We can all do our jobs much

more effectively by exchanging relevant information and best practices.

Cooperation is also important because it helps us to keep regulation as consistent as possible across jurisdictions, which is something international operators surely can appreciate. Regulatory consistency is a topic we discuss with potential license applicants.

I am also very proud of what we, as an organization, have been able to achieve with regard to our electronic monitoring systems, some of which rather

resemble the kind that are in use with national security services. We have currently profiled around six million websites based on their content and this number is increasing daily. Operators better take us seriously.

### A professional regulator

I joined the Kansspelautoriteit out of an ambition to help build up a professional regulatory body that puts consumer interest front and center.

It is, after all, of significant social importance that consumers are able to gamble safely and responsibly. Whether you like it or not, gambling is something that happens regardless. ”