



Gaming in Holland,
De Hallen Studios,
Hannie Dankbaarpassage 18, Amsterdam
13 juni 2017
“The law and the elephant”

Let me begin by thanking for the introduction. And to all of you for coming this afternoon.

I would also like to thank all of the Gaming in Holland crew for this wonderful event about “an industry in transformation”;. **Willem** (van Oort) you and your team did a really good job with this beautiful venue, so if you need a quote for the press release here it is: great venue, fantastic discussions and so far some excellent speakers.

Ladies and Gentlemen,



We share the same aim to make it possible for consumers to gamble safely in a fair and attractive gambling market. One could say that we are on a journey together.

Once or twice a year we take a stop at a Gaming in Holland event to talk about our business, about our experiences along the way and about our expectations. And then, each of us continues its journey. Each of us with its own business, with its own role and responsibilities. Operators, service providers, advisors, regulator, etcetera. And for all of us, during our journey, the law is our guide.

And therefore, I enjoyed the briefing by Dennis van Breemen and Frans Maas on the secondary legislation. They are responsible for creating the law on remote gambling, which is an immensely important job. With their briefing, we learned more about the upcoming parts of our journey.

- In this speech, I will first shed some light on (1) the requirements and (2) the procedure the Netherlands Gaming Authority will use when it comes to the licensing of remote gambling.



- In the second part of my presentation, I will explain what the elephant behind me is doing in the room.

I PREPARATION FOR REMOTE GAMBLING LICENSING

Ladies and gentlemen,

On our journey, the bill for remote gambling is the milestone we wish to reach.

The requirements for obtaining an online gambling license are based on the secondary legislation attached to that bill. As I said, the law guides us.

At this moment, I am unable to provide detailed information about the requirements and procedure for obtaining an online gambling license. We do not want to interfere or anticipate the decision of the Senate on the bill; nor do we want to anticipate on the discussions on the secondary legislation. But, let me tell you in broad terms what (1) the requirements and (2) the procedure may look if things go as proposed by the Ministry.



Ad 1. Let me start with the license requirements.

We share a common goal to strive for a fair and transparent licensing procedure that creates a level playing field and that ultimately offers consumers the opportunity to play safe and responsible. On the basis of the secondary legislation outlined by Dennis and Frans, the Netherlands Gaming Authority intends to focus the license requirements on 3 points:

- 1) We need to know: who is the applicant for an online gaming license?

This comprises a check on elements from the secondary legislation, regarding: the identity of the applicant, the transparency of the organization, the trustworthiness on different organizational levels, from policy makers up to the UBO (ultimate beneficial owner). We also need to know the competence of the board and staff. And the financial stability of the applicant.

- 2) We need to know the business conduct of the applicant.

This comprises a check with regard to policies and procedures of the applicant on several subjects. Like the



prevention of gambling addiction, marketing and advertisement and identification and verification of participants, outsourcing.

- 3) We need to be assured that we can safely and effectively communicate with you digitally. And in this regard we especially look at your ability to fulfill your obligations regarding the Data safe and the Exclusion system CRUKS.

Our licensing requirements will overall reflect the core values of the Netherlands Gaming Authority, which places consumers first: credibility, legitimacy, transparency. This means that applicants must

- convince us that they will honor their commitments towards consumers;
- convince us that they protect consumers and respect the law;
- and convince us that they operate in a transparent manner.



I am aware that the licensing process will be a tough period for those who apply. But let me assure you that the Netherlands Gaming Authority intends to travel this part of the journey

together with you. The Gaming Authority aims to be a strict regulator, in particular with regard to our role as a gatekeeper. One has to earn a license. But at the same time, we aim to have fruitful and professional contact during the process. We believe that contact and exchange of information between the interested parties and the Gaming Authority is important in order to get all technicalities right and to smoothen the licensing process.

Ad 2. I will continue to explain in broad terms what the procedure might look like.

We distinguish roughly 3 phases. You should appreciate that the timing of these phases is dependent on the timing of the lower legislation and on the political progress.

1. First phase. About two months after the Ministry has finished the consultation of the secondary regulation, the Netherlands Gaming Authority will consult the license requirements and the licensing procedure. So, at that moment you will have the complete picture of what is



needed to enter the Dutch market for remote gambling. During this consultation phase, we are happy to get your feedback, so we can further improve the requirements and the procedure.

2. Second phase. Already during the consultation phase, we hope to start the second phase. The Netherlands Gaming Authority plans to contact parties interested in an online gambling license. We will organize a few gatherings at which we will explain the technical and administrative details. In addition, we plan to get in touch with some experienced parties, to test the technical settings of the exclusion system and of the data safe. Our purpose is that the interaction with the parties, and the exchange of information, will help to get all technicalities right and to smoothen the licensing process.
3. And finally, in the third phase the Netherlands Gaming Authority will process the formal application for an online gaming license. As you know we aim to review the license applications within 6 month, this review will not automatically result in a license. From experiences in other countries, we understand that the speed of the application process very much depends on the speed at which the applicant can produce the necessary documents. For all



those parties who are able to *speedily* produce all necessary documents, we intent to issue the licenses at the same time. The so-called big bang.

For now, this is what I wanted to share with you with regard to the requirements and the procedure for the licensing of remote gambling. I come to the second part of my presentation.

II Elephant in the room (enforcement policy)

The first part dealt with the law; this second part deals with an elephant. You might wonder what the elephant behind me is doing in the room.

Well, I've received several letters from different people here in the room about our press release announcing next steps in our enforcement policy.

This press release, to many different standards, caused quite some noise. And in the aftermath of the reactions I wondered why this was. Allow me to explain that the recent steps we have taken in our enforcement policy is no transformation, rather a logical consequence and follow-up of everything we have done in the past years. We are here to enforce the law:



According to Dutch law, the offering of unlicensed remote gambling in the Netherlands is illegal. I am sure this is well-known to you all. On the journey into the Dutch gambling landscape, unlicensed operators are not allowed to target their gambling product to Dutch consumers.

The public demands that laws are enforced. It is our task to curb illegal gambling operators that are focusing on the Dutch consumer. We have been communicating this for the past five years. When the Gaming Authority was installed we defined our mission and our priority's. And we have been executing this mission in past and present. Guided by the famous three priority criteria: (1) Dutch language, (2) .nl websites and (3) advertising on radio, television or in printed media.

This does not mean, however, that offerings that do *not* prioritize on a particular moment are allowed what so ever. We have always been clear that all unlicensed offerings targeted at Dutch consumers are illegal. So, the priority criteria which we use to order our enforcement activities, only mean that it might take longer before we enforce other offerings.

Our approach with priority criteria has been successful. Operators have adjusted their websites to make them more difficult to find,



or have withdrawn completely. At the same time it is clear that operators that do not prioritize have clear cut offerings targeted at Dutch consumers. As a consequence, the Dutch consumer is unable to separate the legal from the illegal provider. Especially when a provider calls himself 'the best online casino of the Netherlands' or refers to typical Dutch symbols like 'the Tulip bonus'. Moreover, the Dutch consumer is led to believe he is dealing with a legal operator when he is able to pay with a typical Dutch online payment method.

So, the Gaming Authority sees a lot of operators acting to the letter of the law – in this case the letter of the priority criteria – but not its spirit. They are still trying to target the Dutch market and that does not show trustworthiness or respect. And I have seen some of the reactions and I know that some of you are unhappy with the decisions made. That may be, and it could be that it is unavoidable, although I find that hard to accept. Since the actions of a few are damaging the reputation and future of the gambling industry as a whole. A good reputation of the gambling industry is of a common interest.

On a more positive note the Gaming Authority also sees that some online operators have been compliant and have acted to the letter *and* the spirit of the criteria. This deserves much praise.



They are just as interested in acquiring access to the Dutch market, however they understand that ignoring the law or the wellbeing of consumers would not serve them or the industry in the future. These are our true allies. They understand that quick gains are not a business model.

I am aware of the upset our press release caused in the industry. I would like to make absolutely clear that our objective has always been to provide a safe environment for consumers. And let me stress that the Gaming Authority is not suggesting that all online operators are cowboys and villains. No, the press release only stated that online operators should not target the Dutch market.

So I ask online operators, to remain patient for the remote gambling bill to come into force. It is up to the Senate to decide *if* and *when* that will be. Like many of you, in the interest of Dutch consumers, I hope that this will be earlier rather than later.

To summarize this elephant: We have NOT changed our enforcement policy and we have NOT changed the priority criteria. We have just taken next steps. The Gaming Authority is pressing ahead with its fight against illegal online gambling.



Let me end my speech with some summary remarks.

One could say that we are on a journey together in the Dutch gambling landscape. The law guides us. Many of us are looking forward to reach the milestone of the bill for remote gambling. But we have to be patient and let Parliament do its job.

The Parliament and the Dutch society demands the Netherlands Gaming Authority to accompany you on your journey, in order to safeguard a safe and fair gambling market. Perhaps, some operators would like to travel without our company. But, a fact is that we are here.

I am glad that we are in this together. Because there is one thing I am certain of: to make it possible for future consumers to gamble in a safe and fair setting, we all have to take our responsibility: players, operators, regulators and other organizations involved.

I want to thank you for the attendance. I'd be glad to take questions.

Thank you.