

5 June 2019

Gaming in Holland Conference

Koepelkerk (Renaissance Hotel)

Kattengat 1, Amsterdam

“Looking forward to KOA - Our number 1 priority”

Ladies and gentlemen,

It's my great pleasure being here at this Gaming in Holland Conference.

This splendid location, the *Koepelkerk* or Dome Church, was completed in 1671 and was used for Lutheran worship.

A fire destroyed the church twice, in 1822 and 1993. Both times the church was rebuilt and rose from the ashes.

The resurrection of this glorious church reminds me of the legalization of online gambling in the Netherlands:

Since the 1990's, a number of attempts have been burned down. However, every time the draft bill was rebuilt or redecorated.

And now, ladies and gentlemen, the Remote Gambling Act - KOA - is here to stay.

Today, I would like to focus on the preparation of the coming into force of KOA.

In the next 15 minutes or so, I want to give you an update; KOA 'under construction'.

I will elaborate on what we are doing and what we would like potential licensees to do.

In that overview, I will touch upon the following elements: (1) possible criteria and conditions for obtaining a license for offering online gambling, (2) definitions of "actively targeting" and "an unbroken period of at least two years" - as mentioned in the so-called "Motion Postema" - and (3) reliability.

First of all, to give you an idea of the timeline that you should take into account, I can reveal to you that:

→ The current expectation is that the Remote Gambling Act will most probably come into force on July 1, 2020. That is what we are aiming for.

→ This coming into force will be followed by the first steps of the opening of the regulated online market in the Netherlands, that is foreseen on January 1, 2021.

This timeline gives us a six-month window. I will make sure that we will do the utmost to process the first license applications of future licensees within that period.

In order to accomplish that, the Remote Gambling Act will be our number one priority in the next two years.

We will do what it takes to implement the Act.

We will maintain current levels of supervision and enforcement as much as possible. That means that until the coming into force of KOA, the offering of online gambling in the Netherlands is illegal, and we will enforce the current legislation.

You know by now that future licensees need to meet strict criteria in order to be eligible for a license for the offering of online gambling.

One of those criteria is the Central Exclusion Register (CRUKS) to which all license holders must join. This allows players to be temporarily excluded from participation.

Another criterion is the Control Database (CDB); all future licensees have to fill this database with up-to-date data on the course of their gambling offer and give the Ksa access to it. This will enable us to follow operators closely via the data in the database.

Both the exclusion register and the control database are major IT projects for which we are preparing thoroughly.

The control database will be ready for initial testing soon; the exclusion register is under construction and will start when the Remote Gambling Act comes into force. Part of the following steps will be a procurement procedure under European rules for some of the required components.

Other criteria are primarily related to addiction prevention. With regard to these conditions, I would like to draw your attention to the Duty of Care Guideline (*Leidraad Zorgplicht*) that we have drafted.

The Guideline anticipates the new legal requirements of KOA.

You should be thinking of, for example:

-(recommendation 2) "A short odds operator provides a tool to consumers to determine and watch their personal limits"

-(recommendation 3) "The license holder has a clear access policy at all gambling locations and participation policy for the offered games of chance."

-(recommendation 7) "In the case of risky and problematic gambling behaviour, the license holder intervenes in the gambling behaviour of the consumer."

We are planning to publish the final version before the Summer holidays. We are considering right now all input we've received in the consultation process last months. I can say that we are grateful for all suggestions done by the industry and other stakeholders.

I've talked about the strict criteria that future licensees need to meet in order to be eligible for a license for the offering of online gambling.

Next to these criteria, there are other conditions to be met.

What should you think about?

I will give you a brief overview of the conditions you can think of.

You must – for example – think of financial conditions. This is not only about (1) paying gambling tax, but also about (2) transferring gambling levies. In addition, and that is newly introduced by the KOA Act, license holders will (3) have to make a financial contribution to the Addiction Prevention Fund. And, finally, (4) license holders must, of course, submit fees for obtaining a license.

In addition to these four financial conditions, you can also think of two other money-related conditions, such as, for example (5) a financial guarantee and (6) finances for adjusting or installing IT systems.

Although I cannot specify these conditions yet, I am sure you realise that all this is about serious investments. This is the result of explicit choices made by the Dutch legislator.

I hope you will keep this in mind and that you will prepare your businesses for it.

Ladies and gentlemen,

We are working on criteria and conditions – I've elaborated on that -.

But we are – of course - preparing for other elements of the new legislative regime as well.

For example with regard to the so-called Parliamentary Motion Postema; Mr. Postema being a Member of the Senate.

In this motion, Government is requested to ensure that licenses for the provision of remote gambling are only given to operators who have not actively targeted the Dutch market for an unbroken period of at least two years.

The main element of this motion is of course the phrase "actively targeted". How will this be defined?

Another decisive element is the phrase "an unbroken period of at least two years". From what moment on?

At this point of time, unfortunately, I cannot be conclusive about these two elements of the motion. We are in a constructive dialogue with the Ministry of Justice and Security on how to implement this.

We expect to be able to provide more clarity in a few weeks' time, possibly around the end of June.

However, I can reveal now that the definition of "active targeting" will be based – among other things - on our prioritization criteria.

By now, I assume that these criteria are rather well known. It means that operators who – for example - :

- offer their services in the Dutch language,

- use Dutch domain names or domain names containing typical concepts referring to the Netherlands,
 - offer Dutch payment methods,
 - or advertise on TV, radio or in printed media, aimed at the Dutch market
- could fall within the definition of operators that are actively targeting the Dutch market.

And that means, that these operators could be subject to a certain mandatory cooling-off period.

Another, more immaterial, condition for a license is that operators must be deemed reliable. Together with the Ministry of Justice and Security, we are working to put this into practice.

What is our definition of a reliable operator?

I cannot give you full clarity on this yet.

However, I can say that reliable operators (1) do not breach current laws and regulations, in any case.

Furthermore, I can say that reliable operators (2) may be expected to internalize the regulations that prevail in the jurisdiction in which they operate or are willing to operate.

In addition, I can say that reliable operators (3) are financially and operationally sound and (4) that key personnel and key shareholders are able to successfully pass an integrity screening.

These elements stem from the Dutch law on integrity screenings, the so-called Wet Bibob (bevoordeling integriteitsbeoordelingen door het openbaar bestuur), that we already use and are familiar with.

So, I can't give you a definition of a reliable operator yet. But I think I gave enough elements to make you paint that picture yourself.

Ladies and gentlemen,

I have given you an update of KOA implementation 'under construction' within the Netherlands Gambling Authority, the *Kansspelautoriteit*.

Now I would like to spend a few words on future licensees.

I would like to make sure that the transition to the new regime on remote gambling runs as smoothly as possible. Both in the interest of the industry and of ourselves. We will do our utmost for that, but an effort of the industry is needed as well.

It's only in a common effort that we will achieve a successful and swift opening of the legal online gambling market in the Netherlands.

This will be beneficial both for the objectives of your organizations and for the public goals the Ksa and the Ministry wish to achieve.

Therefore, today I call on you to be the best version of yourself.

By that I mean: prepare yourself. For example, by making sure that your files are in order and up to date. And that you are ready to send us complete files as soon as we request this in the licensing process.

Another sign of your very best side, could be for example, to react swiftly to our requests and consultations during this period of preparing the opening of the legal online gambling market. This will only speed up the process.

In the next weeks, you will have the opportunity to show your best side.

Today we will release our newsletter. This edition will be dedicated to KOA.

In it, you will find a request to fill in the form "*I want a remote gambling licence*". By filling in and returning the form to us before June 21, you indicate the intention to apply for a remote gambling license.

This will help us enormously in estimating the interest and adjusting our organisation to it.

Ultimately, filling in the form will be beneficial to the speed of the licensing procedure. And the sooner this procedure is completed, the sooner the legal online market can be opened.

The legislative process has already taken enough time; let us ensure that the licensing process is as efficient as possible.

Before I conclude, let me ensure you that both the Ministry of Justice and Security and the Ksa are fully dedicated to a swift and practical implementation of the Remote Gambling Act.

However, we also must be careful and take all necessary steps in order to avoid future problems.

Parliament's adoption of KOA has been of the utmost importance, but some other important steps are still to be taken in the process, for example:

- part of the secondary legislation has still to be assessed by Parliament
- the whole package – Act and secondary legislation – has still to be notified to the European Commission
- and we have to wait for the advice of the Council of State.

With this expectation management, ladies and gentlemen, I would like to thank you for your attention.

I am looking forward to answering your questions.

Thank you.