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RIGHTLANDER

# Quarterly Compliance Report

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# Staying compliant with Rightlander

Rightlander is the undisputed authority in compliance. The majority of Rightlander's team of 15 people have an iGaming background with several of us having been affiliates or affiliate managers ourselves, so we know the space intimately.

Rightlander's advanced scanning technology can help your business



Whilst the UK struggles with the current coronavirus outbreak, the UK Gambling Commission has warned operators and affiliates not to slack on compliance or take advantage with marketing efforts aimed to increase sales. Elsewhere, casinos are to close in Canada and Mexico, and a few operators are being dealt fines for inappropriate marketing using this situation to encourage those at home to gamble.

Read the report to find out which issues we've been delving into over the past quarter and what we will be focusing on in Q2 2020.

# Italy & The Dignity Decree

*Gambling advertising ban in place for Italy, but to what extent?*

## **The Market**

Italy's progressive legalisation and regulation of online gambling began in 2005 and it has since become a highly regulated environment.

In March 2010 the market opened up to foreign online gambling operators, allowing them to obtain Italian gambling licenses and offer real money games.

## **New Rules and Restrictions**

On the 14th July 2018, the Italian Government enforced a gambling advertising ban known as the Dignity Decree. In essence this meant that AgCom would be more aggressive in investigating operators and media companies promoting gambling products or services, with sanctions that are equal to 20% of the value of the advertising agreement or at least €50,000 per violation.

Although AgCom produced some guidelines in relation to the ban, there still seems to be some grey area.



## **Where do we currently stand?**

Those interested in the Italian market, should be aware of the following:

- A) International operators can no longer translate their marketing campaigns in Italian and publish them on their websites.
- B) Agreements with affiliates should specify additional terms of operation, to limit the risk of challenges.
- C) Be ready for investigations by means of reports and legal opinions that outline the reason for a certain course of action.

## **Monitoring affiliate activity**

Rightlander now scans websites across Italy, pinpointing where your brand is being advertised and how. Reducing the risk of illegal or non-compliant activity for your brands. Speak to our sales team for more information.

# Spain: What's next?

*The Spanish government proposes regulation of online gambling*

## **The Legal Landscape**

In 2006 the Spanish government passed its first internet gambling laws, which legalised sports betting both online and in licensed betting outlets. This was later followed by The Spanish Gambling Act in 2011, covering the entire country's regulation online and offline in this industry.

## **The Spanish Gambling Act**

As a result of the Spanish Gambling Act, operators providing betting services to citizens of Spain must obtain a license from the country's National Gambling Commission. Furthermore, the Act requires licensed operators to conduct their business through a .es domain.



In particular, the Act prohibits advertising, sponsorship or endorsement of gambling activities as well as advertising or promotion of gambling operators who do not hold the appropriate licenses.

## **The Overhaul of Gambling Advertising Regulations**

On the 24th February 2020, the Spanish Government published new regulations as part of the consultation to reduce the exposure to gambling promotions. The new restrictions are as follows:

### **TV/Sports & Sponsorship**

- Restricting operators to promoting their brands via TV and radio between 1:00AM and 5:00AM. Two exceptions will be made, however, for advertising around live sports broadcasts and real-money contests.
- Real-money contests can only be advertised around programming not suitable for those aged 18 or below, and only between 10:00PM and 6:00AM.

# Spain: What's next?

## *The Spanish government proposes regulation of online gambling*

### **Advertising**

- Advertising around live sports broadcasts will be permitted for events that kick off between 8:00PM and 5:00AM.
- Sponsorship deals with sports teams will be allowed under strict conditions, whilst venues, stadiums and public space sponsorship will be prohibited.
- Public figure endorsements will no longer be an option.

### **Advertising Content**

- The 18+ age restriction, as well as responsible gambling messaging, must also be included throughout visual ads.
- Ads must avoid exaggerating the chances of winning and promoting gambling as a financial solution.
  - Social media ads are restricted to portals that have a filtering solution to avoid targeting minors.
  - Advertising on websites will still be allowed, though pop-ups may only be shown to players registered with a gambling operator.
  - Email ads can only be sent after checking whether the recipients are listed on Spain's self-exclusion database, or classed as an at-risk player.

### **Promotions**

- A new cap of €100 for acquisition offers will be introduced. Free-play games may still be offered, though only to players logged into a gambling site.

### **Social Responsibility**

- Operators will also be required to develop a comprehensive corporate social responsibility policy.

### **Taxes on Online Gambling**

A draft legislation sets out to enable Spanish gamblers to deduct losses from their wins for tax purposes.

### **The Future of Gambling in Spain**

It seems we should expect the Spanish authorities to continue to review and amend the Spanish Gambling Act, both to close up any loopholes that unlicensed operators look to exploit and to eradicate any grey areas.

Restrictions on advertising will be increasingly tough and continue to be reviewed. The public consultation runs until 16 March, with industry stakeholders, citizens and other interested parties invited to submit their comments until then

# Canada: Where do we stand?

*Canadian legislation leaves much to our own interpretation*



The casino and gaming industry in this country has a very complex history.

## What do we currently know?

To date several forms of land-based gambling have been legalised by the Canadian government. The same applies to a few forms of Internet gambling. However, some laws related to casino and gaming services provided by companies based overseas are **yet unclear**.

## Online Gambling

When it comes to online gambling, companies are not allowed to operate online casinos or poker rooms in Canada, however most trusted offshore companies licensed by the MGA and UKGC support online casinos in Canada.

## The Criminal Code of Canada

This bill defines gambling and

conducting any gaming activities in Canada as illegal. However, the provinces are able to operate, regulate and grant licenses to certain casinos, including web-based ones.

## The Kahnawake Gaming Commission

This regulatory body is entitled to issue licenses and regulate several web-based casinos, as well as online poker rooms and sportsbooks. In order to receive a license, casinos are required to meet certain criteria.

## Where do we stand?

Web-based casino and gaming operations have always been considered as a grey area in Canadian law. According to the Criminal Code, hosting a gambling website in Canada is illegal. However, every province has the permission to legalise specific types of gambling that may be "operated on or through a computer" within their borders. Thus opening the door for each Canadian province to decide on the matter of legalising online gambling operations within its own confines.

# Online gambling regulation in Finland

*Just how restrictive is the Finnish online casino sector?*

## Gambling law in Finland

Gambling activities are legalised in Finland, but the country's legislation on the matter is relatively complex. Currently, the main gambling and gaming market is controlled by one main body Veikkaus Oy. **Veikkaus Oy** is responsible for the national lottery, sports betting, and instant win games.

Gambling has always been a monopoly run by the state in Finland although the European Union is challenging this in the European Court of Justice just as it has done with Finland's neighbour Sweden. However the Finnish laws do not criminalise players who play in foreign online casinos, nor does the government order ISPs to block foreign sites.

## Unlicensed Gambling Sites

Foreign gambling sites are forbidden from offering their services in Finland, but many sites do indeed accept real



money players from Finland. There are no real tools in place to monitor foreign websites or block transactions to these sites.

## What happens next?

Finland has expressed an urge to crack down on what it calls "illegal gambling" by passing legislation to prevent unlicensed sites from advertising in Finnish media. While this development is worth watching, it appears to have no major impact on the ability of Finns to visit and play at unlicensed gaming sites. The risk of Finland further cracking down on "Illegal" gambling via online censorship or putting new banking laws in place, is unlikely.

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# Q1 and beyond

*Find out what we've been working on in Q1 and how we can help you next quarter. .*

Over the last quarter, Rightlander has focused on developing new tools to help you take compliance a step further. With the recent introduction of priority indicators for issues flagged through the compliance dashboard, customers are now able to target more relevant/high priority issues faster.

Our most recent technological development involves the integration of text - in-image recognition. Using OCR Technology, we are now able to pinpoint non-compliant text within images, helping operators to identify and remove misleading/incorrect marketing materials from third party advertisers. The feature is now live and available upon request.

With most online gambling operators looking to the USA for their next move, the pressure continues to rise. Gambling in the USA is subject to legislation at both federal and state level that bans it in certain areas, limits the types of gambling in others and otherwise regulates gambling activities. With the interpretation of the Wire act being challenged in June 2019, the final ruling is still to be passed. Online gambling legislation momentum is building in a number of other States and it is hoped that online gambling will be available in most states by May 2021. However, the future of online gambling and sports betting in states where it is currently legal, hinges on the outcome of the imminent ruling.

Rightlander can now scan thousands of pages a month, so you can be aware of all marketing activity taking place in markets such as Spain, Germany, Italy, Canada and Finland. These countries can now be added to your current package.

For more information, please contact your account manager here at Rightlander.

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# What's happening with Rightlander?

## Meet the Rightlander team at the upcoming conferences

Due to the current situation surrounding coronavirus, most industry events have been cancelled or postponed. As things are a little unclear right now in regards to travel, we will keep you posted when dates and diaries have been confirmed.

For now, if you'd like to know more about recent developments, please get in touch with Nicole Mitton: [nicole.mitton@rightlander.com](mailto:nicole.mitton@rightlander.com) to book a meeting.

## New year, new website!

After two years of operating, we decided we needed a little face lift. The new Rightlander website launched on the 20th February 2020. Not only does it look great, but also allows customers the opportunity to get in touch with the Rightlander team directly. You can now find more information about the products and the pricing directly on site. Let us know what you think!

# Email us for a copy and for more info!

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