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RIGHTLANDER

Quarterly Compliance Report

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Staying Compliant With Rightlander

Rightlander has been providing affiliate compliance technology since January 2018. Our multi-disciplinary team is comprised of seasoned affiliate marketing and ex-iGaming professionals, as well as development experts who are passionate about the industry and compliance monitoring. This collective experience enables us to look at all aspects of the compliance function with unique understanding and unrivalled insight.

The majority of our scans are set up to capture the most comprehensive, in-depth data possible. As much as we like detail, we also aim to provide our clients with exactly what they need - high quality, actionable information that saves time and resources.

While Rightlander offers a recommended set of standard reports for each GEO and vertical, we also pride ourselves on continually innovating, providing our clients with a host of entirely customisable scanning solutions and reports to meet almost every requirement.

Ongoing training, regulatory updates and educational information is made available to our clients on an ongoing basis. Through these resources we endeavour to serve, equip and empower every team member engaged with Rightlander with actionable knowledge to perform their function.

We're pleased to announce that our expertise is being successfully applied in various other industries including finance, forex and insurance, where the Rightlander product is now available.

Contact us today to discuss your needs!

Email: jonathan.elkin@rightlander.com

The UK Gambling Act under review

Government launches a review of the 2005 UK Gambling Act to assess the need for an updated version

The objectives

On 8 December 2020, the Government launched the long-awaited review of the UK's Gambling Act 2005 with a call for evidence running for 16 weeks. The review explores whether updates to gambling regulation are required to reflect the changes in the gambling landscape since 2005, particularly due to technological advances. It also aims to strike a balance between consumer choice and prevention of harm whether gambling online or via retail channels.

The areas of concern

- **Online protection - players and products:** Minimising the risks associated with online gambling products.
- **Advertising, sponsorship and branding:** The impact of advertising, sponsorship and promotional content and the effectiveness of safer gambling messages.

- Gambling commission's powers and resources:

The effectiveness of the regulatory system (including the powers and resources of the UK Gambling Commission).

- **Consumer redress:** The suitability of redress arrangements.

- **Age limits and verification:** Effectiveness of age controls on gambling products.

- **Land based gambling:** Review of legislative changes to the land-based gambling sector.

What changes to expect in 2022 and beyond

Unfortunately, there is no certainty as to what changes will be included in the new Act, but we can assume some things based on recent proposals from parliamentary and industry groups.

- **VIP Schemes:** These are likely to see restrictions or be eradicated completely, based on the level of concern around problem gambling and fraud amongst VIP players.

The UK Gambling Act under review, continued...

Self-exclusion rules: Proposals for a new mandate for self-excluded player details to be shared automatically with other operators and relevant bodies to reduce the amount of addiction.

Responsible gambling tools: Most of the current responsible gambling tools are optional for customers, but we expect that this will change. Customers may have limits automatically imposed which they can the opt-out of.

Online stake limits: A potential £2 limit for online slot and table games (per spin/hand) with overall limits also proposed.

TV, sports advertising and sponsorships: a total ban is unlikely, however restrictions around TV and online advertising as well as advertising on football shirts are likely to come into play .

Reverse withdrawals: The ban on reverse withdrawals and likely a

review of the pending periods which should take no more than 2 days.

Source of funds check: More detailed guidelines for checking where funds are coming from and the likely introduction of lower thresholds.

New customer thresholds: New customers may be limited to an initial deposit until further checks have taken place. This will also have an effect on the welcome bonuses offered.

Affiliates and advertising

partners: Proposals have been put forward for affiliates themselves to be licensed, which will mean they will be answerable under the law for the content they provide and the brands they advertise.

Timelines

Once roundtable sessions and responses have been collated, the government will release a white paper on the review, but changes are unlikely to occur before 2022.

Belgium: Where do we stand with legislation?

Tax and player protection draft laws pending before parliament.

Status of online gambling

Online gambling is regulated and subject to local licensing. Licences are available for online casinos, poker, gaming machines, betting and racing. Until July 2022, the government has set the number of sports betting licenses being offered to 31, with 24 already active.

Draft bills

A number of draft laws pending from 2019 and 2020 are yet to be approved. During the Covid-19 pandemic, a spread in online gambling allegedly led to an increase in unlicensed operators taking advantage of the market. This has resulted in more intensive proposals for reform, including suggestions for changes to taxation for unlicensed operators, enhanced player protection and verification measures, restrictions on in-play betting and limitations/ a potential ban on online advertising.



Further development of the Belgium regulatory framework for esports and virtual betting is also likely to be reviewed in 2021.

The Outlook

There remain valid arguments that the existing regime is incompatible with Belgium's EU Treaty obligations. Active enforcement measures against operators and players are in place. A mandatory, weekly deposit limit of €500 for all customers of licensed operators is in effect. A draft law to introduce an advertising and sponsorship ban has been submitted to parliament.

Denmark: 2021 Outlook

New tax rates imposed and marketing regulations introduced.

The current legal landscape

Online gambling is regulated and subject to local licensing. Since 2012, two types of licences have been available: an online casino licence, which combines table games, online bingo, slot machines and a betting license which covers online and land-based betting.

ISP-blocking measures are active and the Danish Gaming Authority (DGA) has the power to block operators that have been targeting Danish customers without the requisite licence.

In January 2019, the Danish government introduced draft legislation to increase the social responsibility controls of licensed operators. These measures came into force on 1 January 2020, and include:

- The updating of the online casino certification process making monthly, weekly or daily player deposit limits mandatory.
- Restrictions on sales promotions across both offer and payout limits including not obligating players to deposit more than

1000 DKK, with promotional sums themselves not exceeding 1000 DKK.

- Betting promotions to not exceed over ten (10) times the players' stake.
- Players to be given at least 60 days to fulfil the terms of a promotion, and no offer can be tailored to a single player.
- At least 100 players must be targeted with the same offer.

Marketing

As of April 2020, all gambling-related marketing must now show the age limit for betting and information about the national self-exclusion register ROFUS. Operators must also direct customers towards the responsible gambling guide by regulator Spillemyndigheden.

Tax Rates

An increase in tax rates from 20% to 28% of GGR for online gambling activities was launched earlier this year. Given the low profit margin for operators, this will likely lead to a reduction in marketing costs in order to retain profitability.

Online trends for 2021

Get ready for more change in 2021...innovation continues.

Here are a few trends we expect to see in 2021.

Mobile gaming

Already hugely popular due to its convenience, mobile gaming will continue to increase due to the 24/7 nature of the way we use our phones, and the rapid increase of mobile gaming apps. An estimated 50% of people used their phones to gamble in 2019, a figure that's no doubt increased now that access to land-based casinos is limited. Once restrictions begin to lift and physical casinos reopen, it's unlikely that number will return to what they were pre-lockdown.

Cryptocurrency

Again, nothing new to the industry. However, it's taken a while for online casinos to adopt this form of payment. Arguably, depositing and withdrawing through cryptocurrency is, at present, the safest way of payments with its complete anonymity.

Gambling legislation

Recent years have seen a lot of changes in gambling legislation.

Gambling revenue can bring significant tax income to countries and legalisation of gambling can make it safer and more regulated. Due to Covid-19, many regulatory frameworks all over the world, have been delayed and will likely start to enter into force after summer 2021 and throughout 2022.

Affiliate marketing

For 2021, affiliate marketing is likely going to be measured on audience engagement rather than mass volume. The door appears to be closing on mass mailing lists and lists of gambling sites and opportunities are arising in creative content, video engagement and communities on social media and in forums. However, things could be very different come the end of 2021!

Conclusion

In short, the gambling industry is growing each year. 2021 will bring about more regulatory change and heightened competition. Operators will need to keep abreast of technological innovations and build a healthy affiliates system by continuing to focus on compliant marketing.

What's happening with Rightlander?

PPC Monitor

We've recently launched our latest product 'PPC monitor', designed to ensure regular monitoring of desktop and mobile PPC ads to detect non-compliant or misleading marketing practices by affiliates.

The tool aims to identify affiliates bidding on client brand names and hijacking traffic using their own affiliate tracking links. The tool follows PPC links, analysing each redirect and providing screenshots of landing pages, Google search pages and full ad text, so brands can take immediate action.

Contact jonathan.elkin@rightlander.com to find out more.

Monthly Q and A Sessions with Guest Speakers

Most recently, we caught up with Katy Stafford - (Head of Central Operation - ComeOn Group) and Ryan Henderson - (Head of Affiliates - Kindred) about the challenges and opportunities the Affiliate channel could face in 2021 with the intensified changes in regulation coming into play within compliance. Watch the full interview here:

<https://youtu.be/xG-Rs59er8A>



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