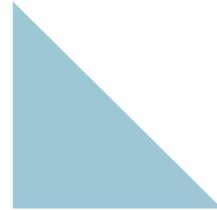


March 2022



RIGHTLANDER

Quarterly Compliance Report



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Staying compliant with Rightlander

2021 was a busy and productive year at Rightlander. Much centred on innovation and building our offering around ever-evolving global compliance regulations and clients' requirements.

This led to the introduction of new compliance products such as Telegram and Video monitoring, with enhanced Social Media Monitoring in the final stages of development and due for release early this year.

In addition, based on client feedback, several updates were made to our user interface. These included enhanced notes functionality per URL, audit logs per domain and action logs for the export of full actioned data, all of which assist in managing the compliance process more efficiently.

On the backend, we dedicated time and resources to improving scanning technology and data processing to ensure that we can continue to meet the growing demand for scanning in new GEOs. We also released an updated website with more detailed information on our tailored offerings for the various verticals.

With 2022 off to a strong start, we look forward to providing a broader range of compliance tools to you and your team, to ensure the highest standards in affiliate marketing compliance.

Contact us to get started today!

E-mail: jonathan.elkin@rightlander.com

Australia - Advertising rules

A challenging landscape for advertisers with more restrictions set to come into play this year.

The Australian online gambling market is a complex one. When it comes to advertising, the primary legal and regulatory provisions vary based on the type of gambling service being provided and the state or territory in which they take place.

At present, there are no licensing provisions when it comes to advertising. Instead, gambling operators are subject to federal laws.

Under Australia's Interactive Gambling Act (IGA), the advertising of gambling services that are prohibited or unlicensed, or of offshore gambling operators is banned. This includes any writing, still or moving picture, sign, symbol or other visual image, or any audible message or any combination of two or more of those things that gives publicity to, or is intended to promote:

- prohibited or unlicensed online gambling services;
- the whole or part of a trademark in respect of a prohibited or unlicensed online gambling service;
- a domain name or URL that relates to a prohibited or unlicensed online gambling service; or

- any words that are closely associated with a prohibited or unlicensed online gambling service (whether also closely associated with other kinds of services or products).

General advertising rules are applicable to both land-based and online operators. Gambling advertising will be prohibited or considered unlawful if, among other things, the advertisement:

- Encourages a breach of the law
- Depicts or targets minors (i.e. persons under the age of 18)
- Misrepresents the likelihood of winning
- Does not feature the required responsible gambling messages
- Represents gambling as a means of financial betterment
- Depicts the consumption of alcohol

Further advertising restrictions are imposed on wagering operators in respect of, among others, the:

- Offering of inducements to participate in wagering activities or open a betting account

Australia - Advertising rules

A challenging landscape for advertisers with more restrictions set to come into play this year.

- Promotion of gambling services on television and radio during peak times

Rightlander has a variety of monitoring solutions including Responsible Gambling, life-changing terms and inducement reports to ensure that affiliates in the Australian market are promoting operators in a compliant manner.

2022 Developments

Developments in 2022 will include the National self-exclusion Register (NSER) being launched around the mid-year mark. Once implemented, individuals will be able to request exclusion from participation in Australian licensed online betting services for a temporary period or on a permanent basis.

The NSER will, however, remain separate from existing self-exclusion registers. This means that licensed sportsbook operators will likely need to maintain separate registers to comply with state and territory laws and licence conditions.



Licensed betting operators will also be subject to various obligations, including ensuring that self-exclusion is effective and that self-excluded individuals are not permitted to play and are not offered promotions. Breaches by licensed operators will incur substantial penalties.

If the UK is anything to go by, once the NSER register is active, operators are advised to monitor for affiliates targeting self-excluded players by offering ways to play after self-exclusion. This can be achieved by activating Rightlander's self-exclusion report.

Belgium - A new landscape

New rules and regulations imposed for licensed operators

In September of 2021 Belgium's Constitutional Court annulled the 1999 Gambling Act, which allowed licensed operators the option of offering both online casino and sports betting services under the same domain.

The country now requires licensed operators to separate online gambling products. This means that online casino games must be offered on a separate domain to sports betting.

In essence, the Act had already been replaced by a [2019 equivalent](#), so the separation of online gambling (A+ licenses) and online betting (F1+ licenses) product verticals is the only major change.

As it currently stands, advertising regulation is as follows:

- Advertisements for games of chances are permitted provided they comply with specific rules. According to these rules, advertising may not:
- Exaggerate the odds

- Give the impression that gambling is an alternative to working or saving.
- Respect rules relating to the protection of minors and people under 21.
- Respect the principles laid out in 2.1. General Standards.

Ensuring affiliate advertising compliance with the above, can be achieved with Rightlander's life-changing and responsible gambling reports.

- The advertisement of non-licensed gambling facilities and/or games is prohibited. Rightlander's illegal operators report can help operators to identify affiliates advertising unlicensed casinos alongside licensed brands.



Belgium - A new landscape

A challenging landscape for advertisers with more restrictions set to come into play this year.

Recently influencer marketing has come under the spotlight with new regulations known as the “content creator protocol” being published by the Flemish Regulator for the Media (VRM). Under these regulations, influencers must:

- Include “Advertising”, “publicity” or “advertising” (for an English speaking audience) at the beginning of the message. This may be with or without a hashtag.
- Use @Partner at the beginning of the message to tag your partner.
- Use the platform’s system to indicate that it is a commercial message.
- Guidelines per platform available here: https://www.vlaamseregulatormedia.be/sites/default/files/voorbeelden_van_duidelijke_vermelding_per_platform.pdf

Denmark

Stringent requirements for advertisers with further restrictions yet to come.

The COVID-19 pandemic has slowed regulatory changes in the Danish gaming market with many initiatives on hold. However, a new tax rate was introduced on 1 January 2021, increasing Denmark's the tax rate on GGR (stakes minus winnings) for betting and online casinos from 20 to 28%.

Still, Denmark remains a growing market in the iGaming sector, with the Danish Gambling Authority (DGA) reporting that the total gross gaming revenue (GGR) for betting, online casino, gaming machines and land-based casino in Q3 2021 amounted to DKK 1,663 million. This is a year-on-year increase of DKK 122 million, equivalent to 7.9%.

In terms of gambling regulation, the last notable introduction of legislation is the country's executive orders on betting and online casino came into force on the 1st of January 2020. These tightened the reins on bonuses, marketing and promotional activities and strengthened the use

of the Danish Gambling Authority's (DGA's) Register of Voluntarily Excluded Players (ROFUS). Essentially, these orders brought change in three main areas:

1. Marketing

Requirements include minimum mandatory messaging that must be included in all marketing materials of all games such as:

- Age limits
- The DGA's responsible gambling helpline.
- The ability to list with ROFUS and be excluded from promotional materials and play.
- The DGA's labelling schemes.

2. Responsible Gambling

- Players are required to implement daily, weekly or monthly deposit limits before playing.
- Operators are required to monitor play for abnormal patterns indicating problem gambling behaviour.
- ROFUS listed players may not receive marketing materials.

Denmark continued...

Stringent requirements for advertisers with further restrictions yet to come.



Rightlander has a range of reports to aid Danish operators in ensuring all of the required messaging is displayed, affiliates are not targeting self-excluded players and that promotional offers carry the correct information in terms of offers and significant terms and conditions.

3. Promotions

- Deposit limits on gaming accounts or stakes in games to qualify for promotions are limited by the executive orders.
- The number of re-wagering requirements is also limited.
- Promotional winnings may not be subject to re-wagering requirements.
- Promotions must be granted on the same terms for all players and must be awarded to all players playing within the same fixed interval or who meet another set criterion. The interval must be fixed so that the promotion is offered to a minimum of 100 players.

Finland - New rules ahead

New reforms proposed for the country's Lottery Act, yet to be approved and passed into law.

Finland has long been a market dominated by the country's state monopoly and this doesn't look set to change any time soon. In December 2021, Finland's parliament (Suomen eduskunta) approved revisions to the country's Lottery Act at its first reading.

Amendments to the Act ensure the continuation of Veikkaus' 70 year gambling monopoly with added safeguards and more stringent controls of offshore operators. The bill will now be submitted for a second reading before being passed to the President to be written into law, but is not without controversy and opposition.

Some of the Act's proposed reforms include:

- Payment blocking for operators other than the Veikkaus monopoly – although this has already been challenged as being unconstitutional.
- A ban on the advertising of gambling games deemed particularly harmful, such as slot machines.
- The introduction of mandatory identification checks has also been included in the bill. This is expected to be introduced no later than 2024.

The current version of the Act prohibits offshore operators from marketing in the country, giving Veikkaus the monopoly on the marketing of gambling.

Maarten Haijer, secretary general of the European Gaming and Betting Association (EGBA), was critical of some of the proposed reforms in the bill. In a statement he said, "The introduction of PSP blockings is an implicit admission that many of Finland's gamblers prefer to bet on other websites rather than that of the state-run monopoly." Adding, "There are many reasons why they do so: the availability of better betting odds, and better diversity and expertise in the products offered, are to name a few."

Finland continued...

New reforms proposed for the country's Lottery Act, yet to be approved and passed into law.



Maarten continued, "In the online world, consumers vote with their feet and that is why we will continue to encourage the government to rethink, rather than reinforce, the country's online gambling monopoly model and advocate for the benefits of establishing a well-regulated, multi-licensing model for online gambling in Finland."

Earlier in 2021, Finland's Minister of the Interior, Maria Ohisalo, implemented monthly loss limits of €2,000 originally introduced as a temporary measure during the pandemic, as a permanent regulation. In addition, all online casino and slot players are required to set daily and monthly loss limits, which must be below the daily €500 and monthly €2,000 thresholds.

Sweden

Safer gambling now at the forefront of Sweden's gambling agenda

Early this year, Sweden's Ministry of Finance presented a number of new safer gambling proposals that will come into effect in January 2023. The rules are reportedly designed to crack down on the unlicensed gambling market and limit excessive advertising by licensed operators.

These include:

- Mandatory gaming software licenses for suppliers who offer services to operators in Sweden. This is an attempt to curb illegal operations in the country.
- A ban on the promotion of illegal gambling and unlicensed gambling operations.
- Adjustments to the way gambling is marketed in Sweden in an effort to protect young and vulnerable individuals from being exposed to advertising, bringing in "stricter requirements for moderation".
- A market disruption fee issued to operators who directly market to customers in a disruptive manner, for example using direct e-mail marketing campaigns.

- An obligation for licensees to provide information that enables the Ministry to track trends and developments in the gaming market.

In response to the Omicron outbreak, the Ministry also launched a consultation on a deposit cap of SEK4,000 (£325.6/€389.2/\$439.2) for casinos with a proposed start date in February and end date in June. This is a controversial step given that the SEK5,000 deposit limit with a SEK100 cap on bonus offers and mandatory limit on play time imposed at the start of the pandemic in 2020 and that ended in November 2021 were met with strong dissent.



USA - Next state in line for regulation

US states continue to open up for regulation with Louisiana recently launched.

Vixio Gambling Compliance, predicts that the New York betting market could gross \$667m (£485m) in revenue in 2022. By 2025, Vixio estimates annual gross revenue to reach \$1.1bn (£800m), which would make it the largest betting market in the U.S. to date.

In November, nine sportsbook operators were being considered for licensing in New York; Caesars Sportsbook, FanDuel, DraftKings, Bally Bet, PointsBet, Resorts World, BetMGM, Rush Street Interactive, Kambi and WynnBET and .Only Caesars, FanDuel, DraftKings and Rush Street Interactive had met the criteria and regulatory requirements needed to start taking bets from January, according to the gaming commission.

Legal sportsbooks in New York will be subject to the highest state tax rate on gross revenue in the U.S. at 51%. Compared with the neighbouring state of New Jersey, where operators

are paying 13% state tax on gross revenue, New York's tax rate seems high.

Concerns have been raised that the limited number of legal sportsbooks and the high state tax may lead to more expensive gambling products for bettors, but authorities believe these fears are unfounded.

Louisiana

All eyes will now turn to Louisiana, where retail sports betting launched in the state Oct. 31, 2021. Most recently, the state legislators recently approved the legalisation of online sports betting.

State officials authorised six online sports betting platforms last month—Barstool Sportsbook, BetMGM, BetRivers, Caesars Sportsbook, DraftKings Sportsbook and FanDuel Sportsbook, all launched on January 28th 2022.

Louisiana looks promising with the first four days of mobile sports betting resulting in \$40.5 million in online wagers in January.

What's happening at Rightlander?

Rightlander is rapidly expanding its monitoring capabilities across various marketing channels, new and traditional. Here is what we have recently added to our suite of products:

Social Media Monitoring

Rightlander's social media scanning offers daily monitoring of social media platforms such as Facebook, Instagram and Twitter, to detect non-compliant, or misleading marketing practices by affiliates or influencers that could have a significant financial or regulatory impact on your business.

Telegram Monitoring

Rightlander can now help to automate the analysis of correspondence across public and closed Telegram channels to ensure your marketing partners are adhering to your partnership agreement and regulatory rules.

This includes the detection of text, affiliate links and emojis. Infractions detected will be reported in Rightlander's online interface alongside results found across other marketing channels that your affiliate partners drive traffic from.

Video Monitoring

Rightlander is pleased to announce that we are now able to assist clients to monitor streamers, pinpointing the exact time in a video where a brand is featured visually or mentioned.

Contact jonathan.elkin@rightlander.com or your Rightlander account manager to find out how we can help you monitor the above marketing channels and many more.

Email us for more info!

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