



# Quarterly Compliance Report

October 2023

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# What's happening at Rightlander?

## Meet us at Upcoming Conferences!

Team Rightlander is gearing up for exciting conference appearances in the coming months. We would love to connect with you at these events and discuss how Rightlander can benefit your business.

**Pi Live | October 24th – 25th:** Don't miss Rightlander Founder Ian Sims and our Chief Strategy Officer at the newly formed Affiliate Marketing Leaders workshop during Pi Live London. We'll discuss innovative affiliate reactivation strategies and share best practices for working with affiliate networks to prevent fraud.

**Finance Magnates | November 20<sup>th</sup> – 22<sup>nd</sup>:** We are thrilled to be exhibiting at the highly anticipated Finance Magnates London event this November. Swing by booth M6 to discover how Rightlander can help you stay ahead of the regulatory curve while optimising your marketing efforts. Don't miss this opportunity to connect with our experts and learn about the latest compliance solutions. See you there!

# Marketing intelligence

## Intel – Utilising Compliance Data To Accelerate Growth.

Intel processes the compliance risks we collect during scans, factors in traffic data and provides analysis to help drive marketing processes. At the click of a button, affiliate managers can instantly retrieve an assessment of the compliance risk that a website poses vs. the untapped marketing opportunity that it presents

Utilising data intelligence, Intel addresses three key challenges:

1. Assess the content of new affiliate applications to determine if their website poses any brand-related risks.
2. Continuously evaluate the content of existing affiliates to identify high-profile pages that may present potential risks.
3. Swiftly pinpoints unexplored opportunities for brand promotion on prominent pages of the affiliate's website.

More information will follow as we gear up for launch later this year. Contact [lan.sims@rightlander.com](mailto:lan.sims@rightlander.com) to learn how we can help you explore the potential of compliant marketing opportunities.

# BGC Extends advertising rules to digital media

**The Betting and Gaming Council (BGC) will introduce several new guidelines to protect under-18s from seeing gambling ads online.**

In the updated Seventh Industry Code for Socially Responsible Advertising (IGRG code), applicable to all members of the Betting and Gaming Council (BGC), significant changes have been introduced with the primary goal of enhancing the safeguarding of children and young individuals against exposure to gambling advertisements.

One notable change involves expanding the existing commitment to allocate 20% of advertising space for promoting safer gambling practices. Previously limited to television and radio advertisements, this requirement now includes digital media advertising.

The BGC is also broadening its "25+ rule" to encompass digital media platforms with appropriate age filters. Formerly, BGC regulations stipulated that all sponsored or paid social media advertisements should target users aged 25 and above unless

the platform could demonstrate precise targeting capabilities for individuals over 18.

In addition to audience targeting, promoting safer gambling practices is deemed vital. This entails encouraging customers to utilise tools like setting deposit limits and taking timeouts. Equally important is directing those needing available support services for individuals struggling with their betting and gaming habits.

The effective date for these updated rules is December 1st of this year.



# Brazil approves revised sports betting bill

**Brazil's Chamber of Deputies has approved the government's gambling bill, which regulates both sports betting and online casinos.**

Efforts to establish regulated sports betting in Brazil have reached a significant development. Brazil's Chamber of Deputies has approved the government's gambling bill regulating sports betting and online casinos.

The passage of this bill represents one of the final milestones in the extensive journey towards regulating online gambling in Brazil, the world's 10th largest economy.

Bill 3626/23, set to replace the provisional measure (PM) issued by President Luiz Inácio Lula da Silva in July, has undergone numerous amendments since its original presentation. Despite these changes, the bill continues to legalise online casinos alongside sports betting. Notably, betting on fantasy sports remains prohibited, a specific exclusion within the new regulations.

The amended bill will now progress to the Federal Senate, where it will undergo a 45-day evaluation period.

## **Amendments to the provisional measure**

### **Licensing**

Unlike the PM, this proposed law excludes foreign companies from obtaining licences for regulated gambling. Only businesses incorporated under Brazilian law, with their headquarters and administration situated within the country, will be eligible to operate.

Furthermore, operators must meet specific financial and technical requirements, including maintaining a minimum share capital and being affiliated with a sports integrity organisation.

# Brazil approves revised sports betting bill continued...

## **Tax and Fees**

The bill maintains an 18% tax on revenue; however, the allocation of gaming revenue to various causes has been revised from the initial proposal. Now, 2% (down from 10%) of revenue will be directed towards social security, with 1.82% earmarked for the Ministry of Education, 6.63% for sports, and 5.0% for tourism. The licence fee remains unchanged, set at \$R30 million (£4.89 million/€5.69 million/\$6.10 million). Each payment grants operators the right to offer gaming through a single betting app, necessitating an additional licence for further offerings. Additionally, the bill reduces the licence term from five years to three.

## **New Requirements for Operators**

The legislation mandates that operators establish anti-money laundering and counter-terrorist financing policies, procedures, and internal controls while also adhering to responsible gambling obligations.

Bonus bets and credit lines to bettors are prohibited under the new rules.

Unlicensed companies are barred from advertising, and those that advertise must adhere to new guidelines. Any non-compliant ads must be removed upon order from the Ministry of Finance involving companies, internet service providers, and websites.

## **New payment rules**

The bill introduces new payment regulations to combat the grey market, allowing only institutions authorised by the Central Bank to provide payment services. Players can only transfer funds from their betting account to a bank account with headquarters and administration in Brazil, curbing offshore gambling activities.

## **What happens next?**

The bill's approval by the Chamber of Deputies marks a significant achievement in this process, leaving only the Federal Senate's endorsement as the final hurdle to clear for legalising online gambling in Brazil. There are yet to be specified timelines for imposing the new restrictions.

# Australia publishes legislation to enact credit card gambling bill

**A dramatic change in how punters can bet online is coming as research shows Australians lose about \$25bn on legal forms of gambling each year.**

In September 2023, the Australian government introduced long-anticipated legislation prohibiting the use of credit cards, for online gambling within the nation.

The Interactive Gambling Amendment (Credit and Other Measures) Bill 2023 aims to prohibit the use of credit cards, along with other credit-related financial products and digital currencies. Whilst Australia already prohibits using credit cards for gambling at physical establishments, the bill aims to extend this ban to cover all forms of online gambling.

Additional provisions in this amendment include imposition of fines on operators who fail to comply with the proposed ban. Licensees could face fines of up to AU\$234,750 (£120,462 / €140,014 / US\$150,467) for non-compliance with the forthcoming regulations.

The amendment grants expanded powers to the Australian communications and media authority (ACMA) to enforce the new and existing penalty provisions. ACMA would be responsible for penalising those not adhering to the proposed ban.

Should the amendment be enacted into law, a six-month transition period will be established, applicable to both the gambling industry and consumers. This transition period will come into effect immediately following the date of Royal Assent.

Future measures will be revealed once the government has considered the recommendations outlined by a parliamentary inquiry into online gambling. A gathering of state, territory, and Commonwealth ministers is scheduled before the year's end to discuss these measures.



# Kentucky launches legal sport betting

Kentucky launched legal retail sports betting on 7th September, with online wagering to follow on 28th September.

On the 10<sup>th</sup> of July, the Kentucky Horse Racing Commission (KHRC) and state lawmakers agreed upon the schedule to launch legal sports betting in Kentucky.

On the 7<sup>th</sup> of September 2023, legal retail sports betting went live, followed by online wagering on the 28<sup>th</sup> of September, 2023.

Regarding retail, licences were also approved for several racetracks and their satellite facilities. These include Churchill Downs and Derby City Gaming in Louisville, Ellis Park in Henderson, The Mint Gaming Hall Cumberland Run in Corbin, and The Mint Gaming Hall Cumberland in Williamsburg.

An initial seven online operators secured a service provider licence. Bet365, BetMGM, Caesars, Circa, DraftKings, FanDuel and Penn Sports Interactive

picked up licences, with Fanatics added shortly after.

## **Two-tier tax system for sports betting**

House Bill 551 makes nine racetracks eligible for on-site retail sports betting. At the same time, each track can partner with up to three online operators, meaning up to 27 licences may be issued by the Kentucky Horse Racing Commission (KHRC).

The bill also establishes a two-tier system of taxation, with online operators to be taxed at 14.25% of gross gambling revenue, compared to the 9.75% imposed on the retail offerings.

A licence will cost a racetrack \$500,000 and an online operator \$50,000 to partner with.

# Email us for more info

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