



DANISH
ONLINE GAMBLING
ASSOCIATION

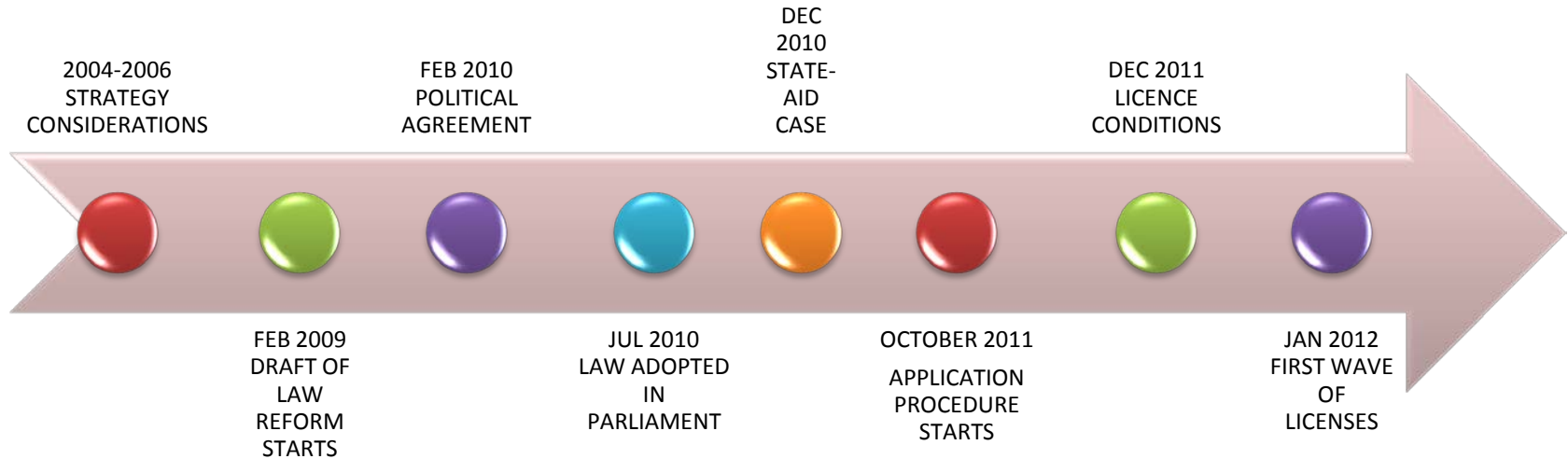
www.doga.dk

LESSONS FROM A REGULATED MARKET

DOGA is: bet365, Betfair, Betsson, Bonnier, Nordichbet, Sportingbet, Ladbrokes, Pokerstars, Unibet

TIME LINE FOR DK REFORM

IT TAKES 6 YEARS TO MAKE A GAMBLING REFORM !



LESSONS FROM A REGULATED MARKET

PROS AND CONS



PROS (+)

1. Modern, EU approved legislation and regulation gives clarity to all stakeholders
2. Sports
 1. Allows nearly all sports (apart from horseracing)
 2. Doesn't discriminate against Betting Exchanges
 3. No restrictive allowed catalogue like (Spain) or Palinsesto (Italy)
 4. No restrictions on in-play
3. Gaming
 1. Allows all casino games
 2. Allows international liquidity in poker
4. Applicant company doesn't have to be in Denmark
5. Technology doesn't have to be in Denmark (but has to be in a jurisdiction with a co-operation agreement or allow remote monitoring)
6. Tax is on gross revenue, not turnover or deposit based
7. Access to the CPR (National ID Database) is generally a good thing for verifying identity, keeping out under-18's
8. Interaction with ROFUS (centralised problem gambler database) can be a good thing though there's little experience with it yet. Also potential downsides i.e. government liability if it doesn't work properly
9. SAFE doesn't have to be in Denmark and is itself is arguably a good thing from the regulator's perspective
10. Player protection measures e.g. self-exclusion, ability to set deposit limits etc generally fine
11. Identification verification measures (30 day temp account etc) generally fine
12. Protection of players funds (offset bank accounts) generally fine
13. Co-operative and generally efficient relationship with the Danish Gaming Authority
14. Unlimited number of licences.

PROS AND CONS



CONS (-)

1. Betting on horseracing is not allowed
2. Bingo and lottery is not allowed
3. Over-18 restriction on sporting events
4. Betting on stock market indices, exchange rates is not allowed
5. The Nem ID system (the digital signature for log-in) is safe but is also too strict and is annoying the players
6. Taxes should be lower (currently 20 pct of GGR)
7. Bonuses are not deductible. Bonus offers are taxed
8. Losses cannot be deducted
9. Tech standards and detailed change management unnecessarily strict and 3rd party testing both extensive / expensive
10. Marketing guidelines (particularly for the use of bonuses) are very strict and difficult to work with
11. The law has created an unfair competitive advantage for the national lottery operator
12. No harmonization of technical standards (requirements) with other jurisdictions
13. No (significant) cooperation regarding regulatory controls (= create duplication of controls)

LICENSEES!

888	Cashpoint.com	Nordicbet
Bet365	Cryptologic	Pkr
Betfair	Danske Spil	Pokerplex24
Betsson	Igame	Pokerstars
Betway	IGT Interactive	Sportingbet
Bonnier Gaming	Gaming Media Group	Stanleybet
bwin.party	Ladbrokes	Unibet

❖ *45 licenses (9 restricted revenue)*

GAMBLING MARKET NUMBERS

	2012	2011	2009
Game types	GGR EUR	GGR EUR	GGR EUR
BETTING (LICENSED)	152 *	101	89
BETTING (ILLEGAL)	n/a	50*	34*
ONLINE CASINO (LICENSED)	113 *	0	0
ONLINE CASINO (ILLEGAL)	n/a	59*	63*
BETTING ON HORSE- AND DOG RACING	20 *	20	20
GAMING MACHINES	256 *	240	273
LAND-BASED CASINOS	43 *	43	45
LOTTERIES	349 *	387	363
OTHER GAMES (LEGAL/ILLEGAL)	73 *	119*	116*
TOTAL	1006	1019	1003

* Estimated numbers

LESSONS FROM A REGULATED MARKET

SURPRISES / CHALLENGES

- MORE LICENSES THAN EXPECTED – MORE THAN THE MARKET CAN BEAR?
- THE NATIONAL LOTTERY OPERATOR HAS DONE MUCH BETTER THAN EXPECTED. DANSKE SPIL'S MARKET SHARE OF BETTING AND ONLINE CASINO GAMES HAS GONE FROM 48 PCT TO 62 OF THE LEGAL/ILLEGAL MARKET
- LOTTERY GAMES ARE NOT AFFECTED BY THE GAMBLING REFORM (YET)
- NOT MUCH MARKETING AND VERY FEW SPONSORSHIPS
- THE TURNOVER FOR THE LEGAL/ILLEGAL MARKET HAS DROPPED (PERHAPS AS MUCH AS 11 PCT)
- THE ILLEGAL MARKET MAY GROW AGAIN – NO PAYMENT BLOCKING AND RESTRICTIVE MARKETING RULES

LESSONS FROM A REGULATED MARKET

THANK YOU !

