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Colleague regulator

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Date 1 February 2018
Concerning Enforcement of online games of chance

Our reference
01.024.083

Appendix
2

*Please quote date of letter
and our ref. when replying. Do
not raise more than one
subject per letter.*

Dear colleague,

With this letter, I would like to inform you about the Netherlands Gaming Authority's approach to tackling illegal online gambling and how it defines the terms 'illegal', 'unlicensed' and 'unregulated'. I would also like to comment briefly on the lawsuit brought by Betsson against the Netherlands Gaming Authority as a result of our next step in the enforcement of online games of chance.

Please share this information with your licence holders, as our approach might also have consequences for them.

Why are we informing you about this?

Interviews with a number of foreign colleague regulators have revealed that it is not always clear what is meant by the terms 'illegal', 'unlicensed' and 'unregulated' in our jurisdiction in the context of the enforcement of illegal online gambling. It is also not always clear what the possible consequences of our enforcement will be for your licence holders.

With this letter, the Netherlands Gaming Authority seeks to clarify this, so that you can also inform your licensees about the issues.

There are two appendices to this letter: the judgement on '*Betsson vs The Netherlands Gaming Authority*' and a fact sheet '*Enforcement online gambling*'. These form a further explanation of the information contained in this letter.

Enforcement of online games of chance

The Netherlands Gaming Authority is committed to safeguarding a safe and trustworthy gambling landscape. To achieve this, the Netherlands Gaming Authority has various powers and instruments. For example, the Netherlands Gaming Authority is equipped to strictly enforce Dutch gambling law and regulations. The premise here is that what is not permitted is prohibited.

This prohibition includes the provision of online gambling services. In accordance with the Betting and Gaming Act (*Wet op de kansspelen, WOK*), games of chance may only be offered if they are subject to a licence issued by the Netherlands Gaming Authority. The current law does not yet provide for this for online games of chance.

As a result, the provision of online gambling services is against the law and the actions of online gambling providers in the Netherlands are referred to as 'illegal', 'unlicensed' and 'unregulated', and online gambling providers are subject to enforcement actions.



Your licence holders could also be at risk of enforcement activities by the Netherlands Gaming Authority if their website is aimed at Dutch consumers (whether partly or completely) and therefore illegal, unlicensed and unregulated.

For more information, please refer to the fact sheet mentioned above.

Judgement on Betsson v The Netherlands Gaming Authority

In addition to a lack of clarity about the terms mentioned, it might not be clear to your licence holders what the consequences of the judgement of the Dutch court in Betsson vs The Netherlands Gaming Authority are. In its judgement of 14 September 2017, the court indicated that Betsson was already obliged to take measures to prevent its products from being used from within the Netherlands, regardless of any changes in our enforcement policy.

Encouraged by this court judgement, the Netherlands Gaming Authority will continue to focus on strict enforcement of the Dutch gambling law and regulations in 2018, in particular the enforcement of online gambling.

Our request to you

In the spirit of the Cooperation Arrangement signed by you¹, I would ask you to stress to your licence holders that offering services without a licence from the Netherlands Gaming Authority is illegal in the Netherlands and that they should therefore not target Dutch consumers. Providers of online games of chance can easily take measures to this end, for example, by blocking Dutch IP addresses or excluding Dutch residents from registering accounts. This will enable them to prevent the Netherlands Gaming Authority from taking punitive action.

Collaboration

Providers of illegal gambling websites often offer their websites in various countries. I would therefore like to explore further with you how we could work more closely together in the future to optimise the enforcement of our respective legislation, in particular with regard to combating illegal online services.

Should you have any questions in response to this letter and the appendices attached, I would be pleased to hear them.

Kind regards,

Marja Appelman
CEO Netherlands Gaming Authority

Gaming Authority

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¹ Cooperation Arrangement between the gambling regulatory authorities of the EEA Member States concerning online gambling services, Brussels, 27 November 2015.