

Gaming in Holland

19 June 2018

De Hallen

Hannie Dankbaarpassage 12, Amsterdam

Keynote (16:30-17:00): "Be like Louis van Gaal!"

Ladies and gentlemen,

I would like to thank the organization for the invitation to give this key note speech today.

With the invitation came the suggestion to say something about the World Cup.

I hope you all are enjoying the games.

I will use it today in this speech to describe some parallels with gambling regulation.

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I don't have to introduce Marco van Basten.

He scored one of the best goals ever, almost to this day thirty years ago.

As some of you might know, today Van Basten is *chief officer of technical development* at the FIFA, the world football association.

His main job is to formulate rule change for football to make it more attractive. He wrote a report in 2017 with some proposals and then: we are still waiting.

Back to gambling regulation in the Netherlands.

There are currently two law proposals: the Draft Bill on Remote Gambling and the Draft Bill on Modernizing Casino's.

The current situation: we are still waiting.

For the record: I see a parallel, I am not criticizing the political situation.

I am very well aware of some sensitivities by some members of parliament on this issue.

They have to be addressed to make a law with which every political party is satisfied.

But there might be some light on the horizon. Minister Dekker and his team are working very hard to bring the law making process forward again.

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When rules are fixed, one might try to find out what is possible within the existing rules.

Now I will go to my second football remark.

In the last World Cup, Dutch coach Louis van Gaal looked what was possible to get the best results.

He innovated and changed the tactics of the national team. And the Dutch team ended third.

My parallel here: within existing rules and regulations, you can make innovations to get results.

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Ladies and gentlemen,

Back to the gambling industry. And to my core message:

I invite the entrepreneurs among you to innovate. Look for opportunities within existing rules and regulations to innovate and get results.

The Netherlands Gambling Authority finds it important that licensees can offer attractive gambling possibilities right now.

And to be honest, not so much for the industry itself. But first of all for the protection of the consumer.

It is important that they can play attractive games in an safe and legal environment. Right now. Because otherwise players will look for attractive, but illegal, games elsewhere.

So what is my main message of today: licensees do look for new possibilities within the restrictions of current laws and regulations, again in order to protect the Dutch consumer. The Netherlands Gambling Authority will accommodate this process.

In other words: Do innovate: be like Louis van Gaal!

Why, you might ask, is the Netherlands Gambling Authority asking the industry to innovate? Don't they have complicated license procedures already? Do they need more work?

I can give you one straightforward answer: I see some quite disturbing figures on my desk. Data delivered by H2 shows that in 2017 lots of money from the Netherlands is going to illegal online gambling; a total of around 250 million Euro.

We estimate that 3,5% of the adult Dutch population uses illegal online gambling sites. That makes around half a million people.

I think these people are not actively looking for illegal gambling sites. I think these people would rather gamble on a legal site.

The Netherlands Gambling Authority puts a lot of time and effort in trying to ban online gambling.

But we have to be realistic, it is fighting a losing battle.

Again a parallel: ten years ago illegal downloading of movies and music was a huge issue. There were some expensive legal battles (for example the Napster case).

Nowadays we don't hear of this problem anymore. Why? Because there are numerous attractive opportunities to legally download movies and music with Itunes, Netflix and Spotify. So we need attractive gambling opportunities. Right now.

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Ladies and gentlemen,

Let me illustrate my point with 2 examples:

1. Last week we had the introduction of Raffld in the Netherlands. This gives me the opportunity to congratulate Lottovate with the successful launch.

A new concept within existing regulation, at least in respect of the prizes and target group. We are open to other kinds of these initiatives.

2. Slotmachines are another example, as you may have read in the newsletter of the VAN last Friday. The VAN and the Netherlands Gambling Authority are exploring the boundaries of the law.

The current system of model admissions is ponderous and cumbersome.

It denies possibilities to the operator to adjust to behaviour and wishes of their customers. But again, for the Netherlands Gambling Authority innovation serves to protect the customer. We really would like to use innovation in software techniques to detect addiction.

But if we ask the industry to deliver, we ourselves have to deliver as well. And we will.

We are dedicated to put a lot of effort in stimulating innovation.

Of course, we will always stay within the boundaries of the law and regulations.

But you don't have to be a lawyer to know that part of working with the law is interpretation of the law. Then again we will put consumer protection first. Soft on interpretation, hard on protection.

I know that entrepreneurs among you look for innovation at the judicial borders of regulation.

Therefore the Netherlands Gambling Authority made an assessment framework. This framework explains how we will judge on certain aspects of gambling.

It is a handy tool to decide if a game of chance has to be regulated by the Netherlands Gambling Authority.

Internationally, we are a front runner with publishing such a framework.

We try to practice what we preach: we innovate. I really would like to invite you to read the framework; if you haven't done that already.

Of course all my employees know the assessment framework by heart. And we need to.

Because as society becomes more complex, also the difference between gaming and gambling becomes more complex.

We see blurring lines in social gaming and with loot boxes. Loot boxes are a type of treasure chest that are built into a growing number of games.

Loot boxes in games create a mix of games of chance and games of skill.

Although the outcome of games is determined by skill, the outcome of loot boxes is determined by chance. Players usually have to pay for a loot box. The prize that they can win may also have a monetary value.

We used the assessment framework to determine if loot boxes are a type of gambling.

In April we assessed 10 games with loot boxes and found out that four of them fall under the definition of gambling.

We have given game producers two months to change their offer and obey to the law. If they fail to do so, we will have to start enforcement procedures.

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Ladies and gentlemen,

Now I come to my concluding remarks:

The Netherlands Gambling Authority is willing to work together with the industry. Working together to see where innovation is possible within the current legislation.

Even if these processes take a lot of time and effort of us.

But we are willing only under 1 condition: there must be a high regard for consumer protection.

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So, now I look forward to hear Mr Hoffstedt from Sweden. That country will soon start their licensing procedure for remote gambling.

Sweden is also the country which denied the Netherlands participation in the World Cup; and that is my third and last football remark!

Thank you very much.