



APPENDIX

THE EUROPEAN LOTTERIES SPORT CHARTER 2012

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1. INDIRECT SPORTS INTEGRITY MEASURES

1.1. SPORTS BETTING REGULATION

1.1.1. Common and official definition of legal / illegal betting

A bet is considered as legal if the sports betting operator who offers it has an explicit authorisation in the jurisdiction of the consumer (License, agreement, State monopoly).

1.1.2. EL and its members position on the different betting types

EL and its members, with due respect for the Member States competence according to the principle of subsidiarity, consider that their sports betting offer has to be both general public oriented and recreational. It has not to target specifically speculators, so as to limit public and social order risks. From then on their market expertise leads them only to offer that kind of bets to their customers:

Regular bets (without prejudice to the competency of the states to regulate any type of betting):

- pari mutual (Toto) betting;
- fixed odds betting;
- particular case of fixed odds betting offered « live » (“in-play” betting) : considering specificity of some of these bets (for example: dominant part of chance vs. expertise, outcome of the bet easier to influence, hedging and arbitrage possibilities), EL and its members consider that it is important to evaluate precisely the different betting types (within an expert group composed of Lottery operators and representatives of the sports movement) before giving a definitive opinion on their acceptable / non acceptable characteristic.

Types of bets in principle not promoted by EL members, or when operated, to be done with care and moderation (without prejudice to the competency of the states to regulate any type of betting) such as:

- betting exchanges
- spread betting

All new betting type should be analysed within an expert group composed of Lottery operators and representatives of the sports movement before being offered by EL and its members.

1.1.3. EL and its members position on the types of sports competitions offered

Considering that some sports competitions (for example: weak financial stakes, sports participants easier to influence, history with many match-fixing cases) face additional risks, EL and its members think that some competitions should be proposed carefully (although not withdrawn from the betting offer). In this way, EL and its members suggest to determine a scale of risk by competition. This scale could be established within an expert group composed of Lottery operators and representatives of the



sports movement, in particular on the basis of an observatory of match-fixing cases. More globally, EL and its members:

- suggest only to offer bets on professional competitions or on amateur “Elite” competitions (Elite definition recognised by the International Olympic Committee);
- never offer bets on sports events involving minors (athletes under 18 years old), unless the minor competes in a competition for adults;
- wish to subject “friendly competitions” to some restrictions (offering them in the sports betting supply has to be analysed preliminary).

1.1.4. Betting formulas

Some betting formulas present more risks than others for sports integrity. An expert group composed of Lottery operators and representatives of the sports movement could be in charge of determining the responsible and acceptable betting formulas. EL and its members suggest (without prejudice to the competency of the states to regulate any type of betting) focusing on bets based on the final result and on goal scoring but not on other match details without any relation to the final score.

1.1.5. Payout rate

Several Members of EL, with their expertise of the sports betting market, are convinced that high payout rates may increase severely money laundering and addiction risks. On a legal point of view, it is not possible, nor desirable (cultural diversity principle), to intend to limit the payout rate on a common basis for the entire EL and its members. EL and its members then suggest that the sports betting regulators determine, in each jurisdiction, adequate payout rate limits, in order to offer a reasonable return on investment to punters and to substantially contribute to the funding of sports.

1.1.6. Stake limits

EL and its members consider that high levels of stakes may increase severely money laundering and addiction risks. On a legal point of view, it is not possible, nor desirable (cultural diversity principle), to intend to limit stakes on a common basis for the entire EL and its members. EL and its members then suggest that the sports betting regulators determine, in every jurisdiction, adequate stake limits according to cultural differences.

1.1.7. Money laundering

Some sports betting products may present specific risks related to money laundering (high payout ratios, hedging, “sure bets”, etc.). EL and its members therefore commit to take adequate measures for the sports betting activity, in compliance with national regulation. In this respect, procedures have to be implemented by every Member State on a national basis regarding the distinctive feature of the market and the local legislation.

1.1.8. Security and audit

Considering that sports betting activity requires specific security procedures, every EL member commits to implement them on a national basis. The respect for these rules has to be checked compulsorily by an external and independent audit firm.



1.2. SPORT FUNDING

EL and its members remind that sustainable sport funding is part of their original assignment, consisting of supporting the European model of sport (pyramidal organisation, priority given to sports results vs. economical orientation, open system with promotion and relegation possibilities, solidarity between professional and amateur sport). Beyond these values, EL and its members consider that all sport betting operators should contribute to fund the sports movement (what means also grass root sports and not only professional sports, in particular Leagues and top teams), which is significantly dependent upon the turnover of sport betting, mainly from EL members.

However, to the extent that most EL members are already contributing towards sport funding, including through taxation or betting duties, or any other means other than sponsoring and patronage, it should not be required that these operators make additional contributions.

1.3. RESPONSIBLE GAMING

EL and its members strongly support and implement all the measures determined in every jurisdiction by the sports betting regulators.

1.4. DATA PROTECTION

EL and its members commit to guaranty confidentiality on their punters' private data. Nevertheless, when sports integrity has to be saved, for instance in case of irregular betting patterns, EL and its members encourage public authorities to take adequate measures able to optimise an information transfer from betting operators to sports organisations (for example: reinforced vigilance obligations, identities of big punters).

1.5. LEGISLATIVE REINFORCEMENTS

These elements could be based on a reinforcement of the legal framework in all the Member States regarding measures of article 83 TFEU (minimal rules concerning the definition of criminal offences and sanctions in the areas of particularly serious crime with a cross-border dimension, in particular money laundering, corruption, eCrime, organised crime). EL and its members support the idea of cooperation on criminal sanctions in order to fight against match-fixing, in line with the Helsinki Resolution and the Conclusions on sports competitions manipulations adopted during the Polish Presidency. More globally, EL and its members are in favour of the development of all the criminal procedures that aim to tackle this important topic, including the possibility of creating a specific penal sanction able to fight against sports fraud.



1.6. MODEL RULES AND SPORTS SANCTIONS

EL and its members support model rules promoted by international and national sports organisations such as IOC and SportAccord. They particularly stress the following measures:

- sports participants should not be allowed to bet on their own competitions;
- sports participants should not use any “Inside Information” for betting purposes;
- in case of an approach, in case of a corruption attempt, or more generally in case of incidents that would amount to a breach of the competition rules related to betting, sports participants should be obliged to alert and disclose information to the competent sports organisation and/or public authorities;
- implementation of a minimum level of sanction related to match-fixing in order to act as a deterrent.

2. DIRECT SPORTS INTEGRITY MEASURES

2.1. EDUCATION, PREVENTION, INFORMATION AND COMMUNICATION PROGRAMMES

EL and its members actively support, whether it is on a financial or on a technical – thanks to their market expertise – level, all the different measures implemented by sports organisations (and first of all IOC, SportAccord, FIFA, Interpol and UEFA).

EL website (<http://www.european-lotteries.org>) will promote education and prevention programmes able to protect sports integrity, including a hyperlink and a reference to those developed by SportAccord (for example the e-learning prevention programme), with whom EL has signed an official partnership.

2.2. INTELLIGENCE AND MONITORING SYSTEMS OF THE SPORTS BETTING MARKET

EL and its members have been developed a cooperation to be able to detect irregular betting patterns for more than 10 years. This cooperation resulted in 2009 with the creation of ELMS (European Lotteries Monitoring System), including 20 European Lotteries at this time. ELMS mission is as following:

- monitor (in real time) ELMS members sports betting data, to be able to generate alerts in case of irregular betting patterns;
- monitor odds changes within the international betting market (including Lotteries, private bookmakers, with focus on Asian bookmakers);
- search all the sports information available on internet, including forums used by professional punters and football teams supporters;
- in case of possible irregular betting patterns, exchange information with IOC, FIFA and UEFA, with whom ELMS has signed some Memorandums Of Understanding;
- training of the ELMS members trading team.



EL and its members commit to improve ELMS regarding the following measures:

- extension to new countries and new continents (in cooperation with WLA - World Lottery Association);
- extension to new major sports (for example tennis, basket-ball) ;
- creation of a database in order to classify irregular patterns related to sports betting as well as competitions and teams involved.

More generally, the EL member Lotteries actively support the idea of the development of a globally coordinated monitoring of betting. This monitoring could follow both:

- data (firstly the variations of odds) available in real time, in order to generate alerts in the case of irregular betting patterns;
- macro-economic information on operators, the legal and illegal markets, the number of registered bets, new types of bets, etc.

Finally, the EL member Lotteries support the idea of an obligation to exercise increased vigilance with regard to irregular betting. It is therefore desirable that the competent public authorities oblige those having information on the sports betting market, starting with the operators themselves, to alert the public and sport authorities in a transparent manner in the case of suspicion of manipulation of a sports competition.

2.3. RULES RELATING TO POSSIBLE CONFLICTS OF INTEREST

Certain behaviour is likely to lead to conflicts of interest which could damage sport integrity:

- sponsors of clubs or athletes having a capacity to influence certain decisions likely to increase the risk of fraud in sports;
- advertising featuring sport participants highlighting the odds of a sporting event;
- betting for employees of sports betting operators;
- sports betting operators controlling, directly or indirectly, a sports organisation (club, league, etc.);
- insider dealings linked to holding certain privileged information;
- etc.

The EL member Lotteries are committed to improving the rules on conflicts of interest already developed in the code of conduct on sports betting signed in 2007;



The EL member Lotteries suggest in particular to establish a scale on risks for sport integrity in the area of sports sponsoring by betting operators:

- Low risk: sponsoring authorised
- Medium risk: sponsoring subject to certain conditions;
- High risk: sponsoring prohibited

By sponsoring we mean a commercial relationship acceptable between two or several parties in which one of the parties (the sponsor), acts in the interest of his organisation, seeking to improve his image or his visibility by affiliating with an individual, an event, an organisation, an object, etc. (the sponsored).

2.4. COOPERATION WITH SPORTS ORGANISATIONS

The EL member Lotteries are committed to cooperating in a close, transparent and sustainable manner with the sports organisations:

- EL and WLA on an international level (with the IOC, SportAccord, the international and European sports federations);
- Each member on a national level (with the national Olympic committees and national sports federations).

2.5. CONTRIBUTION OF “SPORTS BETTING” TO SPORT INTEGRITY

In view of European and national case law on this subject, the EL member Lotteries are not in favour of the creation of intellectual property right specifically related to sports betting.

However, to the extent that the states (in particular the EU member states) all have the competence to set up a contribution to sports related to bets registered on all sports betting, for the purpose of supporting the integrity, the EL member Lotteries:

- believe that this type of measure is favourable to the development of sports;
- actively support the principle;
- feel that the benefits of this contribution should be entirely allocated to financing actions aiming at protecting sports integrity.

It seems desirable that the level of this financing be balanced and calculated to take into account the fact that certain betting operators (in particular many EL member Lotteries) already contribute in a structural manner (namely through taxes or other similar means outside of sponsoring and patronage activities) to financing of sports, be this to the benefit of professional sports or grassroots sports, in which case their contribution should be reduced.