



THE  
EUROPEAN  
LOTTERIES

FOR THE BENEFIT OF SOCIETY

THE EUROPEAN LOTTERIES  
**SPORTS INTEGRITY  
ACTION PLAN**

THE **7** POINT PROGRAMME

FOR THE BENEFIT AND  
THE FURTHER DEVELOPMENT  
OF SPORT IN EUROPE

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# THE EUROPEAN LOTTERIES SPORTS INTEGRITY ACTION PLAN

## THE EUROPEAN LOTTERIES (EL) TAKING INTO CONSIDERATION

- the important role of sport for society as recognized by the Treaty on the Functioning of the European Union and the European sport model structured as an open and pyramidal system based upon solidarity between professional and amateur sport and focusing upon sporting results
- that the EL Members do since decades contribute approximately **2 billion Euros per year** to the sustainable development of grassroots and amateur sport and have participated thereby in the development of the European sport model, which has to be taken into account when it comes to the discussions related to the fair contribution of betting operators
- that many EL Members do have a long tradition in supporting the development of sport also by organizing sport betting activities in the form of pari-mutual games and later also fixed odds betting games, in a way as to create attractive, low risk entertainment and to promote a more active involvement in the sport activities for reasonable punters
- that the EL members are the only operators without exception to be licensed in every single country where they operate, respecting regulations and consumer protection standards, and united by common ethical principles, values and integrity.
- that legal sport betting, including new forms of it, as operated by the EL Members, in accordance with the applicable regulatory policy does indeed on its own not create any problem and does largely contribute to the promotion of safe and healthy sport by adequate means of funding
- that beyond any doubt nowadays sports integrity is at threat, as due to a growing number of illegal operators offering bets via internet, sport betting has developed into a global gambling service. It is sometimes even a high-risk financial product which can be partially controlled by organized crime, undermining the fundamental values and objectives of sport, and society as a whole

## AND HAVING REGARD TO

- the EL Resolution adopted during the EL General Assembly in Helsinki on 8 June 2011 which affirmed EL Members' commitment to the fight against sport betting risks
- the EL Sport Charter which formalised the EL Members' commitment to defend the values of the European sport model in light of the new challenges to the integrity of sport.



## PRINCIPLE OF SUBSIDIARITY

EL calls upon the European Institutions and, in particular, the European Commission to clearly recognise member states' primary competence in the field of gambling, in particular with regard to protecting public order and consumers.

It should be, therefore, recognised that sport betting licences are issued only at a national/regional level and remain regional/national in scope and the principle for mutual recognition does not apply in the field of sports betting.

## SPORT FUNDING

EL and its Members remind that sustainable sport funding is part of their original assignment. EL estimates that an international framework providing for the payment by betting operators of a fair contribution to sport sector is of value, but such a decision should take into account the current significant contribution of Lotteries to grassroots sport and society in general.

# THE 7-POINT PROGRAMME

## FOR THE BENEFIT AND THE FURTHER DEVELOPMENT OF SPORT IN EUROPE

EL believes that, with due respect for the principle of subsidiarity and the applicable regulatory framework, and with due respect for the autonomy of sport, **urgent action in seven areas is required** to re-establish and strengthen the role and values of sport and to protect society.

### 1 FIGHT AGAINST ILLEGAL OPERATORS

EL considers a bet legal if the sports betting operator who offers it has an explicit authorisation in the jurisdiction of the consumer (e.g. License, agreement or State monopoly). Any operator, who offers bets in a certain jurisdiction without having a licence in the jurisdiction of its customers, should be considered an illegal operator.

EL, with due respect for the Member States competence according to the principle of subsidiarity, urges states to take action against operators who operate without a licence, undermining the fairness and openness of sporting competitions.

EL supports the idea that the relevant regulatory authorities study and make proposals for information exchange and administrative coordination between member states in order to fight together against illegal operators.



EL calls upon states to protect consumers by adopting efficient law enforcement measures against illegal operators, like

- IP/DNS blocking mechanisms
- defining payment solutions and blocking measures for transactions
- banning illegal advertising
- setting up of black lists
- explore an institutionalised solution for coordination between the National Regulatory Authorities, inspired from the administrative cooperation schemes that exist in other sectors.

## 2 STRONG LEGAL FRAMEWORK AND EFFECTIVE SANCTIONS

### 2.1. Criminal Provisions

The manipulation of sport events (match-fixing) adversely affects fair competition and undermines trust in actors and institutions of sport.

EL and its Members believe that the criminal law provisions that are currently in place against the manipulation of sport events are not sufficient and call for the development of all criminal procedures that seek to tackle this topic, including the creation of penal sanctions with a clear definition and sufficient common standards.

At an EU level, EL calls for the establishment of a specific European crime in relation to the manipulation of sport events, under the legal basis of article 83 of the TFEU, as these activities constitute a specific form of corruption with specific criminal characteristics and with cross border implications.

### 2.2. 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.

## 3 EDUCATION AND PREVENTION

EL considers that emphasis should be attached to education and prevention in the fight against match-fixing. This is why EL and its members actively support, whether financially or otherwise many of the different measures implemented by relevant organisations (and first of all IOC, SportAccord, FIFA, Interpol and UEFA).

EL calls for the development of educational programmes seeking to raise awareness about



illegal betting and match-fixing and to enhance coordination towards the fight against illegal operators at a national and international level. These education programmes should target all actors in the field of sport, including athletes, referees, officials, supporters, managers, public prosecutors and sport journalists.

## 4 CORPORATE GOVERNANCE

### 4.1. Conflict of interest provisions for betting operators

Minimum standards or provisions should be adopted in order to avoid conflicts of interest. For example, betting operators should never acquire a majority interest in a club or links with a sportsperson, not be a significant (i.e. that may be able to influence) partner of a team (or of a sportsperson) that might be used as a basis for betting, never acquire a sportsperson on behalf of a professional team, or hire a sportsperson at its expense in a competition in which it organises wagers (for example an athletics meeting or a professional tennis tournament).

EL is of the opinion that all operators' sponsorship contracts must include a statement, that the betting operator plays absolutely no role and has no direct influence in the sports relations and decisions undertaken by the team or the event.

### 4.2. Conflict of interest provisions for betting employees

In addition betting operators' employees in touch with sports betting should not have any influence over the results of the sporting events which are offered for betting.

EL calls upon each betting operator to ensure that there are no ethical conflicts between employees working for the lottery and acting in the sports world.

EL calls upon all betting operators to use their best efforts to ensure that football organisers (FIFA, UEFA, national leagues, etc.) forbid players, trainers, club managers, etc. from betting on their own teams (or any other team in the same championship).

## 5 MONITORING AGAINST BETTING IRREGULARITIES AND MATCH-FIXING

EL and its Members were the first to develop an international cooperation to be able to detect irregular betting patterns, which started in 1999. This cooperation resulted in the creation of ELMS (European Lotteries Monitoring System) in 2009. The mission of ELMS 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;



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.

## 6 SPORT BETTING REGULATION

### 6.1. EL Members

EL and its Members totally comply and completely implement all the regulatory measures imposed in every jurisdiction by the sports betting regulators.

### 6.2 Regulators

EL calls upon regulators to provide adequate protection for consumers and citizens, including minors and other vulnerable groups.

EL, being respectful to the principle of subsidiarity, urges regulators to be very vigilant in terms of determining the risks involved in all the betting systems, types of competition and betting formulas that are offered to the public.

#### 6.2.1. Betting systems, pay out rates, types of competitions and betting formulas offered

EL and its Members, with due respect for the Member States competence according to the principle of subsidiarity, consider that sports betting offers have to be both general public oriented and recreational. They should not specifically target speculators, so as to limit public and social order risks. EL recommends that operators should mainly offer regular types of bets (pari mutual betting, fixed odd betting and live betting – when authorized and strictly controlled so that risks for fraud are minimised–) to their customers.

Certain betting systems (betting exchanges, spread betting) are in principle not promoted by EL Members. EL calls upon state regulators to analyse thoroughly the risks that these betting systems pose, before allowing them. EL calls for the creation of a group of experts, composed of legal betting operators, regulators, representatives of the sports movement, law enforcement representatives and other policy experts, who will analyse potentially risky betting systems.

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. In this way, EL believes that bets should never be offered on sports events involving minors. “Friendly competitions” should be offered only as long as they are authorised and strictly controlled.

Some betting formulas present more risks than others for sports integrity. EL and its Members recommend to focus on bets based on the final result and on goal scoring. Bets on other match details that have no relation to the final score might entail risks and should be offered only as long as they are authorised and strictly controlled.

Based on their expertise of the sports betting market, several Members of EL are convinced that high payout rates may severely increase money laundering and addiction risks. EL urges sports betting regulators to 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 and adequate stake limits according to cultural differences, so that money laundering and addiction risks can be limited.

## 7 INTERNATIONAL COOPERATION & COORDINATION

### 7.1. International Cooperation

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

EL supports the initiatives undertaken by the Council of Europe, the European Commission, the IOC and other sport organisations against illegal operators and match-fixing.

EL fully supports the initiative of the Council of Europe for the potential adoption of an international convention against the manipulation of sports competitions and calls upon states, sport organisations and the EU to express their firm support towards this initiative.

### 7.2. National and International Coordination

EL calls for enhanced coordination of all the efforts undertaken by the relevant parties at both European and international level, as required by the global scale of match-fixing.

EL believes that law enforcement cooperation of police and judicial authorities across borders is essential given the transnational nature of match fixing.

EL supports projects seeking to enhance national coordination between law enforcement officers, governments, sport organisations and betting operators.

EL supports the setting up of national contact points bringing together all relevant actors involved in fighting match fixing and illegal operators.