

THE EUROPEAN LOTTERIES*

ANTWERP RESOLUTION

ON SOCIETAL ROLE OF LOTTERIES

THE NEED TO CHANNEL GAMBLING DESIRE

AND TO ADVERTISE LOTTERY PRODUCTS

The European Lotteries (EL) is the umbrella organisation of national lotteries operating games of chance for the public benefit. EL brings together state-owned and private operators, both profit and non-profit, who operate on behalf of the state. The EL members only offer gambling and betting services in the jurisdictions in which they are licensed by the respective national government. EL promotes the sound and sustainable gaming model for the benefit of society. EL and its Members believe in a high level of consumer protection and responsible gaming and give it priority over other interests. This is a key differentiator of how lotteries and other activities of EL members are operated in comparison to gambling operators or illegal operators. It includes a very clear commitment to maintain Corporate Social Responsibility at the heart of the activities of EL Members. Subsidiarity is considered as an indispensable principle of regulation.

**THE EUROPEAN LOTTERIES GENERAL ASSEMBLY MEETING IN ANTWERP ON MAY 29, 2019
HAS ADOPTED THE FOLLOWING RESOLUTION**

1. The members of European Lotteries have a mission to channel the gambling desire of the population towards a regulated and responsible offer of gambling products. In that respect, they acknowledge that lottery games entail lower risk. In light of consumer protection, lotteries engage into promoting lower risk games.
2. To execute this channelling mission in a coherent way, high risk games should be subject to different and more strict rules than low risk games and the differences in regulation must be proportionate to the objective pursued.
3. Gambling advertising policy should be developed in a coherent way, taking into consideration the risk-assessment of the different types of gambling where high-risk gambling products are in a proportionate manner subject to stricter rules than low-risk products.
4. The members of European Lotteries are committed to providing continuous care to this channelling, which is also promoted by the responsible gambling compliance program of European Lotteries.
5. European Lotteries are committed to promote more independent research with the objective to evaluate different forms of gambling activities.

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EXPLANATORY STATEMENT

1. The members of European Lotteries have a common background: They are licensed or designated by their governments within a coherent gambling policy, to channel (often with exclusive rights) gambling desire of the population towards a responsible offer.

2. Such a responsible offer is mostly characterized by:
 - The true care about players by for example imposing playing limits or foreseeing other kinds of intensified follow-up of player-behaviour.
 - The context in which it is offered, namely:
 - o Limited or no free and undistorted competition;
 - o The obligation to reinvest a major part of the revenue of their gambling activities mainly in collective needs to the benefit of society ; *(the Council of the EU agreed on December 10th 2010 that this specific role of state lotteries or lotteries play an important role for society and should be recognized).*
 - Promoting games with a lower risk profile.

3. The Court of Justice has consistently held that “games of chance and lotteries constitute an economic activity of a special nature where undistorted competition is not desirable because, unlike the introduction of free, undistorted competition in a traditional market, the presence of that kind of competition in the very specific market of games of chance, between several operators authorised to run the same

games of chance, is liable to have detrimental effects owing to the fact that those operators would be led to compete with each other in inventiveness in making what they offer more attractive and, in that way, increasing consumers' expenditure on gambling and the risks of addiction”;

4. It is a consistent case law that in pursuit of high level of consumer protection and to tackle the risks connected with the gambling sector, Member States are entitled to grant exclusive rights to operate a lottery to a single entity which is subject to strict control by the public authorities;
5. Members of European Lotteries are more and more confronted with an illegal offering of more harmful, risky games of chance within their jurisdictions and national authorities, in response, opt mostly to open up (at least partially) their national gambling market for such games under certain conditions leading to an increase of the number of licensed operators;
6. The fight against unlicensed operators by opening the market under certain conditions could lead to an enhanced competition between several licensed operators as a result of which the authorities or regulators are obliged to take corrective measures to prevent unwanted side effects such as increased advertising without taking into account the specific degree of risk that certain gambling entails or that operators' policies entail;
7. The Court of Justice acknowledges that there is a certain “hierarchy of risks” between different types of games of chance, where different games lead to different risks of

addiction and that games of chance which entail a higher risk of addiction, such as short-odds games, e.g. (online) casino games, card games, slot machines, require stringent regulation as regards advertising; while traditional lottery games do not entail such a considerable risk of addiction as other games of chance, different regulatory regimes should apply to different types of game;

8. Advertising is in the world of gambling an important issue because of the following reasons:

- Advertising for lottery operators is an important leverage in the channeling of gambling desire;
- According to the policy of controlled expansion as outlined by the EU Court of Justice, namely providing an attractive offer, a certain level of advertising and the use of new distribution techniques, in the betting and gambling sector may be entirely consistent with the objective of drawing players away from clandestine gambling to activities that are authorized and regulated;
- In order to achieve the objective of fighting against illegal operators and preventing the use of betting and gambling activities for criminal or fraudulent purposes, authorized operators must represent a reliable, but at the same time attractive, alternative to a prohibited activity including an extensive range of games, advertising on a certain scale and the use of new distribution techniques;
- Moderate advertising may be consistent with the objective of protecting consumers, provided that it is aimed at what is necessary to channel consumers' desire towards controlled gambling networks;

- The use of collective resources must be the subject of a certain level of transparency towards the public.

9. Where the proportion of measures to limit advertisement related to gambling activities is not in line with the scientific risk-assessment according to the different types of games offered, such a disproportioned advertising policy without comprehension of risk assessment could lead to a less coherent policy about gambling within the jurisdiction of the Members of European Lotteries.

10. When addressing possible advertising restrictions on gambling products and services, a nuanced approach at the political and regulatory level is required which takes into account the considerable differences between different types of gambling.

Done in Antwerp on May 29, 2019