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Lewis Pek
Editor



Comment May 2018

I've been so bombarded, not just with stories about the blockchain and cryptocurrencies, but with spam emails and text messages too, that I've started to automatically delete anything even slightly bitcoin related. I'm aware of the usefulness of cryptocurrencies to enable frictionless money transfers, but it's tempered with a cynicism that says that such environments are equally open to abuse. So it was with reluctance that I tackled the issue this month, doing my research and background reading into Ethereum and smart contracts and the blockchain itself for my interview with Andre Wilsenach, panelist at the forthcoming IAGA Summit in Macau.

An expert on the subject, Andre explained the uses of the blockchain within the regulated gaming sector and that we shouldn't lump together cryptocurrencies with the blockchain as they're two related, but quite separate technologies. Email is to the Internet what bitcoin is to the blockchain. Bitcoin only exists because of the blockchain, but the facilitator can do so much more than provide a means to mint and mine digital currencies.

JAPAN WILL INSTIGATE A J-COIN IN TIME FOR THE OLYMPIC GAMES IN TOKYO IN 2020, WHICH WILL HAVE PARITY WITH THE YEN.

I also didn't appreciate the extent to which government agencies are exploring the uses of the blockchain, even to the point of instigating their own versions of digital currencies. While an institution like the Federal Reserve in the US has stated that it's not pursuing cryptocurrencies at this time, it's also true that it and practically every other government financial body is researching the hell out of it right now. Countries like Japan have gone so far as to instigate a JCoin in time for the Olympic Games in 2020, which will have parity with the yen.

It's interesting when so much of the forthcoming debates at both the IAGA Summit in Macau and the EUROMAT Summit in Monte-Carlo (both featured prominently in this issue), discuss the issues surrounding alternative payment solutions and the way in which both land-based and online gaming operators are looking for 'out of the box' solutions.

While I still think the issues surrounding bitcoin and the plethora of new currencies being minted smacks of opportunism, there will be solutions that become the 'gold standard' in the gaming sector. The blockchain, however, has been declared as the most significant change to the technology landscape since the Internet, and so it's worth investing your time in exploring a topic that's only going to prove more and more invasive in the future.

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Calendar

May 2018

NORTH AMERICA

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Mississippi US
ORGANISER
BNP Media Gaming Group
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Michigan

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SOUTH AMERICA

SAGSE Central America & Caribbean 2018

May 6-7, 2018

LOCATION

El Panama Convention Center,
Hotel El Panama, Panama City,
Panama
ORGANISER
Monografie SA
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ASIA PACIFIC

JgC 2018 - Japan Gaming Congress

May 10-11 2018

LOCATION

Conrad Tokyo, Tokyo, Japan
ORGANISER
Clarion Events
Fulham Green, Bedford House
69-79 Fulham High Street
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ASIA PACIFIC

G2E Asia 2018

May 15-17, 2018

LOCATION

The Venetian Macau, Macau
ORGANISER
Reed Exhibitions
Unit 303, 3rd Floor, Tower 3
Kerry Plaza, No 1 Zhong Xin Si Rd
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China 518400

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EMEA

Cyprus Gaming Show 2018

May 29-30, 2018

LOCATION

Limassol, Cyprus
ORGANISER
Eventus International Ltd
Suite 1104
Crawford House
70 Queen's Road Central
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ADVANTECH INNOCORE

Innovations in Gaming Computing

Ocho empresas han expresado hasta ahora su interés en participar en el inminente proceso de concesión de licencias de máquinas tragaperras en los casinos de la provincia de Buenos Aires (Argentina). Codere, Enjoy y Boldt (el operador actual de máquinas tragaperras en los casinos de la provincia) están entre las empresas que han adquirido los términos y condiciones por un importe de 500 000 dólares, y también participan empresas con sede en Paraguay y Brasil.

Continuando el éxito de Lightning Link en México, Aristocrat anunciará junto a PlayCity la inauguración del primer Lightning Link Lounge en Latinoamérica, emplazado en el PlayCity Casino Andares de la ciudad de Guadalajara (Jalisco).

Los ingresos brutos derivados del juego para los 18 casinos operados en Chile, junto con los siete casinos municipales, alcanzaron en el mes de febrero los 40 321 millones de dólares (66 766 250 \$). Se trata de una variación mensual negativa de un 0,9 por ciento menos si se compara con el mismo mes del año pasado, mientras que el crecimiento real acumulado se sitúa en un 1,1 por ciento menos a lo largo de los últimos 12 meses.

Según los Presupuestos Generales del Estado del mes de abril, los impuestos sobre el juego online en España podrían experimentar una importante reducción. Estos presupuestos introducirían una reducción generalizada de las tasas fiscales aplicadas al juego online que alcanzaría incluso el cinco por ciento.

Regency Casino Thessaloniki se ha convertido en el primer casino griego en ofrecer el juego de tragaperras interrelacionado Smash Smash Festival de Konami, con 10 máquinas multijuegos de consola inclinada y un rótilo en la parte superior. Ubicado en el borde septentrional de la costa del Golfo Termaico, el Regency Casino Thessaloniki lanzó esta serie única en torno al tema de la fiesta y obtuvo una entusiasta acogida entre los clientes.

El 16 de mayo se podría desvelar un proyecto de ley que le daría al gobierno francés la fórmula para privatizar Française des Jeux, el operador de las loterías nacionales de Francia, pero manteniendo al mismo tiempo el control de la entidad. La participación estatal, actualmente del 72 por ciento, se reducirá para emitir casi la mitad del capital en el mercado de valores a principios de 2019, en una operación que podría alcanzar los 1000 millones de euros.

El Gauselmann Group establecido una asociación con TUI Cruises. En el nuevo buque Mein Schiff 1 de TUI Cruises, que se bautizará en el mes de mayo, operará un casino a bordo bajo la marca Casino Merkur Mare. Un segundo Casino Merkur Mare se instalará en el nuevo Mein Schiff 2, que se encuentra actualmente en construcción y que hará su primera travesía en el año 2019.

Mayfair Casino Limited, una nueva incorporación en el mercado londinense de los casinos, ha adquirido de manos de A&S Leisure Group el Napoleons Casino, ubicado en pleno corazón de la londinense Leicester Square.

Eight companies have so far expressed an interest in taking part in the upcoming licensing process for the slot machines in the casinos in Buenos Aires

ARGENTINA CASINO OPERATIONS



Major Interest in Buenos Aires Slots Tender

Eight companies have so far expressed an interest in taking part in the upcoming licensing process for the slot machines in the casinos in Buenos Aires province. Codere, Enjoy and Boldt (the current operator of the slot machines in the casinos in the province) are amongst the companies that have bought the terms and conditions in return for \$500,000 with companies based in Paraguay and Brazil also taking part.

The seven casinos will be tendered in three lots, which combine the most and least profitable rooms, so that there are offers for all of the casinos. The tender for slots for the Trilenium in the city of Tigre (the largest casino by far) will be tendered alongside the casino in the coastal resort of Pinamar. The slots in the Central casino in the resort city of Mar del Plata will be tendered alongside Monte Hermoso, while slots for the Hermitage casino (also in Mar del Plata) will be tendered alongside the slots in the casinos in the cities of Tandil and Miramar.

The first company to buy the terms and condition was Boldt SA. Boldt operates 2,600

slot machines in the province of Buenos Aires. The second company to sign up was Yojne SA, an anagram of Enjoy, the Chilean firm that owns the Conrad of Punta del Este and the Mendoza casino. The third list was acquired by Codere. Smaller locally based companies, Bingo Pilar SA and Victoria Casino also bought the terms and conditions. Under current rules, operators of the slots of the Buenos Aires casinos are left with around 55 per cent of the "net win" generated by slot machines. The province receives the remaining 45 per cent per cent of this but must pay for maintenance, salaries and uniforms as well as services and security. Unlike bingo halls, casinos belong to the province.

The opening of envelopes will now be held between June 11 and 27 in the Office of Provincial Administration and Finance. Licences will run for a period of 20 years, with the possibility of an extension for one additional year. The tender process for the 3,860 slot machines operating in the seven casinos was made official after Resolution 34/2018 appeared on January 30 in the government's Official Gazette.

Brazil

First Lightning Link Lounge for LATAM

Continuing the success of Lightning Link in Mexico, Aristocrat in conjunction with PlayCity announce the opening of the first Lightning Link Lounge in Latin America, located at PlayCity Casino Andares in the city of Guadalajara, Jalisco.

An exclusive area within the casino has been dedicated to 32 gaming machines connected under the Lightning Link Lounge concept. The accumulated progressive system of Lightning Link is unique in the market and combines denominations selectable by the players, games of 25 or 50 lines, in addition to a progressive accumulated by the group of machines and by each game terminal, as well as fixed prizes. All this under an exclusive and patented game mechanics for obtaining prizes and bonuses offering an unsurpassed entertainment experience.

"Lightning Link has proven to be the best product on the market



during the last year, consolidating with all types of players and in different regions of the country, so we want to offer the concept of Lightning Link Lounge to our players to be at the forefront of the gaming industry," said Kevin Rosenberg, Director of Business Development at PlayCity.

"We appreciate the confidence and support to PlayCity in the launch of the first Lightning Link Lounge in Mexico, we believe it will be the first of many in the entire region," commented Alvaro Nores, Vice President for Latin America at

Aristocrat. PlayCity, in addition to the launch of Lightning Link Lounge, has committed to install 250 Lightning Link game machines in its 17 rooms around the country.

"Our commitment to the Mexican market is to offer the best gaming experience and for that we are convinced that this concept will be well received by the players and will make Lightning Link Lounge the favorite and most visited place in the casino," said Carlos Carrion, Director of Sales and Operations in Mexico.



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CASINO SUPPLIER
OF THE YEAR

Evolution Gaming ha anunciado la puesta en marcha de su nuevo centro de producción vanguardista en Tiflis (Georgia). La expansión de Evolution hacia Tiflis —el noveno estudio de Evolution— sigue los pasos de la inauguración de un estudio de Live Casino construido ex profeso a principios de este año en Vancouver (Canadá).

Playtech ha adquirido una participación del 70,6 por ciento en el operador italiano de juego y apuestas Snaitech por un valor de 846 millones de euros, con lo que Playtech espera realizar la oferta de adquisición obligatoria para todas las acciones restantes de Snaitech en el cuarto trimestre de 2018.

Paysafe llegado a un acuerdo para adquirir iPayment Holdings, un proveedor estadounidense de soluciones de pago y procesamiento para pequeñas y medianas empresas.

SuzoHapp ha culminado la adquisición de las principales líneas de productos con y sin efectivo de Coinco, líder en el diseño y la fabricación de soluciones de pago para el sector del vending con sede en St. Louis (Missouri).

Los abogados que representan tanto a Steve Wynn como a Wynn Resorts han presentado una solicitud a la Comisión del Juego de Massachusetts para retirar al ex director general del casino de su lista de personas cualificadas, un registro de ejecutivos cruciales necesario para la aprobación de una licencia sobre la base de análisis de idoneidad.

La marca de hoteles de estilo creada por el fundador del Virgin Group, Richard Branson, y otros inversores privados, ha adquirido el Hard Rock Hotel & Casino de Las Vegas de un fondo inmobiliario privado gestionado por Brookfield. El grupo tiene previsto abrir un establecimiento revitalizado y con un nuevo concepto, los Virgin Hotels Las Vegas, a finales del otoño de 2019.

Stanley Ho, el «padre fundador» del sector de los casinos de Macau, que durante un tiempo ha sido el mayor del mundo en términos de ingresos, se retirará en junio de su cargo de presidente y director ejecutivo de SJM Holdings.

El grupo de casinos malayo Genting está considerando introducirse en el sector australiano de los casinos adquiriendo el casino Darwin que ha sido puesto a la venta por su propietario neozelandés SkyCity Entertainment.

A pesar de haber obtenido una licencia de casino otorgada por el regulador del juego de Filipinas, Galaxy Entertainment Group (GEG) ha visto cómo el presidente filipino, Rodrigo Duterte, ha echado por tierra sus planes de construir un resort con casino en la isla de Boracay valorado en 500 millones de dólares.

La intención del gobierno era contar con cinco Integrated Resorts, pero se ha comprometido para tres, con un acuerdo que implica que los legisladores revisarán su éxito y otorgarán potencialmente más licencias tras un período de siete años en lugar de los 10 años inicialmente previstos.

Revenues on the Rise in Paraguay

Revenues for the gaming industry continue to show an increase after The National Gaming Commission transferred five per cent more to the National Treasury

During the first two months of 2018 CONAJZAR, the National Gaming Commission, recorded a total income of G. 21,266 million

PARAGUAY GAMING OPERATIONS

Revenues for the gaming industry continue to show an increase after The National Gaming Commission (CONAJZAR) transferred five per cent more to the National Treasury in the first two months of this year compared to the same period in 2017. According to data from the Ministry of Finance, during the first two months of 2018 CONAJZAR recorded a total income of G. 21,266m, an amount that went beyond G.20,247m that the gaming board collected between January and February 2017.

The increased revenue will mean an increase in resources for the Department of Social Welfare and Assistance (DIBEN), which receives 30 per cent of gaming tax revenue. The remaining share is distributed to the departmental governments (30 per cent), the municipal governments (30 per cent) while the remaining (10 per cent) goes to the Treasury.

During fiscal year 2017, CONAJZAR managed to increase its collection by 3.5 per cent compared to 2016, after collecting a total of G.121.199 million and surpassing G.117.098 million in revenue which was registered in 2016. While revenues are on the rise it has been a somewhat



turbulent few months for the board. In February, the Comptroller General of the Republic of Paraguay (CGR) recommended that the bidding process for sports betting be declared void.

The CGR also criticised the gaming board for ignoring the recommendation to immediately suspend the licensing process until it had issued its opinion on the issue. The CGR believes that the tender was monopolistic in design and is therefore incompatible with the constitution. In April last year, the CGR had suggested ending the process but in November – the same month the envelopes of the tender were opened – the Comptroller's Office requested that the process be stopped, but this request was ignored by CONAJZAR.

The CGR made its recommendations in February after finding a number of inconsistencies during the licensing process and has asked that the licence awarded to Daruma Sam (Apostala) be revoked. In the midst of the controversy the head of CONAJZAR Javier Balbuena, announced his decision to leave office in March and has since been replaced by Oscar Ramón Portillo Martínez.

Lotex announces road shows in Brazil ahead of planned sell off

Brazil

The Brazilian Development Bank (BNDES) has invited companies interested in bidding for Instant Lottery LOTEX to road shows, which will take place in Sao Palo and Rio de Janeiro. BNDES has called on local and foreign companies to participate in meetings with ministry officials in order to clarify any last questions before bidding for the granting of the Brazilian Instant lottery begins.

The announcement follows the publication of a decree in Brazil's federal government's Official Gazette. According to the text of the decree, the licence will cover sales in both physical retailers and online. Each series of bets will be marketed according to the distribution plan approved by the Ministry of Finance. The challenge for a

potential investor is to build a large distributio channel with over 60,000 points of sale.

The greatest share of revenue, 65 per cent, will be destined for prizes. 18.3 per cent will be allotted for operator revenue while the remaining 16.7 per cent will go to the government. The auction will take place on June 14, 2018. Key players in the industry are likely to take part including IGT, Scientific Games, Playtech and Intralot.

In September 2016 the largest state owned bank and lottery operator – the Caixa Econômica Federal (CAIXA) announced that its instant lottery ticket arm would be auctioned off as part of a 25-point plan designed to kick-start the economy. CAIXA will continue to run and operate traditional lotteries such as its most popular lottery the Mega-Sena. The sale is part of a huge asset sale which could help the government manage to cut the widening budget gap and reduce rising public debt.

Brazil

Betting on lotteries is on the rise according to the largest state owned bank and lottery operator – the Caixa Econômica Federal. Lotteries generated R\$3.3 billion (US\$966,801,000) in the first quarter of 2018, according to a statement released by the bank with the volume of bets exceeding expectations. Caixa reported that the figure meant an increase of 19.2 per cent compared to the same period in 2017, when the body generated R\$2.7bn. According to Caixa, in March lotteries generated R \$ 1.1bn, an increase of almost 16 per cent compared to March last year. The Mega-Sena, one the largest lotteries in the world, led the pack with sales standing at R\$456.7m, followed by Lotofácil, R\$336.8m, and Quina, R\$192.8m. "The first quarter, presents the best performance for lotteries for the last five years," said Vice President of Government Funds and Lotteries for Caixa, Valter Nunes.



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CHILE – Gross gaming revenue for the 18 casinos operating in Chile combined with the seven municipal casinos reached \$40,321m (US\$66,766,250), in February. This is a negative monthly variation of minus 0.9 per cent when compared to the same month last year, while accumulated real growth is minus 1.1 per cent over the last 12 months.

According to the latest report released by the Chilean Gaming control Board (SJC), in terms of gross gaming revenue, income generated by the casinos Casino Viña came in first place with 14.9 per cent (\$5,997 m). Sun Monticello 14.8 per cent (\$5,966m). Coquimbo 8.9 per cent (\$3,605 m). Casino Rinconada 7.4 per cent (\$2,986m). Marina del Sol Talcahuano 7.2 per cent (\$ 2,907m). Casino de Pucón 6.7 per cent (\$ 2,686m). Enjoy Antofagasta 4.9 per cent (\$1,982m). Casino de Iquique 4.2 per cent (\$1,708m).

Dreams Temuco 3.7 per cent (\$1,479m). Dreams Punta Arenas 3.6 per cent (\$1,451m). Casino Puerto Varas 3.4 per cent (\$1,367m). Dreams Valdivia 2.7 per cent (\$1,083m). Gran Casino de Talca 2.3 per cent (\$945m). Antay Casino & Hotel 2.2 per cent (\$900m). Casino de Juegos del Pacifico 2.0 per cent (\$810m). Marina del Sol Calama 1.9 per cent (\$786m). Marina del Sol Osorno 1.8 per cent (\$ 732m). Casino de Colchagua 1.4 per cent (\$561m). Casino Gran Los Angeles 1.0 per cent (\$416m). Dreams Coyhaique 1.0 per cent (\$414m). Casino de Arica 1.0 per cent (\$398m). Enjoy Chiloé 1.0 per cent (\$393m). Casino Luckia Arica 0.8 per cent (\$327m). Ovalle Casino Resort S.A. 0.7 per cent (\$276 m). Casino de Natales 0.4 per cent (\$147m).

Regarding visitor spending, during the month of February for the casinos which already come under the supervision of the SJC average expenditure stood at \$53,925 per visit, meaning a real variation of minus 0.1 per cent when compared to February 2017, but a real cumulative growth when it came to expenditure of plus 1.1 per cent over the last 12 months. The 452,731 registered visits were equivalent to a variation of plus 0.4 per cent compared to February 2017 and minus 1.6 per cent over the last twelve months.

Meanwhile, total visitors to the municipal casinos (not including the casino in Puerto Varas, which does not record this information) stood at 360,311 for the month of February. Unfortunately, for now this information cannot be compared, indexed or added to that registered by the casinos as authorised by Law No. 19.995, because there are no standardised measures in place by the SJC. In addition, data for average visitor spend for the municipal casinos is still unavailable.

Mendoza Casinos Break Profit Records

The Provincial Institute of Games and Casinos of Mendoza (IPJyC) has reported that the Central Casino recorded a significant increase in revenues in March

Slot revenue in Mendoza increased by as much as 15 per cent compared to the previous month reaching \$26,154,291m

ARGENTINA CASINO OPERATIONS

The Provincial Institute of Games and Casinos of Mendoza (IPJyC) has reported that the Central Casino recorded a significant increase in revenues in March. Slot revenue increased by as much as 15 per cent compared to the previous month reaching \$26,154,291m. Table gaming also increased and stood at \$3,438,870m pesos.

The state owned San Martín Annex also recorded an increase of 16.53 percent of its profits compared to February, reporting revenues of \$23,873,251m putting it in fifth place. In March, gaming revenue from casinos and official lottery agencies amounted to \$295,617,517.59 – 27.5 per cent more compared to the same month last year with slots and Quiniela leading the pack. Those living in the province spent almost \$300m per month on gambling via the 12 casinos Mendoza and the 11 different lottery games on offer. The 4,888 slot machines last month generated more than \$230m while the total for table games amounted to \$27m. When it came to casinos



Enjoy came in first place (\$46.6m), followed closely by the Regency (\$44.2m).

March and July are usually good indicators when it comes to the performance of the gaming market in the province. The IPJyC emphasised the efforts of staff in the casino and said that the latest figures placed the Central Casino in third place in the province adding that March was a record month when it came to slots on the casino floor. The IPJyC's message was a response to the recent public complaint made by the state casino union of the IPJyC, who stated in an open letter last month that "the Mendoza Central Casino is in a state of total abandonment, which leads customers to opt for other options and generate losses for Mendoza."

The biggest increase year on year was recorded by the Casino Fuente Mayor, located in Vista Flores (Tunuyán). In March it recorded revenues of \$8.2 million, a massive 290 per cent increase compared to the same month in 2017.

Argentina

A preliminary draft put forward by owners and breeders of thoroughbred horses to the government of the province of Buenos Aires has been rejected by unions in the sector. A number of racehorse owners associations and horse breeder organisations propose extending the removal of state subsidies for two years, and then gradually removing them every six months until reaching the five per cent mark required by government. The Province of Buenos Aires will reduce subsidies for horse racing by as much as \$300m per year in its first phase. Its position is that horse racing in the province of Buenos Aires has its own revenue sources such as betting, as well as simulcast sales abroad. However, for more than 10 years, the province has subsidised the activity of racetracks and subsidised different trade associations. In 2017, \$1,000m was allocated to the sector, which year after year is increasing and it is estimated to stand \$1,300m in 2018.

Government closes large scale slots parlour in Porto Alegre

Brazil

The local government has finally banned the Winfil gaming house from operating in the city of Porto Alegre. The Municipal Secretariat of Economic Development has ruled that the establishment is operating games of chance in contravention of its license. As a result, its licence was revoked and the establishment was closed down last week. According to an official government statement, the activity of gambling "consists of a criminal offense," and the case is now the focus of an investigation by the Public Prosecutor's Office.

The Winfil gaming house opened on October 19 with games offered in demonstration mode only. The establishment houses 40 different types of games, 460 machines and the Parisian themed slot parlour is able to accommodate 1500 people and

includes a restaurant. However just eleven days later State Police forces alongside members of the Public Prosecutor's Office served a search and seizure warrant on the establishment as it had begun to offer cash money bets. Police seized money, and gaming components including controller boards during the raid. Police carried out another raid shortly afterwards after it was found to be offering cash bets. In January 2018, it was reported that the slot parlour was once again taking real money bets with local law enforcement officials poised to take further action.

In March a lawyer representing Winfil said that despite bingo and video bingo machines being banned in Brazil, the operator would wait to hear how new legislation pans out before closing its properties or developing them further. Apart from the establishment located in the south of Porto Alegre 13 more branches are registered at a state and local level ten of which are in Rio Grande do Sul, two in Santa Catarina and one in Brasilia.



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Bislang haben acht Unternehmen ihr

Interesse an einer Teilnahme an dem bevorstehenden Zulassungsverfahren für die Spielautomaten in den Spielbanken der argentinischen Provinz Buenos Aires angemeldet. Codere, Enjoy und Boldt (der gegenwärtige Betreiber der Spielautomaten in den Spielbanken der Provinz) sind unter den zum Teil in Paraguay und Brasilien ansässigen Unternehmen, die die Ausschreibungsbedingungen für jeweils 500.000 USD erworben haben.

Zur Fortführung des Erfolgs von Lightning

Link in Mexiko meldet Aristocrat in Zusammenarbeit mit PlayCity die Eröffnung der ersten Lightning Link Lounge in Lateinamerika mit Sitz im PlayCity Casino Andares in Guadalajara im Bundesstaat Jalisco.

Der Bruttospielertrag der 18 in Chile

betriebenen Spielbanken sowie der sieben städtischen Casinos hat sich im Februar auf 40.321 Mio. CLP (66.766.250 USD), belaufen. Das ist ein Rückgang um 0,9 Prozent gegenüber dem gleichen Monat des Vorjahres, während der gesammelte reale Rückgang der zurückliegenden 12 Monate 1,1 Prozent betrug.

Laut dem spanischen Haushaltsbericht für den April könnten die Glücksspielsteuern in Kürze eine größere Senkung erleben. In den Haushalt könnte demnach eine verallgemeinerte Herabsetzung der für das Glücksspiel geltenden Steuersätze um nicht weniger als fünf Prozent einzugehalten werden.

Das Regency Casino in Thessaloniki hat im vergangenen Oktober als erste Spielbank in Griechenland das verknüpfte Automatenspiel Smash Smash Festival von Konami mit seinen 10 Slant-Top-Automaten für mehrere Mitspieler und dem gut sichtbar angebrachten Emblem präsentiert. Das am Nordrand des thermäischen Golfs gelegene Regency Casino Thessaloniki hat mit der Einführung der einzigartigen Spielereihe rund um das Thema Fiesta eine begeisterte Resonanz bei seinen Gästen ausgelöst.

Am 16. Mai könnte ein Gesetzentwurf eingebracht werden, der der französischen Regierung grünes Licht zur teilweisen Privatisierung von Française des Jeux, dem staatlichen französischen Lotteriebetreiber, bei gleichzeitiger Beibehaltung der Kontrolle über das Unternehmen gibt. Der staatliche Anteil, der sich derzeit auf 72 Prozent beläuft, soll gesenkt werden, um Anfang 2019 einem Zug, der etwa 1 Mrd. Euro einbringen würde, fast die Hälfte des Kapitals an die Börse zu bringen.

Die Unternehmensgruppe Gauselmann hat

eine Zusammenarbeit mit dem Kreuzfahrtanbieter TUI Cruises abgeschlossen. An Bord des neuen Kreuzfahrtschiffs Mein Schiff 1 von TUI Cruises, dessen Taufe im Mai erfolgen wird, wird ein Schiffskasino unter dem Markennamen Casino Merkur Mare betrieben. Ein zweites Casino Merkur Mare wird auf dem neuen Mein Schiff 2 eingerichtet, das derzeit im Bau ist und 2019 zu seiner Jungfernfahrt in See stechen soll.

Major Decrease in Gaming Taxes in Budget

According to the latest State General Budget in Spain, online gambling taxes could soon see a major reduction from 25 per cent to 20 per cent

The latest Spanish budget is the first since the global financial crisis in 2008 that does not include major austerity cutbacks

SPAIN GOVERNMENT LEGISLATION

According to April's State General Budget in Spain, online gambling taxes could soon see a major reduction. The budget would introduce a generalised reduction of the tax rates applied to online gaming by as much as five per cent. The current rate stands at 25 per cent of gross gaming revenue. This will be reduced to 20 per cent if the provisions are passed. The Spanish government presented its 2018 budget to parliament after the cabinet of Prime Minister Mariano Rajoy, which includes increased pensions and payments for civil servants and families in a package designed to gain backing for the coalition government. It is the first budget since the global financial crisis in 2008 that does not include major austerity cutbacks.

The government states that the new tax will be applied to the vast majority of online games. The reduction will make the market more attractive to operators so that they may carry out their activities within the legal framework, and reduce illegal gambling. In addition, "it will



eliminate any tax discrimination between the different types of gambling in line with the criterion of non-discrimination between them that is supported by the European Commission."

Land-based Gaming taxes for Spain's two autonomous cities, Ceuta and Melilla could also be cut dramatically. Taxes for casinos would be reduced by 50 per cent under current proposals placing it at 10 per cent.

Decrees will also be put in place in order to improve player protection measures, look at ways to protect minors, strengthen measures against fraud, money laundering and other criminal activities. It will also be used to clarify the different types of gaming that can be offered under different licenses. These will include new games such as daily fantasy sports and bets on virtual sports or games played via live casino other than roulette. It will also simplify certain requirements relating to new modes of play for already existing games.

Greece

Landmark results for Konami in Thessaloniki



Regency Thessaloniki, Konstantinos Peios, Assistant Slots Manager and Stelios Sampris, Slots Manager

Regency Casino Thessaloniki became the first in Greece to feature Konami's Smash Smash Festival linked slot game last October, with 10 multi-game slant machines and overhead sign. Located off the seafront northern edge of the Thermaic Gulf, Regency Casino Thessaloniki launched the unique fiesta-themed series with enthusiastic response from guests.

"Regency Casino is known for having a large mix of the newest games. We recognized Smash Smash Festival as an opportunity to bring the latest quality entertainment to our customers in a big way," Stelios Sampris, Slots Manager at Regency Casino Thessaloniki. "Ten new multi-game slant machines were

installed with Smash Smash Festival overtop, and guests took to it immediately."

Working with INTERGAMES d.o.o., Konami's exclusive distributor for the region, Mr. Sampris and his team compiled a strong multi-game mix to appeal to its player base. Smash Smash Festival links the bank with piñatas prizes and a large €10,000 jackpot.

"Now six months after going live for the first time in Greece, Smash Smash Festival continues to perform well above house average," said Sampris. "We're very pleased with the results for our business and the added entertainment value for our guests."

UK

Sports Information Services, a leading supplier of betting products to retail and online operators, has announced the renewal of its retail agreement with 49's, and an expansion to cover international and online. The 49's numbers games, live draws and virtual content have been included in SIS's Retail TV Service for independent bookmakers and SIS's ROW (Rest of the World) TV Channel to date. Paul Witten, Product Director at SIS, said: "The 49's content is a key part of our schedule for retail betting. We are very pleased to announce both the extension of these rights for retail, and also the increased rights for international and online. These increased rights further support our diversification strategy alongside our top quality horse racing and greyhound racing content." Miles Phillips, COO, 49's Ltd, said: "Together we have set an industry standard in fixed odds betting for over 20 years and are excited to expand our product offering and distribution methods with SIS."

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Evolution Gaming meldet die Inbetriebnahme seines neuen hochmodernen Fertigungszentrums im georgischen Tiflis. Die Erweiterung von Evolution in Richtung Tiflis – dem neunten Fertigungsstandort von Evolution – folgt auf die zu einem früheren Zeitpunkt in diesem Jahr erfolgte Eröffnung des eigens für den Live-Kasino-Betrieb errichteten Studios in Vancouver, Kanada.

Playtech hat für 846 Mio. Euro 70,6 Prozent an dem italienischen Glücksspiel- und Wettenanbieter Snaitech erworben, und es wird erwartet, dass Playtech bis zum vierten Quartal 2018 ein verbindliches Übernahmeangebot für alle übrigen Anteile an Snaitech unterbreiten wird.

Paysafe hat sich auf die Übernahme der iPayment Holdings, einen in den USA ansässigen Anbieter von Zahlungsabwicklungs- und -verarbeitungs-lösungen für kleine und mittlere Unternehmen (KMU), geeinigt.

SuzoHapp hat die Übernahme der Hauptwährungs- und der bargeldlosen Produktlinien von Coinco, einem führenden Entwickler und Hersteller von Lösungen zur Zahlungsabwicklung für die Vending-Branche mit Sitz in St. Louis, Missouri, abgeschlossen.

Rechtsanwälte, die sowohl Steve Wynn als auch die Wynn Resorts vertreten, haben bei dem Glücksspielausschuss von Massachusetts beantragt, den ehemaligen Spielbankgeschäftsführer aus dem Verzeichnis der geeigneten Personen zu streichen, eine Eintragung der entscheidenden Führungskräfte, die zur Erteilung einer Zulassung auf der Grundlage entsprechender Eignungsprüfungen benötigt wird.

Die von dem Gründer der Unternehmensgruppe Virgin, Richard Branson, und weiteren Privatanlegern ins Leben gerufene Hotelmarke Lifestyle hat das Hard Rock Hotel & Casino in Las Vegas von einem von Brookfield verwalteten privaten Immobilienfonds erworben. Die Gruppe plant die Eröffnung eines überarbeiteten und neu belebten Objekts, des Virgin Hotels Las Vegas, im Spätherbst 2019.

Dr. Stanley Ho, der „Gründervater“ der Kasinobranche in Macau, die eine Zeit lang die umsatzstärkste der Welt gewesen ist, wird sich im Juni von seinen Ämtern als Vorsitzender und Hauptgeschäftsführer der SJM Holdings zurückziehen.

Die aus Malaysia stammende Spielbanken-gruppe Genting erwägt den Einstieg in die australische Kasinobranche durch die Übernahme der Spielbank von Darwin, die von ihrem in Neuseeland ansässigen Eigentümer SkyCity Entertainment zum Kauf angeboten wird.

Die Mayfair Casino Limited, ein Neuling auf dem Spielbankmarkt in London, hat das im Herzen des Londoner Leicester Squares gelegene Napoleons Casino von der A&S Leisure Group übernommen.

Café de Paris Innovates with Sphinx 4D

Casino Café de Paris continues to innovate in partnership with IGT with the spectacular launch of the Sphinx 4D slot machine, giving slots players at the casino a multi-sensory experience full of surprises

Sphinx 4D features technology that gives players a multi-sensory experience and provides Casino Café de Paris with an unequalled selection on the French Riviera

FRANCE CASINO SUPPLIERS



Casino Café de Paris, which boasts the finest selection of slot machines in Europe, continues to innovate in partnership with world leader, IGT. On April 27, 2018, the casino installed four Sphinx 4D slot machines, featuring a totally innovative technology that gives players a multi-sensory experience full of surprises. The launch provides an unequalled gaming selection on the French Riviera and in Europe.

After receiving a number of latest-generation IGT slot machines in the showroom specifically for this purpose, alongside premium games, Casino Café de Paris confirms its position as a technological showcase in the gaming universe with an innovation that is unique in Europe: Sphinx 4D slot machines. These latest slots were revealed in a grand opening at an exceptional event on April 27.

Casino Café de Paris is a venue appreciated by local clientele from Cannes to San Remo, as well as by international customers, and today it boasts the finest selection of slot machines in Europe. It is also the casino on the French Riviera that distributes the highest wins: from

March 2017 to April 2018, Casino Café de Paris counted up 27,483 jackpots, for total prize money of nearly €191,430,000.

"Deploying IGT's SPHINX 4D slot machines at Casino Café de Paris introduced a new type of player excitement to our casino floor," said Pascal Camia, Executive Vice President of the Gaming of Monte-Carlo Société des Bains de Mer. "Innovation is a major pillar of our vision for Monaco casinos and we are proud to present them in exclusivity to our clients."

IGT is delighted to partner with Casino Café de Paris for the Monaco debut of SPHINX 4D", said Walter Bugno, CEO of IGT International. "The award-winning SPHINX 4D deploys cutting-edge technology and introduces a truly immersive gaming environment thanks to the use of glasses-free TRUE 3D, gesture recognition and mid-air haptic technologies.

"By adding SPHINX 4D to its range, Casino Café de Paris has boosted its commitment to passionate gamers thanks to innovation and world-class gaming experiences."

Storm posts impressive results from casinos in Tbilisi and Yerevan

Germany

Storm International has reported that the company's revenues in 2017 showed a total year-on-year growth of 12 per cent, while net profit increased by 14.8 per cent.

In 2017 the greatest growth markets for Storm's businesses were Shangri La Casino Tbilisi with growth measured at 21 per cent and Shangri La Yerevan with an astonishing increase in growth of 48 per cent. The reason for the growth of these two markets has been the increase of foreign customers who continue discovering Georgia and Armenia as attractive gaming destinations. In the last year the flight schedules have doubled from different countries to both Yerevan and Tbilisi.

In November 2017, Storm opened its latest Shangri La casino in Riga, Latvia. The new casino is located in the centre of the capital in the newly built Grand Hotel Kempinski.

Darren Keane, CEO of Storm International commented on the new opening: "We expect the Riga project to develop well due to the good reputation of our brand in the region and to be in the most luxurious hotel in Latvia will of course help."

2017 also saw Storm make its first foray into the online market with its online casino PlayShangriLa.com. The company's management strived to add an online component to its business for a few years and it took time to develop the concept and the product of the corresponding quality. The online Shangri La casino was opened in April 2017 and has designed to take advantage of Storm's Shangri La branding.

France

A bill could be unveiled on May 16 to give the French government the formula to partially privatise Française des Jeux, the operator of France's national lottery games whilst still keeping control of the entity. The state's share, currently 72 per cent, will be reduced in order to introduce float almost half of the capital on the stock market in early 2019 in a move that could raise €1bn. Several different permutations have been presented since the election of Emmanuel Macron to the president, but this formula for privatisation allows the state to retain a blocking minority on the operator, double voting rights whilst allowing the FDJ to retain its monopoly on exclusive wagering, lottery and scratch games. A new gambling regulator will also be created to oversee the FDJ and online betting. The bill will be presented to the Council of Ministers on May 16. In 2017, the FDJ generated €15.1bn in bets with €3.3bn were in the state budget.

Sweden to Open Online Applications

Sweden's online gaming legislation is slowly taking shape although the application phase for the new licenses has been delayed a month to August 1. Taxation has been set at an 18 per cent tax on gross sales



Sweden's online gaming legislation is slowly taking shape although the application phase for the new licenses has been delayed a month to August 1. The new law will not come into effect though until 1 January 2019.

The application for admission to the offer of online casino games will cost €38,800. Operators wanting to offer both casino and sports betting must pay €74,000 just to be considered in the application process. Taxation has been set at an 18 per cent tax on gross sales.

Ardalan Shekarabi, Minister of Civil Affairs, said: "We have strengthened the powers of the Lottery Inspectorate who will now be known as the Game Inspectorate and have given the Authority more and more powerful tools. Unlicensed operators will be closed down and licensees will conduct their business in accordance with the law. We have also given an assignment to the State Office to follow up the reform in order to quickly adjust the law if the objectives of the reform are not met. It is crucial

that sustainable funding for the community is not jeopardised."

The new Gambling Act will replace the existing Swedish legislation from 2019 onwards. The new law puts a stronger focus on player protection by the providers and the government with self-locking for gambling addicted players being mandatory along with the ability to turn off content so that it does not continue to display. Operators will only be able to use bonuses as an incentive to register and only at the time of the first game. To protect against illegal providers, the Swedish government also has the ability to block unlicensed providers and block access to their websites. Payments between players and potentially illegal providers can also be stopped.

The new legislation divides the Swedish market into three areas; the open/competitive market, good causes, state land-based. The first of these is described as an open/competitive market for new providers with new licenses who are active in the field of online casino or sports betting.



London's Napoleons Casino bought by Mayfair Casino Ltd

UK

Mayfair Casino Limited, a new entrant into the London casino market has bought Napoleons Casino, located in the heart of London's Leicester Square, from A&S Leisure Group.

George Polhill, Managing Director at Mayfair Casino Limited said: "Napoleons is one of the West End's most well known and long established entertainment venues, whether for after work, pre theatre or gaming crowds. Our immediate priority is to make the transition to new

ownership as smooth as possible and ensure that casino members and guests continue to have the same high-level customer experience."

"It is an exciting time in our business and we are thrilled to join the dynamic London casino market."

Dave Allen, Chairman of A&S Leisure Group Ltd commented on the sale of the casino: "Napoleons Casino has operated in Leicester Square for nearly 30 years during which time it has proven to be an unqualified success story. Much of the credit goes to the casino's loyal and hardworking staff and we wish Mayfair Casino Ltd the best of luck with their new acquisition."

Germany

The state of Hesse has granted TipWin a licence to offer online horse racing betting in Germany with a licence that will run until 2021. Ivica Batinic, CEO, said the licence was further evidence that Tipwin is on the right track financially and legally. In particular, it was fundamentally important for the company to comply with and certify the information security standard ISO 27001. Furthermore, the state of Hessen has shown that it is possible to grant gambling licenses for online distribution as well. The stipulations in the secondary provisions are primarily of a qualitative nature and could theoretically also serve for a new regulation in the field of sports betting.

TipWin has been active as a sports betting provider in the German market since September 2014. TipWin is represented in 500 sports betting locations and is the exclusive sports betting sponsor on the German football teams Hanover 96 and Bayer 04 Leverkusen.



GERMANY – The Gauselmann Group has established a partnership with TUI Cruises. Aboard TUI Cruises' new Mein Schiff 1 liner, to be named in May, it will operate a ship's casino under the Casino Merkur Mare brand. A second Casino Merkur Mare will be established on the new Mein Schiff 2, which is currently under construction and will set sail on her maiden voyage in 2019.

"The partnership with TUI Cruises marks another milestone in the over 60-year history of the Gauselmann Group. In Germany, the gaming industry is subject to increasingly restrictive statutory regulations, with the consequence that the focus is shifting more and more towards international activities. Casino Merkur Mare is another step in this direction," said Dieter Kuhlmann, Management Board member responsible for Gaming Operations within the Gauselmann Group.

TUI Cruises currently has six cruise ships, Mein Schiff 1 to Mein Schiff 6. For the Gauselmann Group, this is not the first partnership involving ship's casinos. The Eastern Westphalian company was first granted a licence to operate casinos on cruise ships in 2016. Under the Casino Merkur Mare brand, it already operates four casinos aboard four ships belonging to the Pullmantur Cruceros cruise line. The 120+sq.m Casino Merkur Mare on the new Mein Schiff 1 is designed in the style of a boutique casino. The portfolio of games on offer includes a variety of slots made by Gauselmann, a 14-place table featuring electronic roulette and blackjack and a pusher with two places. Beyond the area covered by the gaming licence, Casino Merkur Mare is also installing driving simulators for younger guests.

Casino Merkur Mare will be staffed by three employees who have previously gained professional experience with the Gauselmann subsidiaries CASINO MERKUR-SPIELOTHEK and in the Merkur casinos. "They will also be extensively trained for their new job with CASINO MERKUR MARE to ensure they are optimally prepared to cope with the specific demands that go with working in a ship's casino," explains Kathy Schröder, Head of Casino Operations at CASINO MERKUR MARE.

FRANCE – GVC Holdings and Pari Mutuel Urbain (PMU) have been authorised to offer shared online poker liquidity in France. French online regulator ARJEL has now approved five companies to share liquidity poker markets between France, Spain, Italy and Portugal. SAS, the local subsidiary of GVC-owned Bwin, will make use of the licence. PokerStars, BetClic and SPS Betting Limited (for Unibet.fr) have already obtained the approvals needed to begin offering pooled games across each of the markets.



SPAIN – Last month, Zitro received an extraordinary visit from the Director of Taxation and Gaming of Castilla La Mancha (Spain), Ms. Susana Pastor, as well as the Head of Game Services of Castilla La Mancha (Spain) Mr. Javier Gómez.

During the tour of the Zitro Technology Campus in Barcelona, the officials from Castilla la Mancha were accompanied by the top representatives of Zitro: Johnny Ortiz, President, Manuela Jimenez, Vice President, Sebastián Salat, CEO, and Cristina García, Director of Institutional Relations.

Ms. Garcia highlighted the importance of this visit as an essential step to establish and maintain dialogue between the different stakeholders in the gaming industry. This visit, Cristina added, demonstrates the willingness of public institutions and the private sector to work together.

SPAIN – The President of the Luckia Group, José González Fuentes, and the manager of Cirsá, Braulio Pérez, have met with the mayor of Vigo, Abel Caballero, and the councillor for Commerce, Ángel Rivas to discuss plans that will give the go ahead for a new casino in the city of Vigo. Under current plans, the new casino will create 105 direct jobs plus an additional 75 to 80 indirect jobs. The agreement is dependent on planning permission for the building of the casino in Vigo's free trade zone as well as the authorisation from the Government of Galicia. Both companies also own the Casino La Toja in the municipality of O Grove in Galicia.

The operators of the new casino have officially presented their proposal to the local government with the intention of speeding up building permits and the authorisation from the Vice Presidency so that they will be able to open before the end of the year. The owners will invest between €5.5 and €6m in developing the 1,700sq.m site in the lower level of the A Laxe Shopping Center: Vigo's newest shopping centre, located centrally in the port area of Vigo. The location is designed to attract demand from the south of the province as well as customers from the north of Portugal and crew working on cruise ships that dock nearby.

The A Laxe gaming room will come with a bar and a small restaurant and will house the maximum number of games that regional laws allow with gaming tables, sports -betting and slots. The operators complete building work within four months, so that by the end of the year or early 2019 the casino should be operational. The company said it would raise as much as €30m per year in revenue. In legal terms, the Vigo room will be attached to the Casino La Toja but the owners will promote Casino de Vigo as a commercial brand on its own in order to differentiate itself.

ICE Confirms Record-Breaking Attendance

Following an independent audit of the world's biggest gaming event, the unique number of visitors attending ICE London has been confirmed at 33,536

The 2018 edition of ICE London has been officially declared the biggest on record with an 11 per cent increase on figures from 2017

UK EXHIBITIONS



An independent audit of the world's biggest gaming event, detailing the unique number of visitors attending ICE London, has confirmed attendance at 33,536, an 11 per cent increase on the 2017 figure and a landmark figure that constituted the seventh consecutive year of growth for the industry leading gaming technology event. Despite occupying an additional hall at London's ExCeL, density also increased year-on-year, with the average number of visitors per stand up 17% and the number of visitors per square metre up 12%. In a year that the ICE brand demonstrated its unique ability to engage with gaming professionals based throughout the world, the number of represented countries edged higher from 151 (2017) to 153, with the exhibition experiencing a surge of visitors from key growth regions, notably North America (+33 per cent), Africa (+23 per cent) and South East Asia (+18 per cent).

Reflecting on the positive data, Kate Chambers, Managing Director of Clarion Gaming, said: "Achieving a double digit uplift in attendance and extending the sequence of growth to seven consecutive years is a massive achievement for everyone involved in ICE London. This is a fantastic collaboration involving the great team at Clarion Gaming, the gaming community at large who travelled to London from a record 153 sovereign states and jurisdictions, as well as the community of international exhibitors who support the ICE brand with such passion and creativity. The backing we receive from

exhibitors is evident in the post-show research we commission each year and which measures the satisfaction rating as a Net Promoter Score (NPS). The exhibitor NPS came in at +51.8, which places ICE London among an elite group of business events staged in the U.K., an accolade I am extremely proud of."

She added: "One of the stand-out features of ICE London is the breadth of the gaming offering that's available for visitors to experience. Whereas more regional centric exhibitions have a narrower focus, ICE London embraces all forms of gaming, a feature which is reflected in the audience profile. This year, the number of visitors interested in bingo, street, poker and social gaming more than doubled. Half of the audience had an interest in sports betting and two thirds in the casino business. Of the newer gaming sectors, 20 per cent of the ICE London attendance had an interest in esports. It's this mix of verticals that delivers the dynamic that keeps the ICE London experience fresh and relevant to all sectors of the industry."

Outside of the UK, the largest represented country at ICE London was Malta (1,910 attendees), followed by Germany (1,445), the U.S. (1,253), Austria (1,170) and Spain (1,097). The group of top 10 nations was completed by Sweden (914), Italy (910), Netherlands (658), Bulgaria (629) and Israel (572). All of the ICE London Top Ten Nations registered year-on-year increases in attendance.

New Georgia studio goes live, Evolution's third European hub

Georgia

Evolution Gaming has announced that its new state-of-the-art production hub in Tbilisi, Georgia, has gone live.

Evolution's expansion into Tbilisi – Evolution's ninth studio – follows the opening earlier this year of a purpose-built Live Casino studio in Vancouver, Canada. The new studio hosts over 100 employees at launch, a number expected to rise throughout the year as operations grow.

The opening of the Tbilisi

studio comes during a period of intense growth with high demand for Evolution products and dedicated environments. Consequently, Evolution's third major central production studio in Europe has been built to act as a service hub for multiple markets and licensees.

It is expected that the site will be able to manage Evolution's growth for the next two to three years, adding significantly to the capacity of its existing major central studios in Riga and Malta.

The new Live Casino production hub will also create further career opportunities, both amongst Evolution's existing staff and new employees, including many

recruited from Tbilisi and the surrounding region.

Evolution Group CEO Martin Carlesund commented: "We are delighted that our latest major Live Casino studio in Tbilisi is now live and fully operational.

"Tbilisi is a fast-growing city of over one million people, offering strong development and investment opportunities, so it offered the perfect location for us. This is a large commitment and project for Evolution and I am proud to see the organisation delivering."

Carlesund added: "The new studio is an investment for the future and will support us in our ambitious development plans in the coming years."

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AUSTRIA – Casino Vivant! in Paraguay selected Novomatic to provide a range of systems solutions including the myACP casino and slots management system as well as jackpots and a multitude of slots and video bingo content. The Octavian myACP system connects the entire gaming floor at the brand new venue and players can select from a variety of Novomatic slots and Otium bingo titles.

For the opening of Casino Vivant!, Novomatic subsidiary Octavian installed its myACP solution with a comprehensive suite of modules including TITO, Cashless and Player Tracking, as well as Jackpots, connecting all 161 slots and 12 electronic table games at the venue. The system provides detailed accounting and technical analysis as well as real-time floor management.

The NOVOMATIC slots offering includes NOVOSTAR 2.24 and IMPERATOR 3.24 cabinets with a mix of games including classics Book of Ra and Lord of the Ocean as well as new titles Blazing Fruits, Lilly's World and Hold your Horses, and Reel Tournament connects the slots for live tournaments. In addition are several Pinball Roulette machines as well as Otium OT100 video bingo machines with leading titles such as Bingo del los Cielos and Bingo Copacabana.

Raymundo Aquino, Project Manager and Senior Adviser for Casino Vivant!, said: "The purpose of Vivant! is to establish the best place in South America for entertainment and gaming, with excellence in everything tangible and intangible, located in one of the best places in Paraguay. The alliance between Vivant! and Resort Yacht and Golf Club of Paraguay consolidates a national and international place of attraction for consumers of premium leisure experiences."

Lawrence Levy, VP Global Sales Novomatic, said: "The casino market in Paraguay has long been associated with Novomatic and it is exciting for us to see the opening of this new facility inside the stunning Resort Yacht and Golf Club. We are very pleased to play a leading role in the development of this casino and look forward to a long and prosperous relationship with Casino Vivant!"



UK – GLI is pleased to announce that Johan Jonsson-Granberg has joined its European client services team as Client Services Manager. In his new capacity, Jonsson-Granberg will be responsible for delivering world-class customer service for GLI's expanding portfolio of valued clients throughout Europe and around the world. He will be based out of GLI's London office.

Playtech to Buy Italian Operator Snaitech

Playtech has bought a 70.6 per cent stake in Italian gaming and betting operator Snaitech for €846m with Playtech expecting to make mandatory takeover offer for all the remaining shares in Snaitech by the fourth quarter of 2018

The deal creates a major vertically integrated retail and online Italian gaming business with material earnings accretion

ITALY OPERATOR NEWS

Playtech has bought a 70.6 per cent stake in Italian gaming and betting operator Snaitech for €846m with Playtech expecting to make mandatory takeover offer for all the remaining shares in Snaitech by the fourth quarter of 2018.

Snaitech, which was founded via the merger of Snai Spa and the Cogemat group in late 2015, has headquarters in Milan, Porcari and Rome and operates 600 points of sale located throughout Italy, offering 60,000 slot machines and more than 10,000 Video Lottery Terminals.

The deal creates a major vertically integrated retail and online Italian gaming business with material earnings accretion. Completion of the initial acquisition is subject to certain regulatory and shareholder approvals and is expected to take place in Q3 2018, with the overall transaction expected to complete in Q4 2018.

Mor Weizer, Chief Executive Officer of Playtech, said: "The acquisition of Snaitech represents the continuation of our strategy to invest in leading retail brands in fast growing, regulated markets. The acquisition delivers the Board's strategic



objective to improve the quality and diversification of Group revenue, whilst delivering exposure to high growth end markets, by utilising the strength of Playtech's balance sheet."

"Playtech has always been at the forefront of its industry and the acquisition offers the opportunity to create a vertically integrated B2B2C operator in Europe's largest gambling market, delivering significant value to shareholders," he said.

Fabio Schiavolin, Snaitech CEO, said: "The combination of Playtech's technology and experience in Italy with Snaitech's powerful brand mean we will be better able to capture the online opportunity in the fast growing and dynamic Italian market."

Snaitech operates the website, www.snai.it, which offers a range of gaming and entertaining services, plus the company owns three race tracks, two in Milan, San Siro galoppo and La Maura trotto, and one in Tuscany in Montecatini Terme, Sesana trotto.

Betsoft inks content partnership with Pinnacle

Malta

Under a new agreement, Betsoft Gaming is to provide its complete collection of popular slot games to long-running gaming brand Pinnacle. The partnership covers the entire Betsoft portfolio – including the sought-after Slots3 series – and will cement both companies' positions as the player's preferred choice in the markets where Pinnacle offers iGaming experiences.

Under the agreement, Pinnacle will also gain access to new Betsoft games as they become available – something that will support the company's strategic growth plans in appropriate regulated markets.

Caroline Danielsson, Account Manager at Betsoft explained: "Pinnacle has a longstanding

reputation for player satisfaction in sports and eSports betting, so when it began to significantly improve the quality and variety of its slot games, the company chose its partners carefully. We are proud to see Betsoft's games added to Pinnacle's carefully-curated portfolio, and we are confident that players will find our standards of quality and choice compelling."

Pinnacle CEO Paris Smith said: "Betsoft is one of the most recognisable names in the iGaming industry, and we are thrilled to be working with them. Today and tomorrow, we want to offer our players the best possible experiences: that means embracing the newest innovations, and integrating the best and most popular games. We strongly believe that our partnership with Betsoft will be essential in achieving all those aims, and we look forward to a long and productive relationship between our two businesses."

UK

Stars Group has agreed to buy Leeds-headquartered Sky Betting and Gaming in a deal worth (£3.36bn), creating the largest publicly-listed online gaming company in the world. The Toronto company, which owns PokerStars, said Sky Betting's Leeds office would remain a major hub of the enlarged group. Sky Betting and Gaming, which is behind brands including Sky Vegas and Sky Casino, employs 1350 staff, with 80 per cent of its operation based in Leeds. Last month the group announced a 47 per cent surge in revenue for the six months to December 28th 2017. CVC Capital Partners is the company's majority owner, with a stake of 70 per cent, and will retain a 12 per cent share after the sale. Sky PLC, which also owns Sky News, owns 20 per cent and will retain three per cent. Stars Group recently acquired William Hill Australia as well as a majority share in CrownBet.

Danske Spil Launches SBTech Solution

SBTech has played an integral role in the landmark launch of Danish state lottery Danske Spil's latest gaming and betting brand Youbet

This latest launch in a regulated market is built around SBTech's powerful sportsbook engine, offering event coverage and in-play betting

DENMARK SPORTS-BETTING



SBTech has played an integral role in the landmark launch of Danish state lottery Danske Spil's latest gaming and betting brand Youbet. The new site will target fresh sports-betting demographics with dynamic features and competitive pricing, and will also include a best-of-breed casino hub with over 1,000 gaming titles and live casino products from the world's best developers and live studios.

This latest launch in a regulated market is built around SBTech's powerful sportsbook engine, offering unparalleled event coverage and in-play betting, thousands of proprietary bet types and industry-best features such as Action Betting, Add2Bet and Pulse.

Youbet will also benefit from SBTech's Chameleon360 iGaming platform, providing it with advanced player management services, high-end analytics, strong anti-money laundering and responsible gambling features,

robust regulatory reporting and streamlined payments.

Niels Erik Folmann, CEO of Danske Spil, explained the thinking behind the Danish lottery's new brand: "SBTech showed a profound understanding of our needs during the RFP process. The sports-book and casino platform looks good, as does the roadmap for new features, meeting our need for a partner that will drive the success of our new brand through cooperation and co-creation," Folmann added.

Richard Carter, CEO of SBTech, added: "I look forward to working closely with Danske Spil and to building the success of this exciting new brand. This partnership is another major milestone for SBTech as it establishes itself as the leading provider of fully managed platform solutions and services to state lotteries and major operators in regulated markets worldwide."



SPAIN – The "Syndicat de Casinos Modernes de France" (SCMF), which brings together 60 prestigious French casinos, recently held its general assembly in Barcelona. The event included a visit to the Zitro Technology Campus to learn about the facilities, as well as the range of gaming machines available for the French market.

The visit of this select group of operators came just days after Zitro received approval from the French authorities for their sophisticated Fusion cabinets.

Ari Sebag, President of the SCMF, said: "We are very impressed with the Research and Development Center at Zitro, as well as with the products we have seen during our visit. The French gaming market is a very demanding industry, but Zitro is undoubtedly ready to achieve their goal of having a place in it."

Sebastián Salat, CEO of Zitro, added: "We thank the SCMF members for their visit. The entry into the French market is an important milestone for Zitro, and the visit of the SCMF has given us the opportunity to introduce ourselves to a significant number of operators in that country. We have prepared a long time for this moment, and we are now ready to face the challenge of positioning Zitro among the most important suppliers of gaming machines for French casinos."

FRANCE – TCS John Huxley has appointed LGS Gaming has been appointed the sole supply partner for its products and services throughout France and French-speaking Switzerland, with immediate effect.

This new agreement underlines TCS John Huxley's strategy to provide excellent local customer support, to ensure the requirements of operators' can be dealt with quickly and efficiently. LGS Gaming is well established in the region, headed up by Laurent Gaubout who has extensive experience in serving the French market. Established in 2011, LGS Gaming represents several market leading gaming companies in various European countries.

LGS Owner Laurent Gaubout said: "LGS Gaming is delighted to be representing TCS John Huxley. The quality and reputation of the brand will allow strong growth in France and French-speaking Swiss markets and we look forward to introducing their exciting products and services to our customers."

"We are very pleased to appoint LGS Gaming as an official distributor," said Tristan Sjöberg, Executive Chairman TCS John Huxley. "Laurent Gaubout brings a wealth of experience and knowledge in this region and we look forward to working with such an experienced distributor to further our reach and drive sales."

UK

Sports Information Services (SIS), has signed a partnership with the global gambling operator Unibet, part of Kindred Group, to deliver horse racing and greyhounds live pictures and data. SIS will provide Unibet with its British and Irish Greyhound service consisting of a market leading 42 fixtures a week. SIS will also be providing Early Prices enabling Unibet to open markets to their customers earlier. The deal also includes live pictures from Latin American racecourses, covering 2,750 races per annum, Dubai Racing featuring 220 meetings from Meydan and Jebel Ali and a further 296 races from its Mauritian courses. Unibet is currently undertaking a revamp and expansion of its racing offering, with SIS's content and expertise in the area set to assist in the process. Erik Bäcklund, Kindred Group, said: "This new partnership with SIS will see us deliver a much more comprehensive greyhounds and horse racing betting product to our customers, featuring thousands of events across numerous time zones."

Cold weather freezes profits for the Rank Group in the UK

UK

A drop in visitation due to cold weather and a run of good luck for its high spending casino clients has seen British operator Rank Group

The Mecca Bingo and Grosvenor Casino operator said that overall revenue for the 13 weeks to 1 April 2018 fell by two per cent. It has reduced its full-year operating prediction to between £76m and £78m down from the previously pitched £85m. Revenues from Rank's casinos fell nine per cent in the 13 weeks to April 1 due to a 'a negative contribution from VIP players' while revenue at its bingo halls fell by two per cent.

Digital gaming showed growth of 17 per cent.

Rank said: "Both UK venues businesses have been impacted by weaker than expected visits which have been compounded

by two periods of cold weather. The board is cautious about the UK consumer outlook and as a result expects the group's UK venues to continue to be impacted for the remainder of the 2017/18 financial year and into 2018/19."

The group said it had identified 'a number of key operational actions' which will improve results. These include the 'roll-out of single account and wallet in Grosvenor Casinos', developing its digital portfolio and investing in its existing properties. The group is currently on the lookout for a new chief executive after Henry Birch 's resignation in order to pursue a role at Shop Direct Group. Stockbrokers Goodbody said it would reduce Rank's profit forecast to £77m from £84m.

"The Grosvenor retail performance is a disappointment, but VIP activity has proven to be volatile in the past and we remain of the opinion that over time this business has resilient and stable cash flow characteristics," it explained.

Huit entreprises ont fait part de leur intérêt concernant l'obtention de licences de machines à sous pour des casinos situés dans la province de Buenos Aires, en Argentine. Codere, Enjoy et Boldt (qui gère actuellement les machines à sous des casinos de cette province) font partie des entreprises, parmi lesquelles on compte des entreprises du Paraguay et du Brésil, qui ont déjà versé 500 000 dollars US pour acquérir les modalités et conditions de licence.

Suite au succès de Lightning Link au Mexique, Aristocrat, en collaboration avec PlayCity, vient d'annoncer l'ouverture du premier Lightning Link Lounge en Amérique Latine, au PlayCity Casino Andares, situé dans la ville de Guadalajara, dans l'État de Jalisco.

Les revenus bruts issus des jeux des 18 casinos basés au Chili ainsi que des sept casinos municipaux ont atteint 40 321 millions de pesos chiliens (66 766 250 dollars US) en février. Ces chiffres sont en baisse de 0,9 % comparés à ceux du même mois l'an dernier. La croissance réelle cumulée a baissé de 1,1 % sur les 12 derniers mois.

D'après le budget général de l'état espagnol d'avril, les taxes sur les jeux d'argent pourraient bientôt baisser significativement. Le budget devrait amorcer une réduction généralisée des taux d'imposition sur les jeux en ligne allant jusqu'à moins cinq pour cent.

Le Regency Casino Thessaloniki est le premier casino en Grèce à proposer depuis octobre dernier le jeu de machines à sous Smash Smash Festival de Konami, avec 10 machines multi-jeux reliées et un écran au-dessus. Situé à l'extrémité nord du front de mer du Golfe Thermaïque, le Regency Casino Thessaloniki a lancé cette série de jeux festifs et originaux très appréciés des clients.

Une ébauche de loi visant à privatiser en partie la Française des Jeux, l'opérateur de jeux de la loterie nationale française, pourrait être présentée le 16 mai. L'état garderait toutefois le contrôle de l'entité. La part de l'état, qui s'élève actuellement à 72 %, sera réduite afin d'introduire en bourse presque la moitié du capital début 2019 dans le but de lever 1 milliards d'euros.

Le groupe Gauselmann vient de créer un partenariat avec TUI Cruises. À bord du nouveau paquebot Mein Schiff 1 de TUI Cruises, qui sera baptisé en mai, le groupe gèrera un casino sous la marque Casino Merkur Mare. Un deuxième casino Merkur Mare ouvrira ses portes sur le nouveau Mein Schiff 2 qui est actuellement en construction et qui effectuera son voyage inaugural en 2019.

Playtech vient d'acheter 70,6 % du capital de l'opérateur de jeux et de paris italien Snaitech pour la somme de 864 millions d'euros. Playtech s'attend à lancer une offre publique d'achat obligatoire pour l'intégralité des parts restantes au cours du dernier trimestre 2018.

Paysafe accepte d'acquérir iPayment Holdings, un fournisseur de solutions de paiement et de traitement pour les petites et moyennes entreprises (PME) basé aux États-Unis.

Paysafe Makes its own Acquisitions

Paysafe, a leading global payments provider, has agreed to acquire iPayment Holdings, a US based provider of payment and processing solutions for small and medium-sized businesses (SMB)

The acquisition of iPayment Holdings will establish Paysafe as a Top 5 non-bank payment processor in the US

US SUPPLIER NEWS

Paysafe has agreed to acquire iPayment Holdings, a US based provider of payment and processing solutions for small and medium-sized businesses (SMB). The acquisition forms part of Paysafe's previously stated investment strategy to expand its presence in North America in response to growth opportunities, particularly in the fast-growing SMB sector.

This latest US based investment builds on Paysafe's acquisition last August of SMB payments provider, Merchant Choice Payment Solutions, as well as its high-profile sponsorship of North America's IndyCar series, and will establish Paysafe as a top 5 non-bank payment processor in the US.

With more than 137,000 merchant customers as well as annual processing volumes of over \$28bn in 2017, iPayment is an established leader in the US based payment processing industry. The company operates both direct and indirect sales channels and is a well-respected provider and partner for hundreds of agents, sub-ISOs and software developers specialising in the SMB sector. iPayment employs over 450 employees across its four US offices located in Boston,

Massachusetts; Westlake Village and Camarillo, California; and Minden, Nevada.

The integration of iPayment with Paysafe will bring merchants, partners, consumers and platforms more product choice via an integrated payments platform which includes point of sale (POS) solutions, order ahead purchases and payments, as well as online payment products such as Paysafe's leading prepaid solution, paysafecard.

Joel Leonoff, (pictured) Paysafe's President and CEO, commented: "This targeted acquisition is part of our long-term investment strategy to grow our business in North America and builds on our other successful acquisitions over the past couple of years."

Mr. Leonoff added: "iPayment is an excellent strategic fit with Paysafe in terms of its product offering, customer-centric focus and overall strategic vision. By bringing our two organisations together, we will be able to further strengthen our wide-ranging payments processing suite and expose it to a broader audience of merchants and consumers."

SuzoHapp buys primary product lines of Coinco

US

SuzoHapp has completed the acquisition of the primary currency and cashless product lines of Coinco, a leader in the design and manufacturing of payment solutions for the vending industry, based in St. Louis, Missouri.

The strength of the Coinco brand has led to significant success in the US market. SuzoHapp hopes to recreate that success in international markets by leveraging its significant resources and global footprint, especially in Europe, where suzoHapp has a thriving Vending business.

Service in N. America of the entire Coinco product line will continue to be provided by the

existing Coinco service network, which will continue to be operated by Coin Acceptors Inc.

"This acquisition of the Coinco product lines is an important one for SuzoHapp, allowing us to provide our Vending customers a more complete, technology-driven global product offering. Under the leadership of Jack Thomas, Coinco earned a strong reputation in the marketplace for delivering innovative and reliable payments solutions. We look forward to carrying on that legacy," said Drew Scielzo, SuzoHapp CEO. "We welcome the Coinco team to the SuzoHapp group."

As part of the acquisition, SuzoHapp has also hired key commercial, engineering and operational employees from Coinco in order to provide excellent support to all new and existing customers.

US

Bloomberg claims that Las Vegas Sands Corp Chairman and CEO Sheldon Adelson is the world's 20th richest man with a wealth of US\$36.8bn. Mr. Adelson's pay doubled to US\$26.1m in 2017 whilst his compensation package increased from US\$12.7m in 2016, made up from a salary of US\$5m alongside a US\$12.5m cash bonus, US\$4.21m in equity awards and US\$4.38m in extras.

Mr. Adelson is of course, the Founder, Chairman and CEO of Las Vegas Sands Corporation, which owns The Venetian Resort Hotel Casino in Las Vegas, Sands Macao and The Venetian in Macau and Marina Bay Sands in Singapore. He also owns the Israeli newspaper Israel Hayoma and the American daily newspaper Las Vegas Review-Journal. Adelson is a lifelong donor and philanthropist to a variety of causes.

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BRONZE	EUR	4.485,78

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Mayfair Casino Limited, un nouvel arrivant
sur le marché des casinos londoniens, vient d'acheter le Napoleons Casino, situé au cœur de Londres, à Leicester Square, auprès du groupe A&S Leisure Group.

Evolution Gaming vient d'annoncer que son
tout nouveau hub de production dernier cri de Tbilisi, en Géorgie, vient d'être mis en ligne. Le développement d'Evolution dans la ville de Tbilisi, le neuvième studio du groupe, fait suite à l'ouverture en début d'année d'un casino spécialement conçu pour les jeux en ligne à Vancouver, au Canada.

SuzoHapp vient d'achever l'acquisition des
principales gammes de produits de solutions pour devises et cashless, auprès de Coinco, un des leaders dans le secteur de la conception et de la fabrication des solutions de paiements pour les distributeurs automatiques basé à Saint-Louis, au Missouri.

Des avocats représentant à la fois Steve
Wynn et Wynn Resorts viennent de déposer une requête auprès de la Commission des Jeux du Massachusetts pour retirer le nom de l'ancien directeur du casino de sa liste de membres. Pour être approuvée, une licence doit déjà obtenir l'accord de plusieurs personnalités du secteur après examen des conditions.

La marque phare d'hôtels créée par Richard
Branson, fondateur du groupe Virgin, et par des investisseurs privés, vient d'acquérir le Hard Rock Hotel & Casino de Las Vegas auprès d'un fonds d'investissement privé géré par Brookfield. Le groupe envisage d'ouvrir un complexe nouveau concept plus dynamique, le Virgin Hotels Las Vegas, à la fin de l'automne 2019.

Le Docteur Stanley Ho, le père fondateur de
l'industrie du casino dans la région de Macao, région qui a longtemps été la plus importante en termes de revenus issus des jeux, quittera ses fonctions de Président Directeur Général de SJM Holdings au mois de juin.

Malgré l'obtention d'une licence de casino
accordée par le comité de réglementation des jeux philippin, Galaxy Entertainment Group (GEG) se voit contraint à renoncer à son projet de complexe de casino de 500 millions de dollars US sur l'île de Boracay suite à une décision du président philippin, Rodrigo Duterte.

La première vague de complexes
touristiques intégrés qui voit actuellement le jour au Japon s'arrêtera à l'ouverture de trois casinos suite à un accord conclu entre le parti démocratique libéral au pouvoir au Japon et son partenaire minoritaire de la coalition, le parti Komeito. Le gouvernement souhaitait ouvrir cinq complexes touristiques mais est arrivé à un compromis avec les législateurs : ils évalueront le succès des complexes et pourront éventuellement émettre davantage de licences dans sept ans au lieu des 10 ans initialement prévus.

Wynn Removed from Boston Qualifier List

There is mounting speculation that the Boston resort could be renamed to Encore Boston Harbor after Wynn Resorts registered websites using the Encore name

Wynn Resorts Limited and Wynn MA LLC have requested that Steve Wynn no longer be considered a qualifier for Wynn Boston Harbor

MASSACHUSETTS OPERATOR NEWS

Lawyers representing both Steve Wynn and Wynn Resorts have lodged a request to the Massachusetts Gaming Commission to take the former casino CEO off its list of qualifiers, a record of crucial executives needed for a licence approval to be approved on the basis of suitability reviews.

Massachusetts Gaming Commission spokeswoman Elaine Driscoll said: "The Commission has recently received requests from attorneys representing Steve Wynn, Wynn Resorts Limited and Wynn MA LLC that Steve Wynn no longer be considered a qualifier for Wynn Boston Harbor based on his resignation and divestiture from Wynn Resorts."

She added that whilst the Commission intends to discuss the process for handling the requests, it won't actually cast votes on the requests themselves. Mr. Wynn stepped down as CEO of Wynn Resorts earlier this year following accusations of sexual misconduct and has since offloaded his stake in the company.

Greg John, Executive Director of Brand Marketing for Wynn Boston Harbor, said: "With



the resignation of Steve Wynn as Chairman and CEO and the completed sale of his shares in Wynn Resorts, it is appropriate to have him removed as a qualifier for Wynn MA in Massachusetts. Steve Wynn is fully separated from the company and removed from all ownership, strategic and operational functions."

Massachusetts Governor Charlie Baker added: "Keep in mind that the Gaming Commission's investigation is ongoing, and some of the things that were most important to people - Steve Wynn leaving the board, Steve Wynn selling out his position in the company - those have happened." However Everett Mayor Carlo DeMaria has said he is 'very disturbed' about the prospect of the casino licence changing hands as it new owners might not live up to the standards promised by Wynn. "I believe I have veto power," Mayor DeMaria said. "I will exercise those priorities if I have to."

There is also mounting speculation that the Boston resort could be renamed to Encore Boston Harbor after Wynn Resorts registered websites using the Encore name, including encorebostonharbor.com.

Canada

The Stars Group has announced that its 2018 PokerStars Spring Championship of Online Poker (SCOOP) will offer a guaranteed prize pool of \$65m, the largest in PokerStars' history, and approximately \$10m larger than last year's guarantee. The annual online event, which celebrates its 10th anniversary this year, will take place from May 6-21 and will guarantee at least a one \$1m tournament each day.

SCOOP offers tiered buy-in levels for each event, ranging from \$2.20 to \$25,000. Five Platinum Passes to the PokerStars Players No Limit Hold'em Championship (PSPC), which takes place in January 2019 in the Bahamas, will be awarded to the main event winners across each buy-in level, the first-placed player on the SCOOP series leader board and the winner of an All-In Shootout Challenge. Each Platinum Pass is worth \$30,000.

New York

Resorts World Catskills opens high-limit area



Resorts World Catskills has opened its newest high-limit area on the third floor featuring 38 table games including blackjack, roulette, baccarat and Pai Gow Tiles, as well as six luxurious gaming salons with private decks.

"This new table game experience is the ultimate in luxury gaming, providing our guests with higher betting limits and larger payouts in an exclusive environment, with private gaming salons and a dedicated VIP lounge," said Ryan Eller, CEO Resorts World Catskills. "This is the experience that Resorts World Catskills promised, and it is now here for our most valued customers to enjoy."

"This is VIP gaming at its best and is one more piece to provide luxurious and unique gaming experiences, bringing Las Vegas expectations right here to the Catskills," said Robert E. Victoria, Chief Marketing Officer of Resorts World Catskills.

The high-limit slot area on the main casino floor has also been expanded to cater towards our VIP slot clientele. The intimate high-limit space includes VIP services and 64 machines, including Wheel of Fortune, Platinum Quick Hits, Green Machine Deluxe and Marilyn Monroe-themed slots with denominations ranging from \$1-100.

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NEW JERSEY – The Golden Nugget Atlantic City has launched North America's first real-money online live-dealer casino-floor roulette. The casino partnered with Ezugi New Jersey, a licensed and regulated supplier offering live dealer games, for the new online gaming option. A live video feed is captured on the Golden Nugget casino floor in Atlantic City and streamed directly on computer and smartphones, allowing online patrons to play roulette from anywhere in New Jersey, the same way as they would in the casino and on the same roulette table, 24/7. Online customers can play roulette with others at the table on the casino floor via a live video stream, adding to the Golden Nugget's online studio roulette games.

US – Atrient has been named Angela Ahmet Vice President of Sales. Ahmet will be responsible for overseeing national and global growth markets. "As a proven leader in the gaming industry, Angela will be instrumental in expanding our relationships," said Atrient's CEO, Sam Attisha. "Her deep commitment to customer success meshes with our core values at Atrient, we are delighted to have her in a leadership role." "Her deep commitment to customer success meshes with our core values at Atrient, we are delighted to have her in a leadership role."

Ahmet was previously the General Manager and Vice President of VizExplorer in Las Vegas. Prior, Ahmet was Director of Global Casino Operations at Carnival Corporation and has over 20 years of casino operations experience.

US – Konami Gaming has announced the promotions of Casey Whalen and Jay Bertsch to Vice President, North American Game Sales and Vice President, Global Systems Sales, respectively. Previously serving as senior director, systems sales, Jay Bertsch has maintained an important role in growing the company's global partnerships for more than a decade, including three years overseas with Konami Australia. Casey Whalen joined Konami in 2012 as director of regional sales, and has demonstrated exceptional leadership and record success across competitive Western markets.

"For years, Casey Whalen and Jay Bertsch have provided key support in championing Konami customers and advancing Konami's market presence. They offer outstanding leadership and expertise for our sales division, with proven ability to achieve operational targets," said Thomas Jingoli, executive vice president & chief commercial officer at Konami Gaming, Inc. "As Konami's game offering and systems technology continues to expand to new areas, the focus of our leadership remains on customer commitment and engaging entertainment."

SG Digital Gears for Landmark Ruling

As the sports-betting community holds its collective breath as the US Supreme Court deliberates, first movers are already in action in New Jersey

SG Digital has commenced sportsbook product review sessions with New Jersey's Division of Gaming Enforcement

US SPORTS-BETTING



OpenBet, SG Digital's sports betting solution, is getting ahead of the game and is fully prepared to ensure its ambitious partners are ready to launch their sportsbook offering should the U.S. Supreme Court decide to repeal the Professional and Amateur Sports Betting Association Act (PASPA), allowing legalized sports betting in the state of New Jersey.

Key to SG Digital's entry into the emerging US sports betting landscape will be the addition of market-specific product enhancements to its platform, ensuring it meets the expectations of operators and consumers. In addition, the company is undertaking a recruitment drive to support the growth of the business, hiring a significant number of people for a variety of roles across its multiple global offices.

Keith O'Loughlin, SVP Sportsbook and Platforms at SG Digital, said, "Legalised sports betting in the U.S. is an exciting prospect for us, and we're taking every step possible to ensure our product offering is fully compliant to hit the ground running when the marketplace

eventually opens up beyond the current regulated states. OpenBet has built a strong reputation as a trusted sportsbook provider in Europe, and we're confident we can replicate that success in the U.S. and all other emerging regulatory territories. We have spent time considering U.S. customer needs and are focused on ensuring that the user experience is of high standard and can be delivered with speed."

Matt Davey, Group Chief Executive, SG Digital, said: "SG Digital has a strong presence in New Jersey with our Open Platform System (OPS) already certified in the state; our knowledge of the market will play an important part in preparing OpenBet for the marketplace. We work closely with the DGE to ensure responsible gaming experiences and congratulate the effort of the DGE and the state of New Jersey for taking progressive action to help create a safer sports betting market for the public. We are setting the foundations well in advance to help our partners establish themselves early in the emerging territory."

Buena Vista tribe to bring Harrah's-branded casino to California

California

Caesars Entertainment has signed a definitive agreement with the Buena Vista Gaming Authority, an entity of the Buena Vista Rancheria of Me-Wuk Indians of California to bring a new 71,000 square-foot Harrah's-branded facility to Northern California.

Complete with gaming and dining options, this exciting announcement furthers Caesars Entertainment's plan to expand its brands into new markets.

"This agreement with the Buena Vista Gaming Authority advances our growth strategy to expand the reach of our brands into new markets and reinforces our over 20-year history working with tribal partners," said Mark Frissora, President and CEO of Caesars Entertainment.

"We expect our Harrah's brand and Total Rewards network to increase the earnings potential of the property while generating incremental revenue for Caesars Entertainment without significant capital investment."

Caesars Entertainment will provide brand licensing and consulting services for the casino, to be named Harrah's Northern California Casino, which will be developed, owned and operated by the Buena Vista Gaming Authority near Sacramento, California. The 71,000 square-foot property is expected to open in 2019, and will include 950 state-of-the-art slots, 20 table games, one full-service restaurant and three fast-casual dining concepts.

Once operational, Caesars intends to enter into a management agreement with the Buena Vista Gaming Authority to manage, operate and maintain the property on behalf of the Gaming Authority and the Buena Vista Tribe.

Nevada

Alex Meruelo, the new owner of SLS Las Vegas Hotel & Casino, has named Paul Hobson as the property's new senior vice president and general manager.

"Paul Hobson brings extensive experience in gaming and hospitality and valued insight into the ever-evolving North Las Vegas Strip to SLS Las Vegas," said Alex Meruelo, principal of the Meruelo Group. "We are thrilled to have him lead the team in ushering in this exciting new era for the historic property."

Mr. Meruelo adds SLS Las Vegas, a 1,616-room, three-tower resort-casino, including the W Las Vegas, to a gaming and hospitality portfolio that includes Grand Sierra Resort and Casino in Reno, Nevada. The acquisition of the SLS Las Vegas marks the first ever privately held affiliation of large resort properties in both Reno and Las Vegas.

Richard Branson buys Hard Rock Las Vegas

British billionaire Sir Richard Branson is entering the Las Vegas casino sector by purchasing the Hard Rock Casino in Las Vegas for an undisclosed fee

"Virgin Atlantic and Virgin America have enjoyed flying to Las Vegas for years and I've always known that Virgin Hotels could thrive there as well."

NEVADA CASINO OPERATIONS



The lifestyle hotel brand created by Virgin Group founder Richard Branson, in partnership with a group led by Juniper Capital Partners and Fengate Real Asset Investments, along with their partners Dream, Cowie Capital Partners, and other private investors, has purchased the Hard Rock Hotel & Casino in Las Vegas from a Brookfield-managed private real estate fund. The group plans to open a reconceptualised and revitalised property, the Virgin Hotels Las Vegas, in the late fall of 2019.

"Las Vegas has long held a special place in my heart," said Sir Richard Branson, Founder of the Virgin Group. "Virgin Atlantic and Virgin America have enjoyed flying to Las Vegas for years and I've always known that Virgin Hotels could thrive there as well. I'm really looking forward to painting the town Virgin red."

The property, located at 4455 Paradise Road, will continue full service operations under the Hard Rock flag until it opens as a Virgin Hotels hotel. Guest rooms, restaurants and public spaces will undergo a face lift, expected to cost in the hundreds of millions, with the final product being a showcase of Virgin's stylish design with an eclectic mix of social spaces.

"Our partnership is extremely proud to be investing in the Las Vegas market with an amazing brand like Virgin Hotels," said Partner and new Property CEO, Richard "Boz" Bosworth. "We couldn't be more passionate about the project and this partnership, and look forward to the exciting journey ahead."

The hotel will feature 1,504 well-appointed Chambers, Grand Chamber Suites and Penthouse Suites; a 60,000sq.ft, fully-renovated casino, multiple pools over five acres, world-class restaurants, lounges and bars, including new nightlife venues and the brand's flagship space, the Commons Club, as well as numerous meeting and convention spaces.

"To me, it's always been the perfect city for our next Virgin Hotel," said Virgin Hotels CEO Raul Leal. "We are dedicated to delivering the best in design, entertainment, heartfelt service and culinary excellence and we can't wait to welcome visitors to be an awe-inspiring Las Vegas experience." Located just off the famous Las Vegas Strip, Virgin Hotels Las Vegas will be a destination for locals and guests alike, offering premier food, beverage, and entertainment experiences.



US – Cherokee Nation has started construction on the new Cherokee Casino Tahlequah, bringing more entertainment, dining and convention options to the state of Oklahoma.

"We believe in making sound investments that have a lasting impact on the Cherokee Nation and the Cherokee people," said Cherokee Nation Principal Chief Bill John Baker. "This new property will be a regional attraction for tourism and economic development and is a complement to the work happening at Cherokee Springs Plaza and all over the Tahlequah area."

The 92,000sq.ft entertainment destination will feature 525 slots, a 144-seat restaurant, a grab-and-go cafe, live music venue, full-service bar and complimentary non-alcoholic drinks. The property includes 33,000sq.ft of convention and meeting space that accommodates up to 1,000 people.

Construction on the new casino and convention center is expected to take less than a year. The current Cherokee Casino, located a few miles south of Tahlequah near Sequoyah Schools, will be donated to the Cherokee Nation's Cherokee Immersion Charter School to help expand and grow language programs for the tribe's youth.

Thunderbird sells its Peruvian subsidiaries to Sun Dreams

US

Chilean company Sun Dreams reports it has officially acquired the acquisition of Thunderbird Resorts Fiesta casino in a deal worth US\$26m. The agreement with Thunderbird Resorts includes the acquisition, through its Peruvian subsidiaries, of the Fiesta de Miraflores casino and three other operations in Lima, Tacna and Cusco.

The Fiesta in Lima has approximately 7,000sq.m of floor space and 680 gaming machines, while the three other operations will add another 560 machines to the Sun Dreams offer in Peru.

"The purchase is part of Sun Dreams SA's international expansion plans and is

expected to have a positive impact on the company's results, due to the incorporation of assets that generated revenues in the last 12 months of approximately US\$19.6m and the extension of the average duration of the company's gaming licenses as a result of a regulatory framework that delivers continuously renewable gaming licenses," commented Jaime Wilhelm, General Manager of Sun Dreams in a Material Information statement sent to Chile's committee on Financial Markets (CMF).

Meanwhile, General Manager of Sun Dreams Peru Martín Dávila commented, "The decision is an example that reaffirms our commitment to continue to consolidate and invest in Peru, a country that has developed a competitive and transparent gaming industry with a stable regulatory framework."

Pennsylvania

The Pennsylvania Gaming Control Board has approved the Change of Control of the Category 3 Slot Machine Licensee Valley Forge Convention Center Partners, operator of the Valley Forge Casino Resort in Montgomery County, to Boyd Gaming Corporation. Under the agreement, the license held since March 2011 by Valley Forge Convention Center Partners, L.P. will be transferred to Boyd Gaming Corporation, a publicly traded company based in Las Vegas, NV. While Boyd Gaming operates more than 20 casinos in the United States, it is their first Pennsylvania casino property. The Board also included in its approval that Boyd Gaming must pay to the Commonwealth a change of control fee of \$1.35m. Boyd CEO Keith Smith said: "With this acquisition, we will expand into the second-largest gaming state in the country."

US – Having only been open for just over a year, the US\$440m del Lago Resort & Casino in the Finger Lakes in Upstate New York is hoping to secure a better tax rate to ease its struggling revenues.

It has accused one of competitors the Seneca Nation of Indians in western New York of not paying its taxes and reinvesting that cash on marketing incentives to take players from del Lago saying this was 'a blatantly unfair competitive disadvantage.'

Tom Wilmot, the main owner of the casino, said the property needed 'some help' adding that whilst it was 'paying the bills' the venture would not be 'sustainable' long term.

Casino spokesman Steven Greenberg explained that the Seneca Nation ceased making tax contributions to New York state and to the local governments last year, allowing it to reinvest \$50m into additional promotions and incentives in the Rochester area, to take customers from del Lago. He has asked for 'a fair, competitive market place.'

Del Lago pays 37 per cent to the state on its slots and 10 per cent on its table games whilst the Oneidas are taxed at 27 per cent of the slot revenue but nothing on the table games revenue. The Senecas slammed del Lago's claims, saying they had 'unrealistic expectations' when they applied for their gaming license.



CHINA – Analytical group Union Gaming believes that Macau operator Galaxy Macau is best placed to benefit from a surplus of gaming tables following the opening of Grand Lisboa Palace next year which completes the current wave of Cotai-based openings. In a report entitled 'Macau pipeline in pictures,' Union Gaming predicts that Macau's gaming regulator will have a spare 482 gaming tables unallocated. It introduced the gaming table cap in 2012 with a three percent annual growth rate fixed until 2022.

With there being 5,500 tables in the market at the time of the cap, the growth rate would allow for 1,892 new tables to be issued through 2022. Once SJM opens Grand Lisboa Palace with 125 tables in February, Union Gaming believes that MGM and SJM will be awarded another 75 tables combined as part of a 'catch-up' provision by 2020 meaning the government will still have 482 tables yet to allocate.

Union Gaming's Grant Govertson said: "Under the assumption that SJM also gets an initial batch of 100 tables for Grand Lisboa Palace in 2019, and that the government allocates 'catch-up' tables to MGM and SJM after the license situation is finalised, this would leave 482 tables in the inventory."

Union believes that Galaxy, which is due to open Phase 3 and Phase 4 of Galaxy Macau from late 2019 is best placed to get the tables. An extra 4,500 hotel rooms will be added along with a bigger gaming floor. "In a nutshell, Galaxy is under-supplied in terms of room count and the addition of more room product will be a material driver of earnings for the company over the medium and longer terms," Mr. Govertson said. "The fact that Galaxy has so much developable land is one of the reasons we remain bullish on shares."

AUSTRALIA – Malaysian-born casino group Genting is considering entering the Australian casino sector by purchasing the Darwin casino that has been put up for sale by its New Zealand-based owner SkyCity Entertainment.

With huge projects to fund in Adelaide and Auckland, SkyCity has entrusted Goldman Sachs to sell the property with Genting one of a number of operators the firm has contacted. The Darwin casino was bought by Sky City in 2004 for \$195m. It has 600 EGMs, 40 tables, 152 hotel rooms and 800 employees, and operates with a 'long-term casino exclusivity and tax rate certainty.'

The casino is expected to fetch between AU\$200m and AU\$250m and comes with exclusive rights to operate a casino in Darwin until 2036. It accounted for 12 per cent of SkyCity's GGR in 2017.

Stanley Ho to Step Down as SJM Chairman

Dr Stanley Ho, the 'founding father' of Macau's casino industry, which has for some time been the largest in the world in terms of revenue, will step down from his role as Chairman and Executive Director of SJM Holdings in June

Last June, Ho stepped down as chairman of Hong Kong conglomerate Shun Tak Holdings, with his daughter Pansy Ho taking over the position.

CHINA OPERATOR NEWS



SJM, who once held the monopolistic rights to operate casinos in Macau has seen its market share slip to 16.1 per cent in 2017 following the opening of the market to competitors in 2004.

SJM stated: "The board of directors of SJM Holdings Limited announces that Dr. Ho Hung Sun, Stanley will, with effect from the conclusion of the annual general meeting of the company to be held on 12 June 2018, retire from his positions as Chairman and Executive Director and a member of the Executive Committee of the Board of the company.

In recognition of Dr. Ho's invaluable contributions to the Group during his tenure of services, the Board will appoint Dr. Ho as "Chairman Emeritus" of the company following his retirement at the 2018 AGM."

Dr. Ho confirmed he has no disagreement with the board and that he is not aware of any matters relating to his retirement that need to be brought to the attention of the shareholders of

the company. SJM added: "Dr. Ho has justifiably been acknowledged as the founding father of Macau's gaming industry, which has for some time been the largest in the world in terms of revenue. Under Dr. Ho's visionary leadership, the company and its subsidiaries achieved a significant growth in the past decade.

"The Board expresses its sincere gratitude to Dr. Ho for his invaluable contributions in building a solid foundation for the company's continuing growth in the future."

The board will appoint Ms. Ho Chiu Fung, Daisy to succeed as Chairman and Executive Director of the company, Mr. Fok Tsun Ting, Timothy and Deputada Leong On Kei, Angela as Co-Chairmen and Executive Directors of the company; and Dr. So Shu Fai as Vice-Chairman, Executive Director and Chief Executive Officer of the company.

SJM is one of Macau's six licensed operators, which include Sands China and Wynn Macau.

ACT government gives Aquis deadline for Canberra proposal

Australia

The Australian Capital Territory (ACT) government has given Aquis Entertainment Group four weeks to submit its final blueprint for the AU\$330m redevelopment of Canberra Casino.

Aquis' initial 2015 proposal which included provisions for 500 slot machines was turned down with the ACT government saying it would agree to 200 slot machines and 60 electronic table games. This decision was made back in May 2016 with Aquis not making any official plans to take the government up on its proposal.

The government wants Aquis to buy 300 slot machine licenses from local clubs, forfeiting 100 of them, and then installing 200 machines.

A spokesperson for Aquis said: "Given the size of the proposed investment, the government must be realistic in its expectations in relation to the detail and speed at which information can be provided in the face of significant commercial uncertainty.

"The legislative changes, passed in late 2017, require a thorough process to be undertaken to determine the impact of such significant regulatory and land use restrictions as those imposed. We have advised the government that this process is ongoing and as part of that their input will be required to clarify a number of outstanding issues."

Canberra Casino, which Aquis Entertainment Group bought for AU\$6m in 2014, made losses of AU\$13.8m in 2017. This was the second year the venue has posted a loss although this year's loss has almost doubled from the \$7.7m loss reported in 2016.

Cambodia

Donaco International has said that its Star Vegas business in Cambodia continues to rebuild, recovering from the 'damaging effect of the Thai vendor's breaches of contract and the resulting illegal competition in the Poipet area.' Management has been successful in signing up a number of new VIP junkies to replace those that left the property last year. Across the March 2018 quarter, average daily visitation increased by 30 per cent to 4,462 casino visitors per day, compared to 3,426 visitors per day last year. February month saw average daily visitation at 4,630 per day, an increase of 38 per cent compared to 3,356 per day last year.

Total rolling chip turnover for the March quarter was THB18.52bn, still 25 per cent below last year's total of THB24.78bn. However this was a substantial improvement on the 64 per cent decline seen in the December 2017 half year.



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SOUTH KOREA – Weike Gaming Technology has installed 30 units of Infinity X slot machines with dragon bliss mystery link and slot management system in Alpensia Casino, located on the first floor of Holiday-Inn Resort Pyeongchang, Korea.

"We are very proud to have our first installation in Korea in conjunction with our Korea distributor, Korea CCS Co., Ltd. The installation comprises of Weike's evergreen classic games which have been proven in Casinos around Asia. I am confident that Alpensia Casino's players will enjoy these evergreen classic games," said Daven Tay, Executive Director of Weike Gaming Technology.

The foreigner exclusive casino offers separated spaces for public and high limit for VIPs and on top of the newly installed 30 units of Weike's slot machines, players also can enjoy other popular games including Baccarat, Blackjack, Roulette and various poker machines.

AUSTRALIA – Australia-based PlayUp, the developer, owner and operator of live sports entertainment in the online gaming and daily fantasy sports sector, has bought Draftstars from CrownBet. The acquisition of Draftstars delivers significant growth opportunities in Australia for PlayUp, whose aim is to become the global market leader in blockchain-enabled Fantasy Sports, Sports Betting, Wagering and Online Gaming

Draftstars is Australia's largest daily fantasy sports (DFS) platform. The acquisition forms part of PlayUp's international growth strategy while allowing CrownBet to focus on its core wagering business. The Draftstars platform has more than 100,000 active users and provides opportunities to wager on daily fantasy sports games spanning major local and international sporting codes such as the AFL, NRL, NBA and more. PlayUp will continue to operate and grow the Draftstars brand.

AUSTRALIA – Lottoland Australia has offered the 4,000 news and lottery agents across Australia a profit-sharing agreement which if accepted, will ensure wider choice for customers – and additional revenue for newsagents. Under the offer, newsagents will receive 20 per cent of profits generated from every bet on overseas lotteries that they refer to Lottoland Australia, which could be worth thousands of additional dollars a month to individual newsagents.

The CEO of Lottoland Australia, Luke Brill, said the offer meant newsagents that took part in the program would have an opportunity to benefit financially from Lottoland bets on overseas lotteries. "We want to partner with newsagents to provide our customers with greater choice, in a way that will be fair and profitable for your business," said Brill.

Duterte Nixes Galaxy's Boracay Plans

Galaxy had teamed up with Philippines partner Leisure & Resorts World Corporation (LRWC) to buy a 23-hectare site on Boracay to build its resort, but the country's President, Rodrigo Duterte, has stepped in to veto the plans

"The President has already addressed the issue of a new casino in Boracay. There will be no new casino in Boracay."

PHILIPPINES CASINO LICENCES

Despite being granted a casino licence by Philippine gaming regulator, Galaxy Entertainment Group (GEG) has seen its plans to build US\$500m casino resort on Boracay island scuppered by Philippine President Rodrigo Duterte. Presidential spokesman Harry Roque has officially confirmed: "There will be no new casino in Boracay. I do not know how this will be resolved but as far Boracay is concerned, [Duterte] wants the people to benefit from Boracay. Of course, we welcome all investors, but I think the President has already addressed the issue of a new casino in Boracay. There will be no new casino in Boracay."

His comments follow more unofficial comments from President Rodrigo Duterte himself, who reportedly said, following the granting of the licence: "I don't have plans there for casinos. There are enough, there is too much – casino here, casino there. Consider Boracay a land



reform area. I will give it to the farmers first. I will issue a proclamation that all of the land will be agricultural."

Galaxy had teamed up with Philippines partner Leisure & Resorts World to buy a 23-hectare site on Boracay to build its resort. PAGCOR explained that the licence was only provisional. It stated: "The provisional licence is only the start of a very long and tedious process of compliance that every integrated resort operator must go through before they can be issued by PAGCOR a Notice to Commence Casino Operations and eventually, a regular casino gaming license. PAGCOR, being a government entity under the Office of the President, abides by the laws and orders of the land. As regulator, it ensures that its licensees comply with pertinent laws, rules, regulations and ordinances promulgated by authorities relative to the establishment and operation of casinos."



AGCOR gives Filinvest a licence for \$200m Mimosa casino

Philippines

PAGCOR, the Philippine Amusement and Gaming Corporation, has given the green light for Filinvest Development Corporation to build a \$200m casino close to an airport in Mimosa, Clark, in the northern province of Pampanga.

Filinvest has been given a provisional license to build a casino as part of a project called The Filinvest Mimosa + Leisure City, which will be located close to the Clark International Airport on the Clark Special Economic Zone in the Philippines..

The licence has been issued to one of Filinvest's subsidiary Mimosa Cityscapes.

FDC President and CEO L. Josephine Yap, said: "We thank PAGCOR for granting Filinvest Mimosa + Leisure City the provisional license. They have been very efficient and helpful since we submitted our application and all the necessary requirements in 2017. We look forward to a fruitful partnership with them. We believe that this is a worthy investment. Now that we have secured the provisional license, we foresee further upsurge in tourist arrivals upon completion of the various project components. Its enviable location close to Clark International Airport makes it accessible to both domestic and international tourists."

Japan

The initial wave of Integrated Resorts in Japan will see just three casinos introduced following an agreement struck between Japan's ruling Liberal Democratic Party (LDP) and its junior coalition partner Komeito. The Government had wanted five Integrated Resorts, but compromised on three with an agreement that legislators will review their success and potentially issue more licences after seven years rather than the initially stated 10 years.

The two parties have also struck on a deal on the entrance fee to be charged to locals with a fee of ¥6,000 (US\$56). Komeito had wanted an ¥8,000 fee whilst the LDP was looking at ¥5,000 having initially wanted just ¥2,000. The implementation bill is now expected to be delivered in May. Gaming floor sizes must be kept to a maximum of three per cent of the resort's foot print rather than the 15,000sq.ft. previously promoted. The number of visits has also been limited to three times in seven consecutive days or 10 times in 28 consecutive days.

Solaire Sets New Records for Bloomberry

The Solaire casino resort in Manila Bay's Entertainment City has reported all-time highs with the property's VIP volumes growing 11 per cent while mass table drop and EGM coin-in grew 21 per cent and 29 per cent over 2017



Bloomberry, the Philippines owner of the Solaire reported gross gaming revenues grew 17 per cent to a new high of P44.927bn in 2017, while non-gaming revenues increased by 40 per cent to also hit a record P3.335bn.

The company reported all-time high records in VIP volume, mass table drop and EGM coin-in, gross gaming and nongaming revenues. New profitability records were also achieved with the highest levels of EBITDA (both reported and hold-normalised) and net profits reported since Solaire's opening in March 2013.

Enrique K. Razon Jr., Bloomberry chairman and CEO, said: "Going into our fifth year of operation has become even more exciting with our 2017 results in sync with the growth trajectories we have aimed for. This is largely due to our top notch management team and the thousands of Bloomberry and Solaire men and women, whose tireless drive and dedication keep us notches ahead."

For the quarter ended December 31, 2017, Solaire

posted a new record high for mass table drop with a slight sequential gain. Philippine VIP volumes were up 17 per cent year-on-year while mass table drop and EGM coin-in both grew 19 per cent and 23 per cent year-on-year, respectively. On a sequential basis, VIP volumes were up seven per cent while mass tables were essentially flat. EGM coin-in was not able to beat its previous P49.690bn record in the previous quarter and fell four per cent quarter-on-quarter. Solaire's gross gaming revenues were down 11 per cent quarter-on-quarter and two per cent year-on-year to P10.27bn.

Bloomberry generated P98m in net profits in 4Q2017, dragged down by a low 1.95 per cent VIP hold, some one-off non-cash expenses relating to the depreciation of a transportation asset and unrealised foreign exchange losses as well as a P267m net loss from its Korea operations. The Philippine operations would have generated P1.654bn in net profits assuming the VIP hold at the normal 2.85 per cent rate and would have increased by another P451m to P2.105bn without the depreciation write-off.



AUSTRALIA – Australian casino operator the Star Entertainment Group is looking to increase its exposure to Asian high rollers with a \$490m deal that will give a 4.99 per cent stake in the business to each of its two long-term Hong Kong-based partners.

The Star has expanded its strategic partnership with Chow Tai Fook Enterprises Limited (CTF) and Far East Consortium International Limited (FEC) to enhance the long-term value of The Star's properties and core businesses.

The deal will establish a more focussed marketing partnership to fuel growth in Asian VIP programs through the Hong Kong-based companies' 'expertise, networks, customer bases and loyalty programmes.'

The three companies are already linked to The Star Entertainment via partners in a new casino project at Queen's Wharf in Brisbane.

Chow Tai Fook is a hotel, casino, transportation, jewelry, port and telecommunications businesses which has a strong foothold in the Macau casino junket business via a partnership with SunCity. It also operates Baha Mar in the Bahamas and is looking to develop a casino in Hoi An in Vietnam.

There will be an equity investment by CTF and FEC in The Star via a \$490m placement to underpin the strategic partnership and further align the interests of CTF and FEC with the long-term growth and financial performance of The Star.

The Star said the expanded deal 'de-risks The Star's existing capital-light strategy of investing in its core business through joint venture developments with partners who have complementary skills and businesses.'

The Star Entertainment Group Chairman John O'Neill AO said: "The Board welcomes Chow Tai Fook and Far East Consortium as shareholders in The Star. Our expanded strategic partnership recognises the strength of our relationships built over the last four years and the shared vision of investing in properties with valuable long-term licences in sought after destinations.

"The complementary skills and businesses possessed by each partner have contributed over the past four years to creating long-term value for all shareholders, commencing with Queen's Wharf Brisbane. More recently, The Star, Chow Tai Fook and Far East Consortium have jointly participated in the acquisition of the Sheraton Grand Mirage Gold Coast and plans to develop the first joint venture tower as part of The Star Gold Coast masterplan."



Australia

Ainsworth installs A600 with Winner Group

Ainsworth is expanding in Latin America with the installation of more than 100 of its newest cabinets packaged with a wide range of new game concepts developed for the Colombian market. Cabinets like the A600 in its Slant Top & Upright versions equipped with innovative games like the new Green Robin captivate the clients of the Hollywood, Rio, Havana and Broadway casinos operated by Winner Group Colombia. Green Robin offers exciting, enigmatic options of 2 or 4 level mystery jackpot, plus interactive selection functions that pay out juicy prizes in credits.

"Ainsworth has proven to be a leader in the multi-game sector with the versatile brand Multi Win. Customers of the casinos operated by Winner Group will now be able to enjoy the benefits and extended capacity of a multi-game, which maximizes casino floor space by offering packages with several of the most popular games around in a single cabinet. Brands like Quad Shot and Play 40/50/100 Lines are some of the games included in this versatile selection of games," the company stated.

Tatiana Vega, Slots Manager with Winner Group, said: "We work hard to maintain the most successful product offerings to the Colombian public. Ainsworth products consistently offer positive results and we believe they are a valid inclusion to our fleet of machines."

South Korea

South Korean casino operator Paradise Company managed to increase its revenues by 33.9 per cent year-on-year in March, with GGR coming in at KRW52.19bn (US\$49.5m). The foreigner-only casinos saw table revenue increase by 35.1 per cent year-on-year in March to nearly KRW48.75bn whilst machine revenue increased by 18.9 per cent to KRW3.44bn. It's been a good year for the operator so far with revenue for the first quarter up 19.9 per cent to KRW149.37bn. It operates four casinos; Walkerhill in Seoul, Jeju Grand on Jeju Island, Busan Casino in Busan and Paradise City in Incheon.



Guillermo Fernández Vara
The President of Extremadura (PSOE)

The President of Extremadura (PSOE) Guillermo Fernández Vara announced that the objective of the new rules is to enable and attract the development of large theme parks and family leisure centres in the region. The new centres would be aimed at attracting visitors from abroad. There is already at least one foreign developer interested in developing this type of site in the region of La Siberia located in the north-eastern portion of the province of Badajoz said Fernández Vara. However, according to the governor, there are "several" investors who are "waiting for the door to open."

The proposal would create a legal framework, which would allow for the construction in Extremadura of large complexes that combine tourist establishments such as hotels, spas, cultural facilities, conference centres, golf courses and aquatic recreation centres alongside other facilities designed for adult leisure including casinos, bingo halls and slot parlours.

Investors will benefit from both legal and fiscal advantages. When it comes to casinos these will be exempt from local rules covering the granting of licences which both requires public licence tender processes and limits the authorisations to one casino per 500,000 inhabitants.

Extremadura pushes for large scale leisure resorts



The Spanish Socialist Workers' Party PSOE has come out in support of a new bill, which would allow for the creation of large leisure facilities in the Spanish autonomous community of Extremadura. If the bill finds support from the State Council then it could mean that it could go before the full house within the next month

The initiative would reduce urban planning and administrative deadlines by half as the projects would be fast tracked as a matter of urgency. The new rules are part of a new plan to bring investment into the area as the government is facing a shortfall in state finances of €300m.

The proposal would create a legal framework, which would allow for the construction in Extremadura of large complexes that combine tourist establishments such as hotels, spas, cultural facilities, conference centres, golf courses and aquatic recreation centres alongside other facilities designed for adult leisure including casinos, bingo halls and slot parlours.

New rules would allow for large-scale resorts, which would call for considerable investment. Fernández Vara told press that the minimal requirements would be those projects that spanned at least 1,000 hectares, and would require a minimal investment of €1,000m. The project would also need to create at least 2,000 direct jobs and generate 3,000 hotel beds. A €10m deposit would also be required. The requirements are also much higher if the project is located in the region of Siberia.

Favourable conditions would be imposed when it comes to gambling taxes. In the case that the new centres include casinos, deductions of up to 80 per cent in gaming taxes are now being considered by the government but this would depend on the total amount invested in the construction of the complex as well as other facilities on site. As for tax, a fixed rate of 15 per cent will be established for casinos in the new resorts. This percentage is currently applied when gaming income does not exceed €2m per year, but it reaches 30 per cent when it goes beyond €2 and reaches the €4m mark. This rate

increases to 40 per cent when it goes beyond €4 and reaches €6m and stands at 50 per cent when it reaches €6m and above. However as compensation for the total investment made a deduction of up to 80 per cent of the tax will be put into place.

According to the timetable, companies must present the project to the government, which would include data on the company, along with a preliminary urban plan, a preliminary environmental study as well as an economic-financial study. These plans will need to outline the creation of jobs, work schedule, along with the necessary infrastructure.

Once the request is received, the government will create a special inter-administrative commission that within a maximum period of one month will examine the project, after which it will issue a technical bid evaluation. Within that period those municipalities affected by the new project will be given fifteen days audience before the commission.

The qualification of the proposal as a large leisure facility will reduce the processing time by half. If the project includes casinos, the authorisation will cover all types of gambling contained in gaming legislation already in place in Extremadura. In total, the process will take from five to six months.

After that, building work must begin within a maximum period of six months from the publication of the management plan. The execution of that plan may not exceed five years. Once work is completed, the developers will have six months to put at least 50 per cent of the site into use and one year before it is fully open to the public.



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Jason Frost,
President, EUROMAT

The European Gaming and Amusement Federation's (EUROMAT) annual summit will take place June 4-6, in Monaco at the Monte Carlo Bay Hotel & Resort. As the body representing the views of the low-stakes gaming and amusements industries to European institutions, EUROMAT has designed the new-format summit to enable operators, regulators and manufacturers to exchange information in a relaxed and informal setting.

I see EUROMAT as a forum for members to share best practices irrespective of the differences we face country-by-country. Every market is dictated by its own gaming law – what EUROMAT is able to do is influence at a different level. We can take a universal view of issues such as social responsibility and how it affects the industry as a whole. Independent of national issues, EUROMAT gives assistance to regulators, acting as a conduit between regulators and member states in regards to national and international issues.

EUROMAT to tackle European issues head on during Summit



Appearing on a multitude of panel sessions at the forthcoming EUROMAT Summit in Monte-Carlo in June, EUROMAT President Jason Frost speaks to G3 ahead of the conference about the relevance of the organisation, the future for the amusement and gaming industry in Europe and what's next for the trade body in 2018

How do you describe EUROMAT?

The European Gaming and Amusement Federation is the voice of land-based gaming entertainment industry in Europe. We are a collaboration of European trade associations, which two years ago agreed to open its membership to corporate members, as prior to that only trade associations were eligible to join. I also want to stress that as a European association, our members extends beyond the European Union to the entire geography of Europe and act as a lobbying body and hub to share information across the entire continent.

EUROMAT offers support for amusement and gaming products in countries in which it is legal to operate those machines, which includes the sharing of information, research and lobbying on behalf of our members. We have a legal tracker, which is a specialised team that monitors the legal implications for gaming and amusements in both Europe and individual member states, which is sent to all members. I see EUROMAT as a forum for members to share best practices irrespective of the differences we face country-by-country. Every market is dictated by its own gaming law – what EUROMAT is able to do is influence at a different level.

We can take a universal view of issues such as social responsibility and how it affects the industry as a whole. Independent of national issues, EUROMAT gives assistance to regulators, acting as a conduit between regulators and member states in regards to national and international issues. In the manufacturing sector, we are seeking to address concerns such as homologation and testing, seeking to make headway on behalf of our members to distinguish between hardware and software testing, to make the process more efficient and cost-effective going forward.

I've recently attended national trade association meetings in Spain, Germany, Romania, Italy and Serbia. Not only is this useful to raise the profile of EUROMAT at the individual country level, but when you see country's such as Italy, in which 130,000 machines are to be removed from bars and cafes, we have to make members aware that EUROMAT can lend a shoulder to their lobbying process. Members need to understand the muscle that we can bring to their issues at not only at the European level, but at the local ground floor level too.

What are the boundaries of EUROMAT in terms of its members, locations, machines – what's its remit?

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Historically, EUROMAT's boundaries have encompassed Europe and all its multiple geographies. However, having started with an operator-only focus, when we extended membership beyond gaming machine operations to include manufacturers, we have to consider that our remit has expanded. Products made for the European market are sourced in the US and China, and European manufacturers export to destinations around the world. The question for our membership is should we be encouraging those manufacturers to join too?

My view is that EUROMAT will always be fluid and will have to be to keep up with the changes in the industry. Online is an example of a disruptive element that has split the views of the industry from the outset. Many were hostile to online in the beginning, but as time has moved on and we've seen a generational change in both the marketplace and membership, many of our members are offering online as well as land-based products.

In terms of EUROMAT's machine remit, having recently toured Dutch AGCs, it's plain that the lines between casinos, electronic slot halls and AGCs have blurred over the last decade. There are associations such as the European Casino Association (ECA), which does a fantastic job of representing the casino sector, but there are sub-sectors that fall through the gaps and don't have representation they need. There are sectors that rely on machine income, such as the bingo

industry, which again do not have Europe-wide representation and do not have a voice at the top table to lobby on their behalf. Amusement is such an important sector and it's vital that we focus just as much attention on amusements as gaming. We recognise the massive growth of redemption around the world and seek, where legal, to propel forward that sector and assist operators and manufacturers in whichever way possible. We give support and help to member states to lobby to change their laws for the benefit of the operators, manufacturers and players. We gather support from adjacent industries, case-studies, working models and research conducted in other countries by both EUROMAT and our members to assist regulators and law-makers to make the right decisions for the future of the industry.

What's the relevance of EUROMAT?

I think it's best to explain through example. One of the topics EUROMAT is currently championing is alternative payment methods linked to social responsibly. It's a subject that we will be covering in great detail at the forthcoming EUROMAT Summit in June. The changing tastes of society and a generational change in the use of cash, means that both gaming and amusement machines face an uncertain future if we don't adapt to the shifting environment around us.

In addition to TiTo, manufacturers have created

solutions that allow players to play directly from their bank account and pay winnings directly back into their bank account from the gaming machine. From a regulators point of view, Europe as a whole has welcomed the initiative. Direct play by card lets customers set their own spending limits, time limits, and significantly enhances security for the player. Not only does it empower the consumer, but as operators facing the prospect of a cashless future, contactless payment technology has to be addressed, otherwise the gaming and amusement sector will be left behind.

EUROMAT would like to see the adoption of a European code of conduct that sets forth the parameters for the introduction of alternative payment methods. I use the term 'alternative' because this addresses not only card and contactless options, but the use of eWallets/vWallets via Apps and the ability to scan QR codes using smartphone devices. Whether this is as a replacement to cash, or sits side-by-side with cash within the operating environment, all options need to be considered and the research and case-studies need to be discussed at all levels. When AMLD4 was introduced, it was EUROMAT that attended every meeting in Brussels and lobbied heavily for an exemption for high street gaming. Alternative Payment Methods is another critical issue for the industry and one that is being championed by the association.

What are your goals and expectations for the EUROMAT Summit in June?

The EUROMAT Summit should be the must-attend event for amusement and gaming operators, manufacturers and distributors in the European marketplace. We are bringing together academics to talk about social responsibility, we showcase innovation in both products and legislation and bring together investors and industry stakeholders to discuss opportunities at all levels. We want to encourage discussion, promote the truth about the industry, underline its social responsibility and long-term agenda.

EUROMAT is an association for the journeymen in this industry. We are not the quick-profit PLCs, looking for loop-holes in regulation and fast exploitation of customers. We are in this for the long-term and the long-journey ahead. We want to stimulate dialogue between the regulators, academics and lawyers, share best practice, and create a great networking event at the same time. During those meetings and evening discussions, information is cross-pollinated across multiple jurisdictions. I also want to stress that the EUROMAT Summit this year is a very different concept from those of the past. For the first time this is a two-day event that's open to everyone. We want the high level industry stakeholders to bring their employees, bring their floor managers, their social responsibility managers and embrace the first of a new style event that we hope will grow year on year.

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John White,
Chief Executive, BACTA

John White is a trade association professional having worked in industries as diverse as meat rendering to baby products and garden furniture to timber. Prior to joining the Federation of Bakers as Director in May 2000, John spent 10 years in the amusement machine industry at Bacta, to which he returned as Chief Executive in July 2014. He believes trade associations are a vital part of the political culture and at their best are essential to good government.

Self-exclusion: Is it working and can you ensure it's effective?



Self-exclusion is not a solution to their problem gambling, it's not the only tool available to them, nor is it only thing they should do, but it is one arrow in the quiver of measures they can take to help themselves in their journey out of problematic behaviour. It is, therefore, right and proper that every sector of the gambling industry should offer an opportunity to whoever finds themselves in that position to exclude themselves from gambling.

During the self-exclusion panel at the EUROMAT Summit, panelists will discuss the proposition: 'Is self-exclusion working and how do you manage it to be effective. Panelists include John White, Eduardo Antoja and Frits Huffnagel. Below, John White sets out his views on the topic and answers the question in full.

Yes - self-exclusion is working and is a valuable tool available to those that have acknowledged they have a problem with their gambling. It's not a solution to their problem gambling, it's not the only tool available to them, nor is it only thing they should do, but it is one arrow in the quiver of measures they can take to help themselves in their journey out of problematic behaviour. It is, therefore, right and proper that every sector of the gambling industry should offer an opportunity to whoever finds themselves in that position to exclude themselves from gambling.

The way in which we accomplish this in the UK arcade sector, is that we have a database of all AGCs in the country; we know where they're all located, who operates them and we know their postcodes, which is crucial. If someone wishes to self-exclude they simply walk into an AGC and ask to be self-excluded. This allows the arcade operator to instigate an intervention, whereby they privately discuss their behaviour and seek to sign-post the individual with care-agencies, including GambleAware, and assist with helpline numbers.

We ask for a self-exclusion form to be completed, which requires a photograph and a list of the arcades from which they will be excluded.

The form is completed online or via a tablet, which is uploaded to a database of individuals who have self-excluded. All the AGCs that fall within a radius of the exclusion then receive notification that someone has self-excluded.

Due to data-protection, the AGCs do not receive an email with a photograph of the self-excluded individual, they simply receive a notification. The operator then logs into the website, with their name and password, from which they can see from the carousel of faces those people that have self-excluded from their arcade. They then make their staff aware that this person has self-excluded themselves from their premises.

The duration of the self-exclusion will be for a six month minimum period up to 12 months, after which the individual must make an active decision to return



Eduardo Antoja,
Chief Executive Officer –
Intrepid Consult

Born in Barcelona in 1945, Eduardo got a Master of Science degree in Digital Systems and Electronics from the Barcelona Polytechnic University in 1970. His first 20 years of professional life were spent in the development of computercontrolled automation systems for the transportation and telecom industries. In 1990 Antoja joined the gaming industry, as CEO of the CIRSA Industrial Division, being responsible for the development, manufacturing and marketing of gaming devices and systems. In 2010 Eduardo started his own independent consultancy, www.intrepidconsult.com.

Self-exclusion has been in force or in practice for several years in Spain for land-based gambling in casinos and bingos, and lately also for gaming arcades and online sites.

With my 30+ years of experience in the gaming world, I'm definitely supporting self-exclusion, although my view is that it must be complemented by education at all ages and levels. By itself, self-exclusion is not a "solution" to the so-called problem gambling.

If players are experiencing difficulties and find self-exclusion valuable and worthwhile, then why would you not offer it? If the customer has asked for self-exclusion, they have acknowledged that they have a problem, I believe we're obligated to provide this for them.

to gambling, with a 24 hour cooling off period after they've made the decision to remove themselves from the self-exclusion programme.

It is hoped that during the self-exclusion period they will have found the help they need, developed strategies to manage their gambling or abstain from gambling in its entirety. We know, having performed self-exclusion for many, many years – albeit not electronically until now, but on a venue by venue basis – we know the level of demand for self-exclusion. On average, the number of self-exclusions per year is around 1.5 per arcade venue. The move to an electronic system that allows individuals to exclude from other venues in their locality, has made no impact on the number of self-exclusions, which is still one and half exclusions per year per arcade. This figure tends to suggest that the new electronic self-exclusion system is working and is addressing the need in the AGC

sector. I think that the system is working and is effective, but what we don't know is how effective it is in exiting people from problem gambling behaviours. We have conducted research in regards to the effectiveness of the system, but the impact of self-exclusion on a gambler has yet to be evaluated in the UK.

There has been research conducted in different areas of the world and the organisation GambleAware is commissioning studies to look directly at the impact of self-exclusion as a concept, to see if it is providing help. However, I'd say that for the provision of self-exclusion to the player, if they are experiencing difficulties and find self-exclusion valuable and worthwhile, then why would you not offer it? Even if the academic study were to prove that it has a marginal impact, if the customer has asked for self-exclusion, they have acknowledged that they have a problem, and as such I believe we're obligated to provide this for them.



Frits Huffnagel
Chairman of VAN
Kansspelen
Brancheorganisatie

Frits Huffnagel is the chairman of VAN Kansspelen Brancheorganisatie, EUROMAT's member from The Netherlands. Mr Huffnagel is a specialist on citymarketing and communication and a leading member of the Dutch political party, the People's Party for Freedom and Democracy (VVD). In the past Mr Huffnagel was an alderman for the cities of Amsterdam and The Hague. In addition, Mr Huffnagel was for a long time active on radio station Business News Radio, and currently has a weekly talkshow on TV West.

Self-exclusion is a standard part of the policy of casino operators to protect players from gaming addiction. In The Netherlands self-exclusion is not regulated. It is a possibility that is voluntarily provided by casino operators, although there is a legal obligation to have policies to protect players from gaming addiction.

People can ask casino operators to put them on a self-exclusion list. Usually this list is only for the location or locations from the same casino operator. Exchanging personal details (including for reasons of self-exclusion) is prohibited due to privacy legislation.

When a player has asked for self-exclusion, the self-exclusion period usually remains for three months. Due to the standard check on players who are entering the casino at the entrance of the casino, it is hard for people on a self-exclusion list to enter a casino. People who are on a list and still try to enter the casino are sent away. Many casino operators have digitalised their self-exclusion lists, so staff can efficiently trace if a player is on a self-exclusion list.

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Phil Horne,
Chief Executive Officer, SG Gaming

Phil has spent the majority of his career working in the betting and gaming industry. Having started out as a trainee betting shop manager with Coral, Phil worked his way up through the ranks to the position of Gaming Director in the mid-1990s, where he set up Coral's gaming division. Working alongside The Global Draw he delivered a new gaming machine concept to the Coral estate (FOBTs). He spent the final year of his time at Coral as Compliance Director before his appointment as Managing Director of The Global Draw in 2007. In 2016 Phil was appointed CEO of SG Gaming UK, overseeing the business across Gaming and Sports Betting. Phil also enjoys a prominent role within the Scientific Games senior leadership team. Responsible gambling and player protection measures are topics that Phil is passionate about. He believes it is essential that all the key players in the gaming industry come together and act as one joined up, positive movement.

Technology is the great equaliser between operators. Innovation helps reduce costs and allows greater implementation of measures to ensure responsible gambling. Functionality can now be built into the product, rather than solely relying on external factors to measure and support.

Latest technologies: balancing player experience & protection



There is growing interest in the application of technology to increase player protection. During a session moderated by John Hagan, the panel will discuss the technological applications currently being used to help enhance the player experience and provide consumer protection. G3 took the opportunity to interview panelist, Phil Horne, CEO of SG Gaming about his views regarding the current thinking towards responsible gaming in the UK

Does the implementation of responsible gambling initiatives slow innovation and stifle creativity within the industry?

From a hardware perspective, responsible gambling initiatives shouldn't inhibit innovation. Often, restraints can actually lead to more creative and innovative solutions and help us focus on the needs of the player even more closely. With responsible gambling measures implemented on a platform level, development teams can continue to strive for innovation on a hardware and software front. All of this can be seen in our recent Equinox range of terminals and our constantly evolving content offering.

Are responsible gambling initiatives only possible within the remit of large operators who have access to the financial resources, since Responsible Gambling is perceived as expensive and time-consuming to implement?

Technology is the great equaliser between operators. Innovation helps reduce costs and allows greater implementation of measures to ensure responsible

gambling. Functionality can now be built into the product, rather than solely relying on external factors to measure and support. At SG Gaming, we are dedicated to making sure player protection tools that encourage responsible gambling aren't something that's restrictive within the industry and can be implemented whatever the size of a business or the sector it is in. Independent LBOs are a prime example of where solutions are made available to an individual owner or a multi-site operator.

How does staff training and high staff turnover affect the efficacy of responsible gambling?

As a supplier, we work closely with our customers and competitors to ensure best practice is maintained in regards to responsible gambling. We support all of our customers with up to date information and programmes to help them create responsible gambling training that is appropriate to their particular sector. Staff training is key for making sure that responsible gambling initiatives are implemented soundly, but technology enables us to give our customers easy-to-use tools that monitor player behaviour and flag issues, helping train staff quickly



and effectively and helping guide new and less experienced staff to recognise potential harmful behaviour and react. Our tools provide the data and operator messaging that facilitate meaningful player interactions. It is vital that player-facing staff receive the training that provides the skills for these interactions.

Is poor leadership around responsible gambling due to the fact that organisational culture favours other priorities – and if so how do we address this?

There are a number of issues that need to be addressed when it comes to the subject of gaming regulation and player protection. The frequent use of the “problem gambler” image has politically distracted from the great strides that the industry has already made so far in self-regulation.

On top of this, many within the industry are guilty of trying to gain individual advantages within regulation, rather than encouraging dialogue that benefits the sector as a whole. Both these issues really highlight the importance of trade bodies, regulators, manufacturers, developers and retailers in joining together to find effective solutions more quickly and efficiently.

I’m extremely keen to see this happen, and as a leader in the industry we are doing our best to promote leadership and build scalable solutions.

Are there one-size fits all solutions available – and to whom should the industry turn for best practice?

There isn’t a one-size fits all solution that will solve every problem within the industry, as every sector is going to require its own solutions to address its individual issues. However, the industry should be working together to ensure that operators are aware of what their options are when it comes to player protection. As a business, we are working closely with our customers across sectors to implement responsible gambling initiatives based on our learnings from what has already been implemented across the LBO sector. Aligning these sectors with the same set of initiatives and controls helps monitor players across their player journey, whether in a casino, LBO, bingo or arcade venue and online.

How can the industry cultivate a culture of ongoing learning around RG in which best practice can be shared and adopted by competing businesses?

It would be advantageous if all of the big suppliers, industry bodies and retailers took a joined-up approach to create a unified movement to help tackle some of the bigger issues affecting the industry – whether it be taxation, regulation, or responsible gambling. This way we can ensure that learnings, experience and insight is shared effectively and

that as a collective we can really make a difference when it comes to shaping policy and key issues affecting our industry going forward. Making sure that responsible gambling initiatives are implemented by the gambling industry across sectors creates a consistent approach that is much easier to monitor and improve, while learnings and key insights from one sector can be taken and implemented to another where relevant.

Should Responsible Gambling messaging be directed to include all players as opposed to just problem gamblers?

We feel there’s a balance to strike. All players should receive responsible gambling messages; however, a tailored approach should ensure that low risk players enjoy a less intrusive experience whereas higher risk players should receive specific and/or more frequent messaging. Responsible gambling controls should give options to set limits, enabling every player to self-regulate their playing habits. This approach, combined with on-screen messaging that creates breaks in the game, along with staff-facing alerts, provides a customer journey that allows every player to carefully consider their playing options, without impacting heavily on gameplay. Our focus is on creating a gaming experience that is entertaining, whilst allowing players to gamble responsibly across whichever gaming channel or playing environment they choose.

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Zane Mersich
Chief Executive Officer,
Novomatic UK

After spending over a decade in executive level roles predominantly in the packaging industry working for medium, large and global companies, Zane elected to change course and joined NOVOMATIC Austria in 2007. He spent almost a year in international sales before locating to the UK to take the helm as the Managing Director of Astra Games. The years that followed were defined by acquisitive and organic growth and saw the formation of the Astra Gaming Group, later to become NOVOMATIC UK, where Zane continues to oversee the Group as Chief Executive Officer.



Nick Harding,
Senior Advisor
Gauselmann Group

Nick, 59, Senior Advisor to the Gauselmann Group in the UK has over 35 years' experience in the gambling sector. Nick is a past President of the trade association BACTA and sits on the advisory panel of the UK PG support charity Gambleaware. He was a Director of Business in Sport and Leisure, and is a Director of the UK Bingo Association. He was also the founding Chairman of iGGBA, the UK's first interactive gaming association. He has been Chairman of the Gambling Business Group (UK) since its inception in 2013.

Where is the industry heading and what will grow revenues?

The EUROMAT Summit Boardroom Briefing is where industry leaders discuss the key matters affecting the gaming business today – where is the industry going and where will revenue growth come from in the future? G3 interviews Novomatic UK's Zane Mersich and Gauselmann Group Advisor, Nick Harding, about the changes to come and what the appetite for the forthcoming debate

What part does social media and mobile gaming play in the future of the industry?

Zane Mersich: Social media as a promotional/marketing tool for social and real money online operators will continue to grow. Social media, however, is changing and an example is how Facebook is now experiencing more growth amongst an older demographic, while younger people seem to be moving to products like Snapchat. The ever-present question is "what's next?" and "how popular will it prove to be?" If successful, how do we harness it for our own promotional/marketing needs? It's a challenge for land-based operators in the social media world and establishing a presence that customers or potential customers are enthralled by, or want to engage with, takes careful thought. There are some good examples out there, but many more simply average to poor ones.

The curse of social media is that something really needs to grab attention before there is a meaningful amount of time engaged with the product – there must be real and/or perceived value. This space will continue to evolve within the environments in which they find themselves. As an example, US casinos use social gaming products to promote their land-based venues, whereas in the UK, where online gaming is legal, land-based operators have their own online casinos; two very different propositions.

Nick Harding: Social Media is key to the development of the industry in the same way that it is key to the development and evolution of society as a whole. I think that the development of mobile gaming is possibly happening too fast, with too much accessibility for vulnerable players and as such we may see more regulators trying to rein it in.

How should operations evolve to appeal to the next generation of players?

Zane Mersich: Land-based operators must continue to evolve at an ever-increasing rate, as the next generation of players will be more tech-savvy, the ones following them even more so. They will also be increasingly demanding, with higher expectations of the complete product. As these players have more opportunity to spend their discretionary income and more experience in doing so, land-based operators will have their work cut out. Competition, in all forms, will only ever increase.

The evolution of real-world gaming venues must be in the overall experience, design, look and feel, service, promotion and, of course, the gaming technology. Differentiating the land-based experience to what is available online is crucial. Land-based operators must deliver all of the above and provide customers with an experience significantly better than they can get staying at home and playing online, something

younger players are more used to. Gaming machines that combine "old-school" mechanical reels coupled with large screens and immersive sound is an example of tech that cannot be replicated using the "real estate" available online. Electronic table gaming from live and automated roulette wheels is another.

Will we see the 'death of cash' in this sector in the near future?

Nick Harding: Definitely and much sooner than many operators believe. I am still amazed that Pubcos do not see how much they are losing as their customers rapidly transition across to cashless payments. I am bewildered.

Zane Mersich: I think that cash will continue to be used in the years to come and, in many markets, continue to be dominant. Card payment mechanisms, whether it be Apps or directly on the machine (contactless) will begin to take a slice of the cash in markets that legally permit it. Apps such as Apple Pay and others, which will be developed bespoke to gaming, will ultimately be seen as an extension to direct debit/credit card play and begin to incorporate value-adding loyalty functionality.

More and more markets will evolve to accept card deposits directly to the machine credit meter. Some advantages are that it has the potential to form a key component of tracked play, which many developed markets will eventually be requesting as part of a cohesive player protection strategy.

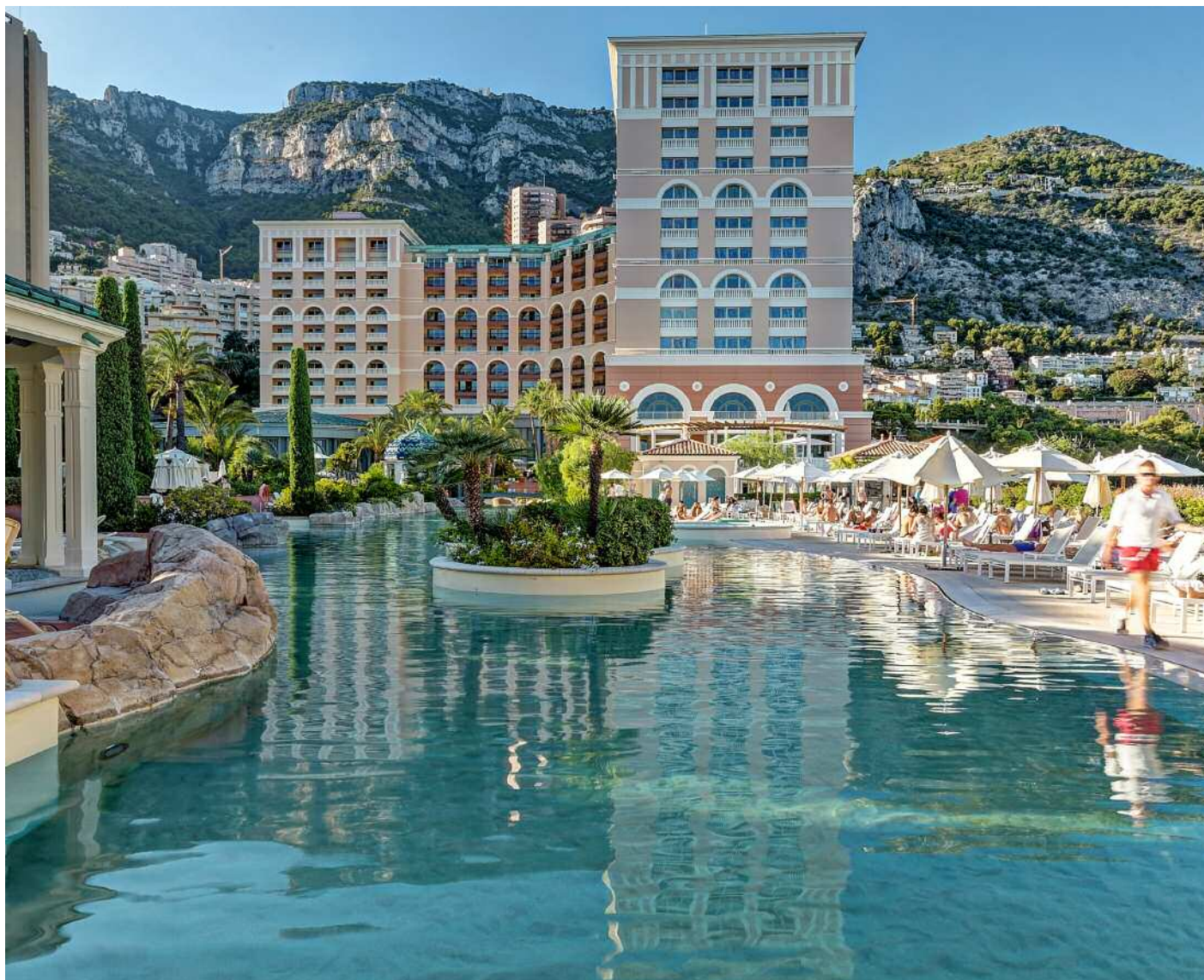
What is beyond comprehension, however, is the UK example, where online players are able to play utilising credit cards, while debit card technology is not permitted for land-based players.

How should responsible gaming programmes be implemented at the street level?

Zane Mersich: Effective human intervention is always tremendously value adding as the driver of a responsible gaming programme. Within our "Admiral" chain of high-street arcades in the UK this is the philosophy that underpins our responsible gaming strategy.

We pride ourselves on knowing our customers and having a sufficient number of trained staff on the floor to keep an eye on players and identify patterns of problem play. This has been very effective to date and will continue to be so going forward.

There are operators in the UK land-based street gaming space who, for reasons of cost saving/profit maximising, have resorted to single staffing behind the counter – there is no way this can be claimed as an effective responsible gaming strategy regardless of what "technologies" and "algorithms" are deployed to



counter the lack of human interaction/intervention. Having said that, we are also looking at technologies that can support and add value to our primary strategy of human observation/intervention.

Nick Harding: In a way that allows the majority of players to enjoy 'Gaming Entertainment' whilst ensuring that potentially vulnerable players are presented with a series of checks and balances that prevent them from over extending their play patterns. There has to be a degree of responsibility and buy in on the part of the players as well as the operators and systems such as 'PlayRight' can provide that with simple messages and mechanics that everyone can understand.

What are the technologies entering the gaming space that will have a disruptive effect on this sector?

Nick Harding: The issue is the anachronistic nature of broad gaming regulation with boundaries and controls that are only really understood by professional gaming operators and games designers.

Because the regulatory frameworks in place can be so nebulous it encourages a race to the bottom with the rapid development of game rewards such as Loot Boxes (and gaming sites such as Bananatic.com) which offer young naive gamers opportunities to enhance play and gain rewards in ways that are clearly random and which are clear breaches of the fundamental tenets behind gaming regulation.

We must ask whether our current regulations are now fit for purpose and whether the licensed industry should seek to collaborate with the regulator to ensure not only that controls keep pace with technological possibility, but also that the rules are clear to new providers (and players).

Zane Mersich: This is always the "million dollar question" and one that, should you believe you have the answer to, you may not wish to share! Both the land-based and online gaming landscapes are constantly evolving, although seemingly underpinned by traditional and trusted games such as slots and casino-style table games. There have, of course, been successful derivatives of traditional games but there has not really been anything new of significance that has gained market share from these known and trusted games. Licensed slot games, for example, add value in some markets and not in others, but this is nothing new.

A move toward a new style of game may eventually make inroads in the future and most technology/content R&D companies out there are investing in trying to find this new edge. It really is, as it has always been, about the game. The content delivery mechanism, whether land-based or online, is also evolving and we are seeing an array of cabinet designs breaking the mould of the traditional "slot" machine. Online players are using better, faster mobile phones and tablets to deliver better player experiences – the growth is clearly mobile and this is a trend that will continue.

EUROMAT Summit 2018
Monte-Carlo Bay Hotel & Resort
June 4-6, 2018

The European Gaming and Amusement Federation (EUROMAT) has confirmed that its annual summit will take place June 4-6, in Monaco at the Monte Carlo Bay Hotel & Resort. As the body representing the views of the low-stakes gaming and amusements industries to European institutions, EUROMAT has designed the new-format summit to enable operators, regulators and manufacturers to exchange information in a relaxed and informal setting.

In addition to a full-day focusing on pan-European developments in social responsibility, the event will address developments in regulation and the impact of new technologies as well as also exploring the possibilities for the market place of the future.

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Gabino Stergides,
President, bacta

In 2007 Gabino joined Electrocoin to gain experience in all aspects of the business. Most recently he led the development and sales of the Bar X Tablet System and Electrocoin's upcoming server based B3 compendium, whilst at the same time having taken over the family AGC in north London. During his time at bacta he has sat on Mancom as Chairman of Division 3 (where he successfully worked as a team with Jason Frost, bacta's past President). Gabino was elected as President of bacta in March 2017 and is Chairman of the Social Responsibility working group.



Nick Harding,
Senior Advisor
Gauselmann Group

Nick, 59, Senior Advisor to the Gauselmann Group in the UK has over 35 years' experience in the gambling sector. Nick is a past President of the trade association BACTA and sits on the advisory panel of the UK PG support charity Gambleaware. He was a Director of Business in Sport and Leisure, and is a Director of the UK Bingo Association. He was also the founding Chairman of iGGBA, the UK's first interactive gaming association. He has been Chairman of the Gambling Business Group (UK) since its inception in 2013.

Ticket In – Ticket Out: pathway to new payment options?

Ticket-in-ticket-out technology has seen significant growth in the UK and The Netherlands street gaming markets in a relatively short period of time. The EUROMAT Summit panel will look at the business benefits of this technology and consider the prospects for growth in other European markets

What are the operational benefits of TITO and do they only apply to large organisations?

Nick Harding: Not in any order; less downtime, removal of inconvenient hoppers/note dispensers, removal of 'dead money' from machine floats, improved security/reduced temptation, player confidence and confidentiality. Security for operator and player. This applies to all operators, not just larger ones.

Gabino Stergides: The key operational benefits are manifold. Probably the most important is the fact that operators are not leaving cash in the hoppers of the machines, which provides operational efficiencies both for in terms of the float and hopper jams. TiTo eradicates hopper starvation because it removes the need for cash to be concentrated in the machines.

In terms of the ancillary benefits of TITO, I'd highlight the fact that because a location's change machines are handling the TiTo receipts, there's no need for a cashier, cash counting or hand-pays, which means that you've also less staff handling cash in terms of security. There are benefits to the player too, as

How do customers react to the introduction of TITO and how does it effect player retention and acquisition?

Nick Harding: Initially players don't like TITO, which is (in my view) just a natural reaction to any change in the player/machine/operator relationship. Usually the most vocal critics are back playing with us within three days. I believe TITO aids player attraction as it is clean and easy to understand at a time where machines paying out cash are becoming an anachronism.

Gabino Stergides: Long-term, once customers have been educated to accept TITO, it's business as usual, with most locations showing a slight increase in revenues. I believe one of the main reasons for this is that when a machine runs dry, players believe there's no more money to win. If you remove hopper starvation from the equation, there's a positive uplift within the location as a whole. That said, we have seen TITO struggle to gain traction too, though it's often due to a failure to explain the system to the player. The player needs to understand that apart from the ticket replacing cash, nothing else has changed.

The introduction of TITO isn't about reducing staff within the location, it's about enabling staff to better serve customers. We are seeing self-service kiosks and terminals replacing checkout staff in a wide array of venues, from petrol stations to supermarkets, and I believe that the introduction of TiTo in the gaming industry is the next evolution of self-service for the convenience of customers.

they're now able to control their own cash. They can choose when to cash out and can do so discreetly at the change machine, without alerting the entire location as to the size of their wins. Finally, I think that TITO is applicable to all organisations, no matter the size - though the scale of the investment would need to fit with their capital expenditure requirements.

How effective has TITO been in increasing game floor performance and efficiencies, hand-pays etc.?

Gabino Stergides: Since operators immediately save money in the machine floats, the gain is instant. Case-studies have shown that over the long-term revenues increase as a direct result of the installation, due to the fact that once players accept TITO it helps reduce player frustrations at having to wait for hand-pays and greatly increases privacy too.

Nick Harding: Initially we saw an incremental five per cent uplift in TITO installed venues, this advantage is now diminishing as more operators install TITO. Handpays are rendered redundant, which players are very positive about. The payout relationship is between the player and the GeWeTe cash recycler, which is much more secure.

Does customer service improve as staff are freed from making frequent cash clearances?

Gabino Stergides: The introduction of TITO isn't about reducing staff within the location, it's about enabling staff to better serve customers by removing the time-consuming processes dictated by cash. We are seeing self-service kiosks and terminals replacing checkout staff in a wide array of venues, from petrol stations to supermarkets, and I believe that the introduction of TITO in the gaming industry is the next evolution of self-service for the convenience of customers.

Nick Harding: Yes.

Are operators using the full functionality of TITO - promotional couponing for example?

Nick Harding: Not yet, as that part of the GBG protocol is still being developed.

Gabino Stergides: Right now, I think the focus around TTITO is concentrated on reducing the float and increasing efficiencies, but given the endless possibilities, I don't think it will be long before operators are fully exploiting the potential of the TITO systems to capitalise on their promotional benefits.

Scanning the legal horizon: the biggest legislative changes ahead

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Fragmented regulation means that the market is constantly being shaped by an evolving regulatory landscape. This panel session focuses on those which manufacturers and operators should have on their radar

Throughout Europe, I think that the General Data Protection Regulation (GDPR) will probably have one of the strongest impacts on the gaming sector in 2018, not least since it still seems that there is some lack of awareness of the importance of GDPR-compliance among operators and other stakeholders in the industry.

In Germany, the single biggest legislative issue to affect the gaming sector in 2018 will certainly be the reform of German legislation on gaming as such, in particular the challenge to create legislation which can actually work to ensure consumer protection in both the land-based and online gaming environment. At the moment, this is not the case in Germany, especially online gaming regulation has been a mess for years. It will also be important to strike the right balance between online and land-based operations when regulating gaming comprehensively, taking into account what is specific to each sector and required to regulate it properly and consistently. In order for reforms to work, I am convinced that legislators will have to part with outdated views and structures. These have proven not to work. I think that it will also be necessary to have new thinkers and faces take charge in the reform discussions and, later, in the implementation of the law to truly achieve a progressive and modern regulation in Germany. After all, you cannot expect non-swimmers to win a gold medal at the Olympics.



Joerg Hofmann,
Group leader
Gaming &
Betting Law
Practice -
Melchers

Dr. Joerg Hofmann is head of the Betting and Gaming Group of Melchers Law Firm in Germany. He is a Past President of the International Masters of Gaming Law (2014/2015). Joerg has been consistently ranked as a "Leading Individual" in Gaming & Gambling by Chambers Global since 2011.

When it is about legislation in the Spanish gaming industry, it is important to differentiate between the online and land-based sectors.

This distinction is essential for a better understanding of the Spanish market, since while online gambling at a federal level is subject to a federal Gaming Act – and its secondary regulation – and is regulated by a single body (The DGOJ), land-based gaming is subject to 17 different regional regulations and supervised by the relevant regional Gambling Administrations.

Back in December 2013, the Spanish Government approved the Law on Spanish Market Unit, whose purpose was to provide measures in order to unify the regulatory differences among the autonomous regions as to the conditions for trading with goods and services in Spain.

It is not a specific Act for the gaming sector, but it was also intended to have a positive impact on the land-based gaming manufacturers since, in practical terms, this regulation meant unifying the criteria of the 17 autonomous regions on the technical specifications for slots terminals or the conditions for the homologation of gaming terminals, for instance.

Although this Act has been controversial since its approval and as such the Constitutional Court recently declared the unconstitutionality of most of the articles within it, the Act has had a significant impact on the gaming sector. The trend of the different Gambling Regional Administrations lately seems to be facilitating the processes to the manufacturers by updating their corresponding regulations or by carrying out bilateral or multilateral agreements with the Central and Regional Governments.

In practical terms, this trend to uniformity is already visible on agreements by which the €60,000 guarantee for manufacturers is removed (i.e. Balearic and Canary Islands among others) or agreements by which the autonomous regions recognise the technical homologations of systems carried out in other regions.



Santiago Asensi,
Managing Partner/
Socio Director -
Asensi

Santiago Asensi is the Managing Partner of Asensi Abogados, a boutique law firm in the Gaming and Gambling sector with offices in Madrid, Mallorca and Bogota. Asensi provides legal advice to a large number of bookmakers, poker, casino, bingo and skill games operators, software providers, slot suppliers with interests located in Spain and Latin America.

I think the biggest single issue in 2018 is the ever increasing regulatory focus on online gaming, which comes as the UK Gambling Commission reviews the sector after almost four years of point of consumption licensing. Over the last couple of years, the UK mainstream media has poured its energies into the debate around FOBTs, allowing online gaming to have a much quieter time than we initially expected. However, given the document that has just been published by the UK Gambling Commission, which gives a thorough review of online gaming, it is clear that the Gambling Commission regards online as the most important sector in the UK right now.

The Gambling Commission has a tight focus on remote gambling and, as other issues relating to FOBTs are resolved in the next few months, this increasing focus will become more apparent. When you look at the measures the Gambling Commission is considering, they could all have significant implications for the remote sector. Some of the headline measures include the possibility of prohibiting the use of credit cards in an online environment; possible spending limits on customers until the operator has established affordability; trialling player tracking; greater interaction and intervention with customers showing problem gambling symptoms; terms and condition changes; restrictions on advertising; anti-money laundering measures, etc.

How the sector responds to this over the next year is going to be critical. The online sector has to truly engage with the conversation, engage with the consultation and try to get ahead of the arguments and set the agenda, rather than being – as so often happens to the gambling industry – behind the curve and reactive rather than proactive. The remote sector must raise their standards.

I think the Gambling Commission has always been heavily focused on online gaming, but the parallel media focus on fixed odds betting terminals has overshadowed the issue thus far. However, as the FOBT issue is resolved the Commission's focus on online gambling will become very obvious and the major issue affecting the gaming sector in 2018.



John Hagan,
Partner – Harris
Hagan

John is a leading international gambling lawyer. Qualified in 1993, he practised as a commercial litigator before specialising in gambling law. He has advised many of the world's largest gambling operators and is frequently instructed by other law firms, private equity firms and banks to provide licensing and regulatory expertise in respect of corporate investments and transactions.

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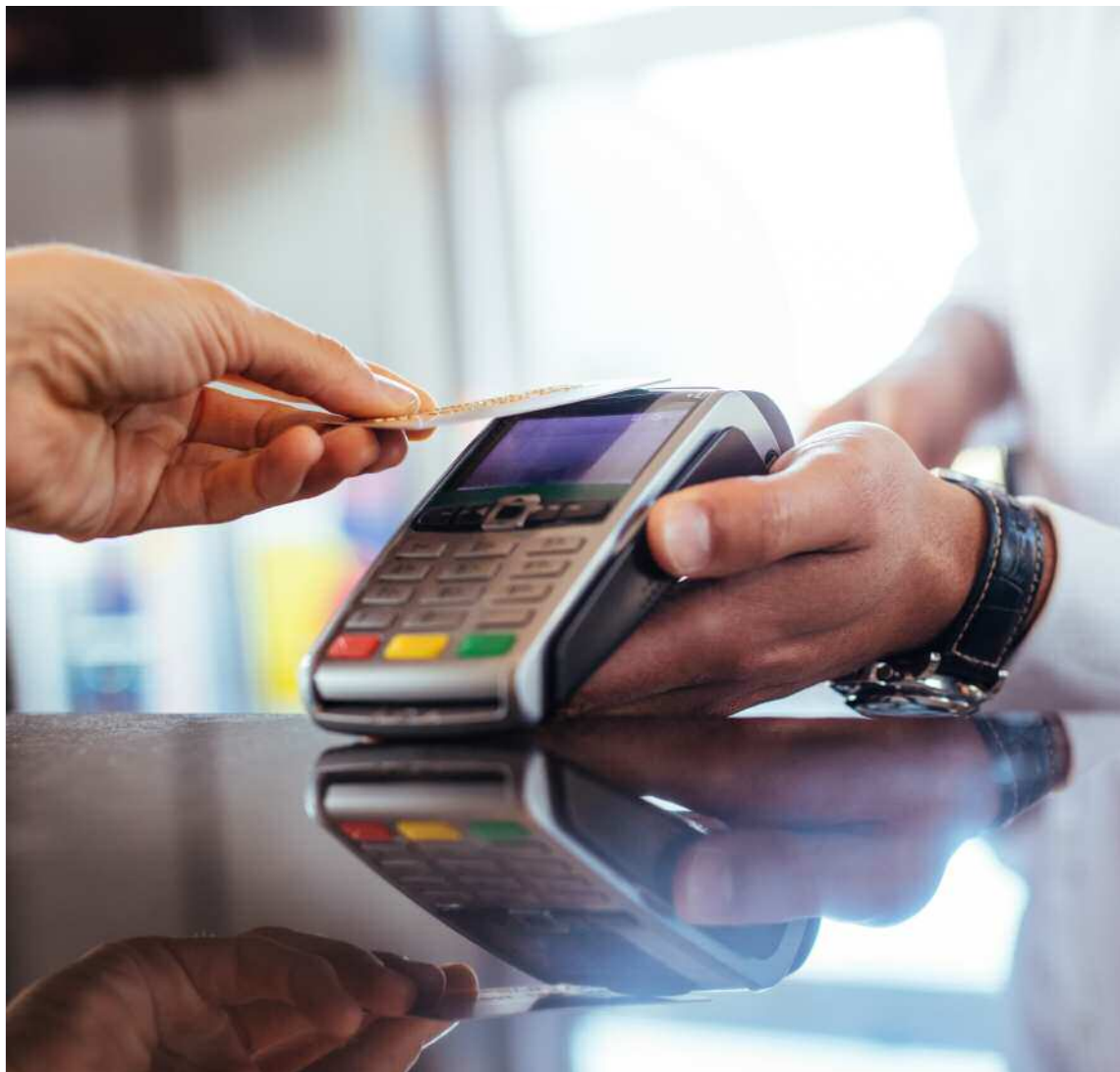
Quentin Stott
Founder & Managing Director,
Reflex Gaming

1985 to 1998 – Joined the gaming industry straight from school working for a small but entrepreneurial manufacturing business called BWB, which was subsequently acquired by The Barcrest Group (now Scientific Games). Stott became heavily involved with the company's expansion into international markets at a time the group was awarded The Queens Award for Exports. He was promoted to Director of Sales and saw the Barcrest Groups change of ownership to IGT.

1998 to 2004 – Stott produced a business plan which was presented to Michael Gauselmann of the Gauselmann Group. He secured Gauselmann funding and established QPS Interactive as a brand within the Bell Fruit Group (now Novomatic), as the Group's "rebuild" specialist. Progressed developments from purely 'rebuilt' into brand new machine sales, providing a stream of games to the UK pub retail market. QPS also exported into Poland, Ukraine, Latvia, Greece and other emerging markets.

2004 to today – Established Reflex Gaming which now employs 54 people at its 28,000sq.ft (2,600 m²) premises in Newark, plus small teams in both Bulgaria and The Netherlands. Core skillsets span the areas of Game Development, Software, Graphic Design and QA/Test which complement in house Mechanical Design and Production capabilities. Known for its innovative approach to product development. Today the company's product range spans both analogue and digital machine production for land-based customers, provides first class game content to many tier 1 online operators, has the UK's largest social gaming app for Pub Fruit players and is launching its own online casino brand called Casino Wishes.

Alternative payment options: Is it a case of now or never?



All the statistics suggest that cash is no longer king. Alternative payment options (e.g. card or e-wallets) have to become a reality if the industry is to avoid its customers leaving street gaming behind. The EUROMAT Summit has drawn together a leading panel of industry and payment experts on the range of alternative payment options in the market today and their potential for application to the AWP market in Europe. In this article, G3 focuses on the issues surrounding the UK alternative payments sector and the solutions on offer

Regulation 4 of The UK Gaming Machine Regulations 2007, which is intended to establish safeguards as to how players interact with gaming machines, states that a gaming machine shall not be made available for use if it is designed or adapted to permit money to be paid by means of a credit card or debit card. However, the Department for Culture, Media and Sport (DCMS) concluded that while it would be inconsistent with the licensing objectives to permit debit card payments directly in machines, because of the potential amounts of money this could allow a player to gamble without interruption; allowing players to use debit cards to purchase smartcards and other cash alternatives introduces an additional step to the decision to gamble and, therefore, is acceptable.

The fact that the current UK legislation does not

permit gambling machines to be adapted to directly accept payment by means of debit cards, has led to the gaming industry seeking alternative payment solutions to navigate around this problem. The current debate has centred around the use of both eWallets and vWallets, as practical ways to address the issue.

An example of an eWallet is Apple Pay, an electronic version of your credit/debit card held as a proxy on your phone. Alternatively, a vWallet, which is a virtual wallet, is linked to a bank account or debit card, whereby you deposit a sum into the vWallet that is made available to spend on machines as and when you want. When the sum is gone, you have to make a conscious decision to deposit more funds into that vWallet – just as you'd have to return to an ATM if you ran out of cash.

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Aside from the known quantity that is TITO in Adult Gaming Centres, there are two alternative payment solutions being proposed for UK single sites, pub and club sectors; the first from Reflex Gaming and the second from G-Squared Games, both well known gaming machine providers to the UK gaming sector and both utilise the vWallet system. The Reflex solution, PlayPass, uses TITO with a PayPad, whereby a contactless payment is accepted using the PayPad at a separate terminal within the location, but which is part of the PlayPass device. A player loads funds onto the PayPad, which uses a TITO device to print an encrypted ticket to 'carry' the funds. The ticket is inserted by the player into a gaming machine and at the end of their play session, a ticket is printed by the gaming machine that can be redeemed at the PayPad, with the funds credited to the original debit card.

Alternatively, G-Squared Games's Playgo App works as a virtual wallet on smartphone devices. It can be downloaded from the iOS App or Google store through which it is possible for players to link the App to their bank account or debit card. The vWallet is loaded up with cash and as the player approaches the gaming machine they press an on-screen button to opt for payment using the vWallet. The player chooses how much to transfer to the gaming machine, subject to a daily maximum, whereby the gaming machine

displays a unique QR code. The player scans the QR code using their mobile phone, and the amount chosen is debited from the vWallet and credited to an account operated by G-Squared. Once the player has finished their gaming session and wants to cash out, they then chooses to recredit their vWallet.

The issue with any vWallet system in the UK gambling market is that the Gambling Commission considers a break in play to be a basic harm minimisation safeguard that applies across the board, including to innovations. This is because it provides the player with the opportunity to consider whether he/she wishes to continue to play and spend more. Going one step further, the Gambling Commission is known to consider its own regulatory policy, and this essential safeguard, to be more important than the letter of the law.

Does the process of adding more funds via the App and scanning a new QR code form a meaningful break from gambling, given the ease of use of vWallets and mobile phones? It's a question that needs to be answered by the Gambling Commission, but due to the fact that the player is not required to leave the gaming machine at any point in the process (though a prompt to do so could be implemented by the supplier), this could prove a sticking point, as it appears designed to minimise the interruption and streamline the player experience to make his journey quicker and easier.

The anomaly right now is that gaming machines in book-makers are adapted to accept debit cards and have been since the Gambling Act 2005 came into effect. Customers walk up to the counter, ask an attendant to put up to the maximum £250 onto a machine, they validate the transaction through chip and pin, and the money is transferred to the machine within the venue. The Gambling Commission is comfortable with this because there's human intervention at the chip and pin station. The person at the counter verifies that the player is over 18, they can assess how many times a player requests a money transfer, and can ask questions of the customers regarding their behaviour etc.

So machines in bookmakers are already adapted to take payment via debit card. The Gambling Commission has acknowledged that this is working in the bookmakers and there's an argument that single sites and AGCs should follow suit. If you enter an Adult Gaming Centre or Bingo Hall in the UK, there are now payment stations where you enter your chip and pin into a TITO dispenser. Users collect their ticket, play the machines and take any winnings back to the TITO station to redeem their ticket for cash – not back to their card. Recently, bingo and AGC operators have added contactless payment options to their Payments Stations, so that players can pay £30 directly from a card to a TITO ticket and play in the same manner.

The problem with this system is that people paying in cashless forms must exit the venue with cash, as they can't transfer money from a ticket directly to a bank account. In a contactless sense, drawing money from a card onto a TITO ticket is not a big deal. However, depositing money from a ticket into a bank account is



Playgo App – G-Squared Games

Playgo, which was due for UK launch on April 16th, is the first mobile payment solution of its kind. The app-based system enables users to seamlessly transfer funds to and from a gaming machine using their mobile device.

The app is free to download and will be available for both iOS and Android platforms. Once downloaded, the user can create an account and deposit funds into that account via their debit card. Gaming funds are then transferred by simply scanning a QR code on the machine the user wishes to play. Pressing collect on the machine moves any winnings or residual credit back to the users Playgo account which, in turn, can be withdrawn to their bank account. The system boasts numerous advantages over other payment systems. Firstly, Playgo can be retrospectively fitted to any gaming machine at a fraction of the cost of TITO systems. Alternatively, direct integration into digital platforms can eliminate the hardware cost entirely, as the system can be installed exclusively through software.

Secondly, Playgo is the most progressive system for land-based gaming in terms of regulatory compliance. Playgo offers meaningful player protection methods as well as the option for anonymised tracked play. Users can set deposit limits, time warnings, cool off periods and even have the option to self-exclude. The app features a host of responsible gambling information including direct contact links to gambling helplines and charities.

Playgo is an exciting APS that could fundamentally change the way users interact with gaming machines. The system has been highly praised as it serves the needs of both operators and regulators whilst offering players the convenience of cashless play. Being platform agnostic and not prohibitively expensive, mass scale adoption is feasible, practical and beneficial to the industry as a whole.

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tricky, because as far as banks are concerned it's 'a new business use,' which requires many different banking protocols to be navigated.

The alternate method, the G-Squared's Playgo App, which is a prepaid vWallet, downloaded from the App Store and linked to a credit or debit card is an ideal solution, because it doesn't require any hardware investment in the site, it doesn't require a ticket reader and dispenser, or a contactless card reader, and it doesn't take up any space in the location as it's all delivered via the customer's smartphone. There's just the worry that the Gambling Commission might not differentiate this from directly using a debit/credit card at the gaming machine itself, which is why the industry is currently taking legal advice on this point.

Adding to the list of hurdles is the fact that each of these solutions is, technically, a placeholder, because the industry wouldn't be considering any of these convoluted systems if gaming machines could directly accept debit cards. If you're looking at the way most retail outlets in the UK are heading, driven by consumer spending habits, people are carrying less and less cash. In a nutshell, legislation is prohibiting the gaming sector from keeping up with changes in global spending habits, with the Gambling Commission reluctant to address this concern because the political fallout would be extreme. If the mainstream UK media learned that the Gambling Commission allowed people to play on gambling machines directly from their bank account the fallout would be toxic. Perversely, using untraceable cash, with which operators can't track the spending of their customers, nor allow customers to set their own spending limits, block cards for a period of time etc., which would all be practical with a vWallet solution, isn't allowed for reasons of player protection.

And there's another problem. Let's say Reflex and G-Squared are successful in launching their systems and both start to gain traction as they're early to market. The pub retail sector would be a major beneficiary as we're increasingly seeing the removal of ATMs from pubs and bars in the UK. If there were two different systems running in parallel, without cross-over, you could see a scenario in which a Reflex machine running PlayPass is located on the same site as a machine using the G-Squared App. The player would be required to use two different sources of payment in the same environment, with the potential that competing manufacturers such as Novomatic and Gauselmann, would either license the systems from Reflex and G-Squared, or launch their own solutions.

Irrespective of whether Reflex and G-Squared machines work with each other's solution, the player potentially needs an App to play on the G-Squared machine, a PlayPass for a Reflex machine and further Apps for Gauselmann and Novomatic machines. It's just fraught with issues and problems for operators and players.



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On top of this issue is another potentially larger one - who owns all the data? If you look at the bookmaker model, payments and KYC and social responsibility measures aside, an operator such as William Hill absolutely believes that gaming machine payment data gathered in their locations belongs to William Hill PLC. However, technically it's the machine supplier, whether that be Inspired or Scientific Games, for example, that is actually collecting the data. If you walk into a Wetherspoons pub in the UK and there's a Bell Fruit product operated by Gametec, it's logical to think that Gametec would want to gather, store and use that data,

though it's actually being sourced in a JD Wetherspoons site.

Since the Novomatic Group owns both Bell Fruit and Gametec, there shouldn't be a conflict between Gametec and Bell Fruit as regards to the collection of the data. However, if Gametec were to install a Reflex, G-Squared or Blueprint product, who should then have access to the data? In many ways the solution needs to be provided by a non-partisan entity, such as CPI or JCM, companies that already have a huge presence in the retail sector and, as such, would be best placed to provide the equipment the

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EUROMAT Summit 2018

Monte-Carlo Bay Hotel & Resort
June 4-6, 2018

The European Gaming and Amusement Federation (EUROMAT) has confirmed that its annual summit will take place June 4-6, in Monaco at the Monte Carlo Bay Hotel & Resort. As the body representing the views of the low-stakes gaming and amusements industries to European institutions, EUROMAT has designed the new-format summit to enable operators, regulators and manufacturers to exchange information in a relaxed and informal setting.

In addition to a full-day focusing on pan-European developments in social responsibility, the event will address developments in regulation and the impact of new technologies as well as also exploring the possibilities for the market place of the future.

industry needs. How big a step would it be to create an integrated contactless payment reader/acceptor and bring that to market? If the solution is provided by a partisan entity, there will always be parties that won't work with that solution, which could fragment the market.

The Reflex solution and the G Squared App both allow for the continued acceptance of cash, which from an operator perspective, offers the convenience of cash while giving players the choice of using a cashless solution. However, running these solutions in tandem with cash doesn't address the desire of operators to switch to a cashless environment, dispensing with the machine float, hand-pays and a cashier. Most issues relating to servicing within the machine environment are due to coin jams, note jams or hopper jams. Issues surrounding security and fraud are also addressed if there's less money in the machines themselves. Ultimately, operators could dispense with cash altogether and utilise the Reflex and/or the G Squared solutions, but they'd need to be convinced that their playerbase is ready for such a radical change.

Currently, if you play with cash in a UK AGC or single-site you're paid out in cash. If you play with a TITO

ticket it's returned as cash, whereas via a vWallet, the money can be transferred back to the original bank account, which seems the most practical solution. After all, forcing players to carry cash from a location presents a sizeable security risk for the player.

Both the Playgo App and PlayPass offer responsible gambling functions that address many of the concerns of the Gambling Commission, but require the Commission to green light solutions that make payments more convenient for players. We've seen supervised payment methods adopted in the book-making sector, which sets a precedent for transferring of funds from cards to machines and back again – but both Playgo and PlayPass forgo this human intervention – which might step over a red line for the Gambling Commission. The final danger is that if the Gambling Commission and the DCMS do concede to the use of vWallets and/or eWallets, this intermediary step might clear the way for direct payment at the device via a debit card, which would make investment into these systems redundant. Common sense would dictate that with time, direct payment is the end of the journey. However, right now it's the hottest potato being juggled by the Gambling Commission in the UK.

The final danger is that if the Gambling Commission and the DCMS do concede to the use of vWallets and/or eWallets, this intermediary step might clear the way for direct payment at the device via a debit card, which would make investment into these systems redundant. Common sense would dictate that with time, direct payment is the end of the journey. However, right now it's the hottest potato being juggled by the Gambling Commission.

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Benjamin Duplan,
SAFF Amusement

Benjamin Duplan grew up in the South of France surrounded by a family business operating amusement machines, video games and pool tables, which was established by his grandfather in 1948. Mr. Duplan's was educated in France before traveling to the University of Kingston Upon Thames to complete his degree. Having worked for the MARS Group in research and development, Mr. Duplan returned home to take over the running of the family business, SAFF Amusement. SAFF Amusement has both a significant operation in the South of France and acts as a distributor for a series of machine manufacturers from Poland, Wales and the US, which SAFF has been doing successfully for five-six years.

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Changing a law in France is very complicated, but if we can squeeze an amendment into an existing law to alter a few articles, it would allow us to do something very beneficial within a relatively short space of time. My hope is that we will be able to bring about real change, both as AFOR and in partnership with EUROMAT, within a two-three year period.

The long road to redemption: French gaming connection



During the EUROMAT Summit in Monte-Carlo, expert speakers will explore the growing markets for redemption products both in Europe and globally, highlighting the case in France in which trade association, AFOR, is using EUROMAT's expertise to lobby for legislative change in the country. AFOR's Benjamin Duplan explains the current situation in France for redemption

The situation in France is that the amusement market is very small, while at the same time we operate within one of the most restrictive markets in the world in terms of gaming and gambling. Currently there are around 100-150 operators of various sizes with perhaps 400-500 people working in the entire industry in France. Before the formation of AFOR, we didn't have a trade body to represent this industry, and so it was fundamental for our voice to be heard that we establish a trade association. In the past there have been attempts by various parties to regulate street gaming machines, AWP's, at the regulatory level, but all have proved unsuccessful. I don't think AWP's are the answer and firmly believe that championing legislation change to allow such machines is the wrong way to tackle the issue.

The members of AFOR believe that redemption is a much more viable solution, though at present it's a product that's not widely understood in France. To this end we are seeking to educate French operators about the concept of redemption and to do so have engaged with EUROMAT to give advice and guidance to our newly established association. We held our first meeting on August 31, 2018 and two months later created the association.

We need to present our case to the government and do so with a unified voice. At present the association consists of around 30+ operators, which represents about 30 per cent of the overall operator base in France. The first priority for AFOR is to educate our membership as to the benefits of redemption gaming, explaining that this is a type of amusement product allowed in countries with some of the strictest regimes in the world, including the Middle East.

My view is that redemption is a harmless pastime, and at present I can't see a reason why our bid to establish redemption in France would be rejected. EUROMAT President, Jason Frost, is very enthusiastic in regards to our redemption plans and has provided indispensable help in the establishment of AFOR. It is very complicated in France to establish an association, but EUROMAT gave us both credibility and support, which enables us to lobby the government directly in order to stimulate change.

While current legislation is limited to five free credits for gaming machine play, there is an exception for fun-fairs, whereby travelling amusement shows can give away prizes, but strictly it's still not a form of redemption. The focus of AFOR is upon promoting pure redemption as a fun, family entertainment product that from the outset will promote skill-games, such as basketball redemption products, as opposed to any gambling-related products.

In France, we operate under restrictive gaming legislation dating back to 1983. At the moment we are limited to offering a maximum of five free credits to the player, which prohibits us from offering redemption products to our customers. Our aim, working with EUROMAT, is to lobby the government for an amendment to existing legislation that would allow more than five credits, which in today's money would not even buy you a lollipop. However, we are in the very early stages of promoting redemption and have just begun the preliminary discussions to address our position with the government.

Our view is that a change to a maximum stake of €1 and prize of €10 would be a huge achievement. We want to create case studies to demonstrate the successful operation of redemption machines in both the US and UK to provide a framework for the adoption of redemption in France, taking inspiration from these external markets with the help of EUROMAT. At the present time, French President Emmanuel Macron has set in motion a range of new laws aimed at freeing the country's economy through constitutional reforms. We believe this is the right time to present a strong case for the law to be amended to allow redemption play in France, and we are expecting answers before the end of the year.

However, if the initial attempt fails, there is a second bill in which we can also propose our amendments. Changing a law in France is very complicated, but if we can squeeze an amendment into an existing law to alter a few articles, it would allow us to do something very beneficial within a relatively short space of time. My hope is that we will be able to bring about real change, both as AFOR and in partnership with EUROMAT, within a two-three year period.

Massive year ahead for TransAct Technologies in European market

Insight

EUROPE
TransAct Technologies



2018 is proving to be a big year for Transact Technologies. Following the decision to open a brand-new facility in the UK to service the European market directly, Transact is delighted to announce that gaming industry professional, Virginie Bellaton, has agreed to join the newly expanding Transact team as European Casino Sales Manager.

Virginie joins Rob Denham, who came on board late last year to lead the Transact Europe team as Vice President, European Sales and Product Management. Virginie is the latest industry hire, as Transact focuses its effort to grow its European Business across all gaming sectors and to better service manufacturers, operators and casinos that benefit from using Transact products.

In her new role, Virginie will focus on working with casinos to specify Transact printers when purchasing new games. Additionally, she will be responsible for selling Transact's Epicentral, a promotional couponing and bonusing system, that can target customers in real-time while they play their favorite slot machine or electronic table game.

Epicentral works with existing slot management systems and games, regardless of manufacturer. It allows multiple promotions to be run at the same time to target tailor campaigns to different groups of players based on their preferences, creating games within games, offer multi-user/multi-site promotions, run different promotions on different slot game banks, segment players by tier levels of carded players, redeem, print or reprint rewards at multiple locations to encompass and link up entire properties.

Regarding her new role, Virginie said, "I am really enjoying the new challenge with a renewed desire to succeed and it's good to get back out there on the road. Having a direct presence on the ground enables us to make a difference, working with operators and manufacturers alike allowing us to be more responsive to the market needs. I am really delighted to be on board and part of the Transact team."

For those that don't know Virginie, she has been in the industry for over 10 years working for Atronic, Spielo, Gtech and IGT in various systems sales roles. Virginie is fluent in French, English and Spanish, and is a familiar welcomed face with casinos throughout Europe.

"It's very exciting to have Virginie on board here at Transact" said Rob Denham. "Her experience with the casinos across Europe will be a huge benefit in further growing Transact's position in Europe." Denham continued: "having worked for number of the gaming peripheral companies in my career, and now here at Transact, printing technology is at the core of everything we do. We focus on printing solutions that provide our customers with the best products possible with excellent service and support. We are not just a one printer company, we have a range of solutions for all gaming applications, whether it is TITO, sports betting or lottery. Unlike other printer suppliers, Transact considers our customer as valued partners and don't charge them for firmware or even updates."

Tracey Chernay, Senior Vice President, Global Casino, Gaming and Lottery, commented: "Transact Technologies is a global gaming brand and our customers told us that as their printing partner they needed closer interaction with us, which is one of the reasons we decided it was the right time to build a direct team in Europe. We have already seen the advantages of the new direct approach with renewed growth in our business and with Virginie on board, we only see this growth accelerating. It was time to drive the business forward moving to a direct sales and support model across Europe, an extremely important part of the global market for our products."



Virginie Bellaton
European Casino Sales Manager,
TransAct Technologies

In her new role, Virginie will focus on working with casinos to specify Transact printers when purchasing new games. Additionally, she will be responsible for selling Transact's Epicentral, a promotional couponing and bonusing system, that can target customers in real-time while they play their favorite slot machine or electronic table game.

We focus on printing solutions that provide our customers with the best products possible with excellent service and support. We are not just a one printer company, we have a range of solutions for all gaming applications, whether it is TITO, sports betting or lottery.

Events

MIAMI

Juegos Miami/GiGse

Unmissable learning agenda at Clarion Gaming's Juegos Miami



Evert Montero,
Juegos Miami's Non-executive
Chairman and President of Colombian
trade body, Fecoljuegos

Juegos Miami, which has been co-located with GiGse, is a bespoke business event created by Clarion Gaming to meet the specific demands of the Pan-Latin American and Caribbean markets. It features a powerful, strategic and hands-on learning programme presented alongside a line-up of inspirational exhibitors and sponsors.



"Colombia, being the first country to have regulated online gaming, has experienced a lot of scams, data breaches and even bitcoin ransoms, which some hackers request in exchange for giving information to the online companies. Fecoljuegos considers this a form of extortion and we're pleased that this will be a focused point of discussion in Miami."

Evert Montero,
Fecoljuegos

Juegos Miami delegates have been advised by Evert Montero, the event's Non-executive Chairman and President of Colombian trade body, Fecoljuegos, 'not to miss a single session' of this year's visionary learning agenda'

Commenting on the comprehensive agenda which will feature keynote speakers from Latin American as well as international operators, regulators and trade association representatives, Montero confirmed: "Juegos Miami attendees cannot miss a single session. The whole programme has been created with the needs of the event and attendees in mind featuring expert speakers covering everything from responsible gambling, the relationship between the gaming and financial sectors, online/offline convergence, CRM and improving the customer experience at land-based casinos, harnessing Big Data for marketing and improved customer acquisition/retention, the growth of mobile and online gaming in the region, blockchain, eSports and DFS."

He continued: "One of the most robust topics of Juegos Miami is the regulatory updates. We believe it is of vital importance to hear from the regulators who have been invited in order to understand what they are doing in their countries, what policies they are working on, what their challenges are, what the current prohibitions are, and how they can best create a sustainable market which is profitable."

The Juegos Miami agenda will also focus on

cyberattacks targeting online operators which Montero described as being a great concern for the industry. He said: "Colombia, being the first country to have regulated online gaming, has experienced a lot of scams, data breaches and even bitcoin ransoms, which some hackers request in exchange for giving information to the online companies. Fecoljuegos considers this a form of extortion and we're pleased that this will be a focused point of discussion in Miami."

"We can also not discount the topic of stigmatisation of the industry, which has been worrying us for quite some time and which the industry has not been able to overcome. In fact, it has closed the doors to many industry figures when it comes to the financial sector, as gaming businesses are not allowed to use their products for business transactions. This topic will be discussed at Juegos Miami in a session entitled: Getting to the Root of the Problem: Improving the Relationship between the Gaming and Financial Sectors."

He concluded: "Juegos Miami will also provide an international space to discuss responsible gambling, the impact of the 2018 FIFA World Cup on sports



betting operations, blockchain technology and other innovations which could benefit the sector. We look forward to taking part in these discussions both within the speaker's agenda and as part of the country regulatory roundtables taking place on day one of the event."

REGISTRATION UP BY OVER 40 PER CENT

Juegos Miami has captured the attention of the industry with registration of Director and C-Level delegates up by an impressive 42 per cent, year-on-year.

Clarion Gaming's Greg Saint, Event Director, responsible for Juegos Miami said: "It's very encouraging to be able to report such strong figures ahead of us opening in Miami. I should stress that the Juegos Miami delegate profile is amongst the most senior found at any of our events. The response underlines Juegos Miami's status as the region's most influential gaming networking opportunity.

"I'm also delighted to confirm that the line-up of exhibitors and sponsors continues to grow reflecting the continued interest that exists in what is one of the most exciting and dynamic gaming markets in the

world. Our list of blue chip commercial supporters includes; Ainsworth Game Technology, Betradar, BetConstruct, Cashbet, Everi Games, Merkur Gaming, Novomatic, Play'n GO, and, Scientific Games."

The event, which is in its third year, will provide delegates with an unrivalled opportunity to engage with the region's key decision makers courtesy of a series of country specific roundtables. The initiative will bring together regulators from Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Peru and Uruguay, who will provide expert insight and the very latest updates on their jurisdictions, including current thinking, market dynamics, issues of regulatory concern and the likely timetable for change. Each roundtable will be chaired by a senior regulator or government official.

Layla Ali, Juegos Miami Conference Producer, said: "We know from our delegate research how vitally important it is for C-Level decision makers to be given direct access to regulators and the opportunity to engage rather than just listen to a speaker. The Juegos Miami Country Roundtables do exactly that and will deliver a series of powerful insights that will be invaluable to the gaming business community."

The event, which last year attracted exhibitors and representatives from a total of 44 countries will represent all forms of gaming – casino, bingo, betting, sports betting, payments, lottery and social – whatever the means of delivery – land-based, online and mobile – to help meet the rapidly growing needs of Latin American and Caribbean operators and stakeholders. Juegos Miami is an invitation only conference for senior decision makers (owner, director, C-Level exec) from operating companies (private and public including state lotteries), government and regulators from the Latin America and Caribbean regions. For more information on participating in this event, visit www.juegosmiami.com

TRANSACT

MEMBER PROFILE

Company / TransAct Technologies Incorporated

Web address / www.transact-tech.com

AGEM Membership level / Silver

Description / TransAct Technologies Incorporated (Nasdaq: TACT) is a global leader in software-driven technology and printing solutions for high-growth markets including casino and gaming, lottery, food safety, banking, point-of-sale, hospitality, oil and gas, and medical and mobile. TransAct's corporate headquarters is located in Hamden, CT with the Global Casino, Gaming and Lottery Headquarters based in Las Vegas, NV. TransAct is pleased to participate as a Silver Member of the Association of Gaming Equipment Manufacturers.

New products for 2018 / TransAct continues to demonstrate its leadership in delivering best-in-class TITO printers to casino operators worldwide by showcasing its new Epic Edge printer, the Epic Edge TT and Epic 950 TT enclosures alongside the complete lineup of Epic gaming device printers at the 2018 Global Gaming Expo Asia.

The recently introduced Epic Edge is built on the proven long-term performance of the industry-leading Epic 950 and is designed to be a drop-in replacement for the Epic 950, allowing operators to run both printers side-by-side. Attendees at the show will have a chance to see first-hand the unmatched reliability of the Epic 950 and the Epic Edge, which is packed with technology to simplify casino operations and improve slot floor performance.

TransAct will also feature Epicentral, the gaming industry's only enterprise-level promotion and bonus software suite, which allows casino operators to target and deliver promotions to customers in real-time directly at the slot machine and electronic table game. Capable of working with all existing slot management systems and games, regardless of manufacturer, Epicentral provides casino slot and marketing teams with the unparalleled ability to create a floor-wide bonus environment that has been proven to drive increased time on device and, ultimately, increased revenue for the casino operator.

MEMBERSHIP NEWS

AGEM Key Board of Directors Actions

- Reed Expo Senior Vice President Melissa Ashley gave a short presentation to AGEM members recently regarding the forthcoming G2E Asia show. She was pleased to share positive news that pre-registration numbers are tracking 60 percent ahead of figures at this point last year, although this can change by the time the show opens. In terms of exhibitor floor space, they have sold over 15,000 square meters, a substantial increase over 2017 figures. Other new items include the launch of an expanded digital customer experience via a G2E Asia app, which attendees are encouraged to download as it features a useful 3-D floorplan with navigation system.
- AGEM recently approved funding of £3,000 for a new event being organised by Clarion Events. Brazil Legislators' Day will take place on April 26 in Brasilia and follows the Brazil Gaming Congress in Sao Paulo on April 22-24. The event will be held at the Chamber of Deputies and gives attendees the chance to interact with the Government Body at a crucial stage in Brazil gaming expansion discussions. Key industry figures have been invited to attend and AGEM will be represented by AGEM Mexico Committee Chairman, Carlos Carrion of Aristocrat, who will be on the panel.
- AGEM continues to work with the Nevada Gaming Commission on the proposed updated language of Regulation 14, a follow-up to the legislative passage of the AGEM-endorsed Assembly Bill 75 that was, among other things, designed to allow slot makers to incorporate new technologies from companies not licensed in Nevada as long as they accept responsibility for the inclusion of such technology into their games and platforms. After consultation with new NGCB Chairwoman Becky Harris regarding AGEM's concerns over the proposed language, she has decided to cancel the public meeting so the content can be reviewed again.
- AGEM Director of Responsible Gaming Connie Jones and AGEM Executive Director Marcus Prater recently attended the American Gaming Association's Responsible Gaming Collaborative meeting in Las Vegas. They were joined by 10 or so industry representatives and AGA staff to discuss the effectiveness of problem gaming and responsible gaming spending in the U.S. and to initiate effective policies and regulations for the industry. This proved to be a very positive event and will help to ensure success for responsible gaming initiatives moving forward.
- April saw two new Associate members welcomed to AGEM – Deloitte LLP, a global company with offices in Las Vegas, provide audit and assurance, consulting, risk and financial advisory, risk management, tax, and related services to select clients and trade show exhibit company, Plus Studios, also based in Las Vegas provide design, full service production, engineering, and the best project/account management personnel.

Events and Activities

- AGEM once again has a booth at G2E Asia being held in Macau from 15-17 May. We look forward to welcoming new and existing members to the show.

AGEM INDEX

The AGEM Index again experienced declines during March 2018. The composite index closed the month at 505.15 points, a drop of 8.32 points or 1.62 percent, when compared to February 2018. The AGEM Index reported a year-over-year increase for the 30th consecutive month and has climbed 134.87 points, or 36.87 percent, since March 2017.

During the latest period, seven of the 13 global gaming equipment manufacturers reported month-to-month increases in stock price. Six manufacturers reported decreases in stock price during the month, with one manufacturer posting a double-digit percentage decline.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Mar-18	Feb-18	Mar-17	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	11.92	11.17	9.45	6.71 ▲	26.14 ▲	0.27
Ainsworth Game Technology	ASX: AGI (AU\$)	1.85	2.03	1.86	(8.87) ▼	(0.54) ▼	(0.66)
Aristocrat Leisure Limited	ASX: ALL (AU\$)	24.06	24.65	17.84	(2.39) ▼	34.87 ▲	(5.80)
Astro Corp.	Taiwan: 3064 (NT\$)	18.10	12.20	19.10	48.36 ▲	(5.24) ▼	0.32
Crane Co.	NYSE: CR (US\$)	92.74	92.31	74.18	0.47 ▲	25.03 ▲	0.37
Everi Holdings Inc.	NYSE: EVRI (US\$)	6.57	7.45	4.79	(11.81) ▼	37.16 ▲	(0.76)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	1.04	1.00	0.63	4.00 ▲	65.08 ▲	0.02
Gaming Partners International	Nasdaq: GPIC (US\$)	9.84	9.60	10.00	2.50 ▲	(1.60) ▼	0.03
International Game Technology PLC	NYSE: IGT (US\$)	26.73	26.50	23.20	0.87 ▲	15.20 ▲	0.68
Konami Corp.	TYO: 9766 (¥)	5,590	5,650	4,725	(1.06) ▼	18.31 ▲	(0.70)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	41.60	44.45	23.65	(6.41) ▼	75.90 ▲	(3.43)
Transact Technologies	Nasdaq: TACT (US\$)	13.05	13.85	8.10	(5.78) ▼	61.11 ▲	(0.08)
PlayAGS Inc. ¹	NYSE: AGS (US\$)	23.26	20.71	-	12.31 ▲	-	1.44
Change in Index Value							(8.32)
AGEM Index Value: February 2018							513.47
AGEM Index Value: March 2018							505.15



AGEM is an international trade association representing manufacturers of electronic gaming devices, systems, lotteries and components for the gaming industry. The Association works to further the interests of gaming equipment manufacturers throughout the world. Through political action, tradeshow partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. Together, AGEM and its member organisations have assisted regulatory commissions and participated in the legislative process to solve problems and create a positive business environment.

Spirit Gaming delivers European debut of Dealer Assist BlackJack

Insight

GERMANY
Interblock – Spirit Gaming



SPIRIT GAMING, the distribution partner for Interblock in Germany, Austria and Switzerland, is proud to announce that the very first installation of the Dealer Assist BlackJack in Europe has taken place at Spielbanken Bayern in Germany. The exact location is at Casino Bad Steben in Bavaria

Management at Spielbanken Bayern has herewith demonstrated its focus on introducing new, innovative, entertaining and top quality solutions, setting a precedent by being the first in entire Europe to introduce the Dealer Assist BlackJack from Interblock.

Udo Braunersreuther, Director at Casino Bad Steben, explains why their customers are so pleased with Interblock's Dealer Assist BlackJack: "This is exactly what we have been looking for. As a smaller casino, we are now in the position to offer BlackJack around the clock. That is a real benefit for us. Furthermore, the quality of this solution and the know-how of both Spirit Gaming and Interblock convinced us that we have the right partners here".

The Dealer Assist BlackJack combines two key elements to ensure 24/7 BlackJack enjoyment – the possibility to play both with and without a dealer. This terminal-based semi-automatic BlackJack can be used for live BlackJack, thus with a dealer. Casino Bad Steben has five player positions – and a camera portrays live images of the cards from the dealer table onto the individual terminals. The great benefit of this solution is that it can be used for automatic BlackJack as well – meaning that BlackJack can be played on the terminals without the need of a dealer.

"The management team is extremely impressed with the Dealer Assist BlackJack and sees this as a real contribution in improving the gaming offer in the casino", adds Mr. Hans Frankenbusch, Head Of Systems Technology at Spielbanken Bayern. "Our customers really appreciate the 'Tournament Mode' in the semi-live version. Here they can practice and



Udo Braunersreuther and Hans-Jürgen Frankenbusch of Spielbanken Bayern

improve their game. I cannot see a better way to do this".

"We are very proud to have introduced the Dealer Assist BlackJack to the German market and by doing so being the first in Europe as well", enthuses Mr. Frank Ziegler, Managing Director of Spirit Gaming. "The management team of Spielbanken Bayern is extremely forward-thinking and innovative and saw the value-added benefits right away. The feedback from their customers shows that the decision was 100% correct to bring Dealer Assist BlackJack onto their gaming floor".



"This is exactly what we have been looking for. As a smaller casino, we are now in the position to offer BlackJack around the clock. That is a real benefit for us. Furthermore, the quality of this solution and the know-how of both Spirit Gaming and Interblock convinced us that we have the right partners here."

Udo Braunerreuther,
Casino Bad Steben

Events

IAGA SUMMIT
Macau 2018



Kirsten Clark,
Executive Director, International
Association of Gaming Advisors

IAGA Executive Director Kirsten Clark has over 14 years global gaming industry experience. Clark was most recently Senior Vice President and Chief Operating Officer-Asia, for Gaming Partners International where she was instrumental in expanding the company's day-to-day business operations throughout Asia and the Pacific Rim while simultaneously overseeing GPI's global marketing and product management divisions. Her gaming industry experience also includes extensive strategic marketing, public relations and events management experience for Shuffle Master, Inc. where she served as Vice President of Worldwide Marketing for several years.

This year's Summit agenda includes possibly our finest selection of keynote speeches to date, beginning on May 14 with an opening address from Paulo Martins Chan, the Director of the Macau Gaming Inspection and Coordination Bureau (DICJ), who will share top level insight into how Macau is working toward long-term sustainability by focusing on improving quality rather than scale and using its existing integrated resort clusters to further develop the market's non-gaming offerings.

The International Association of Gaming Advisors heads to Macau



Macau. Just the mere mention of this former Portuguese trading post just an hour by ferry from Hong Kong evokes a wide range of responses from anyone associated with the global casino industry, as its annual gross gaming revenue has long since eclipsed that of the Las Vegas Strip and every other dominant market worldwide.

What used to be considered atypical is now commonplace, as in the nearly 20 years since the Legislative Assembly of Macau positioned itself for growth by passing a law establishing the legal framework for casino operations and then subsequently granted three initial gaming concessions to create "a strong foundation for further development in gaming", Macau has transitioned itself dramatically from a largely unknown Chinese Special Administrative Region into the pinnacle of global gaming's land-based markets, exploding from a handful of small casinos and slot clubs into a multi-faceted destination with world-class integrated casino resorts complete with five star dining, entertainment and hospitality options.

But Macau, and its bordering Taipa, Cotai and Coloane districts, is much, much more than the sum of its gaming offerings as anyone who has spent much time on the ground there will tell you. It is a vibrant, diverse locale, a place where a brightly colored historic Portuguese buildings are juxtaposed with Chinese temples. As such, it is the perfect destination for IAGA's International Gaming Summit, an annual event that has been hosted in a wide range of global cities including London, Singapore and most recently New York.

Now in its 37th year, the Summit has changed quite extensively since it was first held in Monte Carlo in 1985, just a few short years after several Nevada

attorneys known for their expertise in gaming law created an association to unite casino professionals and facilitate more productive negotiations between operators, regulators and legislators. Hoping to promote education among executives that would protect and enhance the industry's professionalism and success, these six attorneys—Robert Faiss, Lyle Rivera, A.J. "Bud" Hicks, Frank Fahrenkopf, Shannon Bybee and Mike Sloan—founded the National Association of Gaming Attorneys (NAGA) and appointed Lyle Rivera as NAGA's first president. Renamed the International Association of Gaming Advisors in 2007 to reflect the group's global membership of representatives from all gaming industry segments, IAGA's annual Summit draws delegates from the four corners of the world who actively participate in interactive discussions about a wide range of relevant issues.

Reflecting the constant evolution of global gaming, this year's compelling program covers topics ranging from a comprehensive look into the past, present and future of gaming in Asia, to a roundtable review of regulatory best practices as shared by several global regulators, to the impact that illegal gaming has on regulated markets. The agenda also addresses relevant and timely issues like how operators, manufacturers and regulators are handling the rapid growth of e-Sports, how online gaming is adapting to new considerations like cryptocurrency and blockchain technology, and how operators and regional

Events

IAGA SUMMIT
Macau 2018



The Forum includes sessions focused on everything from how gaming operators with international locations develop and implement responsible gaming programs that take into consideration local cultures and norms to a lively discussion on the effectiveness of placing gambling controls or restrictions on local residents.

challenges the industry faces as it ensures that players gamble responsibly while discussing some of the latest developments worldwide. The Forum includes sessions focused on everything from how gaming operators with international locations develop and implement responsible gaming programs that take into consideration local cultures and norms to a lively discussion on the effectiveness of placing gambling controls or restrictions on local residents. With the growing regional scrutiny given to problem gaming, the Critical Issues in Responsible Gaming Workshop is a must-attend for anyone who wants to broaden their knowledge and understanding of responsible gaming best practices and advancements.

Of course, this year's International Gaming Summit's comprehensive program is accentuated by exceptional networking events, beginning with a casual "Welcome to Macau" reception held in the Executive Lounge at the Four Seasons on Sunday evening that will give our international attendees a relaxed environment where they can reconnect with their global colleagues ahead of Monday's opening sessions. Monday night, we'll hold our annual President's Dinner under the stars by the Four Seasons pool, and our guests will take a culinary journey throughout Asia as they enjoy specialties from Macanese, Portuguese, Chinese, Japanese and Thai cuisine. Tuesday, we'll combine our Summit evening networking event with our annual G2E Asia cocktail reception by hosting our attendees for food, drinks and fun at the hotel's outdoor Splash restaurant. With so many informative and entertaining events planned for our Summit this year, I'm really looking forward to joining our IAGA Officers, Trustees and Counselors in welcoming our delegates to Macau!



The International Association of Gaming Advisors (IAGA) will hold its 37th annual International Gaming Summit May 14 - 16 at the Four Seasons Macao in Macau, China.

government agencies are adapting their crisis and emergency management protocols to better protect patrons from unseen threats.

This year's Summit agenda also includes possibly our finest selection of keynote speeches to date, beginning on May 14 with an opening address from Paulo Martins Chan, the Director of the Macau Gaming Inspection and Coordination Bureau (DICJ), who will share top level insight into how Macau is working toward long-term sustainability by focusing on improving quality rather than scale and using its existing integrated resort clusters to further develop the market's non-gaming offerings. These opening remarks will provide a perfect context for the afternoon's keynote address provided by Dr. Bo Bernhard, the Executive Director for the University of Nevada, Las Vegas' International Gaming Institute, as Dr. Bernhard will share some of the surprising impacts that integrated casino resorts have had on their surrounding communities. Drawing on a wealth of largely unpublished data touting the significant social and economic benefits that existing IRs in places like Singapore and Las Vegas have had on their communities, cultures and economies, this keynote will be immediately followed by a roundtable discussion of senior gaming executives representing many of the gaming operators currently pursuing gaming licenses in Japan.

And, compelling keynotes from John Hagan, a leading United Kingdom attorney and Deputy Chairman of GamCare, the country's leading responsible gambling charity, and Macao Financial Intelligence Office (GIF) Director Connie Chu will kick off our two one-day

workshops taking place on Wednesday, May 16. Focusing on the legal and institutional framework surrounding anti-money laundering initiatives and combating the financing of terrorism, Ms. Chu, who oversees the GIF's efforts to combat financial crime, will share her extensive experience and insight into the risks posed by money laundering and terrorist financing while discussing some common financial crime typologies that have been observed from suspicious transaction reporting requirements. Following her remarks, the Combating Financial Crime and Other Risks Within Gaming workshop will include sessions covering everything from the latest regulatory developments on AML and Counter-Terrorist Financing risk assessment to evaluating how data analytics and big data analysis can assist in the prevention, detection and investigation of financial crime. Since combatting financial crime and other risks facing regulated gaming operators is an ongoing priority around the world, our Financial Crime and Risk Workshop will help keep its attendees up to date with the latest best practices for anti-money laundering regulation, data privacy and security, FCPA and more.

To open the Critical Issues In Responsible Gaming workshop, John Hagan's keynote will examine gaming's social responsibility landscape, exploring how the industry, responsible gambling experts, academics, researchers and treatment providers can work together to effect meaningful change and enable better engagement with customers to improve self-awareness. Following his comments, our second annual Global Responsible Gaming Forum will take a comprehensive look at the

Events

IAGA SUMMIT
Macau 2018



Alidad Tash,
SVP Gaming & Strategy,
2NT8 Limited

Alidad Tash has been in the gaming industry since 2000, starting on the Las Vegas strip at the Venetian, and continuing on to Macao twelve years ago. He was on the opening team at Venetian Macao, the first Cotai property, leading the analytics department. While there, he popularized the now-ubiquitous No Commission Baccarat. Alidad moved on to City of Dreams in 2010, later opening Studio City, while overseeing 5,000+ employees as the SVP of Gaming Operations & Strategy. During his six-years there, City of Dreams became the ultimate premium mass destination in Macao, featuring the highest hold percentage, and win per unit in mass table games.

Alidad is currently SVP, Gaming & Strategy at 2nt8 Limited, a consultancy specializing in Asian gaming. Alidad has obtained two master's degrees, in Mechanical Engineering from UC Santa Barbara, and Statistics from USC. Prior to joining the casino industry, he worked in the medical statistics and credit card industry.

Despite multiple political setbacks, Shinzo Abe and LDP managed to pass the Integrated Resorts Promotion bill in late 2016, and are likely a year away from passing the subsequent IR Implementation bill. When Japan finally does open its doors to casinos, it should instantly become the third largest gaming market in the world.

Yesterday, Today and Tomorrow: What's Happening in Asia?

Japan is inching closer to Integrated Resorts, Macau is about to start its gaming license renewal process and the Philippines market is continuing to evolve. But that's not all. Cambodia and Vietnam are offering new gaming opportunities, Myanmar is considering whether to allow casinos and Nepal's first legal casino has recently opened. The IAGA panel will explore the current state of affairs while evaluating what the market has learned from its past and what it is doing to shape its future. Here are some of the topics panelists will cover...



WHAT'S HAPPENING IN JAPAN?

International and domestic companies are lining up, and promising to spend "whatever it takes" to build world-class integrated resorts in Japan. But without existing casinos to measure against, will the demand be high enough to justify the up to US\$10bn investment? ... The answer is a resounding yes, with three of the reasons outlined below:

First and foremost, while casinos are outlawed in Japan, other forms of gambling – like lottery, horse racing – are not. The most important, and uniquely Japanese game among them is pachinko, which is available in 10,000+ parlours throughout Japan. Housing three million machines, these parlours attract 10 million players annually. The game itself can best be described as the combination of old-school pinball machines, cutting-edge technology, and sensory overload. Imagine a large hall claustrophobically lined with rows upon rows of extremely loud pinball machines with colour-shifting flashing lights on and around each screen, with blaring fast-paced background music added on.

Collecting one's winnings is a hassle: the machines dispense tokens which have to be exchanged for small prizes (lighters, dolls, ...), which can only be exchanged for cash at another location outside the parlour. The entire experience is as far away from a lavish world-class casino as possible. Yet despite all its inconveniences, pachinko generated US\$30bn in revenues last year, compared to the US\$33bn in casino winnings in Macao, and four times what was won on the Las Vegas Strip. One can only imagine what the casino revenues would be once ultra-

luxurious, state-of-the-art, multi-billion dollar casinos are introduced to Japan.

The second reason is the size of Japan's economy, ranked third in the world, which features a high number of high-net-worth individuals, defined as those with investable assets exceeding US\$1 million, excluding primary residence and consumables. Despite having less than one-tenth of China's population (127 million versus 1.4 billion), Japan has 2.9 million high-net-worth individuals, compared to China's 1.1 million, and is second only to the US.

The third reason is the explosive growth in international visitation, perhaps their most impressive achievement of prime minister Shinzo Abe and LDP, his pro-business, pro-casino political party. Prior to their rise to power in 2013, the highest number of annual visitors to Japan was nine million, but under LDP, it more than tripled to 29 million in 2017. There are more ambitious targets up ahead: 40 million visitors by 2020, and 60 million by 2030. The number of Chinese plus Hong Kong travelers increased even more dramatically: from two million before, to 10 million a year ago. As proven in Singapore which went from 10 million visitors before to 17 million after casinos, integrated resorts go a long way towards attracting foreigners.

Despite multiple political setbacks, Shinzo Abe and LDP managed to pass the Integrated Resorts Promotion bill in late 2016, and are likely a year away from passing the subsequent IR Implementation bill. When Japan finally does open its doors to casinos, it should instantly become the third largest gaming market in the world.



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Events

IAGA SUMMIT

Macau 2018



WHAT'S HAPPENING IN NEPAL?

Asia's second oldest licensed casino jurisdiction, a little-known fact, Nepal's first casino opened in 1968, the same year incidentally as the UK Gaming Act which liberalised the law and paved the way for commercial casinos in the United Kingdom. It wasn't until 2005 that the UK opened to the concept of resort style casinos, while Nepal's first resort style casino ("Integrated Resort") itself opened in 2017 with the stunning and imposing US\$52m "Tiger Palace Resort Bhairahawa". This sprawling property was conceived, developed, built, and is now owned and operated by Hong Kong-based Australian-Listed Silver Heritage Group Limited.

In the interim 50-year period between 1968 and 2018, Nepal grew organically as a licensed gaming jurisdiction, and at any one time in the past Nepal has had up to 10 operating casinos, all of which were required to operate only in 5-star rated hotels in the country (those all being located in the capital Kathmandu, and the tourism hub of Pokhara, to the North West of Kathmandu).

There have been periods of expansion, consolidation, and confusion for operators and for the (monarchy and then) governments involved in their licensing and oversight, until finally being formally recognised as an "Industry," and also formally regulated under the first set of casino regulations in July 2013 "Casino Rules 2070."

Gaming Tax ("Royalties") are fixed at US\$300,000 equivalent per annum, and license fees are US\$200,000 equivalent in year one and then US\$100,000 equivalent in subsequent years. Operators are required to have a company with the relevant Articles of Association permitting gaming, to have a minimum of US\$2,500,000 equivalent in paid up capital, to have a local shareholder, and to operate casinos only in 5-star rated hotels in the country.

The establishment of the Casino Rules 2070 heralded a new age for the tourism and gaming industry in Nepal, with a real regulatory platform upon which to base Foreign Direct Investment into the gaming sector, in turn enabling large scale development by experienced international operators.

To date, only Silver Heritage Group has completed and opened a new build (greenfield) large-scale development, strategically located between the two UNESCO World Heritage Sites of Chitwan National Park (with its Bengal Tiger, Elephant, and Black Rhino) and Lumbini (the birthplace of Lord Buddha), a treasure which could develop into an international tourism destination like Angkor Wat in Cambodia. Tiger Palace and the surrounding tourism draws are

There have been periods of expansion, consolidation, and confusion for operators and for the (monarchy and then) governments involved in their licensing and oversight, until finally being formally recognised as an 'Industry,' and also formally regulated under the first set of casino regulations in July 2013 'Casino Rules 2070.'

currently served by a domestic airport a few miles from the Resort, but the paradigm will shift in 2019 when the Airport (Gautam Buddha Airport) opens to international travelers from the Asian Region once the 3,000m runway and customs and immigration facilities are completed.

There are currently eight licensed casinos in Nepal, with both domestic promoters and also foreign investors represented such as Pride Group (Indian) and Silver Heritage Group (Australian) with existing operations, and in late 2018, Delta Corporation (Indian) plans to participate in the burgeoning market by operating inside third-party owned and operated hotels in Kathmandu.



Mike Bolsover,
Chief Executive,
Silver Heritage Group

Mike Bolsover is Chief Executive of Silver Heritage Group (SVH:ASX), which he co-founded in 2003 and took public in 2016 on the Australian Securities Exchange. Silver Heritage has interests in casino and hotel developments in Asia, with a focus on India and Vietnam. The Group has recently opened South Asia's first Integrated Resort situated in Nepal between the two UNESCO World Heritage sites of Chitwan and Lumbini, proximate to 430 million Indians living in the North of India between Delhi and Kolkata. After graduating with a Finance degree from the Roberto C. Goizuetta Business School at Emory University 1998, Mike worked with Victor Chandler International in Gibraltar, South Korea and Malaysia before leaving to establish Silver Heritage in 2003.



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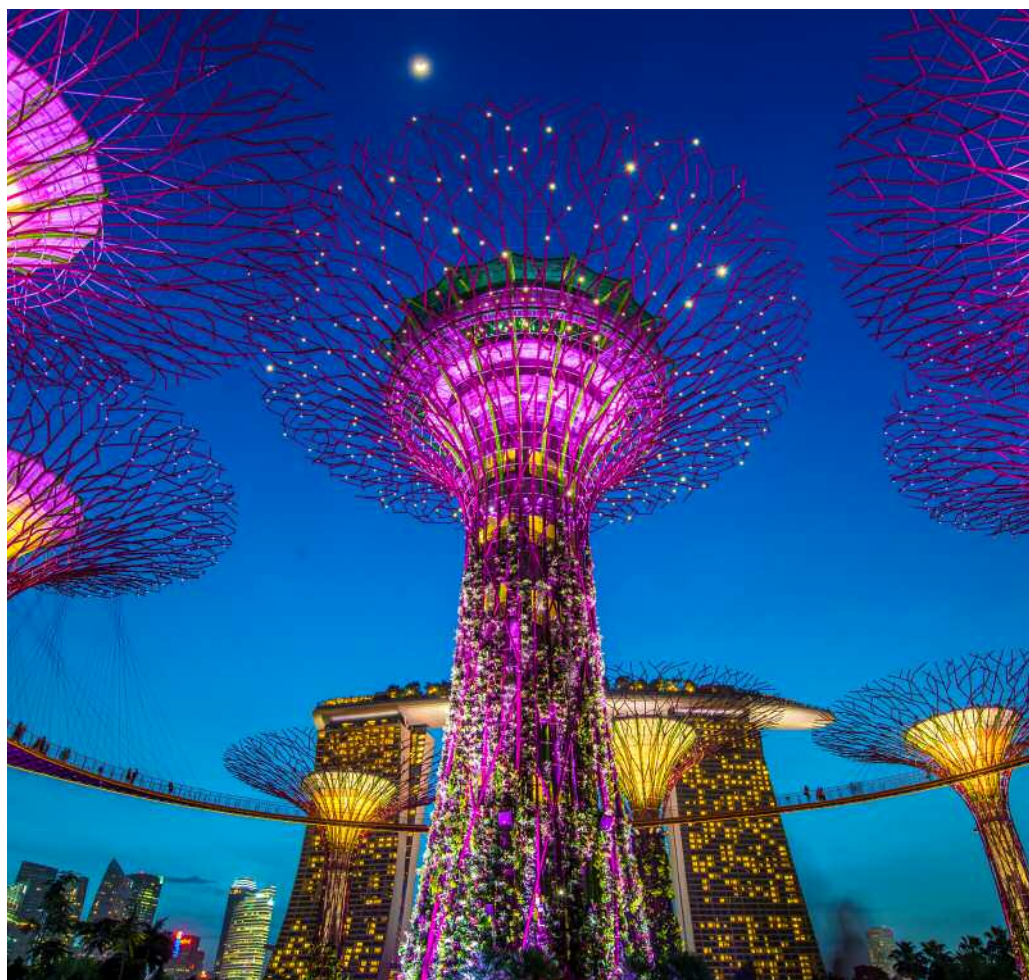
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Pedro Cortés,
Senior Partner, Rato, Ling, Lei & Cortés –
Advogados (Lektou)

Pedro joined Rato, Ling, Lei & Cortés—Advogados in 2003 and is senior partner, holding the same position in ZLF Law Office. His main areas of practice are: gaming, banking and financial, capital markets, real estate, commercial and corporate, intellectual property and ADR. He is a member of the Macao Lawyers Association, Portuguese Bar Association, Brazilian Bar Association (OAB—São Paulo), Justice Department of Guangdong (as a cross-border Macau lawyer), IAGA and the International Bar Association and is qualified to work as a lawyer in East Timor. He is member of the Chartered Institute of Arbitrators, the Hong Kong Institute of Arbitrators and the Hong Kong Institute of Directors. He was lecturer for the master's programme on social sciences—global economic politics at the Chinese University of Hong Kong, is a regular speaker on gaming and non-gaming matters and contributes to several legal and non-legal publications.

In the recent years, the locals in Singapore have allegedly lost interest in the two casino resorts in the city state, avoiding the payment of the entry levy. But has this been, in the end, what was desired by the government? How many locals cross the border or board shipboard casinos? What is the percentage that also try other options, such as illegal gambling?



WHAT'S HAPPENING IN SINGAPORE?

Since its inception, Singapore's gaming industry has been quite stable. Differently from its main competitor in the region – the Macau Special Administrative Region – the Singaporean Government imposed restrictions for the locals to enter into the casino and gaming areas, allowing only the free entrance to foreigners, which also includes those who are not Singaporean nationals and have work permits.

To summarise, there are two types of entry levy:

1. For every consecutive period of 24 hours – for the amount of S\$100;
2. For consecutive period of 12 months – for the amount of S\$2,000.

Although one can easily understand the rationale behind the measure, I always prefer to avoid preventive approaches like this as I'm not totally convinced that restrictions like this are truly beneficial for all relevant stakeholders. I trust, therefore, that this so-called entry levy should be lifted.

In fact, it would be good for the market as a whole to have more local people entering the casino areas as the gross number of clients would consequently increase. Furthermore, it needs to be understood whether those who currently are paying, for instance, S\$2,000/year, would spend more time in the casino if the marginal cost of each visit was decreased (and perhaps increase the number of visits the same person would make if the restriction was not in place).

Similar restrictions are also being considered for Japan proposed Integrated Resorts. Governments tend

to consider that restricting its residents or nationals visits the casinos has an effect on preventing gaming addiction. To a certain extent I can agree with the measure, notwithstanding the fact that what is important is to put more weight in the responsible gaming side than in restricting locals from betting in the casinos.

In return, the government could include in the license agreements, entered with Resorts World Sentosa and Marina Bay Sands, more obligations in terms of their contribution to social benefits, which, in the end would revert back to the society.

In an increasingly competitive market in the region, such measures would increase profits and payback in terms of the welfare of the state.

It would also be a good “excuse” for considering additional licenses.

In recent years, the locals in Singapore have allegedly lost interest in the two casino resorts in the city state, avoiding the payment of the entry levy. But has this been, in the end, what was desired by the government? How many locals cross the border or board shipboard casinos? What is the percentage that also try other options, such as illegal gambling?

It is certainly a little sanctimonious as Singaporeans are allowed to bet on horse-racing or in other sports without any entry levy. The consequences to the society are exactly the same, despite, one may argue, that land-based casinos have increased public exposure.

It is also disputable, although it can certainly be more easily argued and defended, that the system of self-limitation limits the number of visits a gambler can make to the casinos every year.

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Vitaly Umansky,
Senior Research Analyst, Bernstein

Vitaly Umansky is the Senior Research Analyst covering the global gaming industry with Bernstein. Vitaly spent the earlier part of his career in consulting and investment banking, first with Ernst & Young and PricewaterhouseCoopers, before moving to Merrill Lynch, where he was responsible for originating and executing financing and M&A transactions for private equity and corporate clients. He then moved to New Cotai Holdings in 2007 as the company's Chief Financial Officer & Senior Vice President for Business Development, evaluating and developing casino, integrated resort & real estate assets in Macau, as well as greater Asia. In his last role before joining Bernstein, Vitaly was a Managing Director in a private equity firm focused on investment opportunities in Asian emerging markets. Vitaly holds an MBA from the Wharton School of Business and a BA in Economics from Trinity College.

WHAT'S HAPPENING IN MACAU?

Macau, the second-largest gaming market in the world (behind the US), generated over \$33bn in gross gaming revenues (GGR) in 2017, and is the largest premium gaming market in the world, with \$16bn in VIP GGR, over \$9bn in "Premium Mass" GGR, and \$8bn in "Base Mass" GGR. For Macau, "The Ascent of the Masses" is largely about Chinese premium consumption – in fact, all Macau gaming spend can be called "premium" (not to be confused with commonly termed "Premium Mass").

The future of Mass is supply-driven, particularly, the nature of that supply (more high end hotel rooms, greater non-gaming features and experiences). The Macau gaming market has long-run growth potential that can continue with the supply growth, improved transportation and continued demand in premium consumption.

The VIP segment, which makes up slightly below 50 per cent of Macau GGR (but less than a quarter of industry profits) should see long-term growth below that of Mass. Over the long run, the VIP model will continue to face structural headwinds from tightening regulations. The VIP sector is highly volatile, with numerous drivers, and remains difficult to forecast. VIP is volatile as it is impacted by government policies, liquidity, macroeconomic conditions, f/x and player sentiment. Continued softening of the anti-corruption campaign would be very positive to the recovery of high-end gaming in Macau. However, anti-corruption activity may not be going away fully as we had anticipated following the latest party congress. Liquidity and real estate pricing have been key drivers of VIP play. These drivers have been showing signs of softening as the government looks to rein in runaway property prices and curtail the credit expansion cycle. Finally, capital outflows had been supportive of the VIP GGR rebound and have led to significant junket recapitalisation and a return of

more agents and players. However, China policy impediments on outflows create additional headwinds to overly robust VIP growth. For Macau, a slowing VIP environment, punctuated by volatility, is on the cards.

Catalysts continuing to materialise should support long-term Mass market growth. The key driver will be premiumisation – overnight visitors, staying longer and spending more. Premium customers remain critical for long-term Macau growth, as wealthier customers spend more and visit more frequently – and the population of this demographic is increasing at faster rates. Continuing improvements in transportation and the opening and ramp up of new integrated casino resorts support long-term Mass

Catalysts continuing to materialise should support long-term Mass market growth. The key driver will be premiumisation –overnight visitors, staying longer and spending more. Premium customers remain critical for long-term Macau growth, as wealthier customers spend more and visit more frequently – and the population of this demographic is increasing at faster rates.

growth (Premium Mass, in particular) – the execution of a supply driven market. Overnight visitors now account for over half of overall visitors to Macau and this ratio will continue to grow as overnight visitation outgrows day-trippers.

The overnight growth rebound Macau has been experiencing since spring 2016 is partly due to increased hotel room availability and lower hotel room costs. Continued supply expansion (both casinos and non-gaming offerings, including hotel rooms) in Macau, and later in Hengqin, will help sustain overnight visitation growth trends. However, while non-gaming revenues will continue to grow, they will remain a small fraction of gaming revenues.



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Rui Pinto Proença,
Partner, MdMe Lawyers

Rui Pinto Proença is a partner at MdME, where he heads the firm's Corporate|Gaming practice. He has been based in Macau for the past eight years, where he is recognized as one of the leading gaming lawyers. Rui regularly acts for industry investors, casino operators, equipment manufacturers and gaming promoters in key regional projects. He also assists issuers, sponsors and underwriters in relation to listings of Macau gaming interests with overseas capital markets. Rui has been actively assisting sector players and governments in emerging gaming jurisdictions across the Asia-Pacific region.

One of the interesting features of the LGMT is the definition of a strong zoning policy for the entire country. Such policy is aimed at reining in the existing border casinos and channel new investments to the coastal provinces, particularly to the resort city of Sihanoukville, which is served by an international airport. If it succeeds, the Kingdom of Wonder may, with one stroke, phase out less desirable players and create something that Asia is yet to see – a beachfront casino strip.



WHAT'S HAPPENING IN THE CAMBODIA?

Often dubbed as an emerging market, Cambodia is by no means a newcomer to the gaming scene. Although officially illegal since the enactment of the 1996 Law on the Suppression of Gambling, the offer of casino gaming to non-nationals has been authorised by the Royal Government of Cambodia (ROG) on an exceptional basis for decades. At the end of last year Cambodia reportedly had more than 75 licensed casino venues spread throughout the country. This is more than any other Asian jurisdiction... With the exception of Phnom Pehn's Nagaworld, operated by HK Listed NagaCorp (holding a monopoly within a 200km radius of the capital), most casinos are located in the border towns of Poipet (on the border with Thailand) and Bavet (on the border with Vietnam), with some operating in the beach tourism destinations of Koh Kong and Sihanoukville.

Despite the lack of a consistent strategy to govern and develop the industry, its numbers should not be ignored. Analysts set Cambodia's 2017 GGR at approximately US\$1.5bn. Forecasts predict that number may rise to US\$2.5bn in 2018. That would represent a 40 per cent growth year-on-year. An increase mostly driven by a strong VIP run-rate in Naga's newly opened Integrated Resort, Naga 2.

However, the increasing figures are not strong enough to hide an unavoidable reality. The Kingdom has yet to attract any global household name. Consequently, the industry has been incapable of becoming a driver of international tourism and a creator of quality jobs to the country's young population. Two factors contribute to this shortcoming. One is no doubt the country's political instability. Early last year Cambodia's Supreme Court dissolved the main

opposition party. Prime Minister Hun Seng, at odds with Western democracies, will now run in the upcoming general election virtually unopposed. He has led the country since 1985.

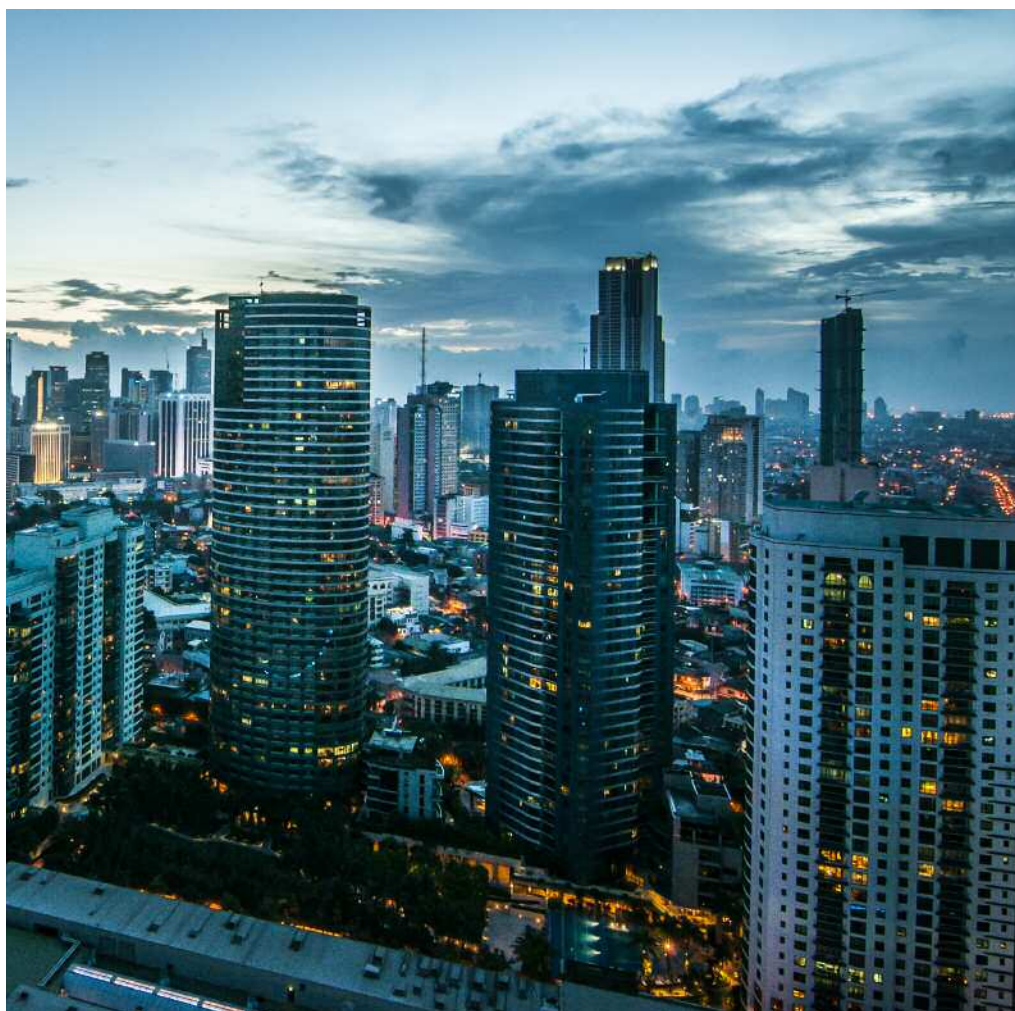
The second factor, and no less relevant, is the chronic lack of a regulatory framework with international standards. That may be about to change. A team led by the Ministries of Interior and Economy and Finance have made public a draft bill of the "Law on the Management of Integrated Resorts and Gaming Trade" (LMGT). The bill may be put forward to the National Assembly before the July general election. If approved, it may set the course for a market approach to gambling and to the implementation of international best practices likely to appeal to international investors.

One of the interesting features of the LGMT is the definition of a strong zoning policy for the entire country. Such policy is aimed at reining in the existing border casinos and channelling of new investments to the coastal provinces, particularly to the resort city of Sihanoukville, which is served by an international airport. If it succeeds, the Kingdom of Wonder may, with one stroke, phase out less desirable players and create something that Asia has yet to see – a beachfront casino strip.

The challenges are still plenty, but so are the opportunities. Strong diplomatic relations with the PRC guarantee a steady influx of Chinese tourists and, for as long as Thailand and Vietnam do not allow its citizens to gamble within their borders, Cambodia will be catering to a regional clientele of 160 million people. If indeed new legislation is adopted and implemented, Cambodia will no doubt be a market to watch.

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Grant Govertsen,
Managing Director & Head of Asia
Equity Research, Union Gaming

Grant Govertsen co-founded Union Gaming in 2009 after spending 12 years on Wall Street predominantly in equity research covering the gaming sector. Mr. Govertsen was responsible for establishing and developing the company's presence in Asia in 2011, and today remains the only gaming analyst based in Macau. Prior to Union Gaming, Mr. Govertsen was based in Las Vegas with Deutsche Bank Securities covering global casino operators and gaming technology companies. Mr. Govertsen began his career in the financial services industry with Coopers & Lybrand, now PricewaterhouseCoopers (PWC).

WHAT'S HAPPENING IN THE PHILIPPINES?

The Philippines casino market has been among the most robust in Asia over the last few years, with consistent double-digit growth that has propelled the market to nearly US\$3bn in casino gaming revenue in 2017. It currently stands as the third largest market in Asia, behind only Macau at \$33.2bn and Singapore at \$4.7bn. In all likelihood, the Philippines will overtake Singapore and become the second largest gaming revenue market in Asia within the next several years owing to a variety of meaningful and visible growth factors.

The engine that is driving growth in both revenues and profits is the mass market customer. In 2017, mass market casino gaming revenues grew by 19 per cent at the commercial casinos (or by 15 per cent when including the PAGCOR casinos). This compares favorably to the growth in VIP gaming revenue, which grew by 12 per cent last year. Much of this can be attributed to the general strength of the Philippines economy, which continues to grow at a mid-to-high single digit rate. In addition, we would point out the improvements in Manila's infrastructure have provided a significant boost to the four IRs that are now operating in Manila's Entertainment City.

Not unlike the ease of access to gaming that has resulted in sub-markets like the Las Vegas locals market becoming multi-billion dollar revenue stories, the roadway infrastructure improvements in metro Manila have literally opened up the market to a significantly larger customer base while at the same time making it much easier for the existing customer base to visit. More recently, incremental casino and hotel capacity has come online within Manila Entertainment City and has largely served to grow the

market rather than cannibalise the existing operators. This is cause for excitement and argues that there is likely enough demand to justify further new supply.

From a regulatory perspective, the Philippines is set to undergo a sea change. Namely, the country's gaming regulator, PAGCOR, which also happens to be a casino operator, is undertaking a privatisation scheme beginning with the sale of 17 of its casinos. This makes sense from an operational perspective as these properties are under-performing their revenue

From a regulatory perspective, the Philippines is set to undergo a sea change. Namely, the country's gaming regulator, PAGCOR, which also happens to be a casino operator, is undertaking a privatization scheme beginning with the sale of 17 of its casinos. This makes sense from an operational perspective as these properties are under-performing their revenue potential relative to what they could be doing in private, professional, hands.

potential relative to what they could be doing in private, professional, hands. If the privatisation of these casinos does indeed happen it will create opportunities for smaller regional casino operators to participate in what should be an enviable growth story driven by more efficient operations in the hands of private companies, as well as continued strength in the national economy. In certain instances it could provide opportunities for the existing Entertainment City operators to acquire smaller assets in order to develop a hub-and-spoke network. The privatisation of PAGCOR casinos also represents an opportunity for gaming equipment manufacturers, as the new owners might be apt to replace some of the nearly 10,000 EGMs currently operated by PAGCOR.



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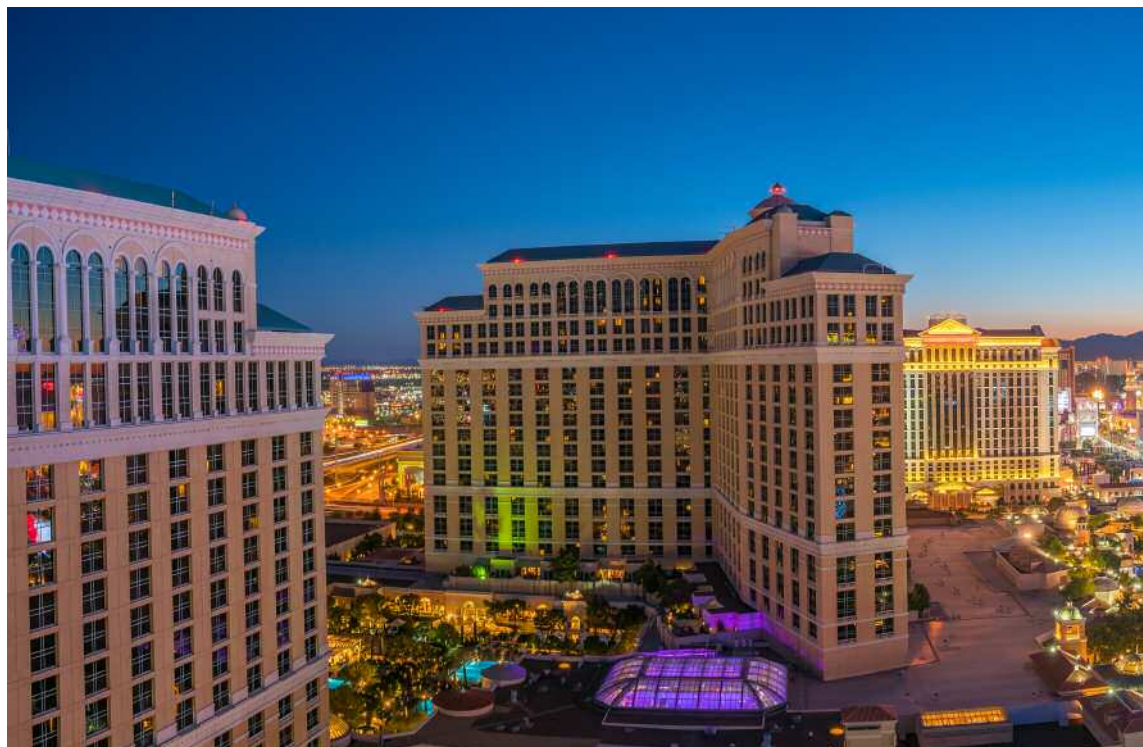


AG Burnett,
Partner, Gaming & Administrative Law
Group, McDonald Carano

A.G. Burnett is a partner in the Gaming & Administrative Law Group with McDonald Carano. Due to his extensive experience working in and with regulatory agencies in Nevada and throughout the world, he is uniquely positioned to advise regulatory agencies, federal agencies and others in meeting and crafting regulatory standards, as well as representing gaming industry clients in navigating regulatory requirements in Nevada and beyond. Mr. Burnett is also skilled in assisting companies with their compliance programs and compliance obligations. He most recently served as the Chairman of the Nevada Gaming Control Board (NGCB) from 2012 through 2017 and as a member of the Governor's Gaming Policy Committee. During his service with the NGCB, he worked extensively with the regulators of other gaming jurisdictions on matters of shared interest relating to the gaming industry and its growth throughout the world.

In Las Vegas, there had been instances where large crowds have contributed to chaotic events that stand the chance of spiraling out of control. The popularity of nightclubs and day clubs on casino properties began growing significantly after 2012. Large crowds tucked into small spaces were recipes for events like shootings, fights, and riots.

Crisis & Emergency Management Note on Regulatory Experiences



On the night of Sunday, October 1, 2017, a gunman opened fire on the crowd at the Route 91 Harvest music festival in Las Vegas. The gunman was in a room on the 32nd floor of the Mandalay Bay hotel and casino on the south end of the Strip. Mandalay Bay has 43 stories, 3,309 hotel rooms, and a 135,000-square foot casino. The Route 91 Harvest Festival is a country music gathering that brings headline acts to Las Vegas. Thousands of people attend the yearly gathering, which is in a lot just north of, and directly across the street to Mandalay Bay.

The shooting started without warning, and created chaos on the ground below. Victims who thought the shooter or shooters were on the ground level with them ducked and laid down. Little did they know the shooter was above them. As gunfire rained down upon the crowd, chaos ensued.

In total, 58 people lost their lives and 851 people were injured.

In the chaotic moments during and after the shooting, a multitude of law enforcement personnel descended on the area. Included among them were staff from the Enforcement Division of the Nevada Gaming Control Board (GCB or Board). The Enforcement Division is the law enforcement arm of the Board. It is comprised of peace officers who are certified and trained in the exact same fashion as police. In fact, many are former police officers.

They, along with the other local, state and federal law enforcement authorities did the best they could to secure the scene and attend to the injured. In the hours and days that followed, they investigated the shooter to determine the cause of what has been deemed the deadliest mass shooting committed by one person to have ever taken place in the United States.

This article addresses the experiences of the GCB

during and after that tragedy. I was the Chairman of the Board at the time. It is hoped that this article may aid other gaming regulators by detailing what they might experience and what they could do in anticipation of, and in response to, such a terrible event.

PRE-EMERGENCY MEASURES

Las Vegas is a major international tourism destination. Millions of visitors come to the city every year, and especially the Strip; while this is a great benefit to the local and state economies, it can also mean that the location becomes a target.

For years, there have been working groups and roundtables held within Nevada, and specifically in Las Vegas, to prepare all stakeholders for handling of an emergency. Much of this work began prior to September 11, 2001, but of course most of the work and its intensity increased exponentially after that. To realise that your geographic location is a target is truly a motivator. Many local, federal, and state agencies took part in sessions designed to identify potential emergencies and how to handle them. The interesting part about these meetings was that other stakeholders were there as well: the gaming industry.

In a city like Las Vegas, where the gaming industry is the focus of security concerns, it was incredibly important to have their seat at the table and to allow



them to weigh in and comment on issues and potential risk-alleviation measures.

Unfortunately, the list of dangers is not short. Among them are natural disasters, terrorist acts, shooting scenarios, pandemics, and civil unrest. In areas where there are large groups of people confined within relatively small spaces, should any of these horrible events occur, states and their regulators should be prepared.

For years as Chairman I would receive regular updates regarding law enforcement task force briefings that the Enforcement Division had attended. The reports back were always indicative of the general need in the city to plan for and alleviate the risk of an event. There was much planning and coordination between all the agencies involved in those task force meetings. Plans were developed for a multitude of events. I was impressed that there was such a high level of cooperation and planning by all the stakeholders.

Further, there were several instances that increased awareness and led to more attention being paid to crises that could occur.

In Las Vegas, there had been instances where large crowds have contributed to chaotic events that stand the chance of spiraling out of control. The popularity of nightclubs and day clubs on casino properties began growing significantly after 2012. Large crowds tucked into small spaces were recipes for events like shootings, fights, and riots. When those events occurred, the GCB's Enforcement Division would assist the primary law enforcement agency, typically Metro, in handling the scene and the investigation afterward.

As regulators, the GCB took a strong position on patron safety in such locations, levying disciplinary actions against operators. Subsequently, in the 2015

legislative session, both the GCB and the Nevada Gaming Commission (NGC) worked with nightclub operators and gaming licensees to craft legislation that enabled the gaming regulators to take a further step: Light regulation of the nightclub operators themselves. After the legislation passed, the GCB and NGC enacted regulatory provisions that required certain nightclub operators, their employees, and their promoters to be registered with, and monitored by, the GCB.

Much like the task forces regarding safety in Clark County, there were multiple hearings, workshops, and stakeholder meetings held to address safety in nightclubs and day clubs. These meetings not only included law enforcement, but also included the nightclub operators and gaming licensees. The dialogue was robust and beneficial to all.

Nevada does have a statute that speaks to emergency response plans. NRS 463.790, promulgated in 2003, requires resort hotels to create and maintain such plans. The plans must be filed with local fire department and local law enforcement agencies wherein the resort is located. Further, the plans must be filed with Nevada's Division of Emergency Management of the Department of Public Safety.

The emergency response plans, per NRS 463.790 (2)(a)-(j), must include:

- (a) A drawing or map of the layout of all areas within the building or buildings and grounds that constitute a part of the resort hotel and its support systems and a brief description of the purpose or use for each area;
- (b) A drawing or description of the internal and external access routes;
- (c) The location and inventory of emergency

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A secondary responsibility in the face of such an event is to ensure the gaming areas are secure. If the event is something like a fire on property or a power outage, security staff from the hotel can work with gaming enforcement staff to alleviate any issues with visitor ingress or egress and lockdown of gaming areas and machines or tables if need be.



response equipment and resources;

- (d) The location of any unusually hazardous substances;
- (e) The name and telephone number of the emergency response coordinator for the resort hotel;
- (f) The location of one or more site emergency response command posts;
- (g) A description of any special equipment needed to respond to an emergency at the resort hotel;
- (h) An evacuation plan;
- (i) A description of any public health or safety hazards present on the site; and
- (j) Any other information requested by a local fire department or local law enforcement agency whose jurisdiction includes the area in which the resort hotel is located or by the Division of Emergency Management.

Per statute, these plans are confidential and must be securely maintained by the department, agency and state Division with whom they are filed.

Compared to first responders such as local fire and police, one would not assume gaming regulators would play an extensive part. Still, it is important that regulatory staff be engaged with the first responders so that if needed the regulators can help in a moment's notice. The task force briefings were certainly helpful in that regard, with merely the enhanced communication being of great benefit to all.

It goes without saying, however, that when an

emergency event occurs there is no amount of planning that can address the chaos and confusion that is bound to erupt. As Mike Tyson famously said, "Everybody has a plan until they get punched in the mouth."

THE FOG OF WAR

No one can truly anticipate a natural disaster or a terrorist act. Further, no one can anticipate or have foreknowledge of an event like the Route 91 shooting. There were no signs or warning signals that gave the Board a clue that this could happen. Task forces wisely assume that is going to be the case prior to an event, so all that can be done is develop the ability to communicate disasters and coordinate efforts once they occur. My notification was a series of texts and phone calls, and then of course the national media.

The Enforcement Division communicates constantly with Clark County law enforcement authorities, so when the incident occurred the Division was fully aware of the situation. Members of the staff were sent to the scene to see if they could assist.

The Enforcement Division is comprised of statutorily-defined peace officers that are given full powers of arrest. They are trained officers who, in many cases, are former police officers themselves. This was crucial for the Board during the event, because these peace officers knew what to do and became an instant part of the police community in Las Vegas responding to the attack. The "triage" involved goes something like this: Determine if a gaming property is involved; determine if Enforcement Staff are present and are engaged in the event, and send staff to the location as soon as possible.

Assuming the event occurs at a gaming location, the primary responsibility of the gaming

enforcement personnel should be to assist regular law enforcement. At such a point, they may have to rely on their previous years of law enforcement. They may have to assist in crowd control, location security, evacuation of victims, medical triage, and potentially even assisting on eliminating the threat.

A secondary responsibility in the face of such an event is to ensure the gaming areas are secure. If the event is something like a fire on property or a power outage, security staff from the hotel can work with gaming enforcement staff to alleviate any issues with visitor ingress or egress and lockdown of gaming areas and machines or tables if need be.

Mandalay Bay presented some confusion, because it was the location where the shooter was, but not where the victims were. The actual gaming premises were not an issue, but the hotel and location across the street were. When the casino floor is the actual issue, the first to respond will likely be the casino's security staff. Therefore, the casino should have adequate training in place for those officers so that they can respond immediately and efficiently. In Nevada and in most major casino locations throughout the world, there are competent trained staff well-equipped to handle an emergency, but nothing can replace training and communication with law enforcement in the jurisdiction where the casino resides.

It is that communication that enables a swift response in the face of chaos.

Lastly, certain Enforcement Division officers were dispatched throughout gaming locations in Nevada to simply walk the casino floors and monitor things. One of the primary statutory duties of the GCB is to ensure the safety of the public. It was therefore to monitor various



casino floors even though we believed the event was isolated and there were no threats of copycats.

INVESTIGATION

After the Mandalay Bay shooting, the Enforcement Division was activated to assist the investigating law enforcement agencies that had primary jurisdiction: Metro and the FBI. Those two agencies moved immediately to begin a thorough investigation that has been well-publicised and documented in the media. Enforcement Division officers were directed to assist those agencies with whatever they needed, thus furthering the cooperative efforts detailed in the task force meetings that had been held over the years.

Since the shooter had booked a room at, and was in a gaming property, the Board worked with the licensee to get Metro and the FBI everything they needed. At the same time, the Enforcement Division conducted an investigation of its own into the shooter. In such a case, the regulatory agency, along with the licensee, may have records on a shooter or assailant that might be helpful to law enforcement.

Casino records, be they audit, hotel information, or even patron dispute information might be helpful even if irrelevant to the particular event. For example, casinos have databases and patron information that may include spending habits and even dining preferences or room requests that might go toward profiling an individual.

Casinos are required to have such high levels of surveillance that law enforcement can be assisted even if the event occurs off-property.

On Tuesday, September 6, 2011, a gunman with an AK-47 killed four people, and then himself,

at an IHOP restaurant in Carson City, Nevada. The restaurant was located directly across the street from a licensed gaming property. Immediately after the shooting occurred, property staff and GCB Enforcement agents were able to use outside surveillance cameras at the property to gain video of the entire event. This greatly helped law enforcement investigating the crime.

If the event had occurred inside the casino, Board would have worked with any other agencies to investigate the crime or event. Board agents have access to everything the casino has, including surveillance tapes. The fact that casinos have more surveillance that almost any other business is of comfort to all involved; events can be dissected and used for criminal proceedings, for example.

POST-EMERGENCY EMERGENCIES

Perhaps the strangest part of the October 2017 tragedy was the mainstream and social media coverage of the event. The media descended upon Las Vegas, and their reporting was swift and accurate. Social media, however, unleashed an onslaught of conspiracy theories and coverage that was not accurate.

While the Board was quietly working with law enforcement to gain as much information on the event as possible, phone lines became busy with calls on the shooting. Social media reports and statements were not a concern until the media began picking up on some of the proposed conspiracy theories that began to swirl. It was at this point that the GCB decided to quell some of the commentary by providing the media with information that could be publicly released and that might clarify some of the rumors.

Gaming licensees can hire outside PR or

damage control firms to assist them in limiting the amount of rumor and conspiracy speculation that swirls after such an event. The regulators, if they speak, must do so not on behalf of the licensee, but of the state.

So, while it is not a customary job of the regulator to speak to the press on events of this nature, discretion should be used in doing so. The state of Nevada depends heavily on tourism, and with several thousand gaming licensees' business at stake, it is sometimes reassuring to them, the state, and the public that the regulator is calm and discussing points of fact, not speculation.

Rumors that harm the state or that serve to damage law enforcement investigations can sometimes be dealt with by a few facts released to the media.

CONCLUDING REMARKS

Every regulator is working in a jurisdiction where there may be some kind of crisis, or emergency. States must recognise that fact, and work with all responders, not just "first responders," but also "potential responders," including gaming regulators, is crucial. There should be a set of defined roles, along with communication lines set up; further, regular roundtable briefings and emergency preparedness exercises can be conducted.

The regulators should have a part, whether it is to assist first responders when their manpower numbers are overwhelmed, or to potentially be the first responders themselves if an event occurs on casino's premises. No emergency or crisis can be 100 per cent accurately planned for, but these things go a long way toward accomplishing the state's goals of not only protecting its own citizens, but to protect tourists and casino visitors.

Events

IAGA SUMMIT
Macau 2018



Andre Wilsenach,
Executive Director – UNLV International
Center for Gaming Regulation

André Wilsenach is the Executive Director of International Center for Gaming Regulation, established in partnership between UNLV's International Gaming Institute (IGI) and the William S. Boyd School of Law, aimed at promoting international best practices in gaming regulation.

Wilsenach is a graduate of the University of Pretoria in South Africa and worked for the University of Pretoria, Africa Institute of South Africa, Development Bank of Southern Africa, Ernst & Young and the South African Government prior to a longstanding career in gaming.

In 1995, he was appointed to a Commission aimed at advising the South African Government on the legalisation of gaming in South Africa. During the period of 1995 to 2000 he was CEO of one of the South African provincial gaming boards whilst serving on the National Gambling Board of South Africa. In 2001 he was appointed CEO of ZMS, a private company established to render electronic monitoring systems and services to the National Gambling Board of South Africa. In 2002 he was appointed as Executive Director of the Alderney Gambling Control Commission and served in this position until January of 2016.

In his capacity as gaming regulator Wilsenach was instrumental in promoting regulatory best practices around the world. He was the keynote speaker at the first international eGambling Summit held in the UK in 2006. He provided testimony to the Financial Services Committee of the US House of Representatives concerning the introduction of the Internet Gambling Regulations Enforcement Act, 2007. He was a keynote speaker at the American Gaming Association's 2008 Global Gaming Summit in Las Vegas.

Cryptocurrency & Blockchain: Coming to a Casino Near You?



If you're not sure why Cryptocurrency and Blockchain are such important topics within gaming right now, then this session will open your eyes, if not your digital wallets, by exploring what cryptocurrency and blockchains are, how they are used in gaming, and the benefits and challenges they pose for operators and regulators. G3 took the opportunity to speak to André Wilsenach, Executive Director – UNLV International Center for Gaming Regulation, about the session he's moderating at the IAGA Summit in Macau this month.

This year, multiple governments around the world have indicated their intention to research and implement a national digital currency. Just in the past few months, the governments of Catalonia and Russia declared their interest in issuing their own official digital currencies. Other states, such as Dubai, have already officially decided to do so. However, although central bankers globally are discussing the option of making centralised digital currencies that constitute legal tender, at the present moment, the US Federal Reserve has no serious intention of introducing a digital dollar, but that's not to say it isn't seriously looking at the possibility.

While one of the advantages of Bitcoin is that it anonymously allows for financial transactions to take place, governments hold the opposite view. Issuing their own cryptocurrencies would provide governments with valuable consumer spending data and reduce the dependency of countries on cash-based transactions. It's the foremost reason why Japan is considering launching j-coin, a digital currency convertible on a one-to-one basis with the yen, just in time for Toyko's hosting of the 2020 Summer Olympics.

Even the IMF is considering a coin of its own. There is certainly concern within governments and Central Banks that Fiat Currencies should implement their

own cryptocurrencies to avoid consolidation of the financial sector among a small number of commercial participants and payment processors.

HEADING DOWN THE CRYPTO-RABBIT HOLE

"My concern around any blockchain discussion is that while you can't ignore cryptocurrency within the wider context, it has a tendency to send the entire conversation down a rabbit hole," explains Andre Wilsenach. "There are too many options, too many wallets, unique benefits, and everyone is claiming that their coins are better and higher in value than someone else's coins – it's a nightmare. So I don't think there's much value in going down that discussion route. The issues around cryptocurrencies will sort themselves out.

"The large fiat currencies see the sense in digitising their currencies and I wouldn't be surprised if those fiat currencies and their Central Banks are now looking seriously at how they manage the shift to cryptocurrencies," continues Mr. Wilsenach. "The moment you introduce digital currencies it takes away an enormous amount of friction, though this ultimately has huge implications for the banking sector. At this stage I'm not sure there's an appetite within the commercial banks for such a massive change, however, I do think one of the major fiat currencies, be that sterling or the dollar, will digitise



its currency, enabling the public to use either notes or digital currency in the future.”

To understand the real value of Blockchain is to disassociate it from Bitcoin. Blockchain is to Bitcoin, what the internet is to email. A big electronic system, on top of which you can build applications. Currency is just one.

“I think you have to separate the two issues; the underlying technology that is the blockchain, and the issue of cryptocurrencies that utilise blockchain technology,” says Mr. Wilsenach. “There is an easily demonstrable way of showing how the blockchain works and it’s now universally accepted that uses for blockchain go far beyond digital currencies. Although blockchain is the underlying technology that was developed to run Bitcoin, today, there are many industries, including banking, insurance, finance, and shipping, which may not necessarily embrace the use of Bitcoin, but have implemented blockchain technology for purposes such as recording deposits, trading securities, ESCROW, etc.

“The fact that the NASDAQ is preparing to utilise a blockchain-based system to record trades in privately held companies shows the widespread acceptance and adoption of this technology, separate from the issues surrounding cryptocurrencies,” states Mr. Wilsenach.

The area in which blockchain can probably have the most dramatic impact on the gaming industry is in the area of licensing. With casino gaming operating in 40 states within the US, integrated resorts continue to expand globally, and gaming machine supplies and sales are increasingly offered on an international basis,

the same information, or slight variations of the same information, is currently required to be given to multiple various gaming regulators over and over again. There has to be a better system...

Andre Wilsenach agrees: “Back when I was a young regulator, one of the issues I frequently came across was the validity of an applicant’s qualifications. It was incredibly difficult to confirm that the certified chartered accountant qualification of a financial director was authentic, and it was extremely time consuming too. What the blockchain does, as is the case with bank statements and credit card statements, it allows for the sharing of data in such a way that all the parties have access to the original source of the information, as opposed to individuals repeatedly generating this data themselves.”

SIMPLIFICATION FROM COMPLEX MATH

The future lies in this same information being supplied and stored through blockchain technology. Instead of uploaded documents being placed into a shared drive or downloaded onto a portable drive, blockchain technology allows the information to be uploaded to a decentralised, digital platform that immediately encrypts that information. A digital key required to access the information is given to the investigating agent or officer at the gaming regulatory agency. Finally, another key is given to the individual whose information is being accessed, the applicant.

Upon access, the applicant can upload documents that are required by a jurisdiction, whether it be a birth certificate or copies of tax returns, and then allow any jurisdiction where it is applying for a license or suitability to access

required information by providing a digital key to the information. So, if a gaming regulatory agency does not need to look at a person’s will, they can skip the document and instead look at what they find necessary to review. This means there is one platform for information about a company or individual and a regulator can pick and choose the information relevant to their pre-licensing process. When an applicant has received their latest credit card statement, they can upload it for access by regulators, which means they do not have to send copies to multiple jurisdictions. In addition, the blockchain platform can have one designation for the company and separate designations for individuals so that it remains portable to the individual if they leave the company.

“The state of Ontario in Canada is using blockchain to specifically reduce the burden on people applying for business licences in the state,” describes Mr. Wilsenach. “Consistency of information and uniformity of information to alleviate the burden on the licensee is one of the key strengths of blockchain. Previously, to licence a business in Ontario you’d have to carry your information to nine or 10 different submission points to get your business approved



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for licensing. The local government has decided that such a scenario doesn't make sense and so they have moved to utilise the blockchain. It's an interesting case study as to how you reduce the burden on the licensee and something that makes complete sense in regards to the gaming industry."

If bank account statements are uploaded into a blockchain ledger, a limited password can be given to the bank, which can then review and verify that the bank statements are valid. This is made possible because the third parties or regulators view the exact same information in the ledger for which access has been authorised by the applicant. This means that there is no single point of failure in the blockchain system. Another benefit of blockchain-based technology is the added data protection that it provides. Since the stored information is not contained in a centralised database, there is not a single server that can be hacked where private information can be altered without leaving a digital footprint of the accessing party.

THE SPLENDID ISOLATION OF DATA

Since a database is not based in a single jurisdiction, the requirements for storage of personal data on a server would not apply. In addition, the information contained in the blockchain ledger is protected from manipulation through cyberattacks because it is immediately encrypted and only accessible using an authorised digital key or permission from one of the parties to the ledger (i.e., regulator or applicant) and any access or alteration to such information is irrefutably documented.

"Blockchain's influence will be huge in our sector," declares Mr. Wilsenach. "Gaming regulation is very seldom a federal competency, it is mostly a provincial or a state competency. If you take Europe as an example, it is a member state competency and is not part of the EU Services Directive. Gaming is dealt with

within the borders of each individual EU state. In Australia it is a provincial competency and it's the same in the United States. Overall there are over 125+ jurisdictions worldwide, and in all of these jurisdiction you have applicants, very often the same applicants, generating the same information that must be spread across the globe. The set of information held by one jurisdiction might also be very different from that held by the Nevada Gaming Board, for example. What the blockchain does is enable you to keep information updated so all the jurisdictions have sight of it and can cherry-pick what they need from it."

The fact that gaming device manufacturers must be licensed in literally hundreds of jurisdictions, means that owners and executives are having to distribute huge volumes of documentation, often containing extremely sensitive information, all across the world.

In the context of pre-licensing investigations and suitability checks, regulators are often confronted with two core concerns – standardisation and data protection. While the industry yearns for uniformity among gaming jurisdictions with information requests and licensing procedures, the likelihood of that occurring is miniscule. Meanwhile, the security and protection of information provided to the regulators is also on the top of the minds of applicants, but the laws concerning location, sharing, and transmission of data can vary amongst the various gaming jurisdictions throughout the world.

Blockchain-based technology can alleviate these two concerns. In the US, the shipping of gaming machines is also a big issue, because there are strict requirements on the movement of gaming machines within the country from state to state. Those movement are things that can very easily be captured and facilitated by the blockchain. Because the blocks cannot be moved, substituted, copied or altered, what



is beneficial is that authentication can be established through the consent of all the parties. Due to the fact that the data is immutable, it doesn't depend upon the provider for authenticity.

Andre Wilsenach adds: "I think the fact that the blockchain is immutable is its strength; you have security in the fact that the blocks can't be removed or altered or copied. You have authentication through the consent of all the parties, so verification does not depend solely on the provider of that information delivering authentic documentation. Despite the fact that we are at a very early stage in the adoption of blockchain technology and we will probably see significant consolidation in this market, the fact remains that blockchain's impact on the gaming industry will be probably be as significant as the Internet itself."

EASING THE REGULATIVE BURDEN

Blockchain can also be used to submit required reports to regulators, such as foreign gaming filings or gaming device shipment notifications, and it can be helpful in maintaining compliance committee meeting materials to be accessed by committee members and regulators alike. Blockchain technology can also be used to audit gaming transactions. With Nevada's new regulations permitting account wagering across the casino floor, the casino can utilise blockchain to track game play that can then be used for accounting. Again, the benefit of this system is that the regulators can access the ledger directly to perform an audit and compare against taxes and revenues as reported.

"It is very interesting to see how much work the Federal Reserve is doing right now in regards to blockchain, and it's the same for the HM

Treasury in the UK, which was discussing blockchain usage from the very start," comments Mr. Wilsenach. "I have much more trust in the technology than in the various providers around the world. Many of the providers try to put their own skin on top of the technology, not in terms of equity, but in online you have an RNG with game logic and on the surface you place the skin of your company – essentially creating a white label.

"All these providers are positioning themselves in the market to address the needs of a particular clientele, but the underlying technology is the same. Each company is 'niching' the technology, selling their white label into the licensing market. However, I believe the biggest value component the blockchain brings is security of data," continues Mr. Wilsenach. "We've seen with Facebook what a enormous issue this is right now – how do you share sensitive information in a consistent way so that the person making the enquiry gets to see the real data, without that data being leaked to external parties. And how do you ensure that the data that is shared is authentic?"

The use of blockchain-based technology can be beneficial to gaming regulators, as well as applicants or licensees, because it provides a safe environment for storing and tracking information, while allowing reliable third-party verification. Bitcoin may not necessarily be the future of gaming, but its underlying technology of blockchain can play a significant role in the world of gaming regulation

Andre Wilsenach concludes: "For me it is about making the mind-jump. The industry has an opportunity here to embrace new technologies that facilitate the development of our sector. I

The use of blockchain-based technology can be beneficial to gaming regulators because it provides a safe environment for storing and tracking information, while allowing reliable third-party verification. Bitcoin may not necessarily be the future of gaming, but its underlying technology of blockchain can play a significant role in the world of gaming regulation

am often concerned that there isn't enough innovation in the gaming industry when compared to other sectors. We are not the most innovative sector. Yes, there are advances in technology, but for the most part it's the same that you found 20 years ago. What we have with blockchain are opportunities, and yes it may be early, and we do have to navigate the rabbit holes, but as operators, suppliers, testing agencies and regulators, we have an opportunity to get our heads around this and make the most of the opportunities.

"Even if that means heading down the rabbit hole to take a look at what's going on down there. We need to collectively understand the benefits for this industry, appreciate what it can do for our sector, and realise that it's not just an opportunity to market a particular coin issue. Yes, there are dangers and the flaws, but let's not as an industry steer away from the issue under the guise of being a strictly regulated industry. If the financial industry is embracing blockchain, then so should we."

Events

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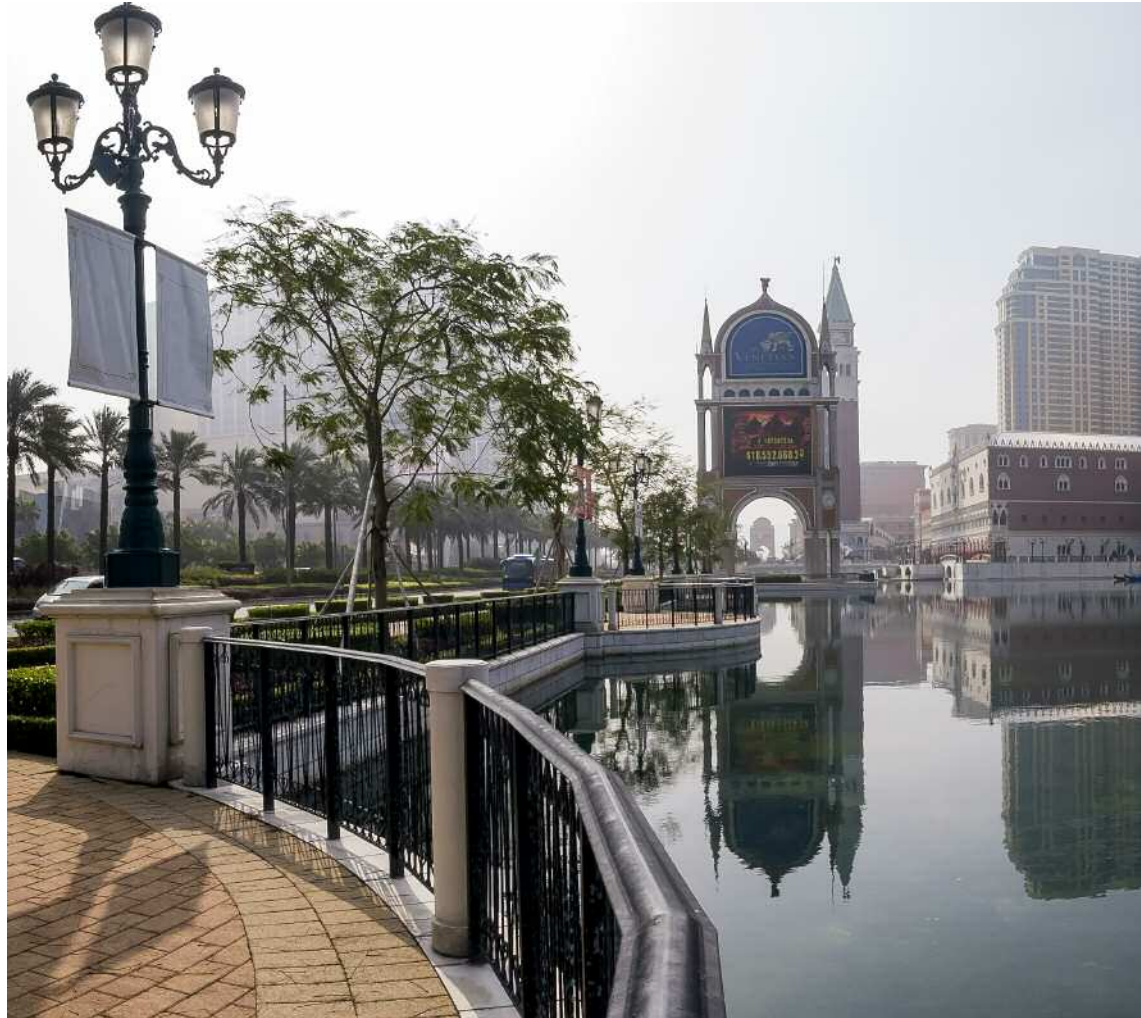


Bo J. Bernhard, Ph.D.
Philip G. Satre Chair
Executive Director, International
Gaming Institute
Professor, Harrah College of Hospitality

A 5th generation Nevadan, Dr. Bo Bernhard calls Las Vegas home, but he works frequently in jurisdictions as diverse as South Africa, Australia, Singapore, South Korea, Macao, Mexico, Vietnam, Taiwan, Argentina, Brazil, Russia, Portugal, Austria, Greece, England, and Canada. Dr. Bernhard began his research career at Harvard University, where as an undergraduate he completed a double major (sociology and psychology) magna cum laude thesis on the community impacts of the gaming and industry in Nevada. The foundations of this analysis have since been extended worldwide, and by the age of 30, Dr. Bernhard had lectured on his research on six continents.

After earning his Ph.D. in 2002, Dr. Bernhard was named the inaugural Research Director at the UNLV International Gaming Institute (IGI), and he was awarded a dual professorship in hotel management and sociology. In 2011, he was named Executive Director at the IGI, where he now oversees all research and academic functions. Representing the university in these roles, Dr. Bernhard has delivered over 200 keynote addresses in clinical, regulatory, government, and policy settings. He has published in the top journals in both the business sciences (including *Cornell Quarterly*) and the social sciences (including a guest edited special volume of *American Behavioral Scientist*), and currently serves as executive editor for a leading peer-reviewed academic journal, *Gaming Research and Review*.

The Surprising Impacts of the Modern Integrated Resort



For millennia, the most expensive buildings on earth were cathedrals. Today, however, the integrated resort holds that distinction. As new markets consider offering or expanding legalised gaming, significant attention is paid to these multi-use developments that combine traditional casino gaming with a wide range of entertainment, dining, retail and cultural amenities. Few, though, understand the impacts of these "integrated resorts" against a broader backdrop – comparing them, for instance, with amusement parks or other tourism amenities

Drawing on a wealth of new data examining today's integrated resorts in jurisdictions like Macau, Singapore, and Las Vegas, Bo Bernhard's keynote at the IAGA Summit in Macau will provide an eye-opening and captivating look into why the integrated casino resort model should be understood in ways that extend far beyond the impacts of gaming operations. G3 took the opportunity to interview Bo about a topic that should spark considerable debate during the Summit.

How have Integrated Resorts changed the international tourism landscape?

The modern Integrated Resort is to the tourism age what the automobile was to the transport age. Tourism accounts for almost 10 per cent of world's economic activity, with one in 10 dollars, rubles, euros, yen, etc., spent on travelling from, essentially, one place to another. There are many, many things

that drive people to travel, be that natural beauty, magnificent coastlines, fabulous weather – and then there are the man-made attractions, such as city-breaks, amusement parks and, of course, Integrated Resorts.

The Integrated Resort, of all the driving metrics that account for tourism taking its 10 per cent slice of the global economic pie, is probably the most under-appreciated. When Disney built its most expensive project ever is Shanghai, comparisons were made between its deal to acquire Star Wars, which cost US\$4bn and the Shanghai project, which cost £5bn. The global press marvelled at the idea that a southern California company had successfully navigated the language, distance, cultures etc., to create its most expensive project ever in China. The House of Mouse was lauded for its tremendous success and proclaimed as a truly global company. But consider, US\$5bn is half the sum it cost to build City Centre in



Las Vegas, one of the world's most expensive building and one of dozens of properties in the MGM portfolio. However, no one lauds the fact that this massive attraction driving tourism and tax revenues dwarfs the achievements of the magical mouse.

The great cathedrals of Europe were for centuries humanity's most expensive buildings, driving tourism on an industrial scale through the capital cities of the continent. Today's cathedrals, the most expensive buildings we can now create, are Integrated Casino Resorts, which can be found on six continents. I think there are many people that would lament the fact, but when you think about what tourism provides, those who travel, purchase experiences, and feed the tourism economy are far happier than those that purchase material possessions. So before we dismiss tourism and the most expensive buildings in the world, we need to appreciate what tourism does for people and why it's so important.

Does putting all your entertainment options into a single "Box" work in the long-term?

The "boxification" of the Integrated Resort experience in which these enormous buildings contain every possible entertainment, retail, dining, bars, theatres, cinemas, etc., is something we've seen right across the US in adjacent sectors. Where there used to be dozens of different kinds of electronic stores, we just have WalMart or Best-Buy, which are essentially many

small stores all under one roof. We see this in virtually every sector. One of the interesting challenges in the economy right now is that you have established brands such as ToysRus going out of business. They were the behemoth that put the mom-n'-pop toy store out of business, but are now themselves being crushed by online.

Looking into the future, is the Integrated Resort model one that is disruptable by the online experience? Can you draw the same comparisons or are Integrated Resorts, which are all about the in-person experience, immune from the impact of the Internet?

Hollywood built its own cathedrals to movie-consumption in the 1920s, '30s and '40s, massive movie theatres that held thousands and thousands of people. You went in your tuxedo as part of a really big night out, all that outrageous architecture was really expensive to build, but today those gorgeous cathedrals are boarded up. The reason is that we started to consume the movie product in a different way, in home and on our phones - and you have to wonder if gambling faces a similar challenge? One of the several ways that the European gaming industry is light-years ahead of the US is in terms of the online product, which has become a viable alternative for consumption of the gambling experience. I think the Integrated Resort has a series of unique propositions, and as we've seen in Las Vegas the amenity diversity

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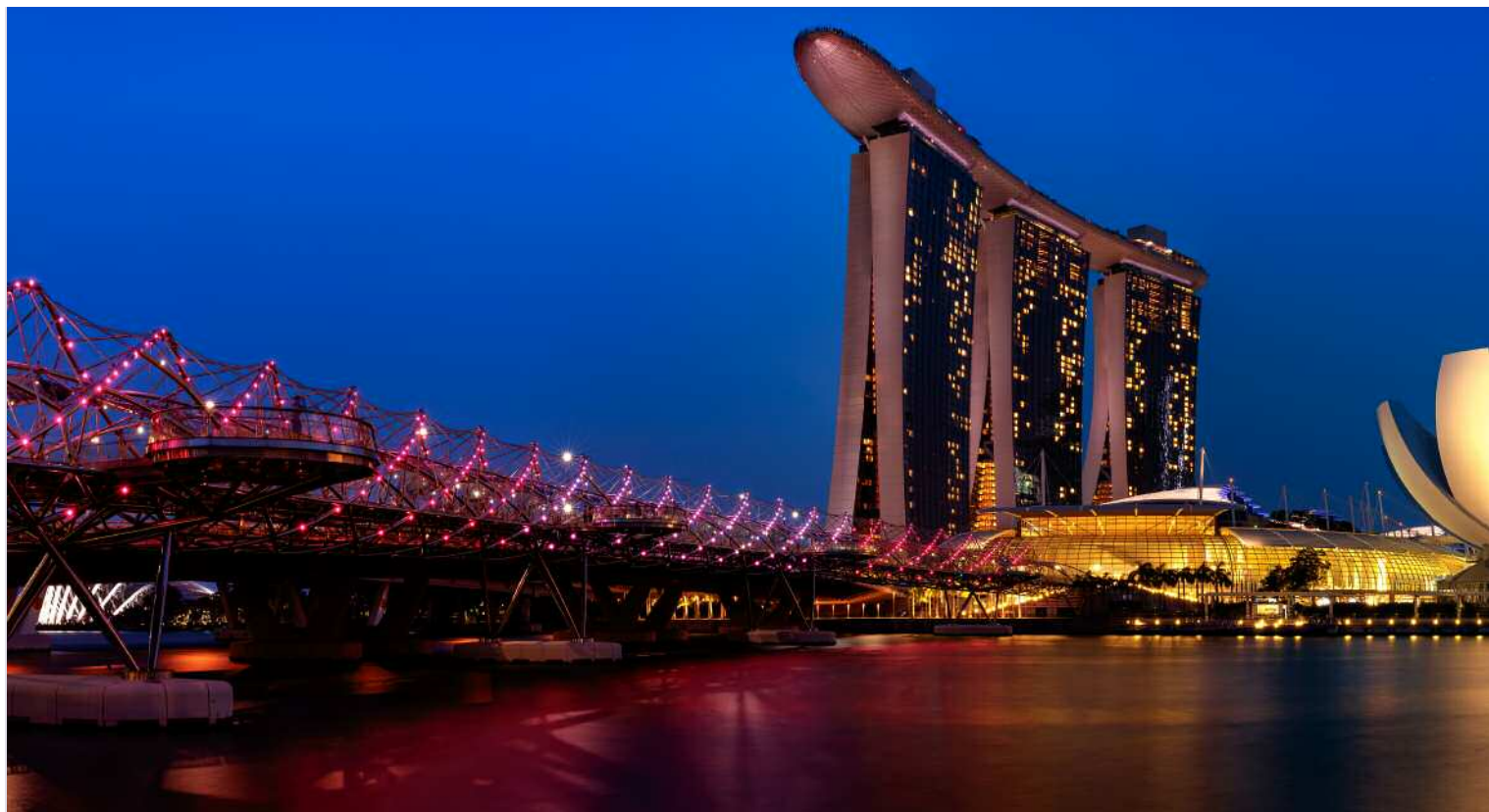


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Dr. Bernhard's projects have been prominently featured in local and national media outlets (including CNN, PBS, NPR, The New York Times, The Australian Broadcasting Channel, and The History Channel). Overall, he has directed over \$2 million in grant-funded research projects, on subjects ranging from problem gambling to the social impacts of casino industries to responsible gaming features to internet gambling. These efforts have earned him several awards of late: in 2007, his focus on globalization earned him the World Affairs Council's International Educator of the Year award; in 2008, he was given the UNLV Hotel College's Boyd Award for Research; in 2009, he was given the Hotel College's top teaching award and the university-wide Spanos Teaching Award; in 2010, he was named a Lincy Fellow at Brookings Mountain West; and in 2012 he was given the university-wide Barrick Scholar Award and the hotel college's Denken Award for research.

has been substantial. Gambling has diversified into other products, these are cathedrals of entertainment consumption that might face a similar future.

It seems right now that only Integrated Resorts can open and establish new global gaming markets – is that true?

Yes, and it's grounded in sound economic theory too. An Integrated Resort is much more able to attract people to travel greater distances to experience something they can't get at home or on their phone. You need Integrated Resorts to create the mega-diversified tourism experience to inject new money into the economy, not just redistribute the same money within the economy. Long distances are also important as they typically mean five day stays, which is lucrative for all the components of the Integrated Resorts.

Macau is a very interesting model in that its model looks a lot like Atlantic City, which was not very resilient in the face of competition because it's essentially a day-trip market. Lots of people moving in and moving out of Macau in a short space of time, also makes it more vulnerable too. What countries like Cyprus are trying to do by establishing their own Integrated Resorts is to differentiate themselves from providing 'mere' casinos; and to do this they are building Europe's first true integrated resort, a place that people come to vacation. To do that you need more than just a standalone casino, you need the 'multiple rides' in the amusement park.

You mention ToysRus and the movie-cathedrals of the past – are Integrated Resorts vulnerable to changing tastes too?

I think it is an open question. I teach a class at UNLV

on the global gaming industry in which we explore 60 global jurisdictions over 18 weeks, and one of the contentions I make is that every jurisdiction, every community, every culture, has its own unique relationship with the gambling act. However, when have the world's most expensive buildings are being constructed in your cities, you definitely have a de facto partner in the government, since these Integrated Resorts become too big to fail.

Japan cannot afford to have a US\$5bn major building dropped into one of its major cities and have that fail – talk about a white elephant. It's therefore more stable, but also problematic, when the government has to become a de facto partner, given the size and scope of the Integrated Resort. When you have the world's most expensive buildings, that's the reality for the local governments.

Are governments lowering the percentage allowed for gambling within the Integrated Resort too far?

I think that's slowly becoming the case in most jurisdictions. Singapore mandated that the casino size should be relatively small in terms of square metres, but of course the casino is by far the driving force economically speaking in the Integrated Resort in Singapore, even with retail and the hotel doing extremely well.

The one place where you have 70 per cent non-gaming to 30-per cent gaming, is the Las Vegas Strip, but that's very much a one-off. No other jurisdictions has been able to achieve that. Having said that, a lot of other jurisdictions, including Japan and Macau, have openly fawned over the Las Vegas model and have demanded similar diversification. However, that's tough to do in Macau when you have 95 to five per



cent gaming to non-gaming revenues. However, we are seeing significant growth in non-gaming revenues.

In Macau people are very quietly watching this closely, simply because it's very easy to be distracted by the massive gaming revenues, but which is clearly something that governments want, and not without reason.

The more diversification you have, the more chance you have to encourage people to travel long distances to your destination and, more importantly, get them to stay there for a few days. Get them to bring their wife and family, attract them for the five day stays that are so much more lucrative and again, when you look at other tourism entities, Disney is fantastic at doing this. Disneyland used to be one-day trip, but they built up their resorts and the amenities surrounding them, to extend that days per trip metric that is so, so important.

How do Integrated Resorts impact the wider local economy in which they are located?

At the IAGA Summit I'm showing data that illustrates the issues in Macau in which non-gaming revenues are dwarfed by gaming revenues. For a long-time the story that Las Vegas generates more non-gaming revenue than gaming revenues has been a very politically useful one, due to the fact that operators have entered jurisdictions around the world with a different proposition. They show the Vegas metric of 70 per cent non-gaming revenues and explained that they're not 'just' bringing a casino to town, which is really important.

However, if you look at Macau, the same metric is

terrible. In response, the Macau government has said this needs to change. They want to see those non-gaming Vegas metrics, but if you look at it a different way, in absolute numbers, each of the major Macau properties generates almost exactly as much non-gaming revenues as each of the Las Vegas Strip properties. However, because they generate such massive gaming revenues, the comparative metric looks awful. In absolute terms, these are actually very successful non-gaming businesses.

In fact, some of the most successful Louis Vuitton stores in the world are in Macau. However, we are so distracted by the massive gaming revenues that the story looks bad and that's partly our fault for insisting on these relative metrics.

How important is the geography - where the Integrated Resorts are located?

It has to be taken on a case-by-case basis. In Japan it doesn't matter very much because if you draw concentric circles around any area, you're going to hit massive populations. The Japanese also have the capacity for building hugely impressive transportation infrastructure. Japan is going to make sure its Integrated Resorts succeed wherever they are located.

Singapore is a city-state, so it was always going to be more straightforward to attract players, however, if you look at Russia, the closure of its locals market and the establishment of remote tourist zones hasn't worked. You can't just open a zone in Siberia and attract the masses necessary to support a multi-billion dollar property when people simply can't get there. Location is important largely for infrastructural reasons to support a critical mass of people, which is crucial to feed the world's most expensive buildings.

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Raymond Lin,
Partner, Latham & Watkins

Raymond Lin is a New York based partner in the corporate department of Latham & Watkins LLP. For over 30 years, he has represented investment banks, private equity firms, developers and operators in the financing, development or acquisition of over 50 gaming projects in the United States, Asia and the Caribbean, including with respect to the Venetian resorts in Las Vegas and Macau, the Mohegan Sun, the Seminole Hard Rock casinos and numerous other Native American properties, the properties of Caesars Growth Partners and projects involving internet and fantasy sports gaming. He is a graduate of Columbia Law School where he was an editor of the Law Review and is currently a member of the Board of Visitors.

This article is co-authored by Ben-Moshe. Mr. is a partner in the San Diego office of Latham & Watkins LLP. He has represented lenders and borrowers in gaming finance transactions for nearly 25 years, including many of the most innovative transactions in Las Vegas (including the Venetian and Wynn Las Vegas), Native American trust lands and Asia.

Even in well-developed gaming jurisdictions, the landscape is littered with expensive projects such as the Cosmopolitan in Las Vegas or the Revel in Atlantic City that resulted in massive losses to their initial developers and lenders, while requiring enormous amounts of additional capital to reach completion.

The Challenges of Financing in Emerging Asian Markets



Asia continues to be at the forefront of new gaming market opportunities with projects proposed and currently under development in Vietnam, Cambodia, the Philippines and beyond. What are the leading financing methods being pursued by operators in new markets such as these where regulatory structures aren't as well established?

Financing new gaming projects in emerging gaming markets is one of the most challenging and difficult exercises in the financial world. Even in well-developed gaming jurisdictions, the landscape is littered with expensive projects such as the Cosmopolitan in Las Vegas or the Revel in Atlantic City that resulted in massive losses to their initial developers and lenders, while requiring enormous amounts of additional capital to reach completion. Fortunately, in our more than 50 years of collective experience in representing lenders and developers of casino resort projects, the vast majority of them succeeded far beyond initial expectations — including the Sands Macao and the Venetian in Macau; the Seminole Hard Rock casinos in Florida; the Venetian, the Palazzo, the Wynn and the Encore in Las Vegas; the Mohegan Sun in Connecticut; the Grand Casinos on the Gulf Coast of Mississippi and the Showboat in Atlantic City.

But what makes financing gaming projects in emerging markets such a gamble? The answer largely

comes down to the risks we call the "Three Ds": Development, Demand and Disrepute.

DEVELOPMENT

The first risk is whether the project is actually completed and opened. Most new casino resort projects are built on a project finance basis, which means that a fixed amount of capital is devoted to the project and the owner is not required to add additional capital if funds fall short of the amount required to complete and open the project. Development poses a particular risk for casino resort projects because they are all uniquely designed and some are among the most costly buildings in the world; for example, the Sands Marina in Singapore is reportedly the most expensive building ever built. Our understanding is that the initial estimates for a Tokyo resort facility would dwarf the Sands Marina in cost.

Predicting construction and development costs is often an art rather than a science. While many casino development projects claim to benefit from a



“guaranteed maximum price” or “GMP” contract, that claim can be misleading. Only a certain portion of the hard costs are covered by GMP contracts. For example, GMP contracts typically provide for “allowances” with respect to the portion of the plans and specifications that are not complete at the time construction commences. Since developers typically rush to commence construction as soon as possible, the plans and specifications can be as low as 60 or 70 per cent complete, which creates a significant risk of cost overruns with respect to the remaining portion. In fact, in more than 30 years, we have never seen plans and specifications 100 per cent complete at the time the financing is being raised.

Similarly, the GMP contract typically contains “allowances” for all the FF&E, as well as all the finishes, which can comprise a substantial portion of the costs in these types of projects. An allowance is merely an estimate of the cost of the item. For example, the actual interior finish of the casino floor is often not designed until late in the project. An allowance for interiors may be stated as “X dollars per square foot.” If the actual finish chosen by the owner exceeds that cost, then the cost differential becomes the owner’s (and, consequently, the lender’s) problem to solve. In well-established gaming jurisdictions, estimating the cost per square foot of an interior finish based on prior projects may be relatively easy. However, this becomes a much more difficult exercise

in emerging markets such as Vietnam, where a project of the same scope and size may be unprecedented. Materials that are not commonly used locally may be difficult or expensive to obtain. Materials available locally may not be available in the quantity or quality required. Local labour forces may not be experienced in construction techniques for large-scale projects. In addition, given that large-scale casino projects can take up to three years to complete, labour and materials costs can increase significantly between the time the project breaks ground and the actual opening date. Similarly, timing of construction may be difficult to predict in emerging jurisdictions because there is a lack of comparable projects and potentially a lack of skilled labour for these types of construction projects.

Delays in development automatically add costs to a project because of the time value of money. For example, in some of the earlier Macau projects, the timing and availability of labour was a concern because Macau is a relatively small island. Although a large work force was available in Mainland China, the ability of that work force to commute to Macau and the related logistics were uncertain initially, and infrastructure had to be constructed to ensure the availability of labour. Any construction financing has to budget for the cost of capitalised interest during the construction period; extensive delays could cause a project to run out of money because the amount set aside for capitalised interest is insufficient.

In well-established gaming jurisdictions, estimating the cost per square foot of an interior finish based on prior projects may be relatively easy. However, this becomes a much more difficult exercise in emerging markets, where a project of the same scope and size may be unprecedented.



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Events

IAGA SUMMIT

Macau 2018



Location, ease of access, regulatory restrictions, design or layout, availability of amenities, and quality of customer service can all make a huge difference in whether a new project succeeds or fails. While a poorly run casino may succeed in an environment lacking any viable competition, these situations do not tend to last very long, as meaningful competition is usually right around the corner.

DEMAND

The other unique aspect of project finance is that the loans are repaid only from the income produced by the project. In traditional project financings in the energy sector, the demand for the product produced by the project is often known or knowable, particularly in transactions in which the entire output of the energy project is contracted in advance to a credit-worthy purchaser. However, the same situation does not apply to a casino resort project, particularly in a newly legalised or emerging market. If a casino is the first to be developed in a region, there is zero demand because there was zero supply.

A well-known line from the movie "Field of Dreams" serves as a metaphor for the act of faith that lenders and owners rely upon in building a new casino resort, which is: "If you build it, they will come." In Asia, from Macau to Singapore to the Philippines, this has proven to be true for first projects in the market. This was true for the most part in the United States when casinos in Atlantic City, Mississippi and on Native American reservations were first built. There was sufficient unmet demand such that if the supply increased the entire market increased. However, the lesson from the United States is that even large markets such as Las Vegas will reach a saturation point eventually and some smaller regional markets may not generate the expected demand or they may become saturated quickly.

This trend will probably repeat itself in Asia as well, especially for those markets that will depend on attracting foreign visitors to generate demand for the casino product. Predicting demand for a casino is extremely difficult. Even if demand exists, a casino may not attract patrons if it faces competition from other compelling casinos.

Location, ease of access, regulatory restrictions, design or layout, availability of amenities, and quality of customer service can all make a huge difference in whether a new project succeeds or fails. While a poorly run casino may succeed in an environment lacking any viable competition, these situations do not tend to last very long, as meaningful competition is usually right around the corner.

On the other hand, even in a situation in which only one casino is in the relevant area, intelligent design and management can still make a big impact. The Seminole Tribe in Florida had the only casinos in Florida, but the tribe increased its revenues by several multiples when its casinos were redeveloped and branded as Hard Rock casinos.

DISREPUTE

Disrepute is the reputational risk that a lending institution has in lending to a casino company. It may be hard to believe, but as recently as the 1980s, no major commercial banks or "bulge bracket" investment banks would lend to casinos, even if the parent corporation was an NYSE listed company. The



gaming industry was considered "unseemly." But even as many banks overcame their distaste for the industry, lenders continued to face the risk of associating with the "wrong" developer.

Most of our banking clients developed extensive "know your customer" or "KYC" protocols including extensive background checks for their gaming clients decades before KYC protocols became mandatory in the banking industry.

In new or emerging gaming markets, lenders also face the risks involved in lending in an unfamiliar regulatory and legal environment. In order to assess risk, a lender needs to understand what rights it has when a borrower defaults. Because gaming is such a highly regulated environment, in the event of a default by a borrower, the traditional lenders' remedies of taking control of the asset and selling it to a third party may not be available. In nearly every jurisdiction, the gaming license is not transferrable, which limits the remedies available to a lender. In the United States, Chapter 11 of the Bankruptcy Code provides an alternative that permits the borrower to continue to operate under court supervision for the benefit of the lenders.

However, most other jurisdictions do not have the equivalent of Chapter 11 and offer only liquidation as a remedy for lenders. Some emerging gaming jurisdictions may have never had business insolvencies of the size and scope of a modern casino

resort, and thus, the jurisdiction may lack the precedents that would clarify a lender's rights.

For instance, we recall needing to visit Macau when it was being developed under the current regulatory regime in order to moderate a meeting with a senior government official in the Macau SAR and the banks, which sought oral assurances that the government would respect certain limited rights of lenders in the event of a default on the loan. The banks needed to know that if the borrower defaulted, the regulators would cooperate with the lenders to transfer the borrower's gaming license or issue a new one that would allow the lenders to sell the asset to a new operator who could run the casino. The law was so new that the lenders' remedies were unclear. Once a project in a new gaming jurisdiction secures financing, subsequent projects become progressively easier because a precedent has been set. Even in those cases, however, challenges always arise as lenders and borrowers seek new and creative lending products, thus requiring the gaming finance lawyers to be able to adjust the requirements of new products to fit the regulatory framework.

The "Three Ds" result in a complex series of risks for a lender in a new or emerging gaming market. As a result, the first project finance loans in that market require a careful bespoke approach to craft a loan product that protects the lenders while fitting neatly with the borrower's needs, the regulatory framework and the risks involved.

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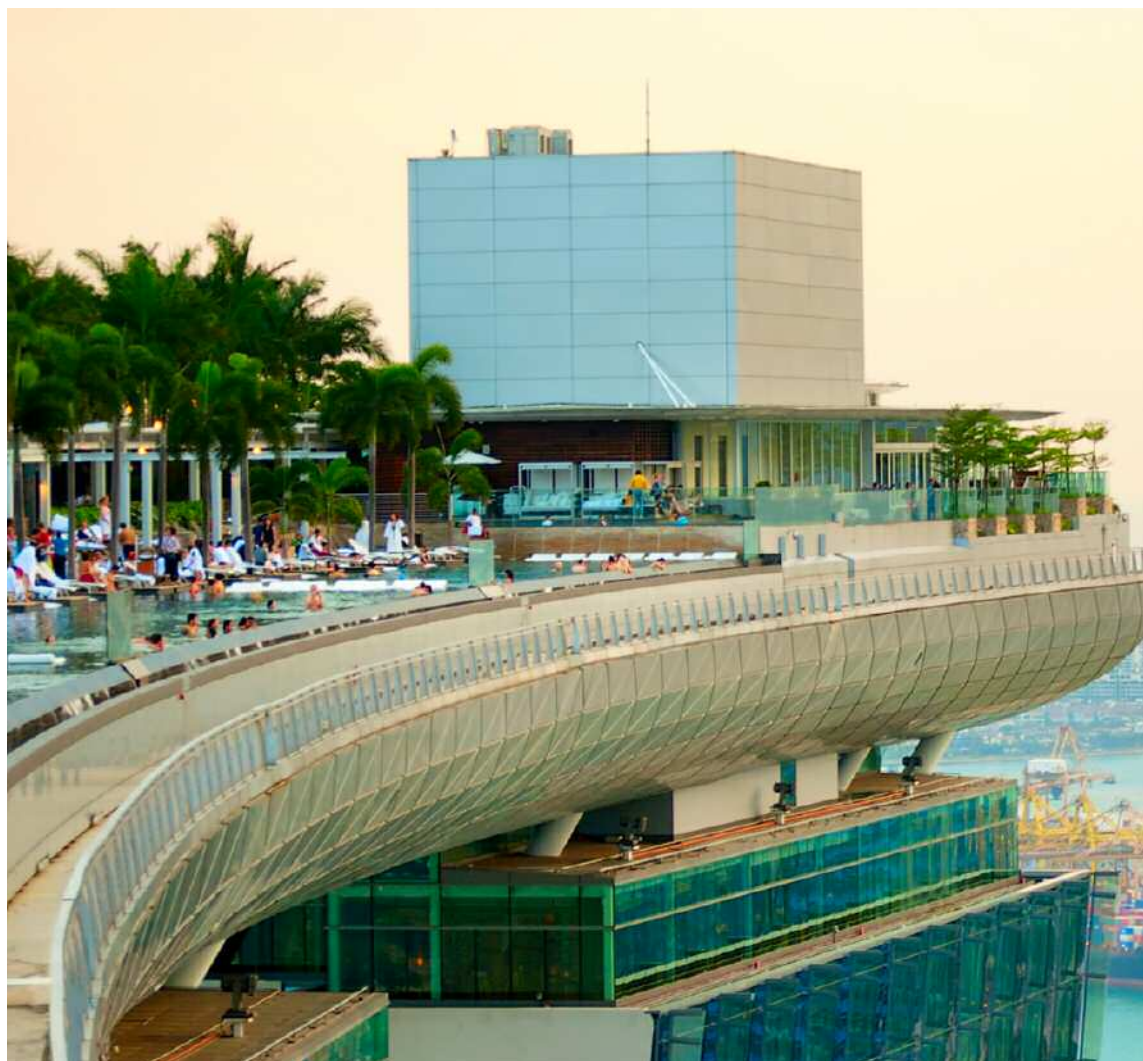


Joseph Bufalino,
Director Responsible Gambling,
Marina Bay Sands

Joseph Bufalino is the Director of Responsible Gambling at Marina Bay Sands in Singapore where he is responsible for the management and development of the Responsible Gambling Program, the Responsible Gambling Ambassadors as well as the strategic direction of Responsible Gambling policy for Marina Bay Sands. Joseph's previous experience included 23 years with Crown Melbourne where he was part of the team that established the Responsible Gaming Support Centre in 2002.

Marina Bay Sands' responsible gambling program benefits greatly from LVS long-established science-based and evidence driven responsible gambling program. Developed by the world-renowned University of Nevada, Las Vegas, the program focuses on the science of addictions and best practices for recognising and responding to patron needs in a sensitive manner. The program is further tailored to address the complexities of responsible gambling safeguards in different countries.

Developing Responsible Gaming across International Operations



With a global footprint spanning the US, Macau and Singapore, Las Vegas Sands (LVS) is one of the largest integrated resort operators in the world. The company is a pioneer in convention driven Integrated Resorts, a unique, industry-leading business model that serves both businesses and leisure tourism markets

At Marina Bay Sands, the formula for our success really mirrors the strong business model that LVS, our parent company, has established. From a service and offerings perspective, it is about creating unforgettable experiences for guests who walk through the doors of our property. Multi-faceted offerings ranging from a luxury hotel, world-class convention facilities, best-in-class gaming, retail, dining and entertainment, are top draws for guests from all over the world. From a business perspective, it is about operating at the highest standards of business conduct, as well as working closely with local legislators and governments to ensure compliance with all regulations.

A SOCIAL LICENSE TO OPERATE

All businesses need to operate as responsible corporate citizens and adhering to legislative requirements are a necessary first step. However, doing the right thing is also about gaining the trust of governments, regulators and patrons. In other words, it is about gaining the social license to operate. This is

something that is deeply understood at Marina Bay Sands, because of our strong lineage to LVS. Responsible operations have become a part of our corporate DNA.

Hence, Marina Bay Sands' responsible gambling programme benefits greatly from LVS' long-established science-based and evidence driven responsible gambling programme. Developed by the world-renowned University of Nevada, Las Vegas, the programme focuses on the science of addictions and best practices for recognising and responding to patron needs in a sensitive manner. The programme is tailored to address the complexities of responsible gambling safeguards in different countries.

SUPPORTING LOCAL SOCIAL SAFEGUARDS

Every jurisdiction has different regulatory requirements when it comes to social safeguards and gambling. Problem gambling is a complex issue that must be addressed collectively by individuals, governments, corporates and communities to ensure



that harm is minimised and those having difficulties with their gambling behaviour are encouraged to seek help. These complexities are distinct and unique to each market and for an operator to be successful, it is important to work closely with government and regulators and at the same time, address concerns the local community may have.

In Singapore where Marina Bay Sands operates, the government has initiated a unique model of social safeguards to encourage its citizens and others to engage in responsible gambling practices. Its entry levy system, automatic exclusions and third-party visit limits for Singaporeans and permanent residents is a world first. The social safeguards have paid off dividends. In a recent study by Singapore's National Council on Problem Gambling, it found that the gambling addiction rate among the population has fallen to 0.9 per cent in 2017, from 4.1 per cent in 2005.

At Marina Bay Sands, we have enhanced our programme to comply strictly with requirements established by the Singapore government as well as to complement efforts that are existent in the current regulatory framework. These self-initiated programmes are not created in a silo, but done in close consultation and collaboration with regulators referencing the latest research in gambling behaviour.

Examples of Marina Bay Sands' initiated programmes include the casino exclusion programme, where the integrated resort will exclude patrons who display signs of problematic gambling behaviour from entering the casino. Observable problematic behaviour are many and varied as detailed by research and may include things such as aggressive behaviour, frequent visits to the ATM and self-disclosure to staff that the patron is having difficulties with their gambling behaviour. Marina Bay Sands also has a pre-commitment programme which allows patrons to voluntarily limit their gambling expenditure over a period of 24 hours prior to beginning gambling. This helps patrons plan their gambling expenditure and minimise loss exposure.

EVIDENCE-BASED RESPONSIBLE GAMBLING PROGRAM

An evidenced-based responsible gambling programme is par for the course for any operator. This strategy is consistently applied throughout all properties under LVS. The strength of the responsible gambling strategy is also drawn from the deep expertise of the International Gaming Institute (IGI) and Dr. Bo Bernhard from the University Of Nevada Las Vegas (UNLV), both of which have long standing relationships with LVS.

Besides referencing latest research to enhance our

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In 2017, Marina Bay Sands was accredited by the Responsible Gambling Council in Canada, an independent accreditor for 'RG Check' and recognised as an industry leader in the provision of responsible gambling services. This accreditation is a testament to the standard and rigor of our program and demonstrates that we have not only met, but exceeded all existing responsible gambling regulatory requirements.

responsible gambling programme, initiatives are further reviewed annually for effectiveness and how accessible they are to patrons. Research shows that all responsible gambling programmes need to include a variety of tools so the customer can tailor initiatives to their own personal circumstances.

Marina Bay Sands also keeps abreast of new developments and initiatives through active participation in conferences to share best practices and experiences with regulators, operators and academics and has contributed at these conferences around the world either through presentations or panel discussions.

The integrated resort is acutely aware of how important the development of a robust Responsible Gambling Ambassador and refresher training for all staff members is. All internal responsible gambling training is reviewed by external experts to ensure that the training is best placed to equip our staff to respond to patron needs.

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PARTNERING FOR A SUCCESSFUL RESPONSIBLE GAMBLING PROGRAMME

A robust responsible gambling programme is one that leverages multiple community partners such as non-

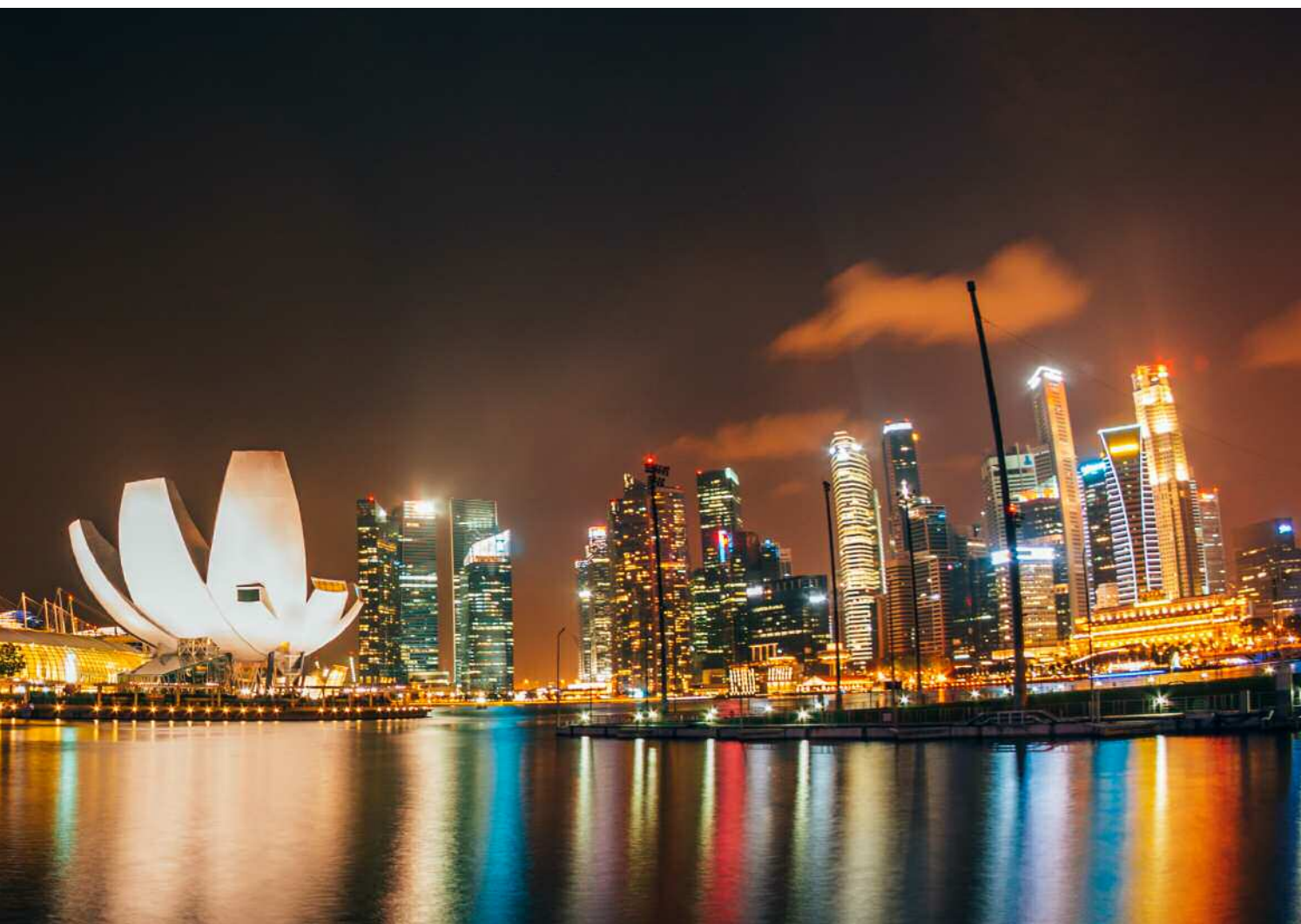
profits, service providers, local councils and researchers.

Marina Bay Sands engages and consults with government funded organisations such as the National Addictions Management Service (NAMS) and independent non-profit organisations such as WECARE Community Services. These are our go-to organisations when we have to refer patrons or impacted family members who require assistance or more information on responsible gambling. We also lean on the expertise of these organisations to assist in the development of our Responsible Gambling Ambassador training. By simply having these organisations attend and speak to our ambassadors about the benefits of people seeking help, demonstrates to the community that Marina Bay Sands cares and we are proactive in providing a safe and comfortable environment for our patrons and our team members.

At a national level, Marina Bay Sands actively supports the work of the National Council of Problem Gambling (NCPG), participating in its annual Responsible Gambling Week and Responsible Gambling Forum. Additionally, the integrated resort is committed to share learnings from attending conferences and reviewing research with the Singaporean government to ensure that any harm attributed to problem gambling are minimized.

EMPLOYEE AWARENESS AND BEST-IN-CLASS TRAINING

All Marina Bay Sands team members go through an annual refresher course in responsible gambling. This training was developed in conjunction with Dr Bo Bernhard and the UNLV to ensure that it meets adult



training principles and addresses best practice initiatives identified by researchers and academics. Team members are trained to identify observable signs that a patron may exhibit if they are having difficulties with gambling and then respond to that behaviour and refer patrons to government funded support services.

For selected team members working on the casino floor – and these could include roles that range from pit manager, food and beverage service staff, a security officer or even a cage cashier, an in-depth Responsible Gambling Ambassador programme is in place. These staff working on the floor have already been trained to provide excellent customer service, and across all Sands properties, we see responsible gambling as an extension of good customer service. Equipping our ambassadors with additional skills to respond to displays of patron behaviour in a respectful and non-judgmental way is another layer of special training for our team members. This is important for us because research has shown that it is important to have staff respond to a person displaying behaviour of problem gambling in a timely manner.

Ultimately, our ambassadors are not counsellors or psychologists and they are not in the position to diagnose or identify any form of psychological disorders. What they are doing is simply offering an additional service – motivating a patron to seek help from government funded support networks when the situation calls for it, and helping to maintain a positive environment for all guests.

Currently, over 500 responsible gambling ambassadors have been trained at Marina Bay Sands. Ambassadors are rostered and available 24/7, every

day to offer assistance. They also have on-hand, collaterals created by Marina Bay Sands that includes referral details to government funded support services, as well as information on self-exclusion, pre-commitment and visit limits.

These collaterals are located around the property, at entry points as well as rest rooms. Supporting these collateral is a responsible gambling business card that patrons can take away. It contains all the relevant contact details for government funded support services and a direct contact for the responsible gambling team here at Marina Bay Sands.

A RESPONSIBLE BUSINESS IS GOOD BUSINESS

Ultimately, the cornerstone of a Responsible Gambling Programme lies in the strong commitment and investment in cultivating a culture of care. At all Sands properties, team members know they belong to a family that positively impacts the environment and community in which our properties operate in. This is what drives the success of the business. Beyond regulatory compliance and obligations, understanding the sentiment and localising a proven Responsible Gambling Programme for the market is paramount. The business will continue to enhance and grow the Responsible Gambling initiatives, ensuring market and industry relevance.

Marina Bay Sands has had a long running commitment to Responsible Gambling and will continue to review programmes and research to ensure we continue to set benchmarks for the industry. Responsible Gambling is a collaborative approach by industry, government and the individual and we will continue to liaise with all sectors to ensure positive outcomes for all stakeholders.

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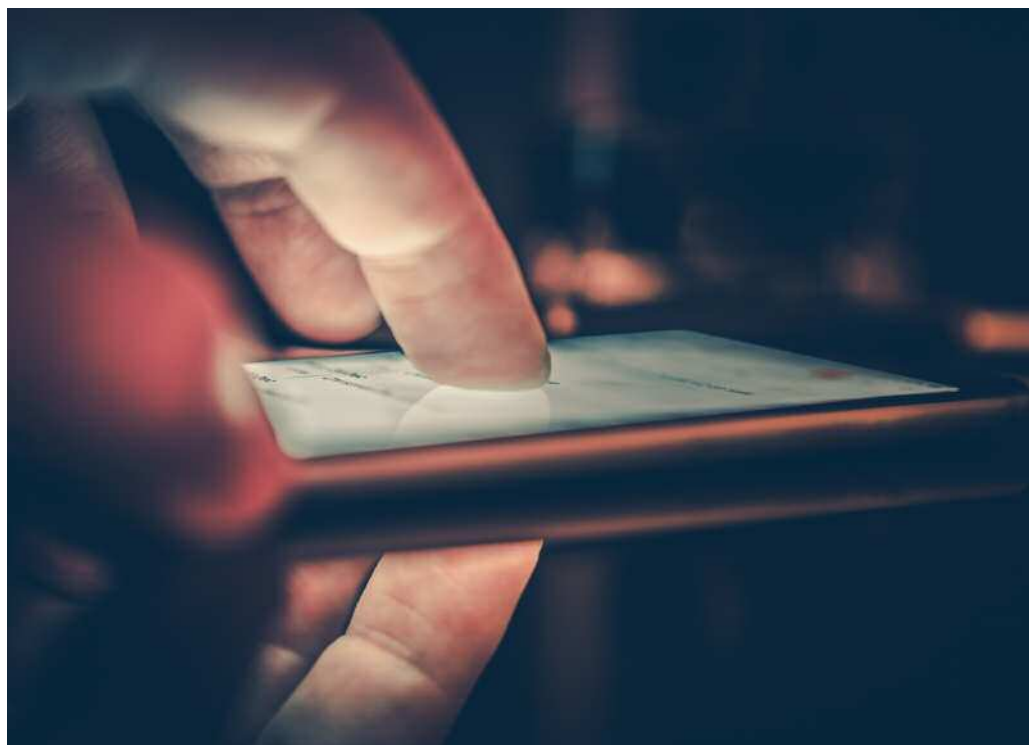
John Lin,
Managing Director,
PlayStudios Asia

John Lin is the Managing Director of PlayStudios Asia, the Asia operation of PlayStudios Inc., a top 10 global revenue leader in the social casino sector, driven by top-grossing apps myVEGAS Slots, POP!Slots, and Konami Slots, with more social casino apps to come in 2018. We develop and operate beautiful, engaging, highly polished games that feature real world brands and also offer reward experiences from Las Vegas to Macau and more. John has engaged the development and marketing of gaming across social, online, and integrated resort formats in Asia, Europe, and the US since 2002. Prior to PlayStudios, John served as a senior executive in the land-based casino sector for Las Vegas Sands and Boyd Gaming, leading greenfield development, legislative and regulatory initiatives, and strategic acquisitions of integrated casino resorts from Macau, Singapore, and the UK to regional US markets and the Las Vegas Strip.

The operators, both those that are 'porting' real slot machine games to social as well as those that are developing original game content, are focusing on themes and features that appeal to the core audience of adult slot players. Each developer is creating games with the objective of commercial success, which has consistently guided the content to appeal to experienced, adult slot players.

Head2Head: When does Social Gaming become Unsocial?

With both land-based and online gambling operations having strict age-verification requirements, to what extent does the growing availability and appeal of these types of themed social and "soft" gaming products create an issue for operators and regulators? G3 stacks the questions for IAGA panelists John Lin, PlayStudios Asia and Jessica Maier, LLM, Melchers



Has the industry done enough to explain the differences between gambling and social gaming to the playing public?

John Lin: As a founding member of the International Social Games Association (i-sga.org), we've collaborated with our fellow industry leading members to establish and advance best practices for social games developers. Our Best Practice Principles (<http://www.i-sga.org/best-practice-principles/>) set forth, as a publicly available resource to all developers, a framework for ensuring compliance, transparency, privacy, and consumer protection. The Principles advocate that Social games should not lead players into believing they will be more successful at real-world activities; that Casino style games should not deliberately lead players to believe they will be successful at real money gambling games, and that they cannot win real money by playing social games.

The members of the ISGA follow, and encourage all developers to follow these principles in every channel in which we engage with players, from the app store listings, to the terms of service in the games, to our company websites and to our customer support training and protocols.

Jessica Maier: Over the years, I believe social gaming – and particularly social gambling – operators have become more and more aware of their responsibilities towards their customers and the need for transparency, including their responsibility to

distinguish themselves from actual gambling offerings. However, court rulings such as the recent Washington Court of Appeals ruling on Big Fish Casino show that this distinction is not always easy and that the discussion on when gaming turns into gambling is by no means concluded (not least since it is also hugely dependent on how gambling is defined, the underlying laws and regulations in the respective jurisdiction as well as the interpretation of the law).

In fact, it is easy to see the effect the ruling might have on social gaming on a broader scale, seeing as the court assumed virtual chips to be of real value despite them not being exchangeable for any goods or services in the real world and them being part of a closed-loop system. This is rather remarkable considering that social games, which do not look and feel like gambling, have by-and-large been spared in discussions on whether they constitute gambling and the potential need for regulation, however, tend to rely on similar monetisation models involving virtual in-game currencies to the ones used by social gambling operators.

What themes are acceptable or unacceptable in social as opposed to play-for-real – and who is the judge?

Jessica Maier: I actually do not consider the debate on acceptable/unacceptable themes to be of a major relevance. In the end, it will almost certainly not be the theme of the game but rather how the game and

monetisation are structured and how closely the game is linked or resembles gambling that will be of core relevance from a consumer protection perspective and when determining which measures operators have to implement to ensure adequate protection.

John Lin: As the industry has evolved, many of the most successful games are those that leverage slot themes and features from real casino games, as those styles and brands are familiar to avid players of real slot machines. The traditional real money slot machine manufacturers have taken notice and leveraged their proven real slot content in the space, and have taken a leadership position in social casino accordingly; 4 of the top 10 social casino operators are owned by real slot games companies. The operators, both those that are 'porting' real slot machine games to social as well as those that are developing original game content, are focusing on themes and features that appeal to the core audience of adult slot players. Each developer is creating games with the objective of commercial success, which has consistently guided the content to appeal to experienced, adult slot players.

Does age verification in the social gaming sector need to be more robust?

John Lin: Independent research commissioned by the ISGA found that the present age distribution of social casino players is 99.41 per cent age 18 or older, which shows that the measures that the industry has implemented are strongly effective, in fact significantly more effective than age restrictions placed on many other recreational activities.

Jessica Maier: Not necessarily, but much will depend on the specific game in question and its potential for harm, e.g. to which extent it can potentially be confused with gambling offerings. Social games offered on social networking platforms (where there are usually no age verification checks at all) will further often be considered to be particularly vulnerable to maybe be harmful.

In your view, is the social gaming space adequately regulated?

Jessica Maier: Despite social gaming not being "new," I think that it is important to still look at social gaming regulation – and particularly the question of whether specific (gambling) regulation is necessary – as a "work in progress". The discussions on where exactly to draw the line between gaming and gambling and on how to determine whether specific regulation (and, if so, what kind of regulation) is necessary and effective are still ongoing. They are influenced by a variety of different factors and in need of more thorough and continued research and analysis.

From a European perspective, I believe social gaming specific regulation will probably not be necessary, not least since consumer protection is ensured by other mechanisms, namely consumer protection legislation. It will, however, be interesting to see whether and how considerations such as those of the Washington Court of Appeals ruling on Big Fish Casino on the worth of virtual items will influence on

the social gaming sector and these ongoing discussions.

John Lin: Social gaming is actually highly regulated, although not by gambling regulators as it is not real gambling. The distribution platforms Apple, Google, and Facebook among others each have substantial compliance and policy functions that enforce specific requirements and restrictions on our games. These platforms study and monitor prevailing laws and regulations across international jurisdictions, and require compliance to their established policies by all developers. It is also notable that these platforms do not permit real money gambling. In addition to the platforms, the social games developer community is subject to comply with prevailing and relevant laws of any jurisdiction where our games are offered that apply to our core business of offering free-to-play social games. As such, we find the social games business to be substantially and sufficiently regulated.

When does social gaming become a problem for the online/land-based gambling operator and what protection measures should the industry adopt?

John Lin: On the contrary, our experience is that social gaming is a valuable complement to land-based gaming operators. Social games provide a cost-free and casual channel for gamers to engage with their preferred style of games, with much greater frequency and much lower commitment of time and money than real money casino gaming. Real casino resorts offer enveloping experiences that delight the senses for players in a much deeper and dimensional way. In this way, social casino players refresh players' engagement to their favourite games through their casual play, which enhances their excitement for the peak experiences that casino resorts offer.

Jessica Maier: Social gaming, if offered in parallel to an online/land-based gambling offering, will likely become a problem for operators if it lacks

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transparency and displays gambling in a way that does not match the reality of things, e.g. if it raises false expectations with regard to the likelihood of winning in the real world since more favourable odds or higher RTP rates compared to real-money gambling offerings might be used in social gaming. Operators hoping to attract new gambling customers by offering social gaming will further have to analyse from a business perspective whether this can actually be achieved considering that gamblers and social gamers will not necessarily fall within the same demographic. From a responsibilities and consumer protection perspective, they will have to be prepared to apply particular caution e.g. in their marketing and the overall design and structure of the social gaming offering



Jessica Maier,
LLM, Melchers

Jessica Maier is a German attorney with MELCHERS and advises clients on all aspects of gambling law with a focus on regulation, licensing and compliance. She has been involved in regulatory due diligence reviews in the context of corporate acquisitions and also supports clients in competition and antitrust related matters as well as in administrative court proceedings or out-of-court negotiations and interactions. She has provided guidance to clients in various licensing proceedings and advises clients on the regulatory developments in Germany which impact on their business. This includes developing strategies for the implementation of new products on the German market and marketing thereof. Jessica is experienced in lobbying and regularly contributes to gambling law and industry publications. She is a member of the International Association of Gaming Advisors (IGAA) and Global Gaming Women (GGW).



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Joe Pappano,
Senior Vice President and Managing
Director, Vantiv, now Worldpay

Joseph Pappano joined Vantiv, now Worldpay, in 1992 and is currently Senior Vice President and Managing Director of Worldpay Gaming (formerly Vantiv Entertainment Solutions). During his 25+ years in the payments industry, Joe created, developed and leads Vantiv Gaming and Entertainment Solutions with a specific focus on business development, strategy, process improvement, operations, product development, solution engineering, P&L responsibility and executing on the long-term vision in the gaming industry. Joe is leading the convergence of the gaming and payments industries and creating a seamless player experience through all point of interaction: internet, mobile, kiosk and land based operations. Joe has a diverse background and in-depth knowledge of the payments industry ranging from Merchant Acquiring, Card-Issuing and Servicing, Agent Bank and Third Party Processing.

While a segment of the U.S. population still enjoys slots and table games, new gaming content must be delivered digitally and seamlessly to their phones and tablets as well as through traditional gaming machines. It must also offer a way to play together in teams or in competition with each other versus traditional games which are against the house.

How Emerging Products are Shaping the Future of Casinos



The gaming industry has come a long way from the basic three-reel slot machines. Consumer expectations and technology advancements are forcing equipment manufacturers to explore new ways to enhance the gaming experience. This future-forward session at the IAGA Summit in Macau will dive deeply into new products and the data being used to support their development. The session will also consider how games involving skill meet regulatory requirements including return-to-player ratios and player fairness.

What should operators be doing to attract new customers?

Joe Pappano: Innovation and adaptation are the keys to a successful future for Casinos. Like other industries at a crossroads, Casinos must adapt their product offerings to generate interest and drive revenues from a younger demographic. This is already on display at places like MGM Resorts' eSports arena at the Luxor, which boasts itself as 'the ultimate competition gaming and entertainment experience on the Strip'.

Many casinos have leveraged their theatres, concert venues and music festivals to draw new audiences to their property and then keep them around by offering onsite amenities that provide a fun place to hang out with friends.

Edward R. Winkofsky: Operators should be doing and are continuing to do what they have always done – understand and respond to their existing and potential customer base. "New customers" are often discussed as the next generation, but operators are also looking to expand their share of their existing customers' entertainment wallet. Craft beers, artisan

cocktails, and lounge spaces on the casino floor are not for everyone and neither are skill based games or increased automation. Operators need to leverage data and human resources to continually refine their understanding of their market and then target them accordingly.

Are innovative new products the cure-all for the declining player-base?

Edward R. Winkofsky: New products and new content should be a part of creating the enticing environment, but are not a cure all, especially when the declining player-base could be within the operators existing target demographic.

Joe Pappano: Unfortunately the fix is not a simple one because there are so many entertainment options competing for the attention and discretionary income of the digital generation being delivered to the palm of their hand. New products and services can help, but the way in which these products are delivered must also change. While a segment of the US population still enjoys slots and table games, new gaming content must be delivered digitally and seamlessly to their phones and tablets as well as through traditional



gaming machines. It must also offer a way to play together in teams or in competition with each other versus traditional games which are against the house.

What elements in the casino must adapt to accommodate emerging technologies?

Joe Pappano: Every gaming entity should differentiate itself from its competitors. One way to do that is the environment where payments technology can be incorporated. There are now cashless solutions at slot machines and table games; there are branded social gaming platforms where virtual currency can be purchased and players can socialise with others while enjoying their favourite games from the comfort of their homes.

The possibilities are expanding. With these new options, an omnichannel approach to payments is needed to create intuitive transactions. With a single payment provider for the entirety of a resort, you'll be able to tie all the disparate points of sale, now including the gaming floor, to give you a single, 360 degree view of your customer. This allows you to return valuable, tangible rewards to your patrons, which they'll reward in turn with their loyalty to your property's brand.

So, perhaps it's less about what elements in the casino must adapt to and more about what operators and business leaders are willing to adapt to. At times a replacement is required over a renovation.

Edward R. Winkofsky: Regional operators thought first about security and asset protection noting that every phone is a recording device. Larger operators looked to improving targeted and geo-specific

marketing. Also, all operators would benefit from removing impediments around payment processing. Players' online accounts should be able to be interactive with the casino floor. Player rewards integrated with credit accounts and all able to communicate with on-site or mobile game play. Look for ways to make interaction with casino employees not obligatory, but to a player's advantage.

What products are leading the charge right now? And what are the future products you'd like to see?

Edward R. Winkofsky: Anything with very high quality sound and graphics that has an accessible theme remains popular and reports are that table games are either still trending or trending again. Future products for some are sometimes existing products for others. Mobile marketing solutions are just catching on in many markets as are well-designed, self-service applications. One cabinet with multiple uses and a port to charge a phone remains a novelty in many jurisdictions, and, right now, almost every jurisdiction wants an affordable, easy to operate, mobile enabled sportsbook.

Joe Pappano: In terms of promoting a frictionless and secure experience, there are some incredible cashless solutions emerging in the US that may soon be implemented worldwide. These solutions allow operators to tie their land-based rewards programmes to the dollars spent across the entirety of their properties including retail, lodging, food and beverage. All of these interactions come back to the rewards programme, providing operators with invaluable insight into their patrons aside from what historically has been limited to only gaming play.

Innovative solutions that promote a seamless experience across multiple platforms – with security at the forefront – are the future and what we're focused on. These are the items we will continue to prioritise at Worldpay.

All operators would benefit from removing impediments around payment processing. Players' online accounts should be able to be interactive with the casino floor. Player rewards integrated with credit accounts and all able to communicate with on-site or mobile game play.

Are casinos doing enough to engage with players using social media?

Joe Pappano: Social media efforts can vary widely by operator; and the impact on players can vary as well. The best use social media is as a means to hype their events and create a buzz that generates momentum. These efforts can bring people to the property; affording the casino an opportunity to provide an atmosphere that is fun and exciting. This in turn builds brand recognition and ultimately brand loyalty.

By encouraging patrons to share their experience in return for a tangible reward is also key. In addition, leveraging social media's push notifications will likely have a better chance of reaching the younger player base versus traditional marketing channels such as direct mail and, or email.



Edward R. Winkofsky,
Shareholder, Greenberg Traurig

Edward R. Winkofsky is a shareholder in the Chicago office of global law firm Greenberg Traurig, LLP. He focuses his practice on gaming regulatory compliance, licensure, and internal investigations. He also advises clients on transactional and general corporate matters. Since joining the firm in 2010, he has served as regulatory counsel to licensed gaming industry suppliers and operators, horse tracks, video gaming and on-line providers, including daily fantasy sports platforms, lottery providers, tribal licensees, and social gaming operators and investors. He has also provided guidance on the gaming regulatory approval process for some of the industry's largest transactions. With the support of the firm's Global Gaming Practice, he is focused on the evolving segments of the global gaming industry.



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Much has been written about capturing Millennials. This will ultimately be critical to casinos long term, but it should not come at the expense of the current player-base and untapped portions of the populace beyond the Millennials. The same tools used to entice Millennials can be used to engage other generations as well. By varying content to appeal to a variety of tastes, casinos maintain their relationships and engage newcomers alike.

Edward R. Winkofsky: Some are, some are not doing enough, and some are doing too much. Social media is an engagement and advertising platform, but it is not a substitute for knowing the market. Even the most creative community building content is not going to drive traffic if it is not the right delivery method.

Should operators be chasing the cash-challenged Millennials or targeting their resources elsewhere?

Edward R. Winkofsky: In informal discussions with various operators and suppliers, the consensus was almost universally “elsewhere”. Lasting engagement with the 35-44 year olds is largely seen as the first group where marketing investment makes sense and sustaining baby boomer play still matters.

Joe Pappano: Much has been written about capturing Millennials. This will ultimately be critical to casinos long term, but it should not come at the expense of the current player-base and untapped portions of the populace beyond the Millennials. The same tools used to entice Millennials can be used to engage other generations as well. By varying content to appeal to a variety of tastes, casinos maintain their relationships and engage newcomers alike. A few years ago there was this notion that you could simply place generations into a bucket and then classify them with interests and dislikes. We’ve seen operators pull away from this thinking in recent years as the digital era continues to shift and surprise all generations with new forms of entertainment in which to engage a potential customer.

Does the image of casinos need to change?

Joe Pappano: Without question the image of casinos has, should, and is changing. Through a focus on innovation, casinos have transitioned from a place to gamble to a destination resort and will continue to evolve into pure entertainment venues. With the introduction of professional sports into Las Vegas the casinos become magnificent entertainment venues of which gaming becomes a smaller subset of their

larger value proposition. Casinos become the beneficiary of having sports teams as they attract, not compete with the same consumer.

With so many entertainment options, in what’s become an era of instant gratification, a fast paced, ever-changing environment keeps patrons interested in what is happening all around them. There should also be a variety of options for having fun such as skill games, group activities and team events rather than the individual play offered by traditional games.

Edward R. Winkofsky: It has changed and is changing. We have seen casinos succeed as both national and international destinations as well as regional entertainment centers that draw from a 50-100 mile radius by being more than the casino floor. Good food, shopping, spas, nice hotels, music venues, etc. have sustained traffic even though the regional operator is competing for a different dollar than the strip casinos.

How radically different are the casinos of the future going to be?

Joe Pappano: Folks continue to point to an “integrated resort of the future” – one with more than just gaming, drawing loyal players in as well as new generations. In many ways, we’re experiencing that integrated resort right now. In the future, new technology on new platforms with new security measures and new marketing mechanisms will be unveiled to create new experiences. How this is all tied together to maximize revenue for operators while creating the best experience possible for customers will be the big difference from the historical casino.

Edward R. Winkofsky: Change will continue to be incremental. The role of mobile devices will continue to be more significant and barriers to participation will likely continue to fall away. Content and delivery systems will also continue to evolve and while the user experience may shift with trends, the fundamentals of having a good time will remain largely constant.



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Luc Delany,
CEO, ISGA

Luc Delany is the CEO of the ISGA, the global trade body of the social games industry, which he founded in 2012. He is also CEO of Delany & Co, a technology public policy advisory. You may spot Luc on the news occasionally, discussing technology and social media. Luc is a former Policy Executive of Google and Facebook. He is a Fellow of the British American Project, and sits on the University of Maastricht External Advisory Board of the Faculty of Arts and Science.

We believe that we have done more than many industries to take a responsible approach through ongoing dialogue with regulators, research projects and the development of best practice. We have participated in countless regulatory inquiries into the sector. We believe there is a link between maintaining open dialogue with regulators – who are the guardians of consumer protection – and a better informed playing public.

Social Gaming Responsibility: the Industry's ISGA Perspective



Featuring themes focused on everything from emoji, superheroes, characters from ancient civilisations, mythology and fairy tale legends, when does a social game theme cross the “age appropriate” line and appeal to underage gamers? G3 poses the questions to Luc Delany, the CEO and founder of the International Social Games Association (ISGA), who will be speaking on the panel in Macau

Has the industry done enough to explain the differences between gambling and social gaming to the playing public?

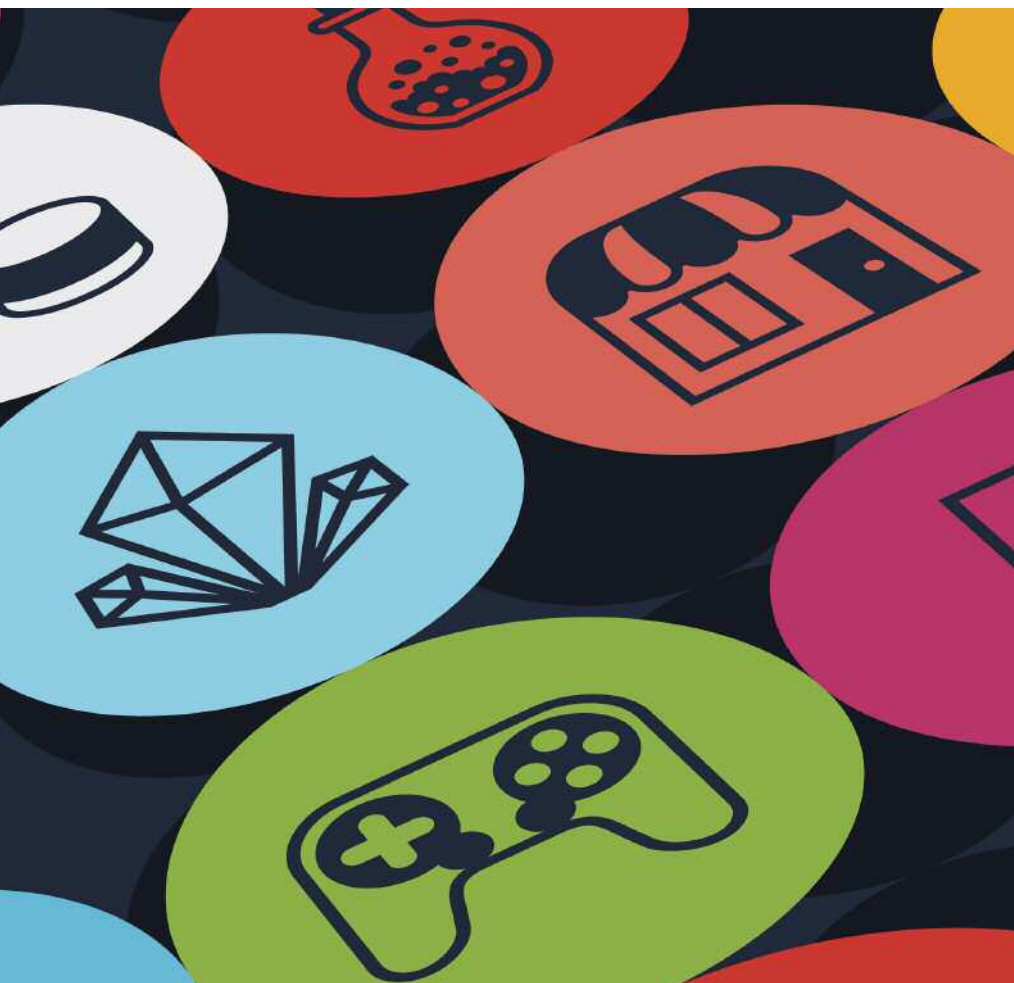
Almost anyone who plays social games understands they are not in it for the money. It tends to be those who don't play and don't understand the games that don't understand the differences and why people play. It might help to start by setting out the key differences. Social casino is a genre that takes inspiration from well-known casino based games that are often found in real money casinos (such as slots) and delivers them in the innovative way in terms of social mechanics, design and gameplay that is typical of “social” or “casual games”. The model for these games (e.g. social slots) is the same as it is for other popular freemium social games such as Clash of Clans and Candy Crush.

Games are based on the freemium-pricing model, which relies upon in-game advertising and/or in-game purchases to achieve revenue. There is no requirement to pay to play – as is typical of social

games, the vast majority never make an in-game purchase. Additionally, social casino games offer no real world prizes based on game play. Players can progress through the games “winning” virtual prizes that have no value outside of the game, such as virtual coins and other virtual items.

The ISGA was established in 2012 by a group of leading social games companies to explain to the public, policy makers and regulators what the social games industry does, how it works and the value that it generates, both for the people who enjoy playing social games as well as for the digital economy.

We believe that we have done more than many industries to take a responsible approach through ongoing dialogue with regulators, research projects and the development of best practice. We have participated in countless regulatory inquiries into the sector. We believe there is a link between maintaining open dialogue with regulators – who are the guardians of consumer protection – and a better informed playing public.



To further inform consumers the ISGA has also sponsored www.SmartSocialGamers.org, a consumer-facing portal designed to provide guidance on controlling in-app purchases and responsible gameplay.

As well as giving guidance about what social games are, who plays them and why, we address concerns or questions that gamers may have about social games – including areas such as excessive play, bullying and abuse, effective digital parenting and overspending. The site is authored by leading experts in the online safety field, academics and clinical psychologists.

What themes are acceptable or unacceptable in social as opposed to play-for-real – and who is the judge?

We cannot be the arbiters here – different cultures, jurisdictions and political perspectives all come into play – but what we can say with specific reference to social casino games is that:

1. None of our members' social casino games offer higher percentage payouts to give inflated expectations or encourage real money gambling participation.
2. Our best practice principles for social games operators and developers clearly state that

social games should not lead players into believing they will be more successful at real world activities, be they action, casino style or any other genre.

3. The 2012–13 controversy surrounding overspend in app purchases (note: this emanated from the big box MMO sector and not social casino or casual games) has highlighted the importance of not incorporating director exhortations to children to purchase and that games should not be advertised as 'free' where purchases are mandatory or unavoidable. This guidance applies to the entire freemium games sector and official guidelines have been released by the UK Competition and Markets Authority (formerly the Office of Fair Trading) and the European Commission.
4. The mere fact of a gambling style aesthetic should not mean that games suddenly leap from being freemium games to gambling. "Social casino" or "casino-style" games take inspiration from well-known real-money casino games minus the gambling. It is wrong to try and affect a separation of social casino from the rest of the casual games sector (Candy Crush et al) which are also based on chance and freemium monetisation.

Does age verification in the social gaming sector need to be more robust?

Firstly, social casino games simply do not appeal to a young audience – 0.01 per cent of total players are spending under 18's. Implementing some kind of KYC obligation on social games would be hugely disproportionate.

We have commissioned two groundbreaking player data based research projects so far which make this clear, with a third due for publication in the coming months:

- In 2014, the ISGA commissioned a study of its members' games covering in excess of 12 million social casino data points across Europe, the US and Australia: 0.74 per cent (90,665) of players were under 18 and only 0.56 per cent (505) of this group paid to play.
- ISGA findings were corroborated by regulator led research. Data directly obtained by the UK Gambling Commission (extrinsic to the ISGA commissioned study) from two leading operators found that "on an average day, the number of UK players under the age of 18 for two of the leading gambling style games combined, was less than 1,000. The number of under 18s paying to play, on an average day, was comfortably in single figures (three)."
- In 2016, the ISGA commissioned a follow up demographics research project: video games specialist, Dr Rachel Kowert, and Dr Sally Quinn, Associate Lecturer in Psychology at the University of York, analysed over 4.8 million data points from a selection of ISGA members' social casino games: 99.41 per cent of social casino players were 18 or older and as few as 0.01 per cent were found to be under 18's that paid to play.

We feel a proportionate method of minimising youth play is to ensure companies do not pursue them and we do this through our best practice which states that

- "casino style social games should specify that the games are intended for use by those 18 or older and/or provide advice to parents and teens on making smart choices online." "Games that are targeted at or designed for children should not contain direct exhortations to children to buy items in a game or to persuade an adult to buy items for them."
- "Advertisements for casino style games should not be deliberately or explicitly directed at those aged below 18 years."

We should also remember that these days the major platforms now provide a host of parental controls to limit in app purchases expenditure and control the types of content that is available to children. This is something that is often forgotten in regulatory discussions.

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We are not aware of any study, which establishes a credible causal link between social games and problem gambling. A striking fact often not mentioned in public discussion is that problem and at risk gambling rates across many jurisdictions globally remain stable: the fundamentals have remained the same despite the advent and popularity of social games. There will always be rogue operators who don't play by the rules – and those should be penalised for doing so.

* Massachusetts informational hearing on social games (May 2016) at p128 (<http://massgaming.com/wp-content/uploads/Transcript-5-10-16.pdf>)



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In your view, is the social gaming space adequately regulated?

Social games, social casino or otherwise, are subject to extensive consumer protection frameworks. For example, laws cover misleading commercial practices payments via carrier billing on mobile phones, privacy laws defining how your data can be used and the protection of children.

In the US, social games, like any other form of consumer activity (including video gaming and other forms of e-commerce), are subject to a wealth of federal and state consumer legislation: laws governing collection and use of personal information such as the federal Children's Online Privacy Protection Act 1998 (COPPA) or landmark California Online Privacy Protection Act 2003.

Section 5 of the Federal Trade Commission Act and the state-by-state analogous "Little FTC Acts" cover the full gambit of consumer protection from false advertising, unfair and deceptive trade practices to fraud and data protection. In relation to social games this means a particular focus on transparency, accountability and consent in relation to monetisation and in-game purchases.

Similarly, in the European Union, as an online entertainment activity and an "information society service," social games are covered by a fully harmonised framework of directives; E-Commerce, Consumer Rights, Data protection, Privacy and Unfair Commercial Practices amongst others.

At the ISGA, we believe that we should go a step further than the letter of the law by promoting best practice. Our best practice principles sit in concern with existing regulations and are premised upon core values of consumer protection, accountability and transparency.

So our answer is yes – but industry must do its bit too.

When does social gaming become a problem for the online/land-based gambling operator and what protection measures should the industry adopt?

Let's be clear that these are different industries. It is no coincidence that many of the most recent and biggest purchases in the sector have been away from gambling to non-gambling parent companies, with the sale of DoubleDown to DoubleUGames and Playtika to Giant.

Indeed, based on industry analytics firm Eilers research estimate the percentage market share for social casino companies owned by gambling parents to now stand comfortably at less than 20 per cent and trending towards 15 per cent, with only two of the top 15 developers owned by gambling parents.

We urge caution with regards studies that have emanated from the gambling studies field that rely on self-report and, at times, may have an agenda to reach a negative conclusion and stress links between social games and RMG. A common sense, and not just "academic" definition of gambling should be kept in mind. Statements by Chairman Crosby at the May 2016 Massachusetts informational hearing on social gaming are instructive in this regard:

*"There clearly are risks in social gaming or social casino gaming... And it's perfectly appropriate to pay attention to those risks and not inconsistent with supporting the industry... The issue that I have is that you are the National Council on Problem Gambling not the national council on addictive behaviour. Whether this is a gambling problem or not is a legitimate issue. Kids that are too much on videogames is a legitimate issue for concern. We all have experiences with people who have real serious problems... But whether it's a gambling issue is another question for me."

We are not aware of any study, which establishes a credible causal link between social games and problem gambling. A striking fact often not mentioned in public discussion is that problem and at risk gambling rates across many jurisdictions globally remain stable: the fundamentals have remained the same despite the advent and popularity of social games. There will always be rogue operators who don't play by the rules – and those should be penalised for doing so.

Problem Gambling and Harm – Are They the Same Thing?

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Iain Corby,
Deputy Chief Executive,
GambleAware

Iain joined GambleAware as Director of Operations and Development in September 2015 and became Deputy Chief Executive in March 2017. His previous experience includes working in consulting as a senior manager, specialising in programme management at Deloitte, and managing a 20 strong policy research team in Westminster. Immediately prior to his appointment, he worked as Operations Director for a social enterprise which inspires young people around the world to volunteer with local charities.

In Great Britain, we have been focused on the wider issue of gambling-related harm, rather than just problem gambling for many years now. We have commissioned a major research project to provide a working definition of gambling-related harms and situate this within a new framework for policy, and drawing on this definition, outline a range of measures and metrics which relate to these harms and identify which could robustly be built into a framework for measuring the social costs of gambling-related harms. This focuses on resources, relationships and health, where negative impacts can be discerned by many gamblers, not only those considered to be problem gamblers.

To minimise harm, we are working to identify best practice for interventions across all sectors of the industry, on and off-line. These are developing general messaging, better product information, and improved training

To minimise harm, we are working to identify best practice for interventions across all sectors of the industry, on and off-line. These are developing general messaging, better product information, and improved staff training around delivering preventative advice. Each is being piloted and independently evaluated over the course of 2018.

And GambleAware is designing a national advertising campaign, recently announced in Parliament, and funded by both the gambling industry and commercial broadcasters. This is targeting higher risk demographic groups, but not problem gamblers because if we were to do so, our analysis is that other gamblers would not consider the messages of any relevance. So we will use other channels and different messages to reach problem gamblers, and ensure our Safer Gambling Campaign is seen by, and perceived as applying to, a far wider population.



Sean Hughes,
Group General Counsel,
Tabcorp Holdings

Sean is the Group General Counsel of Tabcorp Holdings Limited in Australia, having joined in July 2017. As Group General Counsel he leads Tabcorp's Legal, Regulatory and Company Secretariat functions. Tabcorp is a world-class diversified gambling entertainment group and an ASX50 company with more than 5,000 employees. In December 2017 Tabcorp combined with Tatts Group. Tabcorp now operates the iconic brands Tatts, TAB, NSW Lotteries, Golden Casket, SA Lotteries, Keno, Sky Racing and Sky Sports Radio.

Many Australians regard gambling as a leisure activity, as well as one which generates significant taxation and other revenue for governments and racing bodies. In fact, adult participation rates in Australia exceed 80 per cent. However, we also know that some gamblers are unable to keep their activity effectively under control, which can generate significant harm for themselves and others. Researchers, social scientists, legislators, regulators and the gambling industry have all tried to adopt a common definitional approach as a first step to address the harms which might flow from problematic gambling. One such description is:

"The situation when a person's gambling activity gives rise to harm to the individual player and/or to his or her family, and may extend to the community."

We are all different in our temperaments and financial circumstances. So, it is impossible to have a simple test for "problem gambling" such as the amount of money or time spent gambling. Some people have lots of money and time and may not have a gambling problem even if they might seem to gamble a lot. Others may have a problem even if they are only gambling relatively infrequently or for seemingly modest amounts.

The tipping point at which someone is no longer managing their risk of problem gambling appropriately for their own circumstances, and when their activity becomes harmful, may be characterised by red flags such as lying or secretive behaviour, depression, anger, ignoring other responsibilities and unrealistic expectations around winning. However, these traits may not be apparent in every problem gambler.

For this reason, responsible gambling programmes are an essential safety net aimed at supporting gamblers to play safely within their own parameters, while avoiding unnecessary intrusion into the freedom and choice of the vast majority of adults who do gamble appropriately.

For too long, responsible gambling programmes have focused primarily on issues surrounding problem gambling and addiction. This approach tends to alienate the more than 90 per cent of players who gamble responsibly and as a result, paints the gaming industry with a negative brush that it does more harm than good in the areas where casinos are available. But, by normalising the conversation about responsible gambling, casinos are able to engage a greater number of their customers in conversations about the principles of positive play, the importance of setting a gambling budget and time limit, and only gambling what you can afford to lose. Panelists Sean Hughes and Iain Corby outline their views ahead of their panel session in Macau

Responsible gambling programs are an essential safety net aimed at supporting gamblers to play safely within their own parameters, while avoiding unnecessary intrusion into their freedom and choice



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John Hagan,
IAGA Secretary, Partner with Harris
Hagan, and Deputy Director of GamCare

John Hagan is recognised by the independent legal guides as a leading international gambling lawyer.

In 1993 he qualified and practised as a commercial litigator before specialising in gambling law from 1998. Furthermore he has advised many of the world's largest gambling operators.

In addition, John is frequently instructed by other law firms, private equity firms and banks to provide specialist licensing and regulatory expertise in respect of corporate investments and transactions.

John is an experienced advocate, a frequent and respected conference speaker and a regular contributor of articles to national and international gaming publications. He is also secretary of the International Association of Gaming Advisors, a member of the International Masters of Gaming Law, Deputy Chairman of Gamcare, the leading problem gambling charity in the UK and Chairman of the Industry Group for Responsible Gambling.

In the UK we have very clear gambling advertising rules, but more fundamentally, the messaging to customers is about is making sure they make an informed choice when they gamble. The messaging should help them to increase their own self-awareness.

Responsible Gambling: Change, Collaboration and Innovation



In his keynote address at the IAGA Summit, John Hagan will consider the social responsibility landscape in the UK and how industry, responsible gambling experts, academics, researchers and treatment providers can work together effectively to achieve meaningful change in live gambling environments. His comments will look at how the industry can engage openly with its customers in relation to responsible gambling, enable informed choice, improve self-awareness of their behaviour and create supportive environments. G3 took the opportunity to interview Mr. Hagan ahead of his Macau Summit address

Should operators be accused of double standards by encourage play while stating that are promoting RG responsibly?

I think the main point is that advertising, marketing and responsibly gambling are not mutually inconsistent. Gambling is a mainstream leisure activity and in the UK operators are free to market their services on TV, online, through sponsorship and at premises etc. What matters is that the advertising and marketing, as well as the products themselves, are responsible. In the UK we have very clear gambling advertising rules, but more fundamentally, the messaging to customers is about making sure they make an informed choice when they gamble. The messaging should help them to increase their own self-awareness.

One of the issues with responsible gambling messaging is that it's viewed by the majority of the public as relating to someone else, so they ignore it.

Meanwhile, the problem gamblers don't consider themselves to be problem gamblers, so they ignore it as well, which means there's very few actually paying attention to all this messaging, which is clearly something that needs to be addressed.

Should the industry be asking for/commissioning compelling academic research to back-up the need to implement RG strategies?

Of course there needs to be academic research into responsible gambling and it needs to be evaluated and applied within the industry. However, commissioning and understanding research is not the industry's strength. Operators find it complex and often inconclusive, especially when they're looking to make a practical positive change. Operators roles shouldn't be limited to simply funding the research, they need to be collaborating with researchers, giving them data and live experiences of how customers play as part of real operational insights. Without this collaboration



the research runs the risk of being commercially unworkable.

I'd like to see operators working more with researchers so outcomes are more relevant and helpful. What must not happen is that a lack of academic research becomes a reason to delay or not to implement change. In their commercial activities they wouldn't wait for definitive evidence to embark on a new promotional campaign or product they thought might be a success, and the same should apply to adopting responsible gambling practices.

Does RG dull innovation and stifle creativity?

No – responsible gambling should be an inherent element of the innovation and creativity of operators, not a separate layer of thinking; it should be part of the innovation and creation. This is an important point, which applies to all of your questions. I'd like to see operators apply the same level of creativity to responsible gambling matters as they do to rest of their business.

Do the games operators buy from manufacturers give them little scope to apply RG measures?

As far as the UK is concerned, the leading games manufacturers are being asked annually by the Gambling Commission about what they're doing to help their business customers to identify and tackle gambling related harm. The major games manufacturers are being asked to consider the

potential impact on at-risk and problem gamblers of their structural game characteristics and environmental factors. The B2B games manufacturers are already being told that just because you don't deal with customers, you still need to give thought to the impact of your games from a responsible gambling perspective. It is a two-way process. The B2Cs also need to give thought to the features they'd like to see in their games and to feed back to the B2Bs. They are all part of the same eco-system and need to communicate with each other. I accept if you're just one small operator, you're unlikely to persuade a games manufacture to change their games, but the B2Cs as a whole are in a position to influence the B2Bs – they are the customers after all.

Should RG messaging be directed to include all players as opposed to just problem gamblers?

Yes – messaging has historically been directed at problem gamblers, but there's a lack of self-awareness on the part of non-problem gamblers who don't identify with the messaging, while problem gamblers ignore the messaging because they don't think they're problem gamblers. So responsible gambling messaging and responsible gambling tools, such as the ability to set limits on the amounts you play and deposit are for everyone. I'd like to see customers using spending and deposit limits as a matter of course, not because they have a problem with their gambling, but because it's a responsible way to gamble. It is responsible to give some thought beforehand as to what you can comfortably spend on

The major games manufacturers are being asked to consider the potential impact on at-risk and problem gamblers. The B2B games manufacturers are being told that just because you don't deal with customers, you still need to give thought to the impact of your games from a responsible gambling perspective.



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It is essential that leadership in responsible gambling comes from the top. Unless this happens, then always going to be the danger that those employed in the organisation will experience tension between financial performance and responsible gambling.

gambling and, if in heat of moment, you trigger that amount, you don't just carry on.

Is it realistic to ask operators to invest the same level of marketing investment in RG as they do their marketing materials? Is RG messaging being overwhelmed by promotional and sales messaging?

Operators do need to have a joined up approach to their marketing messaging. All of their marketing needs to be responsible, but I think there should be a proportionate amount dedicated to responsible gambling specifically, such as the availability of responsible gambling tools and what it means to gamble responsibly. I don't expect this to be the same level as their regular marketing activities, they are commercial companies after all. It has to be a proportionate amount, while not losing sight of the fact that the overwhelming majority of people play and enjoy gambling responsibly.

Is RG only possible within the remits of large operators who have access to the financial resources, since RG is perceived as expensive and time-consuming?

Absolutely not. Every operator, whatever their size, needs to do their share. I would say that in fact many smaller operators are better placed to address responsible gambling issues due to their intimate

knowledge of their customers and their gambling.

How does staff training and high staff turnover affect the efficacy of RG?

Staff training is hugely important. It is pivotal because ultimately an effective responsible gambling culture within an organisation comes down to the staff within that business. It's staff, particularly in land-based businesses, who know customers best due to their day-to-day contact. It is therefore imperative that they understand responsible gambling so that they may engage flexibly and appropriately with customers, and are supported within the business in doing so.

Is poor leadership around RG due to the fact that organisational culture favours other priorities – and if so, how do we address this?

It is essential that leadership in responsible gambling comes from the top. Unless this happens, there's always going to be the danger that those employed in the organisation will experience tension between financial performance and responsible gambling.

Should RG best practice be guided by regulation, hard evidence, or be driven by an ongoing commitment to reduce problem gambling at every possible instance?



All of the above – but most importantly progress will be made by businesses putting customers first and foremost in their thinking. It is important for the customer and important for the long-term sustainability of their business.

Are there one-size fits all solutions available – and to whom should the industry turn for best practice?

I think industry does need to work collaboratively and collectively through their trade associations to establish best principles and best practice. A degree of competition and individuality is good with operators seeking to go above and beyond to pilot new initiatives and try new things. Operators need to establish commercial advantage in relation to responsible gambling, as long as best practices are also in place.

How can the industry shift away from reactive and medical models of gambling addiction towards a more inclusive and pre-emptive approach? What part do operators play in this and what role should manufacturers adopt?

I think operators need to embed proactively responsible gambling practices for all players. I think it is imperative that they don't wait for signs of problem gambling before responsible gambling becomes relevant. If there is an embedded responsible

I think operators need to embed proactively responsible gambling practices for all players. I think it is imperative that they don't wait for signs of problem gambling before responsible gambling becomes relevant. If there is an embedded responsible gambling culture then there will be a proactive rather than a reactive approach.

gambling culture then there will be a proactive rather than a reactive approach.

Without enforcement, how does the industry ensure it is dedicating the resources needed to achieve the stated objectives around RG?

In the UK, we have a three year responsible gambling strategy in place set by the Responsible Gambling Strategy Board. The role of industry is to ensure that it collectively raises the money to fund that strategy and engages fully with the arrangements to ensure the best system is in place. Operators should be using the same level of creativity and innovation in respect of responsible gambling initiatives as they do with their business products. And I think this will be successful if those initiatives are delivered with customer impact in mind. So where they are pursuing initiatives genuinely for the good of customers rather than as a tick-box exercise, we will see a much higher level of success.



The International Association of Gaming Advisors (IAGA) will hold its 37th annual International Gaming Summit May 14 – 16 at the Four Seasons Macao in Macau, China.

Events

IGA SUMMIT
Macau 2018



Kahil Philander,
Assistant Professor, Washington State
University, Carson College of Business

Prof. Kahil Philander is a gambling economist and an Assistant Professor at Washington State University's Carson College of Business. Previously, he oversaw the GameSense responsible gambling program as Director of Social Responsibility at BCLC and served as Director of Research at the University of Nevada, Las Vegas International Gaming Institute. Dr. Philander has published widely in peer-reviewed academic journals, including *Tourism Economics*, *Frontiers in Psychology*, *Journal of Gambling Studies*, and the *Gaming Law Review and Economics*. He is a member of the editorial board of *International Gambling Studies*, Harvard's Division on Addiction's Brief Addiction Science Information Source, and the *UNLV Gaming Research & Review Journal*. Prof. Philander has been named to *Global Gaming Business Magazine's* 40 under 40 list, and was a co-recipient of the Research of the Year Award from the National Council on Problem Gambling.

As monopolies erode and competition enters the market with better products and prices, it will become harder for illegal gambling organisations to compete. Underground economies flourish because they supply a product that doesn't exist or they have lower prices. If states start to remove some of the distortions that take markets away from a competitive outcome, it will be much tougher for illegal gambling to thrive.

The Impact of Illegal Gambling on Regulated Gaming Markets



Illegal gambling continues to present a significant threat to legalised gaming. In the US, more than \$2.5bn a year is believed to be wagered through illegal offshore sports betting; the Philippines and China recently initiated joint exercises to crack down on transnational cyber-gambling; and in Europe, United Kingdom operators are now liable for any illegal activities developed by their affiliates. G3 interviews panelists about this pressing IGA Summit topic

The countries with the highest online gambling revenues are China and the US, both countries with complete online gambling bans. What is the impact this revenue is having both on the US and China, and in wider markets worldwide?

Kahil Philander: Domestically, neither country has a complete ban. The US allows horse racing bets and has a smattering of online lottery, casino, and other wagering across a few states, while China has had, and may soon return to, online lottery sales. More important is the size and scope of the unregulated market, which impacts both consumers and governments. Governments are unable to generate tax revenue, and consumers are subject to much higher risk of fraud and a lower quality product when it comes to things like payment processing. Globally, the impacts are more complicated. Many of the firms operating in unregulated markets are connected directly or indirectly to regulated companies through their supply chains, sharing similar vendors for example.

Óscar Madureira: Based on the disclosed information, it is quite hard to provide accurate feedback about the impact(s) of online gaming in Mainland China. Data about the topic is scarce and therefore one should not attempt to provide a definitive and binding opinion on the matter. Nevertheless, being an illegal activity online gaming causes some of the negative impact similar illegal activities may cause to the relevant country/jurisdiction. First impact to underline should be the social impact an activity like online gaming may have in the mainland China (and US) population. Without a proper and regulated operation, the state and the country's relevant authorities are not able to put in place (at least in an effectively manner) responsible gaming measures and other type of gaming addiction controls, which may have strong social repercussions. We all know how younger generations are being influenced by the world wide

web and applications and so online betting an internet activity, is expected to have a strong influence and impact over those young players. Lack of regulation may not allow the government to control access of online gaming and subsequently, to minimise eventual harmful effects like addictive gaming, fraud and prodigality issues.

Another relevant impact to emphasise is tax evasion. Without proper regulations and control, both states will not be able to receive taxes from those illegal operations and use collected funds within their respective societies.

What are the economic and socio-economic costs of not regulating the online gambling space?

Óscar Madureira: Social economical impacts are quite diverse. At the social level, non regulation may cause gambling problem issues because at the end of the day the bets are not scrutinised by any governmental entity. At the same time the non-regulation of a market that is proven to exist may be confused with a certain tacit authorisation of an illegal activity. At an economic level, non-regulation of online gaming will certainly have impact on tax levels (as the state is not collecting any taxes) and, of course, on possible practices of money laundry activities as no authorities are controlling and checking either the provenience of the funds or the acknowledgement of the clients' profiles.

Kahil Philander: The largest economic cost is probably the decline in consumer surplus (the value that actual and potential players get from consumption). Research I've done with other economists suggests that consumers are willing to pay more for a regulated product, even over and above what they get from sites with a high level of security. Experience from markets like Britain also suggests that many more people would play online if given the opportunity to do so in



an open and regulated market. Socially, there are some significant challenges. When unregulated sites can grow unfettered, there's substantially more liquidity for unsavoury criminal activity like money laundering.

We also lose control over consumer protections on simple things like customer fund segregation, and more subtle programmes like responsible gambling policies.

When introducing regulations, how do you balance protection of the consumer against the prevention of problem gambling?

Kahil Philander: For the most part, these two things are not in conflict. The success of programs like GameSense owes to a focus on Positive Play -- the behaviours and beliefs that reduce the chances of developing a gambling disorder, but do so while actively embracing the gambling experience. If operators and policy makers focus on the consumer experience while they're developing responsible gambling regulations, there's substantial opportunities to do good while minimising unintended downsides.

Óscar Madureira: In my point of view, both variables complement themselves. Consumer protections and problem gambling are strictly related and the compliance commitment of the first shall help to minimise the effects of the second. By putting in place measures to protect gaming consumers, the state is also capable of controlling the exercise of gaming activities and eventually prevent issues like fraud and ultimately problem gambling. Nevertheless, considering both variables, if the application of the relevant regulations somehow conflict, one is of the opinion that the most relevant variable and rights shall prevail. This said, considering a potential conflict between consumer protection and problem gambling, legislator shall prioritise the applications of measures to protect consumers against problem gaming in first place.

If the Hungarian Ministry of Justice does ignore the ECJ and insist that only land-based operators qualify for online licences, is it still illegal for online-only operators to take bets from Hungarian players?

Óscar Madureira: This question brings to our

consideration the discussion on conflicts between European union and national regulations. There is a dilemma on this subject and there are several disputes in place --involving several different types of activities and countries -- since the enactment of EU. The Europeans treaties establish that once a country decides to be part of the Union, it shall be required to comply with EU regulations and EU institutions decisions and therefore member countries (like Hungary) shall be bound by these requirements. Eventually, if Hungary insists it may be considered in breach of European Union regulations and as a consequence suffer certain sanctions.

Why is there a low priority attached to illegal gambling at the national level in many countries?

Kahil Philander: Part of the challenge is a lack of incentive -- illegal gambling often doesn't erode the regulated markets that contribute the most revenue (lottery and casino). The most pervasive unregulated gaming also typically takes place online, outside jurisdictional borders, which obviously complicates the process to bring anyone to justice. That said, where there are strong institutions and justice systems, enforcement agencies do regularly target illegal markets.

Óscar Madureira: In most jurisdictions illegal crime is treated as a crime and therefore receives the most serious punishment penalties like incarceration. What happens sometimes is that country authorities do not have enough means (like qualified man power) to investigate and hunt illegal gaming activities.

As the erosion of the protected state monopolies for online gambling continues, will we see an increase or decrease in illegal gambling activities in markets such as Holland and Sweden?

Kahil Philander: As monopolies erode and competition enters the market with better products and prices, it will become harder for illegal gambling

In most jurisdictions illegal crime is treated as a crime and therefore receives the most serious punishment penalties like incarceration. What happens sometimes is that country authorities do not have enough means (like qualified man power) to investigate and hunt illegal gaming activities.

organisations to compete. Underground economies flourish because they supply a product that doesn't exist or they have lower prices. As monopolies unwind, both of these pressures are relieved. We see this play out in other markets like tobacco, where very high government tax rates have pushed up prices and created an opportunity for illegal sellers to undercut the market. If states start to remove some of the distortions that take markets away from a competitive outcome, it will be much tougher for illegal gambling to thrive.

Óscar Madureira: I trust that online business development is still within an early stage. We will see solidification and consolidation of the market in a near future.



Óscar Madureira,
Lawyer, Rato, Ling, Lei & Cortés –
Advogados (Lektou)

Óscar is a lawyer and head of the Portuguese Desk at Rato, Ling, Lei & Cortés and is a qualified professional under Macau Lawyers' Association, Portuguese Bar Association and the Hong Kong Institute of Arbitrators. He is also a qualified cross-border lawyer registered under Guangdong Government Department of Justice. Prior to his current position, Óscar was a Senior Legal Counsel for Melco Resorts & Entertainment as well as an associate lawyer in other Macau major law firms. He was also a Legal Consultant for Porto City Hall and Portuguese National Traffic and Transportation Department as well as other private and public entities. Óscar is a member of the Scientific Counsel of Rui Cunha Foundation, a lecturer and consultant at CRED-MD – Center for Reflection, Study and Dissemination of Macau SAR Law and an invited lecturer at the University of Saint Joseph in Macau.



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**YEARS OF
MANUFACTURING
EXCELLENCE**

Online Gaming and Regulation: Looking Back to Move Forward

Events

IAGA SUMMIT
Macau 2018



Jorn Starck,
Executive Director
Alderney Gambling Control
Commission

Jorn Starck is the Executive Director of the Alderney Gambling Control Commission (AGCC). Jorn joined AGCC in 2007. In 2011 he assumed the role of Director of Compliance and in 2014 was promoted to Director of Regulatory Operations. Prior to joining the AGCC Jorn worked in various parts of the eGambling industry, including betting and gaming operators and affiliates. During his 20-year career in the gambling industry he has held a wide range of senior and managerial roles, focusing primarily on online gambling.

What's the single most important lesson you've learned from online gaming that influences everything you do going forward – and why?

As the online gambling industry is so young, there have been many lessons learned over the last 20 years or so, many that are key to the development of the sector. However, from a regulatory point of view, the most important lesson learned in our own experience, and anecdotally from peers, is to apply a risk-based approach to regulatory requirements as opposed to an overly prescriptive or formulaic approach. It is this approach that is applied to all processes adopted by the Alderney Gambling Control Commission's (AGCC) framework. It also complements other regulatory and oversight bodies' approach from FATF to other top tier regulators.

The online gambling sector is evolving rapidly in every way and in particular in respect of technological advancements month-on-month. The lessons observed by the AGCC with our near 20 year experience to date is that being too prescriptive or formulaic in an ever-evolving sector is foolhardy. Applying requirements and procedures in a risk-based manner ensures proportionality and allows operations to be fit for purpose and the industry to evolve and grow accordingly.

If we all assessed the sector in five year segments since the online world emerged 20 years or so ago, we would observe fundamental differences in every aspect of the sector. As such, it is important to be flexible and nimble, whilst most importantly, maintaining consistent and reliable best practice standards that are reflective of the balance of interests, some competing, some complementary, relating to player protection requirements and technological advancements. It is important that industry and regulators are collaborating with similar objectives overall."



Julian Hoskins,
Principal, Senet Legal

Julian Hoskins is a Principal of Australian law firm Senet Legal. He specialises in providing legal services to clients in all sectors of the gambling and entertainment industry. Prior to commencing with Senet Legal, Julian held various General Counsel roles within Tabcorp, being Australia's largest gambling and entertainment company, over a period of almost 10 years. Prior to Tabcorp, he held several senior positions in large law firms in Australia and Europe, predominantly acting for highly regulated clients including those in the gambling sector.

What's the single most important lesson you've learned from online gaming that influences everything you do going forward – and why?

It is absolutely critical to understand in detail the online gaming product and software functionality and consider it from an integrity and responsible gambling perspective. This is a primary focus of gambling regulators and, by correlation, lawyers.

Legal and regulatory issues associated with traditional forms of online product (for example, casino games) are generally well understood. It is emerging technology, product and software, together with its integration into traditional product, which is presenting the biggest challenges. An example is cryptocurrency gambling and the use of blockchain technology generally.

There has been significant growth of online operators offering cryptocurrency transactions as a real money alternative. Conceptually, there is no reason why cryptocurrency gambling should not be permitted in a particular jurisdiction, provided there is robust regulation of cryptocurrency and exchanges in that jurisdiction, including the requirement to comply with relevant AML/CTF laws. This will ultimately reduce the risk to the operator and consumers, including as a result of fraudulent activity.

Putting aside cryptocurrency, blockchain technology generally is starting to emerge as a possible means of verifying the integrity of a game and as an endorsement of reliability (for example, Edgeless). This has the potential to lead to more innovation and increase the attractiveness of online product. Online product must be sensibly regulated to ensure the on-going sustainability of the industry. Ultimately the underlying issue is the question of integrity and responsible gambling. The challenge will be whether laws can keep up with the pace of industry disruptors.

How do markets where online gaming isn't currently offered evaluate if, when and how to legalise online gambling? How is the online segment adapting to new considerations like the growth of blockchain technology? What challenges will regulating cryptocurrency gambling pose? At the IAGA Summit in Macau online experts from around the world evaluate how the gaming industry is planning for the future by first reflecting on its past. G3 asks Jorn Stark and Julian Hoskins for their views on the topic.

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Japan: the last great casino market to fall?

Japan was always considered one of the largest untapped markets for casinos. Soon after Prime Minister Shinzo Abe was elected in 2012 the idea began to develop and at the end of 2016 Japanese legislators finally passed a law with the aim of legalising casinos. This brings an end to 15 years of political wrangling and it now paves the way for the development of Integrated Resorts

The Casino Bill, officially known as Bill Promoting Implementation of Specified Integrated Resort Areas, was sponsored by a group of lawmakers mostly from the ruling Liberal Democratic Party and the aim behind it is to attract more foreign tourists into the country by legalising integrated casino resorts, featuring hotels, shops and conference spaces at various locations across the country whilst helping cash strapped jurisdictions.

As such Japan could become Asia's second largest casino industry after Macau and analysts predict annual turnovers of anything between US\$10bn and \$25bn depending on the number of developed resorts.

Japan already has a very successful tourism industry with around 28.7 million international tourists in 2017, an increase of 19 per cent on the year before, whilst foreign visitors to Japan have doubled in the last decade.

In 2008 the Japan Tourism Agency was set up by the government to increase tourism visitors by 20 million by 2020. However having already met that target the government has since revised its target to 40 million by 2020.

The number of Chinese tourists stood at nearly 7.4 million last year, an increase of 15.4 per cent and as such China was the biggest single source market with a quarter of all Japan's overseas visitors. There are relaxed visa regulations for the Chinese and it is thought this will only continue. The Chinese are followed by South Koreans (7.1 million), Taiwanese (4.6 million)

and then visitors from Hong Kong and the US.

Overall travel expenditure for international visitors to Japan in 2017 amounted to ¥4.41 trillion – a 17.8 per cent increase on the previous year. China, Taiwan, South Korea, Hong Kong and US accounted for 76 per cent of this.

The discussions about legalising casinos in Japan has been on the table for many years when the Liberal Democratic Party produced a report called 'Japan's Basic Policy concerning the Introduction of Casino Entertainment.'

A bill was then initially submitted to the Diet in the autumn of 2014 but due to a political scandal at the time and the Lower House being dissolved the content of this bill was not fully discussed.

Then in 2016 the LDP and members of a cross party group called the Alliance, submitted the Casino Bill to implement IR legislation to the Japanese Diet, which was passed in December 2016.

The Casino Bill basically outlines the necessary legislative measures which are needed to invoke the act and is the first procedure for the introduction of permitting casinos in Japan. It plans to take a two stage legislative process – firstly the passing of the act to 'facilitate' the development of Integrated Resorts and secondly the passing of an act to 'implement' IR. The current bill only focuses on the first part and contains 23 articles basically outlining the general policy and process to 'facilitate' the introduction of casinos.

Reports

MARKET REPORT: JAPAN

TOTAL LEISURE MARKET:

¥70.9TRN

LOTTERY TICKET SALES:

¥845BN

HORSE RACING TRACKS:

25 (10 JRA + 15 NAR)

JRA TURNOVER:

¥2.6TRN

NAR TURNOVER:

¥477.2BN

PACHINKO PARLOURS:

11,000

PACHINKO SLOTS:

2.9 MILLION

PACHISLOTS:

1.6 MILLION

PACHINKO/PACHISLOT REVENUE:

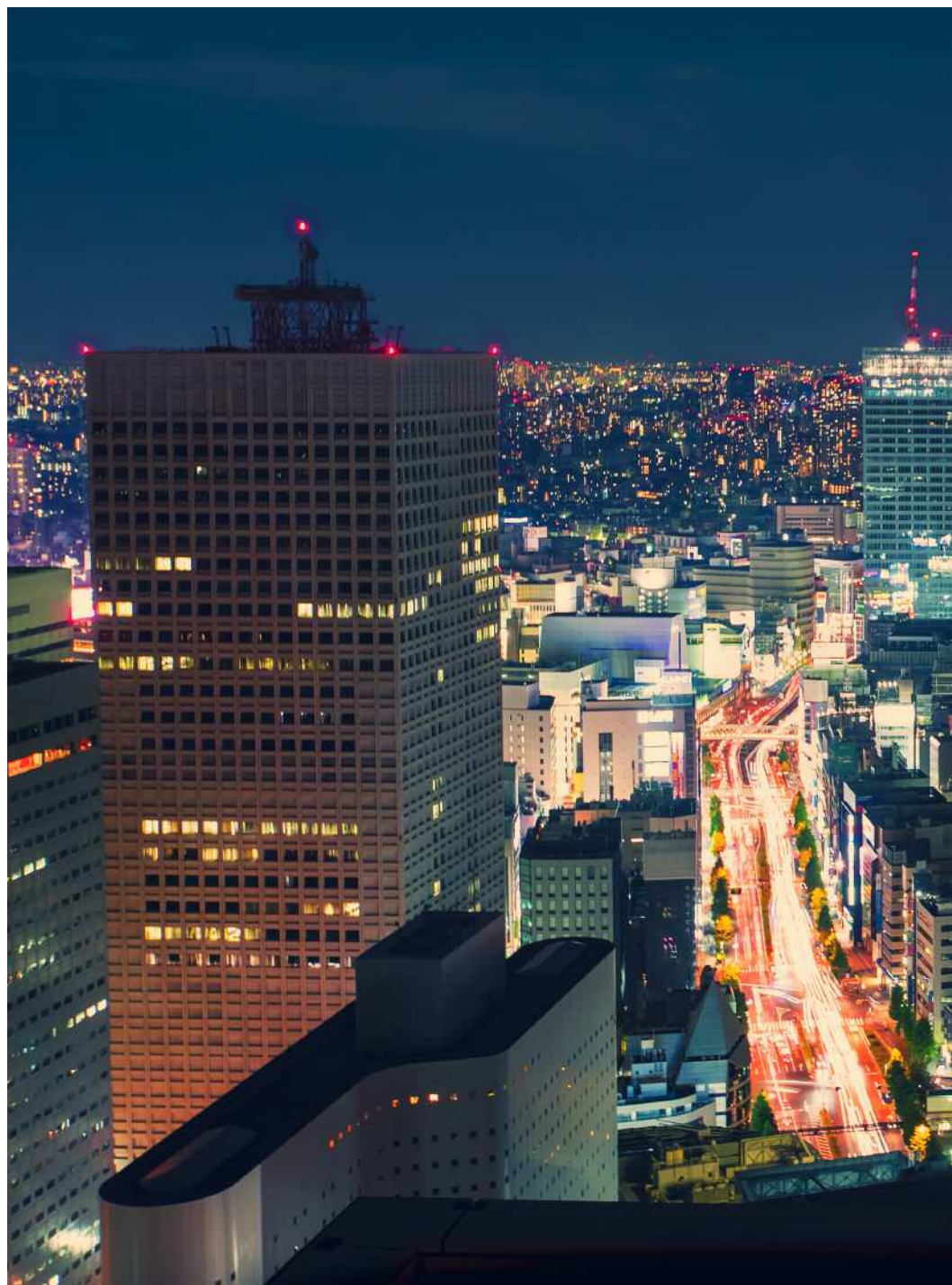
¥21.6TRN

The key points include:

- The government will designate certain areas for Integrated Resorts which will focus on areas of tourism.
- Integrated Resorts will be run by private entities and licences will be granted by a Casino Control Committee which will be set up to licence casino operators and supervise the operations.
- As the idea is to promote and stimulate tourism it is thought licences will be best granted to a consortium of domestic and international players given Japan's unique customs and language barrier.
- Once the Act is promulgated specific implementation legislation will be created so the government can approve IR areas and the time line is within one year after the Act enforcement.
- Applications from operators must appeal to local governments not only based on financial implications but also by understanding regional characteristics and community requirements.

The specifics of the bill have just recently been discussed and the bill was up for vote in mid April (coinciding with G3 publication). The timeline is quite strict for the bill to be passed in the current session of Japan's parliament which ends June 20.

The legislators are expecting resistance from some Komeito lawmakers and from the opposition Japanese Communist Party and



Democratic Party. Failure to pass the legislation this year would mean local elections expected next spring could make the Casino Bill too controversial to continue and may see it pushed back.

The realistic view is that casinos won't open until around 2023, after the 2020 Tokyo Olympic Games and will be used to help sustain the growth of tourism and related industry post Olympic Games.

There are several issues being discussed at present mostly concerning money laundering, anti social forces and the impact on young people. The creation of a regulatory framework to protect vulnerable players for gambling related problems has since become a priority for the government.

The bid to create a player safe environment means the policy makers have now started to address the problem of addiction and are now working on a responsible gambling bill and is

looking to pass this before the end of its session in June.

The law broadly mandates the government to form a plan to stop gambling addiction and ensuring businesses cooperate. However it doesn't specify rules that businesses must follow or penalties for non compliance. It does however outline specific duties such as restricting access to venues and providing funds for counselling.

After a series of meetings governing parties had (at the time of going to press) finally agreed on the 11 major issues regarding casino implementation. The main one included limiting the number of resorts to three initially.

Previously the LDP had called for four or five IRs whilst Komeito preferred two or three during the first round of licences. However lawmakers will be able to review the number of licences after seven years rather than the 10 year moratorium originally stated.



Among the other issues covered includes a cap on the number of casino visits a player can indulge in. The agreement now is to permit perspective players to only three visits over any seven consecutive days and 10 visits per month which would be a 28 day uninterrupted period.

A report in the Japan Times in February said lawmakers had suggested utilising the integrated circuit chip inside government issued Identity cards to limit Japanese citizens and foreign nationals living in the country to a maximum number of visits to casinos.

However with a slow uptake on ID cards known as 'My Number Card' – apparently only 10 per cent of eligible Japanese population have this card – it is thought the government may look at using biometric identification technology for locals wishing to enter the casinos. This could involve fingerprint scans, facial scans or eye scans. Melco Resorts recently gave a demonstration of its MelGuard biometrics system which they say could contribute as a

The bid to create a player safe environment means the policy makers have now started to address the problem of addiction and are now working on a responsible gambling bill and is looking to pass this before the end of its session in June.

database system listing anyone excluded. Already technology using fingerprint and face scans can be found at some immigration check points in the Asia Pacific region.

Since October 2017 three units of Panasonic Corp facial recognition systems have been put into operation at Tokyo airport immigration control whilst in February this year Panasonic announced it would launch its face recognition server software in July outside Japan and from August in Japan. Other topics agreed on during a March/April meeting was limiting the size of the

gaming floor to three per cent of the total floor area. Previously a cap of 15,000sq.m floor area was suggested but this has been rejected with no clarification as yet on what overall IR space will be permitted.

The two parties have also struck on a deal on the entrance fee to be charged to locals with a fee of ¥6,000 (US\$56) being settled on. Komeito had wanted an ¥8,000 fee whilst the LDP was looking at ¥5,000 having initially wanted just ¥2,000.

Reports

MARKET REPORT: JAPAN



Meanwhile taxes will be set at a fixed 30 per cent rate on casino GGR which was favoured instead of a proposed progressive tax system with venues being required to pay a 30 per cent duty on their first ¥150bn of annual GGR with an extra 10 per cent tax added on takings up to ¥300bn with a 50 per cent tax on anything over this amount.

WAITING ON THE SIDELINES

As the Japanese National Diet battle out the logistics of the regulatory structure many of the global casino giants are sat on the sidelines waiting anxiously to enter a market which could have the potential to outstrip the likes of Vegas

and Macau. Casinos could in theory bring an additional US\$10bn in industry turnover or 0.2 per cent of GDP and the major companies are eager to take advantage of this opening.

Prior to the casino legislation, gambling in Japan has been restricted to buying lottery tickets or betting on boat, horse, bike, soccer pools or motorcycle races and of course the slightly grey area of pachinko.

Pachinko, which has managed to hide its technically illegal garish gambling oddity in plain sight for the last 80 years is an amazing gambling product. It is big business bringing in

some four per cent of GDP annually and despite a slow decline it still rakes in over ¥20trn.

Potentially Japan with its 127 million population could be a massive casino market. Japan consists of 6,852 islands of which the four largest, Honshu, Hokkaido, Kyushu and Shikoku, make up about 97 per cent of Japan's land area and are referred to as the 'home islands'. The country is divided up into 47 prefectures in eight regions with Hokkaido, being the most northern prefecture and Okinawa the southernmost.

Around 73 per cent of the country is forested



and mountainous and unsuitable for agricultural or residential use so most are located in coastal areas.

Today Japan is considered a great power and has the world's third largest economy by nominal GDP after the US and China and the world's fourth largest economy by PPP after the US, China and India. It is also the world's fourth largest exporter and fourth largest importer.

It has a highly skilled workforce and among the highest educated countries in the world. Its service sector accounts for three quarters of the GDP with a large industrial sector.

Strong policies in the early 1950s led to a strong industrial growth rate and the 1960s to 80s was often described as the Miracle period. The crash of the Tokyo Stock Exchange in the early 90s however saw a period of low growth rate for 20 odd years after.

Nominal GDP growth rate is now estimated at ¥564.3 trillion for 2018 with a predicted 1.8 per cent growth this year. There is low unemployment in Japan currently around three per cent.

The emperor is a ceremonial figurehead whilst executive power is wielded chiefly by the PM

and his cabinet. Following the Liberal Democrat Party's (LDP) landslide victory in the 2012 general elections, Shinzo Abe replaced Yoshihiko Noda as Prime Minister and has become the only Prime Minister to win the general elections five consecutive times, the last one in October 2017.

In September this year Japan's LDP will choose its new leader and despite some interest from other players such as Shigeru Ishiba and Shinjiro Koizumi, it is thought that Shinzo Abe will win the leadership contest although this could depend on the continuation of the economic recovery in Japan.

Under his leadership several measures have been introduced to boost Japan's ailing economy. He comes from a line of family politicians and his grandfather was former Prime Minister Nobusuke Kishi whilst his father was foreign minister.

After long gloomy years of stagnation the turnaround for Japan's economy began at the end of 2012 with the election of Shinzo Abe followed by the appointment of Haruhiko Kuroda as Governor of the Bank of Japan in 2013.

The leaders played out some controversial moves which appear to have paid off and whilst nominal GDP growth has been impressive, some fear the division between real growth and inflation is however hazy.

Japan has since registered economic growth in seven consecutive quarters, the first time since the mid 1990s.

For Shinzo Abe the 'Abenomics' economy revival programme has lost its momentum and the casinos now represent a way to stimulate growth.

There are several key locations rumoured as possible sites for the Integrated Resorts which include Tokyo, Yokohama, Okinawa, Hokkaido, Nagasaki, Osaka and Miyazaki. Local governments would need central government approval and although Tokyo is a prime location there is expected to be fierce competition from the other areas who will view the IRs as a great way to promote local economic growth.

Osaka is a clear favourite with Fumeshina, the man made artificial island being the main location idea for the IR. The Osaka Prefecture established in April 2017 was set up as a specific bureau to work on the IR issue. The city is located in the Kansai region with a population of 2.7 million in the metropolitan area and 19.3 million in total.

Tokyo is of course the largest city with 13 million plus population and the two main proposed locations including an area known as the Tokyo Fish Market site. Other areas mentioned include Yokohama's site on the Tokyo Bay which is an existing dock site whilst Sasebo in Nagasaki in the south is closest to South Korea with a strong tourist reach. The proposed site is near Huis Ten Bosch, a theme park which replicates a Dutch village from the 1600s.

Wakayama Marina City is also in the running. This is an artificial resort island near Osaka which currently accommodates hotel, hot spring

Reports

MARKET REPORT: JAPAN

Essential information and facts about Japan:

Capital	Tokyo
Total Area	377,915 sq.km
Population	126,451,398
Median age	47.3 years
Religion	Shintoism, Buddhism, Christianity
Ethnic Groups	Japanese (98.5%), Koreans (0.5%), Chinese (0.4%)
Languages	Japanese
Currency	Yen
Government type	Parliamentary Constitutional Monarchy
Chief of State	Emperor Akihito (since 1989)
Head of Government	Prime Minister Shinzo Abe (since 2012)
Elections	Monarch is hereditary. Leader of majority party in House of Representatives usually becomes Prime Minister.



In April 2017 Sega Sammy partnered with Paradise to open the \$1.7bn Paradise City in Incheon, South Korea and aims to use this venue as its track record and experience in winning a casino resort tender bid in Japan. They reported that they would seek a majority stake in any Japanese casino project.

and other such facilities. Japanese company Intrance Co Ltd made some investments here in hotels. In Hokkaido there are also several sites being discussed including Otaru, Kushiro and Tomakomai.

Japan's new casino industry will face stiff competition from the likes of Macau, Malaysia and Singapore but according to sources the Japanese culture is a key lure and it is thought Japan will follow in Singapore's footsteps for the implementation phase.

According to a Global Market Advisor report slots are expected to play heavily in the new IRs with an estimated 45 per cent allocation plus five per cent for electronic table games and 50 per cent table games whilst Blackjack is expected to be a popular game.

It is reported that 50 per cent of Japanese residents are still opposed to the establishment of casinos and the government is pulling out all the stops to make the IR bill as friendly as possible.

There are several global casino giants now standing on the sidelines of Japan waiting for the

golden goose to hatch and some are already investing into the country although competitive bidding isn't anticipated to start until 2019.

Pachinko giant Sega Sammy Holdings has announced its intention to open an IR although is waiting on government legislation before preparing plans.

In April 2017 Sega Sammy partnered with Seoul listed Paradise Company Ltd to open the \$1.7bn Paradise City in Incheon, South Korea and aims to use this venue as its track record and experience in winning a casino resort tender bid in Japan. They are reported as saying last year that they would seek a majority stake in any Japanese casino project.

Paradise City is South Korea's first IR and Sega Sammy has a 45 per cent stake in the resort and it consists of high end hotel, boutique hotel and 15,529 sq.m gaming area with 154 table games and 281 slots.

Meanwhile Sega Sammy also operates the Phoenix Seagaia Resort located on the eastern corner of Miyazaki City on the Pacific Ocean. The resort spans 11 kilometres covering 700

hectares and is made up of four accommodation complexes including the Sheraton Grande Ocean Resort, condominiums and cottages plus golf clubs, tennis clubs, spa and convention centre.

Sega Sammy Corporation's Nanako Shimohara said: "We are trying to foster the resort business as one of our new fundamental business domains in addition to our existing businesses such as Pachislot and Pachinko Machine Business and Entertainment Contents Business. While the main focus of the resort business will be integrated resort business, we hope to develop integrated resorts in Japan that will have a strong presence worldwide, taking full advantage of our experiences and know how we accumulated by doing various kinds of entertainment businesses.

"Based on this vision we are focusing on making successful the Phoenix Seagaia Resort located in Miyazaki and the Paradise City which opened last year in South Korea.

"We have been working on the business promotion for the Paradise City while keeping a good relationship with Paradise since the business planning phase. Since Paradise City



SEGA SAMMY DATA

	YEAR 2015	YEAR 2016	YEAR 2017	YEAR 2018 (FORECAST)
Pachislot				
Market unit sales	1,230,000	960,000	880,000	720,000
Market unit installed	1,640,000	1,660,000	1,690,000	1,690,000
Pachinko				
Market unit sales	2,010,000	1,880,000	1,560,000	1,510,000
Market unit installed	2,950,000	2,910,000	2,830,000	2,720,000

Source: Segasammy(annual report 2017)

Phase 1-2 is going to open this year, we hope to reinforce our collaboration further to make our joint project successful.

"We believe that integrated resorts can greatly stimulate the Japanese economy and bolster Japan's international competitiveness."

Recently Sega Sammy established the Road to 2020 covering the period through to fiscal 2020, which is a medium term plan looking at the future for IR and pachinko markets.

The Road to 2020 is a vision where the group will implement certain measures aimed at medium term performance targets involved in reducing fixed expenses, a growth in business areas particularly digital games and Integrated Resorts and other new areas.

The IR growth area is a key focus for a mid to

long term company plan. At the moment the resort business is a very small part of the company's earnings (¥13bn in 2017). Pachislot and pachinko scoop the biggest portion (¥148.2bn) of the ¥366.9bn in total sales in 2017 followed by the groups Entertainment business sector (¥205.7bn).

By 2020 the group forecasts total sales of ¥500bn with pachislot and pachinko responsible for ¥185bn and entertainment sector ¥305bn. They estimate the resort business will be worth ¥10bn (operator losses anticipated during first few years).

Meanwhile Japanese Tourism company Kamori Kanko has presented a casino project already for the region of Rusutsu village in Hokkaido.

Early this year Chinese online sports lottery operator 500.com signed an agreement with

Kamori Kanko and invested into a consortium to help boost the plan.

The company 500.com is looking at alternative ventures after the suspension of online lottery sales in China and has apparently invested US\$1.5bn in a consortium it has set up with Japanese tourism company Kamori Kanko.

Until March 2015 500.com was one of only two companies approved by Chinese authorities to participate in a pilot programme for online lottery sales. The temporary suspension of online sales was initiated three years ago after widespread fraud and therefore forced 500.com to look at alternative business ventures.

Other companies such as Sequoia Capital China, Vision Knight Capital and SIG Asia Investments have also joined in the consortium.



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Last year, Kamori Kanko announced a US\$200m partnership with developer Niseko Alpine Developments, to build a luxury hotel and spa facilities in the area. The company already owns Rusutsu village's ski resort, golf courses and theme park.

Galaxy Entertainment and SBM have teamed up in light of Japan's casino market opening. The two agreed on a formal strategic partnership to operate and develop Integrated Resort projects in the Asia Pacific region and Japan in particular.

Both GEG and SBM recognise the potential in this market and have linked their luxury premier resort brands with a luxury hospitality brand.

Galaxy is already successful in Asia and opened their flagship property Galaxy Macau in 2011 and today also operate the Broadway Macau and

Starworld Macau plus three City Club casinos in Macau.

Las Vegas Sands Corporation is also eager to open a world class IR in Japan which will focus on exhibition halls, concert hall and sports facilities and say this would surpass their \$5.6bn Singapore Marina Bay Sands resort. A figure of \$10bn has been cited in terms of investment.

LVS already operates 10 IR facilities around the world and has nearly 70 per cent of the Singapore casino market and is expected to be a front runner in the Japanese sector.

Caesars Entertainment CEO Mark Frissora was in Japan in March soliciting support for his company and met with Osaka governor to discuss a resort strategy. Caesars recently became an official partner of Osaka's bid to host

the 2025 World Expo. They are the fourth casino company to sponsor the city's bid after Melco, MGM and Hard Rock.

Osaka is bidding against two other countries – Baku in Azerbaijan and Ekaterinburg in Russia (after Paris dropped out) – with the winner to be announced in November. Osaka's plans call for the expo to be held on Yumeshima, a 390 hectare artificial island in Osaka Bay. It is thought the direct economic effect of hosting the expo will be around ¥1.9trn although infrastructure costs (such as extending transport links to the island) will be required first off.

The issue of a casino bid could have an affect. The Osaka mayor says the city would hope to earmark a 70 hectare portion of the island to have a casino built on the island before the 2025 Expo which will utilise a separate 60 hectare site, but there is concern among expo supporters



that the Expo officials would hesitate to award an Expo if it's next to an Integrated Casino Resort.

Meanwhile MGM Resorts is one of the favourites for the Japanese casino bid and has upped the ante with its own Japanese website promoting its business and official partner tag for the Osaka World Expo 2025 bid.

They have a Japanese MGM Resorts office running from Tokyo and also in Osaka. Last year MGM reinforced its commitment to the market after appointing the former Charge d'Affaires for the US Embassy in Tokyo Jason Hyland, as Representative Officer and President of MGM Resorts Japan.

Hard Rock International is also looking to expand into Japan. Known primarily for its restaurants Hard Rock also operates hotels and

The Osaka mayor says the city would hope to earmark a 70 hectare portion of the island to have a casino built on the island before the 2025 Expo which will utilise a separate 60 hectare site, but there is concern among expo supporters that the Expo officials would hesitate to award an Expo if it's next to an Integrated Casino Resort.

casinos across 75 markets worldwide.

Melco Resorts and Entertainment Ltd meanwhile has promised to move its headquarters to Japan if it wins a casino licence and has appeared before the Diet to present its interest in opening a resort in Japan. Melco also debuted its biometric security system earlier this year for identification purposes.

Meanwhile Crown Resorts Ltd say they may have already overcapitalised and may not bid for a Japanese resort. With costs of up to \$1.86bn to complete the Crown Sydney project Crown they may simply leave the bidding to other companies.

PACHINKO AND PACHISLOT

At the moment Japan's main gambling diet consists of the unique Pachinko and Pachislot market which dominates the industry.

Described as a noisy vertical variant of pinball, pachinko saw ¥21.6trn waged last year – about 30 per cent of Japan's ¥70.9trn leisure market. It is a huge part of the Japanese economy and despite the fact they are garish, cheaply built and hypnotic they are an integral part of the Japanese culture and cityscape.

Men make up a large percentage of players and the industry is merely 'tolerated' by the government which is mostly run by Koreans who have opened pachinko parlours throughout the cities. It is estimated that 80 per cent of the parlours are owned by ethnic Koreans and many claim that pachinko profits are funnelled back to the North Korean government.

As gambling for cash in Japan is illegal pachinko is treated as an amusement activity overseen mostly by retired police. Winning balls are swapped for tokens which they can then exchange for a prize or basically 'cash in' via an outlet outside the pachinko parlour where they can swap their tokens for cash.

The pachinko sector has had its wave of bad publicity mainly down to gambling addiction stories relating to these games but they continue to thrive.

Pachinko machines were imported into Japan in the 1920s whilst the pachislot machines arrived from the US after the Second World War. At its peak the market exceeded ¥30trn and has produced a mass entertainment culture cherished by many Japanese.

Pachislot is a derivation of the traditional pachinko machines and similar in appearance to slots displaying electronic reels. Again they are token play and payout redeemable for prizes which again are swapped outside for cash.

Until the 1980s the pachislot machines operated in the pachinko parlours were mechanical devices but have since evolved into electronic machines and since the 1990s machines take a pre-paid card instead of cash to lessen the ability for fiddling whilst they have animated screens instead of physical drums. Players can earn as much as ¥200,000 in a single day although it is said that ¥10,000 can be lost in 40 minutes without winning on a typical machine.

Although the pachinko parlours were closed during the Second World War they re-opened in the late 1940s and have remained popular since with the first commercial parlour opening in Nagoya in 1948.

Since the Diet's passing of the new law in December 2016 to legalise casinos the question for those in the pachinko industry is how this will affect their business?

Pachinko's popularity has already declined over the last 20 years. Back in 1995 it was estimated that 30 million customers paid out ¥30trn in revenue and played at over 18,000 pachinko halls compared to around 9.4 million players today who play at some 11,000 parlours generating revenues of ¥21.6trn last year.

The pachinko operators' gross profit is about 15 per cent and revenue per store is estimated to be around \$3.6m annually on average. And although they introduced slot machines to attract younger customers, players under 30 years of age are a rarity.

According to data, sales of pachinko machines dropped by almost 70,000 last year to 2.9 million units whilst sales of pachislot machines increased by 34,000 machines to 1.6 million.

Of the 11,000 parlours there were 4,355 housing 101-300 units, 4,218 housing 301-500 units and 2,518 with 501-1000 units whilst there were 243 parlours with more than 1,000 machines. Some 3,500 companies are involved in the pachinko sector.

Sega-Sammy Corporation's Nanako Shimohara said: "The number of players is steadily declining due to the falling birth rate, which is progressing rapidly in Japan, diversification of entertainment and such, and the market size is also decreasing in turn. Added to this the changes in regulations which have been conducted repeatedly in the last few years, it has become difficult to supply products that satisfy users. This is also thought to contribute to the decrease in players.

"However there are still more than 10,000 parlours in Japan at which more than four million pachinko and pachislot machines operate. The number of these installed machines

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“The Pachislot and Pachinko machine business will continue generating the majority of the Sega Sammy group’s earnings however the outlook does not warrant optimism given market contraction as the player population declines and the introduction of a series of voluntary regulations”

Sega Sammy Chairman and CEO, Hajime Satomi

is not matched even by adding together all the world’s gaming machines. Therefore a certain market size will likely to be maintained even as the market shrinkage continues with Japan’s population decline.”

Sega Sammy saw total net sales for its Pachislot and Pachinko Machine Business of ¥148.2bn last year.

Chairman and CEO Hajime Satomi said in the annual report 2017: “The Pachislot and Pachinko machine business will continue generating the majority of the Sega Sammy group’s earnings however the outlook does not warrant optimism given market contraction as the player population declines and the introduction of a series of voluntary regulations. Similarly the amusement machine sales and amusement centre operations area of the Entertainment Contents Business are unlikely to see significant market growth.

“Rather than relying on marked sales growth in these businesses, we will focus on establishing highly efficient business structures improving

profit margins and generating stable earnings. The Pachislot and Pachinko machine business will ensure that it prevails in the struggle for survival as the contract between winners and losers becomes even more pronounced among manufacturers.

“By investing cash earned through core businesses in a prioritised manner we intend to expand growth businesses. We will expand the digital game area as a driver of medium term growth.”

Machines launched into the pachinko halls must be approved via the Enforcement Regulation of Entertainment Establishments Control law so they must go through a testing and certification procedure before being supplied to the halls. This law was introduced in 2004 and the regulations have been revisited frequently and each revision has affected the market.

There are currently around 36 companies who manufacture pachinko machines and some 63 companies who supply the pachislot machines. Machine sales for the pachinko and pachislot

sector is said to be worth around ¥882.1bn divided between ¥524.5 (pachinko) and ¥357.6 (pachislot).

In a bid to broaden the player base new machines with weaker gambling elements were introduced such as lowering ball rental fees which although this increased utilisation it saw a decline in sales figures. In reverse it saw casual players leave the market.

Changes in testing were introduced in 2014 to help with gambling addiction problems which also had an affect on the market but many operators were cautious about replacing the existing machines with new machines compliant with the new regulations.

There are various changes the pachinko industry would like the authorities to change – high on the agenda is the limit that prevents pachinko parlours charging players more than ¥4 per ball. However amid the governments new anti gambling addiction bill it has unveiled some 3.2 million Japanese who have experienced problems. In a bid to help curb future problems



amid the new casino bill the government has announced that as from February all new pachinko games will have the maximum prize payout cut by a third.

As a result the maximum value of balls paid out to players over a four hour period would be less than the value of ¥50,000. It could mean exciting new machines are off the cards, which means operators won't buy new machines and players may stop visiting.

It is thought Prime Minister Abe is trying to widen the gap between casinos and pachinkos and tighten up the industry. The industry is closely overseen by an organisation made up of retired police officers who have often been accused of treating it as a job with 'perks'. Some say the system of Kankin (changing their prizes for money) could also be prohibited once casinos are introduced which could well see the pachinko industry driven out of business.

PUBLIC GAMBLING:

Meanwhile the main other types of gambling permitted in Japan come under the Public Gambling banner and is limited to gambling on powerboat, bicycle, horse, speedway motorcycle and soccer.

Horse Racing or Keiba is classified in two categories – racing operated by the federal government via an organisation called the Japan Racing Association and racing conducted by local governments on a prefecture and municipal level.

Western style horse racing was introduced to Japan back in 1861 and the first race was held in Yokohama by the Yokohama Race Club formed by a group of foreign residents in the city. Later Tokyo and Hakodata followed suit and it grew from there.

The Horse Racing Law was introduced in 1923 and updated in 1948 after which the JRA was set up in 1954 to ensure the integrity of horseracing and the development of breeding. The association is operated under the supervision of the Ministry of Agriculture, Forestry and Fisheries and revenues go to the national treasury.

It is said because they are government run, the tracks are impersonal and lacking in charm whilst betting is complicated. There are 10 JRA tracks located in Tokyo, Fukushima, Nakayama, Niigata, Kyoto, Kokura, Hanshin, Sapporo, Chukyo and Hakodate.

The tracks – Tokyo, Nakayama, Kyoto and Hanshin – are known as the main four and with Chukyo – hold the GI races. The Tokyo track built in 1933 is known as the racecourse of racecourses in Japanese horseracing and after seven years of renovation it reopened in 2007.

There are also 38 off track JRA betting facilities called WINS for those who wish to bet on horse races. Horse racing is hugely popular and draws in big crowds and most races are held over the weekend. The JRA contributes 10 per cent of its turnover to the national treasury plus 50 per cent of any surplus profits at the end of each

fiscal year. There are some 3,450 races per year on average and 6.3 million attendance figures. Turnover in 2016 was ¥2.6trillion.

Meanwhile the non JRA tracks, of which there are 17 are run by the local governments and many are lower quality race tracks and not for serious bettors whilst some races especially in Tokyo and Kansai areas are held mid week so they do not clash with the JRA races.

Racing by local governments started mainly as a form of public entertainment but flourished in the early 1940s. Revenues are designated to local governments and this type of racing has been on offer for the past 90 years.

In 1962 the Horse Racing Law underwent a review and the National Association of Racing (NAR) was established which oversees the local government racing sector. There are 14 local governments which conduct horse racing at 15 race courses.

There are a total of around 14,500 races conducted by the local governments each year and some 3.2 million visitors per year in total. Turnover for NAR races amounted to ¥477.2bn and most are flat races with thoroughbred horses. There is a unique draft horse race called Ban-ei races held in Hokkaido region only.

The lottery called Takara-kuji has been liberalised over the last 10 years or so. In the past to play the big 'jumbo' lotteries players had to buy tickets in department stores but now they can be found in sanctioned lottery booths.

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The Jumbo lottery is said to be the richest lottery in Asia usually offering a prize pool of around ¥1bn with five annual ticket releases. The tickets are sold by the Mizuho Bank and until 2003 were not offered to players living overseas.

The lottery originated in Japan in the 1600s and were banned and resurrected many times until being banned entirely in 1842. After more than 100 years the lottery was revived in 1945 and the Takara-kuji lotteries were used to rebuild the country.

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Other games include the Hyaku-en Kuji (one hundred yen lottery), Bingo 5, Loto series and Number series and scratchcards.

Meanwhile in a bid to boost slumping sales the lottery tickets will be available to buy online from October this year. Sales of the lottery have been falling since they peaked in 2005. At that time ¥1.1trillion worth of tickets were sold compared to ¥845bn in 2016.

The offering of tickets online opens up the market to those who cannot buy from the ticket outlets plus aims to reach the younger generation by expanding sales networks to the

web and smart phones. Bicycle Racing or Keirin is a home grown sport which began in 1948 and involves a group of cyclists on bikes with no brakes which do laps of a course paced by a motorbike. It was set up originally solely for the purpose of gambling but in 2000 became an Olympic event. Typically races are 1.5 kilometres long.

Keirin racing in Japan is regulated by the JKA Foundation and is run and supported by the government and sees around ¥600bn in bets per year with some 4.9 million attendees. Keen Keirin riders compete for an entry into a Keirin school and undergo strict 15 hour per day training. There are numerous Keirin velodromes throughout Japan and off track betting sites. But revenues in this sport have been decreasing since 1991. At this time they generated ¥19.6bn in revenue and saw 27.4 million visitors to the velodromes. By 2013 the revenue figure had dropped to ¥6bn and 4.2 million visitors and today is much the same.

It seems the sport is not very attractive to women or the younger generation and there has been a push since 2012 for female cyclists who were then permitted to take part in the sport.

Meanwhile soccer gambling or professional Japanese soccer (the J-League) is packaged into the Toto. People can buy Toto tickets at 6,000 sanctioned Toto booths.

The Toto was launched in 2001 and was the nation's first soccer 'lottery' where players can bet on 13 selected J1 and J2 league games per week. There is a ¥100 per line bet and prizes of up to ¥200m jackpots.

In 2006 the Toto introduced BIG which enabled random guesses and boosted the games as the odds became greater.

Finally government sponsored boat racing (or Kyotei) gambling has been a part of Japan's gambling fixture since 1952 when it was introduced from the US. Since 1980 it has been known as boat race and designed specifically for betting with proceeds going to the Nippon Foundation. In 2010 the Kyotei Promotion Association was set up to promote the sport.

There are today 24 venues in Japan and pari-mutuel betting is legal at the course. Six hydroplane speed boats race three laps around a 600m course with bets to predict the winners.



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Not pessimism, but rather a healthy dose of grounded realism

Yusuke Abe, Partner at Clifford Chance Tokyo, explains the complicated political and economic factors that need to be negotiated



Yusuke Abe,
Partner at Clifford Chance Tokyo
www.cliffordchance.com

"Entertainment companies and other market participants internationally are readying themselves for the imminent development of integrated resorts (IRs) in Japan, anticipating that the long-awaited implementation bill may be passed in the near future. There is considerable preparatory work to be done.

Notwithstanding market enthusiasm and strong backing of the government by the ruling party, the Liberal Democratic Party, the current scrutiny of the government in connection with the "Moritomo" case and the discovery of controversial Defence Ministry documents, may well mean that the prospect of the bill implementing IR legislation being passed during the Diet session ending this June is becoming increasingly unrealistic.

Separately, there are further political complexities. The LDP's junior coalition partner, the Buddhist party Komeito, is highly sensitive to the social impact of casino gaming. Although Komeito and the LDP have now agreed the key legislative framework such as entrance fees of

¥6,000 for Japanese nationals and the number of IR areas (i.e. three) to be permitted for the first seven years, it is still unclear as to whether Komeito will fully support the bill. As the LDP has a majority in both houses, it could, theoretically, pass the bill without Komeito's support however such a step may not be politically palatable.

The casino promotion act passed in December 2016 requires the government to enact implementation legislation within a year, which means implementation is now already behind schedule. As IRs are a key part of the government's economic strategy, we can expect the government not to perpetuate this delay any further and to aim to pass the bill by the next Diet session this fall.

Studies indicate that the annual turnover of Japanese IRs could be between US\$10billion and \$15billion, and possibly even (with a favourable market reception) significantly in excess of this. Accordingly, all potential market participants internationally have a keen eye on this opportunity. Once the implementation legislation is passed, all of the relevant parties, including developers, operators, hoteliers, financiers and local governments are expected to move ahead at speed. However, there is significant preparatory work and diligence to be conducted. Three points in particular should be borne in mind:

- Geographic factors – a limited number of cities will win IR area licences. Accordingly, careful consideration must be given as to which city licence (or licences) to bid for. Under the proposed regime, a local government must apply for an IR area licence first, following which the central government



will select the most compelling proposal(s). If only three IR areas are permitted in Japan, first mover advantage and supporting a strongly motivated local government will be important. As the central government's indicative terms require IRs to have an exhibition centre or meeting facilities (thereby promoting MICE business generally in Japan – increasing domestic tourism being the "fourth arrow" of Abenomics), there is some market consensus that smaller cities will face a disadvantage given their lack of transportation infrastructure (particularly speedy access to international airports) and distance from major metropolitan areas within Japan.

Conversely, for big city candidates, local politics can also complicate matters – before bidding, the local government must obtain consent from the local assembly (city or prefectural level) in order to apply to the central government for an IR area licence. We have examined above some of the concerns at a national political level, which may well then be debated and reopened locally. As such, it may be easier for local governments of smaller cities (e.g. Nagasaki and Tomakomai) to obtain consensus in the local assembly, as they have been preparing for IRs some time



Whilst there is depth of liquidity in the Japanese banking and bond markets, the amount of financing raised for some of the more recent IRs developed in Macau and Singapore suggests that sponsors may need to include the international loan and bond capital markets as part of their financing strategy.

already and appreciate fully the positive economic effects. The big city candidates with large assemblies may struggle due to their size and the difficulty in winning cross-assembly and popular support. By way of example of the challenges, although Yokohama is a big city IR candidate, the Yokohama Harbour Transportation Association (a federation which represents local businesses in the Yokohama port area) has expressed its objections to IRs.

- Putting together the best team – the implementation legislation will provide a framework but not specifics. Detailed regulations prepared by the Casino Control Committee containing these specifics will follow. By analogy, the Financial Instruments and Exchange Act, which sets out securities regulations, has a code book of over 300 pages but its subordinate regulations and

guidelines are more than 10 times this size in volume. We do not know, at this stage, whether the subordinate regulations under the IR regulations will have an equivalent volume, however given the range of complex areas and factors involved in operating IRs, we would expect that the regulations will in any case be extremely detailed.

This is a new area of law and regulation in Japan, which will be developed by reference to international best practice and the local climate, posing a number of challenges for international operators, including the need to have experienced staff and advisors with the necessary technical, linguistic and cultural skills. Appropriate human resourcing will be challenging.

- Money Matters – investing in Japanese IRs will be highly capital intensive given the scale

of the projects and the resultant demands posed by construction and development. Successful financing will be a cornerstone of timely and on budget project development.

Whilst there is depth of liquidity in the Japanese banking and bond markets, the amount of financing raised for some of the more recent IRs developed in Macau and Singapore suggests that sponsors may need to include the international loan and bond capital markets as part of their financing strategy. It is helpful in this respect that the original government draft plan suggests that IR facilities can be owned by an entity (a Propco) separate from an operating company.

No doubt market participants will progress in their work on Japanese IR developments amidst hopes that implementing legislation will be passed without any further delays.

Regulation: as long and winding road

Hitoshi Ishihara, Partner at Anderson Mori & Tomotsune Tokyo, discusses the five key IR regulatory points that need to be considered



Hitoshi Ishihara,
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On 15 December 2016, the Act Promoting Implementation of Specified Integrated Resort Areas (the Act) was enacted in the Japanese Diet session with an aim to legalise gambling to be operated by private entities in Japan, which is the latest development in a long-standing debate on whether to legalise and permit casinos in designated areas of the country. The Act aims to "Promote" the establishment of an IR (and casino) in Japan. Therefore, it only has 23 articles laying out the very basic concepts.

Among the small number of articles, one specifically says that the measures to implement the IR should take place within one year, and the government intended to submit the subsequent implementation bills to the Diet session in 2017 and the government established a body called IR Promotion Advisory Council, tasking them to formulate the basic concepts for the implementation of the IR. In response to this, in the summer of 2017, the Advisory Council issued a Whitepaper setting out various matters (the "Whitepaper").

However the implementation bills were not passed during the 2017 Diet sessions due to the re-election which took place which limited the opportunity to discuss these bills. The Japanese government now intends on legislating these implementation bills during the 2018 Diet

session which is taking place at the time of this writing

Below are some of the bits and pieces which may be interesting for the operators considering entry into the Japanese market:

THE SELECTION PROCESS

- The Casino Promotion Law currently contemplates a two-step selection process in order to introduce a casino in Japan. That is, while IRs should basically be established and operated by private entities which are selected by the local government, the national government evaluates the proposals and applications of local governments who raises their hands and say "We want to have an IR".

The local governments chosen by the national government will, in principle, develop IRs at its own expense/risk and select private entities that operate IRs through a competitive and fair public offering procedure.

Agreements related to the local governments and private entities require the certification of the national regulatory body.

In this context, there has been discussions about which selection process will predate which, meaning "Will the national government select the local government based on location first and then the local government select the operator, or would the local government select the operator, draw-up a plan first and then the national government select the local government?"

There was a controversial debate on this point for quite some time now, but the Whitepaper addressed this issue, at least for the time being. That is that the selection of the operator by the local government will precede the selection by the national government in order to allow the national government actually review the plans.

In this context the Whitepaper also expressly



states that there should be "1 casino for 1 IR", so the current thinking is not having multiple casinos competing against each other in a single location, but rather have such competition during the selection process.

THE PROPOSED CEILING FOR THE FLOOR SIZE OF THE CASINO

- The Whitepaper is silent on the exact ratio or figure, but states that there should be a ceiling to the floor size of the casino within the IR and that this should be determined by taking into consideration of the Singapore casino. The discussion within the government seems to be leaning toward capping it to three per cent of the total space of the IR and 15,000 square meters.

Obviously, setting a ceiling to the size of the casino, which needless to say is the primarily revenue source of the IR, means the size of the IR itself may be affected. And this would affect the local governments, especially those which have contemplated a large size casino and IR with a large size investment from the private operators.



There are controversial views as to the actual number of locations where the IRs are to be established initially, ranging from two to three (which was originally discussed) to four to five (which was very recently proposed by the project team established by the ruling party).

For example, Osaka has been aggressively pursuing to have IR located in an island called "Yumeshima", which is an artificial island created, originally to make a bid for the Olympics back in 2001. After being eliminated from the Olympic selection process, the vast majority of the land has been untouched, and Osaka is very keen in making effective use of such vacant land by converting it into an IR. However, the size of the land is around 140 hector, which is approximately 10,000 times larger than the casino floor.

So this may mean that Osaka may need to revise their plan which they have had for years, and their wish to convert the entire island to an IR may turn out to be very difficult.

THE LOCATION

- The Whitepaper is consistent with the ongoing discussion, meaning seeking careful and phased introduction by limiting the number of casinos to be established

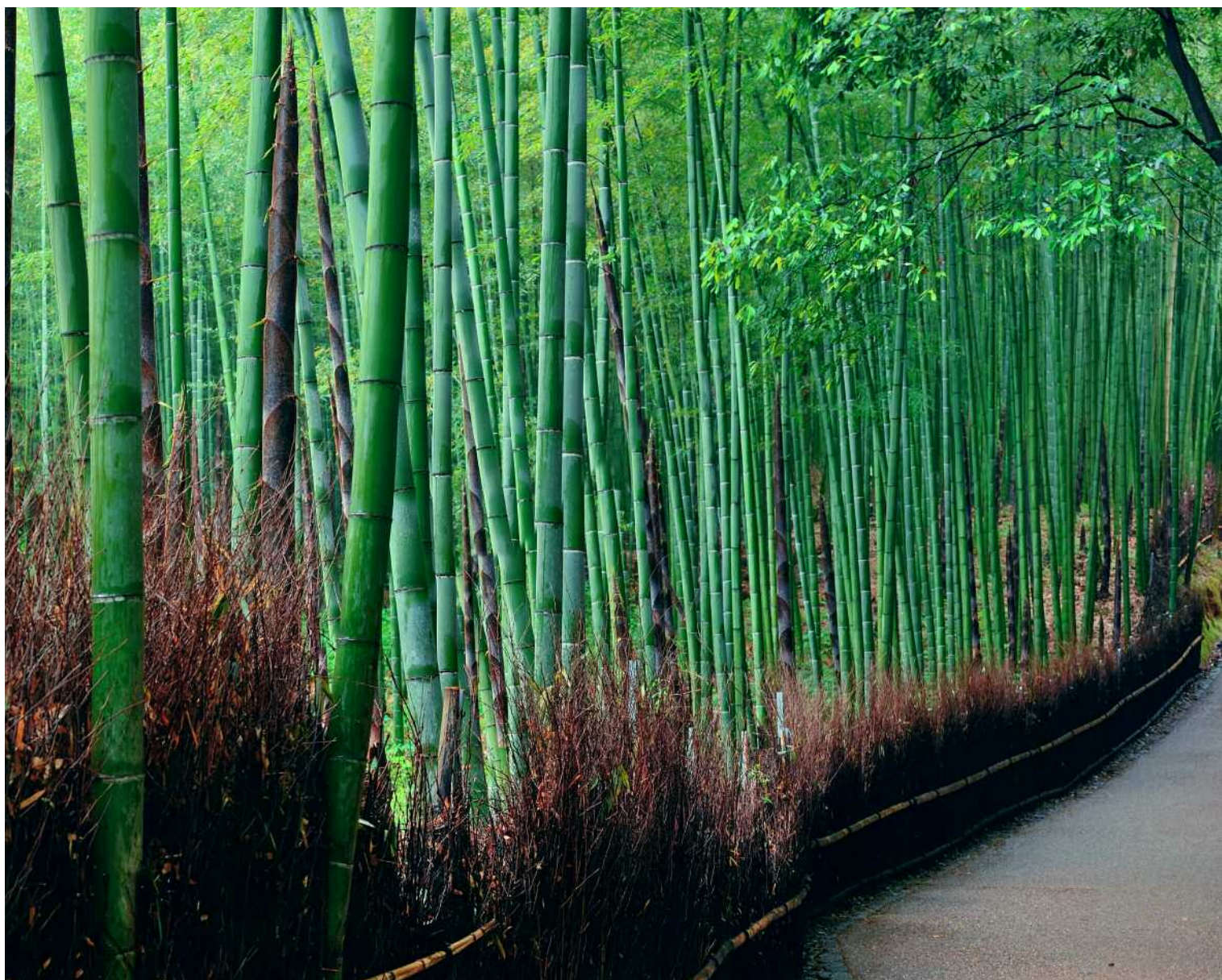
IRs are seen as facilities that should not be established all over the country, and therefore the number of facilities and the areas in which they are initially established shall be on a trial basis, which may be gradually increased. In doing so, the Whitepaper maintains the position of considering establishing them in large cities as well as local regions.

There are controversial views as to the actual number of locations where the IRs are to be

established initially, ranging from two to three (which was originally discussed) to four to five (which was very recently proposed by the project team established by the ruling party). The Whitepaper also expressly states that there should be "one casino for one IR", so the current thinking is not having multiple casinos competing against each other in a single location, but rather have such competition during the selection process.

THE GOVERNING BODY OF THE IR

- As a general background, all form of gambling that are currently legalised in Japan has a supervising ministry, according to their "purpose" as to why they are legalised.



The Whitepaper suggests that the authority granted to the Prime Minister under the Casino Promotion Law as the head of the Casino Control Committee be delegated to the Minister of Ministry of Land, Infrastructure, Transport and Tourism due to the fact that the main purpose of IR is to attract tourism

Horse Racing is supervised by Ministry of Agriculture, Forestry and Fisheries, because the purpose of legalizing horse racing is to “improve and breed live stocks”, Motorcycle racing and bicycle racing are by Ministry of Economy, Trade and Industry because its purpose is to “for the improvement of machinery”

The Casino Promotion Law states that a new national regulatory organ will be established for the purpose of regulation and observation, and contemplates to have a Casino Control Committee, which is to be established as an external organ of the Cabinet Headquarters. Meaning, unlike the current form of gambling which are in place in Japan, casinos (or IRs) would not have a single ministry as a supervising body, but rather for the Japanese government, as a whole would conduct such supervision.

The Whitepaper suggests that the authority granted to the Prime Minister under the Casino

Promotion Law as the head of the Casino Control Committee be delegated to the Minister of Ministry of Land, Infrastructure, Transport and Tourism due to the fact that the main purpose of IR is to attract tourism. And, as such, the authority to grant licenses, certifications and permits to casino facilities and operators including the authority for the observation and supervision is deemed to be delegated to the Ministry of Land, Infrastructure, Transport and Tourism.

While such suggestion seems practical, since the main purpose of the IR is to attract tourism as we discussed at the outset this seem like pulling the teeth out of the Casino Promotion Law’s aim to have a “Comprehensive Supervision” for the casino.

And while there obviously are critics to this drastic change of approach, I personally think that this shows the Japanese government’s real willingness to “Get Things Done” rather quickly,

as contemplated under the Casino Promotion Law. That is, it is unrealistic to formulate a new supervising body from scratch from now and have them operational rather quickly, so the idea of “Use What You Have Now” approach is practical if we want to move fast. And from the operator’s viewpoint, we now have general idea of who we are dealing with (MLITT) as opposed to a mysterious and currently non-existent organization, so we at least have a bright side

Last, but definitely not least, there is an issue on how to deal with problems associated with gambling. The importance of addressing problem gambling is magnified by the fact that the Japanese general public is more concerned about the “problems” which the casino brings as opposed to its benefits.

- This is partially due to the fact that the focus of attack by the opposition was concentrated on this point, and the fact that the manner in which



the government handled things last year gave an impression that we “ran through” the process in passing the Bill last year.

Therefore, the government is very careful in addressing the general public’s (and opposition’s) concern regarding the countermeasures. In fact, the Whitepaper, which is 95 pages long, uses up 45 pages of it to address the problems associated with gambling.

One of the point of focus is “problem gambling”, and for this issue, the Whitepaper tries to address this from numerous aspects, starting from the ceiling to the size of the casino facility we discussed earlier, the entrance fee to be charged to the Japanese nationals, cash-only management within the casino premises (no ATM) and further through monitoring the number of days which the Japanese residents may enter the casino on not only monthly (like the approach which is taken in Korea), but also on a weekly basis.

Although some of the aspects are not necessarily as good as it could have been, the manner in which the Whitepaper tries to handle things suggests that the government is giving its focus to really have things ready to start the casino sooner rather than later by taking a practical approach.



THE MOST RECENT DEVELOPMENTS

Subsequently, in April 2018, the working team concerning the ruling party’s IR Implementation law issued their opinion regarding the eleven (11) material points which gives additional insight as to the implementation and development of the Japanese integrated resort, which could be summarized as follows:

● Size of casino facilities

Considering that the location and size has yet to be defined, rather than setting a limitation on the absolute value, it was determined that the gross floor area of IR facilities shall be limited to 3% or less. The basis of the calculation shall be 3% of the “gross floor area” and not the land area, which should ensure the casino to be “only a part of the facilities”, there should be a strict limitation on the number of times of entry and/or higher entry fee to prevent problem gambling

● Limitation on the number of times of entry and means to verify identity

The government proposal shall be acceptable from the perspective of strict measures to prevent the addiction. “3 times in 7 days + 10 times in 28 day” for the limitation of the number of times of entry, and using “My Number cards” for the verification of identity and the number of times of entry.

● Entry fee

Considering the difference of GDPs per capita between Japan and Singapore, the entry fee shall be 6,000 yen from the perspective of securing the level substantially higher than the entry fee in Singapore.

● Levy

Levy shall be a fixed rate of 30 per cent since a progressive system could reduce the incentive for entities to expand their business by additional investment and presents a risk to discourage investment to realize the commonwealth.

● Casino management committee

The government proposal shall be acceptable from the perspective of the fact that the committee is an independent committee based on Article 3 of the National Government Organization Act which has a strong authority (e.g. 5 committee members, personnel approved by the Congress). It ensures the ability or disinterest of outsourcing of research.

● Number of IR areas

Taking into account (i) the additional resolution stating that “the number of location shall be strictly limited to a small number and the number of areas shall be specified by law from the perspective of international competitiveness as specific complex sightseeing facilities and the perspective of prevention of gambling addiction” and (ii) the comment made by the sponsor of the bill during the Diet session that “2 or 3 areas at the most in the early stage”, the number of location shall be maximum of three.

● Timing to review the number of IRs

Giving consideration to local areas which desire and are preparing establishing the facilities while securing a period for determining the effect of IR, the timing shall be after 7 years have passed since the first designation of the IR. The IR Implementation law shall contain a clause specifying that after 5 years have passed since the first designation, the IR Implementation law as a whole shall undergo a review.

● Requirements and criteria of core facilities

The government proposal shall be acceptable from the perspective of realizing the developed country in sightseeing. Considering that the core facilities shall be appropriate for Japan-type IR, and each facility or area where the facilities are built shall have various characteristics, a cabinet order shall provide matters such as that the size should be sufficient for it to be the landmark facility of our country

● Relationship with cities where the facilities will be built

A method of consensus-building at the ground level shall be institutionalized by requiring a resolution by the local legislature filing application and the consent by the city itself. The law shall specify that the consent of the city can be provided for in an ordinance as a matter to be resolved by the assembly by applying Article 96 Paragraph 2 of Local Autonomy Act.

● Process until opening

Taking into account the status of preparation by a local government, early realization of the effect of Japan-type IR and secure procedures for consensus in a local area, two sets of application and designation process shall be contemplated subject to the legal cap on the number of recognized IR areas.

Preview

G2E ASIA 2018

TCSJohnHuxley will debut some exciting new additions to its portfolio at the forthcoming G2E Asia show, held in Macau from May 15-17, 2018.

The introduction of GFL Bonusing Rewards unlocks the potential of progressive and mystery jackpots, providing an exciting twist to the existing Bonusing system. The powerful progressive system allows operators to configure bespoke event-driven and mystery jackpots via a secure centrally controlled platform. With the ability to intelligently customise games and provide multiple jackpots, the increased chances of winning keep players at the table for longer and casinos achieve the best hold possible. Now with the addition of GFL Bonusing Rewards, operators can utilise casino promotion budgets to fund mystery jackpots, creating an exciting 'in it to win it' prize pool which sits independent of the base game.

Rebecca Kingswell, Managing Director APAC comments, "We are excited to introduce the addition of GFL Bonusing Rewards to our platform. By providing operators with the ability to offer a highly configurable system that allow players the chance to win casino funded prize pools by just

TCSJohnHuxley set to excite visitors with new innovations at the G2E Asia exhibition in Macau

taking part in the game, is a compelling draw for any anyone."

G2E Asia sees a new addition to the Qorex Electronic Gaming Solutions range. The ergonomically designed Qorex Terminal now has a smaller 23" cabinet in addition to the existing 27" version.

Powered by the GFL Gaming module which provides exciting live and automated game content, the new 23" cabinet incorporates all the features of the original larger terminal, but has been designed to provide a more compact footprint – ideal when space is at a premium or there's a restriction on the number of tables.

Available in a variety of configurations including Stand Alone, Back to Back, Carousel and Stadium, the power and flexibility of Qorex continues to grow.

TCSJohnHuxley will also be showcasing the patented Blaze LED Surface Technology which has been lighting up casino floors around the world. Blaze excites players and improves game speed with its vibrant animations and clear game state



prompts. Now available with even higher resolution graphics that provide the ability to create detailed and powerful animations, Blaze is once again set to create a real buzz.

To see these exciting new offerings and the rest of the product portfolio, visit booth I24I where the TCSJohnHuxley Asia team will be looking forward to welcoming you.

GPI Showcases New Currency Security and SMART RFID Solutions

Gaming Partners International is a proud leading global supplier of an unmatched suite of table game products including chips, plaques, jetons, layouts, playing cards, dice and SMART RFID products and SMART RFID solutions.

GPI offers customers the largest array of table game offerings available in the industry and will be showcasing its extensive collection with an emphasis on its cutting-edge currency security features, range of playing cards and SMART RFID solutions.

GPI is the only gaming supplier to develop and introduce a completely brand new line of gaming currency, its Bourgogne et Grasset (BG) V-Series injection molded chips. With a new, innovative and highly durable injection material formula, the V-Series was developed to provide customers an additional gaming currency option with advanced chip design flexibility. The V-Series offers a wide range of chip and decal security features and for customers who order the V-Series with four or more color shots, the chips also come standard with an infra-red security feature exclusive to GPI.

Currency security ranks high as a priority for gaming operators. GPI addresses these concerns



with the introduction of several new, highly advanced currency security options to its already vast suite of currency security offerings. BG customers can now include our new Focus feature into their injection molded chips. Incorporated into the injection material, Focus is an advanced covert security feature that will be demonstrated to some of our select customers.

Not available anywhere else, GPI has also developed two new advanced currency security features that also complement the chip's design. The first is GPI's unique Hollow Shot is an indentation in the chip's outer ring that serves a dual purpose in the chip's overall design and counterfeit deterrence. Additionally, customers can add micro text, graphics and security taggants to the Hollow Shot for added currency security. The second is GPI's Intricate Edge Inserts. Using the latest manufacturing techniques, customers

can now include multiple, more complex designs into their chip edge inserts. The Intricate Edge Insert designs can be of different injection colors and each have its own separate security taggant.

SMART RFID is GPI's exclusive high frequency RFID technology. GPI's SMART RFID products and solutions offer the most technologically advanced RFID technology and is available on all GPI currency brands. SMART offers faster and more accurate chip reads and when used with our Casino Inventory System (CIS) software, SMART delivers a complete currency tracking and authentication solution and one of the most robust, anti-counterfeit security solutions available. GPI offers all the necessary components from SMART RFID currency, to antennas and readers. GPI has developed new and advanced solutions using SMART to provide our customers some of the highest-level currency security options available.

For table layout needs, GPI's full graphic EGC layouts will be covering all the tables and will be on display. The synthetic layouts offer sharp, full vibrant, color graphics that can duplicate almost any photo or sophisticated design with exacting precision. Ideal for all game types, EGC layouts provide an exceptional playing surface and are a durable and economical choice that provides extraordinary design flexibility.

For customer playing card needs, GPI's offers its casino quality Gemaco brand line of playing cards which includes both paper and plastic card types. With a variety of stocks and finishes, Gemaco playing cards provide ideal handling and dealing for all types of table game play.



Spintec is to showcase new ETG designs and technology at the G2E Asia 2018 show in Macau

Spintec extends a warm welcome all visitors to the G2E Asia gaming exhibition in Macau, May 14-16, 2018, to visit its stand no. #941 to see the latest ETG products

Aura multigame amphitheatre solution

Spintec's highlight at this year's G2E Asia will be their Aura multigame amphitheater, a state-of-the-art gaming solution distinguished by an unparalleled comfort, designed to answer all the players' needs, such as a place for drinks and personal belongings, an ergonomic chair offering the best view of the game and the possibility to move the chair back and forth, wide sunken screen,

a prestige of wood and leather offering the highest comfort while playing. In addition, Aura amphitheater gaming solution is completely customizable, which means that the operator has virtually limitless options to choose different colours and set-ups.

Karma compact - Sic Bo and Roulette GEN2

Compact electronic table games are Spintec's



flagship on the Asian market. Spintec's Karma Electronic Roulette has become one of the most popular electronic roulettes in Macau, now holding a majority share among all new Electronic Roulette installations. At G2E Asia Spintec will showcase their Karma Roulette GEN2 for the first time in Asia, and additionally the company will be showcasing a compact solution of one of the most popular games in this market: Sic Bo.

New design and gaming features add to the visibility of electronic table games

The core innovation that Spintec will showcase at this year's G2E Asia is a blend of LED technology and top design, which enhances visual effects of the ETGs. The result is a gaming solution that will not be unnoticed. Additionally, Spintec has added many new features to their top-notch gaming solutions that will make any casino more attractive and appealing to customers.

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Preview

G2E ASIA 2018



NOVOMATIC and Ainsworth to display new combined scope of products at G2E Asia show

For the second time at G2E Asia, NOVOMATIC and Ainsworth Game Technology will present a joint stand this year, featuring a range of new products for the Asia-Pacific markets. Half the Stand #501 will be dedicated to each company and showcase a wide scope of products such as new cabinets, linked and stand-alone progressives, licensed games and dedicated content.

Centre stage at G2E Asia for NOVOMATIC will be two brand new cabinets – PANTHERA Curve 1.43 and V.I.P. Lounge Curve 1.43 – that made their first-ever appearance at ICE this year and will be unveiled in Asia for the first time. Both cabinets bring a robust and stylish gaming experience to the casino floor with a 43" curve screen that delivers a variety of single- and multi-game content in exceptional 4K quality. The new 15.6" TouchDeck player interface gives players unique control, and the V.I.P. Lounge Curve 1.43 offers a luxury experience with the highly comfortable V.I.P. Scorpion Chair.

New games including Asian-specific themes, as well as jackpots, will be displayed by Ainsworth on innovative cabinets such as the A640 and EVO that complement the product offer for the region. Featuring a 40" display and game-driven lighting effects, the A640 brings a sophisticated gaming experience to the casino floor.

The new cabinets will showcase fresh content including titles from the Fortunes series such as Vampire Fortunes, Pyramid Fortunes and Book of Ra Mystic Fortunes. A total of six new games will be presented on six PANTHERA Curve 1.43 cabinets and connect to the Enchanted Fortunes Linked Jackpot – the new linked progressive that also makes its Asian debut. Other new content features

high-impact game mixes NOVO LINE Interactive Edition X and NOVO LINE Concurve Edition 4.

More firsts for the region include the licensed title From Dusk Till Dawn on the NOVOSTAR V.I.P. 3.50 and V.I.P. Lounge 2.32, plus single-game titles Viking & Dragon, Great American Wilds and Fire, Earth and Water that present the breadth of NOVOMATIC cabinets. As the company's ETG footprint expands in Asia, so does the portfolio, and visitors to G2E Asia will experience a NOVO LINE Novo Unity II installation as well as LOTUS ROULETTE Pro. Completing the NOVOMATIC showcase will be Otium OT300 video bingo cabinets with new games and jackpots.

New games including Asian-specific themes, as well as jackpots, will be displayed by Ainsworth on innovative cabinets such as the A640 and EVO that complement the product offer for the region. Featuring a 40" display and game-driven lighting effects, the A640 brings a sophisticated gaming experience to the casino floor. EVO is the latest cabinet from Ainsworth and features a range of new and proven content across two 24" screens with pinstripe-edge lighting and a first-rate design.

Titles such as Lucky 8 Treasure, Fire Power Golden Link, Golden Cash, Oriental Express and Quad Shot – all available on the EVO – will further demonstrate Ainsworth's commitment to a long-term pipeline of successful content. Also on show will be new games Super Charged 7's, Triple Challenge, Rumble R.



Cammegh expands regional footprint at G2E Asia show

Cammegh, manufacturer of the world's finest roulette wheels, will be showcasing its range of exquisitely engineered gaming products at the G2E Asia gaming exhibition in Macau from May 15-17, 2018, including the stunning Mercury 360 Halo with eye-catching in-rim LED lighting and the ever popular Mercury 360 with unique Chinese designs and the matchless Slingshot 2

"G2E Asia has become a cornerstone show for Cammegh," explains Andrew Cammegh. "We have significantly increased our market share in Australia in the last 12 months and we are excited to greet our established customers from the region, including Singapore, Philippines, Cambodia and Vietnam."

Cammegh recently won the order to supply the Corona Casino in Phu Quoc, Vietnam, which the company is delighted to announce is its single largest installation for a new-build casino. Cammegh is to supply 13 Mercury 360 roulette wheels, two Slingshot 2 TT wheels, a Mercury 360 Mini wheel and two beautiful Crystal wheels for the casino, which is due to open in June this year.

Each of the wheels is complemented with Cammegh's innovative and striking Billboard displays, which also adorn the additional 87 table games at the property, bringing the total installation to 100 Billboards at the casino.

"Our recent order in Vietnam and the timing of the G2E Asia show couldn't be more perfect," states Mr. Cammegh. "The exhibition is an excellent opportunity to establish new contacts and over the last five years has become an increasingly important part of our global events programme. The team looks forward to welcoming visitors to the booth and to showcasing our products; including demonstrations of the flagship roulette side bet, Spread-Bet Roulette, and the brand new Spread-Bet Baccarat. We will reveal custom-designed wheels and graphics for Asia and highlight our established products and side-bets that have achieved such great success in the region. Finally, the Multiboard will also be on show, allowing players to see multiple results on a single screen. We look forward to showcasing this fabulous range of products in Macau and welcome all visitors to stop by the booth."



Casino Technology reaffirming its presence in Asian markets after multitude of installs

Casino Technology confirmed its stable positioning on the Asian market with recent multiple installations made in the region. The company's presence will be further strengthened with the launch of new market tailored products shortly

Dozens of the modular EZ Modulo slot machines have been placed in Cambodia and as of the first week after installation they exceeded all expectations in terms of performance and maintenance. Elena Shaterova, Global Sales Director at Casino Technology said: "The EZ Modulo series with exciting multigame Speed King have thrilled players and achieved great results for operators in the region."

"Determined to be as relevant as possible to local preferences, our machines offer different content to suit the market. Besides the exciting Speed King multigame package, we offer EZ Modulo with our linked progressive Asian themed multigame, 8 Peacocks, consisting of five titles, for maximum gaming satisfaction with a very big jackpot accumulator."

Casino Technology's Gamopolis Speedway multigame with the T3 slot was installed recently in Cambodia. There have also been multiple placements in the Southeastern Asian country for the Tangra slot machine with more installations expected shortly.

The company has prepared a bunch of novelty products for the Asian market. Extending its already diverse Asian-themed games and special multigame mixes, Casino Technology will launch the Asian tailored titles such as Red Bird and Golden Dragon, Duck Spell, Color Dragons, and Dancing Dragons from the game package SPEED KING as single games with symbol driven jackpot.

Currently undergoing certification is a mini-link progressive jackpot that will soon be released for the region. Ready for launch right now is a new multigame package specially developed for the Korean market. The game mix will support the company's positioning in the country.

Already in process for certification is the SPED KING multigame for the Philippine market and will be released for the operators immediately after the completing the process, anticipating wide response and installations.



SUZOHAPP to present advanced cash handling technology at the G2E Asia exhibition in Macau

SUZOHAPP is ready for the upcoming G2E Asia that will take place between the 15th and 17th of May at the Venetian Macao. SUZOHAPP will be presenting the highlights from its portfolio of world-class products at booth #1219, including individual components for gaming machine manufacturers as well as complete solutions

Cash handling equipment is a strategic offering for SUZOHAPP and a broad range of components will be showcased at G2E Asia.

Visitors will get the latest information on the Comestero coin validators that offer excellent coin discrimination and market-leading anti-fraud technology. SUZOHAPP is also the expert for coin pay-out devices and visitors will appreciate the advantages of a variety of hoppers.

At this year's G2E Asia, SUZOHAPP is proud to introduce its new global partner Nanoptix to the Asian market. The vast range of Nanoptix printer solutions will be presented, including the Paycheck NextGen, Paycheck Slim, Paycheck Terminal, Spill Proof with cutter, HSVL Advance and High Speed Coupon Printer

Special focus will be given to the new Intelligent Coin System (ICS) that is a real step ahead in multi-denomination coin pay-out technology.

A rich assortment of cash handling solutions will also be displayed and the innovative CashComplete SDS-35 will be taking center stage at the SUZOHAPP stand. This is a brand new Smart Deposit System which represents a cost-effective method of securing notes and reducing labor time associated with counting notes. At the

SUZOHAPP booth, significant focus will also be placed on the SCAN COIN back-office solutions, including the SC-8220, SC-8100, VC-100D note counters and the SC-360 coin counter.

At this year's G2E Asia, SUZOHAPP is proud to introduce its new global partner Nanoptix to the Asian market. The vast range of Nanoptix printer solutions will be presented, including the Paycheck NextGen, Paycheck Slim, Paycheck Terminal, Spill Proof with cutter, HSVL Advance and High Speed Coupon Printer.

SUZOHAPP is the right partner for all casino applications and visitors will have the opportunity to see the top-selling SH1950 video toppler, the VisionPro 19" non touch display, the 27" dual-sided display with LED lighting, the Loyalty Kiosk and the Display Pro. One of the biggest highlights will be the DPS (Dynamic Panel Systems) which is the latest innovation in pushbuttons - all the adaptability of touch screens with the tactile satisfaction of mechanical pushbuttons.

"This year's G2E Asia promises to be very special for SUZOHAPP," stated Mr. Peter Noye, Vice President Commercial & Strategy at SUZOHAPP APA. "We are excited to exhibit again! We continue to invest in providing new technology to meet any customer expectation. Our goal is to support OEMs and help operators in their day-to-day business. Please join our experts at booth #1219 to see a live demonstration of our latest innovations!"

Abbiati seeks to expand business in Asian markets

Abbiati Casino Equipment will take part in the G2E Asia to present its products to the Asian market. "Asia represents a strategic market for us in which we intend to expand our business in the next years," said Giorgio Abbiati, CEO of Abbiati Casino Equipment, "the exhibition is an important opportunity to present our products to Asian operators and to increment our business relationships."

Abbiati means to satisfy every customer's requests manufacturing each product with a particular attention on details and features. The range of products is the result of extensive R&D projects that the Company has developed with its engineers and with its partner suppliers to ensure safety and prevent counterfeiting. Its manufacture is not just featured by security aspects but even by Italian quality and design. The over 30 years of market presence and its consolidated experience enable Abbiati to realise sophisticated and fine products.

During the expo, the Italian Company will present all its casino currency, in particular it will be possible to observe Abbiati's line of patented "Tie" chips featuring multiple injections, see-thru inserts and a combination of intricate and innovative rim and edge inserts. At the same time, Abbiati will present its range of plaques with an impressive collection of new patterns, designs and materials. All casino currency products are available with security features such as 13.56 MHz PJM RFID, 8-color UV pigments, 3-in-1 UV security feature, Laser Tracer technology, Optical Variable Ink, high security holograms to name but a few.

Visitors can not miss to see the Abbiati Baccarat Asian Style table exhibited at their stand: it is realised with a unique high-end design with elegant and refined finishing. It is manufactured for the Asian market and it is originally featured to be a Baccarat Asian Style table with Contrast Bonus-Baccarat game by Stephen Au-Yeung.

Abbiati Casino Equipment will also exhibit the Intelligent Shoe directly connected to its Punto Banco Baccarat Display and its GLI-25 certified American roulette wheel, which incorporates the upgraded Abbiati patented invisible laser technology (Class 1A). Abbiati wheels can connect to and run winning number displays, online gaming terminals and management systems and due to their open protocol, Abbiati's American roulette wheels have become the preferred choice for many of the leading "live online" gaming operators.

Visitors can have a more-in-depth knowledge of all Abbiati products meeting the Company staff at stand No. 519.

TransAct go from strong to stronger in the Asia

Following a fantastic year of growth and major wins, not only in Macau, but across the whole of Asia, TRANSACT is looking to G2E Asia to continue the momentum through 2018 and beyond.

TRANSACT has a strong history in Macau. The Epic 950 was specified in Wynn Macau, the first all TITO casino on the peninsula and has continued to grow their leading reputation and position in the market since. The Company now holds a commanding market share being specified by 5 of the 6 concessionaires in Macau's thriving gaming market.

Earlier this year, MGM Cotai opened equipped with TRANSACT Epic 950 across the entire casino floor, a deal which also saw the MGM Macau remove and replace all the incumbent printers and replace them with Epic 950. This was a huge win for the company and comes on the back of 5 of the last 6 new openings on Cotai installed with TRANSACT across the floor. TRANSACT's Vice President of Sales for Asia-Pacific, Rash Suliman, commented, "We are extremely pleased to add MGM Macau and MGM Cotai to our list of satisfied customers in Macau. The Epic 950 has proven itself time and time again in the Asian market and continues to win with its robustness and reliability for our customers."

While the MGM competitive knockout and new opening award was the biggest win for TRANSACT Asia in the last 12 months, it was by no means the only one with the majority of the largest new projects across the Region specifying TRANSACT as its Casino printer partner of choice.

Nagaworld in Cambodia has turned to the TRANSACT Epic 950 for the opening of the Nagaworld 2 Casino, moving away from its previous supplier in the existing casino. After intensive testing and comparisons, the Epic 950 emerged as the winner at Nagaworld 2 and TRANSACT continues to grow their presence in the region.

TRANSACT also notched up important new opening wins at Imperial Pacific Resort Hotel in Saipan and Corona Casino at Phu Quoc in Vietnam. The Corona property will open later this year with Epic 950 printers across their expansive floor.

Specifying the Epic 950 is the first step toward being ready to implement TRANSACT's promotional and bonusing couponing system, Epicentral, which allows operators to target and provide printed bonuses in real-time to players while they play on the casino floor. Epicentral remains the industry's only enterprise-level promotion and bonusing software solution.

Epicentral promotion and bonusing software suite, allows casino operators to target and deliver printed promotions/bonuses to customers in real-time directly at the slot machine and electronic table game. Capable of working with all existing slot management systems and games, regardless of manufacturer, Epicentral provides casino slot and marketing teams with the ability to create a floor-wide bonusing environment that has been proven to drive increased time on device and, ultimately, increased revenue for the casino operator.



Not content to rest on its existing success, TRANSACT has been busy strengthening its local presence, appointing 2 new partners to better service and support its customers across the region, signing agreements with Asia Pioneer Entertainment (APE) in Macau and The Bright Group (TBG) in Australia.

"We think it vital to give our customers the best possible experience" says Tracey Chernay, Senior Vice President for Casino, Gaming and Lottery "offering in-market, local support and working with people who know the markets on a broad and deep basis gives our customers the best possible experience, quickest service and shortest lead times. Both TBG and APE are well respected and are proving to be fantastic partners in their respective markets" Chernay added.

At G2E Asia, TRANSACT will be showing the Epic 950, the current industry-standard for TITO printing. TRANSACT's Epic 950 continues to deliver proven performance in over 750,000 slot machines worldwide. The Epic 950 features TicketBurst™ technology to eliminate player/ticket interference and Quick Release technology to easily swap out printers. All of the Epic 950 product in the market worldwide is fully upgradeable and compatible with Epicentral to provide for the real-time delivery of eye-catching personalized promotions and bonus offers direct to the players at the slots.

Alongside the Epic 950, TRANSACT will showcase the recently introduced next-generation Epic Edge. Built on the proven long-term performance of the industry-leading Epic 950, the Epic Edge is designed to be a drop-in replacement for the Epic 950, allowing operators to run both printers side-by-side. The Epic Edge next-generation casino ticket printer offers operators a new print resolution (300 dpi) that delivers a 50% improvement over all current printers and razor-sharp barcodes, allowing it to improve ticket acceptance and reduce attendant calls. It also includes an adjustable ticket bucket that accommodates standard tickets and smaller, paper-saving tickets.

Attendees at the show will have a chance to see first-hand the unmatched reliability of the Epic 950 and the Epic Edge, which is packed with technology to simplify casino operations and improve slot floor performance. Please stop by stand 719 at G2E Asia and talk to the team and see why you should choose TRANSACT for all your printer needs.

IGT brings a touch of theatre to its presentation at the G2E Asia show

IGT will showcase a compelling range of gaming solutions designed specifically for Asia-based casinos at G2E Asia on booth number 801. Under the theme "IGNITE – a new direction," IGT's product portfolio will be anchored approved, localised content, new versatile hardware, mobile solutions for land-based casinos and the Company's market-leading systems innovations.

A must-see product within IGT's stand will be the Hype Hits link on the CrystalDual cabinet. Approved for distribution in Macau, Hyper Hits is a linked progressive with an engaging ball mechanic that awards the title's jackpots and bonus prizes. IGT will showcase the Lotus Princess and The Golden Bow Hyper Hits base games at the Show.

IGT will also highlight market-ready games from its Prize Disk family of linked games. Prize Disk games offer players an anticipation-heightening scrolling prize disk above the reels that awards free games, bonuses and jackpots. Macau-approved Prize Disk games Elephant King and Wolf Ridge will be joined on IGT's stand by the forthcoming Tiger Fortune game.

IGT's CrystalCurve cabinet and content will make their G2E Asia debut. Featuring a 43-inch, curved, ultra-HD, 4K display, the CrystalCurve cabinet is backed by a strong portfolio of core and premium games. The Company will highlight the vibrant multi-level progressive title Fortune Gong with base game titles Dragon Dynasty and Phoenix Rising. IGT will also showcase standout core games from The Fury family, such as Golden Fury and Fortune Fury – both featuring math models

designed for regional player preferences,

Highlighting the Company's position as the leading casino management systems (CMS) provider in Asia, IGT will create a live casino experience in a custom-built theatre within its stand – taking customers through real-world patron management scenarios. IGT representatives will present the many capabilities of the IGT Advantage CMS, along with compatible modular components such as bonus apps, Service Window and the Beverage on Demand solution. IGT will also show the leading capabilities of its award-winning Cardless Connect and PlaySpot mobile solutions.

Skill-based games by Chill Gaming and IGT's new landscape-oriented Dynasty Electronic Table Game (ETG) terminal that accommodates both live and RNG content will also be among the many regionally relevant innovations that G2E Asia attendees can enjoy within IGT's stand.



BetConstruct takes innovations to another level at the G2E Asia exhibition

BetConstruct, an award-winning software provider, is visiting Macau this year to host Innovations Workshop and attend G2E Asia.

Held on May 14 in Macau, G2E Asia will be the third event in the Innovations Workshop series conducted by BetConstruct.

As always, the evening will combine informative showcase of the company's latest launches and solutions, great food and fantastic entertainment. BetConstruct has a number of compelling solutions for the Asian market.

The company will demonstrate solutions developed in response to the needs of the Asian market, which includes SpringBME with its gaming products marketplace, FeedConstruct's data feed solutions and Friendship platform for streaming distribution and many more.

The participants of the exhibition will also have a chance to learn about new launches of BetConstruct.

With the slogan Connecting People and Innovations in the Asian Entertainment Industry, G2E Asia is an outstanding opportunity for industry professionals to network and tap into the regional market. BetConstruct has a huge showcase of its novelties prepared for the expo at Stand 2841.

Alongside with enhanced data feed solutions and the renowned Asian view Sportsbook, BetConstruct have Virtual Football Penalty Kicks, a new game added to its Virtual Sports solution and Live Casino Software with the recent launch – Dragon Hall for Baccarat.

However, the absolute highlight of the showcase will be the innovative virtual reality solutions: VR Casino, VR Live Dealer and VR Slot. To make sure its visitors find their time on the booth exciting, during the days of the expo, BetConstruct will suggest they play VivaroGo, a location-based game.

Hunting for QR codes and scanning them, guests can win real prizes! Not only is VivaroGo a highly engaging game, but also a powerful customisable tool for commercial campaigns and business promotions in general.

Casino Technology reaffirming its presence in Asian markets after completing multiple installations

Casino Technology confirmed its stable positioning on the Asian market with recent multiple installations made in the region. The company's presence will be further strengthened with the launch of new market tailored products shortly.

Dozens of the modular, easy to converse and contemporary designed EZ MODULO slot machines were placed in Cambodia and as of the first week after installment exceeded all expectations in terms of performing and maintenance.

Elena Shaterova, Global Sales Director at Casino Technology said: "The EZ MODULO series of slots with the exciting multigame SPEED KING have excellent perception by players and indicates best results for the operators in the region".

"Determined to be as relevant as possible with the local preferences, we have our machines installed with different content. Besides the exciting SPEED KING multigame package, we offered EZ MODULO with our linked progressive Asian themed multigame, 8 PEACOCKS,



consisting of 5 titles, for maximum gaming satisfaction with big jackpot accumulations".

For more fascinating experience, Casino Technology has provided the GAMOPOLIS SPEEDWAY multigame with the T3 slot machine as well. The product was installed recently in Cambodia. Multitude of placements in the Southeastern Asian country has the bestseller and globally known Tangra™ slot machine with more installations of the machine expected shortly.

The company has prepared a bunch of novelty products for the Asian market. Extending its already diverse Asian-themed games and special multigame mixes, Casino Technology will launch the Asian tailored titles such as RED BIRD AND GOLDEN DRAGON, DUCK SPELL, COLOR DRAGONS, DANCING DRAGONS from the game package SPEED KING as single games with symbol driven jackpot.

Preview

G2E ASIA 2018

"We are honored to welcome our valued customers and friends from Macau, across Asia Pacific and around the world to G2E Asia. Destination areas on the Aristocrat stand will help attendees experience all of the innovation we have put inside our games and cabinets, to help our customers give their patrons great gaming experiences every day," said Aristocrat APAC Managing Director Chris Rowe.

Aristocrat's stand design at G2E Asia invokes an actual casino floor, with dedicated areas including:

- a 5 Dragons zone;
- a Mass Market Gaming area;
- a High Limit Room and
- an Innovation Room.

5 DRAGONS

5 Dragons is Aristocrat's biggest Asian brand and one of the best loved and recognised slot brands in the world. Attendees will experience a joyfully themed 5 Dragons area that shows how operators can place these products on the floor to create gravity around the brand. This area features Aristocrat's latest 5 Dragons games:

- 5 Dragons Grand brings all the excitement of 5 Dragons to the unique experience of Aristocrat's Arc Double cabinet. This new version features an enhanced reel layout with increased ways to win, jackpot multipliers, and a fun wheel feature with free games and jackpots.
- 5 Dragons Empire is a four-level Hyperlink jackpot game that entertains players with an innovative game mechanic, multipliers, bonus prizes, and the chance to win Hyperlink jackpots. 5 Dragons Empire Link will appear on Aristocrat's Arc Single with three titles: 5 Dragons, 5 Dragons Deluxe and 5 Dragons Rapid which is the latest addition to the family.
- We will also feature our most popular 5 Dragons titles under the latest 5 Dragons Rapid and 5 Dragons Gold Mystery Links.

LIGHTNING LINK

- Aristocrat's global slot sensation Lightning Link is expanding at G2E Asia with new games that have been customized to the Asia-Pacific market, complete with tailored graphics, jackpots and bet options.
- The fourth title of our new hit Link – Emperors



"It's All About What's Inside" for Aristocrat and its customers at the G2E Asia 2018 exhibition

Aristocrat continues to strive to lead the gaming industry in creating combinations of innovative cabinets and games that really entertain. At G2E Asia 2018, Aristocrat's stand will feature themed destination areas, specifically designed to showcase the company's new games and cabinets, and allow visitors to interact with products in a meaningful way.

Treasures - will be on display to support our first three titles Happy Lantern, Dragon Riches and Eyes of Fortune.

MIGHTY CASH

- Aristocrat's "Hold & Spin" feature is popular with players, and the company has grown the segment with its latest title, Long Teng Hu Xiao - Mighty Cash. This link offers ultimate flexibility with both link jackpots and game configurability.
- This new Reel Power game is an evolution of Aristocrat's popular Hold & Spin mechanic and has a highly Asian-centric theme, player-selectable multi-denomination configurability, and the popular what-you-see-is-what-you-get style of game play.
- Additionally, Aristocrat will show Mighty Cash, Nuxia - Red Warriors and Green Warriors.

GAMES OF FORTUNE

- Aristocrat continues to innovate for players who enjoy table games, with the added fun of a slot environment.

- In this segment, attendees will enjoy learning more about Games of Fortune; Multiline Baccarat, Baccarat 88, Baccarat Streak and Baccarat Zhuan Zuana Fa, which are played on Aristocrat's exciting Arc cabinet.

FA FA LONG

- Aristocrat is also extending its line of standalone games for players who enjoy a higher volatility gaming experience.
- Situated in the High Limit area on the booth, Fa Fa Long is based on a proven and popular repeat-win math model. Its simple mechanics are paired with intuitive line displays, which offer players a low line math model. While popular in numerous markets around the world, this style of game will be brand new to Asia and has potential to redefine high limit slots.

INNOVATION ROOM

- In the Innovation Room, Aristocrat will debut several new concepts for the Asian market, spanning both games and cabinets. It's all about what's inside.

JCM Global brings innovative solutions for cash-heavy markets to G2E Asia 2018

JCM Global will showcase its innovative transaction solutions at G2E Asia. JCM will be on stand #1319, exhibiting industry-leading products that are field-proven in cash-heavy markets worldwide

"In cash-heavy markets like Macau, the need for safe, secure transactions is amplified. That's why operators throughout the Asia-Pacific region rely

on JCM Global's innovative and field-proven products to provide the perfect balance of security and customer convenience," said JCM General Manager of Asia Pacific Ian Payne.

JCM's exhibit at G2E Asia will include the iVIZION bill validator. Its powerful CIS technology scans more than 9.5 million data points of every note, twice that of the nearest competitor. Its powerful combination of optical and mechanical sensors and mechanical anti-fishing technology offers supreme protection.

Also on the stand is the UBA bill validator and the ICB Intelligent Cash Box, which works with both iVIZION and UBA and has been field-proven to reduce drop operational costs by hundreds of

thousands of dollars annually. Additionally, JCM will show its fast and flexible GEN5 and GEN2 thermal printers; the floor-wide promotional couponing system PromoNet; and the new FUZION technology, which enables real-time currency exchange with exchange rates, along with a wealth of other functionality.

JCM has had a great deal of success in the APAC region recently. For example, Jeju Shinhwa World Landing Casino is protected by JCM's iVIZION bill validator, GEN5 thermal printer, and ICB Intelligent Cash Box. Additionally, JCM has an agreement with Jade Entertainment and Gaming Technologies Inc., under which Jade provides local support and service for JCM products throughout the Philippines.



EGT returns to G2E Asia exhibition in Macau with ambitious plans for growth right across the region

Euro Games Technology is returning to G2E Asia after a gap of several years with an exposition of diverse slot, multiplayer, interactive and casino management solutions, a new distributor for the region and ambitious plans for the near future

"Our display will show how serious our intentions are about the Asian market, that is well developed, stable and rich in business opportunities for EGT," commented Boyko Boev, manager business development for Asia of the company. "We have invited most of the key industry participants in the region and will be delighted to show them around our booth, arranged to give fresh ideas for the wish list of many local players and operators. We also have the full support of our regional partner Channel Paradise Sdn. Bhd – a company with

impeccable reputation and strong presence on the market."

The Asian themes are leading in the choice of jackpot systems that EGT will present at its booth 953 during the show. The 4-level progressive Fu Gui Rong Hua and the 5-level progressive Cai Shen Kingdom, designed for high performance and unlimited entertainment, have already gained popularity in many countries. Now they will be shown in Macao for a first time together with the

newest Dragon's Turn – a four level progressive link that includes random jackpot and bonus wheels and had its world debut during the ICE 2018.

"We are looking forward to receive the feedback of the local audience on our products and are especially curious about how our Asian-themed jackpot systems will be perceived," shared Mr. Boev. "As a worldwide manufacturer, that has navigated its way to success in many different regions in the world, we are ready to find the path to the hearts of the local players and to tailor our developments to the requirements of our regional customers." Another jackpot system to pursue high performance in Asia will be the Premium Link, connecting all EGT games for common mystery and symbol driven progressive jackpots and being able to be installed on any cabinet of the company.

The Super Premier 75 slot model is expected to be one of the major attractions at the show with its spacious 75-inch portrait-oriented curved monitor and latest gaming platform Exciter III. The P-42V Up and St Curved cabinets will also feature some of the most recent trends in the contemporary industrial design with their 42-inch portrait-oriented curved displays with integrated touch screen, attractive LED illumination and optional keyboards with dynamic OLED buttons.

Part of EGT's display will also be some of the best performing products of the company, like P-27/27 St and its more compact version – P-27/27 St Slim, as well as the Collection Series multi-games – Red, Orange, Green, Purple, and Union, each of 48 attractive titles, as well as the brand new, especially created for the Asian market 888 Red Collection mix of 6 games: Emperor's Dream, Great China, China Food, Chinese Garden, Eternal Lotus and Fujiyama.

Gaming Laboratories International ready to showcase Asian expertise at G2E Asia 2018 exhibition

For more than 25 years, Gaming Laboratories International has provided the rapidly expanding Asian gaming market with the world's leading testing, certification and professional services. GLI's team of Asian experts will be on hand at the company's booth #904 during G2E Asia 2018 to showcase its broad expertise in the Asian market

Regulators, gaming suppliers, government representatives, and operators who visit the GLI booth will have the opportunity to gain invaluable insights into the emerging trends and challenges affecting the APAC region.

GLI CYBERSECURITY SOLUTIONS

With cybersecurity challenges driving the global conversation, GLI will demonstrate how it is at the vanguard of providing real-world solutions to protecting consumer information, mitigating security risks, and effectively tackling the complex, mission-critical vulnerability concerns throughout the APAC region.

Recently, GLI became the first lab to successfully complete and issue IP Blocking Certificates for Philippine Offshore Gaming Operator (POGO) licensees in accordance with PAGCOR's regulations governing the protection of consumer data.

This important achievement is emblematic of how GLI is taking the lead in addressing how regulators, operators, and suppliers throughout the Asian region can protect their most valuable data from the growing threat of hackers and cybercriminals.

To underscore these core competencies in the cybersecurity arena, GLI will present an array of advanced and affordable IT and cybersecurity solutions through Bulletproof, a GLI Company, at this year's conference. These include (but are not limited to):

- 24/7 Security Operations Center and Security as a Service
- Cybersecurity Consulting
- Outsourcing and Managed Services
- Professional Security, Networking, Advanced Communications, Microsoft SharePoint and IT Infrastructure Services
- Vulnerability and Penetration Testing
- Software QA Testing
- Instructor-Led Training and Custom e-Learning Services
- Management (LMS) Administration Support
- Strategic Product Procurement

GLOBAL CAPABILITIES WITH LOCAL FOCUS

From the established gaming sectors of Macau, Singapore, and the Philippines to the emerging regulated markets of Cambodia, Vietnam, and South Korea, GLI uses its global capabilities to help local Asian markets pave the way for success in the land-based, lottery, and iGaming industries.

Emphasizing its commitment to the evolving Asian gaming market, GLI will present G2E attendees with its expanding portfolio of world-class products and services, including (but not limited to):

- Gaming Equipment & Systems Testing
- Random Number Generator (RNG) Testing
- Network Risk Assessments
- Penetration Testing & Cybersecurity Services
- Regulatory and Jurisdictional Consultation
- Quality Assurance Testing
- Testing Automation
- Training & Education
- Professional Services

"We are enthusiastic about sharing how GLI's unsurpassed knowledge of the Asian market can help new and existing clients and customers succeed during a time of unprecedented growth in this key gaming sector," said Ian Hughes, GLI's Vice President of Global Services. "Please stop by our G2E Asia booth #904, spend time with our team of Asian experts, and learn how our locally-focused, high-quality solutions can make the difference."

Partnering with IP: turn a gamble into gaming's safe bet

Megan Goodwin, joint MD at digital innovation agency, IRM, explores the viability of Intellectual Property licences for gambling products – examining the pitfalls and the opportunities

Books, films, TV series, board games, computer games, even famous people – all of them have proved to be great sources for online gaming titles. Just look at the licensed properties you can play on the major online gambling sites...



Megan Goodwin,
Joint MD at digital
innovation agency
IRM

Megan Goodwin is joint Managing Director of IRM. An accomplished business developer and marketing expert with over 15 years' experience in television, publishing and digital media, her specialties include content innovation and distribution, cross platform development and marketing partnerships. A proven innovator focused on monetising brands, Megan specialises in the creation of great digital products and pioneering new business models. Megan has not only established IRM but has also been digital strategy advisor to some of the most notable international media companies including Endemol, BBC Worldwide and Fox Television advising on some of the world's best known TV series.

But it's important for developers of digital gaming titles to be sure that the IP they are being offered or are looking to work with will resonate with their core target market.

Meanwhile, Intellectual Property assets must be managed properly if they are to have any kind of longevity. That means taking care that any partnerships, licensing deals or joint ventures do not damage the long-term health of their brand. They shouldn't just jump at every passing opportunity offered to them. For example, while you can make an actual working slot machine out of LEGO and it could be fun, it's unlikely given that it just doesn't fit in with the toy brand's values; Imagination, Creativity, Fun, Learning, Caring and Quality.

Disney is another well-known family brand that seeks to distance itself from any kind of gambling games. Indeed, Disney's purchase of first Marvel in 2009 and then LucasFilms in 2012 means that Star Wars and Marvel licensed gaming titles will gradually fade away over the next few years, as existing licensing deals run out.

But many IP owners do not have a problem with their property being used by gaming companies, assuming the titles they create and/or operate are well-made, support core brand values and are run responsibly and professionally.

There are two key first steps that gaming



operators and developers should take into account before embarking on a project like this.

One is to establish what the property being offered as a potential license is, what its core strengths are, what audiences it appeals to, what its key brand values are and how wide an appeal it has in geographic terms.

This last point is particularly important – game development is now very costly, so it is crucial to be able to spread the costs across as many markets as possible. A global IP franchise is always going to be better than a property which appeals to only one or two countries.

The other key consideration at the outset of any licensing project like this is a brand audit, deciphering all of the licensing deals which an IP owner may have signed in the past. Are they still running? What territories do they cover? Are they platform-specific? What does the exact wording say? And perhaps most important of all,



were they successful? Did they help the brand, for example by bringing in new audiences, or did they harm it?

People don't actually spend enough time analysing past projects in this way – but they should, otherwise they'll make the same mistakes and arguably fail to build on their successes. This is something we've done when we worked with clients like Endemol – it's part of the whole process of optimising your IP. Learnings from one product can be carried over to other products.

There's another reason for conducting a brand/IPM audit, however. You have to understand the rights position because you don't want to invest time and resources in negotiating a deal, only to discover at the last minute that someone else has a contract which gives them prior and conflicting rights. That can be messy and potentially very expensive. As well as being embarrassing...

You have to take technology, and the rise of new digital media, into account as well. Early contracts giving software houses the right to develop new games based around books, films and TV shows failed to take into account the fragmentation of the computer and online games industry, and how it would evolve.

We've had clients who have discovered that they can't launch a particular game in a certain territory because of how an old licensing contract was worded.

Unfortunately, many rights owners jumped into the licensing business without necessarily understanding the full implications of what they were doing. There's a widely used term in the licensing industry – logo slapping. It's where an IP owner signs deals with anyone and everyone, because all they can see is the dollar signs. It may bring in the cash for a while, but in the medium to long term, it damages core brand values.

You have to take technology, and the rise of new digital media, into account as well. Early contracts giving software houses the right to develop new games based around books, films and TV shows failed to take into account the fragmentation of the computer and online games industry, and how it would evolve. That's probably because when the original licensing deals were signed, computer games weren't the multi-billion-dollar industry they are now, so people just lumped them into a generic 'games' category which covered a multitude of sins –

Interactive

INTELLECTUAL PROPERTY

boardgames, slot machines in pubs, computer games and console games.

As for the idea of playing games on mobile phones on a world-wide network of some description – that would have been seen as pure science fiction back in the 1970s and 1980s!

To be frank, very few of us did see the way the digital world would change, and in such a short period of time – and I'm certainly not going to try and predict where it's going to go in the next 10 years. But what I do know is that in digital, things can change very quickly indeed.

What that means is that any IP owners looking to sign a licensing deal with a games company should want to be very specific about what rights are being granted, where and for how long – and should want to keep the agreement as narrow as possible.

We call it 'slicensing' – the IP owner packages their property into as many discrete bundles as they can, with relatively short expiry dates or obligations, so they can better react to changes in the market.

This is relatively easy as most digital products are in quite discrete areas and target relatively narrow audiences who are, in the main, self-selecting.

Slots, for example, have a heavy female bias, with most players aged between 40 and 55 and they are looking for a casual experience, something they do while watching TV so everything from the graphics to the gameplay needs to be light. From a pure financial perspective, the biggest-spending online slots market is the UK.

For 'free to play' or social games, however, it's the US. Themes and imagery for both physical and online slots machines will tend to appeal to this audience demographic and resonate with them. US players tend to prefer a stronger look and feel; mythical/ fantasy brands because the

IP owners should look to listen to and learn from games companies. And contracts should be structured in such a way that any deal should deliver benefits for all parties – there has to be an incentive for the games company to develop the best possible title



game play experience itself is more important because there is no money to be won.

IP owners will want to understand who their potential licensing partners are and what their core strengths are. Different platforms have different demographics. For example, some gaming portals and platforms may appeal to a young male demographic, while others may appeal to an older female demographic. For example, an IP owner is likely to ask any potential partners who their audiences are; who plays their games; and what kind of games do they like?

We've done a lot of work helping translate the works of famous British mystery author Agatha Christie into online and mobile games, including skill-based games. We were brought in by IP owner Agatha Christie Limited to help them build relevance with a younger audience by giving them the opportunity to discover, interact and enjoy her works in new, digital media. We developed many different iterations for different demographics over the eight years we worked with them; initially, these titles took the form of

online 'seek and find' games, and sold tens of millions of copies but we also launched immersive adventure cross-platform games.

More recently, a skill-based online slots game based around the author's Poirot and Marple brands was launched called MysteryWilds and most recently Murder on the Orient Express to coincide with the release of the new Sir Kenneth Branagh-directed film. Significantly, rights owners ACL were receptive to feedback from the game developers suggesting that the look and feel of the game should be lightened up to reflect the audiences that this kind of game mostly attracts.

Brand values must come to the fore: but there should always be some room for flexibility. It has to be a two-way street, to some extent. IP owners should look to listen to and learn from games companies. And contracts should be structured in such a way that any deal should deliver benefits for all parties – there has to be an incentive for the games company to develop the best possible title, because that's going to deliver rewards for everyone.

IAGA INTERNATIONAL GAMING SUMMIT

MACAU • MAY 14-16, 2018



Save the date and plan to join IAGA **May 14 - 16 in Macau** for the **2018 International Gaming Summit** where top industry executives will discuss the global opportunities and challenges facing gaming. With a wide range of panels, break-out sessions and keynote speeches addressing the industry's top issues and hot topics, it will be a gaming conference you won't want to miss.

Watch theiaga.org for more details.

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The need for super-fast streaming

Paul Witten, Product Director at SIS, explains how innovation in video & live streaming technology is moving the betting industry forward and providing a more immersive experience for bettors.



Paul Witten,
Head of
International
Horse Racing, SIS

The way in which we consume content is ever-changing with improvements to internet connection loading times, and to the devices in which we access such content. We now have the capability to watch videos on-the-go through our mobile devices, as well as traditional channels such as TVs and desktop computers.

For the betting and gaming industry, the potential of video streaming has certainly started to be realised. From streaming horse racing fixtures to live casino, video is becoming increasingly more accessible for bettors and creates a highly engaging experience.

What's important however, is that the live content streamed to operators and end users remains as seamless as possible. There's nothing worse than the experience being interrupted by slow buffering, especially once you have placed a bet.

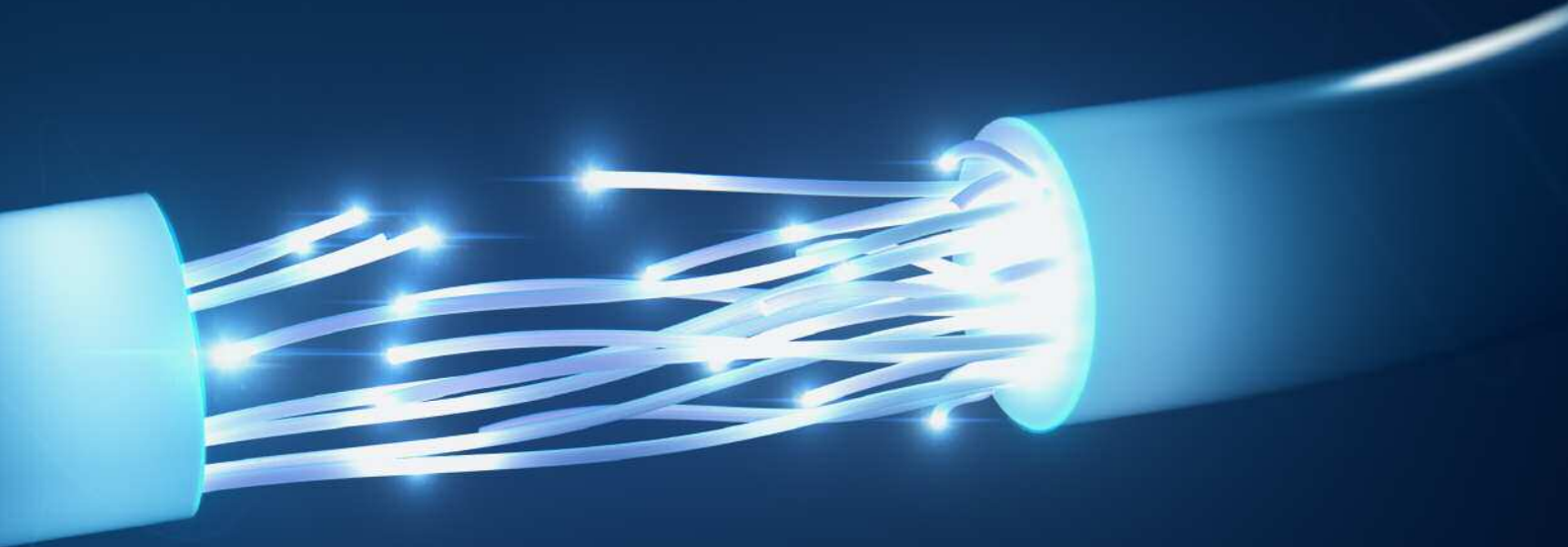
Despite technological advances, it's crucial that the industry continues to seek improvements

and provide bettors with the very best experience possible.

It is key that the latency from live event to bettors' screens is kept to an absolute minimum. Every millisecond counts, as any delay could mean the integrity of the content being streamed may be put in jeopardy. Plus, there's the risk that bettors can gain an unfair advantage if they bet on content before it arrives in a betting shop or to the sportsbook.

Live pictures and data suppliers place a great deal of attention on providing superfast connections, as it delivers an improved user experience, but also leads to greater trust

It is key that the latency from live event to bettors' screens is kept to an absolute minimum. Every millisecond counts, as any delay could mean the integrity of the content may be put in jeopardy. Plus, there's the risk that bettors can gain an unfair advantage



between operators and bettors, in ensuring they receive content as real-time as possible with no delay. SIS stream can offer operators ultra-low-latency with sub three second delivery.

Advances in technology make further innovation possible. For example, when developing the new SIS Greyhound Channel, we have been able to implement a market first, by providing multiple camera angles for the racing, as we are able to send more data over fibre networks which we installed at the tracks. This improves the bettor's experience when watching the live racing pictures in shop or online, and has helped to increase betting turnover.

At SIS we transmit in excess of 620,000 hours of live sports content every year to countries as far away as Sri Lanka and the Caribbean, over more than 18 linear satellite and OTT channels. We have placed significant emphasis on capitalising on new technology to improve the quality of our latency. Furthermore, we have invested heavily to automate a great deal of our broadcasting operations to the benefit of some of our bookmaker customers.

Speed to market will become increasingly important, and the need to embrace innovative technology will be crucial. Adopting cloud technology, from the perspective of live broadcasting, has the potential to deliver solutions in days, rather than months. It's something we have been experimenting with, and we're excited about the potential.

An example of this is our Complex Automated Production (CAP) which significantly streamlines the production process of operator TV channels, allowing operators much greater autonomy and flexibility over specific schedules across different shops and territories. Such

technology means that operators can provide their retail customers with a more tailored in-shop live sports betting experience, with a greater variety of content on offer.

Looking ahead, speed to market will become increasingly important, and the need to embrace innovative technology will be crucial. Adopting cloud technology, from the perspective of live broadcasting, has the potential to deliver solutions in days, rather than months. It's something we have been experimenting with, and we're excited about the potential.

However, for the foreseeable future at least, the challenge for the betting and gaming industry remains to keep latency down to acceptable levels. As a trusted provider with more than 30 years' experience, we are well placed to rise to this challenge.

The customer will always remain king, and through innovative solutions available at cost-effective rates, standing out from the rest of the crowd with first-class technology will ultimately lead to a superior bettor experience.

The building blocks of gaming's future?

Few technologies since the web have generated as much noise as blockchain – and in particular Bitcoin, the most visible and well-known blockchain application. But is blockchain really as significant as its proponents claim, and can it really revolutionise the gaming industry?



Daniel Kornitzer,
Chief Business Development
Officer, Paysafe

Daniel Kornitzer is Chief Business Development Officer for Paysafe. In this role, he is responsible for developing strategic partnerships for Paysafe designed to meet customer needs and grow new revenues. He is also a decision maker in Paysafe M&A activities."

Almost exactly a decade ago, the world became aware of blockchain. First seen as the core component of the cryptocurrency Bitcoin, it is now firmly on the gaming radar, as anyone who visited ICE 2018 will testify. But what exactly is a blockchain, and why should the gaming industry care?

At its simplest, a blockchain is a digital version of an old-fashioned ledger – a place to record the details of transactions. Unlike conventional ledgers, though, blockchains are distributed across every user of the network or platform; there's no single point of access, and no central authority with overall control. No one person or organisation can make changes to records on their own; instead, they happen by consensus, with other users of the network authenticating and authorising every addition to the ledger. That decentralisation is one of the most important aspects of the blockchain design – a characteristic that makes it not just completely transparent but also completely secure.

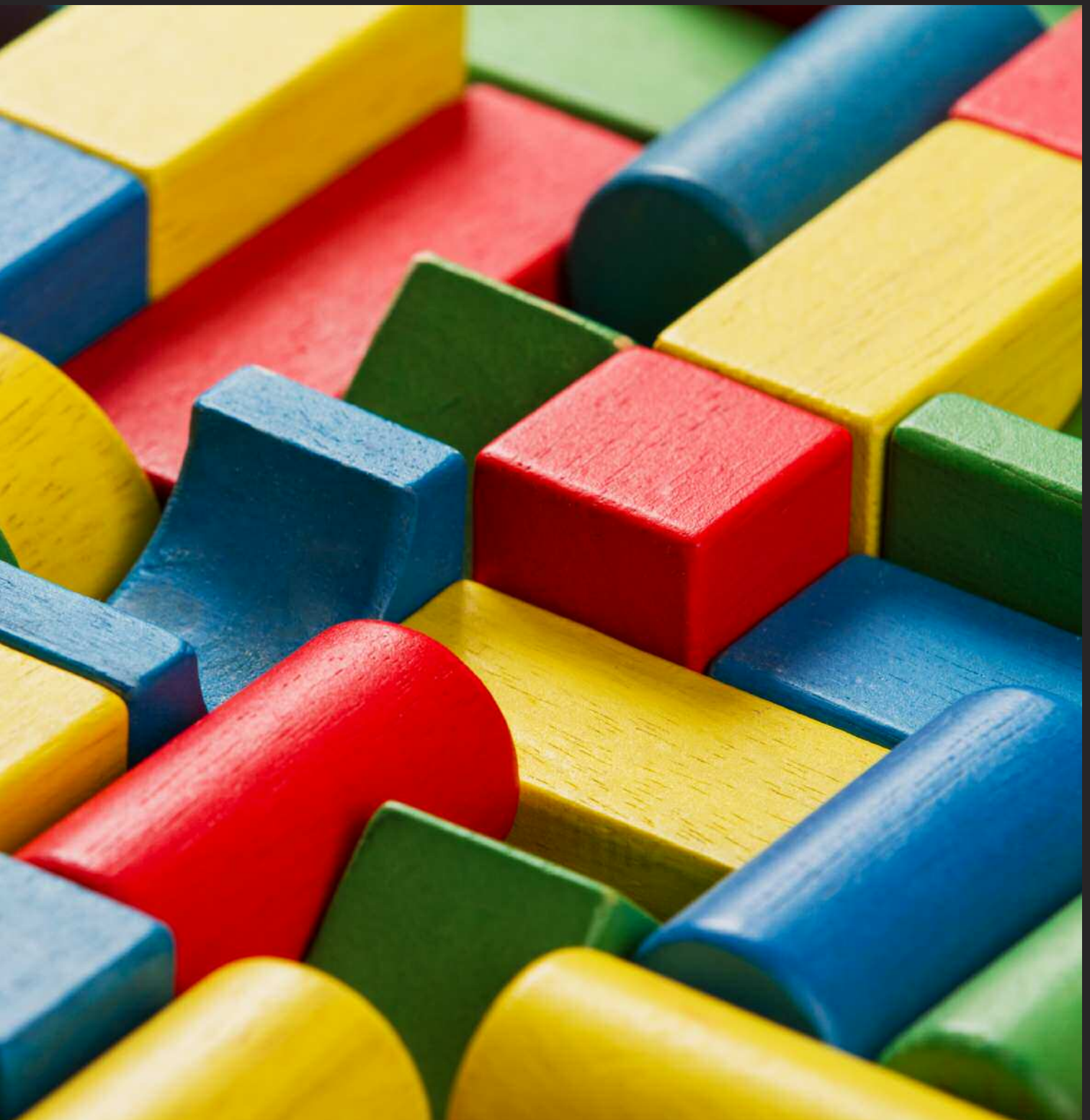
By their very digital nature, blockchains are completely neutral. Anything that can be recorded digitally can be stored in a blockchain-based ledger, whether it's a cryptocurrency such as Bitcoin, a set of shipping records held by a retailer, or the results of a horse race. Even fiat currencies can be transferred using a blockchain system in order to leverage blockchain's benefits around speed, cost, transparency and security of



transfer, and there are examples of this type of financial service already in the market. That versatility and adaptability is one of the reasons why more or less every industry is researching or investing in blockchain-based solutions to customer problems – not least the gaming industry, for which it promises to solve some deeply ingrained trust and reputational issues.

BLOCKCHAIN AND GAMING: WHERE IS THE OPPORTUNITY?

There are three principal reasons why blockchain is so important to the gaming industry. The first is that it provides a completely transparent and publicly visible account of every event within a gaming platform, whether that's authentication of a player, a transfer of chips, the result of a game, or a payout to a customer. These



events are stored in plain view forever; unlike traditional ledgers, a blockchain uses advanced cryptographic algorithms to ensure that it can never be altered or erased.

The second reason why blockchain is so important to gaming is that it removes many of the barriers between the players and the games. Bank accounts, in particular, are no longer a requirement in blockchain-based gaming platforms; players are able to use cryptocurrencies stored in digital wallets to transfer funds to and from the system. Exactly what those cryptocurrencies are doesn't matter so this isn't restricted to Bitcoins. Fiat currencies held in digital wallets or bank accounts can be transferred using blockchain technology in theory also, so user preference is not restricted.

Thirdly, blockchain's cryptographic design makes it very hard indeed for third parties to manipulate. There's no single point of failure within a blockchain network; it's a self-auditing ecosystem which checks its own integrity every few minutes, making it effectively impossible for a single user to gain control.

A casual online search reveals just how fast these three ideas have captured the imagination of the gaming industry. Companies like JoyToken are aiming to become the de facto currency for online gambling, using blockchain to open up the so-called 'black box' of results that often deters suspicious gamers. Others such as Funfair are building entire casino platforms around blockchain, allowing operators to create white-label casinos that integrate fully with

Blockchain removes many of the barriers between the players and the games. Bank accounts, in particular, are no longer a requirement in blockchain-based gaming platforms; players are able to use cryptocurrencies stored in digital wallets to transfer funds to and from the system.



Interactive

BLOCKCHAIN IN GAMING

developers, licensees and payments platforms quickly and easily.

LINKED-UP GAMING

Blockchain's unique combination of transparency, security, independence, and neutrality is drawing the attention of players, operators, and developers alike. From a player perspective, blockchain is an especially attractive proposition amongst the lucrative 18-

The ability to offer provably fair and secure games, in particular, is a big draw for players wary of new and unfamiliar gaming sites. By deploying blockchain-based ledgers at the heart of their platforms, they can start to genuinely allay fears about fraud and corruption.

35 year-old demographic, who are more likely to be familiar with the technology. Properly implemented, blockchain's inherent transparency gives players complete visibility over some of the most important trust-based components of gaming platforms.

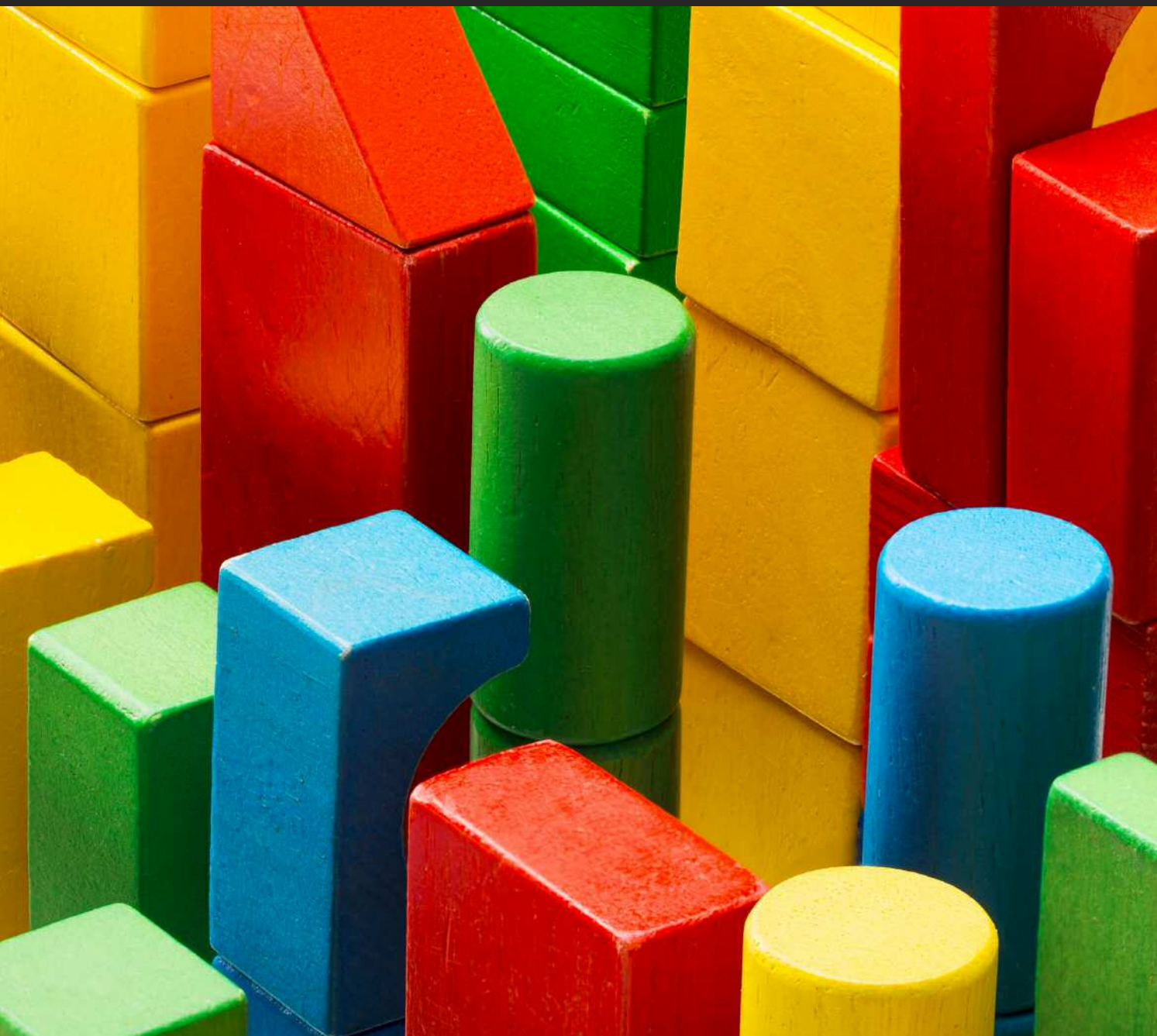
For would-be casino operators, blockchain solves many of the same visibility problems. The ability to offer provably fair and secure games, in particular, is a big draw for players wary of new and unfamiliar gaming sites. By deploying blockchain-based ledgers at the heart of their platforms, they can start to genuinely allay fears about fraud and corruption, simply by making every record of payments in and out visible to the world.

Finally, game developers stand to benefit greatly from blockchain-based platforms – not least because of the same transparency that benefits players and operators, which gives them wholly new levels of reporting visibility. They can see exactly how often their games were played, by whom and when; all vital information that is often historically difficult to obtain from gaming platforms.

GETTING SMARTER

One of the big driving forces in blockchain-based gaming applications is Ethereum, a non-profit organisation dedicated to building global decentralised applications based on distributed ledger technology. Ethereum is the platform of choice for an exceptionally wide spectrum of applications – not just gaming applications such as lotteries and casinos, but new cryptocurrencies, smart legal contract applications and much more.

One of Ethereum's landmark features is the ability to execute so-called smart contracts, in which value of some kind is moved around based on previously issued instructions, such as a futures contract, a property deal or even a personal will. Smart contract technology is extremely powerful because it is capable of facilitating high levels of automation, which is desired, but without surrendering the control that matters through carefully monitoring and rejection of anomalies that do not comply with the issued instructions. It is easy to envisage how this "best of both worlds" approach, if properly executed, could have strong benefits in gaming.



BREAKING THE CHAIN

Blockchain sceptics rightly point out that there are still some significant barriers to overcome before blockchain is a genuinely mainstream element of the modern gaming experience. Perhaps the biggest problem is performance; an inevitable issue as the number of users of any given blockchain grows, thanks to the decentralised design and the way in which changes have to be notified to every node on the network.

This is a particular problem in the banking world, where financial organisations have long since discovered that the Bitcoin network simply can't support the volume of real-time transactions required for large-scale service offerings. Gaming organisations are aware that poor performance has a negative impact on their users, whether that's in the game-play itself, in payouts, or in settlements. Smaller private blockchains and alternative cryptocurrencies go some way towards solving these problems, but soon become victims of their own success; a casino that runs quickly with a thousand players may be considerably less playable with ten thousand.

There's also a big question mark around exactly what role existing payments providers such as Paysafe will play in a new blockchain-enabled world. At some point, players need to put money into a gaming platform and want to be able to take it out again to spend in the real world. And it goes without saying that casinos and other game platforms need to make that as easy as possible if they're to attract players – as easy as the digital wallets and direct debits they already use.

Today's cryptocurrency exchange processes and apps are often extremely cumbersome, involving considerable technical knowhow and, often, a serious leap of faith. Perhaps the biggest benefits that payments processors such as Paysafe can bring to the blockchain party are confidence and ease of use; both critical factors in their own success in the fiat world.

Despite some concerns about the sustainability of blockchain-based platforms, they seem sure to be an ever-growing force in the gaming world for the foreseeable future. While instability in the price of Bitcoin and a general cautiousness around a currency without any underlying

Perhaps the biggest benefits that payments processors such as Paysafe can bring to the blockchain party are confidence and ease of use; both critical factors in their own success in the fiat world.

assets to support it are causing some observers to question the value of blockchain generally, ICOs are offering good alternatives and promise to reduce the specific set of risks that Bitcoin offers. Whether their concerns will carry any weight remains to be seen; for now, the potential of blockchain has created an unstoppable momentum in the development of the technology, if not yet its broader adoption. But if the pace of evolution in the gaming world is anything to go by, it really is only a matter of time.

Products

LAND-BASED AND INTERACTIVE GAMING



Timber Wolf Grand Casino Slots Aristocrat

Aristocrat's Timber Wolf is a favourite of slot players everywhere. Now the fun and excitement just became grander in the all-new Timber Wolf Grand.

Timber Wolf Grand is part of Aristocrat's "Grand Series" that includes Buffalo Grand and 5 Dragons Grand. Like other games in the Grand Series, the contemporary and innovative Timber Wolf Grand is housed in the eye-catching Arc Double cabinet, with its dual 42ins. curved high-definition LCD touch screens, 5.1 stereo sound, upgraded graphic capabilities, and premium ergonomic design.

Timber Wolf Grand offers players 2,000 ways to win, with Xtra Stacking symbols, progressive multipliers, and the chance to achieve a full screen of high-paying Wolf symbols.

An exciting Wheel Feature retains the popular Grand Series dual wheel bonus and awards free games and progressive jackpots that can be multiplied up to 10x. Plus, the Free Games Feature awards an unlimited free games bonus, with the action of x3 and x5 wild multipliers and reel re-spins for rich rewards.

Adding to the fun, Timber Wolf Grand's Jackpot Feature doesn't end until players win a Free Games bonus, allowing the chance to win multiple jackpots within the same bonus event. Based on a 1c denomination, the Grand MSP jackpot begins at a life-changing \$250,000. Other start-ups are Grand (SSP) \$5,000; Super \$750; Major \$100; Minor \$20; and Mini \$10. Timber Wolf Grand is a high volatility game with an average feature frequency. Denominations range from 1c to \$20.

Rainbow Riches Fortune Favours, Jackpot Party, Hula Hula Nights and Legend of Bigfoot UK Slots SG Gaming

SG Gaming UK group has added four new titles to its comprehensive content library: Rainbow Riches, Rainbow Riches Fortune Favours, Hula Hula Nights, Jackpot Party and The Legend of Bigfoot.

Continuing to provide players with an unrivalled omni-channel content proposition, three of the new games will be available online and to retail customers.

Enhancing the legendary Rainbow Riches brand, Rainbow Riches Fortune Favours is available for the LBO, arcade and bingo sectors. This latest addition to the Barcrest branded series stands out with a variety of fun and memorable features, including a 'Magic Fairy Bonus' and 'Mega Reels'.

Bringing a taste of Hawaii to the LBO, arcade and bingo sectors, SG Gaming is saying 'aloha' to Hula Hula Nights, a brand new £500 jackpot game. With engaging graphics, this 'Free Spins' title offers players a simple and straightforward slots game with additional free spins available from the bonus.

The latest offering in £100 jackpot community gaming for the arcade and bingo sector is Jackpot Party. This title is packed with entertaining



features, including two party-themed 'Community Game' bonuses and a 'Wild Reels' bonus.

Finally, The Legend of Bigfoot comes to LBOs in March, followed by the arcade and bingo sector. This new £500 jackpot game offers a sense of adventure, with realistic graphics and fun bonuses, including a 'Free Spins Trail' bonus and 'Bigfoot Sightings' mystery bonus.

Rick Mountney, Director of Content Development at SG Gaming, said: "Once again, our talented in-house content team have developed a series of new and exciting titles for



our customers across our retail sectors and online. Whether it is the new addition to the Rainbow Riches brand, utilising popular Bally™ and WMS™ brands, or completely new themes such as The Legend of Bigfoot, we have been working hard to continue to provide a constant stream of new innovative gaming content to complement our state-of-the-art terminals, as well as our online digital offering.

"Our ambition is for this latest release of content titles to appeal to players and we believe will ultimately help our customers drive performance."

Zitro has supplied its highly-acclaimed Video Bingo machines to the new Casino Vivant!, including its new games library and the Big Time promotional systems, as well as the latest Bryke video slots, local area progressive bank Blazing Pearls, as well as games from the popular Pick & Win multigames series.

Zitro machines stand out in the casino thanks to their impressive presentation in the beautiful Blackwave and Fusion cabinets.

Casino Vivant!, located at Hotel Resort Yacht and Golf Club of Paraguay, is: "Consolidating as the prime national and international attraction for consumers looking for premium entertainment experiences," said Raymundo Aquino, Senior Advisor of Business Development at the Casino. "We believe that Zitro's



Bryke Video Slots Casino Slots Zitro installs at Vivant! Casino

innovation and technology are going to be an essential ingredient in our formula for success," added Mr. Aquino.

Alejandra Burato, Zitro's Regional Manager for Latin America commented: "The presence of Zitro in Paraguayan casinos has grown significantly in recent times.

We are proud to have our products in fine establishments like Casino Vivant!, and we would like to thank Casino Vivant! for trusting our company and our products. We will continue to work tirelessly to create even more innovative games to allow our operators to offer their customers spectacular experiences."



Jin Ji Bao Xi Casino Slot Scientific Games

"Scientific Games continues to bring its popular market-tailored games to Asia. Scientific Games first brought Duo Fu Duo Cai to the Asian market and is now making its world premier of our new Jin Ji Bao Xi linked progressive. This link features a number of our exciting games and is expected to be wildly popular with players," said Ken Jolly, the company's Vice President and Managing Director of Asia. Jin Ji Bao Xi is the latest multi-denominational, progressive linked jackpot from Scientific Games' new offering of the Echo Fortunes base game on the Dualos cabinet.



Grid App Sports-Betting Ladbrokes

In a UK industry first, Ladbrokes takes the first steps towards paperless betting on the high street with the launch of its betslip generator, which was developed as an extension of the bookmaker's Football Buddy feature, available on the Grid App.

Customers use Football Buddy to assist in building accumulator bets by helping to find teams to bet on. With the introduction of the new betslip generator, once customers have picked their teams, users click 'find bets' to produce the betslip. Customers then enter the stake, view potential returns and generate a barcode. By generating a barcode, users will receive a named coupon containing all of the information relevant to their bet and then the barcode is scanned at the counter and the bet is placed.

A receipt is generated at the counter that can be scanned in the Grid app allowing customers to track and cash out their bet if available. There's no need to fill out a paper coupon and the new functionality provides greater choice, ease and convenience for both the customer and colleague.

ELO Backpack Components Elo



Elo has unveiled the Elo Backpack, an Android powered compute engine capable of transforming Elo touchscreens of varied size and form factor into an affordable, scalable, single-architecture media platform. Compatible products include most Elo touchscreen digital signage, desktop monitors and kiosk open-frame products. With its simplified content-delivery and remote-management capabilities via the EloView portal,

Backpack is an ideal solution for kiosk designers, digital signage providers and POS system providers across a broad range of commercial or public environments.

"The new Elo Backpack turns touchscreen monitors and displays into fully connected systems with

limitless interactive experience possibilities," said Craig Witsoe, CEO of Elo. "The success of our customers deploying our small-format I-Series touchscreens is just the beginning. We're excited to bring the flexibility of the Android mobile architecture to Elo's broader touchscreen portfolio while simplifying deployment and management via our EloView software."

With Elo Backpack, Elo introduces kiosk integrators to a new architecture that can lower costs, improve

scalability and simplify creation of customized kiosks. This platform provides a low-power, solid-state, fan-less computing solution running Android 7.1 (Nougat) with

the capability to scale deployments and remotely manage kiosks out-of-the-box. Combined with Elo's brilliant commercial-grade touch monitors, integrators

can now transform what was a bulky, highly customized kiosk into a sleek, scalable design. EloView, a SaaS platform, further simplifies deployment and device maintenance of Elo touchscreens enabling OS management, remote and silent updates, kiosk lockdown and automatic provisioning.

Built on Elo's extensive understanding of peripheral integration and SDK development, Backpack supports industry-leading peripherals for scanning, payment, printing and biometric input via two USB 2.0 ports.

Additional connectivity is available for an Elo touchscreen monitor plus Ethernet, Bluetooth, Wi-Fi, HDMI output, micro-SD, and GPIO.

SEVEN Platform Sports-betting NSoft

Sports betting solutions provider NSoft has strengthened its presence in the Romanian market with the launch of Virtual Football League to SuperBet.

NSoft team has integrated the latest version of Betradar Virtual Football League and Cup and enriched its SEVEN platform product portfolio. Its flexibility was once again proven by the release of Virtual Football League to SuperBet through the Seven Aggregator Platform.

Mario Kristo, MD of Betting Solutions said: "NSoft strives to bring the industry's finest achievements via powerful omnichannel platform. SEVEN platform is the perfect solution where great products from various providers meet ever growing betting operators' needs in order to create unique and unparalleled value in business industry".

Betradar's Virtual Football is the top-revenue making solution in the market, delivering fast-paced betting on retail, mobile and online channels. The exceptional levels of realism of Virtual Football can be seen across the in-video gameplay, packed with state-of-the-art motion capture scenes.

Tiger's Claw Online Slots Betsoft Gaming

Betsoft Gaming has released another visually stunning and engaging title with Tiger's Claw.

Players journey through a mystical realm and explore a land of beauty and riches. In this relaxing expedition into an unknown land, the wise Shaman awards wisdom and scatter pays. The fates will then bring players ever closer to the legendary Tiger's Claw.

Paying right to left and left to right, this 3-4-5-4-3 slot will offer big payouts in a magical backdrop. Using subtle animation and muted tones, Betsoft is able to create a rich and enveloping setting. Players seek out the



majestic wild Tiger's Claw to unlock the path to enlightenment and a multitude of Free Spins. With each instance of 5 Tiger's Claws, more Free Spins are awarded, with up to 98 being possible in a single spin. Players can then reap the reward of the Free Spins with BIG prizes and respins that STACK - up to 240 Free Spins at any given time.

"We understand that not all players want big animations and flashy graphics every time they play. Many players use slot gaming to relax," said Dan Cooper,

Betsoft's Head of Product Development. "We try to make sure we offer a diverse array of titles. These include our cinematic titles, mechanically complex titles, and relaxing and entertaining titles like Tiger's Claw."

"Our design philosophy is to offer players something that is fulfilling in more than just one way; if it's beautiful, it should also be fun. We feel we've really hit that mark with Tiger's Claw. While it is a visually striking game to play, the Free Spins mechanics also make it both exciting and satisfying."

Products

LAND-BASED AND INTERACTIVE GAMING



My RTP Online Slots Videoslots

Videoslots has enhanced its offering with the launch of 'My RTP', an analytics tool designed to bring engagement and transparency to the online casino experience.

The new feature gives players access to their personal return to player (RTP) on individual games, alongside information on record wins, hit rates, and average number of spins per session, allowing players to make more informed choices on which games to play.

Players can track the games that give them the highest and lowest return to player, as well as save their game sessions to compare them to the return to player of others enjoying the same slot, all on a single clear and concise webpage.

With its sharp design and precise presentation, My RTP provides online casino players with the kind of comprehensive data coverage that is now commonplace in sports betting.

Alexander Stevendahl, CEO at Videoslots, said: "As one of the world's leading online casinos, it has always been our goal to us to deliver total transparency to online casino players in real time. My RTP delivers key information in a coherent and engaging manner, and will allow our players to enjoy an even more sociable and healthy online casino experience."

Smash Smash Festival Casino Slots Konami

Athens' Regency Casino Mont Parnes is celebrating popular success for the linked slot game Smash Smash Festival, since its launch last October.

The fiesta-themed series by Konami Gaming, has become a key attraction at the property for its €10,000 jackpot and winner-takes-all jackpot pool of mystery prizes.

"The biggest indication of success is how it's attracted a strong following with our regular guests, and become a reason why they visit Regency Mont Parnes," said Slots Director Petros Sarakintsis. "Smash Smash Festival's signature progressive mechanic with increasing mystery prizes is something entirely unique that our players enjoy. It consistently performs above house average."

Regency Casino Mont Parnes has premiered Smash Smash Festival across 10 slant machines with SeleXion multi-game and a lighted overhead sign.



Featured base games include Chili Chili Fire, Dragon's Law Twin Fever, White Cats, Phoenix Princess, and more.

"We're thrilled by the results Regency Casino Mont Parnes has achieved, as well as the outstanding feedback from its core player base," said Eduardo Aching, Vice President, International Gaming Operations at Konami Gaming. "The expertise of their team and the team from InterGames—our exclusive distributor for the region—has helped advance this fun new bonus game style for players."

Deal Or No Deal Online Live Casino Evolution Gaming & Endemol Shine

Endemol Shine Gaming, part of global content creator, producer and distributor Endemol Shine Group, today announced a partnership with leading provider of live casino solutions, Evolution Gaming, to launch a live casino game based on the hit gameshow Deal or No Deal.

The deal, which covers European markets and North America, marks the first live casino venture from Endemol Shine Gaming's portfolio of brands. Evolution Gaming will develop the brand-new Deal or No Deal Live Dealer game which is slated for release next year. Evolution Gaming will also have the option to extend the Deal or No Deal brand into Black Jack and Roulette games.

Mark Woollard, Commercial Director, Endemol Shine Gaming, said, "We are always looking at ways to diversify the Endemol Shine Gaming portfolio and the Deal or No

Deal format lends itself perfectly to the live casino setting. As market leaders in this space, Evolution Games are the best partners to bring this first of its kind merging of TV and gaming entertainment to a live audience, for a unique Deal or No Deal experience."

Todd Haushalter, Chief Product Officer, Evolution Gaming, added, "We have been pushing the innovation boundaries and what it means to be a live casino provider for some time now, and particularly in the last year we have started introducing game show style

games, which has been a huge success. We all love watching game shows and why shouldn't you be able to play along at home for real money? We are going to make this possible and we could not be more excited to bring this to online gaming."

Endemol Shine Gaming is part of global content powerhouse Endemol Shine Group. Endemol Shine Gaming is behind a diverse portfolio of games that have been distributed worldwide including those based on popular Endemol Shine Group formats such as The Million Pound Drop, The Money Drop and Big Brother and third-party projects including Austin Powers and Dumb and Dumber.



Dynasty Electronic Table Games IGT

Resorts Casino Hotel in Atlantic City has rolled out IGT's Dynasty Electronic Tables Games (ETG) blackjack, roulette and baccarat.

The new technology delivers traditional table games via one live dealer facing multiple individual players, each equipped with an individual touchscreen betting terminal. Dynasty blackjack, roulette and baccarat terminals are located between the Box Office

and 5 O'clock Somewhere Bar. This installation also features IGT's Live Dealer solution that allows players to sit at one of the touchscreen terminals and connect to live table games taking place throughout the casino floor. Each player can appreciate the personal space, comfort and freedom of the Dynasty terminals. Players are also allowed to use the multi-game choice with faster dealing, keeping them engaged.

Joe Cavilla, Vice President of Casino Operations for Resorts Casino Hotel, commented on the installation: "We're excited to be the first casino in Atlantic City to offer IGT's Dynasty Table Games. They enable novice and experienced players to enjoy their favourite table games in a unique environment. Each player can create their own unique way of playing multiple games at once, or just one game at a time."

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