

Reports

NETHERLANDS - ONLINE REPORT

Wait Lifting

The Netherlands - Online

Good things come to those who wait. So they say. And for the Netherlands, the wait for an open and legal online gambling industry is finally over as the country races off the starting block with the first batch of new online gambling licences.

Last year saw momentous changes in the Dutch market. The Remote Gambling Act (KOA) finally leapt into action in April 2021 enabling operators the chance to legally apply for licences in the Dutch online gambling market.

It is estimated that around 1.5 million people are actively gambling online in the Netherlands whilst the market value is worth around €500m.

The country, with its 17 million population, boasts 95 per cent internet penetration with more than 11 million social media users. Around 93 per cent of the population own a mobile phone and 83 per cent have a computer or laptop.

It is anticipated that the online gambling market (regulated and unregulated) will reach €1.1bn by 2024 in the Netherlands whilst the gambling authority wants to see the licensed operator market be responsible for at least 80 per cent of this during the next three years.

After restrictions and closures of the landbased sectors in the Netherlands due to Covid, the





opening of the newly regulated online gambling market could not have come at a better time for some operators who were the first to receive one of 10 initial licences at the end of September.

For a country which is relaxed and liberal about many aspects, in contrast the Netherlands has always had a particularly tight grip on its gambling laws.

The Netherlands has a gambling history dating back to the 14th century and the sector has always been carefully managed and controlled. Since 1964, all gambling activities such as card games and sports betting have been regulated by the Dutch government.

The Betting and Gaming Act 1964 was brought in to regulate the sector and this remained in place until the late 1990s when several amendments were added. The sector is also governed under the Gambling Tax Act of 1961. Other legislations look at advertising and addiction prevention.

By 2012, the Kansspelautoriteit (Dutch Gaming

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Authority/KSA) was established as an independent regulator. This operates under the Ministry of Justice and Security. The KSA's main responsibilities include issuing licences and supervising the gambling market and enforcing

rules. It aims to protect players and prevent any illegal or criminal practices and also deal with gambling addiction issues.

Although offline gambling is regulated the market operates via state monopolies on most sectors within the gambling landscape including:

- Landbased casinos – operated via Holland Casino which currently has 14 casinos open throughout the country.
- Lotteries – including Dutch State Lottery, National Postcode Loterij, VriendenLoterij and BankGiro Loterij. Plus there are various charity lotteries.
- Sports betting and horse racing – these are run via De Lotto (Toto) and ZEBetting and Gaming (Runnerz) respectively.

Meanwhile, private operators exist for slots in arcades, bars and restaurants and licensees include Jacks Casino, Fair Play, Gran Casino and Hommerson Arcades.



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In April, 28 applications were received by the KSA with the first 10 approved by the end of September. By October 2 – TOTO Casino, Betcity and GGpoker – all opened their virtual doors whilst Holland Casino, Fairplay Online, Batavia Casino launched on October 4 due to some technical hitches with CRUKS. The remaining licences – Bet365, Bingoal, Livescore Bet and Tombola – were due to open by mid-October.

The push to regulate the remote gambling market in the Netherlands has been a long and arduous process. However, once internet gambling began to flourish the legislations and regulations needed re-evaluating. The KSA was founded in anticipation of these changes whilst the Remote Gambling Bill first began its journey seven years ago.

In July 2020, the KSA published a 'Market Vision of Games of Chance' report, which was presented to the Minister for Legal Protection, which is responsible for the Dutch games of chance policy.

The KSA anticipated 'strong growth' in the remote gambling market once the legal market came into play. The report concluded that there is room in the gambling market for new operators of games of chance in the future and discussed the abolition of state-run gambling monopolies and the classification of fantasy sports.

Back in 2015 there were around 500,000 active online gamblers and by 2021 that figure has tripled.

The KSA Market Scan puts the total GGR for the Dutch gaming industry at around €2.63bn in 2018 made up at the time of lotteries (47 per cent market share), slots (41.5 per cent), casino games (10 per cent) and sports betting (1.5 per cent).

On average, the Dutch spent around €207 per year on games of chance, €86 on lotteries and €13 on sports betting in 2018.

REMOTE GAMBLING ACT

The Remote Gambling Act was approved in July 2016, although it was not rubber-stamped by the Senate until three years later in February 2019. It finally came into force on April 1 2021 and the first licences were approved at the end of September ready for the market to open.

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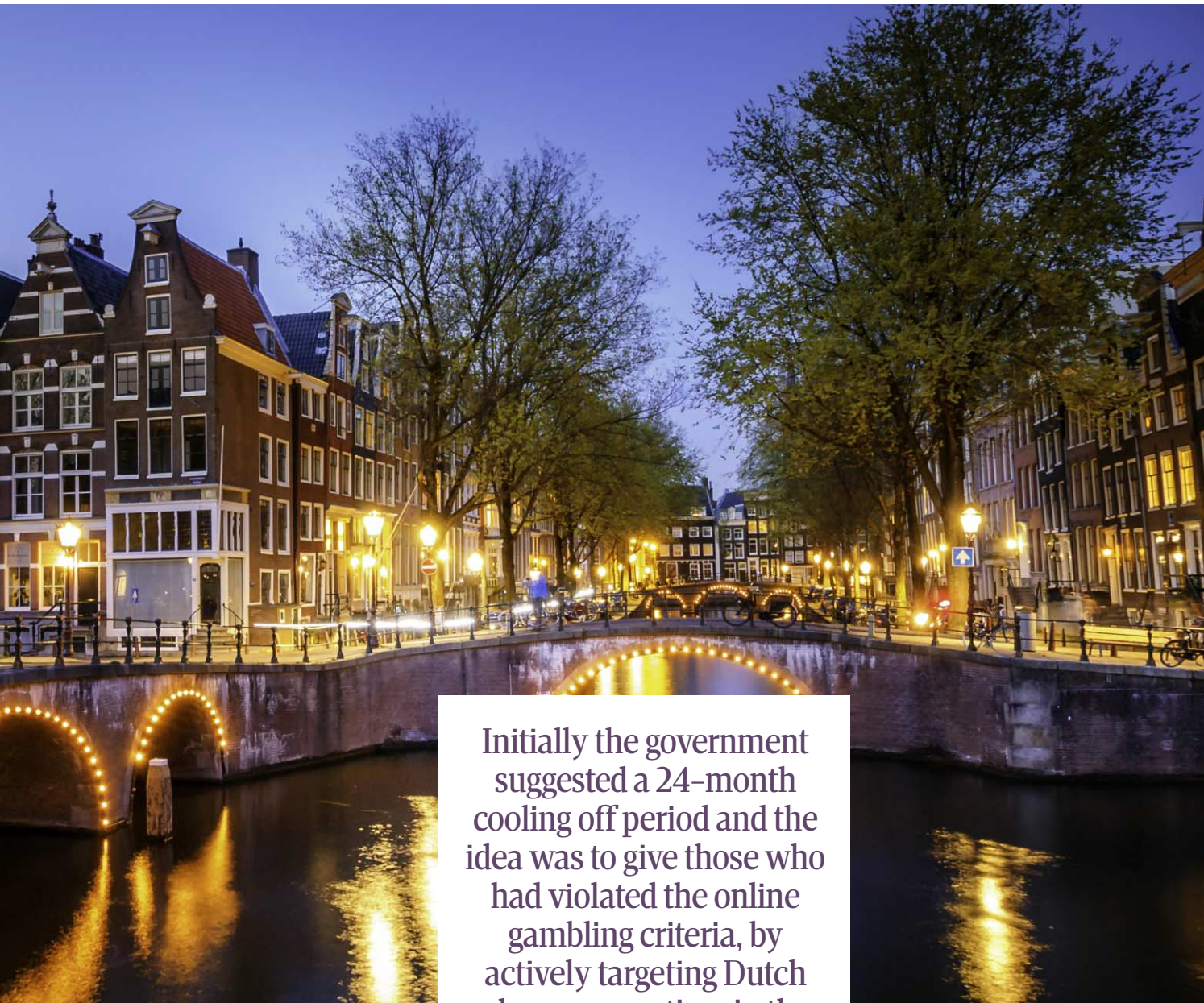
The Remote Gambling Act amends the former Betting and Gambling Act and Betting and Gambling Tax Act to enable the licensing of remote games of chance.

The main purpose of this legislation is to open up the gambling market and enable foreign

gambling operators the ability to apply for a Dutch licence. It is due to be re-evaluated in three years' time to deal with any issues and challenges that arise in the interim period.

Prior to the act there have been issues in the Netherlands regarding its online gambling market and the KSA began to enforce operators targeting the Netherlands (by using Dutch language or .nl URLs) whilst there was a lack of age-appropriate verification measures.

Operators have been required to enter and view the new online market as a completely new territory as regulations state everyone must start from scratch with their player acquisition. So, any operator who had an existing unlicensed presence in the Dutch gambling market cannot



Initially the government suggested a 24-month cooling off period and the idea was to give those who had violated the online gambling criteria, by actively targeting Dutch players, sometime in the 'naughty corner' to mend the error of their ways and 'clean up' their activity before they applied for a licence.

immediately apply for a licence and instead are subjected to a 'cooling off' period of 33 months and required to apply several restrictions to their customer database.

Initially the government suggested a 24-month cooling off period and the idea was to give those who had violated the online gambling criteria by actively targeting Dutch players, sometime in the 'naughty corner' to mend the error of their ways and 'clean up' their activity, before they applied for a licence.

Basically, they needed to prove they had a good clean background. The 24 months was later increased to 33 months and operators have been advised to make sure they adhere to this cooling off period before applying, rather than risk an application refusal and therefore another 'black mark' on their record. The window to apply runs until April 1 2022 and it is anticipated there will be new applications around March.

Of course, all operators would prefer to be first in the market rather than compete with existing operators for their market share. However, it is thought after a few years the fact some operators will have entered later will no longer be a factor.

B2B companies have also been advised to check their business and background and ensure any operator they look to work with is compliant with the new laws.

The Dutch government is aiming to achieve an 80 per cent channelisation player rate within the next three years and there has been some reports suggesting this rate could in reality reach 90 per cent in relation to player base and 70 per cent in terms of GGR.

According H2 Gambling Capital, by mid-2021 the Netherlands was the 14th biggest gambling market in terms of market size in 2020 compared to 28 other EU/UK countries and percentage online it is 24th. However, its channelisation rate was the lowest and by mid-

2021 it sat around 15.5 per cent for online onshore activity due to the monopoly structure and little regulated online offer.

By the end of 2021 it was predicted this would increase to 26 per cent and a rapid increase to 67 per cent by 2022 and by 2026 it will reach an 81/82 per cent rate – bringing it in line with the likes of France, Poland, Greece and Belgium.

Meanwhile, the KSA has six months to assess an application which can be extended by another six months, and it is anticipated that the majority of international operators will enter the market in a staggered manner during 2022.

Under the Remote Gambling regime applicants can now apply for a licence for offering four types of remote gambling:

1. Casino games in which the players play against the licence holder (ie: blackjack).
2. Casino games in which the players play against one another (ie: poker).
3. Bets on sporting events.
4. Bets on horse racing and harness racing.



in an EU or EEA jurisdiction or a third jurisdiction (as above).

- Remote gambling licensees must place a control database in the Netherlands.
- Operators must engage in 'active duty of care' to prevent problem gambling which requires them to monitor and analyse player behaviour with intervention where necessary.
- Licensees must have at least one addiction prevention representative available. There is no requirement that they should be located in the country but sufficiently present to assist.
- All remote and landbased operators must link up to the central database CRUKS where all players are automatically registered by their social security number.

Licensees can also offer betting on virtual sports (viewed as a casino game), fantasy sports betting and e-sports, with some conditions for the latter. However, remote gambling licences cannot offer spread betting, betting on the outcome of lotteries, remote lotteries and bets on the outcome of non-sporting events. The player age limit is 18.

Only operators are required to apply for a licence and there is no requirement for intermediaries such as software providers. Individual personnel will not be required to hold their own licence, a difference to some other jurisdictions. The licensing procedure also requires that B2C licensees have to ensure their entire operation is compliant with the applicable requirements even when contracted out. Licences are not needed to team up with local landbased operators.

There are big fines for anyone offering or promoting unlicensed games of chance in the country which violates the laws and additionally the KSA can impose cease-and-desist orders.

There is no limit on licences and the licensing fee is an un-refundable €48,000 and is valid for five years. Other key requirements for the licensing process include:

- Applicants must be a public limited company or private limited liability company registered in the EU or EEA. There are some exceptions for third countries under certain conditions.
- All electronic means for the operation of licensed games of chance need to be located

There are strict regulations on marketing and promotion methods and mandatory age checks plus mandatory participation in the Control Data Bank via the KSA which registers all activity with online casinos and gives the KSA a direct tool to monitor the casinos.

Remote gambling taxes are set at 30.1 per cent tax on turnover which was increased from 29 per cent in 2018 due to losses in income for the state caused by delays in adopting the Remote Gambling Act. However, this will be reduced to 29 per cent six months after the RGA came into force.

Added to this the KSA has imposed a gambling levy of 1.75 per cent GGR of which 1.5 per cent covers costs incurred by the KSA and 0.25 per cent for gambling addiction programmes.

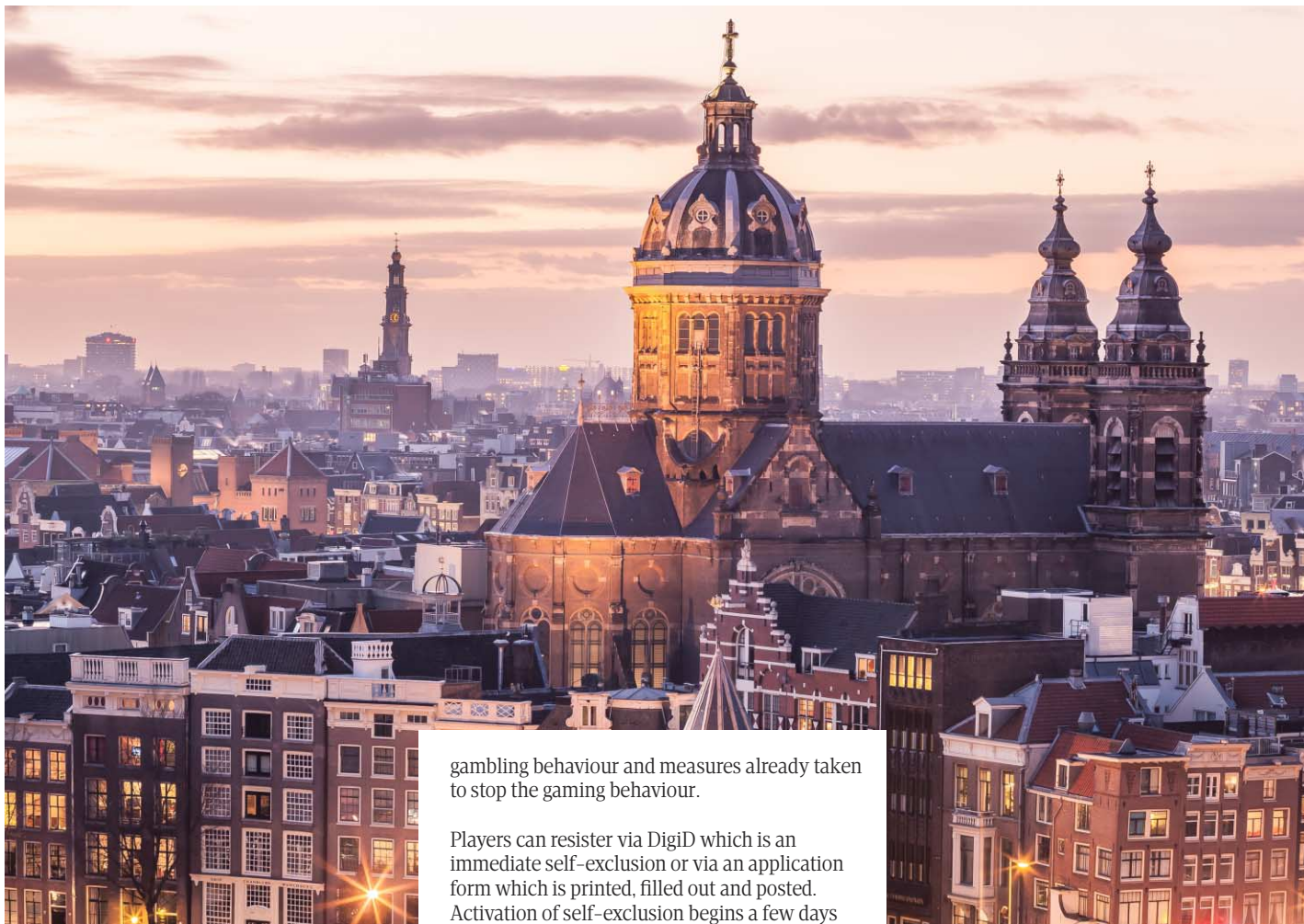
All operators with a gaming machine hall or casino licence must connect to the registry CRUKS whilst online providers need a working and tested connection to CRUKS with their licence application. A technological hitch with this system caused some delays with the launch date at the beginning of October.

CRUKS

CRUKS is the Central Register Exclusion of Games of Chance. It has been initiated by the KSA and is a central database that creates a national register which lists players who have problems with gambling.

Landbased operations need the software to be able to consult with CRUKS when checking in

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gambling behaviour and measures already taken to stop the gaming behaviour.

Players can register via DigiD which is an immediate self-exclusion or via an application form which is printed, filled out and posted. Activation of self-exclusion begins a few days later.

Players can extend their self-exclusion period via both these applications whilst they cannot cancel until the minimum six-month period has expired. Once the time period is up the break ends automatically and players can gamble as normal.

The only thing players have to provide is some data such as Citizen Service Number and date of birth so that a CLUKS code can be issued to provide operators with the tool to stop players entering a game. This data is deleted once the expiry date is over.

During each visit to a land-based location players must now identify themselves so the operator can also detect any gambling problems in terms of frequency of visits or problems with gambling. They can submit an intervention file applying to have a player excluded.

players at their venue and this works through scanners, mobile scanning apps and access control systems. Online gaming companies link via software to send a player's data for verification. If there is a 'HIT' from the registry then players are not permitted to gamble and if it's a 'NO HIT' then they are good to go.

As from October 1 any player listed in this register can now receive appropriate assistance. Previously, although Holland Casino had its own national system where players can register and therefore exclude themselves from all of the Holland Casino locations, players who wished to self-exclude themselves from an arcade had to visit each location to have a voluntary ban imposed on themselves.

This register now makes sure that once a player chooses self-exclusion this will be across all licensed operators both online and landbased and each exclusion time limit lasts for a minimum of six months.

During each visit to a land-based location players must now identify themselves so the operator can also detect any gambling problems in terms of frequency of visits or problems with gambling. They can submit an intervention file applying to have a player excluded. Likewise, a third-party member, such as family member, can also request to register players onto the CRUKS register although the procedure for this is a little more complicated.

The intervention file, which operators must submit if they require a player to be included in CRUKS, must include information on player's

Gambling providers, both country specific such as Holland Casino and Jack's Casino, plus online providers, had to set up a connection with CRUKS by July 1 and start checking players by October 1.

By October 1 more than 1,600 Dutch players were registered on the national player exclusion register.

Meanwhile, the 'Play Consciously 18+' slogan is due to be replaced and the Ministry of Justice and Safety, under the direction of the Trimbos Institute have been working on a new slogan to give a clear and unambiguous warning about the risks of gambling addiction.

At the moment the slogan 'Avoid regrets, stop in time 18+' is the favourite out of five slogans they have developed.

THE MARKET PLACE

Prior to the opening of the online gambling market ZEBetting and Gaming held the landbased horserace betting monopoly, whilst the National Lottery (TOTO) held the monopoly for sports betting.

The current totalisator licence for horse race betting expires on June 30 2022 and the KSA recently launched an award procedure for the new licence which will be valid from July 2022 until June 2027. The fee to apply is €32,000 and applications were submitted in November for the first phase.

Before the online gambling market opened the

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The Dutch gambling GGR market was worth €3.2bn in 2019, which dropped by 24 per cent in 2020 to €2.4bn mostly down to Covid restrictions. The landbased sector dropped from €2.6bn to €1.7bn whilst the online gambling sector grew by 13 per cent from €530m to €631m.

legal sports betting market in the Netherlands only made up around 1.5 per cent of the market share of revenues and comprised of these two licensed operators.

The popularity of sports betting has been increasing over the years. According to the KSA's Market Scan, TOTO's total betting revenues in 2018 reached €224m made up of €202.5m from TOTO (a 25 per cent increase on 2017 figures) and €22.5m from Runnerz.

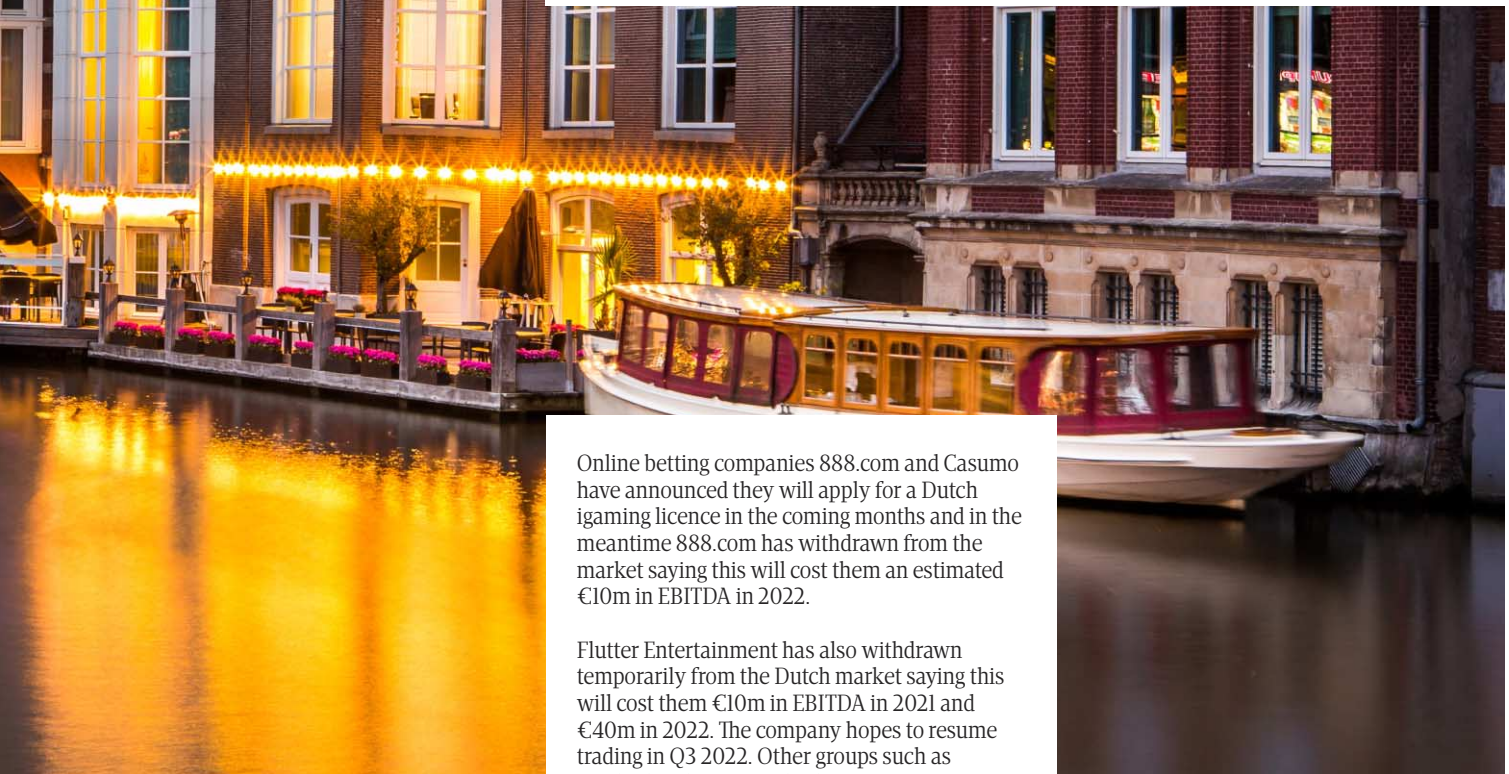
Runnerz is operated by ZEBetting and Gaming Nederland which is part of the Groupe ZETurf France whilst the Nederlandse Loterij (Dutch Lottery) operates nine games of chance – the state lottery, Lotto, Eurojackpot, Millions Game, Lucky Day, Scratchcards and TOTO shop whilst new brands TOTO casino and TOTO sport were added recently to provide the company's online gaming offer.

Just before legalisation, Dutch sports betting provider TOTO launched several marketing campaigns to capitalise on its monopoly situation one last time. As such, online revenue nearly doubled in the space of one year from €64.6m to €127.4m whilst TOTO saw a growth of 45 per cent in newly registered players during this time. The FIFA World Cup saw revenues from online players at €14.7m compared to €4.5m for the UEFA European Championship two years before.

Although all other online gambling was illegal at that point apparently offshore gambling was the preferred option for about 47 per cent of players. TOTO was restricted under the old gambling laws with unfavourable odds and unable to offer live betting or promotions.

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Recovery was expected to be fairly strong with a 17 per cent growth in 2021 anticipated for the online gambling sector to bring in revenues of around €700m by the beginning of 2022 and a 16.4 per cent CAGR growth to reach €1.56bn by 2026 – treble where it sat last year.



Online betting companies 888.com and Casumo have announced they will apply for a Dutch gaming licence in the coming months and in the meantime 888.com has withdrawn from the market saying this will cost them an estimated €10m in EBITDA in 2022.

Flutter Entertainment has also withdrawn temporarily from the Dutch market saying this will cost them €10m in EBITDA in 2021 and €40m in 2022. The company hopes to resume trading in Q3 2022. Other groups such as Kindred and Betsson also hope to receive licences this year.

A more recent prediction by Regulus Partners (above) suggests previous predicted current levels were underestimated and today's online market in the Netherlands is worth around €750m.

THE TOP TEN

The Dutch slots market is made up of 26,664 total slots located in 295 arcades and 6,963 restaurants which can operate slots. There are 14,973 slots in arcades and 11,871 slots in restaurants. There are some 669 licence holders.

At the beginning of October last year, the first 10 licences were awarded in the Netherlands for the online gambling sector with others anticipated to follow through into next year. Notable absences included JvH Gaming, Novomedia (Postcode Lotteries owner and largest charity lottery in Holland) and Runnerz.

In 2019, Casumo was fined €310,000 by the KSA for offering online services without a licence. The KSA also fined operator Tipico over €530,000 for illegally offering gambling to customers just days before the online gambling market opened. Although Tipico didn't actively target the Dutch market, customers from the Netherlands were able to register with its payment provider with Dutch language support. An age verification process was also missing and there was no blocking of Dutch customers. Tipico processed some 4,974 transactions involving Dutch bank accounts between the end of April and the end of July 2020.

Meanwhile, several PSPs including iDEAL, Skrill, Neteller and Trustly no longer offer their services to unlicensed operators in the Dutch market

1. HOLLAND CASINO - With 14 venues, state-owned Holland Casino enjoys a monopoly for the operation of casinos in the Netherlands, offering a combination of table games and slot machines.

Holland Casino Online is one of the 10 companies who received an online gambling licence on October 1 and the company went live with its website on October 4.

The website includes poker, slots, sports betting and casino games such as blackjack and roulette (live and online) whilst bingo is expected to follow soon.

Originally, when Holland Casino looked at the possibility of online gambling some years ago it entered a partnership with CryptoLogic. When legislation failed to materialise and CryptoLogic was sold to Amaya, the Dutch casino company



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“Holland Casino was established so that the Dutch can enjoy the thrill of games of chance in a responsible environment. I see it as our responsibility to make that possible online. Our game selection is great, and our digital environment looks fantastic – and for good reason. Because if we want to offer the Dutch a good and responsible alternative, we must first make sure that they want to come and play with us.”

Erwin van Lambaart, Holland Casino

launched a new tender and Playtech won and since 2014 the two have been working on developing the Holland Casino Online platform.

With the series of delays in the market surrounding the online gambling legislation, with the implementation of the Remote Gambling Act in April, the two companies announced in May the expansion of a long-term co-operation. Playtech is Holland Casino's strategic technology supplier across its Information Management System (IMS) platform.

Holland Casino has been investing heavily in its plans for online gambling for some time. The initial planned launch date of October 1 coincided with the company's 45th anniversary.

Chairman Erwin van Lambaart said at the time: “Holland Casino was established so that the Dutch can enjoy the thrill of games of chance in a responsible environment. I see it as our responsibility to make that possible online. Our game selection is great, and our digital environment looks fantastic – and for good reason. Because if we want to offer the Dutch a good and responsible alternative, we must first make sure that they want to come and play with us.”

Based on market analysis, the digital gaming market in the Netherlands is expected to generate around €600m to €800m in annual income. This will be a welcome boost after the company saw losses in 2020 when revenues fell by 53.8 per cent at €333m due to the Covid restrictions and closures.

The company's 14 landbased casinos saw 60 per cent less visitors (2.5 million in 2020 compared to 6.2m in 2019) due to three separate Covid

closures (March, November and December). Over the year, the casinos were closed for 143 days in total, 151 days with restrictions and were only open 71 days without restrictions.

The majority of the €333m came from slots (€185.9m) whilst table games brought in €124.7m. This is compared to 2019 revenues of €728.9m (€288.9 from table games and 383.4m from slots).

Meanwhile, the first half of 2021 also saw a decline in revenues for the company with €60m of losses and revenues of just €28.8m up to end June 2021. This was caused by closures again due to Covid and limited guests at the venues thereafter.

Thanks to the constructive NOW scheme, the deferral of tax payments, strict cost control measures and tight operational management, the company was able to safeguard the continuity of the company over the past year and a half. The company announced a restructuring programme at the end of last year. It succeeded in retaining more than 90 per cent of employment.

Mr Lambaart said: “Although Corona has hit our company hard on in the first half of 2021, notably our anniversary year in which we have been in existence for 45 years, we still look ahead with confidence. All in all, the Netherlands was deprived of legal casino offer for almost a year, but now that the Corona measures are disappearing little by little in the Netherlands, recovery is in sight.

“We see the resilience and dedication of our people, the general support measures from the government and a clear strategic investment vision for our future make us strong.”



Earlier last year, Playtech was also involved in the setup of the live casino facility at Holland Casino's Scheveningen Casino. This will be open from 7pm until 3am with live tables including three blackjack tables, one multiplayer blackjack table, one roulette and one Punto Banco.

In terms of online products, Holland Casino boasts the Master Classics of Poker (MCOP), a strong brand known worldwide, and the most



Sports betting began in the Netherlands in 1957 when the Royal Netherlands Football Association (KNVB) began to organise it. The KNVB is the largest sports federation in the country and was set up in 1889. Football gained huge popularity in the country and clubs mushroomed particularly in early 1950s when professional football arrived.

restrictions in place. Live poker cash games and tournaments were permitted to start again as from September 25 and they were due to host the MCOP 'Welcome Back Edition' in November with various tournaments planned.

In the sports betting sector, Holland Casino will not co-operate with TOTO and instead has set up its own sports betting section for its virtual casino.

2. TOTO - TOTO Online is part of the Dutch lottery group (Nederlandse Loterij) and was the sports betting monopolist in the country. The company supports Dutch sports and 18 charities, and in 2020 donated around €168.5m.

TOTO is the brand founded back in 1957 by the KNVB and today TOTO Sport offer sports betting online whilst TOTO Casino offer live roulette and blackjack and various other casino games online.

The history of betting in the Netherlands dates back to the 18th century. The Nederlandse

Staatsloterij (National State Lottery) was established in 1726 and as such is the oldest lottery in the world.

By the early 1900s there was a complete ban on sports betting in Holland and all other gaming activities except the lottery.

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The KNVB organised sports betting until 1961 when sports betting was legalised as a second state monopoly and the Stichting de Nationale Sporttotalisator (De Lotto) was founded to take over. The Dutch Lottery saw net turnover in 2020 of €1.35bn (three per cent growth YoY) with prizes totalling €928.9m.

popular poker tournament played in the Netherlands. The poker portion of the website will run on Playtech's iPoker software. Players can compete in poker against players on the same network which includes companies such as William Hill, Bet365, Bafair and PaddyPower for instance, who also use the Playtech iPoker software.

Live Poker at the Holland Casino sites has just restarted after 18 months due to the Covid

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3. PLAY NORTH – A small company with offices located in Estonia and Malta. Play North has developed PikaKasino and Rocket Casino and focuses on simple but fast and safe online casino developments. PikaKasino was launched in April 2019 in Finland and is a Pay and Play online casino. It was later released in Estonia and called Kiirkasiino. Rock Casino was launched in July 2020 and is a fast pay and play site for various markets.

4. HILLSIDE – Hillside (New Media Ltd) operates the well-known Bet365 brand which was set up in the UK in 2000 to offer online betting and gaming.

5. FPO NETHERLANDS – A subsidiary of the Janshen-Hahnrahts Group operating the Fair Play arcades. Janshen-Hahnrahts has been established for over 60 years and operates 38 landbased Fair Play casinos in the Netherlands. The company has partnered Finnplay and Evolution which provides its live casino, RNG based games and slot games from its NetEnt and Red Tiger brands. The group will also have access to Evolution's live games portfolio.

Bjorn Fuchs, Chief Digital Officer at the JH Group, said at the time of the launch: "We have been planning for this day for a long time. We are absolutely delighted to now offer both

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Gavin Hamilton, Evolution

existing and new Fair Play customers a fantastic choice of world class online games. We are sure players will agree that the sheer quality and variety of the online games now available to our players on desktop and mobile at the Fair Play website has been well worth the wait."

Evolution's Gavin Hamilton said: "We're excited to be working with Janshen-Hahnrahts Group and extending their Fair Play Casinos' offering into the new Dutch online gambling market. Our extensive online offering is a great fit for further developing their exciting games portfolio and we look forward to achieving great new things together."

6. NSUS MALTA - The owner of the GG Poker



brand which launched in 2017 and was designed by a team of poker players. It is now operational in various countries starting with the UK in 2000, Italy in 2011 and Spain a year later.

7. TOMBOLA INTERNATIONAL – This is the UK's largest provider of online bingo games. The company was set up in 2006 and became the leader in the UK bingo market and today offers online bingo products in various countries

8. BINGOAL NETHERLANDS – An established Belgian provider of betting and casino games offering bets on a variety of sports from football to tennis to horse racing. Bingoal owns two landbased casino and betting shops in Haaltert and Turnhout in Belgium.

9. BETENT BV – This is an online spin-off of the Casino City gaming hall chain which operates arcades in the Amsterdam area. Casino City has been operating in the city since 1974 and has five venues operating with slots and multiplayer games. The company has casino games and sports betting via a multiyear partnership with the Kambi Group. The BetCity website is a new brand site launched by the management team.

Kristian Nylén, CEO at Kambi, said: "Kambi is



delighted to have been selected as the exclusive online sportsbook provider to BetCity.nl and provide the support for them to launch on day one of the market opening. The Netherlands will be extremely competitive but the combination of Kambi's technology and sports betting know-how with BetEnt's sports-first strategy leaves the Betcity.nl sportsbook well placed to succeed."

10. LIVESCORE MALTA – This is part of the

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Kristian Nylén, CEO, Kambi.

LiveScore group, a sports media company providing sports betting under three brands – LiveScore, LiveScore Bet and Virgin Bet.

LiveScore Bet is a new sportsbook already operative in the UK offering bets and building on the relationship players currently have with LiveScore. LiveScore Bet is not expected to go live until this year (2022) and is still at the developmental stage.

GAMBLING ADVERTISING ISSUES

The Netherlands has a self-regulating system for its advertising sector and rules for advertisements are set up by the sector and adopted by the Advertising Code Committee which is the governing body to ensure the Dutch

Advertising Code is adhered to. This is done in cooperation with the Dutch Consumer Association.

All advertisements must comply with the rules in the Dutch Advertising Code whilst any violations can be submitted to the Committee which operates with a 'name and shame' type policy publishing the names of any advertising companies who do not comply with the rules.

On October 1 last year the Dutch Gambling Authority (KSA) released its guidelines on advertising for the gambling sector just as the online gambling market opened.

The advertising restrictions include the following legal requirements:

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In early September a draft version of a voluntary Advertising Code for Online Gambling (ROK) was presented by two trade associations VAN and the newly formed VNLOK (Licensed Dutch Online Gaming Providers). VNLOK says although they didn't manage to come up with a definitive code in time for the new online gambling launch at the beginning of October, members will be obliged to abide by these provision rules.

- Advertising cannot be aimed at minors (under the age of 24).
- Gambling advertising via radio and television is banned between 6am and 9pm apart from neutral messages concerning sponsorship of a TV programme. Lotteries (except the instant lottery) has a watershed of 6am to 7pm.
- No advertising is permitted during sporting contests other than the operator's website for bets on the particular event.
- Advertising campaigns are not permitted to use a professional athlete or other role models under the age of 25 to promote gambling.

Meanwhile in early September a draft version of a voluntary Advertising Code for Online Gambling (ROK) was presented by two trade associations VAN and the newly formed VNLOK (Licensed Dutch Online Gaming Providers). VNLOK says although they didn't manage to come up with a definitive code in time for the new online gambling launch at the beginning of October, members will be obliged to abide by these provision rules.

VNLOK was founded by the land-based companies including: Dutch State lottery, Holland Casino (both government owned), JOI Gaming, FPO Nederland (Janshen-Hahnrahts) and ZEBetting & Gaming Nederland. This association is headed by Helma Lodders, a former member of the House of Representatives

for the VVD party, who said in a statement: "We remain committed to arriving at a definitive code because making advertising proportionate is in the interest of consumers, advertisers and the providers of advertising time. We have seen it in countries around us. If you don't make proportional agreements, you risk an abundance of untargeted advertising that provokes irritation and resistance amongst consumers."

The ROK suggests that advertising should be aimed at responsible participation and should not encourage any gaming behaviour that could lead to gambling addiction issues. One of the points was to limit online gambling commercials to one advert per ad break of less than three minutes and a maximum of three



THE FIRST 10 LICENCES

	LICENSEE	WEBSITES	LICENSED FOR:
1	Holland Casino	Hollandcasino.nl	Sports betting, casino
2	TOTO Online (Dutch Lottery)	Toto.nl, sport.toto.nl, casino.toto.nl	Sports betting, casino
3	Play North Ltd	Bataviacasino.nl	casino
4	Hillside (New Media Malta) Plc	Bet365.nl	Horse racing, sports betting, casino
5	FPO Netherlands BV	Fairplaybingo.nl, fairplaycasino.nl	casino
6	NSUS Malta Ltd	ggpoker.nl	casino
7	Tombola International Malta	Tombola.nl	casino
8	Bingoal Netherlands BV		Horse racing, sports betting, casino
9	Betent BV	Betcity.nl	Sports betting, casino
10	LiveScore Malta Ltd	Livescorebet.com/nl	Sports betting

advertises for a commercial block of between three and five minutes.

However, Holland Casino and TOTO are allowed to advertise their offline products more independently of this code.

The draft code also makes reference to the use of bonuses and states that these cannot be advertised via broadcast media or at outdoor locations and language which promotes 'urgent' or 'excessive' behaviour such as "you have nothing to lose" or "hurry up, gamble now" cannot be used.

A third association, NOGA, the Netherlands Online Gambling Association which represents companies such as Bet365, Kindred and Entain,

was kept out of the discussions regarding the code and has always argued that the advertising rules should cover all gambling sectors and the ROK risks a backlash from the newly opened online gambling sector.

NOGA says the advertising rules for the online and offline industry should be the same as consumers do not differentiate between the two. The association now wants the sectors to agree on a fair advertising code which can work for all operators.

Peter-Paul de Goeij, Director of NOGA, said: "First of all, it is very good that there is now an advertising code for online gambling. We cannot afford that there will be no protection against too many gambling advertisements. And that

last point is exactly what NOGA is so concerned about.

"This code does not go far enough. The limit of three gambling advertisements per block, applies only to internet gambling advertisements. So, in addition to three advertisements for online gambling, Holland Casino, Gaston and Koning TOTO will be allowed to advertise their offline offerings without any restrictions!

"The viewer does not make the distinction between offline and online at all – the consumer just sees an irritating gambling ad. In addition, gambling advertisements of today's gambling providers are already ubiquitous, on television, radio, internet, bus shelters and in our

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letterboxes. Let's face it, consumers find too many gambling adverts just irritating.

"This irritation, and the flooding with gambling advertising, must be prevented. That's why NOGA has been calling on all gambling providers, online, offline, the Post Code Lottery – but also media parties and broadcasters – to sit down and make agreements on the total amount of gambling advertising in the Netherlands, since June 2019 already. We need to do this to temper the growth that is coming, with the legalisation of the online market, and to prevent a gambling advertising avalanche.

"If we do not prevent this from happening, there may be a ban on gambling advertising introduced soon and then we will not be able to persuade consumers to play at a legal gambling site. NOGA therefore advocates advertising volume control."

According to NOGA, the draft of the advertising code for the online gambling sector was collated without even involving the association and compiled by associates of the landbased sector.

Peter-Paul added: "With 10 members, NOGA represents more than a large majority of the future licensed online gambling providers in the Netherlands. Unfortunately, despite repeated requests, NOGA was not involved from the outset by the land-based providers who wrote the code. This exclusion is very unwise. After all, self-regulation benefits from the broadest possible adoption.

"It is also a missed opportunity because NOGA was unable to contribute the varied and extensive international expertise acquired by its members in various other European countries. NOGA was only allowed to comment on the final draft version as a sweetener, but its main



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criticisms were unfortunately brushed aside.

"Anyway, we are now turning the page and are looking forward again. We support the code, but with the important addition that that cross-sector agreement of advertising volume control, is absolutely necessary and I would like to see

all colleagues, the media parties and the broadcasters, get around the table in a coalition of willing, to jointly prevent a gambling advertising avalanche.

"NOGA has been calling for this system since 2019, but there is just too much infighting within

the gambling sector, let alone that it is virtually impossible to convince the media and broadcasters of the necessity. NOGA will continue to push for it though as without it, we are convinced we will be faced with further stricter measures or even an advertising ban which will hugely negatively influence the channelisation rate we hope to achieve in the Netherlands – 80 per cent by 2024."

To achieve legal status the code needs to be adopted and enacted by the Advertising Code Committee and this will happen when they are sufficiently convinced of the support of the code and its representativity.

At the moment all parties are working hard to convince the consumer agency to return to the table and the media and broadcasting parties to also endorse this code.

