



# ARJEL

## ANNUAL REPORT

### 2016-2017

ARJEL – 99-101 rue Leblanc 75015 Paris  
Contact presse : 01 57 13 13 00 / presse (at) arjel.fr / www.arjel.fr

# Editorial

The annual report gives a true and fair view of our activities every year, and this year I have made a point of making it even more comprehensive.

But however complete it may be, it is hard for it to convey the enthusiasm, diligence, and commitment all those working for ARJEL demonstrate every day and which, behind the coldness of the figures and explanations, constitute the reality of the daily work and the specificity of this regulatory action.

A high level of expertise is undoubtedly involved in this reality - which must not hide the many tiresome chores: very often the results are a long time coming, or do not come up to expectations or to the work put in. The never-ending tracking of illegal sites or the daily checking of bets to detect possible abnormalities and a lot of other surveillance work could lead to a form of routine and a feeling of indifference.

That, on the contrary, inventiveness, dynamism, and innovation are apparent every day proves that every ARJEL agent is keenly aware of the responsibilities involved in the regulation of gambling: each agent knows that behind these computer programs, behind this legal formalism, behind the statements and official reports there are minors needing protection, citizens wanting to be entertained who - if no care is taken - may well find themselves in dramatic situations, and that there are consumers to satisfy and con-men, money-launderers, and crooks to deter.

All of our action is based on the belief that a regulated market is the best place to protect punters from most dangers: that is why it must be attractive enough to attract into a lawful framework a business which, otherwise, would be uncontrolled with no benefit for the national community in terms of jobs and tax revenues.

Beyond the market, we are convinced that the regulation and our status as an Independent Administrative Authority are the most effective tools to achieve these goals. I had to defend them in 2016 against moves to suppress ARJEL. I did so motivated by my convictions, but also by the injustice felt by some fifty people convinced they are working every day for the good of the public and discarded without even being heard.

This report is a faithful account of their work and commitment.

**Charles Coppolani**  
**ARJEL Chairman**

## News items

## The "JUANICO-MYARD" report: the comments of the ARJEL Chairman

The mission to appraise and verify the public policy on the regulation of gambling by the National Assembly was announced at the conclusion of the symposium organised by ARJEL on October 28, 2015 "2010-2015-2020 - the regulation of online gambling in France". It was entrusted to the Members of Parliament Régis JUANICO (PS) and Jacques MYARD (LR). The mission relied on a preliminary investigation by the Cour des Comptes (Court of Auditors) made public in October 2016. It issued its report on 8 February 2017.

Addresses for consulting both reports:

<http://www.assemblee-nationale.fr/14/rap-info/i4456.asp>

<https://www.ccomptes.fr/Accueil/Publications/Publications/La-regulation-des-jeux-d-argent-et-de-hasard>

*The authors advocate a single gambling regulatory authority in France set up around ARJEL. What do you think about it?*

I can only approve - naturally! The report of the National Assembly committee for the evaluation and oversight of public policy, based on a serious study, recognizes what has been accomplished, does us justice, and reaffirms the soundness of our status as an Independent Administrative Authority. Going further, it makes an enlightening assessment of the French situation and proposes a solution - the obvious one in the circumstances but which still had to be stated and justified.

*What is this assessment?*

Seven years after its promulgation, the Law of 12 May 2010 that created ARJEL must be thoroughly reviewed; Eric WOERTH<sup>1</sup>, its author, is the first to agree. Certainly, with regard to online gaming, a number of improvements have been incorporated - notably with the Consumer Law in 2014 and the

Law "For a Digital Republic" in 2016. However, the experience and above all the upheavals in the gaming world in recent years call for a more comprehensive reform which presupposes a preliminary reflection on what we want as a regulatory model in the wider sense of the term. Today, as we see a growing number of our fellow citizens interested in gambling, what is the urgency? It is certainly, as Régis JUANICO and Jacques MYARD propose, to put an end to a fragmented and compartmentalized system, which organises disorder and which makes possible gambling by minors or by those banned from gambling for example. Even before considering how to effectively regulate a "non-ordinary service" such as gambling, ought it not first to be decided that the punter will benefit from the same level of protection whatever the distribution network he/she chooses, and that regardless of the distribution network the fraudster chooses he will run the same risk of being detected and identified?

*But where are we with the Single Authority solution without the lifting of anonymity?*

The gaming operations have to be traceable and the players identified for most of the objectives set by the law of 12 May 2010 to be achieved - the

---

<sup>1</sup> See Proceedings of the symposium of 28 October 2015 "2010-2015-2020: the regulation of online gambling in France " Published on <http://www.arjel.fr>.

fight against money laundering, integrity of gaming operations, protection of minors, and prevention of excessive gambling. These conditions are ensured as concerns online games. To play on licensed sites you must open an account and prove your identity. The French regulatory system's technical features also make it possible to record all the gambling and financial data collected from the operators. Since the regulator can use this data to identify fraudulent practices or monitor the trends in problem gaming<sup>2</sup> it has an all-embracing vision of the market that really makes its interventions effective. On the land-based network, the situation is different and more contrasted. In the first analysis, to lift anonymity brutally and immediately does not appear desirable or even feasible<sup>3</sup>. With the aim of improving the process for registering online gamblers I launched a feasibility study that integrates the latest technological innovations on the subject. We should have the conclusions in a few months when we shall be able to discuss them on an objective basis. The Single Authority will have every interest in launching and coordinating these initiatives. I note that our European partners face the same difficulties with the exception of Norway which has managed to set up a player card, but while letting the process take its time. That is why it is time for us to begin to think about this prospect seriously.

*The drafters of the report propose to distinguish between the regulations and the defining of sub-legislative standards which they entrust to an inter-ministerial authority, and the actual regulatory control carried out by "an independent administrative authority with a broad remit". How will the two bodies work together in practice?*

The report proposes to make our regulatory model conform to a clear configuration consistent with the modern practice of regulatory supervision - as carried out by most of our European partners. Nowadays the difficulties are mainly due to different missions tangling together which creates confusion and disorder. The creation of an

interdepartmental committee for the purposes of defining public gambling policy has two advantages: it mobilizes all the fields involved in the regulation of the sector: budget, ministry for home affairs, agriculture, economy, sport, and health and brings them together to coordinate and harmonize the aims of this policy under the presidency of the Prime Minister. As for regulatory control it is entrusted to an Authority that implements this policy with an asset that is a double advantage: the administrative authority status, which gives it the level of independence<sup>4</sup> and reactivity required and a field of intervention that covers the entire sector. The conditions will then be brought together to provide protection that comes up to the level with the stakes at issue in this sector in a context of globalisation and magnified risks.

*Have the MPs JUANICO and MYARD, and the Court of Auditors before them, considered that owing to its experience, skills, and margins of productivity ARJEL is best able to exercise this mission under the best conditions? Quite apart from the sense of satisfaction you were just talking about, do you feel ready if the reform were put into practice tomorrow?*

Yes, of course we'll be ready: I called for this reform with all my heart only a few months after my appointment in 2014, so we've had the time to prepare for it. However, a number of details and adjustments are needed as soon as we go operational. For example, I asked my services to identify new tasks and to measure the additional workload that will result accurately. Productivity margins have already been heavily challenged by job cuts and by the new missions assigned to ARJEL in recent years. In terms of budgetary rigour and employment policy, it seems to me, I've shown I can do the job. And I undertake to keep following this course for this new phase. If, however, it appears additional jobs are needed I shall not fail to ask for them.

---

<sup>2</sup> This is the case with the Laws of 3 June 2016 against Organised Crime and 27 September 2016 for a Digital Republic.

<sup>3</sup> And I do not think that this is the meaning of the Court of Auditors' or the MPs' proposals.

---

<sup>4</sup> In particular with regard to the supervision which the State would continue to exercise over the two operators holding a monopoly.

## **ARJEL and consumers: a free mediation service for customers of licensed online gambling operators**

### ***In three dates...***

*In 2010 the attribution of an ombudsman for online gamblers to ARJEL originally foreseen in the draft law of 12 May 2010, was not adopted after examination by the Finance Committee of the National Assembly, but its examination is deferred to the review of the law provided for within 18 months of its promulgation - a review which has not taken place.*

*The Ordinance of 20 August 2015, transposing the directive of 21 May 2013 on the out-of-court settlement of consumer disputes, introduces the generalization of free mediation schemes to all the professional sectors. This is the opportunity for ARJEL to consolidate and improve its service to the consumer-players of online games on licensed sites and to offer mediation as one of its services.*

*The law of 7 October 2016 for a Digital Republic amends the Law of 12 May 2010<sup>5</sup> and installs an ombudsman within the Authority "... who shall have sufficient means for the independent and impartial exercise of his mandate and may not receive instructions on the disputes of which he has cognizance. ... ». He is responsible for "recommending solutions to disputes arising between the consumer and an operator of online gambling or betting holding a licence issued by ARJEL".*

### **The Years of the facilitator (2010-2016)**

At the opening of the market ARJEL was called upon by many gamblers both for general information and for disputes with licensed operators.

In order to meet this demand, from September 2010 a dedicated address was provided for gamblers – contact[at]arjel.fr - and a specialized unit created within ARJEL with internal procedures for validating responses and processing records and with the monitoring of response times and results obtained.

By these means and during this period the Authority undoubtedly played a facilitating role in searching for a solution to the disputes between the two parties: the player-consumer on the one hand, and the licensed operator on the other. However, its action remains limited; without power to mediate, its scope is limited to enforcing compliance with the Law of 2010 and its implementing texts.

Beyond the handling of disputes, the dedicated address allows the Authority to collect, through the players' complaints, a certain amount of information useful for performing its missions.

- The fight against illegal offer: some illegal sites are identified through information from players victims of fraudulent practices.
- Control of operators: certain complaints alert the Authority to practices that constitute breaches of the obligations imposed by the Law of 12 May 2010.

---

<sup>5</sup> Article 35 is amended and two new Articles 45-1 and 45-2 are introduced.

This activity is regularly reported in the Authority's annual statement: between 2012 and 2016 ARJEL processed approximately 18,000 requests via the address [contact\[at\]arjel.fr](mailto:contact[at]arjel.fr), with ever shorter response times.

#### **The 2016 OVERVIEW**

For the year 2016, 3780 messages were recorded - in addition to 800 telephone calls. The average response time continued to decline to reach 1.4 days in 2016.

#### **78% of emails concern complaints against a licensed operator...**

I.e. 2950 emails representing 755 cases processed with three categories of disputes covering more than 60% of emails: questioning of the randomness of the RNG for poker, issues relating to the opening, closing, or deactivation of player accounts, and disputes concerning sports or horse-racing bets.

#### **...and 22% for general inquiries**

I.e. 830 emails received, 218 of which relate to illegal sites with a majority of claims for online casino sites.

#### **The time of the ombudsman (2017...)**

The Law of 16 October 2016 for a digital Republic institutes an ombudsman within ARJEL "who is mandated to recommend solutions to the disputes between consumer and operators of online games or betting (...) resulting from the formation or performance of a gambling contract".

The consumer ombudsman for online gambling will be in the public sector. Financed by ARJEL, the system chosen will apply to all licensed online operators and is formatted on that already existing for the Financial Markets Authority. It will allow consumers, i.e. customers of operators licensed by ARJEL, to access, free of charge, an ombudsman acting impartially and independently.

**MEDIATION:** a service aimed at settling, without legal action, a dispute between a consumer and a professional following the conclusion of a contract of sale or for provision of service and allowing the former to obtain a remedy without having to commence proceedings that can be lengthy and expensive. The Commission for the Evaluation and Control of Consumer Mediation (CECM), made up of magistrates and representatives of consumer associations and professional organisations, ensures the quality of the mediation mechanisms, particularly in terms of competence, impartiality, transparency, efficiency, and fairness. Its secretariat is provided by the DGCCRF (General Directorate for Competition Policy, Consumer Affairs and Fraud Control).

Appointed by the ARJEL Chairman after consulting the Board and for a period of three years, the ombudsman is irrevocable for his/her term of office<sup>6</sup>. He/she will present to the ARJEL Board an annual report which will be made public and may make recommendations and opinions.

The system is currently being set up: signature and publication of the decree concerning the ombudsman's remuneration, interviews of candidates, decision to appoint by the President after consulting the Board, constitution of the application file for the ombudsman's registration by the Commission for the Evaluation and Control of Mediation and Consumer Affairs (CECM) on the list notified to the European ombudsmen commission, setting up the procedure for receiving, managing and processing dossiers, and setting up the internet site.

---

<sup>6</sup> Except on legitimate grounds and in the cases provided for in Title V of Book I of the Consumer Code.

## **The keys to effective mediation** by Marielle COHEN BRANCHE, ombudswoman of the AMF (French Financial Markets Authority)



Undoubtedly, the extent to which an ombudsman's decisions are respected - whether favorable or unfavorable to consumers - is the main measure of his effectiveness. From this point of view, the mediation put in place by the Financial Markets Authority to promote out-of-court settlements of financial disputes has nothing to be ashamed of since for several years approximately 95% of its favorable opinions have been followed by both parties and only 4% of its opinions against the consumer have been disputed by the latter.

Several factors contribute to this: obviously, in the first place, its status as a free public service backed by the regulator guarantees the consumer a mediation truly independent from the financial professional with whom he/she is in dispute. The climate of confidence created in this way has contributed in five years to the doubling of referrals by savers - over 1500 in 2016. Secondly, a seasoned and specialized team entirely dedicated to it permanently inside the Authority provides the mediation service with the necessary expertise in the notoriously complicated field of finance. Finally, this status undoubtedly gives the ombudsman during the negotiations a power, to be used with discernment, to conserve the confidence of the professional as well by means of respecting the rules of confidentiality which govern mediation in the French style. But the professionals have realized that it was in their interest, and without adverse effect on their image, to identify a possible malfunctioning of their services and then, in the event of proven harm, to agree to propose a remedy under the ombudsman's aegis, and, lastly, to use this opportunity to improve their procedures. Apart from these individual cases, by publicly disseminating these anonymised opinions the mediation service issues more general recommendations specific to the financial sector, thereby gradually favouring an improvement in the operators' practices.

### ***A dedicated website to learn about mediation and to file a complaint***

Now being designed and installed at ARJEL the mediation site will provide consumers, i.e. customers of licensed operators of online games with

- a complete information space on mediation, the ombudsman, the conditions of appeal, deadlines, scope of application, operation of the procedure, texts, a glossary, and an FAQ.
- a multi-stage filing and processing space: a preliminary questionnaire to determine whether the complaint falls within the scope of the ombudsman's competence, and then, if so, the player may, as he wishes either have access to the printable form he can address duly completed to the ombudsman electronically or by post, or fill in the online application form for direct referral. In this case the file, with supporting documents when applicable, will be sent directly to the ombudsman and in return the player will receive a confirmation of dispatch and a file number.

Given the nature of the information stored on the site a high level of security will be guaranteed.



## ARJEL: the essential

## ARJEL regulates online games, i.e. 8.3% of the gambling sector in France

### The supply of gambling in France

Two networks, two monopolies, 14 licensed operators regulated by ARJEL, seven categories of games (sports betting, horse racing, casino and circle games, lotto and scratch games, online poker) and 200 physical casinos spread over the whole territory.

#### Land-based network (points of sale)

- Sports betting / FDJ monopoly
- Lottery and Scratch Games / FDJ monopoly
- Horseracing betting / PMU monopoly

#### Online network (internet)

- Sports betting, horse racing, poker: 14 licensed operators regulated by ARJEL including the PMU and the FDJ
- Lottery and Scratch Games / FDJ monopoly.

#### Land-based Casinos

- Slot machines
- Circle games

### Regulations and control<sup>7</sup>

**Several ministerial departments** intervene or are concerned:

- Budget: Directorate of Budget for the Française Des Jeux and the PMU with the Advisory Commission of gaming and betting under exclusive rights (COJEX);
- Home Affairs: Directorate of Civil Liberties and Legal Affairs and the Central Service for Races and Games with the Advisory Commission for circle games and land-based casinos (CCJCC);
- Agriculture: for PMU and horse races;
- Sports: for combating the manipulation of sports competitions;
- Health: for the prevention and treatment of gambling addiction.

#### Other actors:

- MILDECA (Inter-ministerial mission against drugs and addiction) / Observatoire des jeux (Observatory of Games): for the prevention of problem gambling and the fight against addiction;
- TRACFIN for the fight against money laundering;
- DGCCRF for consumer protection;
- DGFIP for the fight against tax evasion.

---

<sup>7</sup> See: *The regulation of gambling*, Inquiry of the Court of Auditors for the AN Public Policy Appraisal Committee, October 2016 p.110 et seq.

## The gambling market in figures

All networks included the gambling market in France generated a Gross Gaming Revenue of 9.75 billion Euros in 2016 (against 9.53 billion Euros in 2015).

The proportion of the games regulated by ARJEL increased in 2016 to reach 8.3% as against 7.9% in 2015 and 7.7% in 2014. The GGR generated by online gambling will amount to 0.81 billion Euros in 2016 as against 0.75 billion Euros in 2015 - an increase of 7.5%.

### Turnover (GGR) of gambling in France

<i>in € billions</i>	<b>TOTAL</b>	<b>Proportion</b>
<b>Lottery and Scratch Games (land-based and online network)</b>	4.170	43%
<b>Horse racing (land-based network and online)</b>	2.165	22%
<b>Slot machines in casinos</b>	1.932	20%
<b>Sports betting (land-based and online network)</b>	0.949	10%
<b>Casino poker and table games</b>	0.306	3%
<b>Online poker</b>	0.230	2%
<b>TOTAL</b>	<b>9.752</b>	
<b><i>Proportion regulated by ARJEL</i></b>	<b>8.3%</b>	

## The online gambler: profile, practices <sup>8</sup>

**The sports bettor** is a man (about 91%) under 35 (about 65%) who bets on the most popular sports (football, tennis, basketball) and the competitions most covered in the media (French Championship of Ligue 1, Champions League, Grand Slam tournaments). He stakes an average of € 11 per bet and his average expenditure in 2016 is about € 216. Most of his stakes are made through a mobile device (smartphone / tablet). Indeed, it is the only online gaming activity for which the proportion of stakes from mobile supports is higher than stakes made on a computer.

**The racing bettor** is a man (about 83%) over 35 (about 80%) who mainly stakes on harness racing. He comes from French regions with a strong horse culture such as Normandy or Hauts-de-France; his average expenditure in 2016 amounts to € 483 and he makes most of his stakes from a computer. Moreover, it is in this activity that the proportion of women is the highest (about 17% of all bettors).

Finally, **the poker player** is a man (89%) under 35 (60%) who prefers tournaments to cash game. The profile of the poker player is therefore close to that of the sports bettor. He is, however, distinguished from the latter by the terminal used (mainly computer). This behaviour can be explained by the differences in the mechanisms of play which can be more adapted to a computer or a mobile terminal. His average expenditure is € 236: it remains stable in comparison to 2015 (234 Euros).

<sup>8</sup> It should be remembered that the figures given below are average amounts.

## **STATUS: ARJEL is an independent administrative authority**

Imposed by the legislator at the time of the creation of ARJEL in 2010, the status of AAI (independent administrative authority) appears on the one hand inevitable - the State is a shareholder and has an interest in the capital of certain licensed online operators that also have a monopoly in the land-based network - and on the other well adapted to regulating a sector with important public order and health issues. Frédéric GUERCHOUN, Legal Director at ARJEL, presents its main characteristics; Harrie TEMMINK, Chairman of the Games Expert Group at the European Commission, gives us the European Commission's point of view.

### **The AAI status from the origins to the Law of 20 January 2017**

Since the creation of the National Commission for Data Processing and Liberties (CNIL) by Law No. 78-17 of 619 January 1978 regarding data processing, files and freedoms, which for the first time used the concept of independent administrative authority, this innovative mode of administration has been extended to several areas.

Article 34 I of Law no. 2010-476 of 12 May 2010 *regarding the opening up to competition and regulation of the online gambling sector* created the regulatory authority for online games (ARJEL), with the immediate status of independent administrative authority. ARJEL's status was recently confirmed by Law no. 2017-55 of 20 January 2017 *regarding the general regulations for independent administrative authorities and independent public authorities* which placed it on the closed list of independent administrative authorities it recognizes. Here it should be recalled that the distinction between an independent administrative authority and an independent public authority resides in the grant of legal personality to the second, whereas the former has none, as is the case with ARJEL.

In the framework of the preparatory work for the abovementioned law of 20 January 2017<sup>9</sup> the legislator redefined the limits of the notion of independent administrative authority, which had been previously outlined by the Conseil d'État, focusing on the combination of two essential elements: on the one hand the status of administrative authority, on the other independence from the Government.

### **A power of coercion against third parties**

As an administrative authority, the independent administrative authority is to have a power of coercion with respect to third parties. As envisaged in the preparatory work this coercive power includes both the regulatory power and the power of independent administrative authorities to control or sanction. The independent administrative authority acts on behalf of the State which delegates to it certain powers normally vested in the administration.

Under the terms of the above Law of 12 May 2010, ARJEL delivers licences to online betting and gaming operators who so request and takes decisions in many fields, particularly technical, such as the decisions to approve gambling software. All these decisions are binding on third parties and open to appeal. ARJEL also permanently monitors the activity of licensed online gambling and betting operators. Lastly, ARJEL has a power to sanction through its Sanction Committee against licensed operators who are in breach of the legal or regulatory obligations attached to their licence. Through all of these provisions ARJEL does indeed have coercion powers against third parties, which makes it an administrative authority in its own right.

### **A position outside traditional administrative structures and hierarchies**

The legislator grants the independent administrative authority independence from the Government after deciding on the basis of a balance of advantages or when it proves necessary to consider the State's action in

---

<sup>9</sup>Report No. 332 (2015-2016) by Mr. Jacques MÉZARD, drawn up on behalf of the Senate Legislation Committee concerning Law No. 2017-55, tabled on 27 January 2016.

the market concerned. The independent administrative authority is therefore placed outside the traditional administrative structures and is not subject to hierarchical control. In this sense it is an exception to article 20 of the Constitution, according to which the Government controls the administration. Its independence is also expressed in terms of the sectors controlled and their actors.

The status of independent administrative authority granted to ARJEL immediately became necessary in that two of the licensed online gaming and betting operators - which also have a monopoly over the land-based network - are linked either institutionally or through their capital to the State<sup>10</sup>: the latter is the majority shareholder of La Française des Jeux and has 4 seats on the board of directors of the GIE Pari Mutuel Urbain (PMU). Since the State is thus an actor in the gaming market, it could not at the same time become its regulator. The independence of ARJEL with respect to the Government was therefore indispensable.

### **Guarantees to establish and protect its independence**

In this sense, the Law of 12 May 2010 and its implementing decrees, such as the Law of 20 January 2017, provide for guarantees aimed at establishing and protecting ARJEL's independence. These guarantees mainly concern the members of its Board whose mandate is neither renewable nor revocable. The mandate of the ARJEL Chairman - as a member of the Board - is subject to the same irrevocability - a condition necessary to make the Authority really independent. Moreover, the membership of ARJEL Board is incompatible with a number of public and private functions and mandates, including carrying on an economic or financial activity relating to the gambling sector. The objective of this incompatibility is to guarantee the independence of members of ARJEL Board both with respect to the public authorities and the sector controlled. Moreover, in the exercise of their functions, members of an independent administrative authority may not receive or solicit instructions from any other authority.

### **Reporting to Parliament**

However, the independence of independent administrative authorities is not synonymous of lack of control. They are subject to scrutiny by Parliament. Accordingly, the ARJEL Chairman is only appointed by the President of the Republic after consultation of the competent standing committees of each Assembly. ARJEL must also send a public report to the Parliament each year, reporting on the exercise of its missions and its resources. It may be required to report to the relevant committees of each Assembly. Lastly, it is subject to the control of the Court of Auditors.

---

<sup>10</sup> *The regulation of gambling*, report of the Court of Auditors, October 2016, p. 136.

### **The point of view of the European Commission**

The online gambling market is a dynamic rapidly growing high-tech sector. Many citizens benefit from the new digital services it offers. But gambling continues to be an economic activity that requires specific rules and regulations to ensure the public interest is respected, such as the protection of gamblers and the fight against fraud. This requires not only a set of precise rules, but also effective control of the (online) gaming activities and operators. The European Commission encourages Member States to set up independent supervisory authorities with sufficient resources. Strong national supervisory authorities are essential for the effective supervision of licensed gaming operators (monopolies or entities within a licensing system) and for combating unauthorized gambling. With their special expertise national independent supervisory authorities are also best suited to deepen administrative cooperation between national regulators throughout the European Economic Area. This point is essential in the field of online gambling - of which the activities do not stop at national borders.

Harrie TEMMINK

Deputy Head of Unit, European Commission, DG GROW

Chairman of the Games Expert Group

## **MISSIONS: ARJEL protects gamblers, controls operators, supports the licensed market, and combats illegal offer, money laundering, and fraud**

The Regulatory Authority for Online Gambling was created by the Law of 12 May 2010, at the same time as the same Law organised the opening up to competition of the online gambling sector.

While organising this opening, the legislator ensured that it was particularly well controlled, aware of the risks that gambling presents to social and public order.

It is in this spirit that the legislator designed and organised ARJEL by giving it the means and capacity to implement the policy of the State whose objective, pursuant to Article 3 of the Law is *"to limit and control the supply and consumption of games and to control their exploitation in order to*

- 1. Prevent excessive or pathological gambling and protect gamblers;*
- 2. Assure the integrity, reliability, and transparency of gaming operations;*
- 3. Prevent fraudulent or criminal activities as well as money laundering and the financing of terrorism;*
- 4. Ensure balanced and equitable development of different game types to avoid the destabilisation of the economic sectors concerned.*

The implementation of this policy by ARJEL is organised in 4 parts:

- After reviewing the application files, ARJEL issues licenses to operators authorising them to offer online betting and games on the French market, and ensures that their obligations are respected. This is the legal part.
- ARJEL makes sure of the safety and sincerity of gaming operations and combats fraud, manipulation, and money laundering. This is the surveillance part.
- ARJEL supervises the market to ensure the operators have the capacity to meet their obligations. This is the economic part.
- ARJEL takes measures to protect gamblers against the risks of addiction and provides them with all the resources to be an informed and responsible consumer. This is the societal part.
- Lastly, ARJEL ensures the combat against illegal supply.

To achieve these objectives ARJEL has human and financial resources:

- **A Board of seven members** that meets once a month to adopt decisions concerning the Authority's missions.
- **The services of the Authority** currently comprise 55 persons: three-quarters are agents under public law contracts and the remaining one-quarter of civil servants detached on contract. Nearly three-quarters of the staff are professionally qualified as grade A civil servants
- **A budget**

ARJEL's expenditure amounted to just under € 8 million in 2016. It is lower than in previous years, but should increase slightly in 2017 due to the partial renewal of computer hardware.

### **Evolution of expenditure by ARJEL**

<b>CP in € million<sup>11</sup></b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 forecast</b>
T2	6.04	5.87	5.84	5.83	5.85
NT2 (*)	2.32	2.90	2.76	1.99	2.66
<b>Total</b>	<b>8.36</b>	<b>8.77</b>	<b>8.60</b>	<b>7.82</b>	<b>8.50</b>

(\*) Including expenditure incurred by the General Secretariat of the Economic and Financial Ministries

- ***Staffing and staff costs (Title 2 appropriations)***

The Authority initially went through a phase of growth in its authorized workforce - with the authorised staffing ceiling peaking in 2012 at 64 FTEs. This ceiling has since been revised downwards to a level of 58 FTEs, the actual number being slightly lower due to difficulties in recruiting specific staff, such as IT specialists.

**Evolution of the authorized staffing ceiling and of the actual strength of ARJEL**

In FTEs	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Authorized staffing ceiling (AEC)	62	61	58	58	58
Actual workforce (*)	60.3	58.5	54.5	56.4	55

(\*) Chorus Data

This stabilisation of the workforce occurs even as the activities of ARJEL increase, whether new, such as the cross-filing mechanism produced at the request of the sports federations as part of the fight against sports manipulations or permitted by legislative developments (Anti-money laundering), or the intensification of tasks provided for in the 2010 statute (responses to requisitions). The adjustment was achieved by reducing management numbers and developing software tools to analyse data and assist investigators.

Vigorous action to simplify the organisation chart and reduce the management also made it possible to contain the payroll which has remained below € 6 million since 2014, despite the large amounts of unemployment benefits paid by ARJEL (€ 343,000 in 2016).

---

<sup>11</sup> Glossary:

CP: payment appropriations (annual appropriations to be disbursed)

T2: appropriations under title 2 (staff costs)

NT2: non-title 2 (operating expenses)

FTE: (jobs) full-time equivalent worked

AEC: authorized employment ceiling (voted in the State Budget)



The staff profile at 31 December 2016 is not very different from that of previous years:

- The average age is 40;
- The proportion of civil service A+/ A grades reaches 70% - with A+ at 23%;
- 23 agents (43 % of the total) are sworn in as investigators;
- Finally there is near parity between male (27 agents) and female (28 agents) staff;

It should also be noted that ARJEL employs two young computer scientists under apprenticeship contracts.

- ***Operating expenditure (outside title 2 appropriations)***

The envelope granted to ARJEL in the initial state budget has steadily decreased since 2011 and amounts to € 2.88 million in 2017. Over the period presented in the table above, actual expenditure mainly fluctuates in line with communications expenditure - which is now very limited<sup>12</sup> - and with the renewal of computer hardware. Savings have been achieved, both in operating costs - through drastically reducing the car fleet - and through insourcing certain tasks previously contracted out to external service providers (making findings in the fight against illegal sites).

The main item of expenditure is now current operations (€ 1.56 million in 2016), including € 1.16 million for the building occupied by ARJEL, Rue Leblanc (being € 0.73 million for rent and € 0.44 million for maintenance, security and utilities) and € 0.40 million for other current operating expenses, a part of which is shared with the General Secretariat.

The increase forecast in 2017 corresponds essentially to the renewal of some of ARJEL's servers (€ 0.7 million budgeted) and accessibility works for an agent with reduced mobility (€ 0.2 million).

In terms of revenue, ARJEL issues notices of payment of the fixed fees to which operators are subject when filing their applications for approval (€ 5000 for a licence) and each year thereafter, once the licence has been obtained (€ 20,000 per license). These fees are paid into the general budget of the State. The Authority only receives revenue on a marginal basis. However, in 2017, it should be awarded the costs that an illegal operator in France was condemned to pay in 2016 in proceedings against the Authority.

---

<sup>12</sup> A campaign to communicate with the general public decided in 2013 explains, in particular, the spending peak in 2014.

## **The PROFESSION: the gambling regulator is guarantor of the public policy objectives set by the law of 12 May 2010, anticipates developments, sheds light on decision-makers and reports to Parliament**

*Q - It is often said that the regulation of online gambling consists essentially in seeking a balance between contradictory missions - rather like walking a tightrope. What do you think after three years of practice?*

Charles Coppolani - I don't think the objectives of the 2010 Law are contradictory. They're all legitimate. They are the common thread of the regulator's action and for my part I consider that I have an obligation to produce positive results for each of them. But doing this is, indeed, extremely tricky:

- for structural reasons: given the risks and what's at stake, games for money are not ordinary services; the profession mainly consists in balancing the interests of three discordant forces: *the gambler is both the customer to be attracted and the potential victim to be protected*; next, *the licensed market* that has to be attractive to compete with the illegal offer, protective for gamblers using it, and profitable for operators who have chosen to join it; finally, the *State* both guarantor of issues of public health and public order at the same time as concerned by higher interests (public finances).

- for contextual reasons also: technological developments, the globalisation of risks and the exponential growth in the numbers of gamblers require more and more responsiveness and a high technical level. In six years the gambling world has crossed a line that has taken it into another dimension. Our regulatory model designed for the old world gives worrying signs of shortness of breath and tends to make the regulator's job still more complicated. This must be put right.

*Q - What levers and room for manoeuvre does the regulator have today?*

CC - First of all, the regulator is not omnipotent: a whole series of decisions are beyond its control

because they are legitimately made by political decision or the legislator. For example, the reform of the tax base on online gambling cannot be decided by the regulator. Generally speaking, and this is the meaning of the proposal of the deputies Juanico and Myard, what comes within the definition of the general guidelines of public policy has to be distinguished from what is in the regulator's remit for their implementation. But today the real difficulty for the regulator of online games concerns its own field of intervention and is due to the lacunae in the Law of 12 May 2010. I shall mention two major instances: on the one hand, its power varies depending on the three gambling segments it regulates; for example, it authorises the competitions and the types of results open to betting in sport but it cannot introduce new variants in poker; on the other hand, its intervention is restricted to a mission to control operators, which limits the scope of its action to achieve the ambitious goals it is assigned by the statute. In particular, as concerns the protection of gamblers - its most emblematic mission and the one, quite rightly, for which most is expected from the regulator - it has to be said on this point it has no power of coercion over the operators, that it cannot refuse a new betting service solely because it is addictive and, lastly, that until the vote of the Law on the Digital Republic of 7 October 2016 it could not exploit the data collected from the operators for the purposes of public health.

Finally, I should add two essential points on the work of the profession today:

- Firstly, the European dimension: efficiency has to be increased. Beyond exchanging information, today we are developing practical actions: the network of surveillance platforms for manipulations of sports competitions and also the establishment of European liquidities for poker tables. It is just as unavoidable in its economic and

political dimension: we have some difficulty to recognize nowadays that the French market is a single market and that compartmentalisation is no longer an option, while we see a unified market establishing itself at the European level - both in how it is structured and in its content. The risk is of our market ending up as the odd man out.

- Secondly, the status of Administrative Authority guarantees independence and effectiveness. Only an Independent Administrative Authority can bring together the very diverse skills required and search for them wherever they may be. The good results of regulation in terms of preventing addiction, and of fighting money laundering or sports manipulation are largely due to the legislator's choice in 2010 to entrust these missions to an Independent Administrative Authority (AAI).

*Q - Each president imposes his style on his way of directing: what's yours?*

In my way of directing, I try above all to act in accordance with the values befitting all the servants of the State to which I give pride of place to the rigorous and economical management of public funds. The independence provided by AAI status is essential for achieving the ambitious goals regarding gambling; it does not, however, exempt from reporting on the results of its action - to Parliament first and foremost. Likewise, it also has to play its part in contributing to the effort needed to reduce public deficits.

Moreover, I have always favoured team spirit and collective work; I apply it to ARJEL, especially with my colleagues in the Board. We meet every month to report and review in great detail the Authority's entire activity, beyond the strict scope of decisions and consultations. Discussions and exchanges have to be fruitful and decisions informed. We form, it seems to me, a diligent and united team to which each of us brings his skills and centres of interest, and on which ARJEL has been able to count in the difficult times we have gone through.

## The Board of ARJEL



**Charles COPPOLANI (President)** Mr. COPPOLANI is a graduate of the Institut d'Etudes Politiques de Paris and a graduate in public law. He is an alumnus of the ENA.

**Emmanuelle BOUR-POITRINAL** General Engineer of Bridges, Waters and Forests, Mrs. BOUR-POITRINAL is a member of the General Council of Agriculture, Food and Rural Areas in the Ministry of Agriculture.

**Jean-François BROCARD** is a lecturer in economics, specialising in the analysis of professional sport.

**Cécile CHAUSSARD** is a Lecturer in Public Law at the University of Burgundy since 2007. Attached to the CREDIMI and member of the Laboratory of Sport Law.

**Frédérique JOSSINET** is a former elite French judoka. She is currently in charge of women's football at the French football federation.

**Marie-Laure ROBINEAU** is a former judge (on the Court of Cassation, <sup>2nd</sup> Civil Chamber, Procedure Section between 2009 and 2015).

**Marc VALLEUR** is a psychiatrist, specialized in addictive behavior.

***Article 35 of the Law of 12 May 2010***

« (...) "Unless otherwise provided pursuant to Article 37 (I) and decisions on penalties excepted, the attributions granted to ARJEL shall be exercised by the Board.

The Board comprises seven members appointed on the basis of their economic, legal, or technical competences. Three members, including the President, are appointed by decree. Two members are appointed by the President of the National Assembly and two by the President of the Senate. The members' term of office is six years. This mandate is neither revocable nor renewable".

The members of the Board are not, with the exception of the President, permanent members; they are remunerated by session.

**Testimony of Marie-Laure ROBINEAU, member of ARJEL Board: governance and working environment**



The diversity and complementary nature of the members of the Authority Board - specialists in addictions, sports law and other legal branches, horse racing, and economic and financial issues, and high-level sportsmen - make a powerful contribution to the Board's sessions, enhanced by the requested presence of ARJEL's agents. In addition to the various consultations pursuant to Article L333-1-2 of the Sports Code, authorisations, decisions on applications for licences, approvals, modifications of lists of categories of competitions and types of results of these competitions which can serve as subjects for betting..., the debates deal with the technicalities of regulating in France, developments and current affairs in the online gaming market, the sector's economic issues, possible reforms or again sports ethics or addiction prevention issues. While some issues do not present particular difficulties, others are more complex in the legal, economic and / or international context. Behind technical choices, ARJEL is responsible for important social issues that evolve in line with the growing role of finance in the activities it has the task of controlling.

**The LEGAL TEXTS: the regulation of online gambling organised by the Law of 12 May 2010 has evolved over time through incremental changes in the legislation.**

#### **Gambling law principles: some definitions**

*The main principles governing French gambling law were set out in Chapter 1 of the Law of 12 May 2010, entitled "Provisions relating to the gambling sector as a whole".*

#### **The nature of gambling**

Article 1 states *"Gambling is neither an ordinary business nor an ordinary service; while respecting the principle of subsidiarity, it is strictly regulated for the purposes of public order and security and the protection of public health and minors"*.

#### **Games prohibited under French law**

For the definition of gambling, Article 2 of the Law of 12 May 2010 refers to the rules of the Internal Security Code concerning lotteries (CSI, Art. L. 322-2 and L. 322 -2-1), which makes it possible to consider as illegal any offer of gaming requiring a pecuniary contribution from the gambler that may lead to a gain.

#### **The State's policy on gambling**

Article 3 of the Law of 12 May 2010 recalls that: *"the State policy on gambling is intended to limit and to regulate the supply and consumption of the games and control their exploitation in order to: (1) prevent excessive or pathological gambling and protect minors; (2) assure the integrity, reliability, and transparency of gambling operations; (3) prevent fraudulent or criminal activity as well as money laundering and the financing of terrorism; (4) assure the balanced and equitable development of the different types of gaming in order to avoid any economic destabilization of the sectors concerned"*.

#### **The principle of prior administrative authorisation**

Article 3 (II) of the Law of 12 May 2010 reaffirms a constant principle in French law of prohibiting gambling, *"given the risk of harm to public and social order"*, save exceptions in the form of exclusive rights granted by the State or licences delivered by administrative authorities, including ARJEL.

#### **Relativity of criminal penalties**

The gambler who frequents an illegal gambling operator does not incur criminal penalties (except possibly in civil law, by the operator claiming the gambling exception provided in Article 1965 of the Civil Code - horse racing excepted). On the other hand, the illegal operator is subject to criminal penalties (3 years and 90,000 Euros in fines, the penalties being increased when the offence is committed in an organised group). Online, and in civil law, the fight against illegal operators is essentially organized through a blocking site procedure brought by the ARJEL Chairman before the President of the Tribunal de Grande Instance (High Court) of Paris against technical intermediaries, i.e., in practice, internet service providers.

## Legal capacity

The prohibition of gambling by minors is an instance of the classic legal principle prohibiting disposals of assets by minors (except in the course of everyday life). More original is the possibility for any natural person to request being listed as banned from gambling in the file kept by the Ministry for Home Affairs.

**In total, since 2010 the law on the opening up to competition and regulation of the online gambling sector has undergone some fifteen amendments in seven years, after the missed opportunity of the review**

A review of the Law of 12 May 2010 was scheduled by the legislator for within 18 months of its promulgation. This "second round" was justified by the urgency in which the text had been voted. Thus, a number of key points such as, for example, the tax base were adopted with the prospect of a re-examination, after a period conceived as an experiment. However, this re-examination never took place. The result was a half-baked regulation system, sometimes under-sized for the ambitious objectives it was set.

Subsequently, a series of changes took place without a real overall plan as legislative opportunities occurred, but with the merit of having improved the implementation of the regulation for several of its missions.

- **The protection of gamblers:**

*The Law of 17 March 2014* introduces into Article 15 the obligation for the licensed operator to prove the existence of a guarantee, a trust, an insurance, an escrow account, or any means guaranteeing the repayment in all circumstances of all the assets payable by the gamblers;

The same law prohibits the operator from addressing any commercial communication to self-excluded players on its site as well as to those registered on the file for those banned from gambling;

*The Law of 7 October 2016* for a Digital Republic supplements Article 34 "with a view to combating gambling addiction the Regulatory Authority for online gambling may, alone or with any person interested in the pursuit of this objective, take any action concerning licensed operators or their gamblers";

*The Law of 7 October 2016 amends* Article 26 to set up time restrictions in poker;

The same law establishes an ombudsman in the ARJEL Board to "recommend solutions to disputes arising between the consumer and an online gambling or betting operator holding a licence issued by ARJEL".

- **The fight against money laundering**

*The Law of 3 June 2016* provides that the regulator may use the data relating to gamblers and gambling and betting operations in its possession to seek and identify any act committed by a gambler and for a bettor likely to be fraudulent or concern money laundering or the financing of terrorism.

- **Combating illegal offer**

*The Law of 17 March 2014* authorises the ARJEL Chairman to refer to the judge to prohibit an advertisement for an unauthorized gambling site;

*The Law of 7 October 2016* removes the obligation for ARJEL, in Article 61 of the Law of 12 May 2010, to bring proceedings against hosting providers should the operator of the illicit site fail to comply;

The same law modifies Article 61 by allowing the ARJEL Chairman to refer to the President of the Tribunal de Grande Instance of Paris, no longer by summons, but on application, to obtain just the blocking of the contravening sites.

- **The fight against the manipulation of sports competitions**

*The Law of 1 February 2012* amends the Sport Code to entrust to the delegated sports federations the task of issuing "*rules to prohibit sports competitions stakeholders (...) from betting, whether directly or by intermediary, on the competition in which they participate and from communicating privileged information obtained in the course of their profession or their functions and which are unknown to the public.*". The control of this prohibition is carried out by the implementation, on request, of a cross-filing mechanism by ARJEL which "*communicates to the delegated federation's agents specially authorised for this purpose under conditions laid down by decree, the strictly necessary elements of this information, pursuant to Law No. 78-17 of 619 January 1978 regarding Data Processing, Files and Freedoms.*".

*The Law of 27 November 2015* extends the possibility (Article L.333-1-4 of the Sport Code) of asking ARJEL to implement a cross-filing mechanism to an organiser of a sports event or competition.

*The Law of 1 March 2017* introduces the notion of manipulation risks in the criteria for selecting offers of betting on sporting events and competitions and types of results. It authorizes the ARJEL Chairman "*in the event of serious and plausible evidence of manipulation of a competition or sporting event (...) to prohibit, for a period that he determines, any bet on it*".



## ARJEL and licensed operators: control and support

The control of the operators' practices takes up much of ARJEL's daily activity. Indeed, the Law of 12 May 2010 organizes a whole section of the regulator's action around this control and empowers the ARJEL Board, in case of proven contraventions, to refer to the Sanction Committee.

ARJEL's controlling action covers all the obligations the licensed operators must respect. This action essentially comes under the goal of protecting the gambler.

### The directions of control

#### - Security and fairness of gambling operations

The concept of security includes both technical and legal security. It is vital to guarantee the gambler that he/she can play in a secure computing space safe from outside attacks, and that the solutions proposed by the operators let the games take place in accordance with the rules but also in conditions guaranteeing a game consistent with the regulations. For this purpose, ARJEL ensures that the security requirements of the sites, gaming platforms, and the data archiving system - whether personal or gambling data - are satisfied - the updating of the methods installed being essential in the computing field.

In order to ensure the continuity of the security and probity of the gambling operations, each change to a game or each introduction of new game is submitted to ARJEL which, depending on the changes proposed, may request special security audits as part of the approval process. During the approval process ARJEL also ensures that the randomness generation mechanisms (random mix of cards, allocation of random gain multiplier coefficients) really do comply.

In the area of legal security ARJEL first ensures that the offer proposed by licensed operators complies with the regulations, as the three ranges of gambling, sports betting, horse racing, and poker are governed by specific provisions.

#### - Consumer protection and the prevention of problematic and pathological gambling

Even though operators are subject in parallel to the control of the Directorate-General for Competition, Consumer Affairs and Fraud Prevention (DGCCRF), ARJEL pays particular attention to certain aspects such as the conformity of the sites' general conditions of use, as well as monitoring the trust or security mechanisms which guarantee the availability of the gamblers' assets.

The prevention of problem and pathological gambling entails making sure that the operators have actually put in place appropriate mechanisms in this area: consultation of the file listing those banned from gambling, prohibition of gambling by minors, and respect of the restrictions chosen by the gamblers and of the self-exclusion procedures.

#### - The fight against fraud and sport manipulation

The bets recorded by the bettors each day and the odds offered by the operators are monitored on a daily basis in order to detect possible abnormalities, whether between licensed sites, or with foreign sites for the odds, or in comparison with base models developed internally from experience.

A first level analysis is conducted by integrating, for example, factors from a sports context. If the abnormality detected cannot be explained with this analysis, ARJEL may implement the system designed as part of the national anti-sport manipulation platform. Moreover, at the request of federations or organisers of events,

ARJEL implements a cross-filing mechanism to verify the prohibition of participants in the competition from betting on their competitions.

- **Combating money laundering**

ARJEL plays here a particular role because it has been designated by the Monetary and Financial Code as the supervisory authority for the online gambling sector (excluding gaming under the monopoly of the Française des Jeux). As such, in addition to monitoring the obligations connected to identifying gamblers, the Authority assesses the quality of the operators' procedures and their effectiveness.

Also, in this capacity, it is involved in the current transposition the 4<sup>th</sup> European Anti-Money Laundering Directive.

**Means of control**

- **Investigators**

Article 42 of the Law of 12 May 2010 expressly provides that certain officers are authorized by the Director General of ARJEL to carry out administrative investigations under his supervision. These agents must also take the oath before the Tribunal de Grande Instance of Paris. They then have the status of "investigators"<sup>13</sup>.

They may access all relevant information held by online gambling operators or online gambling operators licensed by the Online Gambling Regulatory Authority and require all information and documents relating to gambling or betting activities, including accounting records, invoices, player account statements, and any relevant item or document.

Professional secrecy cannot be valid as an objection against their exercise of this investigative power. Only these investigators can draw up statements of contraventions.

- **The methods used**

The control activity is permanent and is carried out in various manners and at various intervals:

- at the time of reviewing of the license application file, or its renewal every 5 years, a number of technical, economic, and legal aspects are examined;
- at the time of each annual certification, particular emphasis is placed on respecting the security requirements for all the operator's information systems, on the points that have previously been the subject of a reservation, and on the modifications made during the year;
- also annually, a meeting with each operator gives an update on their responsible gambling policy;
- prior to the introduction of new games or during the development of gambling software, the operator must make an application for approval<sup>14</sup> in order to ensure technical compliance in terms of computer security and proper implementation of the rules of the game;
- each week the operators transmit a certain number of data relating to their activity to ARJEL, this is called "supervision", a means of ensuring better monitoring of the market, for example compliance with the rules laid down in terms of return rate to players, and of drawing up quarterly reports that are much

---

<sup>13</sup> As at 31 December 2016, 23 agents are investigators;

<sup>14</sup> For example, 30 approval decisions were presented to the Board in 2016.

appreciated by the operators themselves, since they allow them to place themselves in relation to the market as a whole and so to competitors, while respecting professional secrecy;

- in addition, the operators shall notify ARJEL of changes in their information system outside the scope of approval no later than one month after their implementation.
- lastly, ARJEL's services ensure a continuous monitoring of all the operators' obligations.

In addition to the compulsory steps provided for in the regulations that are licences, certifications, approvals, and notifications of changes in information systems, ARJEL is free to determine its control policy and its lines of investigation.

In certain cases, thematic controls campaigns are conducted on a theme that applies to all the operators. For example, in 2016 one of its campaigns focused on meeting the requirements of the temporary self-exclusion mechanism in the context of preventing problem gambling.

In other cases, the controls may affect only one operator at a time: this is the case for inspections under the Monetary and Financial Code concerning anti-money laundering obligations or cooperative computer audits for example.

In scheduling its controls, ARJEL also takes into account complaints or alerts sent by gamblers to the address contact [at] arjel.fr.

Depending on the point under review or being researched, controls can be effected through examining sites, creating and using gambler accounts, processing data archived by the operators to which ARJEL has access via the so-called 'front-end' system, and requesting the operators for explanations and for any useful documents (such as identity papers, for example).

For all of its actions controlling the licensed operators' respect of their obligations, ARJEL has made the choice of supporting operators in the improvement of their internal procedures rather than systematically using the repressive method through referring to the Sanction Committee.

As a general rule, accordingly, exchanges between the Authority and the operators are, in the first instance, in the form of informal contacts followed, where appropriate, by sending mail. If the analysis of ARJEL and the operator still differ, a statement recording the shortcomings is drawn up and may serve as a basis for the initiation of a sanction procedure if the Board of the Authority decides to seize the Sanction Committee with a "notification of complaints".

#### **The Sanction Committee (Articles 41, 43, and 44 of the Law of 12 May 2010)**

The Sanction Committee comprises six members from the State Council, the Court of Cassation and the Court of Auditors, for a period of six years renewable once. The Board refers to the Sanction Committee in the case of proceedings against an operator "who has failed or fails to comply with the legislative and regulatory obligations that apply to his activity".

The Sanction Committee may "pronounce, having regard to the gravity of the contravention", a warning, a reduction of up to one year in the duration of the licence, suspension of the licence for a maximum of three months, or withdrawal of the licence. It may also impose a pecuniary penalty.

Since 2010, 915 Operators have been brought before the Sanction Committee for various types of contraventions (non-delivery of certification reports, failure to respect the pooled nature of the bets in the proposed offer, non-compliance with the rules for opening gambler accounts, non-compliance with the 85% cap on the player return rate). In 2017, proceedings are under way against four operators for exceeding the RRP ceiling.

#### **A new field of intervention: the study of gambler behaviour**

The "front-end" tool set up to collect all of the data relating to gamblers' accounts and their gambling activity and make them available to ARJEL, was originally intended to control the operators' activities. It was found that having all the data of a single player holding several accounts made it possible to go further in relation to the objectives of State policy on gambling.

ARJEL has therefore requested and obtained amendments to the texts from the legislator which will now permit him to analyse the gamblers' behaviour for two purposes:

- The prevention of problem gambling:
- The fight against fraud and money laundering: following the possibility introduced by the Law of 3 June 2016, ARJEL will now play a special role in the search for facts that may constitute fraud or money laundering. This control, which is not a control of the operators, will be based on the data on the tracking of gamblers' behaviour archived by the operators. It will be conducted in consultation with TRACFIN.

This work can of course only be carried out within the framework set by the CNIL (French data protection commission).

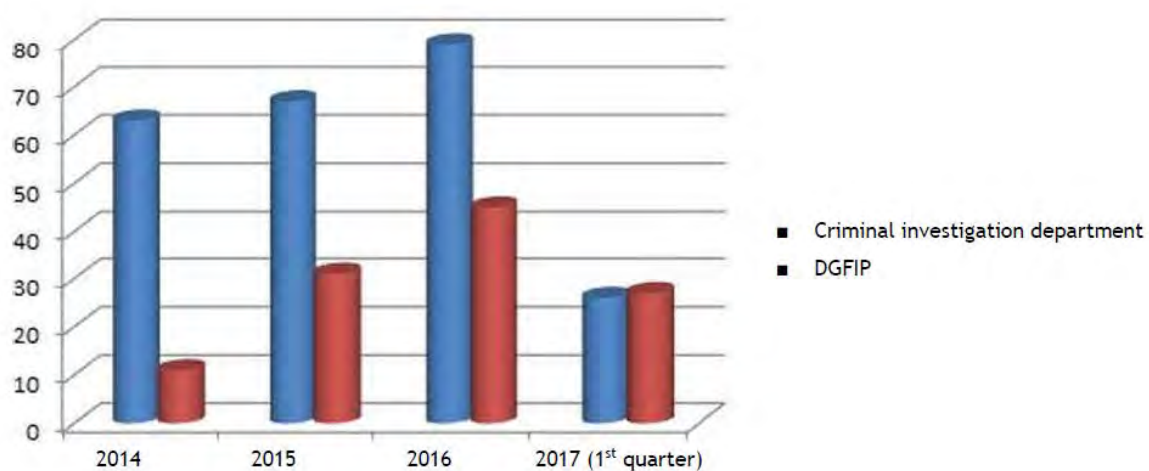
---

<sup>15</sup> Three of which have since left the licensed online gambling market

### Responses to inquiries from investigative or control services

Pursuant to the Code of Criminal Procedure, the Customs Code, or the Tax Procedures Book, ARJEL may be questioned by the investigative or control services of the various state administrations.

The applications may concern both corporations operating sites, whether licensed or not, or natural persons. In 2016 ARJEL received 124 applications of this type; in 2017 44 applications had already been processed in the first quarter.



## **Annual ARJEL seminar**

**6 December, 2016**

**PARIS**



**Together with President Charles COPPOLANI and Bernadette MALGORN, a senior member of the Court of Auditors who came to present the Court's report on the regulation of gambling in France, the members of the Board and all the employees of ARJEL.**

## ARJEL: Missions / Actions

## **The regulator and the market**



## IN BRIEF ...

The balance sheet for the **online gambling market in 2016** showed no surprises: no reversal of trend despite a slight recovery in poker that remains to be confirmed.

On the surface, the situation may seem satisfactory with **three main indicators showing green**: 6% increase in stakes, 8% increase in gross gambling revenue and 554,000 active player accounts per week, an increase of 11%.

In reality **the structural fragility** that has characterized the online gaming market for several years now is increasing: growth is based solely on sports betting and these figures hide the poor performance of the other two gambling segments open to betting - poker and horse racing.

The results for the first **quarter of 2017** show the same trend: while the slight improvement in poker activity continues and extends to horse racing - which shows a small attenuation in the downtrend of 2016 - only the sports betting segment continues to progress with stake and GGR on levels never seen for a quarter since 2010.

In this context maintaining a tax base that taxes operators on bets while they pay a significant share to the gamblers in the form of winnings and with a very restricted licensed supply that does not take into account the expectations and practices of the new generations places an increasingly heavy burden on the licensed market in the face of an illegal supply which, despite ARJEL's efforts, is getting stronger.

The example of cash game in poker, for which there is a slight increase in activity due in large part to the opening of new variants, is significant in this respect. The next opening of the European poker tables should reinforce this improvement. We should go further and consider a diversification of the licensed offer that reconciles gambling's recreational and attractive features.

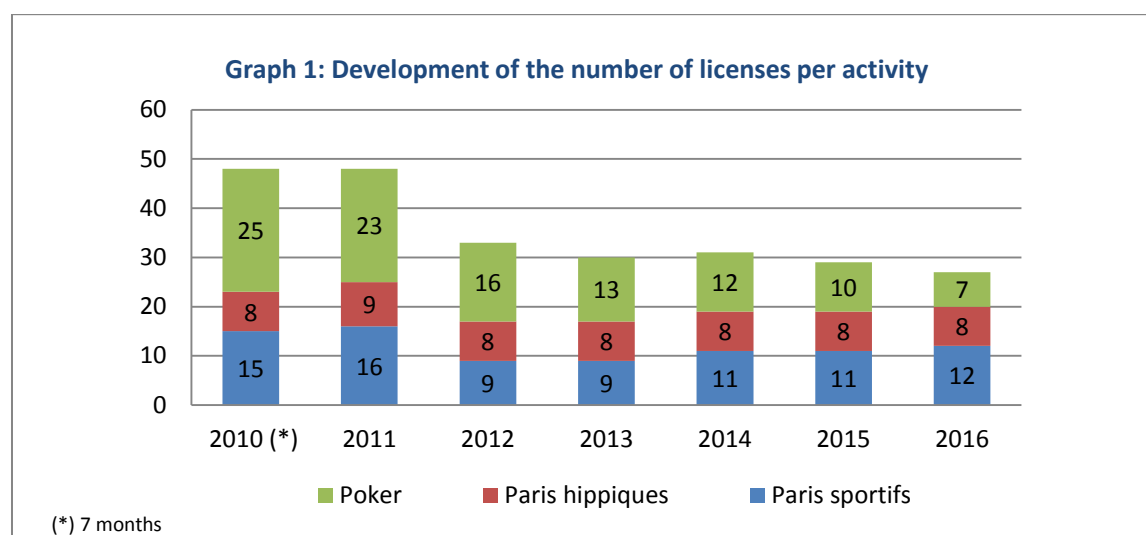
### ***Licensed operators in 2016: some renounce, others diversify***

In 2016 the Board of ARJEL renewed a licence issued in 2011.

At the end of 2016 the online gambling market comprised 14 companies, with a total of 27 licenses: 12 for sports betting, 8 for horse racing, and 7 for poker.

The number of approvals is thus declining for the second consecutive year with two crossing trends:

- The further consolidation of the poker market, from which 3 operators have withdrawn, including 2 in anticipation of their license for the activity (NETBET and Everest Poker);
- The increase in the number of licenses for sports betting, with the arrival of a new operator in 2016 (REEL Malta Ltd) already the holder of a licence for poker since 2010 and which chooses to diversify its activity in the French market with the sports betting brand BETSTARS.



### ***The gamblers' level of spending has slightly decreased***

The gambler's expense is the difference between his stakes and the gains received, i.e. the operators' Gross Gaming Revenue (GGR). The average annual expenditure is given by the ratio between the annual GGR earned by sector and the annual number of active player accounts<sup>16</sup> in each sector<sup>17</sup>.

The year 2015 was a pretty clean break in the trend of the average annual expenditure per gambler, which then progressed to 15% including all sectors. In 2016 only the poker sector recorded a slight increase in average annual expenditure. Thus, for the other two on-line activities annual average expenditure is declining, leading to a 9% decrease in annual spending in all sectors.

<sup>16</sup> A player account is considered active if at least one gambling or betting operation has been carried out over the relevant period

<sup>17</sup> This is an average which therefore covers disparities in behaviour.

Table 1: Trend since 2010 in the number of active player accounts (APA) and expenditure per gambler

Activité		2011	2012	2013	2014	2015	2016
Poker	CJA (en milliers)	1 686	1 715	1 240	1 157	990	972
	Dépense annuelle moyenne des joueurs	186 €	173 €	208 €	208 €	234 €	236 €
Paris sportifs	CJA (en milliers)	705	765	842	1 142	1 193	1 621
	Dépense annuelle moyenne des joueurs	163 €	180 €	195 €	199 €	226 €	216 €
Paris hippiques	CJA (en milliers)	502	509	496	488	475	484
	Dépense annuelle moyenne des joueurs	484 €	517 €	532 €	527 €	535 €	483 €
Total Marché	CJA (en milliers)	2 325	2 229	2 142	2 320	2 102	2 483
	Dépense annuelle moyenne des joueurs	289 €	313 €	320 €	312 €	359 €	328 €

### ***The evolution of the Return Rate to Players (RRP)***

The Decree 2010-605 of 12 May 2010 pursuant to Article 13 of the Law of 12 May 2010 has capped at 85% the maximum proportion of payments made to players compared to stakes. This proportion is assessed globally for each year per operator.

This obligation which is an originality of the French legislation was justified in 2010 by the intention to combat money laundering and excessive gambling. Its respect requires constant attention on the part of the operators insofar as the **Return Rate to Players** is linked to the odds proposed and bonuses granted, but also to a great extent to the results of the competitions on which the players bet.

The control is carried out by a weekly check of the gamblers' winnings. The data communicated by the operators are checked for consistency with respect to their previous declarations and to market developments. Where appropriate, these statements are confronted with the game data as recorded in the operators safes.

For the first time since 2010 - in a context of increased competition - four operators have exceeded this rate of 85%, which led to a referral to the Penalties Commission.

## ***SPORTS BETTING: growth continued in 2016 and the first quarter of 2017***

### **The figures**

The stakes recorded by the operators in **2016** reached the unprecedented level of **€ 2,081 million**, which represents **an increase of 45% from 2015**.

Unsurprisingly, the licensed operators' turnover (GGR) went on increasing in 2016 to **reach € 349 million**, which represents **an increase of 29% from 2015**.

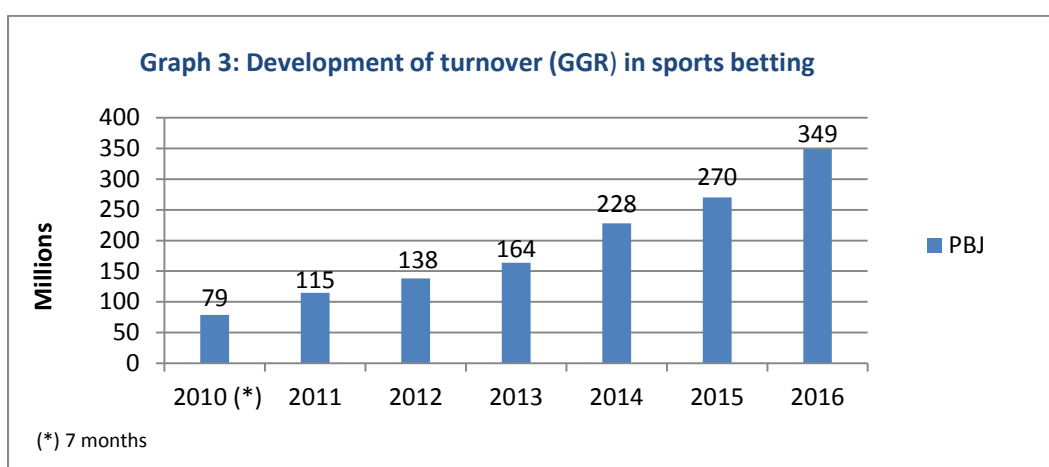
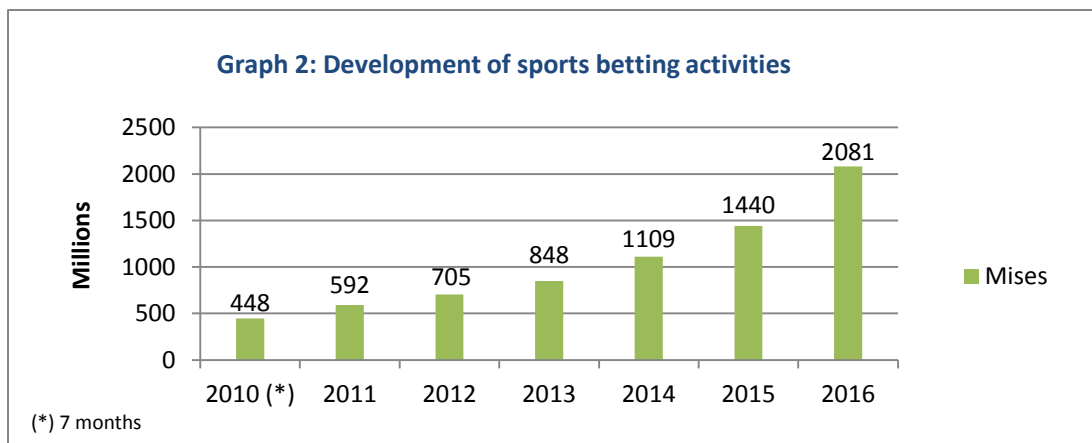
**In the first quarter of 2017**, sports betting continued to progress. It amounted to **633 million Euros** - an increase of **23% in relation to the first quarter of 2016**. This amount corresponds to the highest amount recorded for a quarter since the opening of the market in 2010. It is even higher than that recorded for the whole of 2011 (€ 592 million) and represents almost a third of the stakes for 2016.

Finally, the **GGR** increased also in relation to the first quarter of 2016 but less than stakes (16%), which is explained by the increase of nearly 1 percentage point in the RRP. It reached **94 million Euros** - the highest amount recorded for the business in a quarter.

Reminder: the GGR = the bets less the winnings paid to the players

The increase in the stakes recorded for 2016 is explained by:

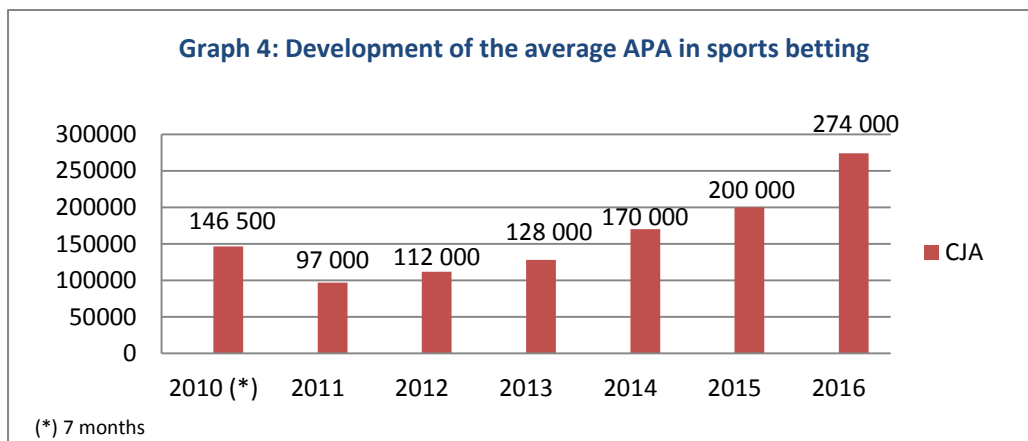
- the greater recycling of winnings as stakes due to the rise by 1.9 percentage point of the **Return Rate to Players (RRP)** over the year (before bonus);
- the 36% increase in the total number of active player accounts (APA);
- the sporting calendar with two major competitions in the first and second quarters of the year (UEFA Euro 2016 and the Rio 2016 Olympic Games).



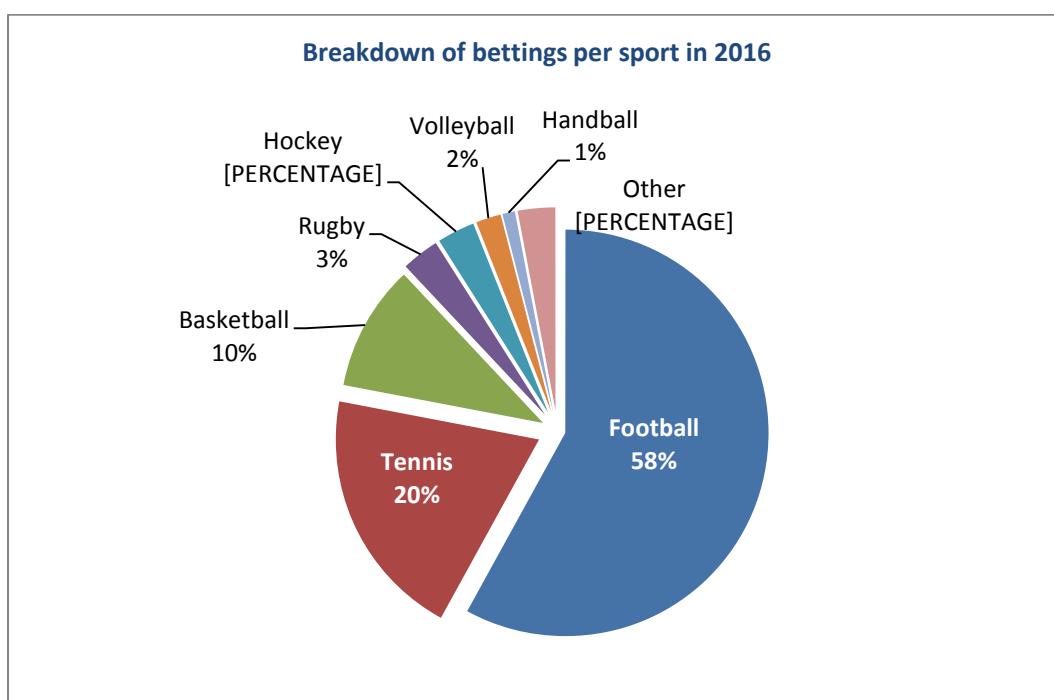
A higher ***Return Rate to Players*** explains why the growth of the GGR remained lower than that of the bets. The overall RRP for 2016 thus reached a record level, flirting with the authorised limit of 85% (including the bonus in the winnings distributed to gamblers).

As indicated above, the dynamism of the market is due to the increase in the number of active player accounts over the year (+36%) and in the number of regular players, as measured by the average number of active player accounts each week (+36%) (see Chart 4).

In the first quarter of 2017 growth was still driven by the increase in the number of active player accounts in sports betting, which rose by 25% this quarter (**272,000 to 341 000 APA**).



The distribution of sports betting recorded for 2016 is very similar to that for 2015. Despite UEFA Euro 2016, which generated € 141.2 million in betting on the online network, the proportion for football is the same as for 2015 (58%). Thus, football remains very clearly the sport favoured by the sports betting gamblers. It is followed by tennis which generates 20% of the stakes.



**In the first quarter of 2017** the most attractive sports remained the same (88% of the stakes on football, tennis, and basketball). However, football's share, which despite UEFA Euro 2016 remained stable in 2016, dropped by 3 points (55% compared to 58% in the first quarter of 2016) to the advantage of other sports such as tennis and basketball.

## ***HORSE RACING: the erosion observed in 2016 stabilised slightly in the first quarter of 2017***

### **The figures**

For the fourth year in succession online horse racing betting contracted - the amount of stakes dwindling by nearly **9% to € 924 million**. This decline is much larger than for 2015 (-2%). Thus 2016 recorded the lowest level of stakes over a full year since the market was opened. Unsurprisingly, the Gross Gaming Revenue (GGR) in the sector fell by similar proportions **(-8%) over the year to reach € 234 million**.

The gap with sports betting widened dramatically reaching **a billion Euros in stakes**. It was **€ 425 million** in 2015.

For the first three months **of 2017 the stakes** recorded amount to **246 million Euros**. The fall in the betting generated in the business amounted to **1%**, which contrasts with the 9% decrease in the stakes made in the business in 2016. This slowdown in the rate of decline is mainly due to the greater recycling of winnings as stakes, connected **to the 0.9 percentage point rise in the activity's RTP**. Thus, the stakes in horse racing have decreased less than in 2016 despite **the 5% decrease in the number of active player accounts per week (from 149,000 to 142,000 APA)**.

**The business's GGR** recorded a further decrease of 4% but much less strongly than in 2016 (-8%) similarly to the betting and amounted to **61 million Euros**.



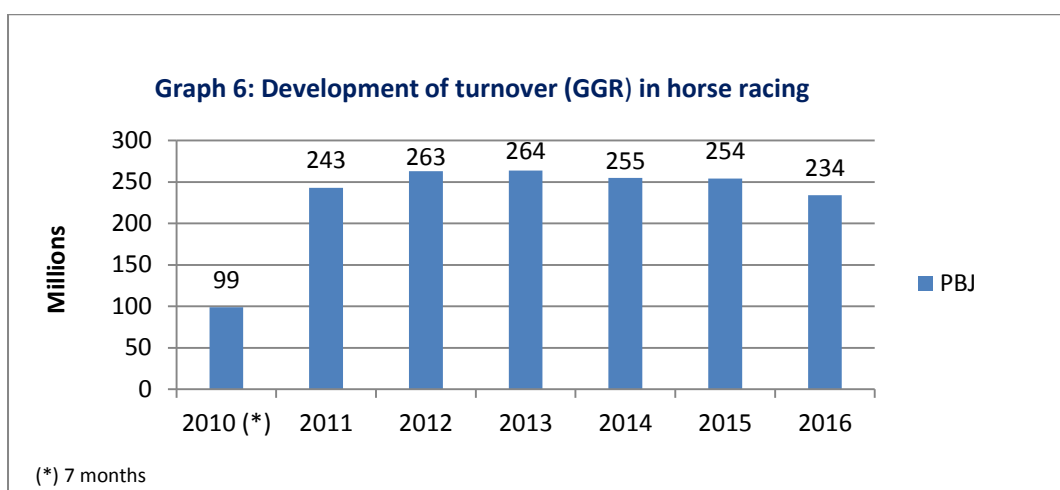
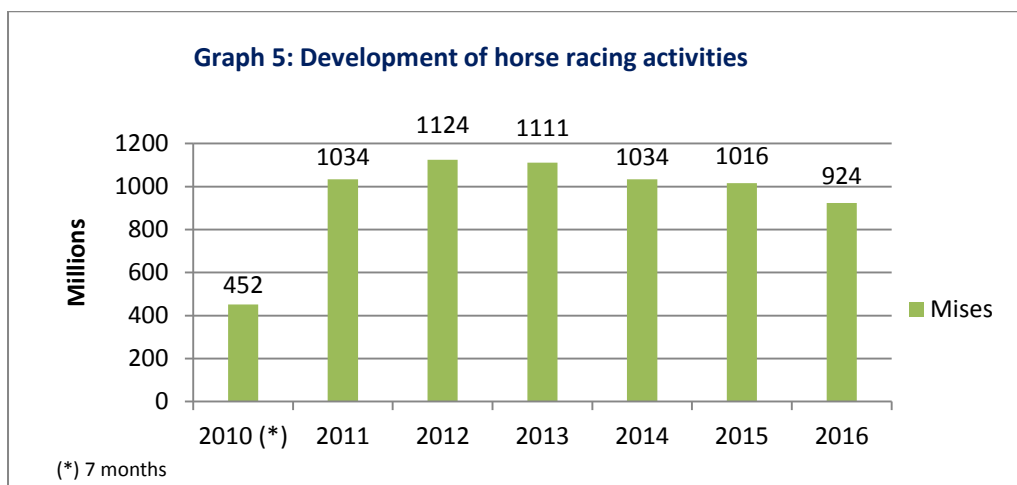
### **The point of view of Emmanuelle BOUR-POITRINAL, member of the Board of ARJEL**

ARJEL has assumed its role of regulator with great rigour since 2010 while keeping an eye on the economic balance of the sectors it protects by fighting fraud.

As such, it closely monitors the disturbing trends in horse racing in the global context of gambling and also because of its specificity, which is to be the economic engine of a sector that provides nearly 200,000 jobs on our territory.

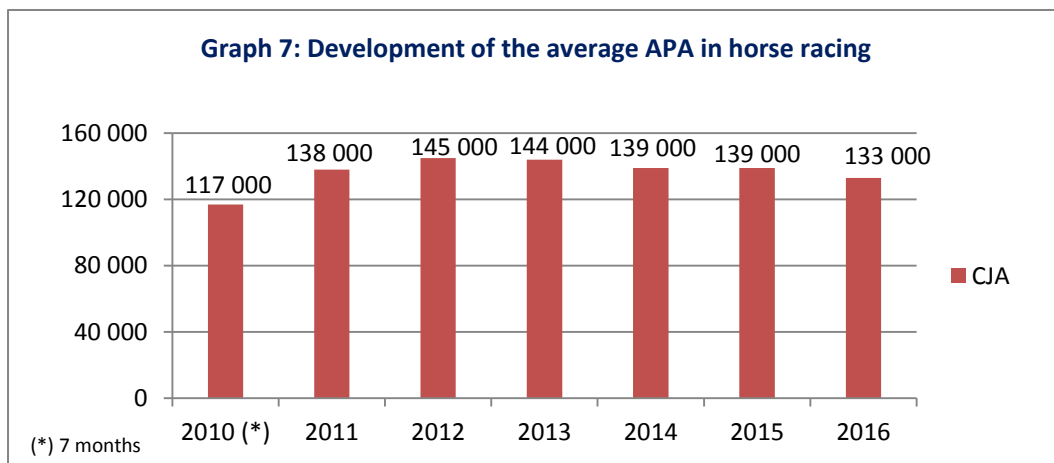
With the opening of the online gambling market in 2010 the French model, whose roots date back to the end of the 19th century, evolved with its main characteristics: the exclusivity of totepool betting, the tax on the stakes returned to the sector, the incumbent operator - PMU, and the GIE of the race parent companies responsible for organizing the races.

Pursuing the evolution begun in 2010 has become a necessity in the face of the decline in horseracing betting which does seem to be structural, while sports betting is developing despite the stimulating effect of the activity of new horse-racing operators. ARJEL's expertise acquired in all the gambling markets in France and abroad is invaluable in this period, when innovation has become indispensable and urgent to save the French model's advantages -totepool and ploughing back into the sector.



The decline in the average number of active player accounts each week resumed in 2016 after a year of stabilization in 2015 and explains the acceleration in the decline of stakes in the sector.





## The action of the regulator

### Bringing together all the players to revitalize horserace betting

In January 2017, at the request of the ministers, three working groups met at the Ministry of Agriculture to reflect on the future of the horse-racing industry and propose concrete actions to revitalize the sector.

Invited to participate in the group dedicated to the economics of racing, ARJEL was able to give its analysis: at the origin of the current difficulties of this gambling sector, the lack of renewal in the population of racegoers\* and thus a problem of attractiveness in the offer. It was then able to present its 5 point proposal for action.

- to renew the gambling offer by designing it in the light of the new generation's expectations and practices with simpler and more theatrical bets (live betting on the final result, betting on jockeys, teams, or stables...);
- to improve the attractiveness by an increase in Return Rate to Players (RRP) which is currently the lowest for a game of skill in the online market;
- to improve the gambling environment by relying on digital technologies such as virtual reality;
- to reinforce racing's ethics and transparency by creating, just as for sport, an independent ethical commission;
- to adapt the racing calendar to the punters' expectations.

\* Only 20% of racegoers are under 35

### ***POKER: a slight recovery at the end of 2016 which seems to be confirmed in the first quarter of 2017***

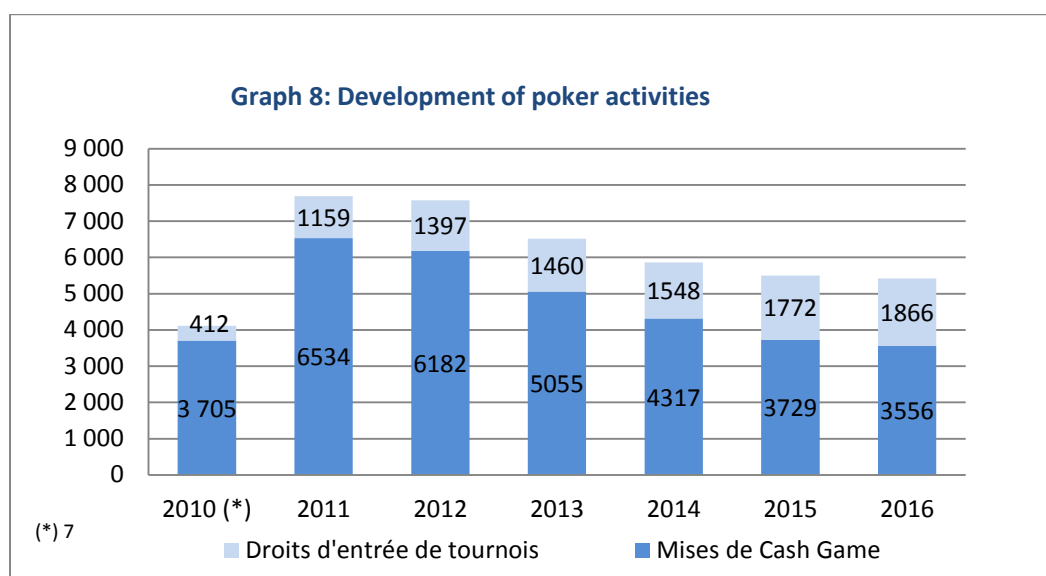
#### The figures

In 2016 the poker market was slightly down. Indeed, the decline in cash game activity observed since 2012 continued in 2016, although to a much lesser extent (-5% compared to -14% in 2015). On the other hand, tournament entry fees are up from 2015, but are increasing at a much lower rate (5% compared to 14% in 2015).

During the first quarter of 2017 the two poker activities again showed opposing trends. Indeed, the decline in cash game activity continued (936 million Euros), although in lesser proportions (-2% in Q1 2017 against -5% in 2016) while tournament entry fees rose (506 million euros) at a much lower rate than in 2016 (1% in Q1 2017 compared with 5% in 2016).

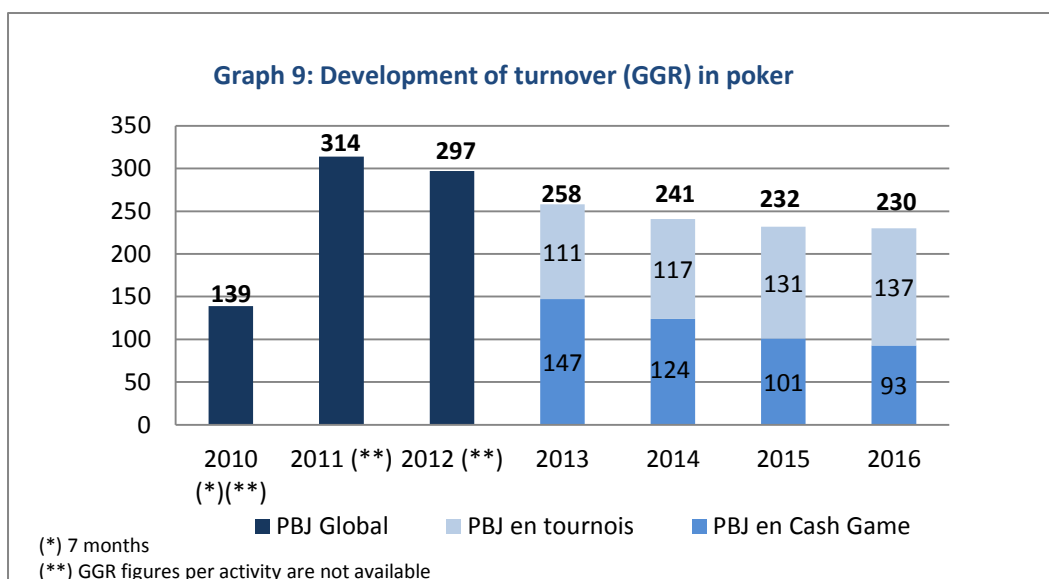
The number of active player accounts in poker, though stable in 2016, is down 1% over the period. Thus, on average, almost 255 000 players played poker every week during the first quarter of 2017, compared with 257,000 in the first quarter of 2016.

**The sector's GGR, slightly down in 2016 (-1%), rose by 3% in the first quarter of 2017 and reached 64 million euros.** So the slight recovery in activity seems to be confirmed. These trends, rather favorable in the light of the previous quarters, can be linked to the enhancement of the poker offer. Since the decree of October 6 2016, two new types of poker are allowed online: Seven Card Stud Poker and Triple draw deuce to seven (2-7) Lowball (or low) limit.



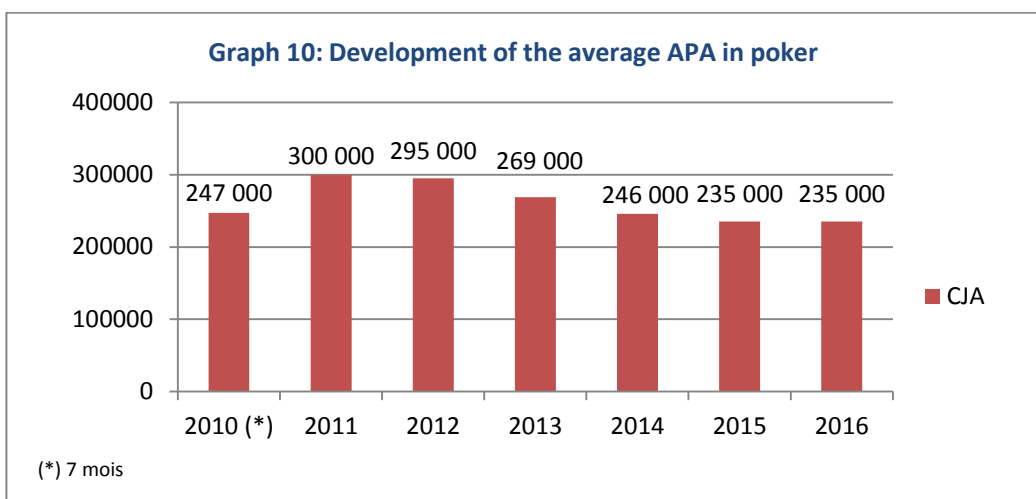
Logically, the total turnover of the sector is slightly down (-1% from 2015) to € 230 million. The RRP (excluding bonus) is stable compared to last year and reaches 95.8%.

Started in the preceding years the scissors effect between the cash game and tournaments continued in 2016 when for the second consecutive time the proportion of the poker operators' total turnover from tournaments exceeded that from the cash game € 137 and € 93 million respectively (see chart 9).



The average number of active player accounts each week is constant from 2015 and remains at its lowest level (see graph 10) since the opening of the sector.

For the first year the average number of active player accounts is higher in sports betting than in poker.



## The action of the regulator

### The online poker European tables: a much awaited measure

From the revision of the Law of 12 May 2010 - which did not take place - ARJEL has argued in favour of this measure especially since this liquidity sharing with foreign operators was allowed for sports and horseracing betting. On 7 October 2016 the Law for a Digital Republic introduced the European online poker liquidity sharing in the licensed poker games offer.

Before the statute conditions were imposed:

- The liquidity sharing is European. It is therefore authorized only with the member states of the European Union, enlarged to include the European Economic Area;
- It can only be set up with States which have regulatory conditions equivalent to ours;
- Only players holding an "audited" account, that is to say for France a definitive account, will be allowed to participate in the European tables;
- In order to be operational, the sharing has to have been the subject of an agreement with the regulators of the partner countries, within the framework of a cooperation agreement.

The signing of this multilateral convention defines the modalities of implementation and control with all interested European partners (Italy, Spain, and Portugal) and is currently under discussion. The agreement is expected to be signed in June.

In September, for operators who request it, the Authority could therefore be in a position to:

- prepare the files leading to the special authorisation provided for in the agreement;
- process the files for approvals of gaming software.

Through a greater volume of liquidity [Cash: the total amount of money brought to the tables by players accessing the poker offer] this highly anticipated measure should increase the attraction of the licensed poker market while combating the illegal supply. Aware of the importance and the urgency of this opportunity for the licensed market, the ARJEL Chairman is making every effort to make it effective as soon as possible. Nevertheless, time for negotiation is needed to assure this sharing while taking into account differences in legislation.

### The point of view of Jean-François BROCARD, member of the Board of ARJEL



As an independent administrative authority ARJEL has been given the mission by the French government since 2010 of regulating the online gaming market and in particular the sports betting, horseracing, and circle games sectors. In 2016 the trend was confirmed of sports betting largely supporting the growth of the online gambling market - which should not hide the fragility of the market's structure. In this respect, the effectiveness of the Authority's action on the functioning of this market must be underlined. Here are just a few of ARJEL's positive actions on prices and information quality.

- While a decline in licences is evident - confirming the difficulties some operators have in developing a profitable business - ARJEL participates in controlling the prices through applying the ceiling on the RRP, which ensures a healthy and lasting competition between operators and prevents the development of short-term behaviour.
- ARJEL also contributes to the smooth functioning of the market by ensuring a high degree of information transparency - especially through regularly communicating on the state of the market.

## Levies and Returns

The levies on the stakes have naturally matched the trends in the latter. The total amount for levies started to rise again in 2016 (+13%) and grew more strongly than in 2015 (+10%).

This overall progression was driven by the dynamics of sports betting, which more than offset the slight decline observed on poker.

The amount of tax revenue collected on the online gambling activity regulated by ARJEL (including VAT) amounted to € 429 million for the year 2016.

In total, since the opening of the sector to competition in 2010 the total amount of compulsory levies borne by licensed operators reached € 2,375 billion.

**Table 2: Changes in amounts and changes in bets, GGR, and levies since market opening**

Activity (in € millions)		2010 (*)	2011	2012	2013	2014	2015	2016
Poker	Cash Game stakes	3,705	6,534	6,182	5,055	4,317	3,729	3,556
	$\Delta n / n-1$			-5%	-18%	-15%	-14%	-5%
	Tournament entry fees	412	1,159	1,397	1,460	1,548	1,772	1,866
	$\Delta n / n-1$			21%	5%	6%	14%	5%
	GGR	139	314	297	258	241	232	230
	$\Delta n / n-1$			-5%	-13%	-7%	-4%	-1%
	Levies and VAT	52	116	111	96	87	84	83
	$\Delta n / n-1$			-4%	-14%	-9%	-3%	-1%
Sports betting	Licences - end of year	25	23	16	13	12	10	7
	Stakes	448	592	705	848	1,107	1,440	2,081
	$\Delta n / n-1$			19%	20%	31%	30%	45%
	GGR	79	115	138	164	227	270	349
	$\Delta n / n-1$			20%	19%	39%	19%	29%
	Levies and VAT	41	59	72	86	113	147	208
	$\Delta n / n-1$			23%	19%	31%	30%	42%
Horse racing	Licences - end of year	15	16	9	9	11	11	12
	Stakes	452	1,034	1,124	1,111	1,034	1,016	924

	$\Delta n / n-1$			9%	-1%	-7%	-2%	-9%
	<b>GGR</b>	99	243	263	264	257	254	<b>234</b>
	$\Delta n / n-1$			8%	-	-3%	-1%	-8%
	<b>Levies and VAT</b>	76	162	176	171	148	151	<b>138</b>
	$\Delta n / n-1$			9%	-3%	-12%	2%	-8%
	<b>Licences - end of year</b>	8	9	8	8	8	8	8
<b>Market Total</b>	<b>Stakes and entry fees</b>	5,017	9,319	9,408	8,474	8,007	7,957	8,427
	$\Delta n / n-1$			+1%	-10%	-6%	-1%	15%
	<b>GGR</b>	317	672	698	686	725	756	<b>813</b>
	$\Delta n / n-1$			4%	-2%	6%	4%	8%
	<b>Levies and VAT</b>	168	337	359	352	348	382	<b>429</b>
	$\Delta n / n-1$			7%	-2%	-1%	10%	13%
	<b>Licences - end of year</b>	48	48	33	30	31	29	<b>27</b>
	<b>Operators - end of year</b>	35	35	22	18	17	16	<b>14</b>

\*7 months

In addition, operators are subject to the payment of fixed dues, the cumulative total of which since the opening has reached € 3,465 million.

**Table 3: Changes in fixed dues since the opening of the market**

	2010	2011	2012	2013	2014	2015	2016
<i>Fixed due - for filing an application</i>	€ 230,000	€ 48,000	€ 5,000	€ 5,000	€ 10,000	€ 47,000	€ 12,500
<i>Fixed due - recurring on January 1</i>	€ 0	€ 820,000	€ 830,000	€ 530,000	€ 480,000	€ 460,000	€ 430,000

The levies give rise to a redistributed partly in favour of the sectors that the legislator considered could be negatively affected by being opened to competition. The table below describes this breakdown.





**Table 4: Breakdown of levies for 2015**

<i>Euro millions</i>	For the year 2016				Total 2015	Δ 2016/ 2015
	HR	SB	PO	Total		
<b>Levies from the online games and betting affected:</b>	<b>48.97</b>	<b>118.63</b>	<b>64.99</b>	<b>232.59</b>	<b>202.75</b>	<b>8.0%</b>
<i>to the Centre des monuments nationaux (National Monuments Centre)</i>	0.00	0.00	9.75	9.75	10.02	-2.7%
<i>to the municipalities with casino</i>	0.00	0.00	9.75	9.75	10.02	-2%
<i>to the municipalities with race track</i>	7.35	0.00	0.00	7.35	8.08	-9.1%
<i>to the general budget</i>	41.62	118.63	45.49	205.74	174.63	17.8%
<b>Levies for Social Security</b>	<b>16.63</b>	<b>37.45</b>	<b>7.22</b>	<b>61.31</b>	<b>51.64</b>	<b>18.8%</b>
<b>Levy directly in favour of the horseracing sector (*)</b>	<b>58.21</b>	<b>0.00</b>	<b>0.00</b>	<b>58.21</b>	<b>61.97</b>	<b>-6.1%</b>
<b>Levies for the CNDS (Centre national pour le développement du sport - National sports development centre)</b>	<b>0.00</b>	<b>37.45</b>	<b>0.00</b>	<b>37.45</b>	<b>25.92</b>	<b>44.5%</b>
<b>Total - levies</b>	<b>123.80</b>	<b>193.56</b>	<b>72.21</b>	<b>389.57</b>	<b>342.28</b>	<b>13.8%</b>

(\*) Decree 2013-1320 of 27/12/2013

**Current levy rates:**

**on online games and betting:**

- Sports betting: 5.7%;
- Horse racing: 5.3%;
- Circle games: 1.8%.

**in favor of social security:**

- Sports Betting: 1.8%;
- Horse racing: 1.8%;
- Circle games: 0.2%.

**in favour of racing companies:**

- Horse racing: 6.3% since 2016

**in favour of the CNDS:**

- Sports Betting: 1.8% since 2012.

## **The regulator and illegal offers**

## IN BRIEF ....

The fight against illegal offers is a common factor of all ARJEL's missions: illegal offer organises unfair competition for operators who have chosen the licensed market and is often the source of all kinds of dangers for the consumer, but also for the recreational player wanting to remain so.

When online gambling was opened to competition in 2010, the main objective was to drain away the illegal offer. Seven years later this goal is partially achieved for horse racing, sports betting, and poker because the regulated offer proposes a credible alternative. However, the illegal offer is very present on the online casino sites for which, because of the prohibition, no licensed offer is available.

The conditions of this combat are particularly unfavourable: ARJEL certainly does not have sufficient human resources, but even were more resources available the entire budget of ARJEL would be insufficient - given the nature - both changing and multi-faceted - of the phenomenon.

- Because it is increasingly easy for players to circumvent the prohibitions - especially through open access technical devices;
- Because of the development of bypass systems - frequent client type - which address themselves directly to the client without going through internet addresses;
- And lastly because the mass of the sites to be monitored is exponential: in addition to the new sites detected there is the monitoring of sites that have voluntarily complied or been compelled by court order to make sure they remain inaccessible to French players.

Under these conditions ARJEL has chosen to multiply the angles of attack by following three paths:

- to simplify procedures to be more reactive: this has been done with the Law for a Digital Republic since 7 October 2016;
- to anticipate new offers and take action before they develop: online video game competitions for example and seemingly advertising lotteries , for the year 2016;
- to identify potential allies among the partners and providers of illegal sites and associate them with our action: payment service providers, paid access referencing sites or affiliate sites;
- but also, and even though it goes beyond the strict scope of the regulator, to propose a reflection on a controlled and responsible opening of the licensed offer to make it more attractive and competitive.

### 1. NEWS 2016: simplification of procedural tools for greater responsiveness

The Law for a Digital Republic of 7 October 2016 amended the procedure for the judicial blocking of illegal sites provided for in Article 61 of the Law of 12 May 2010 to take the practice of this procedure into account.

As created in 2010 this judicial blocking procedure at the initiative of the ARJEL Chairman was directed against the hosts of illegal sites and internet access providers. The ARJEL Chairman was simultaneously pursuing the hosting provider of the illegal site and the French internet service providers.

However, these actions against hosting providers proved to be vain, long, and costly.

**VAIN** - as few hosts respond favourably to requests from the ARJEL Chairman - when they even deigned to reply - to prevent access to illegal sites in France. In the event of a positive response from the host, the operator's strategic response was practically immediate: it immediately changed provider, so that the illegal site continues to be accessible in France. Thus, as many as five hosts have succeeded one another on the same site. When summoned before Paris' *Tribunal de Grande Instance*, the hosts hardly ever bother to be represented at the hearing.

Since 2010 more than a hundred hosts have been summoned before the President of Paris' *Tribunal de Grande Instance*: only four have appeared at the hearing to indicate that they had or were about to defer to the demands of the ARJEL Chairman.

Moreover, the decisions obtained against the hosts are particularly difficult to enforce abroad. The reason for this is the obligation of ARJEL's President (after service of the order abroad, which may itself prove problematic considering the reluctance of certain States, including certain Member States of the European Union, to co-operate with the French authorities) to obtain an *exequatur* - also abroad - for the decision pronounced in France before even undertaking a measure of enforced execution, which may in turn lead to proceedings.

**LONG** - this procedure is particularly so: for example, it is necessary to serve - sometimes through diplomatic channels - the summons and orders abroad.

**COSTLY** - lastly, and in particular in view of its effectiveness: heavy translation costs for the summons and orders issued, as the hosts are always established abroad, the costs of bailiffs, equally burdensome, for the service of these summons and orders.

The legislator authorised the ARJEL Chairman to direct his blocking action before the President of Paris' *Tribunal de Grande Instance* solely against the internet service providers, thereby enabling him to avoid the expenses of taking action against the hosts.

Guided by the same logic, French Parliament with the Law of 7 October 2016 authorised the ARJEL Chairman to obtain *ex parte* blocking injunctions by application against so-called "bypass" sites identical, or else very similar, to those already having been the subject of a blocking decision but reappearing under a different domain name.

Naturally, ARJEL continues its administrative action against the hosts of illegal sites by means of formal notices.

It should also be recalled that internet service providers may be compensated for the additional costs associated with the implementation of court-ordered access blocking, which does not amount to a judicial sanction.

## **2. ACTIVITY REVIEW 2016-2017**

### **Typology of illegal offers: state of play**

The offers of illegal gambling accessed by gamblers from France are varied, often responding to unsatisfied demands on the French market or sometimes more financially attractive.

In France lottery games for money are only allowed on line if they are organised by La Française des Jeux, or sports betting, horse racing, and online poker.

No online casino games, such as slot machines, bingo, video-poker, etc., can be offered legally on the French territory. This prohibition - as well as the attraction that these games have for the public, an attraction that may betray an addiction - undoubtedly explains the permanence of an illegal offer, constantly renewed and fought. By contrast, the offer of illegal horse-racing betting appears to be very residual. The illegal offer of

sports betting remains rather circumscribed. The seduction it has for punters is explained by two phenomena assumed by the French legislator. The first is due to the more attractive odds the illegal operators, not subject to legal requirements - especially tax - are able to offer. The second is the lack of limits concerning the scope of the offer for the games proposed, as the authorised betting supports are defined by ARJEL in consideration of the risks of sport manipulation to which they may be subject.

### ***Two points for vigilance in 2017***

Considering the growing popularity of online video games competitions, the Law of 7 October 2016 for a Digital Republic has modified the Internal Security Code to authorise video games competitions, provided that they meet conditions set by the regulations (and which are not known to date).

The Legislator has authorised online video games competitions and qualifications for physically played video games competitions when the participant's financial sacrifice consists of the costs for the software and connection.

Online ARJEL ensures compliance with the conditions set out in these texts. The President of the Authority will not hesitate to ask the judge to block access to online video game competition sites which - whether openly or by dissimulation - incite any other financial sacrifice.

In addition, ARJEL is increasingly confronted with gaming offers which though presented as advertising lotteries authorised under Article L. 121-20 of the Consumer Code are in actual fact lotteries prohibited by the Internal Security Code. The distinction between these two types of lotteries is sometimes difficult to establish.

In these circumstances ARJEL seeks to ascertain whether the main objective pursued by the organiser of the lottery actually is to promote its services or products. In the absence of a really promotional objective the lottery is deemed to be prohibited, which leads the ARJEL Chairman to use its powers under Article 61 of the Law of 12 May 2010.

### **The figures**

One year (1<sup>st</sup> April 2016 - 31 March 2017) combating illegal offers means:

4 investigators

3 distinct computing networks - to conduct investigations, to draft formal reports, and communicate with illegal operators

12 PCs

253 formal reports

5 hearings - in May, September and November 2016, and then in January and March 2017

43 summonses served

148 URLs, giving access to 35 illegal sites, blocked by injunctions of the President of Paris' *Tribunal de grande instance*

20 operators complying before being prosecuted (155 URLs)

35 requests to comply before report concerning 230 URLs, successful in 9 cases (60 URLs)

***Illegal offers become inaccessible***

	Number of sites	Number of URLs
Spontaneous compliance on simple request	9	60
Compliance after findings of the illegal offer and the formal notice	20	155
Blocking by court order	35	148
Total	64	363

***Typology of illegal gaming offers blocked pursuant to Article 61 of the Law of 12 May 2010, by judicial orders rendered between 1 April 2016 and 31 March 2017 (a site may propose several types of gambling)***

	Sites blocked	URLs blocked
Total	35	148
<i>Typology of the gambling offers blocked</i>		
Offer of casino games, lotteries, and scratch games (Including betting on virtual events and video games)	26	109
Sports betting	4	44
Horse betting	1	7
Advertising for illegal offers	7	15

**Focus on the control campaign against illegal offers of sports betting on the competitions of the Euro 2016 and the Rio 2016 Olympic Games**

In 2016 the Illegal Offer Department conducted a special control campaign on sports betting for the EURO 2016 and the Rio 2016 Olympic Games.

The Department has a database of unlicensed online gambling sites that have already been screened (eg, the Sochi 2014 Olympic Games, the 2015 Africa Cup of Nations and the 2015 Rugby World Cup) or mentioned on referencing, advertising, or odds comparison sites. The control campaign focused on each of the referenced sites and progressed in two stages:

The investigators first carried out verifications to identify the sites that might propose an illegal offer on the French territory. To do this:

- They opened a player's account from French territory;

- They checked they had the means of payment accepted by the operators of the games to deposit on to the player's account.

Next, for each site that might propose an illegal offer the investigators tried to play and sometimes did play on the sites under investigation.

#### *Progress of the verifications in two stages*

At the beginning of 2016 1578 URLs were checked, of which 108 seemed likely to propose an illegal offer of sports betting:

In the spring of 2016 complementary verifications and reports of findings were conducted on sites accessible through 108 individual URLs.

Among the 108 URLs:

- for 18 URLs the content had changed since the first verification and the offer was no longer illegal;
- for 20 URLs ARJEL's means of investigation did not allow it reach a finding;
- for 1 URL a report finding an illegal offer of other illegal games was given;
- for 62 URLs (referring to the same gambling site) the procedure was conducted after the campaign of control in the light of the offer's specificity. There were no offers for betting on the EURO 2016 or the 2016 Olympic Games.
- for 7 URLs referring to 5 different illegal sites finding reports of illegal offers concerning illegal sports betting were drawn up.

The operators of these 5 illegal sites were notified to make their offer inaccessible from France. One operator refused to defer to ARJEL's notification. Access to its gambling offer was blocked by the decision of the President of the *Tribunal de Grande Instance* of Paris.

### **3- EVOLUTION OF THE STRATEGY FOR COMBATING ILLEGAL offers**

To combat the illegal offer the Legislator has provided ARJEL with investigators authorised to ascertain it. He also gave the President of the Authority the right to refer, on conclusion of an investigation, to the ordinary non-administrative judge so that the latter may order the French internet service providers to block access to the illegal sites.

Implementing this procedure is long and requires significant human and financial resources.

Its effectiveness is subject to discussion. It would be unreasonable to ignore that illegal operators whose domain name has been blocked only have to make a small change to the domain name - often just a hyphen - to reappear on the French market.

Other operators, more innovative, have even developed systems to define the domain name randomly to access their offer from a catalogue of several domain names belonging to them. These operators' clients have

access to the offer through affiliated sites with a hypertext link to the offer or even by asking for the current URL through an SMS sent to the operator.

For all that, it should not be deduced that the judicial procedure blocking illegal sites is ineffective. Any action that interferes with the illegal operator's activity or makes bettors aware of the dangerous nature of the sites they frequent - the bettors will perceive this danger in seeing the continuous changes in the internet address they have to enter to access the illegal game - is clearly invaluable. It is still necessary to complete it.

So ARJEL has chosen to act at the same time in the direction of the partners and providers of illegal operators, i.e. those whose intervention allows operators to offer an illegal game.

### ***Convincing the commercial partners to cooperate***

Thus, ARJEL's first contact with providers of technical or payment solutions is intended to be pedagogical: the legal framework for online gambling, particularly in French criminal law, is explained, as these actors' bad faith cannot be presumed. Some of the operators' commercial partners choose to put an end to their performance - thereby putting a brake on the illegal activity. This type of approach is intended to have a deterrent effect, as the illegal operators may end up abandoning the French market owing to the difficulties they encounter in operating in it.

In addition, ARJEL pays special attention to the affiliate sites, partners of gambling operators paid according to the volume of bets spent by gamblers who have accessed the gambling offer via the affiliate site. The number of affiliate sites has grown very significantly in a few years. This reinforced presence on the internet is easy to explain: maintaining these types of sites is not very demanding and generates income simply through referencing. While Article 57 of the Law of 12 May 2010 allows the ARJEL Chairman to request the blocking of these sites, their number and the ease with which they are created, however, makes the project of totally eradicating advertising for illegal offers illusory. Without abandoning the blocking tool provided for in Article 57 of the Law, which it frequently uses, ARJEL has undertaken a campaign to send letters to publishers of this type of sites reminding them of the Law - which has produced certain effects.

ARJEL has also moved closer to a major player in the French paid referencing market in order to have the results from paid referencing for the online casino and, more broadly, illegal gambling sites deleted. The results of this approach are positive in that they complicate access to advertising sites for illegal offers by making them less visible.

### ***Sharing information and best practices***

ARJEL has also obtained, with Law No. 2016-1691 of 9 December 2016 on Transparency, the Fight against Corruption and the Modernisation of Economic Life, the possibility of cooperating with other actors in French consumer protection and regulation: the French Financial Markets Authority, the Prudential Supervision and Resolution Authority, as well as the General Directorate for Competition, Consumer Affairs and Fraud Prevention. In addition to the sharing of investigation know-how this cooperation will enable ARJEL, if necessary, to transmit to these administrations information obtained in the exercise of its missions for the better protection of French public order.

In this respect, a number of illegal operators of online games offer games concerning alleged financial services, of which the control and supervision are under the jurisdiction of the Financial Markets Authority. ARJEL also reserves the right to transmit to the Prudential Supervision and Resolution Authority any information available to it showing that a payment service provider licensed in France seems to be acting for an illegal operator.



### ***Giving better information***

Lastly, ARJEL is concerned to make gamblers better informed about the risks linked to gambling on illegal sites. Today, gamblers are sometimes unaware of the fact that they are frequenting such sites, and the risks involved.

In 2016 ARJEL obtained the amendment to Decree No. 2011-2122 of 30 December 2011 regarding how to stop access to an unlicensed offer of online gambling, to the effect that when they block access to illegal content following court injunction, the internet access providers refer users to a Web page published by ARJEL which explains why the site has been blocked and redirects the users to the Authority's site.

#### **"The place of every danger"**

ARJEL regularly receives complaints from gamblers asking for it to act against illegal gambling operators that refuse to close player accounts despite pathological gambling behaviour or refusing to pay sums the gambler thinks he is owed. Indeed, in case of difficulty gamblers often come up against the silence of the customer relations services.

ARJEL has no means to take action against these operators, often located in countries that do not cooperate with the French authorities.

These gamblers will not be able to benefit from the services of ARJEL's Mediator, created by the Law of 7 October 2016, to which only customers of operators licensed by ARJEL can have access.

The legal actions against these illegal actors are vain, because of the difficulties in enforcing judgments in the countries where the illegal operators are based.

For more information consult the summary of the study day organised by ARJEL in June 2015 on our website [www.arjel.fr](http://www.arjel.fr)

## **The regulator and public health**

## IN BRIEF ...

More than ever, the protection of gamblers has to be at the heart of the regulator's concerns:

- Gambling is a leisure activity practised in its own right by a growing number of French people - increasingly younger. Online sports betting now attracts twice as many gamblers as in 2012 and nearly 65% of them are under 35,
- While the prevalence of excessive gambling has stabilized at 0.5% of the population between 2010 and 2014, the number of gamblers at moderate risk has doubled over the same period to reach nearly one million people in France.

In 2016 ARJEL continued to demonstrate its involvement through numerous projects for research, prevention, and regulation improvement, as well as through supervising licensed operators.

However, meeting the challenge of protecting gamblers requires the commitment and collaboration of all those concerned. This has led ARJEL to bring together operators, decision-makers, clinicians, researchers and help organizations on 22 November 2016<sup>18</sup> for a workshop devoted to addiction. The richness of the debates made it possible to identify a few new avenues and to confirm the importance of the two principles on which the Authority bases its action: the need for an offer that is both attractive and controlled and an intervention that respects individual freedoms.

### 1 - The challenge of an offer that is both attractive and controlled in the face of changing gambling practices

Prohibition of online casinos, list of authorised bets, return rate to players....while the issue for the regulatory model is to minimise the risks of addiction, fraud, and illegal gambling, the question arises today of whether the balance between these objectives, which may appear difficult to reconcile, has to be readjusted.

#### *The finding*

The increasing attractiveness of the illegal supply resulting from the prohibition of online casinos poses a danger for gamblers who often find themselves without recourse against the risks of fraud or scam and without protection against the risks of addiction. As this demand increases, many question the relevance of a principle of prohibition, which leads to an unqualified refusal and to reject the possibility of an alternative licensed offer. The decision to abolish the prohibition of online casinos is not to be made by the regulator - and rightly so. It is, however, its responsibility to propose guidelines and to document them to convince the decision-makers.

On this subject, the ARJEL Chairman spoke during the study day of 22 November:

---

<sup>18</sup> See the of day's programme and the minutes of the debates on the site [www.arjel.fr](http://www.arjel.fr)

*"To protect gamblers the licensed market is the best place possible: so we have to make it live and find the right balance between a strong and attractive market and an offer that guarantees the conditions for responsible recreational gambling. This balance seems, with the essential support of research, feasible and possible".*

At the same time, there has been an evolution in players' behaviours influenced by the innovation of video games, the rise of e-sport, "betting" on financial markets, or "play to win" social gaming - some with mechanisms comparable to gambling - which question the boundaries both of gambling and of the scope of its regulation. These changes affect young people most of all - while they are the most vulnerable.

The point of view of Marc VALLEUR, member of ARJEL Board.



### ***Teenagers are particularly at risk of developing gambling problems***

Despite the prohibition of selling gambling products to young people under the age of eighteen, the study conducted by the Observatory of Games in 2014 (see the report from the Observatory of Game published in 2015) found that one third of minors had gambled at least once during the past year. Among them, 11% are "problem" gamblers (either "at moderate risk" or "excessive"), which is twice as much as in the general population. This finding is consistent with international studies and underlines the particular vulnerability of young people, even if it does not imply that all these gamblers, once adults, will remain excessive gamblers. More generally, many consumption habits become embedded in adolescence - including future addictive behaviours: so that prevention and marketing have, in fact, the same targets.

As video games are now the most widespread mode of entertainment and the intensive use of screens no longer needs demonstrating (see PELLEAS, OFDT, 2014), ARJEL must consider the issue of the boundaries between network games (gaming) and online gambling.

Some games that really are free can have an impact on young people by familiarizing them with the world of casinos, poker, or wagers. On the other hand, gambling borrow more and more the 'universe', if not the machinery, from video games.

A close watch must be kept on the evolution of the business models - "pay to win", or "in-app purchases", for example, blurring the boundary between what is free and what is not.

### ***Gambling in France: definition***

Gambling is defined as gaming which has the following three characteristics: an offer to the public, a financial sacrifice, an expectation of gain. These conditions are cumulative; if only one of them is unsatisfied the game does not fall into this category. Three forms of gambling are allowed online: sports betting, horse racing, and circle games. ARJEL is responsible for regulating them. The "Consumption" Law of 17 March 2014 extended the ban on lotteries to all games whose functioning is based on the players' skills. These games are known as 'games of pure skill or ability'. Once they present the three characteristics of gambling as defined above, they are prohibited.

### ***Prospective and vigilance in the perspective of adapting the regulation***

In 2016 ARJEL sought more than ever to listen to innovations and developments in the sector, whether through market analyses, prospective studies (augmented reality, virtual bets, etc.), contacts with operators or keeping an eye on international scientific work on addictive behaviour associated with gambling - but also on video and social gaming and the financial markets.

The Authority has been involved in a working group created by the **GREF** (association of European regulators) to exchange good practices in responsible gambling. It has approached the French authorities such as **AMF** (French financial markets authority), as well as self-regulatory bodies such as the **ISGA** (International Association for Social Games).

To take this further, in 2017 the Authority will study the regulatory conditions that would permit the regulated offer to be broadened without compromising the protection of the gamblers. It will investigate the issue of

regulating games that today do not come under the definition of gambling but which share or reinforce its risks.

While ARJEL wants to be pragmatic and proactive on these issues, its capacity for action remains limited to its powers to regulate online games that are open to competition and to make recommendations to the Government.

#### ***Addiction risk assessment depending on the game type***

A controlled offer requires the regulator and the operators to understand the specific addiction risks of each type of game, in order to adapt prevention and monitoring systems.

#### **A tool for assessing the potential addictive nature of types of games**

Based on the scientific literature, existing scoring tools and expert opinions, in 2016 ARJEL developed an analysis grid to assess the potentially addictive characteristics of games and bets.

Composed of 27 criteria, it covers topics such as speed of play, structure of winnings, feeling of control or emotional factors. ARJEL has endeavored to integrate scientific work on the characteristics of video and social games, in order to take into account the convergence between gambling and gaming.

This grid is used to inform the Board of ARJEL about the possible risks from new offers proposed by licensed operators, particularly when these require the authority's approval. It will continue to evolve according to the knowledge provided by scientific research.

Although the law does not currently give the Authority the power to exclude a proposal for new gambling or betting offer solely on the grounds of its potentially addictive nature, the provision of such a tool makes it possible to rationalize the analysis and make an objective diagnosis. It will also contribute as a second step to the design of systems of control intended to limit the level of risk of some offers.

## **2 - The challenge of protecting players while respecting individual freedom**

#### ***Evaluating, consolidating, and improving existing protective tools***

Age control, self-limits, access denial to self-excluded players,... the Law of 12 May 2010 provides for a number of measures, of which several are specific to online gambling, thereby reinforcing protection for this gaming channel.

While the six years of online gambling regulation have, for the most part, enabled the regulator to confirm the relevance of these measures, ARJEL has initiated several projects aimed at assessing and improving their effectiveness.

Despite their relevance, the efficiency of protection measures will remain limited as long as they are not homogeneous across the whole gambling industry, in particular regarding the access control for self-excluded players and minors,.

The studies show that there are more problem gamblers among those who play both online and offline than those who play exclusively online. This reinforces the importance of protecting gamblers in the same way regardless of the game channel they use.

### ⇒ **Self-limits and self-exclusions**

The Law for a Digital Republic of 7 October 2016 now requires operators to ask players to set a time limit for poker. This new measure, proposed by ARJEL, will be effective as soon as the associated decree is published and will complement the monetary limitations already provided by the Law.

In 2016 ARJEL initiated an analysis of how gamblers use self-limits on the basis of the data at its disposal. The first results suggest that these limits are useful, especially for deposit, but that thought must be given to when they are chosen, how they are communicated to the gamblers, and on the opportunity of replacing those least used. This analysis will be continued in 2017.

In addition to these quantitative elements ARJEL has thoroughly tested and evaluated the quality of self-limits and self-exclusion systems put in place by each of the operators. This work has led to the identification of good practices worth sharing, as well as areas for improvement (accessibility, comprehension, help in using, freedom of choice). These observations began to generate recommendations for operators in 2016 and will continue to do so in 2017.

### ⇒ **Registration process**

The identity of each new player must be collected and then checked against documents by the operator within a period of one month. These provisions are essential to prevent gambling by minors and self-excluded players.

ARJEL has initiated, in partnership with the Interdepartmental Mission to Combat Drugs and Addictive Behaviour (MILDECA), a study to improve and simplify the registration process, with a view to verifying identity of the players more rapidly while minimising the risk of flight to illegal supply. This study will deepen the work carried out in collaboration with the operators on improving the registration process.

### ⇒ **Prevention messages**

ARJEL, **Santé Publique France** (French national public health agency), and **Joueurs Info Service** (National helpline for problem gamblers) met in 2016 in a working group dedicated to improving the prevention messages provided for by law. This work, which will continue in 2017, concerns both the content and format of the messages and addresses the use of mobile phones.

## **3 - Using data to help gamblers at risk: opportunities and precautions**

Since 2016 the law allows ARJEL to use online gambling data for public health purposes. If this approach represents a tremendous opportunity to improve understanding of gambling behaviour and for more relevant and targeted action for gamblers in need; it raises the delicate issue of the protection of personal data and respect for individual freedoms.

ARJEL has teamed up with three research teams in the context of studies based on gambling data, while strictly supervising the security, confidentiality, and use of these data, all of which are the subject of applications for specific authorisations from the CNIL (French data protection commission).

### ⇒ **Statistical model for monitoring problem gambling**

In collaboration with **the French Observatory of Games**, ARJEL has continued its project to develop a statistical model of analysis of excessive gambling based on gambling data in which more than 9,000 gamblers have participated.

The first results of this study show that it is possible to estimate gamblers' level of risk with satisfactory reliability from the data collected by the operators and by ARJEL. While some indicators, such as variations in

gambling activity or chasing of losses, have already been identified as determinants, the studies are still to be continued to refine these analyses.

In addition to this project ARJEL collaborates with the **University Hospital of Nantes** on a study which will not only reveal whether gambling data can be used to assess gamblers' risk levels, but also if they can clinically validate this first assessment.

ARJEL intends to use this model in order to follow the evolution of the prevalence of problem online gambling and thereby adjust its prevention actions.

#### ⇒ **Support for problematic gamblers**

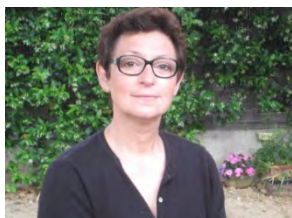
The question arises whether it would be appropriate, on the scale of operators or public authorities, to use gambling data to detect and help the players at risk before they become addicted.

Answering this question will require determining on a scientific basis whether it is possible - and how - to engage with gamblers effectively without generating rejection or counterproductive effects. ARJEL will ensure that personal freedom and the protection of personal data are respected.

*"It is important to continue conducting research on the subject so as to be able to count on reliable data and thus propose appropriate and effective solutions."* Dr. A. LUQUIENS, expert in gambling addiction.

To take a first step in this direction ARJEL has chosen to co-finance, with the **French Observatory of Games**, a research project of **the Paul Brousse Hospital** to evaluate the effectiveness of an online therapy programme for problem gamblers. This study will begin in 2017.

#### **The point of view of Armelle ACHOUR, President of the Association SOS Joueurs (help organization for gamblers)**



The social cost of gambling addiction is exorbitant. Every land-based or online game is capable of becoming addictive. The table below shows this:

Proportion of gamblers who have declared to SOS Joueurs  
they were in debt or had unpaid rents by type of game

<i>Game played</i>	<i>Indebtedness (%)</i>	<i>Rents unpaid (%)</i>
<i>Land-based horse betting</i>	83.0	22.6
<i>Scratch games</i>	76.4	17.3
<i>Amigo (lottery game)</i>	85.1	23.0
<i>Land-based sports betting</i>	80.2	11.0
<i>Land-based slot machines</i>	76.3	14.2
<i>Video poker in land-based casino</i>	78.3	8.7
<i>Illegal Poker</i>	74.2	6.5
<i>Online poker</i>	80.0	10.4
<i>Online horse betting</i>	79.2	18.8
<i>Online sports betting</i>	83.0	13.3
<i>Online slot machines (illegal)</i>	81.1	20.8

Source: extract from the SOS Joueurs 2015 annual report



Affecting more and more vulnerable people rent defaults are increasing year by year. At SOS Joueurs we observe that 78.5% of gamblers are indebted, including 5% in excessive debt. We must not, however, think of addiction to gambling only in terms of its financial consequences: the psychological and legal consequences are every bit as dramatic. And the gambler is not the only one to suffer from his addiction; he takes his whole entourage down with him.

Apart from therapeutic treatment the only way for the gambler to protect himself is to self-exclude from playing at the national level - even though this prohibition only applies to licensed online sites and land-based casinos. So we pass on what the gamblers demand: to be able to benefit everywhere from this prohibition of play, including at points of sale. Better control of access to gambling would at the same time improve the prevention of underage gambling which remains one of the central concerns of the public authorities.

### ***Educate the general public, gamblers and their entourage***

The self-assessment site **EVALUJEU** launched in 2015 has continued to attract gamblers and their entourage, since nearly **40,000 people** visited the site at the end of March 2017 since its launch (34,000 at the end of December 2016). Approximately 10,000 of them completed the questionnaire. The average is around 1,500 / 2,000 visits per month.

ARJEL continues its collaboration with **UNAF** (association dedicated to helping families) on a project for a prevention leaflet, as well as with **e-Enfance** (association dedicated to protecting children) for the protection of minors with the aim of drawing the attention of parents to the risks faced by minors and with **SOS Joueurs** to help gamblers in difficulty.

At the same time, ARJEL has strengthened its collaboration with **the ANPAA** (National Association for the Prevention of Alcoholism and Addiction) by publishing a "fact sheet" and organizing a national day for addiction prevention and treatment professionals.

### **Zoom on assistance to operators**

Article 27 of Law 2010-476 of 12 May 2010 provides that "*in an annual report transmitted to ARJEL the operator of online gaming or betting holding the licence provided for in Article 21 accounts for the actions he has conducted and the resources he has devoted to promoting responsible gambling and to combating excessive or pathological gambling.*"

As every year, at the request of ARJEL, the operators all transmitted to the authority, in the <sup>first</sup> half of 2016, a report outlining the actions taken during the year 2015.

In line with previous years, there is heterogeneity in the actions implemented by the operators, which can be explained as much by their activity, their size and their means, as by their own perception of the issues of addiction and the role of operators in the face of public health issues.

However, the analysis of the reports shows some areas for improvement that is common to all the operators- such as identifying the gamblers at risk or adapting the prevention to mobile media.

Despite a certain stabilization of the operators' responsible gambling policies as compared to the first years after the opening of the market, most of them strive each year to improve their policies.

During the 4<sup>th</sup> quarter of 2016 ARJEL met all the operators to discuss ways of improving their "responsible gaming" policy.

At the end of these interviews, and in the light of the 2015 reports, customised recommendations were sent to each operator in order to improve their responsible gaming policy according to their activity, level of maturity, and resources.

The recommendations were limited to less than 10 per operator and were prioritized according to the issues concerned, the difficulty implementing them, and the operators' adherence to these recommendations.

#### **ARJEL's recommendations**

- To think about setting up more targeted / innovative actions, such as "personalised feedback" designed to make the communication about responsible gaming more effective and which may especially consist in pro-actively providing gamblers with objective information (e.g. graph representing the evolution of their gambling frequency), in order for them to make them aware of their gambling practices without judging them.
- To think about ways of improving and refining the control of identification documents in order to detect forgeries that permit self-excluded players from gambling.
- To highlight the possibility to self-exclude at a national level when the player self-exclude from one operator, notably via the confirmation email sent to gamblers following a self-exclusion.
- To strengthen the assistance to self-excluded gamblers - especially in the case of long-term or multiple self-exclusions - by redirecting them to help organizations.
- To take into account the fragility of gamblers who reactivate an account at the end of a period of self-exclusion, in adapting the content, timing, and prevention messages of the commercial communications sent to them.
- To improve the visibility and accessibility of self-exclusions options on the website, and their availability on mobile applications.
- To make it easier for gamblers to have access to long-term temporary self-exclusions.
- To remove the pre-filling of the amounts and minimum thresholds of self-limits. *(The importance of this recommendation is supported by ARJEL's first analyses on self-limits, which show that pre-filling has a significant impact on the relevance of the limits chosen by the gamblers).*
- To improve how self-limits are explained and implement actions that help gamblers to define, track, and use them better.
- To improve the visibility and accessibility of self-limits on the website, and their availability on mobile applications.
- To collaborate with addiction experts in developing procedures for contacting and monitoring gamblers at risk in order to improve the commitment of the gamblers contacted.
- To assess the impact of the actions taken towards gamblers identified as being 'at risk' on these gamblers' behaviour, for example by measuring the decrease in the intensity of the gambling after making contact, or by counting the gamblers having lowered their limits or having self-excluded.
- To make the prevention message more present and visible on their mobile sites and applications - but also in commercial emails.
- To integrate links to parental control programmes in accordance with Recommendation 10 of the European Commission of 14 July 2014.

## **The regulator and public order**

# The fight against the manipulation of sports competitions

## IN BRIEF ...

The strategy implemented by ARJEL relies on two principles:

- Prevention: because manipulation is very difficult to prove and because once it has taken place it is too late; the damage is done.
- Cooperation between the various actors at the national and international level: because the market is international and the rapid flow of information is the mainstay of this war.

*Prevention* requires in-depth analysis to identify the risk factors. At the end of this process the French online game regulator can exclude the competitions at risk and the problematic results from the field of the bets proposed on the national market<sup>19</sup>. Until now this strategy has paid off: in nearly seven years of regulation the number of cases of manipulation connected to betting deals has been virtually nil on the "online" network and the French market for sports betting is booming. So limiting the supply does not damage the operators' interests and the good health of the regulated market.

*The* first objective of this cooperation is to ensure the fluidity of information between the various actors and stakeholders: the Council of Europe Convention on the Manipulation of Sports Competitions advocates setting up national platforms to share information in real time with one another. In 2016 France and several European countries did so: on the initiative of the Council of Europe a network of national platforms is being set up: the Copenhagen Group.

Lastly, given the increasing risks and the globalisation of the market for corruption the ARJEL Chairman is trying to convince his European partners that prevention in the form of a betting offer limited to the competitions least at risk is a weapon that is all the more powerful in that it will be shared across Europe.

## The rise of the national platform in 2016

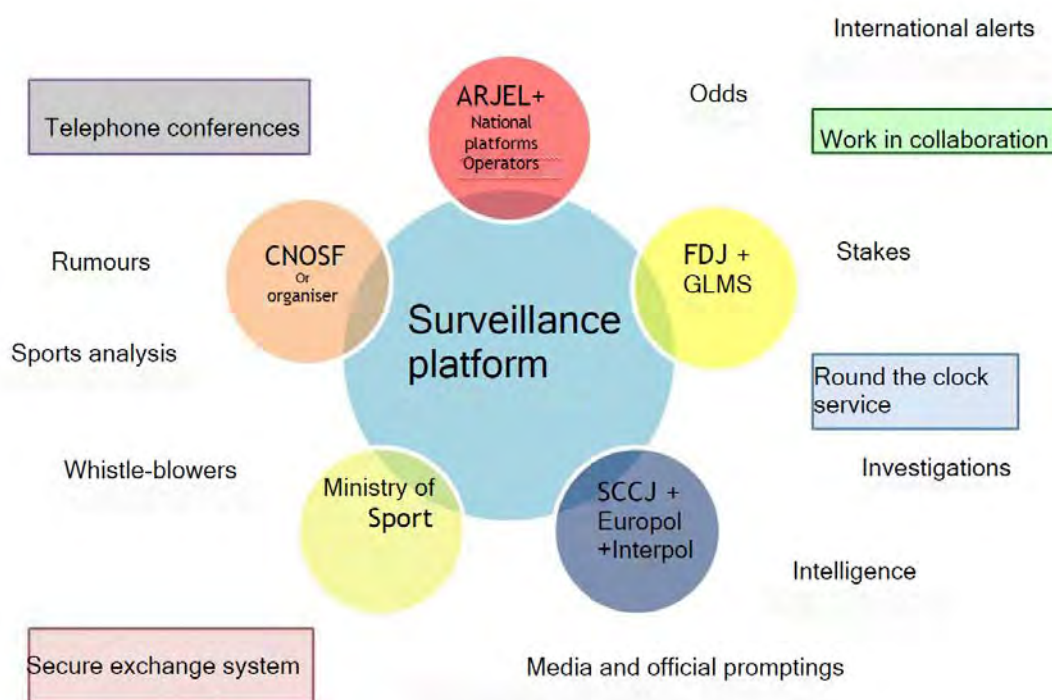
The year 2016 marked a major advance for sports integrity, with the inauguration by Thierry BRAILLARD, Secretary of State for Sport, on Thursday, 28 January 2016, of the French platform for the fight against the manipulation of sports competitions.

This national platform is divided into two formations. A coordination formation under the responsibility of the Director of Sports, and an operational surveillance formation directed by the ARJEL Chairman.

This surveillance platform includes the Online Games Regulatory Authority, the Sports Directorate, the Central Service for Races and Games, the financial prosecution service, the new French anti-corruption agency, the Budget Directory, TRACFIN, the French National Olympic and Sport Committee and the Française des Jeux as concerns its physical network monopoly. It also works closely with the sports federations and players unions

---

<sup>19</sup> This choice involves internal monitoring of the conformity of the licensed sports betting offer; See appendix p.



It is this second formation which collects and analyses the elements concerning possible sporting manipulations and defines the alert levels.

Level	Description	Procedure
Normal	Explanation of recorded items.	All those who have received an alert are informed of the return to normal.
Yellow Alert	Anomaly in the odds or bets that cannot be explained. Rumours about manipulation on social networks.	<u>More information is required.</u> Possibility of bilateral exchanges with other members of the national platform and operators. These alerts are not communicated to the platform but kept for the final report.
Orange Alert	The anomaly remains unexplained. Information from a whistle-blower. Serious accusations by the media. Detailed information from the sports movement concerning a manipulation.	<u>The risk of manipulation is high but additional elements are needed.</u> The alert is orange is transmitted to the national platform and other national platforms. Other partners may also be alerted. Possible suspension in France of bets on the event.
Red Alert	An attempt at manipulation is in progress or has certainly occurred.	<u>Gathering of evidence for the investigation.</u> Communication with other members focuses on this task and is limited to avoid leaks.

### **The creation of a network of international platforms: the Copenhagen Group**

The French platform is part of a network of national platforms to combat the manipulation of sports competitions. Without waiting for the Macolin Convention to take effect, many countries have decided to set up a national platform pursuant to Article 13 of this Convention.

At the initiative of the Council of Europe, 8 countries (Belgium, Denmark, Spain, Finland, France, Norway, the Netherlands and the United Kingdom) decided to set up a network of national platforms to promote the creation of new platforms and to assist those countries wishing to do so. This group met for the first time in July 2016 in the Danish capital - the Copenhagen Group.

The second meeting of the Copenhagen Group was held in Helsinki in December 2016 and worked on a joint supervision of the World Handball Championship which took place in France in January 2017. The Copenhagen Group then acquired a more operational dimension with risk analysis and monitoring of the major international sports competitions.

The third meeting of the Copenhagen Group took place in Paris on 30 and 31 March, in the presence of representatives of the Minister of Sports, the Ministry of Foreign Affairs and International Development, the CNOSF, and the IOC. Four countries joined the group: Sweden, Switzerland, Italy, and Germany.



**Twelve countries and a common goal: to fight together against the manipulation of sports competitions. The Copenhagen Group met in Paris on Thursday 30 and Friday 31 March 2017**

The working session of 31 March was held at the *Centre de conférences ministériel* of the Ministry of Foreign Affairs and International Development to prepare for the surveillance of

betting at the coming World Ice Hockey Championship in Paris and Cologne from 5 to 21 May 2017.

At this meeting - also attended by representatives of the Council of Europe, the IOC, the French Federation, the German Federation, and the International Ice Hockey Federation - the action plan and new tools to coordinate these actions better were also presented.

### **How is an alert treated?**

**Table exercise prepared by ARJEL agents present in Helsinki for the second meeting of the Copenhagen Group on 7 December 2016:**

1 - "January 19 at 6:45 p.m. the largest Swedish newspaper announces in its headlines that the Norwegians are deliberately going to lose their match at 8:45 p.m. against the Japanese. What do you do?" ». The Swedish platform's representative says that he warns the international federation and the French platform, and the World Championship taking place in France and triggers an orange alert to warn the French platform and the platforms network.

2 - "Still on 19 January, the Finnish platform receives a phone call located in France from an individual speaking Finnish perfectly and indicating that three national team players have bet on their defeat against Japan". The Finnish Coordinator indicates that it is an orange alert, and the French platform and the platforms network should be automatically informed of this call, although additional elements must be sought.

3) Just then the coordinator of the French platform warns all the operators and the Central Races and Games Service. The organisers of the tournament are also notified and action is taken with players and referees to tell them that the game has been placed under maximum surveillance. The ARJEL Chairman decides to suspend betting on this event. A message is sent to all French operators and foreign operators who are members of the ESSA network<sup>20</sup> or GLMS<sup>21</sup>.

3 - "A few moments later, the British Gambling Commission receives a phone call from the operator Bet 365. Three £ 10,000 bets with odds of 11 on Japan in the lead at halftime have been recorded." Cross-checking this information with the previous information the British coordinator decides to inform the platforms network by giving a red alert. The Metropolitan Police is informed.

5) The coordinator of the French platform again informs the members of the platform. The Central Races and Games Service urgently contact Europol and Interpol, and the Prosecutor's office, which opens an inquiry.

---

<sup>20</sup> European sport security association grouping private sports betting operators together

<sup>21</sup> Global Lottery Monitoring System: an association of associations of national lottery operators.

### **The number of alerts by level in 2016 and since the beginning of 2017**

	2016	2017 (as at delivery of this report)
Yellow Alert	27	10
Orange Alert	3	3
Red Alert	1	4

### **Risk analysis: functioning, criteria**

In 2016 the national platform met three times in surveillance formation. These meetings allowed national platform members to learn more about one another, to work confidently, professionally, and quickly in accordance with the internal organization and the individual characteristics of each of the national platform's member institutions.

These meetings were designed to prepare monitoring systems upstream for major international sporting events by fully associating, for a few months, the organisers of competitions held in France within the National Platform's surveillance formation so as to ensure the integrity of these major international sporting events.

ARJEL does not authorise bets on minor competitions. We consider that there is a market in manipulation and that we have to ensure that the cost to the corrupter is greater than the gain he can make from it. This is why we only authorise betting on the competitions where the sports and financial stakes are the highest. This is the objective of the sports list which lists the competitions and types of results open to betting to the exclusion of all others.

### **The strengthening of the national platform in 2017**

At the plenary meeting of the national platform, Thursday, 16 March 2017, the ARJEL Chairman delivered to the Secretary of State the report on the platform's activity. Several other tools have been adopted by the platform: rules of procedure to facilitate its internal working, an alert sheet common to all members of the platform (just on one page) but also new more readable surveillance levels.



	ARJEL and FDJ	Sports Movement and Ministry for Sport	Police
Normal surveillance	Automatic recording of bets and odds by the FDJ and ARJEL.		
Enhanced surveillance	<ul style="list-style-type: none"> <li>- The national platform is informed.</li> <li>- The operators are informed.</li> <li>- GLMS is informed.</li> <li>- Possibility of analyzing the odds at D - 2.</li> <li>- Lowering the threshold for the automatic alerts.</li> <li>- Communication of this surveillance level to international partners.</li> </ul>	<ul style="list-style-type: none"> <li>- Informing the integrity delegate.</li> <li>- Possibility of calling on the referees' vigilance concerning a possible risk of manipulation.</li> <li>- Possibility of contacting the teams.</li> </ul>	
Maximum surveillance	<ul style="list-style-type: none"> <li>- Live human surveillance of the international odds with viewing of the event.</li> <li>- The operators licensed in France and ESSA must transmit every alert.</li> <li>- Possible suspension in France of betting on the event.</li> </ul>	<ul style="list-style-type: none"> <li>- Putting the Federation on alert via the integrity delegate.</li> <li>- If the match is retransmitted - demand of the organizer to store the images.</li> </ul>	<ul style="list-style-type: none"> <li>- Europol and Interpol are informed</li> <li>- Possible presence of policemen of the SCCJ (Central Races and Games Service) at the site of the competition.</li> </ul>

#### Advances: the consequences of the Ethics and Sport Law

Passed unanimously this Law No. 2017-161 of 1<sup>March</sup> 2017 consolidates the French regulations in the field of ethics and transparency in sport. The law consecrates the concept of manipulation of sports competitions and

reinforces the powers of the ARJEL Chairman, allowing him to ban any bet on a competition in the event of serious and consistent evidence of manipulation.

The provisions of the Penal Code punishing any participant in a sports event involving sports betting who alters the normal and fair process of the competition have been completed to facilitate the prosecution of the perpetrators of these offences.

**Patrick KANNER, Minister of Town, Youth and Sports: "The day I checked the EURO 2016 odds".**



On 22 June 2016 Patrick KANNER, Minister of the City, Youth and Sports visited ARJEL with the deputy Régis JUANICO. At the end of the press conference during which the surveillance system set up by the Regulatory Authority for EURO 2016 was presented, the Minister agreed to see the system working in practice and directly follow the evolution of the odds in the first quarter of hour of the match Portugal-Hungary.

# Fighting money laundering

Following the terrorist attacks of 2015, the Minister of Finance, Michel SAPIN, launched the implementation of a national plan of action against the financing of terrorism with three main thrusts:

- Diminishing anonymity;
- Mobilizing the financial actors;
- Strengthening of assets freezing capacities.

This plan complements the existing anti-money laundering and terrorist financing (LCB / FT) system as defined by the Monetary and Financial Code (CMF).

The licensed online gambling operators are fully involved in this scheme, as are in particular the financial institutions. As such, they must comply with a number of obligations specified either by this Code or by the Law of 12 May 2010 and the accompanying texts.

## Monitoring the operators

On this point ARJEL is expressly responsible for monitoring compliance with the obligations imposed on operators by Articles L.561-36 and L.561-36-2 of the CMF. It is in this context that it assesses the compliance of the prevention and detection systems and quality of the internal procedures, as well as the dedicated human and material resources.

### An example of an obligation for operators: to establish a risk mapping

Risk classification is based on a multi-criteria approach that takes into account the specificity of the products, the typology of the customer, the diversity of the mediums and the means of payment, but also the nature of the operations, the amount and frequency of transactions, the consistency of the information and abnormalities in general.

Concerning the characteristics of the clientele, for example, the nature of the contacts with the Client Service (frequent contacts about remittances, speed of remittances) and the relationship with another account (IP address, Credit Card, Others) are taken into account.

Another example: the terms of operation of the player account such as:

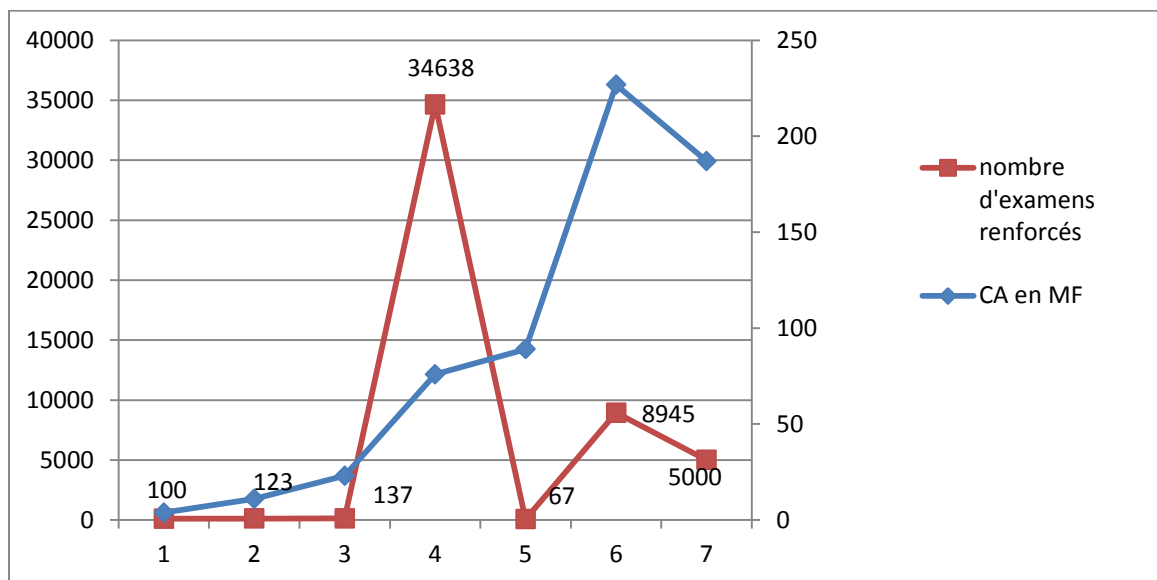
- provisioning (frequency and volatility of supply of the account, supply by means of anonymous payment, supply by credit card different from the initial card)
- the nature of the game's action (chip dumping - intentional transfer of chips on the poker tables,
- the importance of the amounts transferred to the poker tables, sports bets made at low odds,
- the remittance (frequency and importance of requests for remittance, attempted remittance without gambling action),
- the manner the gambling limits are used (high deposit limit, low withdrawal threshold).

Another example is a classification into 4 risk types:

- client risk related to insufficient knowledge of a client's social and financial situation, PEP status, or involvement in illegal activities (e.g. corruption, manipulation of sports competitions);
- country risk related to players' states of residence;
- payment risk related to the doubtful or uncertain and potentially criminal origin and / or destination of funds;
- gambler risk related to behaviour by the gambler that cannot be explained rationally.

On the basis of the criteria thus defined according to their activity, operators must also carry out reinforced atypical operations reviews.

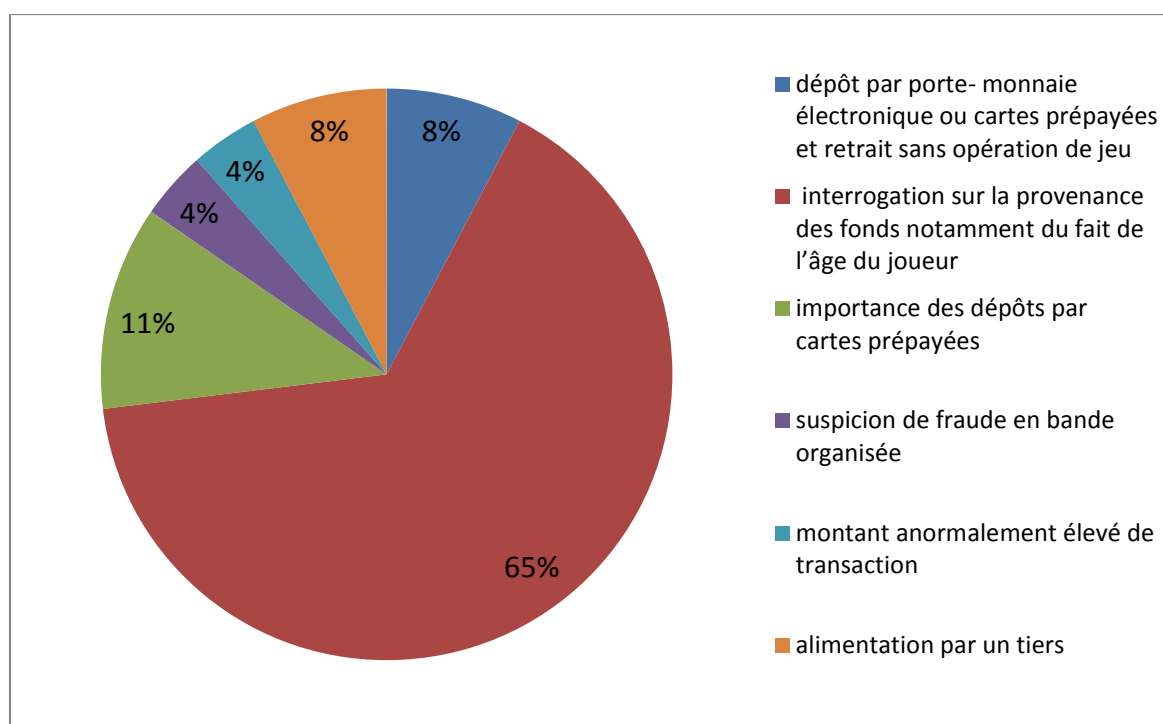
The graph below presents the number of reinforced reviews related to the gross product of the games for 7 of them.



11 operators, or 92%, have made suspicion declarations since becoming subject to the regulations.

In 2016 8 made between 1 and 23 declarations according to the operator or a mean slightly higher than 6 and a median of 3.

The grounds are the following:



### The other actions

Following the adoption, on 20 May 2015, of the 4th European Directive no. 2015/849 of the European Parliament and the Council regarding the prevention of the use of the financial system for the purpose of laundering capital or financing terrorism, the COLB (anti-money laundering steering committee) was entrusted with developing a risk analysis to be carried out at national level by each State of the Union. This analysis must take into account both the existing threats and possible vulnerabilities of the national system which might stop it from coping in good conditions.

ARJEL participates actively in this work which also involved operators licensed late 2016 through a questionnaire addressed to all the professionals subject to the AML/CFT system.

It is also consulted by the General Directorate of the Treasury for drafting bills of laws and regulations to transpose the 4th Directive into French law. The legislative part has been the subject of Order No. 2016 - 1635 1 December 2016 strengthening the French fight against money laundering and the financing of terrorism; the regulatory texts are to be considered by summer 2017.

At the same time, to complement the action of the operators, and as soon as ARJEL has information about all of the accounts opened by a person, in 2016 the Authority proposed and achieved, under Law No. 2016-731 of 3 June 2016 strengthening the fight against organized crime, terrorism, and their financing, and improving the efficiency and guarantees of criminal procedure (called law URVOAS), the possibility of using the data it possesses in order to seek and identify any act committed by a gambler or a punter that may constitute fraud or money laundering or the financing of terrorism.

In view of the rules that apply to processing personal data implementing this new system entails the publication of an order taken after consulting the CNIL (National Commission on Informatics and Liberties).

In the course of 2017 ARJEL should therefore set up the first of these types of controls and, where appropriate, inform TRACFIN of situations that may require further investigation.

Lastly, within the framework of the work of the GREF - Gaming Regulators European Forum - ARJEL piloted, with the Isle of Man regulator, a working group on the cooperation of regulators in the fight against money laundering: the conclusions of its work will be presented at the next annual conference of the association, scheduled for early June 2017.

**Established in 2010, the mission of the Anti-Money Laundering Guidance Council (COLB) is to:**

- 1- Ensure better coordination between the State services and the supervisory authorities concerned with the fight against money laundering and the financing of terrorism in order to enhance the latter's effectiveness;
- 2 - Encourage consultation with the professions subject to the system, in order to improve their participation in it;
- 3- Propose improvements;
- 4 - Monitor the development and regular updating of a summary document on the threat from money laundering and the financing of terrorism.

The Director General of ARJEL is a member of the COLB

## The regulator and international relations

The cross-border nature of online gambling leads ARJEL, like all other European regulators, to develop international action to establish working relationships with the various parties concerned. This action is based on the expert group on gaming services set up by the European Commission, the various forums on online gambling, and the Council of Europe on the issue of sports manipulation linked to betting.

### News items

Over time the Court of Justice of the European Union has specified the criteria for assessing the restrictions imposed by the Member States of the European Union on freedom to provide services within the framework of their national gambling regulations; its latest judgment on gaming on 30 June 2016 states *"Article 56 TFEU must be interpreted as meaning that a review of the proportionality of restrictive national legislation in the area of games of chance must be based not only on the objective of that legislation at the time of its adoption, but also on the effects of the legislation, assessed after its adoption"*<sup>22</sup>.

The European Commission completes its roadmap **"Towards a comprehensive European framework for online gambling"**<sup>23</sup> of 23 October 2012 and assesses its implementation by the Member States. A report on this Communication is currently being drafted by the Commission's services.

The evaluation phase of the Recommendation<sup>24</sup> of 14 July 2014 on **principles for the protection of consumers and players of online gambling services and for the prevention of minors from gambling online** formally commenced on 19 January 2017.

The regulatory authorities in the Member States were consulted in February 2017 on the implementation of **the Cooperation Arrangement**<sup>25</sup> signed in November 2015.

The Commission has announced the launch in 2017 of a study on the effectiveness of the measures by the Member States in order to ensure **compliance with their regulatory frameworks**<sup>26</sup>.

The end of the deadline for transposition by the Member States of the 4<sup>th</sup> Anti-Money Laundering Directive<sup>27</sup> occurs on 27 June 2017. This Directive subjects all the gambling operators to the **anti-money laundering**

---

<sup>22</sup> Judgment - Admiral Casinos, 30 June 2016, Case C-464/15;

<sup>23</sup> Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions - Towards a comprehensive European framework for online gambling {SWD (2012) 345 final} - 23 October 2012;

<sup>24</sup> Commission Recommendation of 14 July 2014 on principles for the protection of consumers and players of online gambling services and for the prevention of minors from gambling online;

<sup>25</sup> Cooperation Arrangement between the gambling regulatory authorities of the EEA Member States online gambling service - [http://ec.europa.eu/growth/sectors/gambling/index\\_en.htm](http://ec.europa.eu/growth/sectors/gambling/index_en.htm);

<sup>26</sup> E.g.: blocking of illegal sites, blocking financial flows, black lists, white lists, administrative fines, etc.

<sup>27</sup> Directive (EU) 2015/849 of the European Parliament and the Council - May 20, 2015: On prevention of the use of the financial system for ML or TF and amending Regulation (EU) No 648/2012 and revoking the Directive 2005/60 / EC of the European Parliament and of the Council and the Directive 2006/70 / EC of the Commission;

**obligations** while granting the States the possibility of exempting some sectors with a low level of threat, based on risk assessments conducted both at the supranational level by the European Commission and at the national level. A proposal for an amending Directive<sup>28</sup> which aims at strengthening anti-money laundering and anti-terrorism financing measures, published on 5 July 2016, is currently being negotiated by the European institutions. This proposal contains a definition of virtual currencies.

The blocking of the ratification by the European Union and its member States of the Council of Europe Convention on **the manipulation of sports competitions**, signed by France in October 2014, persists. In a Resolution<sup>29</sup> adopted early February 2017, the European Parliament calls on the Council to find a solution. The guidelines for the new EU Sport Action Plan for the period 2014-2017 are currently being discussed, as a follow-up to the work of the previous plan<sup>30</sup>.

The European Commission implements **its digital strategy**<sup>31</sup> (cyber security, online business communications, online protection of minors, privacy and protection of personal data in electronic communications, connectivity, creation of a European economy based on data, cloud computing, etc....) in which online gambling activities are considered to be digital services.

The Department of European and International Relations implements the regulator's international action under the direct supervision of the ARJEL Chairman. The activity of the department, which comprises two agents since 1 October 2016, covers several dimensions, from promoting to defending the French regulation model for online games. All of this helps reinforce the influence of ARJEL on the international scene while providing material for the ongoing thinking about the national regulatory framework for gambling.

## **International negotiations**

### ***Standardisation of gambling operators' reporting obligations***

Following the Cooperation Arrangement signed at the end of 2015, the negotiations within the Expert Group on Gaming Services<sup>32</sup> concerned, in 2016, the terms of a draft mandate on European standardisation proposed by the European Commission. This draft standardisation mandate addresses the online gambling operators' information delivery obligations ("*reporting* "). In autumn 2016, ARJEL coordinated the work of the French, British, Danish, Spanish, Italian, Dutch, and Portuguese regulatory authorities in order to propose a compromise version to the Commission. The draft mandate is practically settled now and should be submitted to the Member States in the summer of 2017. At the same time, the participation of ARJEL and licensed operators in the European standardisation process which will follow the adoption of the mandate will be organised with the French Standardisation Association (AFNOR).

---

<sup>28</sup> Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2015/849 on prevention of the use of the financial system for the purpose of money laundering and terrorist financing and Directive 2009/101 / EC - COM / 2016/0450 final - 2016/0208 (COD);

<sup>29</sup> European Parliament Resolution of 2 February 2017 on an integrated approach to sports policy: good governance, accessibility and integrity (2016/2143 (INI));

<sup>30</sup> For the record, ARJEL participated in the Expert Group dedicated to the fight against the manipulation of sporting competitions constituted within the framework of the sports action plan 2014-2017;

<sup>31</sup> Communication to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions - Strategy for a Digital Single Market in Europe {SWD (2015) 100 final} - 6 May 2015;

<sup>32</sup> Created in 2012, presided by the European Commission and bringing together the EU Member States and Norway and Iceland, the Expert Group on Gaming Services met three times between September 2016 and February 2017. The next meeting will be held on 30 May 2017;



### ***Sharing European liquidities for online poker tables***

Since October 2016<sup>33</sup>, under certain conditions, ARJEL may authorised a licensed operator to invite its players to participate in online poker games with players holding an account on a site licensed in a Member State of the European Union or a State that is party to the European Economic Area Agreement. This authorisation is subject to the existence of an agreement concluded in the name of the State by the ARJEL Chairman to determine the procedures for the implementation and control of gambling offers. The draft multilateral convention establishing the framework for the sharing of online poker liquidities is currently under discussion between ARJEL and its European counterparts. ARJEL organised and participated in several preparatory meetings with the regulatory authorities participating in this project between October 2016 and March 2017.

### **International cooperation**

ARJEL is involved in several cooperative actions.

### ***Exchange of information and good practice***

Some thirty information requests coming under the Cooperation Arrangement on various topics relating to French regulation have been treated since December 2015 within an average of 13 days. In this context the nature of the requests is gradually changing from exchanges of descriptive information to more operational exchanges.

Information is also regularly provided to the European authorities outside this Arrangement and to the authorities of non-European States. ARJEL met the Australian authorities in September 2016 and held three bilateral meetings with the Lithuanian, Korean, and Dutch authorities in autumn 2016.

### ***The "Keep Crime out of Sport" programme<sup>34</sup>,***

Under this programme, co-financed by the European Commission and the Council of Europe, of the pilot project *"new integrated mechanisms for cooperation between public and private actors to identify sports betting risks"* ARJEL organised two study visits in November 2016 and January 2017 which presented to the representatives of seven States (Switzerland, Germany, Lithuania, Netherlands, Cyprus, Hungary, and Poland) the monitoring mechanisms of the French market for online sports betting. ARJEL is to steer a final action under this programme before presenting the conclusions of the project at a conference organized by the European Commission in June 2017. These conclusions will feed into the new round of discussions opened within the Expert Group on gambling services concerning a draft Commission Recommendation on combating the manipulation of sports competitions.

---

<sup>33</sup> Law for a Digital Republic No. 2016-1321 of 7 October 2016;

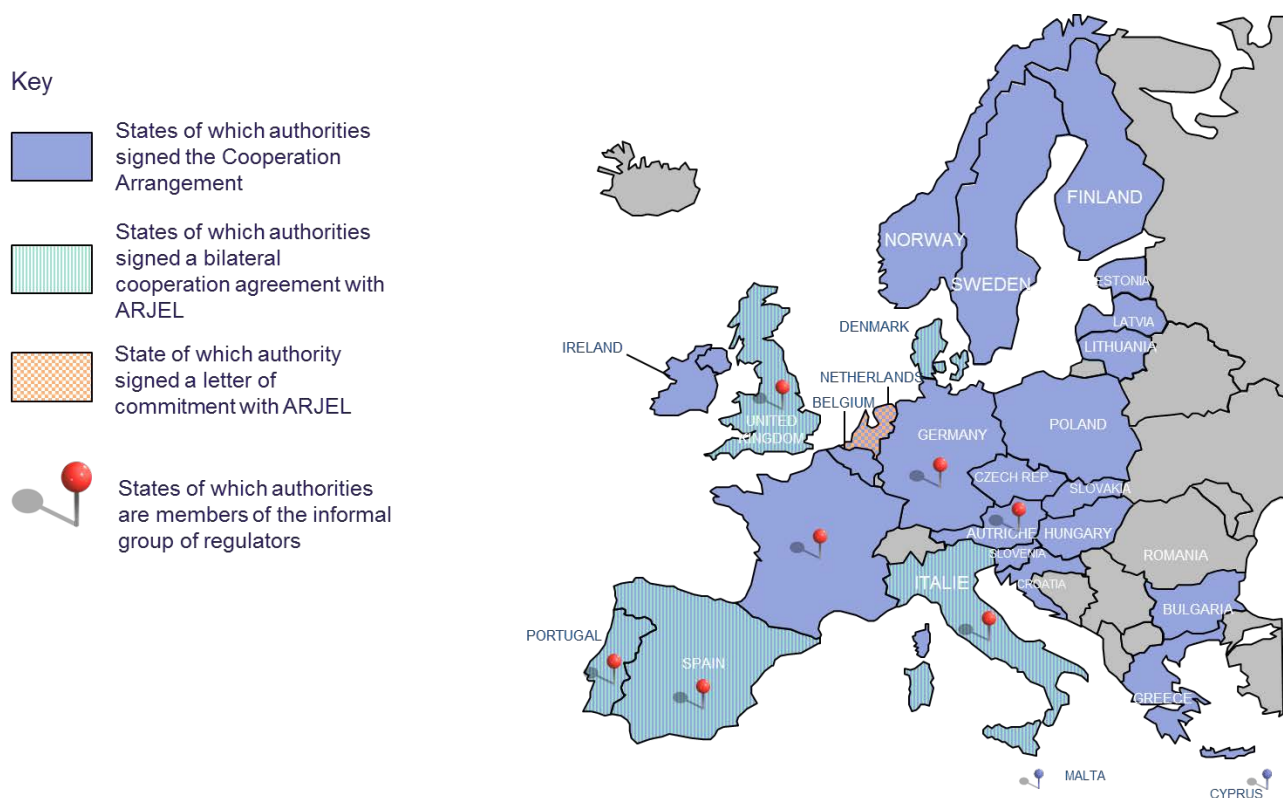
<sup>34</sup> *Keep Crime Out of Sport Program (#KCOOS) - Presentation of the KCOOS project:*  
[http://www.coe.int/t/Democracy/news/2016/Flyer\\_EPAS\\_Promote\\_Joint\\_Projects\\_en.pdf](http://www.coe.int/t/Democracy/news/2016/Flyer_EPAS_Promote_Joint_Projects_en.pdf);

### ***Bilateral conventions***

Operational cooperation takes place within the framework of the five bilateral conventions<sup>35</sup> signed by ARJEL as well as within the group of regulators which brings together the French, British, German, Austrian, Italian, Spanish, and Portuguese authorities. In September 2016 one of the two annual meetings of this informal multilateral cooperation forum which allows the authorities taking part to draw up common positions was held in Paris on the premises of ARJEL.

### ***The associations of regulators***

Lastly, ARJEL is active within the regulators' associations: it co-chairs the Gaming Regulators European Forum's working group dedicated to online gambling<sup>36</sup>, which will give, at the next annual conference of the association scheduled for early June 2017, a report to promote the cooperation of regulators in the fight against money laundering. The International Association of Game Regulators<sup>37</sup>, of which ARJEL is also a member, is intended to coordinate the work of continental associations such as the GREF.



<sup>35</sup> Under Article 34-V of Law No. 2010-476 of 12 May 2010, the ARJEL Chairman may only conclude agreements on behalf of the State with the gaming regulatory authorities of other Member States of the European Union or other States parties to the European Economic Area Agreement;

<sup>36</sup> *Gaming Regulators European Forum (GREF)* - <http://www.gref.net/>;

<sup>37</sup> *International Association of Gaming Regulators (IAGR)* - <http://iagr.org/>;

## International representation

Between September 2016 and February 2017 ARJEL spoke at four international conferences<sup>38</sup> specialised in responsible gambling, the dialogue between regulatory authorities and operators, and the fight against illegal offer and e-sports.

The Council of Europe invited ARJEL to intervene on national and international cooperation in the framework of the *International conference on the fight against the manipulation of sports competitions - Promotion and implementation of the Macolin Convention* - in Strasbourg on 20 and 21 September 2016.

The International Olympic Committee invited ARJEL to provide feedback on the functioning of the national platform for monitoring the French sports betting market during the major sporting events of the year 2016 on holding its International Forum for Sports Integrity on 15 February 2017 in Lausanne.

---

<sup>38</sup> WrB Responsible Gaming Innovation, London, 8 September 2016; Excellence in Gaming (EiG), Berlin, 19 October 2016; European Lotteries Legal and Regulatory Seminar, Baden bei Wien, 25 November 2016; ICE Totally Gaming, London, 7-8 February 2017.

## COMPLEMENTS

## **ARJEL's multi-annual optimisation plan for spending (2017-2021): to reinforce the already established pooling movement and explore new avenues for savings.**

Article 21 of Law 2017-55 of 20 January 2017 laying down the general status of the independent administrative authorities and independent public authorities provides that: "[The activity report of each AAI and API] includes a multi-year optimization of its expenditure plan, which assesses the projected impact on its staff and on each expenditure category of the measures for pooling its services with the services of other AAIs or APIs or with those of a ministry".

This supplement to ARJEL's annual report specifies the poolings already effective in 2017 and analyses the prospects for ARJEL's evolution in the medium term and the avenues for savings explored. A multi-year forecast for the period 2017-2021 is outlined in the last section.

### **The pooling with the economic and financial ministries is already very considerable**

Since its inception ARJEL's resources are listed on a programme<sup>39</sup> of the economic and financial ministries and are entirely financed on this programme directed since 2013 by the Secretary-General of these ministries. This financing and ARJEL's lack of corporate status explain why important poolings have always existed with the above ministries and why they have been strengthened over the recent period, pushed by its President. These poolings concern both the management processes themselves and the suppliers or service providers used.

Thus the expenditure and payroll processing process is assured under the same conditions as a central administration department of the finance and industry ministry as ARJEL only has a small support team that communicates with this ministry through *Chorus Formulaires*.

The same applies to the logistics in which the functions performed by ARJEL by itself are those which the finance and industry ministry's General Secretariat did not wish to perform itself, mainly for reasons of geographical distance<sup>40</sup>: maintenance, reception, guarding and cleaning of the building ARJEL occupies. The corresponding services are outsourced by ARJEL, after competitive tendering.

For its purchases ARJEL prefers to use the contracts awarded by the ministry of finance and industry (electricity, travel, current supplies, training, interpretation) or the skills the ministry provides (advice from the legal service). The few residual exceptions correspond to cases in which the local solution appears more advantageous than that proposed by the General Secretariat (example: on-site language courses, rather than at Vincennes, the site of the IGPDE [Public Administration and Economic Development Institute]<sup>41</sup>).

Lastly, ARJEL has also developed cooperation with the Prefecture of the Ile de France Region which concerns access by ARJEL staff to the administrative restaurant of the Prefecture and the use of its occupational doctor.

The only significant exception to pooling with the Ministry is ARJEL's own management of its IT systems. Since its foundation the option chosen by the Authority has been to collect all data relating to online gambling (operators' player account management, gambling data, and financial transactions) and to store and process them in its own premises. This choice - justified by the sensitivity of the data processed and the saving made compared to outsourcing - required the installation of two computer rooms in the premises leased by ARJEL, Rue Leblanc (Paris, 15th Arrondissement) - one entirely dedicated to the data collected from the operators. It

---

<sup>39</sup> Programme 221 "Public finance strategy and modernization of the State" until 2014, programme 218 "Conducting and steering economic and financial policies" since.

<sup>40</sup> The general services of the economic and financial ministries are located in the 12th Arrondissement of Paris, ARJEL in the 15th.

<sup>41</sup> The IGPDE is the vocational training organization of the economic and financial ministries.

would not be appropriate, or indeed cost-effective or feasible from the General Secretariat's point of view, to call it into question.

### **The probable extension of ARJEL's jurisdiction will require new, albeit limited, resources**

In the medium term ARJEL plans to expand its jurisdiction, which could extend to casinos and exclusive monopoly activities (bets in the so-called "hard" networks, the Française des Jeux lotteries). A recent report by the National Assembly<sup>42</sup>, repeating a recommendation by the Court of Auditors<sup>43</sup>, proposes to *"entrust the regulation of gambling to a single independent administrative authority comprising ARJEL, the Commission for Gaming under Exclusive Rights, and the Advisory Committee for Circle Games and Casinos"*. In view of the state of public finances ARJEL only expects a slight growth in its staff (+5 FTEs) if this proposal is implemented. Similarly, it does not plan for additional space requirements for its computer rooms.

### **Achievable savings will depend primarily on human resource management**

Given the composition of ARJEL's expenditure (approximately 70% for staff costs), the evolution of its future budget will depend mainly on the management of its human resources.

Several steps to limit the **payroll** have already been taken as of 2014 by ARJEL: reduction of management posts, application of the economic and financial ministries' Instruction of 7 August 2013 on recruiting and employing non-civil service staff that regulates remuneration on hiring and caps its evolution.

Over the recent period these decisions and the favorable effect of staff turnover have kept the wage bill in check. This will be more difficult in the future, unless the significant turnover ARJEL has had to manage continues. A scheme with other AAls and APIs - the ARAFER (French rail regulator) and the AFLD (French anti-doping regulator) especially - has been instituted to promote staff mobility between these different authorities through creating a joint job exchange. This initiative will have the merit of improving the career prospects of these different organisations' public-law employees, but may have no direct effect on the average age of our agents, which alone can influence the wage drift.

The merger of ARJEL with other AAls would not reduce the number of professions, given the specific nature of the regulation ARJEL performs. It would also not significantly reduce the number of employees supporting the new group, given the already high level of pooling with the finance and industry ministry. The advantages of ARJEL merging with one or more APIs appear to be even more uncertain, insofar as part of the current pooling would have to be "untangled" - particularly concerning budgeting and accounts.

With regard to **non-staff expenses** (currently less than € 3 million per year for ARJEL), the prospect of the expiry of the current lease has led to a move being considered. Nevertheless, the economic analysis supports the idea of remaining in the premises because of the high costs entailed by a move - including the installation of a new computer room in particular<sup>44</sup>.

Overall, the most serious way to optimise ARJEL's costs in the medium term is to encourage the recruitment of young professionals and keep the average age of staff at its current relatively low level (40 years). In addition, the systematic use of departmental or interdepartmental contracts will enable ARJEL to take advantage - **for its non-T2 expenses - of cost reductions obtained through the extended scope of these contracts.**

### **The multi-year outline**

---

<sup>42</sup> Information report submitted by the Public Policy Evaluation and Control Committee and presented on 8 February 2017 by Messrs Régis Juanico and Jacques Myard.

<sup>43</sup> Report of the Court of Auditors on the regulation of gambling (October 2016)

<sup>44</sup> Assuming that the State Property Department could manage to find smaller premises costing € 50 less than the current rent per square metre (i.e. € 350 for a site close to Paris and € 400 for Rue Leblanc) it would take 12 years to amortize the exceptional costs of the move.

Within the framework of the next multi-annual programme of public finances and the preparation of the state budget for 2018, ARJEL has applied to the General Secretariat of the Ministry of Economy and finance for appropriations transcribed in the table below.

The construction hypotheses of this table assume:

- A rise of only 5 FTEs only, spread over the period;
- A limitation of the balance of wage drift to only 1% per year, while the positive<sup>45</sup> wage drift of programme 218 is estimated at 1.5%; this assumption implies a significant turnover and stabilisation of the average age;
- Stabilisation of appropriations, excluding staff costs (NT2), which is realistic only if the State Property Department negotiates the maintenance of the rent of the building occupied by ARJEL at its current level.

On the basis of these assumptions, ARJEL's budget increase would be limited to an average of 2.8% per year.

#### Forecast of ARJEL's expenditure

	<b>2017 Forecast</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>Authorised payroll ceiling (in FTEs)</i>	58	59	61	63	63
T2 (Equity capital in € million)	5.85	6.01	6.27	6.54	6.61
NT2 (Equity capital in € million) (*)	2.66	2.90	2.90	2.90	2.90
<b>Total</b>	<b>8.50</b>	<b>8.91</b>	<b>9.17</b>	<b>9.44</b>	<b>9.51</b>

(\*) Includes expenditure directly incurred by the General Secretariat of the Ministry of Economy and finance

<sup>45</sup> Or Wage Drift due to Seniority and Upgrading which measures the evolution of the remuneration of the personnel present for two succeeding years (career effect).

## **"Regulation and addiction: strategies, challenges, and prospects"**

*Study day organised on the initiative of Charles COPPOLANI, President of ARJEL*

**Tuesday, 22 November, 2016**

After the fight against illegal supply and concerned equally by protecting gamblers ARJEL continues its study days cycle initiated in 2015 with a day dedicated to the prevention of and fight against addiction.

200,000 French citizens are affected by addiction to gambling and a million may be in the short or medium term. While the issues of addiction form a consensus, the actions to deal with it remain open to debate. To be effective regulation must find a delicate balance between freedom and responsibility - which is an issue for gamblers, operators and public authorities alike. This balance, beyond the current issues, needs to be constantly rethought and readjusted in the face of changes in the market, technologies and gambling behaviours.

Thus, this day's programme was designed to consider three questions the regulator asks himself today:

- the gambling supply: between economic issues, gambler protection, and control of illegal supply - is a balance possible and under what conditions?
- the limits of his intervention: how far can one go and for what results?
- the emergence of new games "at the frontier of gambling": which regulatory model is most likely to assure complete gambler protection?

Operators, decision-makers, clinicians, researchers, associations and gamblers' organisations will meet to discuss regulatory strategies and the most effective systems to implement.



**Programme of the day - "Regulation and addiction: strategies, challenges, and perspectives"**

<b>8.30 a.m.</b>	<b>Coffee reception</b>
<b>9.20 a.m.</b>	<b>Introduction</b> Charles COPPOLANI, President of the Regulatory Authority for Online Gambling (ARJEL)
<b>9.30 a.m.</b>	<b>Regulating the supply: how to reconcile gambler protection and economic challenges?</b> <i>Moderator: Clément MARTIN-SAINT-LEON, Director of Markets, Consumer Affairs, and Forecasting, ARJEL</i> Charles COPPOLANI, ARJEL Hélène GISSEROT, Honorary Attorney General at the Court of Auditors and President of COJEX (advisory commission for exclusive rights gambling) (2011-16) Juan ESPINOSA GARCIA, Deputy Director General for gambling regulation, Ministry of the Interior and Public Administration (Spain) Juliette DE LA NOUE, Director, Compliance and Public Affairs Branch, BETCLIC
<b>11.00 a.m.</b>	<b>Break</b>
<b>11.15 a.m.</b>	<b>Early detection and making contact with gamblers at risk</b> <i>Moderator: Carole LEDUC, in charge of issues relating to problem gambling, ARJEL</i> Jean-Michel COSTES, General Secretary of the Observatoire des Jeux Raymond BOVERO, Director of the Responsible Gaming Programme, La Française des Jeux Maris BONELLO, Head of "Responsible Gambling and Integrity", UNIBET Michael AUER, Head of the "Predictive Analysis" unit, NECCTON
<b>12.45 p.m.</b>	<b>Lunch</b>
<b>2.30 p.m.</b>	<b>Feedback and perspectives on remote assistance</b> <i>Moderator: Jean-Michel COSTES, Observatoire des Jeux</i> Karine GROUARD, Deputy Director, Public Aid and Dissemination Department, in charge of the "Gamblers Information Service" system, Santé Publique France Amandine LUQUIENS, Head of the specialized unit "Gambling Addiction", Paul Brousse Hospital Per CARLBRING, Professor at the University of Stockholm
<b>3.30 p.m.</b>	<b>Effectiveness of supervisory systems (limitations, auto-exclusion, gambling ban)</b> <i>Moderation: Clément MARTIN-SAINT-LEON, ARJEL</i> Carole LEDUC, ARJEL Alexandre ROOS, President of WINAMAX Etienne MARIQUE, President of the Gambling Commission (Belgium) Julie CAILLON, researcher at the CHU of Nantes - <i>Provisional</i>
<b>4.30 p.m.</b>	<b>Break</b>
<b>4.45 p.m.</b>	<b>Addiction at the boundaries of gambling: what are the challenges for regulation?</b> <i>Introduction and moderation: Clément MARTIN-SAINT-LEON, ARJEL</i> Marc VALLEUR, Psychiatrist at the Marmottan Hospital A representative of the National Video Game Syndicate (SNJV) - <i>Provisional</i> Claire CASTANET, Director, Investor Relations Branch, Financial Markets Authority (AMF)
<b>5.45 p.m.</b>	<b>Conclusion</b> Charles COPPOLANI, ARJEL

## Verifying offer conformity in sports betting

The checks concern the entire supply in sports betting (at least one general check of this type per week and per operator) or are targeted in line with the sports news.

In 2016 these targeted checks focused mainly on the Tennis tournaments of the ATP and WTA circuits, the Tour de France (July), the Euro Football Championship (June and July) and the Summer Olympics (August).

The matches without a serious issue (e.g. a match between two French League 2 football teams that mathematically can no longer be promoted to League 1 or be relegated) have, as every year, been the subject of special surveillance between February and May, as well as every calendar period for friendly football matches.

Non-conformities may concern competitions (if they are not authorized by ARJEL), but also the types of results that are the subjects of betting or any other aspect of the offer.

57% of the non-conformities detected during 2016 in sports betting concerned events or encounters not included in the list of competitions authorized by ARJEL (e.g.: Doubles in Tennis proposed before the quarter-finals of a Grand Slam, friendly matches in Football with a team ranked beyond the TOP 50 FIFA, or a game before the round of 64 in the National Cup).

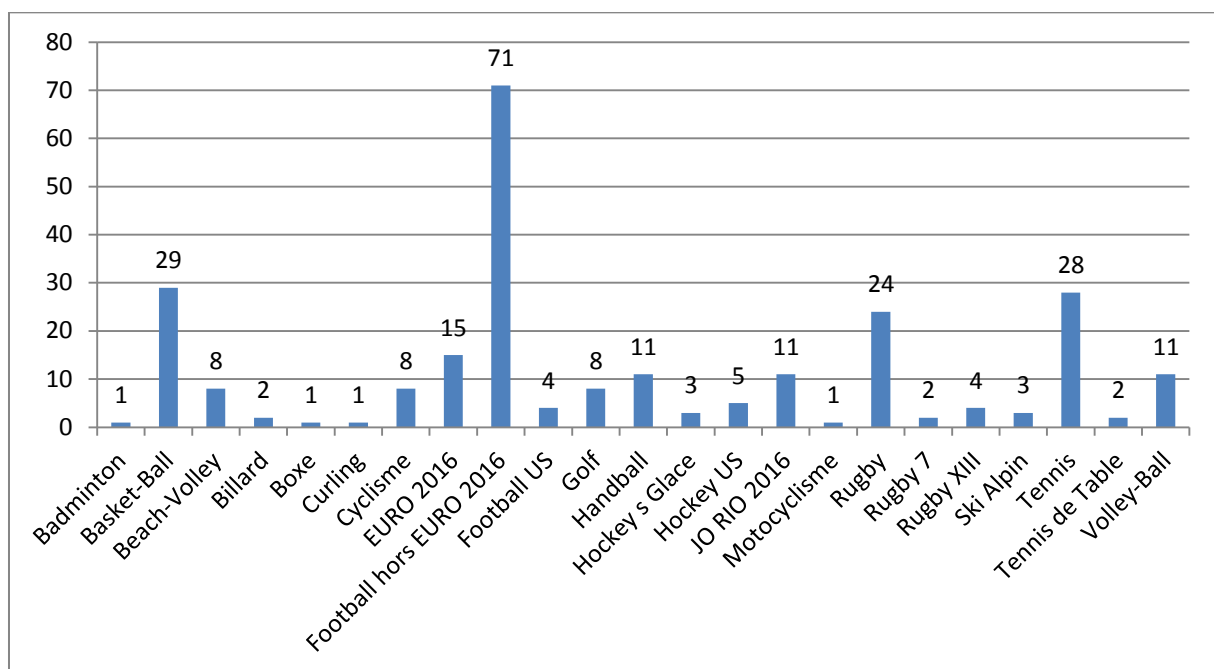
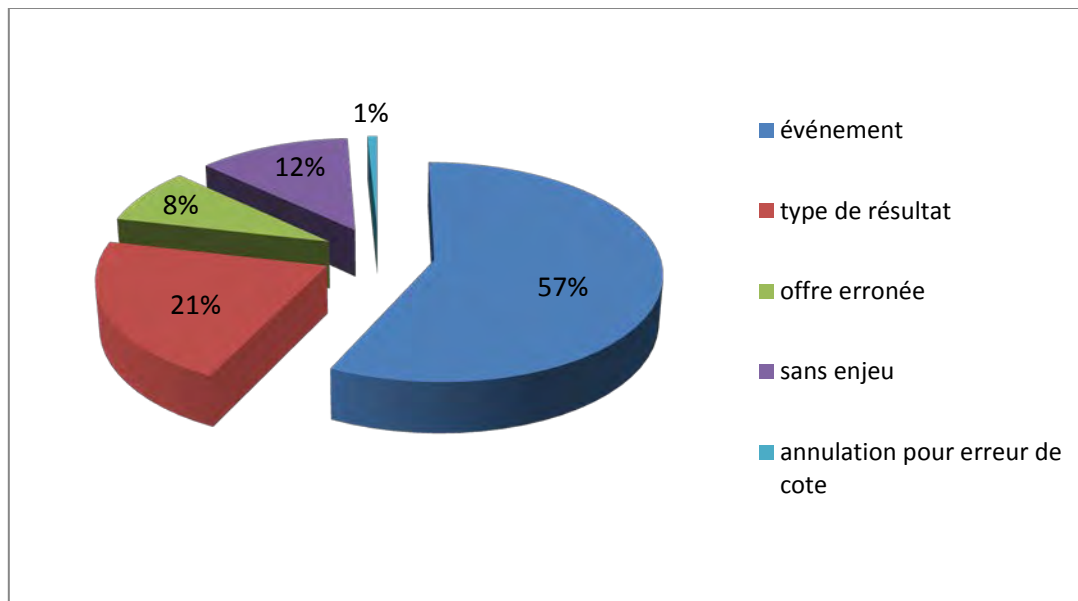
The second cause of non-conformity (21%) was related to the types of results proposed for betting and not based on any reference in ARJEL list (e.g. podium position for some disciplines at the Summer Olympics, number of even or odd points in a basketball game, or winner of a pool in Rugby or of <sup>4th</sup> quarter time in basketball).

The events without serious issue proposed from March to May as defined in ARJEL list represented the third type of non-conformity identified in 2016, i.e. 12%.

In addition, 8% of the non-conformities identified are erroneous offers (for example, error on an athlete's first name).

To a lesser extent, non-conformities were detected relating to cancellations of bets at the operator's initiative on the grounds of an error in the odds.

**Breakdown of nonconformities by typology**



## The licensed online gambling or betting operators

As at 1st January 2017 (46) **14 online gambling operators** held 27 licences:

- 12 for sports betting (SB)
- 8 for horse racing (HR)
- 7 for poker (PO)

Among these 14 operators:

- 4 operators have only one licence:
  - Beturf (HR)
  - Electraworks France Limited (PO)
  - La Française des Jeux (SB)
  - Netbet FR SAS (SB)
- 7 operators have two licences:

### *Licences SB / HR*

- Geny Info (SB / HR)
- France Pari SAS (SB / HR)
- Joaonline (SB / HR)
- Zeturf France Limited (SB / HR)

### *Licences PO / SB*

- B.E.S SAS (PO / SB)
- Reel Malta Limited (PO / SB)
- Winamax (PO / SB)

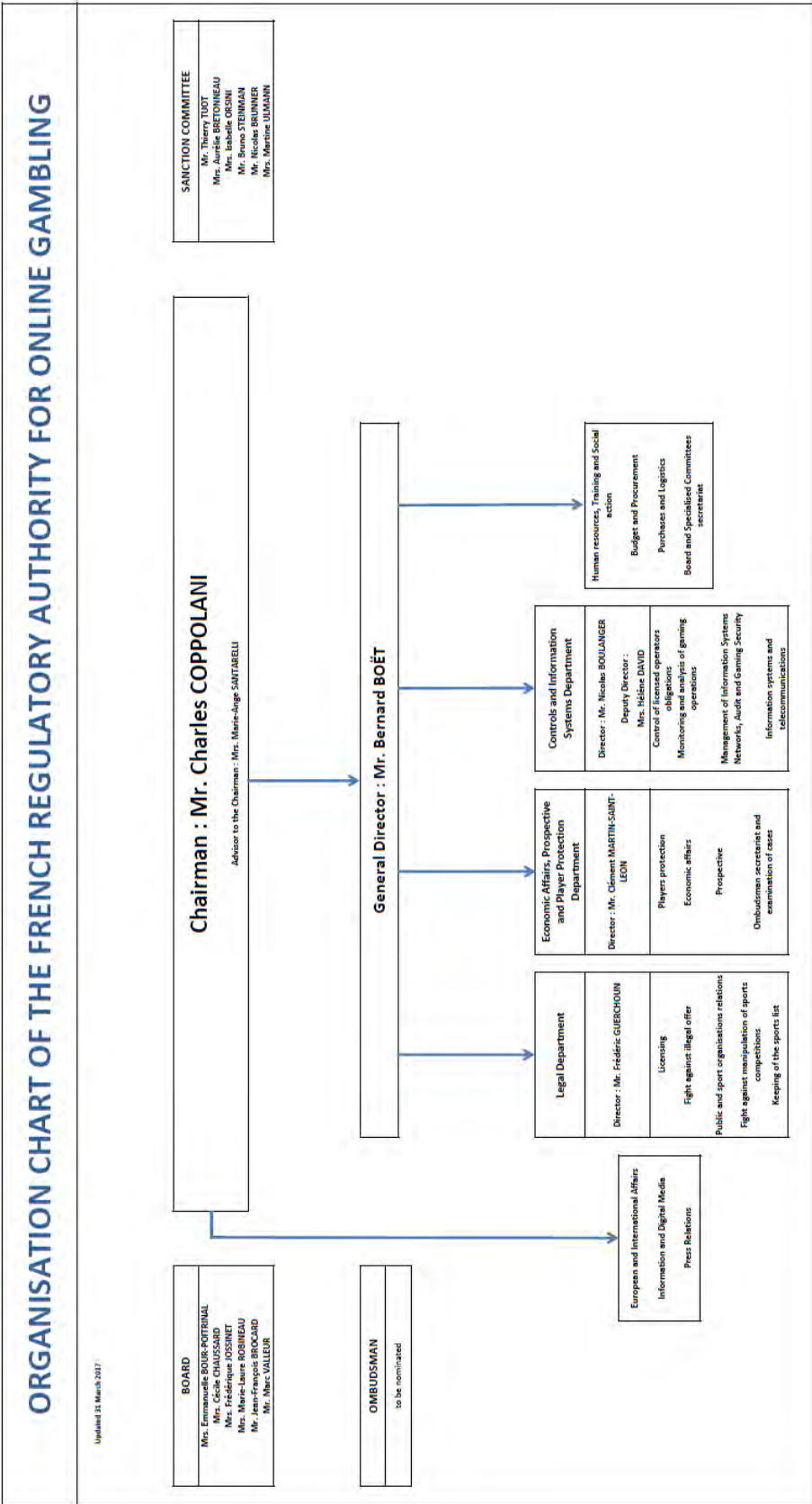
---

<sup>46</sup> Figures unchanged as of 18/04/2017.

- 3 operators have three licences:
  - Betclik Enterprises Limited
  - Pari Mutuel Urbain
  - SPS Betting France Limited (trademark "*Unibet* "; Group "*Kindred* ").

In the year 2016:

- 1 online sports betting licence was granted (licence granted to Reel Malta Limited for the brand "*Betstars* ")
- 2 online gambling licenses were cancelled before their expiry at the holder's request (Netbet FR SAS + Everest Gaming Limited)
- 1 licence for online circle games expired (EPMEDIA France)
- 1 sports betting agreement was renewed (Netbet FR SAS).





### **Charles COPPOLANI (President)**

Mr. Charles COPPOLANI is a graduate of the Institut d'Etudes Politiques of Paris, with a post-graduate degree in public law, and a graduate of the École Nationale d'Administration.

Head of the General Economic and Financial Control Department of the Ministry of the Economy and Finance since 2006, he is also President of the Observatoire des Jeux since its creation in 2011.

First assigned to the Legal Department of the Judicial Agency of the Treasury (now Directorate of Legal Affairs of the Economic and Financial Ministries), he was in charge for 13 years of the Amoco Cadiz trial.

Deputy Director of the Legal Department, Mr. COPPOLANI joined the Contrôle d'État in 1993.

He was immediately assigned the sensitive cases - transfusion and hemophilia compensation funds - and then the supervision of major public companies such as France Telecom and EDF-GDF.

In 2006 the Minister of Economy and Finance entrusted him with the management of the new General Economic and Financial Control (CGEFI) service created by the merger of the Contrôle d'État with three control and inspection bodies.

In parallel with these activities Mr COPPOLANI taught at the IEP in Paris and then at the University of Law, Economics and Social Sciences, Paris II.

From 1995 to 2000 he was Chairman of the Executive Committee and then of the Assembly of the International Funds for Marine Pollution Compensation (IOPC) and from November 2002 to October 2008 he was Chairman of the Audit Committee of the International Fund for Marine Pollution Compensation (IOPC).

Mr COPPOLANI was appointed President of ARJEL by decree of the President of the Republic on 24 February 2014.

### Honours and distinctions

Knight of the National Order of the Legion of Honor • Knight of the National Order of Merit.



#### **Emmanuelle BOUR-POITRINAL**

Mrs BOUR-POITRINAL, General Engineer of Bridges, Waters and Forests, is a member of the General Council of Agriculture, Food and Rural Areas in the Ministry of Agriculture (General Secretary of the Forest, Water, and Territories Section) and General Delegate of France Bois Industrie Entreprises, which brings together all the federations of wood processing companies (paper, panels, frameworks, construction, furniture).

A graduate of the National School of Agricultural Engineering, Water and Forestry and the National Agronomic Institute of Paris-Grignon, Mrs BOUR-POITRINAL held the office of Director General of France Galop, Director General of Haras nationaux after having run various establishments such as the Haras national de Compiègne or the Haras national des Bréviaires. She is also co-author of the book "Les triple A de la bio economy" (Editions l'Harmattan).

Mrs BOUR-POITRINAL was made a member of the college of ARJEL by decree of the President of the Republic on 19 July 2013.

Knight of the National Order of the Legion of Honor • Officer of the Mérite agricole.



#### **Marie-Laure ROBINEAU**

Mrs Marie-Laure ROBINEAU is a former magistrate (judge at the Court of Cassation, 2nd Civil Chamber, Procedure Section between 2009 and 2015).

Previously President of the 24th Chamber of the Court of Appeal of Paris, in charge of appeals against decisions by judges for family affairs, Mrs ROBINEAU also chaired the 8th Chamber of the Court of Appeal of Paris, in charge of appeals against decisions by enforcement judges from January 2003 to September 2006.

Director of in-service training and the International Department at the National School of Magistracy (ENM) in charge of designing, organising and carrying out programmes for in-service training of judges and international actions from late 1999 to January 2003, she first was Vice-President of the Tribunal de Grande Instance of Paris in charge of the 1st Chamber - 2nd section.

From June 1997 to August 1999 Mrs. ROBINEAU was a technical advisor to the Garde des sceaux (Minister of Justice)'s ministerial cabinet, in charge of civil policies, i.e. the civil cases directorate, civil legislation - persons, property, obligations, procedure, nationality, commercial law, real estate, and the legal profession and judiciary.

Mrs ROBINEAU pursues other professional activities, including training at the ENM, or previously in the examination panel for entrance to the notaries' school of Paris 2004-2012 or the grading panel for the National School of Magistrature from 1985 to 1988.

Mrs ROBINEAU was appointed member of the College of ARJEL by decree of the President of the Republic on 30 January 2015.





### **Cécile CHAUSSARD**

Cécile CHAUSSARD is a Senior Lecturer in public law at the University of Burgundy since 2007. Attached to CREDIMI (Centre for Research on international Markets and Investments) and a member of the Sports Law Laboratory she devotes the major part of her research work to sports law - especially sports justice and anti-doping issues. She participated in the drafting of a sports law manual (PUF, Themis) and co-organized a symposium on the theme of the New World-Wide Anti-Doping Code in 2015.

At the same time, she holds or has held various local positions (Deputy Dean of UFR Droit, Head of Pedagogy at License 2 Droit, Head of "Culture" assignment at the University of Burgundy, Head of basic legal qualification at Auxerre, Director of Studies of the Master II Local Government Lawyers).

She was also seconded for two years to the bench of the administrative courts between January 2012 and January 2014, during which time she served as Premier conseiller at the Administrative Court of Toulouse in the Sixth Chamber responsible for the following litigation - town planning, agriculture, civil service, social litigation, foreigners' rights.



### **Marc VALLEUR**

Marc VALLEUR is a psychiatrist specialised in addictive behaviour.

In France he is the first since 1998 to have treated gamblers.

Having opened his Marmottan surgery to all types of addictions he also came to be interested in the issues of "addiction to video games" or "cyber-addiction", and participated in the creation of the network of reflection of clinicians on these subjects ("The Guild").

Dr. VALLEUR is now Chief Medical Officer of the Marmottan Hospital in Paris and a member of the Advisory Committee on Games and the Observatoire des Jeux. He also directs the publication of the journal Psychotropes.

Mr VALLEUR was appointed member of the college of ARJEL on 25 June 2013 by the President of the Senate.



### **Frédérique JOSSINET**

Frédérique JOSSINET is a former very high level French judoka. 6th Dan.  
Silver medal at the 2004 Olympic Games in Athens;  
Multi-world medalist and triple European champion;  
Triple world champion by team.

After studying Sports she joined ESSEC in 2007, where she completed a Master Pro in Sport, Management and Corporate Strategies.

A disability counselor at the Paris Town Hall of the 11th Arrondissement from 2008 to 2011 she was a national judo coach, next she became an advisor to the ministerial cabinet of Valérie Fourneyron, Minister of Sports, Youth, Popular Education and Associative Life, responsible for the themes "Women and Sport", "High Performance Sportsmen Double Project" and "Discrimination / Violence in Sport"

She is currently responsible for women's football and the federal feminisation plan at the French football federation.

She sponsors the Inter-ministerial Committee for the Prevention of Crime.

She sponsors the association "Étoile des neiges"

Honours and distinctions:

Officer of the National Order of Merit- Youth and Sport and National Olympic Committee Gold Medal.

Mrs JOSSINET was appointed member of the college of ARJEL on 5 July 2016 by the President of the National Assembly.



### **Jean-François BROCARD**

Jean-François BROCARD is a senior lecturer in economics specialising in the analysis of professional sport.

Jean-François BROCARD is a graduate of the Ecole Normale Supérieure of Cachan, licensed to teach economics/management, and doctor in economics. Today he is a teacher-researcher at the University of Limoges and a member of the laboratory of the Center for Law and Economics of Sport (CDES) of Limoges.

In this capacity, he is actively involved in academic research in sport economics through his involvement as Secretary General of the International Association of Sports Economists (IASSE) and the Dynamic Economy of Sport Association (DESport).

He is also the author of numerous articles on the regulation of professional sport and co-author of the book "Sports agents and labor markets".

Mr BROCARD was appointed member of the college of ARJEL on 5 July 2016 by the President of the National Assembly.