Mandate STATEMENT

By Charles Coppolani
I - The regulation of gambling: a complex subject, with ambitious and legitimate goals.

Generally, the regulation of gambling is presented as a balancing act faced with multiple paradoxical injunctions that are difficult or impossible to resolve: between the protection of the player and the turnover of the operators, for example, a choice would be necessary to privilege one or the other but rarely both.

In my mind, I consider that the regulation of gambling is justified by the complex and non-ordinary nature of the service. No wonder the practice itself is complex.

My activity has always been guided by a single creed: all the objectives set by the legislator in May 2010 have priority and I place them all on an equal footing, at the highest level of requirement. It's a way to solve paradoxical injunctions.

All the actors in the gambling world - operators, players, punters, minors, prohibited from gambling... - must in turn be supported, protected, controlled or sanctioned; they all participate in the same package, which should be made coherent, perennial and supportive, although it is crossed by interests that are both convergent and contradictory.

Thus, the health of players and the health of the accredited market are inextricably linked, since the latter becomes, thanks to regulation, the most protective space for the former. However, to exist the approved market needs to be supported and accompanied because its profitability is not self-evident; the consumption of the product it offers is limited so as to avoid excesses and the offer is reduced so as to rule out the most dangerous games.

It is therefore up to the regulator to demonstrate that regulation is not antinomic for growth. Guaranteeing a recreational game and ensuring the economic development of the sector is possible. I am truly convinced that the regulator is best placed to meet this challenge because it has no other responsibilities or interests. It is its job, its mission, and it reports to Parliament.

For example, the "sports list" system, which excludes from the offer to French bettors the riskiest competitions in terms of manipulation, was initially criticised by some as an economic aberration in the service of illegal offers.

However, today, faced with the proliferation of cases of trickery and corruption, it appears on the contrary that the French regulation, by giving itself the means to provide an honest offer, could protect both the players and the sports bet and thus the authorised operators. By playing the quality of supply against the quantity, an economic logic of growth has been restored in its favour: the good health of sports betting on the French accredited market has been proven, the sports list is presented as the example to be followed and in a general way, in order to effectively fight against manipulation, the illegal offer of sports betting is contained.

When ARJEL is fighting for a fairer and more efficient tax reform for licenced operators, it aims to safeguard the licenced market as a protective space for players.

When ARJEL ensures that authorised operators apply identity verification devices to remove minors or banned players from their sites, it protects vulnerable populations, which justifies that it deprives approved operators of potentially very consuming clientele.
When ARJEL calls players to moderate their expenses so as to stay in a recreational game, it prevents addiction with the detriment of an "always more" logic, even if, in the short term, this choice can seem prejudicial to the authorised operators.

I do not see any contradictions, but a thorough management of interests for all the actors. In the long term, promoting a guaranteed "clean" game offer - with no special effects or manipulations- and responsible - with no excess or risk of addiction - cannot fail to become a pledge of attractiveness for players and therefore sustainability for the approved market.

This is the challenge of this regulation, especially in a context where the game in general tends to settle as one of the favourite pastimes of our fellow citizens.

II - Between the control of the operators and the control of the risks attached to gambling: the hiatus of the law of 12 May 2010.

While the exercise of the responsibilities entrusted to me in February 2014 has been exciting and hopefully useful, the fact remains that these six years of regulation have not been equally serene and just as effective as I would have liked.

It seems useful to explain the reasons, not in order to excuse me from the shortcomings that I am the first to discover, but in the hope that the future regulation of gambling will be endowed, in the light of this experience, the means and the power of intervention to equal the challenges to be faced and which I missed during my mandate. Although the 2010 law had the merit of setting up a regulatory authority and setting legitimate and ambitious objectives, it did not give the regulator all the corresponding means.

I identify three main gaps:

A restricted field of intervention

ARJEL regulates barely 10% of the authorised gambling sector's1 gross gaming revenue and three online gambling segments - poker, sports betting and horse racing betting. This is obviously too small in order to significantly have an influence on the whole sector. There are two major disadvantages to this situation:

- Distortions in the level of protection or checking: although a minor cannot open an online account, he/she can more easily place sports stakes in FDJ (The French Games) outlets. On a national level, regardless of the efforts of ARJEL, the objective of respecting the ban on minors playing is not achieved and it can be bypassed within the legal offer.

- on an economic level, a legal market split up into several subcategories, without management, without coordination, favours conflicts of competition between the different sectors, conflicts that are often sterile and counterproductive; the lack of a common strategy favours the “every man for himself” and ultimately undermines the profitability of it all.

An undersized model, limited for several years under the control of the operators

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1 In 2018
-The French model, deemed powerful at its inception, has in reality very quickly been limited in its ability to intervene with regulatory objectives in the service. It is however, powerful thanks to the live and real-time capture of financial data and gaming data set up by the 2010 law. Thanks to the overall vision of the online market, it gives the regulator a strengthened investigation capacity, which is crucial in the fight against money laundering, sports manipulation and the prevention of problem gambling. However, the 2010 law did not give permission to the Authority to use this data for any other purpose than the control of the operators.

-The law that should have been the subject, 18 months after its promulgation, of a review that never took place, has been improved by successive touches over the legislative opportunities: a total of fifteen changes in 9 years including the laws of 3 June 2016 and 7 October 2016\(^2\) that allow the use of data for the fight against money laundering and the prevention of excessive gambling. This "pointillist" action led to significant improvements - but it did not replace the massive reform that was needed. One example out of many others: even today the addictive nature of an offer proposed in the authorised legal and regulatory framework, does not constitute a sufficient reason for refusal.

\textbf{A reaction time that is too long can render the action of the regulator ineffective}

In a constantly changing world, being able to act in real time is the key to winning the war. The regulator stemming from the law of 12 May 2010 was sorely missed, especially in terms of the gambling offer which is at the heart of almost all of its missions: fight against illegal supply, prevention of addiction, support for the approved market and in some cases anti-money laundering.

Admittedly, a regulator cannot be omnipotent and very legitimately important decisions elude it: regarding the offer of games for example the opening of online casinos is not under its responsibility, likewise the reform of taxation in another field. But why did it take four long years to allow the introduction of new variants for online poker? Why is ARJEL not consulted about the calendars of races leading to online betting that are the responsibility of the Ministry of Agriculture? Why is there a difference with sports betting, for which the law has given more leeway? (For this segment of the game, ARJEL was able to authorise the opening of new types of stakes such as "fantasy" or the handicap bet).

Beyond the game offer, the long time and the lack of leeway will remain for me the most significant obstacle of my mandate, even beyond the law and what it authorises: faced, for example, with distress messages sent by clients of illegal sites, victims of reminders as they tried to resist the "lack" caused by addiction or trying in vain to recover the gains that were due to them, I will remember the feeling of helplessness felt before the weeks of procedures necessary to block these malicious sites.

\textbf{III - Unprecedented upheavals in a hitherto almost immobile sector}

\footnote{\textsuperscript{2} Law No. 2016-731 of 3 June 2016 reinforcing the fight against organised crime, terrorism and their financing and improving the effectiveness of the guarantee of criminal procedures. Law No. 2016-1321 of 7 October 2016 for a Digital Republic (in French only).}
In 2010, the decision to licence three games online, to open them up to competition and to create a regulatory authority to control them, came as a major event.

However, it was only the beginning of much deeper upheavals that, within a few years and without the legislator being directly concerned, tipped the world of gambling into another dimension:

- The arrival of a new generation of consumers, eager for emotions and novelties, trained in video games, uninhibited in their approach to gambling, has profoundly changed the demand. The games are anchored in the long term because they assume the knowledge and experience acquired over time, have lost attractiveness while the national specificities, well-marked again in 2010, have diminished.

- Technological advances and their infinite potential have made it possible to meet these expectations with an ever new offer, based on expertise that is enriched, not in duration and experience like horse racing betting for example, but in reactivity, novelty and permanent change.

- With social networks, the pride of winning is shared, valued. Gaming is no longer "shameful". It is shared between friends and sports stakes for example, it multiplies the pleasure of following a competition that seems to many, to now be bland and tasteless without the adrenaline of a bet.

At the same time, the proliferation of media - mobile phones for online gaming, digitalisation and the installation of terminals in the physical network - has now made betting accessible at all times and easy to do.

- Finally, at the borders of the sector, a phenomenon of convergence appeared: money becomes the necessary "adjuvant", more and more present even in games that are not strictly speaking using gaming money and that are developed outside the field of regulation. In various forms, it invests in spaces that were hitherto preserved. We must be careful, especially in terms of the younger players.

Of course, a frontal opposition to these developments would be pointless, in a context of a more and more asserted internationalisation of the gaming market.

This is one of the reasons why cooperation with our European partners and international action are becoming strategic priorities. I have placed these throughout my mandate at the heart of my action (see below).

But international action will not be enough, if France is not armed to frame these developments through a powerful and consistent regulation, like most of our European partners. The reform is coming. It will come at the right moment. Still, it must be given every chance to succeed because it is now a matter of regulating not only operators but societal issues that concern more and more of our fellow citizens.

**IV - The four levers of regulation**

During my mandate years, I was able to act thanks to the support of four levers that were revealed in various circumstances, these were strong and decisive allies. They did not come about
spontaneously. It was sometimes necessary to go after them, to consolidate the relationship over time in order to establish the bonds of trust, and create the favourable context for common actions.

- Action with parliamentarians

On three occasions, this lever was decisive: to improve the law of 2010 along the way, to push for the reform of regulation and also to "save" ARJEL when it was threatened with disappearing.

Parliamentarians are the natural interlocutors of a President of an independent administrative authority accountable to Parliament. I have wished for this obligation from the beginning of my term, with the idea that beyond control, it becomes a support.

Reporting is not limited to responding to the initiative of parliamentarians for periodic and scheduled hearings. A missed opportunity for review taught me that one must be proactive and maintain an ongoing relationship with the parliamentarians along the way, with points of information and holding regular meetings.

Publicising ARJEL, its action and the issues of the sector was a deliberate strategy that was expressed for the first time at the symposium held in November 2015 at the National Assembly on the issues of regulation. Thanks in particular to the participation of several ministers, former ministers and representatives of the entire sector, an initial assessment has been drawn up, five years after the opening to competition of online games and the creation of ARJEL.

It is at the conclusion of this conference that the evaluation mission of the regulation of gambling and gambling entrusted to the Committee of evaluation and control of public policies of the National Assembly was announced.

This mission initiated the investigation of the Court of Auditors and then the two reports of the National Assembly (Régis Juanico-Jacques Myard³, Régis Juanico-Olga⁴ Givernet) which propose the main axes of reform on the basis of which the new regulation is set up today with the Pact Act.

The interest of this close relationship with the parliamentarians was also decisive when the very existence of ARJEL was threatened: in 2016, ARJEL without prior consultation nearly lost its status of IAA (Independent administrative authority). It was a tough fight, but once victorious it entered forever into the ARJEL "saga" which will not let us forget that one evening in the winter of 2016, deputies were present to refuse the amendment to organise its disappearance.

- International action

The experience of the international organisations acquired in my previous functions naturally meant that, as soon as I arrived, I wanted to give this dimension its full share.

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³ Information Report (no. 4456) of 8 February 2017
⁴ Information Report (No. 494) of 14 December 2017
Of course, it imposed itself, especially in the context of the European Union. In order to make it into a lever, it was necessary for it to acquire in the eyes of our partners a recognised place and an ability to mobilise on common subjects.

My first objective was to upgrade the French regulatory model whose specificities were often poorly understood by our partners; in 2014, "permissive" models for gaming operators were on the rise; the French model with its very limited gambling offer (ban on online casinos) and its specificities deemed uneconomic (sports list, ceiling for player re-entries) was perceived as retrograde, as policing rather than regulating, disconnected from the economic realities of the market.

The difficulties of the approved online French market supported this idea and I remember that at the time, I argued a lot by highlighting the handicap of the weight of taxation to exonerate the model of regulation. I did it because I was and I'm still convinced of it.

A turning point appeared in the years 2015-2016: the permissive models showed their limits in particular in terms of player protection; the French model with better results in economic terms demonstrated that a selective, protective offer could be attractive and give the best results. Today, the French model with the same characteristics becomes a reference and appears as a forerunner. The international action of ARJEL stands for something but also the facts that proved it right.

My second objective has been to find on a European level, a capacity for training and mobilisation on common subjects. Three examples for which ARJEL has played a leading role:

- The opening of European poker tables with Spain and Portugal. The abstention of Italy has no doubt prevented this new offer from showing its full worth in terms of attractiveness. But nothing forbids the circle from widening. The foundations are set by the convention which provides the legal framework, the consideration of public policy issues and the practicalities.

- The joint statement on financial transactions in video games: in this topic, ARJEL had the important role of designer and coordination: when the phenomenon developed and Senator Jerome Durain wanted to draw attention to a possible drift and the endangerment of minors, it was, of course, addressed to the Regulatory Authority of online games. Since video games are not a gambling game for French law, they are outside the scope of the Authority's intervention. However, the issues of protection of minors and public health were present. Given these conditions and given the international nature of the sector, mobilising our counterparts on this phenomenon at the edge of gambling has emerged as the most appropriate solution. About fifteen regulators signed the declaration.

- The prevention of sports manipulation and the Copenhagen group: in this field, it was necessary to act quickly that is to say without waiting for the ratification of the Council of Europe convention known as "Macolin". On a national level, ARJEL which is at the origin of the national platform of fight against the manipulations installed by the Minister of Sports in January 2016. Consisting of two levels - the political level to set out the broad guidelines and harmonise the interventions of all the actors, and the operational supervision level chaired by ARJEL - today it works in an efficient and reactive manner.

5 See below p. XX
Very quickly and as more and more countries acquired national platforms, their international networking was imposed. France was part of the first circle of countries that joined the "Copenhagen Group". Under the auspices of the Council of Europe, it now brings together 25 national platforms. (See page XX).

- **Relationship with the operators:**

It is naturally fount at the heart of the regulation activity. It is framed and defined by law which places it under the heading of control along with procedures of reporting, minutes and sanctions.

For my part, I felt that we should not stop there for several reasons

- Authorised operators have made the courageous choice of legality and regulation. Courageous not considering the requirements of the model of French regulation that I defend, but rather given the difficulties encountered by the approved French online market since 2010. This is neither complacency nor naivety, it is a fact: this market took several years to take off, to find a balance and it is partly thanks to the tenacity of the operators that the approved market has been maintained, in accumulating losses that will penalise their results for several years.

- the well-understood interest of an authorised operator largely meets the objectives of the regulation: offering stakes on rigged competitions can turn against the product or against the operator as well as there being nothing to gain by proposing a product that is so toxic in terms of health and especially when public opinion is mobilised, as it happened in Italy.

- the challenges facing regulators in the coming years are enormous: in order to be effective it is necessary that operators appropriate the missions and objectives of the regulation and carry them in the same way as the regulators by engaging in the results.

This is the choice that I made during my mandate by emphasising support and persuasion more than punishment. In my opinion, the referral to the Sanctions Committee is all the more effective as it is a last resort and therefore liable to hand out heavier sanctions.

Far from being regarding the operators, the well-understood partnership is based on the empowerment of the operators. Of course, the control remains, it belongs only to the regulator and far from disappearing, and the sanctions must be made heavier.

We see the same developments with our European partners. In the United Kingdom, the Gambling Commission is very clearly committed to this path.

- **Governance: a college closely associated with all the activities of the Authority**

Appointed by the President of the Republic, the President of the National Assembly and the President of the Senate, the seven members of the College are not, with the exception of the President, permanent members.

Article 35 of the law of 12 May 2010 specifies that the powers of ARJEL are exercised by the College.

The multidisciplinary nature of the sector, the modalities of appointment and the limited number of members, could create an imbalance in the representation of the required specialties and competencies (overrepresentation of some at the expense of others who are absent) but never
during my term, to the point of jeopardizing the proper functioning of the College and its informed participation in the activity of the Authority.

Some conditions that are, in my opinion, essential:

- A small team: with the extension of the perimeter of the regulation, the number of members will be increased but it is necessary to remain within reasonable proportions. This is one of the conditions for creating team spirit. It is about making representatives from various worlds (academic, associative, health, sports, public finances, private sector ...) work together and installing a constructive and serene atmosphere.

- Only one college: the legislator in May 2010 set out the public policy objectives applicable to gambling and took care to extend them to the entire sector - online and physical - however, these are the objectives that structure the action of the College, the same for all, regardless of the operator, whatever the status, regardless of the distribution network.

- A space for debate: the College should not be a simple registration chamber but a place of useful and constructive exchange for the Authority. This is not a matter of course: for there to be debate, the information of the members of the College cannot be limited to the instruction files for the decisions to be taken on a case by case basis. It is important that each member of the College, in addition to his or her own skills, contributes to completing and informing decisions and has a good level of knowledge of the context, issues and problems of the sector. This transmission of information must be essentially oral, within the useful time of the meetings of the College (once a month); it is up to the President to organise this continuously.
The services of ARJEL

I carried out the first year of my mandate and after a few months of observation I reached a reorganisation based on three principles:

- A logical and legible organisation: three directions, one per line of business. This resulted in a simplification of the organisation chart and the abolition of some director posts;
- Short circuits for more reactivity and thus a simplification of the hierarchical line;
- A very involved presidency, in direct contact with the services - no cabinet - and which, due to all this, leaves the director-general with all the prerogatives entrusted to him/her by law.

This organisation is still in force in 2019.

At ARJEL, at all levels of responsibility, there is an acute awareness of the issues of regulation and the non-ordinary character of the "gambling" product. This commitment to the values of player protection, integrity of the offer and the defence of public order, includes factors of mobilisation and surpassing oneself that should be maintained and represented. That's what I tried to do throughout my mandate.

In terms of management, I have always acted according to the values that are binding on every servant of the State, foremost of which I place the rigorous and economical management of its finances:

- The payroll, which accounts for more than 2/3 of the total expenditure, has been stabilised and then reduced thanks to the simplification of the organisation chart and the strict application of the instruction on the recruitment and use of contract agents in economic and financial ministries.

Non-staff expenses were also contained thanks to a more intensive use of shared services organised by the General Secretariat of Bercy and to the systematic attachment to departmental or interdepartmental contracts, in accordance with the recommendation of the State Purchasing Department.

The establishment of ARJEL in a place close to its actors and the homes of its staff has been consolidated through the renewal of the lease in more advantageous economic conditions.

The budget and expenditure management procedures were reorganised with a view to greater transparency and ensuring good internal control and better knowledge of the rules by the different actors involved.

Budget execution management has been improved through the use of accessible refunds in the Chorus accounting information system.
V - Results by objective

1 - The fight against the illegal offer: significant results provided you never give up.

**Status**

This mission is largely at the origin of the law of 12 May 2010 and the creation of ARJEL: by authorising online horse racing betting, sports betting and poker, the legislator had the objective of derailing the illegal offer, which was prolific because it was prohibited in the French market, to being within a legal and regulated framework; thus, while recovering additional tax revenues, the state imposes the public health and public order objectives attached to the non-ordinary gambling service.

It should be known that no authorised market is completely preserved from the competition of the illegal supply which French players can frequent with impunity. It happens, moreover, that the illegal sites benefit from the rigour of the prevention policy put in place by the regulator.

For example, a long registration process may discourage some players; or the cap on the rate of RPR on sports betting may lead some bettors to prefer more attractive odds proposed on illegal sites6.

In 2010, the legislator chose the judicial procedure as a method of blocking illegal sites. Today, out of the three authorised gambling segments in 2010, the illegal supply is virtually limited, provided that strict supervision continues to be exercised. Regarding the offer of online casinos, prohibited on the French market, the results are more nuanced necessarily but the policy of "harassment" led by the Authority is bearing fruit.

Since 2014, new fronts have opened and require teams to constantly expand their skills:

- competitions for online video games, micro-transactions in video games (see p. X);

- commercial lotteries which are multiplying and which must be verified to be exercised within the strict framework of the law.

**Actions**

Since 2014, four areas for improvement have been implemented:

1 -To make the judicial procedure of blocking more effective (two disadvantages: expensive and not very reactive):

- working in good harmony with the district court of Paris: a "dedicated" audience every two months.

- by modifying the law: the law for a digital Republic (7 October 2016) removes for ARJEL the obligation to assign hosts and alleviates the procedure (on request and without a contradictory element) for the so-called bypass sites which reappear as soon as possible after the blocking order by changing name and / or URL.

- by encouraging offenders to close their sites from the first reports by ARJEL services7.

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6 ..or on legal sites abroad to which he can connect by masking his address through a VPN.
2 - Informing the service providers, partners of these operators (game publishers, payment service) about the potential risk of formal notice for complicity in the commission of an offence.

3 - Acting with platforms (GAFA) to set up systems for reporting illegal content and rapid processing of these reports.

4 - Informing the players who play with an illegal offer of the risks incurred in terms of public health and scamming: posting an information page for Internet users trying to access the sites that have been the subject of a blocking measure.

**The figures**

Several studies have tried to measure the player population in the illegal supply with very different results.

If we stick to the number of French players on the sites of online casinos, the range is between 0.3 and 0.5 million.

Taking for reference the average annual expenditure per player - €450 - on the approved market, we can estimate very roughly the amount of the market of online casinos as between 135 and 225 million euros. In comparison, the authorised market in 2018, 2 663 000 players in three segments of gaming - poker, sports and horse-racing for a gross gaming revenue of 1.205 billion euros.

**Areas for improvement**

Should online slot machines be allowed to dry out the illegal offer and recover players currently without protection?

Answering in the affirmative entails the risk of legitimising, by legalising it, the online slot machine offer and thus increasing the number of excessive players. If, to avoid this pitfall, the new approved offer is much regulated (limitation of playing time and the level of losses), the level of frequentation of the illegal offer, more attractive because it is more lax, can remain very high.

- Responding otherwise has the disadvantage of, if we keep the current procedure, maintaining a high level of illegal supply although relatively controlled. The situation would be different with the setting up of the more reactive administrative block.

Should we consider setting up an administrative blocking procedure? See proposal no. 49, p. 27 of the report "Evolution of the regulation of the gambling and chance games sector in connection with the project to open the capital of The French Games to private investors", September 2018 http://www.igf.finances.gouv.fr and arguments below p. XX

2 - The approved market: in progress but weaknesses remain

**Status**

7 In 2018, out of 175 blocked sites, 46 were closed on simple request (recalling the law), 53 on formal notice, 76 by blocking order. Of course, an automatic and periodic verification of the reality of the blockage is ensured by the services of ARJEL.
Since opening in 2010, the results have been well below the expectations created by this new market. The evolution of the number of licenced operators - 35 operators in 2010, 22 in 2012, 14 in 2014, 14 in 2018 - bears witness to this.

**Structural reasons**

- Heavy and anti-economic taxation: the base for stakes for sports betting and poker.
- A narrow offer: three authorised segments of online gaming (sports betting, horse racing betting, and poker).
- A regulator with no real room for manoeuvre on the gambling offer in particular and which controls only a small part of the sector (11.6% in 2018).
- A French market broken down into subcategories, according to disparate regulation methods, thus prey to conflicts of competition that prove to be counterproductive in a vision of "every man for himself";
- A lack of comprehensive and coherent economic strategy while at the same time the gaming sector is experiencing global upheavals that tend to erase the national specificity of the game in favour of a globalised approach.

**Reasons related to the product itself**

- Gambling is not a regular service; it carries with it the potential for serious drift (over-indebtedness) for people (the player and their entourage) likely to generate a significant social cost for public finances. It cannot develop under the same conditions as an ordinary product. The consumption and the gambling offer must be regulated.

Today, after almost 10 years of existence and although we have been seeing a recovery for three years, the market remains fragile and operators are struggling to find a balance.

In this respect, the reform of the tax base was initiated for sports betting with the PACTE law. Take the example of wagering in sports betting and the results of the World Cup final in 2018. For a very high amount of stakes, the amount of the winnings to be paid is even higher, since the greatest number of players bet on the victory of the France team; However, the taxation that taxes the stakes and not the gross gaming revenue (i.e. the difference between stakes and winnings, the "net" of the regulator) doubly penalizes in this case the operators of sports stakes and damages the economic equilibrium of the sector, including the most dynamic segment of the game. The reform remains to be done for poker and horse racing betting.

**Action**

- Acting on the gaming offer: for poker, the introduction of new variants at the request of players, the opening of tables shared internationally, on the sports bet for which the regulator has a more significant margin of manoeuvre.
- Associating the operators: the mission of control of the operators remains essential and ARJEL exercises it with rigour. However, the operators who made the choice of a regulated market, have accepted at the same time a French model demanding in terms of issuance of licences, level of security and data collection, with a global interest.

- Highlighting the quality of the offer in terms of public health and the safeguarding of public policy issues as an element of attractiveness of the accredited market.

- Do not let your guard down on the illegal offer and the unfair competition it represents for operators who have made the choice of legality.

**Areas for improvement**

**Should we entrust the regulators with the economic management of a single market for gambling?**

The gambling market remains marked by the difference in nature between the different categories of gambling and between the different gambling communities - even if these differences tend to diminish with the growth of multi-players.

However, this market is unique through the missions and objectives of regulation that are attached to it, regardless of the categories of play. Among these objectives, the issue of economic steering by the approved market regulator (in the terms of the 4th objective of the 2010 law "to ensure the balanced and equitable development of different types of gambling in order to avoid any destabilisation of the sectors concerned") could arise, since the new regulation covers the entire gambling sector.

An advance on this point would have two advantages...

- As a general rule, ensure that the balances of the sector they are regulating are in line with the usual scope of the independent administrative authorities.

- With the gambling market, be able to define a common strategy that takes into account the respective balances of each subset while having the vision of a common superior interest in favour of the harmonious development of this same market.

... with two reservations nevertheless,

- The regulator will not be the master of decisive decisions in this area; for example, the authorisation of new major categories of gambling will continue to be up to the legislator;

- If we stick to the wording of 2010 and in the absence of details on the outlines of the objective, the nature of the control exercised by the regulator and the exact criteria on which the Authority could base its decisions, the risk of litigation, particularly with regard to the case-law of the Court of Justice of the European Union, is important. This reservation could be raised with the new wording of the objective in the law and modalities of application by decree.

**3 - Protection of players**

**Status**
- Any responsible gambling prevention action must be performed in respect of the individual freedom of the players, under penalty of creating counterproductive effects.

- Prevention must be done well in advance before bad practices and mistaken beliefs can take hold.

- The operators are full players in this fight: they have direct contact with the player, thanks to their customer service they have qualitative information useful to identify losses of control and to find a remedy directly through information and an orientation towards help services.

- Online support, which is often more risky than physical networking, also has the advantage of allowing much more effective controls: identity verification, provision of moderation devices (self-exclusion or bet limits, deposits, time)...  

- Collaboration with the world of research is essential: validation of mechanisms, partnerships on joint projects and financial support.

**Action**

- The application of the law of 12 May 2010, online support and the direct capture of all the game data by the regulator allows for the accompaniment of the player from the time of their inscription (verification of identity) and throughout the lifetime of their account

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<tr>
<th>Example of self-limitation or moderators</th>
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<tr>
<td>- on approved online gambling sites there are four types of self-limitation: deposit limit, bet limit and pay-out threshold to which the time limit for poker was added.</td>
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<tr>
<td>- Fully completed at the time of registration, they can be modified at any time by the player, but with a delay of 48 hours when it comes to increasing limits.</td>
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<tr>
<td>- they are regularly improved as a result of studies on their use by players, conducted within ARJEL but also by research teams (CHU Nantes in progress) and the example of good practices identified by our European counterparts.</td>
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- Strengthened monitoring of the evolution of players’ expenses: since 2017, expenses are evaluated by player and not only by the account of an active player. The objective is to follow this indicator as closely as possible, determining the monitoring of excessive gambling.

- Design and implementation of dedicated tools: based on the scientific literature and after validation by doctors, researchers and experts, several specific devices have been made available by ARJEL for the players, the board or the operators: the site evalujeu.fr, (anonymous self-assessment with a personalised advice / open to the entourage), the evaluation grid of the addictive character of games and stakes (for marketing authorisations), the E-MAJE (Excessive Game Analysis Models) game-tracking device to track the evolution of problem gambling online.
Possibilities for improvement: Proposals under the Pact Act and the new regulation.

- regroup the entire gambling sector under one regulatory authority (on line and off line) because the issues are the same and the players use both distribution networks indifferently.

- give the regulator the room for manoeuver and the capacity to adapt to the height of the stakes and the changes of the next ten years, especially in terms of the gambling offer.

- make the operators more responsible, particularly as regards the fight against excessive gambling: they are closest to the players and therefore better placed to detect excesses and intervene preventively.

- monitor the evolution of gambling advertising and give the regulator the means to intervene quickly and efficiently in the event of abuse or inappropriate messages.

- perform representative surveys at regular intervals on the evolution of the problem gambling prevalence rate in France to make it into a tool for evaluating the regulator’s prevention policy.

The role of help and support associations:

There are few or no financial means for this step, which is essential in the responsible gambling treatment chain, between prevention and treatment in hospitals.

Particularly suitable for a population often reluctant to visit health centres, these associations directly provide care for many players in difficulty and facilitate hospital care in case of need.

The use of public funds to enable them to carry out their missions in the best possible conditions, without having to spend precious time looking for diverse and random funding, would be a decisive step forward in the fight against excessive gambling.

A special tribute in this area goes to Armelle Achour and the SOS players association, which has been doing a remarkable job for several years and which, moreover, reports on the evolution of addiction in number and origin of the game thanks to the publication of its annual activity report.

4 - The manipulation of sports competitions related to stakes: the approved French online market is resilient.

Status

- A favourable legislative context (law of 12 May 2010)

  - Under the “sport list” name, ARJEL has a powerful tool for fighting manipulation related to betting, which is based on one single principle: do not offer stakes on the French licensed

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8 See the proposals of the report “Evolution of the regulation of the gambling and gaming sector in connection with the project to open the capital of the FDJ to private investors” by Olivier Le Gall, Hadrien Haddak, Olivier Japiot, September 2018, [http://www.igf.finances.gouv.fr](http://www.igf.finances.gouv.fr)
The online market, competitions most at risk (low profile, low stakes...); similarly for easily manipulable types of results.

- The second objective of the state gambling policy (article 3 of the law of 12 May 2010) "Ensuring the integrity, reliability and transparency of gaming operations" on behalf of which the tactics aimed at allowing stakes on any competitions, even the most risky ones, and at using the bet and therefore the bettor as a bait to catch fraudsters, are not acceptable.

- This is a scourge with international ramifications that involves many criminal networks and which presents the risk, if it is extended, to discrediting sports betting in the long term, the most dynamic segment of the French accredited market.

- There is a plurality of institutional and private actors, on both a national and international level, so it is important to become mobilised and coordinated: in this fight, the sharing of information and action in real time are essential.

**Action**

- ARJEL has designed and supported the project of the national platform and its two training elements (see above, page XX and below, page XX). Since its installation, the monitoring platform has processed 258 alerts⁹.

- The "Copenhagen Group": France was part of the "first circle" of the seven countries at the initiative of this networking of national platforms. Today, 30 countries are gathered to act together and the 8th meeting of the group will be held in June 2019 in Rennes, in the presence of the Minister of Sports, Roxana Maracineanu.

- A series of improvements voted by Parliament to complete the law of 12 May 2010; in particular through the law of 1 March 2017¹⁰ which authorises the president of ARJEL “in cases of serious and concordant indices of manipulation of a competition or sporting event (...) to prohibit for a duration that it determines, any stakes on it”.

**Areas for improvement:**

- **Convince European partners to adopt the sport list feature**

  It was first considered uneconomic since it restricts the offer of sports stakes on approved markets, however, the feature is now recognised as "interesting" thanks to the French example which has also demonstrated that was not acting as a brake on the growth of sports betting, but actually on the contrary. However, the other European regulators have not yet made the leap, with the exception of Portugal. Extending the sports list feature to all the European approved markets would certainly give

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⁹ Open alerts on betting in France or on competitions taking place on the national territory and not giving rise to stakes on the French accredited market.

¹⁰ Law No. 2017-261 of 1 March 2017 to preserve the ethics of sport, strengthen the regulation and transparency of professional sports and improve the competitiveness of clubs.
it an even stronger impact. The solution will undoubtedly impose itself quickly with the amplification of the phenomenon and its consequences.

**Give the French national platform legislative recognition**

The Minister of Sports has agreed to carry this project which will allow members of the platform held to professional secrecy, to share any relevant information, including personal data with other members.

**5 - Fighting money laundering**

**Status**

- Admission with high stakes involving on both a national and international level several control and guidance bodies - Tracfin, COLB, General Treasury Directorate, GAFI -

- Until 2014, the challenges of the online gaming sector in this area were considered relatively modest compared to land-based casinos, PMU and FDJ on their terrestrial networks.

- ARJEL is designated by the Monetary and Financial Code as the supervisory authority of the online gambling sector. As such, in addition to monitoring the obligations connected to identifying gamblers the Authority assesses the quality of the operators' procedures and their effectiveness.

- It is on the Anti-Money Laundering Orientation Committee (COLB).

**Action**

- Checking plan for authorised operators: periodic inspection reports on the quality and efficiency of the features and procedures put in place by the operators. Regular operator information.

- ARJEL has been involved in the transposition of the 4th European anti-money laundering directive.

- The law of 3 June 2016 authorised ARJEL to use the data available to it to search for and identify any act committed by a player or a punter, likely to constitute fraud, money laundering or financing of terrorism.

- Following this authorisation, the warning and tracking engineering of players with an atypical gambling or financial profile has been implemented with ARJEL. This system, which is based on a global vision of the approved online market, makes it possible both to reinforce operator control and to detect cases spread over several operators and therefore not detectable by them.

- The evaluation of the French system by the FATF in 2020 is an important step: ARJEL participates in the work of the IGF mission to prepare this evaluation.

**To sum up**

My departure will conclude a 10-year cycle (2010-2020) characterised by some progress in terms of regulation but especially by the maintaining of the artificial partitioning of the sector and the many dysfunctions that this aging model has generated.
The deep reform of the regulation, which I fought for on my arrival, is set up and it will be up to my successor to install it and make it live: a beautiful challenge and a hard task.

From now on, the same regulation will be exerted on the whole gambling sector in France.

At the dawn of this change, these few pages in the introduction of the last activity report of my mandate are intended as an inventory of the sector which I will have regulated for six years with the members of the Board and the services of ARJEL.

This is only a small part of the new field of intervention of the regulator but it is of interest due to having been regulated in the full sense of the term, in a period of profound technological and cultural upheavals. Therein lies the functionality of this testimony.

In this period of innovations and permanent changes that will not fail to intensify, the Regulatory Authority will have to stay on course with the universal and sustainable objectives set by the law of 12 May 2010. The health of our citizens and the safeguarding of the public policy stakes attached to gambling will remain the touchstone of its action and results.
ARJEL: the essential elements
ARJEL regulates online games, i.e. 11.6% of the gambling sector in France

The gambling offer in France in 2018

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

Physical network (points of sale)
- Sports betting / FDJ monopoly
- Lottery and Scratch Games / FDJ monopoly
- Horse-racing betting / PMU monopoly

Online network (internet)
- Sports betting, horse racing betting, poker: 14 licenced operators regulated by ARJEL including the PMU and the FDJ
- Lottery and Scratch Games / FDJ monopoly.

Physical casinos
- Fruit machines
- Poker

Regulations and control

Several ministerial departments intervene or are concerned:
- Public Action and Accounts: budget management for la Française des Jeux and PMU with the advisory commission on gaming and betting under exclusive rights (COJEX);
- Interior: Directorate of Civil Liberties and Legal Affairs and the Central Service for Races and Games with the Advisory Commission for Circle Games and Physical Casinos (CCJCC);
- Agriculture: for the PMU and horse races;
- Sports: for combating the manipulation of sports competitions;
- Health: for the prevention and treatment of gambling addiction.

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

The online gambler: profile, practices

The sports bettor is a man (about 89%) under 35 (about 72%) who bets on the most popular sports (football, tennis, basketball) and the competitions most covered in the media (French Championship Ligue 1, Champions League, Grand Slam tournaments). He stakes an average of € 11 per bet and his average expenditure in 2018 is about € 214. Most of his stakes are made through a mobile device (smartphone / tablet). Indeed, it is the only

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11 See The regulation of gambling and gaming, Inquiry of the Court of Auditors for the National Assembly Public Policy Appraisal Committee, October 2016 p.110 et seq.
12 It should be remembered that the figures given below are average amounts.
online gaming activity for which the proportion of stakes from mobile devices is higher than for stakes made on a computer.

The racing bettor is a man (about 84%) over 35 (about 74%) who mainly bets on harness racing. Coming from French regions with a strong horse culture such as Normandy or Hauts-de-France his average expenditure in 2017 amounts to € 436 and he makes most of his stakes from a computer. This is the activity that has the fewest active players and also the one in which women are the most represented (about 16% of all gamblers).

Finally, the poker player is a man (89%) under 35 (58%) who prefers tournaments to the cash game. The poker player’s profile is therefore quite close to the sports bettor’s. He is, however, distinguished from the latter by the terminal used (mainly computer). This behaviour can be explained by the differences between the gaming mechanisms which can be more suitable for a computer than a mobile terminal. The average expenditure was € 227 in 2018.
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 licenced online operators that also have a monopoly in the physical network - and on the other well adapted to regulating a sector with important public order and health issues. Frédéric GUERCHOUN, legal director at the ARJEL, presents its main features.

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 6 January 1978 regarding data processing, files and freedoms, which for the first time used the concept of an 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 to competition and the regulation of the online gambling sector created the regulatory authority for online games (ARJEL), with the immediate status of an 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 recognises. Here it should be recalled that the distinction between an independent administrative authority and an independent public authority resides in the granting 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 above law of 20 January 2017 the legislator 13 redefined the limits of the notion of an independent administrative authority, which had been previously outlined by the Conseil d'Etat, focusing on the combination of two essential elements: on the one hand the status of an administrative authority, on the other independence from the Government.

A power of enforcement 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.

Pursuant to 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, especially technical, such as decisions to approve gambling software. All these decisions are binding on third parties and open to appeal. The ARJEL also permanently monitors the activity of licensed online gambling and betting operators. Lastly, ARJEL has a power to sanction through its penalties commission 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 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 physical network - are linked either institutionally or through their capital to the State 14: the latter is the 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 ARJEL’s independence 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 college whose mandate is neither renewable nor revocable. The mandate of the president of ARJEL - 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 the college of ARJEL 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 the 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. Independence is justified in this respect on at least two grounds.

Answering to Parliament

However, the independence of independent administrative authorities is not synonymous with lack of control. They are subject to scrutiny by Parliament. Accordingly, the President of ARJEL is only appointed by the President of the Republic after consultation of the competent standing committees of each Assembly. The ARJEL must also send a public report to 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 Cour des Comptes.

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14 The regulation of gambling, report of the Court of Auditors, October 2016, p. 136.
MISSIONS: ARJEL protects gamblers, controls operators, supports the licensed market, and combats illegal supply, money laundering, and fraud

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

While organising this opening the legislator made sure it would be well controlled, being aware of the risks that gambling presents to social and public order.

It is in this spirit that the legislator designed and organised ARJEL in order 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 players;
2. To ensure 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 into 4 parts:

- After preparing the files ARJEL issues licences to operators authorising them to offer online betting and games on the French market, and ensure that their obligations are met. This is the legal section.
- 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 players against the risks of addiction and provides them with all the resources for them be informed and responsible consumers. This is the social part.
- Lastly, ARJEL assures the combat against illegal supply.

To achieve these objectives ARJEL has human and financial resources:

- A board with seven members that meets once a month to adopt decisions concerning the Authority's missions.
- The Authority's services currently consist of 52.5 people. (see below p.).
- A budget

Table 1: Evolution of expenditure by ARJEL

15 See organisation chart p. XX
### Equity capital in € million

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2</td>
<td>5.84</td>
<td>5.83</td>
<td>5.33</td>
<td>5.19</td>
<td>5.46</td>
</tr>
<tr>
<td>OT2 (*)</td>
<td>2.76</td>
<td>1.99</td>
<td>2.35</td>
<td>2.33</td>
<td>2.72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.60</strong></td>
<td><strong>7.82</strong></td>
<td><strong>7.68</strong></td>
<td><strong>7.53</strong></td>
<td><strong>8.18</strong></td>
</tr>
</tbody>
</table>

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

### Staffing and staff costs (Title 2 appropriations)

The Authority’s workforce has been in slight decline over the recent period, as a result of delays in recruitment, particularly IT and data analysts, and declining employment patterns. The year 2019 is marked by two opposite effects. A new rule of fixing the employment ceilings to the actual number of employees in previous years leads to a reduction in the employment ceiling; but this decline is mitigated by an upward revision of the employment pattern (+2 FTEs), with ARJEL having argued the need for additional jobs in view of the constitution of a regulatory authority in the perimeter of expanded competence. Overall, the actual average workforce is expected to increase slightly to 54 FTEs in 2019.

The payroll, which peaked in 2013 at € 6.04 million, has steadily declined since then and stood at € 5.19 million, down 14.8% from its 2013 peak. This is the effect of declining staff numbers, but also of head-office staff reduction and younger staff.

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**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: authorised employment ceiling (voted in the State Budget)

Job structure: gap between the workforce at 31 December of two consecutive years (standard imposed by the Budget Directorate)
Table 2: Evolution of the authorised staffing ceiling and of the actual staff of ARJEL

<table>
<thead>
<tr>
<th>In FTEs</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised staffing ceiling (AEC)</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>55</td>
<td>54</td>
</tr>
<tr>
<td>Actual workforce (*)</td>
<td>54.5</td>
<td>56.4</td>
<td>53.2</td>
<td>52.5</td>
<td>54</td>
</tr>
</tbody>
</table>

(*) Chorus Data

The job profile for 2018 is close to that of previous years:

- The workforce consists of 79% of non-permanent public law contract agents, 3% of whom are apprenticeship contract agents (these agents completed their apprenticeship contract in the course of 2018, hence the decrease compared to 2017 in a full year), 18% are civil servants seconded to the contract.
- The average age is 39 years old.
- The proportion of category A or A+ staff is stable at 71%.
- 24 agents (46% of the total) are sworn in as investigators.
- Finally there is almost parity between the male (53%) and female (47%), maintained since last year.

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

The envelope granted to ARJEL in the state budget has been decreasing since 2011 and has stabilised since 2017. It stood at € 2.72 million in 2019, before taking into account appropriation freezes.

In 2018, the decrease in expenses compared to 2017 is mainly due to ARJEL’s lower rent. Indeed, in 2018 ARJEL renegotiated for a period of 6 years the totality of its rent of the building on 99-101 rue Leblanc in the 15th arrondissement of Paris and was able to release a saving estimated at € 1 million on this period with retroactive effect from 01/01/2018.

The year 2019 will be a special year for the Authority. Indeed, ARJEL should form the basis of a new gambling regulation body whose field of intervention would integrate the regulation of games under exclusive rights of the French Games and the PMU and even, for the fight against addiction in physical casinos. The increase in expenditure planned for 2019 corresponds essentially to the introduction of new tools needed in the context of the extension of ARJEL’s missions (studies, mapping and analysis of the security of the information systems of operators under monopoly (FDJ and PMU), new servers and greater storage capacity to accommodate online data of the FDJ, work in the server rooms, etc.)

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 licence). These fees are paid into the general budget of the State. The Authority has also been actively involved, on behalf of the State, in the liquidation and recovery of escheated assets on the player accounts closed in 2010 and 2011. However Decree No. 2017-1888 of 29 December 2017 was withdrawn by Decree No. 2018-314 of 27 April 2018. Decree No. 2018-1076 of 3 December 2018 on the methods of liquidation and recovery of the amount of the assets of the players in escheat due to the State by the operators of online gambling or betting licenced by the Regulatory Authority for online games and by FDJ under the online lottery defines the new system applicable to assets placed in reserve. This decree specifies that the
repayment of sums placed in reserve during the years 2010 to 2015 will be made in 2022, while the repayment of sums set aside from 1 January 2016 will be made every year from 2023.

**ARJEL's board**

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 Ingénieur général des ponts, des eaux et des forêts (high-ranking civil engineer), Mrs BOUR-POITRINAL is president of the section "Forests, waters and territories" of the General Council for food, agriculture and rural areas, in the Ministry of Agriculture.

Jean-François BROCARD is a senior lecturer in economics at the University of Limoges, 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 very high level French judoka. She is currently responsible for women's football and the federal feminisation plan at the French football federation.

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

Marc VALLEUR is a psychiatrist, specialised in addictive behaviour. By letter dated 13 November 2018, Marc Valleur submitted his resignation from ARJEL's board.

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

« (...) Unless otherwise provided pursuant to Article 37 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.

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17 See detailed biographies of board members in appendix p.
The LEGAL TEXTS: the regulating 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 the French gambling law were set out in Chapter 1 of the Law of 12 May 2010, entitled "Provisions relating to the gambling industry 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 destabilisation 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", apart from 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 betting excepted). On the other hand, an 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 organised through a site blocking procedure brought by the President of the ARJEL before the President of the Tribunal de Grande Instance (high court) of Paris against technical intermediaries, i.e., in practice, internet access suppliers.

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 barred from gambling in the file kept by the Ministry of the Interior.

In total, since 2010 the law on the opening to competition and the regulating 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 with which the text had been voted. Thus, a number of key

In total, since 2010 the law on the opening to competition and the regulating 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 with 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.

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 players**: 
  
  *The Law of 17 March 2014* introduces into Article 15 the obligation for a licenced operator to
prove the existence of a guarantee, a trust, an insurance, an escrow account, or any means
 guaranteeing the repayment in any circumstances of all the assets payable by the players;
  
  The same law prohibits operators 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 licenced operators or their
players";
  
  *The Law of 7 October 2016* amends Article 26 to set up time restrictions in poker;

- **The fight against money laundering**
  
  *The Law of 3 June 2016* provides that a regulator may use the data relating to the players and the
games and stakes in its possession to seek and identify any act committed by a player and a bettor
that is likely to be fraudulent or concern money laundering or the financing of terrorism.

- **Combating illegal supply**
  
  *The Law of 17 March 2014* authorises the President of ARJEL to apply to the judge to prohibit
advertisements for unauthorised gaming sites;
  
  *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 the hosts should the operator of the illicit site fail to comply;

  The same law modifies Article 61 by allowing the President of ARJEL 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 players in sports competitions (...) 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 to third parties.". The control of this prohibition is carried out by means of a request to cross-
check files with ARJEL which notifies the strictly necessary elements of information to the delegated
federation's agents specially authorised for this purpose under conditions laid down by decree, pursuant to *Law No. 78-17 of 6 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 cross-check files with 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 authorises the President of ARJEL "in the event of serious and plausible evidence of manipulation of a competition or sporting event (...) to prohibit, for a period that he/she determines, any bet on it".
ARJEL and licenced 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 organises a whole section of the regulator's action around this monitoring and empowers ARJEL’s Board, in case of proven contraventions, to refer to the Penalties Committee. ARJEL’s controlling action covers all the obligations the licenced operators must meet. This action essentially comes under the goal of protecting players.

1- The areas of control

- The security and sincerity of the gaming operations

The concept of security includes both technical and legal security.

It is vital to assure players that they can play in a secure cyber space that is 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 play that is 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 gaming data - are met - 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 modification to a game or each introduction of a 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 ensures that the offer proposed by licenced operators complies with the regulations, as the three ranges of gambling - sports betting, horse racing betting, and poker - are governed by specific provisions.

- Consumer protection

In addition to the control of the Directorate-General for Competition, Consumer Affairs and Fraud Control (DGCCRF), ARJEL ensures the protection of the player-consumer and ensures in particular the compliance of general conditions of use of the sites as well as the follow-up of the mechanisms of trust or guarantee which guarantee the availability of the assets of the players.

As such, ARJEL also publishes when it deems it useful, communications that express its position on certain aspects of the relationship between gaming operators and players-consumers:

Thus, on 22 June 2017, the communication on the implementation of the mechanisms for temporary self-barring and self-limitation of account provisions and stake placing (resolution no. 2017-C-01), in which it sets out the procedures for implementing the legislative and regulatory provisions relating to these mechanisms for combating gambling addiction. Or the communication on prohibitions and limitations on betting (deliberation No. 2017-C-02) published on 23 November 2017 which aims to analyse the practice of a sports betting operator to refuse to contract with a bettor or limit the amount they put on a bet, with regard to the rules set out in Law No. 2010-476 of 12 May 2010 and those included in the Consumer Code.
In 2019, ARJEL published a new, more general communication on the application of the consumer code for online gambling.

The code of consumption and online gambling

Can a player use the rules of the consumer code in their relations with an operator? A positive answer has long seemed certain. It is now disputed, with some considering that its provisions on prohibited commercial practices (including those on the prohibition of a professional refusing to provide a service) and on unfair terms are inapplicable in the online gambling sector.

The Authority considers that, as is the case with the positive law as it sees it, any player is a consumer if they meet the definition given in the opening article of the Code of Consumption. They must therefore be able to rely on the relevant rules of the latter, the argument being that the operator would not provide them with a service at the time of the contract (gaming or betting) that it concludes with them being inoperative. In addition, it considers that it is entitled to refer penalties to the Penalties Commission in the event of a breach by an authorised operator of the provisions of the Code where it also results in a violation of the Law of 12 May 2010 and the texts adopted for its application.

See the full text of the communication

The relationship with the consumer is also established through the address contact@arjel.fr

For the year 2018, ARJEL received 4289 messages via the address contact@arjel.fr compared with 3437 in 2017 (+25%). This is the highest total since the opening of the market in 2010.

Although the number of received messages does not exactly reflect the proportion of the difficulties encountered by the players - indeed the same file can gather a large number of messages especially if it is complex - the number of processed files -1578 distinct files during this year compared with 1293 files in 2017 (+22%) - increases in the same proportions.

Over this period, the average response time is 1.80 days, less than 48 hours for all requests received. In 2017, the average response time was 1.90 days.

The number of phone calls from players is 1002 for the year, an average of slightly less than 4 calls / day. In 2017, 868 calls were sent to the Authority (+15%).

Among these messages:
- 81% concerning claims made against licenced operators;
- 19% are questions of a general nature.
The main reason for complaints relates to the management of the player’s account.

The notion of "player account" covers five themes of claims:
- opening, blocking and closing of a player’s account;
- levies and / or deposits within a player’s account;
- prohibition of gambling or self-exclusion;
- game moderators.

During the year 2018, the total of these requests amounted to 1571 messages (+21% compared to 2017). The issues relating to the management of players’ accounts represent 45% of the total number of requests concerning an authorised operator over the period studied.

The other most significant types of claims relate to difficulties linked to the awarding of bonuses, to the questioning of the randomness of poker card distribution software or to litigation concerning the taking of horse or sports stakes.

Finally, 19% of requests are of a general nature, including requests for miscellaneous information (legislative / regulatory information etc.) as well as requests and complaints concerning unauthorised operators.

- **Prevention of problematic and pathological gambling**

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

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

The stakes 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 licenced 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 carries out "file cross-checks" to verify the participants comply with the prohibition against betting on their competition.

- **combing money laundering**

Here ARJEL plays 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 French Games). As such, alongside monitoring the obligations relating to identifying gamblers the Authority appraises the quality of the operators’ procedures and their effectiveness. Since the law of 3 June 2016, ARJEL has the opportunity to use for this purpose, the data it has on the entire approved online market through a device for alerting and tracking players having an atypical gambling or financial profile.

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19 See below p. XXX
20 See below p.
21 See table p.XX
22 See below p.
2 - Means of surveillance

- Investigators

Article 42 of the Law of 12 May 2010 expressly provides that certain officers are authorized by the Director-General of the ARJEL to carry out administrative investigations under his supervision. These officers must also take the oath before the Paris High Court. They then have the status of "investigators".

They may access all relevant information held by online gambling operators or online gambling operators licenced 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 the licence application is examined, or on renewal every 5 years, a number of technical, economic, and legal aspects are examined;
- at each annual certification (see below), the emphasis is on maintaining the security requirements of all the operator's information systems, on the points that have previously given rise to changes made in the year;
- also annually, a meeting with each operator allows a check-up on their responsible gambling policy;
- prior to the introduction of new games or the evolution of gaming software, an application for approval (see below) must be made by the operator to ensure technical compliance in terms of computer security, and the correct implementation of the game rules;
- each week, the operators transmit to ARJEL a certain amount of data relating to their activity, this is called "supervision", a means of ensuring better monitoring of the market (compliance with the rules laid down for rate of return to the players for example), and to establish quarterly reports that are very appreciated by the operators themselves because they enable them to situate themselves in relation to the whole market and therefore their competitors, within respect of professional secrecy;
- 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 continuously monitor all the operators' obligations.

- Two examples: annual certification and the processing of applications for homologation

- The list of certifying bodies

In accordance with article 23 of the law of 12 May 2010, licenced operators are subject to an annual certification obligation. This certification is carried out by an independent organisation chosen by the operator from a list drawn up by ARJEL. The inscription on the list allows ARJEL to ensure that the certifying body has the technical, legal and financial skills necessary to carry out its missions and that it is able to exercise its missions with complete independence and impartiality. The inscription on ARJEL's list is valid for five years. ARJEL's list

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23 As of 31 December 2018, 24 of the 53 ARJEL officers are investigators;
thus included, in 2018, six registered certifying bodies. As of 30 March 2019, this list only had 5 organisations.

**The control of the new offers proposed by the operators: the directive for approval requests**

When an authorised operator wishes to propose a new game offer, it must, in advance, in application of article 34 of the law of 12 May 2010, gain approval for the software that it wishes to use for this purpose.

Two directorates of ARJEL intervene in this context:

- **the legal director who assesses the legal compliance.**

  Operator innovations are particularly noteworthy in the poker sector, where gaming offers must comply with both the provisions of Article 14 II of the Law of 12 May 2010 defining the concept of a poker game and those of the decree no. 2013-1326 relating to poker. Thus, the services are attentive to the fact that the various games offered involve the player's know-how at different stages of the game.

  Thus in 2018-2019, ARJEL was led to analyse the legal compliance of some poker games where the winnings can be increased randomly or poker tournaments during which successive variants, in compliance with the rules specific to each variant during the same set.

  In the area of sports betting, the services especially ensure the compliance of the games with the definition of the odds bet provided for in article 4 of the law and, in the matter of horse racing betting, the absence of misrepresentation of the mutual character of the stakes.

- **the control and information systems department**

  The check is to ensure that the new software does not contain any vulnerabilities in terms of information system security. For this purpose, an applicant operator must send ARJEL:

  - an intrusive audit report of the gaming software,
  - an analysis report of the random number generator, if any;
  - an implementation compliance analysis report in the game rules software.

  If the reports highlight vulnerabilities, the operator must attach to its request for approval, an action plan and a schedule of necessary corrections that ARJEL shall assess the relevance of.

  In order to gain more efficiency in the processing of approval requests and to complete the operators' information on their expectations, the AMF's services put in place, in 2018, a precise standard form for both the documents to be provided and their content so as to limit additional requests and therefore the processing times.

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**In 2018, 18 software licences were issued by ARJEL compared with 19 in 2017.**

Six of them concerned the setting up of European poker tables, two the implementation of the "cash out" feature, seven the introduction of new games and three various technical changes made to the gaming platforms.

**3 - The surveillance policy**

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24 The list is published on the ARJEL website.
In addition to the compulsory transitions 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.

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 information system audits for example.

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).

### Operator surveillance: the points to watch for in 2018-2019

In addition to the permanent monitoring of site and gambling compliance as well as the anti-money laundering action mentioned elsewhere, the Authority continued its efforts to comply with the procedures for the temporary exclusion from gambling.

It also monitored the compliance with the precedence of horse racing betting compared with the start of races.

The examination of the relevance of cancellations of stakes by the operators is also a surveillance point that is in progress especially with regard to the application of the law of consumption.

In scheduling its surveillance ARJEL also takes into account complaints or alerts sent by gamblers to the address contact@arjel.fr (see above page XX).

For all of its actions controlling the licenced operators' compliance with 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 references to the penalties commission.

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 analyses 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 penalty procedure if the Authority's board decides to provide the Penalties Commission with a "notification of complaints".
The penalties commission (Articles 41, 43, and 44 of the Law of 12 May 2010)

The penalties commission comprises six members from the Conseil d'Etat, the Court of Cassation and the Court of Auditors, for a period of six years renewable once. The Board refers to the penalties commission in the case of proceedings against an operator "who has failed or fails to comply with the legislative and regulatory obligations that apply to its activity".

The Penalties Commission may "issue, having regard to the severity of the contravention", a warning, a reduction of up to one year of 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, 1325 operators have been brought before the Penalties Commission for various types of contraventions (non-delivery of certification reports, failure to respect the pooled nature of the stakes 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 2018, no penalty procedure has been opened against authorised operators. However, an invitation letter to submit observations, prior to a possible referral to the Penalty Committee, was sent to an online horse racing betting operator on the basis of Article 43 (II) for non-compliance with deadlines for the submission of its annual certification report. This procedure may eventually lead to a referral to the Penalty Committee.

4 - The processing of requests from external bodies

I - 2016-2019

II- Since 2011

Three of which have since left the licenced online gambling market.
Various pieces of legislation provide that ARJEL must respond to the requests it receives from public authorities as well as from organisers of sports competitions.

In addition to the continuation in 2018 of the increase in the number of court requisitions already reported in 2017, it should be noted that TRACFIN’s requests for communication have increased, the latter having announced in its 2017 annual report the attention that it wished to bring to the gaming sector and which has been translated in 2018 and continues in early 2019 with the development of exchanges with ARJEL and gaming operators.

The authority has also received a greater number of requests from the organisers of sports competitions in application of articles R 161-41 and R 333.10 of the Sport Code. Indeed, delegated sports federations and all organisers of sporting events can question ARJEL to ensure compliance by the actors of the sports world of their ban on betting on the competitions in which they participate even on the whole of their discipline. If unauthorised stakes have been made, disciplinary proceedings may be instituted.
ARJEL: Missions / Actions
The regulator and the market
IN SHORT…

2014-2019 Overview

During this period, the approved online gaming market in France has experienced an upward trend that has been confirmed over the past three years.

- The amount of stakes and entry fees incurred on licenced operators’ sites has increased by 42%.
- The turnover generated by the sector grew faster (+66%) and exceeded the annual billion euros for the first time in 2018.
- The number of players: 4 million active player accounts in 2018 compared with just over 2 million in 2014.

Sports betting has been the driving force behind the growth of the online gaming sector.

In 5 years, bids placed in this segment (€ 3,904 million in 2018) and the gross gaming revenue (€ 691 million) have increased by more than 200%. One of the main reasons: the popularity of online sports betting with the general public; the number of active players (3.23 M) has, in fact, almost tripled. This dynamism attracted two new operators in this segment (13 approvals in 2018 compared with 11 in 2014).

The evolution of online poker is more contrasted.

The main economic indicators (wagers, gross gaming revenue and number of CJAs) for this segment fell between 2014 and 2016. Poker operators have suffered a steady decline in cash game.

This decline was not offset by the increase in entry fees paid by players to participate in poker tournaments over this period.

Thanks to the innovations launched by operators and the recent opening of international tables, the online poker market has regained growth in 2017 and 2018. Between 2014 and 2018, the growth of wagers and entry fees in poker reached 10% when the gross gaming revenue generated by this segment of play increased by 7%. The lack of stability of the activity and the lack of real growth prospects for the smaller operators is at the origin of the strong concentration of the sector: only 6 operators were approved in 2018 compared with 12 in 2014.

The horse racing betting market has followed a trajectory similar to that of poker.

The amount of stakes, the gross gaming revenue and the number of active players in this segment fell significantly between 2014 and 2016. The efforts of the operators (increase of the payback ratios, distribution of bonuses, innovations) allowed them to recruit new players in 2017 and 2018. This increase in the number of bettors was the main driver of the rebound in activity observed in 2017 and 2018 in this segment. In 2018 the annual amounts of stakes and the gross gaming revenue thus returned to their level recorded in 2014 (respectively +1.5% and +0.4% over the period). The number of players, at the same time, increased by 21%.

The results for the first quarter of 2019, however, nuance the momentum observed in 2018. Although the activity is still progressing in sports betting and poker tournaments, horse racing betting and cash game are down slightly. The turnover of the operators on each segment evolves in a similar way.

In general, the approved market remains fragile despite a notable improvement since 2014. In addition to the tax reform, the attractiveness of the approved offer remains an essential factor of consolidation. Certainly the efforts of operators to propose new innovative offers in horse stakes and poker have borne fruit in 2017 and
the opening of European poker cash, effective between France and Spain since early 2018, should reinforce the improvement observed in poker. However, it is important to continue working with a view to diversifying the approved offer that combines the recreational and attractive nature of gambling.

**Licenced operators in 2018-2019**

In 2018, no approval was granted to the online gaming market in France by ARJEL's Board.

On the other hand, an online poker operator (Electraworks France Limited) requested revocation of its licence, in order to streamline the gaming activities of the group to which it belongs. ARJEL's Board granted this request, reducing the total number of licenced operators from 15 to 14, and the number of authorised operators of online poker from 7 to 6. However, the GVC Holdings group, which owns ELECTRAWORKS (France) LIMITED, maintains its presence in France via the online poker and sportsbook licences of BES SAS (Bwin.fr).

ARJEL's Board has, in addition, within the framework of the provisions of V of the article 21 of the law of 12 May 2010, confirmed the authorisations of horse racing betting and online sports betting of an operator for their duration remaining to run, following a change in the holding of its capital and the transfer of its parent company to an investment fund.

In addition, two operators have obtained the renewal of their online sports betting licence for a further five years (Winamax and Zeturf Limited).

In total the 14 companies approved by ARJEL hold 27 licences in total: 13 in sports betting, 8 in horse racing betting and 6 in poker.

After a stability observed in 2017, the number of licences fell slightly in 2018 and reached its lowest level (tied with 2016) since the opening of the market in 2010. The online poker market, in particular, has never been so concentrated (6 approvals).

![Evolution of the number of approvals by activity](chart.png)
The level of spending per player is decreasing in all segments of games

The gambler’s expense is the difference between the bets staked 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 number of active annual player accounts\(^{26}\) in each sector\(^{27}\).

After rising in 2017 (+5%), the average annual spending per player account fell in all segments of games in 2018. This decline, across all sectors, reached 10% over the year. Average spending now stands at € 308, its lowest level since 2011.

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<tbody>
<tr>
<td>Poker</td>
<td>1,680</td>
<td>1,710</td>
<td>1,280</td>
<td>1,187</td>
<td>996</td>
<td>912</td>
<td>1,049</td>
<td>1,106</td>
</tr>
<tr>
<td>GGR (in €)</td>
<td>106</td>
<td>173</td>
<td>203</td>
<td>256</td>
<td>204</td>
<td>235</td>
<td>256</td>
<td>234</td>
</tr>
<tr>
<td>Average annual expenditure of GGR</td>
<td>30 €</td>
<td>34 €</td>
<td>41 €</td>
<td>42 €</td>
<td>39 €</td>
<td>43 €</td>
<td>47 €</td>
<td>48 €</td>
</tr>
<tr>
<td>Sports betting</td>
<td>765</td>
<td>765</td>
<td>842</td>
<td>1,142</td>
<td>1,183</td>
<td>1,211</td>
<td>1,193</td>
<td>1,204</td>
</tr>
<tr>
<td>GGR (in €)</td>
<td>59</td>
<td>60</td>
<td>89</td>
<td>109</td>
<td>125</td>
<td>130</td>
<td>126</td>
<td>131</td>
</tr>
<tr>
<td>Average annual expenditure of GGR</td>
<td>19 €</td>
<td>21 €</td>
<td>27 €</td>
<td>32 €</td>
<td>36 €</td>
<td>38 €</td>
<td>38 €</td>
<td>39 €</td>
</tr>
<tr>
<td>Horse racing betting</td>
<td>562</td>
<td>509</td>
<td>496</td>
<td>488</td>
<td>475</td>
<td>484</td>
<td>520</td>
<td>588</td>
</tr>
<tr>
<td>GGR (in €)</td>
<td>404</td>
<td>531</td>
<td>523</td>
<td>536</td>
<td>543</td>
<td>547</td>
<td>593</td>
<td>618</td>
</tr>
<tr>
<td>Average annual expenditure of GGR</td>
<td>16 €</td>
<td>17 €</td>
<td>17 €</td>
<td>17 €</td>
<td>17 €</td>
<td>17 €</td>
<td>17 €</td>
<td>17 €</td>
</tr>
<tr>
<td>Total market</td>
<td>2,209</td>
<td>2,209</td>
<td>2,143</td>
<td>2,330</td>
<td>2,303</td>
<td>2,488</td>
<td>2,845</td>
<td>3,194</td>
</tr>
<tr>
<td>GGR (in €)</td>
<td>309</td>
<td>316</td>
<td>332</td>
<td>334</td>
<td>320</td>
<td>343</td>
<td>334</td>
<td>318</td>
</tr>
<tr>
<td>Average annual expenditure of GGR</td>
<td>14 €</td>
<td>14 €</td>
<td>14 €</td>
<td>14 €</td>
<td>14 €</td>
<td>14 €</td>
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</table>

The sports betting sector is the main contributor to this decline. The average spending per player account on this segment was down 10% from 2017. Most of this decline is attributable to the influx of new recreational players at the World Cup. The horse racing betting population, which has been getting younger over the years, also spent less money on average in 2018 (-7%). This indicator is also down over the year in the poker segment (-3%).

In 2018, for the first time, ARJEL estimated the number of active players\(^{28}\) in the online gaming market in France. Like CJA gambling agreements, the number of active players increases in the three game segments. It amounts to 2.7 million in 2018 and increases in the same proportion as the number of CJA (+40%) compared to 2017. The average number of accounts per player, all sectors combined remains stable (1.47) between 2017 and 2018.

It is in sports betting that the average number of player accounts is the highest (1.47). The multiple welcome offers of operators in particular incite the players to open several accounts.

Poker players hold on average only 1.3 player accounts. This is partly due to the importance of loyalty programmes that push players to focus the bulk of their business on a single account in this segment.

The average number of active accounts per player in horse racing betting is the lowest of the three activities. It rises to 1.15, a much lower level than for the other segments.

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\(^{26}\) A player account is considered active if at least one gambling or betting operation has been carried out over the relevant period.

\(^{27}\) This is therefore an average which covers disparities in behaviour.

\(^{28}\) A player may have an active player account with multiple operators. This approach is different from the analysis of active player accounts, many of which may be held by a single player. It thus allows a more detailed monitoring of the evolution of the expenses of the players. This is indeed a significant indicator in the evolution of excessive gambling.
Sports betting

The evolution of Payback Ratios (RTP)

The Decree 2010-605 of 12 May 2010 pursuant to Article 13 of the Law of May 12 2010 has capped at 85% the maximum proportion of payments made to players in relation to the stakes. This proportion is assessed globally for each year for each 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. Respecting it requires the operators’ constant attention as the rate of return to the players is linked to the odds offered, the bonuses granted, but also, for the most part, to the accuracy of the betters’ predictions.

The figures

The amount of stakes placed on online sports betting amounted to €3,904 million in 2018, an increase of 56% compared with 2017. As in previous years, operators were able to rely on a significant increase in the number of active player accounts (+61%) to drive growth in their business.

This has greatly benefited from the impact of the 2018 football World Cup: the stakes made on this competition reached 382 million euros, about 10% of the stakes recorded over the year. In addition, more than 800,000 player accounts were opened during the competition, representing approximately a quarter of the number of openings over the year.

The increase in the amount of stakes is also attributable to the increase in the payback ratios (with bonus) which has favoured the recycling of betting gains: it was 84.4% this year compared with 83.1% in 2017. In contrast to 2017, operators faced a succession of unfavourable results, especially during the World Cup. The games revenue from this competition reached 26 million euros, representing a pay-back ratio of 93%.

In total, the sector’s gross games revenue totalled 691 million euros, up 46%.
The average number of active player accounts per week increased by 57% in 2018, a pace similar to that of active players (+61%). This increase is one of the main drivers of growth in the online sports betting segment.

**Breakdown of stakes by sport**

Like other indicators, the distribution of stakes per sport is largely impacted by the Football World Cup. Football now represents 60% of sports betting (+3 points). Tennis (20%) and basketball (10%) are the other sports most popular with bettors. Their shares in the stakes, however, decline each by one point. Other sports on which the bettors place the most stakes are rugby, ice hockey, handball, and volleyball.
Activity of the first quarter of 2019

The growth of sports betting activity remained high in the first quarter of 2019. The stakes increased by 51% reaching 1.3 billion euros, nearly one third of the stakes last year. The gross gaming revenue grew at a slightly higher rate (+52%) and amounted to 222 million euros. The activity continues to attract many players, the average active player accounts per week of the quarter reaching 655,000, an increase of 42%.

Horse racing betting

The figures

For the second consecutive year, the number of stakes put on horse racing betting has risen in 2018. It reached 1,049 million euros, an increase of 5% compared with 2017.

The main driver of this increase is the increase in the number of active players (+12%). The latter were particularly encouraged to bet by the increase in the volume of bonuses distributed (+32%) and the slight increase in the payback ratio (+0.7 points), which reached 78.7% in 2018.

As a direct result of the increase in the payback ratio, the gross revenue of the operators’ games is growing at a slightly slower pace than the stakes (+ 4.6%). It amounts to 256 million euros and reaches its highest level since 2013.
While the total number of active player accounts increased by 12% over the year (588,000), the number of regular players grew at a much slower pace (3%). Thus, 138,000 player accounts were, on average, active every week in horse racing betting this year. The number of casual players has therefore increased, notably through the stimulation of cross-selling between horse racing betting and other gaming activities.

Activity of the first quarter of 2019

The horse racing betting market is growing in the first quarter of 2019 but at a pace that has slowed significantly compared with 2018. In fact, the stakes involved in the business only increase by 1%. At the same time, the gross gaming revenue for the activity grew at a slightly higher rate (+3%) and reached 67 million euros. The rise in activity users is continuing this quarter, with the average weekly number of active player accounts for the business rising from 148,000 in the first quarter of 2018 to 154,000 in the first quarter of 2019.
Poker

The figures

For the second consecutive year, the two poker activities (cash game and tournaments) were growing in 2018.

After 5 years of continuous decline between 2011 and 2016 and then a slight comeback in 2017 (+1%), cash stakes rose by 15% in 2018 (€ 4,154m). This amount thus reaches its highest level since 2014. At the same time, the growth in entry fees paid by poker players (+11%) accelerated compared to 2017 (+9%). They amounted to 2,267 million euros over the year.

The poker industry has benefited from the opening of international tables, which have significantly improved the attractiveness of licenced online poker sites in France. A sign of this attractiveness is the number of active single players having increased by 9% in 2018 compared with 2017. It amounts to 874,000 compared with 801,000 in 2017.

The net growth of online poker operators’ activity is also reflected in the overall turnover of this segment (+5%), which amounts to € 258 million. This amount is the highest recorded in the activity since 2013.

The average weekly number of online poker active player accounts increased by 4% compared with 2017, which is less than the growth in the total number of active player accounts over the year (+8%).
The year 2018 marks the opening of the first international poker tables

Following the signing of a multilateral convention in July 2017 and the issuance of the first specific authorisation in December 2017, the first tables shared between France, Spain and Portugal were launched in January 2018. At the end of 2018, all licenced operators in France offer international tables to their players. These are now the preferred option for players, rather than national tables, for participating in poker tables or tournaments.

The launch of international liquidity has improved the attractiveness of the French online poker market. Thanks to the pooling of players’ populations from the three countries, operators have the opportunity of offering a greater number of tables and tournaments and more attractive financial endowments for players.

The situation of the authorised online poker market in France, however, remains relatively fragile, especially in the face of the illegal offer. It is therefore important to enhance the attractiveness of European regulated markets. In this sense, French, Spanish and Portuguese regulators, in a statement published in January 2019, “reaffirm their willingness to cooperate with all the regulators of the European Union or the European Economic Area interested in signing this agreement.”

Activity of the first quarter of 2019

While the poker segment was experiencing significant growth in stakes, cash game and tournaments, and sales in 2018, activity was down in the first quarter of 2019. The stakes taken by the poker players on the cash game tables are down by 3% over the period. The 1% growth in entry fees paid by players to participate in tournaments is insufficient to prevent the decline in poker sales in the quarter. It reached 68 million euros and also fell by 1% compared to the first quarter of 2018. Despite declining results, the sector recorded a 2% increase in the average weekly number of active poker accounts, which stood at 273,000 in the first quarter of 2019.

On 6 July 2017 Spain, Italy, Portugal, and France signed a multilateral convention that defines the procedures for implementing and controlling the sharing of European online poker liquidity. This agreement notably provides for a reinforcement of exchanges of information and data between the signatory countries.

Decision no. 2017-026 of 14 December 2017 issuing to the company Reel Malta Limited the authorisation relative to the partition of the poker liquidities envisaged in section II of Law no. 2010-476 of 12 May 2010. After this first authorisation, the ARJEL’s board issued 5 other authorisations: one on 8 February 2018 to Winamax, two others on 15 March 2018 to companies Betclic Enterprises Limited and SPS Betting France and two others on 4 April 2018 to GIE PMU and BES SAS.
Levies and Returns

The compulsory levies are assessed according to the stakes. They evolve therefore in proportions similar to these. They amount to 582 million euros in 2018, an increase of 31% compared with 2017. Like wagers, the sports betting segment is the main contributor to the rise in levies.

Since the opening of the market in 2010, the cumulative total amount of tax levies has now risen to more than € 3 billion.

Table 3: Changes in amounts and variations in stakes, GGR and levies since the opening of the market

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sport stakes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakes</td>
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<td>1107</td>
<td>1440</td>
<td>2081</td>
<td>2510</td>
<td>3904</td>
</tr>
<tr>
<td>Δ n/n-1</td>
<td>19%</td>
<td>20%</td>
<td>31%</td>
<td>30%</td>
<td>55%</td>
<td>12%</td>
<td>27%</td>
<td>30%</td>
</tr>
<tr>
<td>GGR</td>
<td>115</td>
<td>138</td>
<td>154</td>
<td>127</td>
<td>170</td>
<td>245</td>
<td>472</td>
<td>691</td>
</tr>
<tr>
<td>Δ n/n-1</td>
<td>20%</td>
<td>19%</td>
<td>39%</td>
<td>19%</td>
<td>39%</td>
<td>20%</td>
<td>35%</td>
<td>46%</td>
</tr>
<tr>
<td>Compulsory levels</td>
<td>62</td>
<td>60</td>
<td>57</td>
<td>103</td>
<td>134</td>
<td>194</td>
<td>233</td>
<td>383</td>
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<tr>
<td>Δ n/n-1</td>
<td>2%</td>
<td>19%</td>
<td>31%</td>
<td>30%</td>
<td>52%</td>
<td>20%</td>
<td>30%</td>
<td>26%</td>
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<tr>
<td>End of year approvals</td>
<td>13</td>
<td>13</td>
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<td>13</td>
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<td>Poker</td>
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<td></td>
<td></td>
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<tr>
<td>Cash Game stakes</td>
<td>6534</td>
<td>6182</td>
<td>5055</td>
<td>4317</td>
<td>3729</td>
<td>3556</td>
<td>3601</td>
<td>1545</td>
</tr>
<tr>
<td>Δ n/n-1</td>
<td>5%</td>
<td>18%</td>
<td>15%</td>
<td>14%</td>
<td>5%</td>
<td>1%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>Entry fees</td>
<td>1159</td>
<td>1397</td>
<td>1480</td>
<td>1548</td>
<td>1772</td>
<td>1866</td>
<td>2041</td>
<td>2267</td>
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<tr>
<td>Δ n/n-1</td>
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<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>9%</td>
<td>5%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>GGR</td>
<td>297</td>
<td>258</td>
<td>241</td>
<td>232</td>
<td>230</td>
<td>245</td>
<td>258</td>
<td></td>
</tr>
<tr>
<td>Δ n/n-1</td>
<td>5%</td>
<td>13%</td>
<td>7%</td>
<td>4%</td>
<td>1%</td>
<td>7%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Compulsory levels</td>
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<td>95</td>
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<td>72</td>
<td>78</td>
<td>82</td>
<td></td>
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<tr>
<td>Δ n/n-1</td>
<td>4%</td>
<td>14%</td>
<td>9%</td>
<td>3%</td>
<td>1%</td>
<td>6%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>End of year approvals</td>
<td>13</td>
<td>16</td>
<td>13</td>
<td>12</td>
<td>10</td>
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<td>Horse racing stakes</td>
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</tr>
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<td>Stakes</td>
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<td>1124</td>
<td>1111</td>
<td>1034</td>
<td>1016</td>
<td>924</td>
<td>999</td>
<td>1049</td>
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<tr>
<td>Δ n/n-1</td>
<td>0%</td>
<td>1%</td>
<td>7%</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>GGR</td>
<td>133</td>
<td>163</td>
<td>154</td>
<td>157</td>
<td>154</td>
<td>134</td>
<td>245</td>
<td>256</td>
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<tr>
<td>Δ n/n-1</td>
<td>8%</td>
<td>1%</td>
<td>1%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Compulsory levels</td>
<td>149</td>
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<td>156</td>
<td>134</td>
<td>134</td>
<td>124</td>
<td>134</td>
<td>137</td>
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<tr>
<td>Δ n/n-1</td>
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<td>3%</td>
<td>12%</td>
<td>3%</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Stakes and entry fees</td>
<td>3419</td>
<td>3403</td>
<td>3474</td>
<td>3003</td>
<td>2957</td>
<td>7957</td>
<td>8427</td>
<td>1137</td>
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<tr>
<td>Δ n/n-1</td>
<td>1%</td>
<td>10%</td>
<td>6%</td>
<td>1%</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
<td>24%</td>
</tr>
<tr>
<td>GGR</td>
<td>572</td>
<td>589</td>
<td>586</td>
<td>725</td>
<td>756</td>
<td>913</td>
<td>562</td>
<td>1206</td>
</tr>
<tr>
<td>Δ n/n-1</td>
<td>2%</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
<td>3%</td>
<td>18%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Compulsory levels</td>
<td>307</td>
<td>328</td>
<td>311</td>
<td>315</td>
<td>342</td>
<td>390</td>
<td>443</td>
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</tr>
<tr>
<td>Δ n/n-1</td>
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<td>2%</td>
<td>1%</td>
<td>10%</td>
<td>13%</td>
<td>14%</td>
<td>31%</td>
<td></td>
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<tr>
<td>End of year approvals</td>
<td>48</td>
<td>43</td>
<td>30</td>
<td>31</td>
<td>29</td>
<td>27</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>End of year operations</td>
<td>15</td>
<td>12</td>
<td>18</td>
<td>17</td>
<td>16</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

Operators are also subject to the payment of fixed duties, the total amount of which since the opening of the market amounts to nearly € 5 million at the end of 2018.
In order to preserve the balance of the sectors concerned by opening online gambling to competition, part of the compulsory levies are redistributed to municipalities with a casino, the horse racing betting industry, and the CNDS (National Centre for Sports Development). The table below details this breakdown:

### Breakdown of levies for 2018

<table>
<thead>
<tr>
<th>Levies on online games and bets affected:</th>
<th>PH</th>
<th>PS</th>
<th>PO</th>
<th>Total 2017</th>
<th>Δ 2018/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>In municipalities with a casino</td>
<td>55.60</td>
<td>258.19</td>
<td>68.90</td>
<td>382.7</td>
<td>265.3</td>
</tr>
<tr>
<td>In municipalities with a racetrack</td>
<td>8.34</td>
<td>10.93</td>
<td>8.3</td>
<td>109</td>
<td>10.8</td>
</tr>
<tr>
<td>In the general budget</td>
<td>47.26</td>
<td>258.19</td>
<td>57.97</td>
<td>363.4</td>
<td>246.6</td>
</tr>
<tr>
<td>Levies for the benefit of Social Security affected:</td>
<td>18.88</td>
<td>70.27</td>
<td>12.84</td>
<td>102.0</td>
<td>70.8</td>
</tr>
<tr>
<td>Levies for the direct benefit of the direct industry</td>
<td>62.17</td>
<td>62.2</td>
<td>62.9</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>Levies for the benefit of the CNDS</td>
<td>34.60</td>
<td>34.6</td>
<td>44.6</td>
<td>-22.4%</td>
<td></td>
</tr>
<tr>
<td>Total levies</td>
<td>136.65</td>
<td>363.06</td>
<td>81.75</td>
<td>581.5</td>
<td>443.7</td>
</tr>
</tbody>
</table>

(*) Decree 2013-1320 of 27/12/2013
(**) Only 34.6 are actually donated to the CNDS, the remaining sum being paid back to the General Budget

**Current rate of levies**

**Online gambling and betting**
- Sport betting 5.7%
- Horse racing betting 5.3%
- Poker 1.8%

**Levies for the benefit of Social Security**
- Sport betting: 1.8%
- Horse racing betting: 1.8%
- Poker: 0.2%

**Levies for the benefit of racing companies**
- **Horse racing betting**: 6.7% from 2018 (**)

**Levies for the benefit of the CNDS**
- **Sport betting**: 1.8% from 2012

(*) Samples are capped per pot. In practice, the effective rate is thus less than 1.8% of the stakes

(**) Only for stakes entered in France on races organised by French racing companies
Operator profitability analysis in 2017\textsuperscript{31}

In 2017, the operating income of the online gambling sector opened to competition by the law of 12 May 2010 (sports betting, horse racing betting and poker) was 48 million euros, an increase of 62 million euros compared with 2016.

It is only the second time since the opening of the market, after 2014 (4 M €), that the online gaming sector has an operating profit. And this is the first time that the three sectors regulated by ARJEL simultaneously have a positive operating profit. The situation and the variations of the operating profit are nevertheless different according to the activities.

- **The sports betting activity** is the main contributor to the overall improvement in the operating profit of the online gambling sector. This segment recorded an operating profit of 34 million euros in 2017, an increase of 60 million euros compared to 2016. This is the first time the sports betting sector has had a positive REX since the opening of the market in 2010. While the situation is mixed among the operators, most of them nevertheless reached the operating balance in 2017. Since the opening of the market in June 2010, the cumulative operating loss on this business is now 214 million euros.

- **The online horse racing betting market** recorded operating profit for the fourth year in a row (€ 6 million). This profit increased by 4 million euros compared with 2016, thanks in particular to the increase in the NPC (+10%). Cumulative operating losses on this market since opening up to competition in 2010 now stand at 35 million.

- After a strong increase in 2016, the operating profit of the **online poker sector** fell by 2 million euros in 2017. It stood at 8 million euros, remaining positive for the second year in a row. The situation of the operators is however mixed since 6 out of 7 operators recorded operating losses in 2017. The cumulative operating deficit of this activity since the opening of the market is now approximately 188 million euros.

In total, operating losses recorded since 2010 in the online gambling market regulated by ARJEL amount to approximately € 437 million.

\textsuperscript{31} The certified accounts of the operators are available within a certain time frame meaning a delay of several months in the analysis of the profitability of the authorised operators.
The regulator and illegal supply
1 - The legislative tools of the fight against illegal supply

The opening to market competition in 2010 had the stated objective of creating a legal offer, limited to the most popular games and controlled by the State, while marginalising illegal operators that do not offer sufficient guarantees in terms of prevention of addiction and the fight against fraud and money laundering. With this in mind, the law of 12 May 2010 instructed ARJEL to fight against illegal operators of online games. Sworn agents of ARJEL are thus empowered to ascertain the existence of facts likely to characterise such an illegal offer as well as its advertising. ARJEL transmits these findings to the Public Prosecutor so that he/she can decide on the advisability of initiating public action against the publishers of the illicit content. On the basis of these findings, ARJEL carries out a two-phase action to stop the illegal supply and the withdrawal of illegal content:

- an **administrative phase** during which ARJEL conducts an administrative inquiry to characterise the infringements, and tries to convince the publishers of the illicit content followed by their hosts to render the illegal content inaccessible from France;

- a **judicial phase** at the end of which, according to an adversarial procedure, ARJEL obtains a judicial injunction, formulated for Internet access providers, to have to block access to the content.

This procedure for blocking access to illegal online gaming sites or illegal advertising, detailed in the table below, is provided for in paragraphs 1 to 3 of article 61 of the law of 12 May 2010.

<table>
<thead>
<tr>
<th><strong>Procedure with regard to internet service providers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Report on finding</strong> the illegal赌博 supply (from France, access to the gambling offer, financial sacrifice and gambling action) →<strong>For the operator of the illegal site:</strong></td>
</tr>
<tr>
<td>- Notification of the report</td>
</tr>
<tr>
<td>- <strong>Formal notice to stop proposing its activity on French territory, invitation to present observations within 8 days</strong></td>
</tr>
<tr>
<td><strong>At least 8 days later...</strong></td>
</tr>
<tr>
<td><strong>Report on finding</strong> the illegal gambling supply (from France, access to the gambling offer, financial sacrifice and gambling action) →<strong>For the operator of the illegal site:</strong></td>
</tr>
<tr>
<td>- Notification of the report</td>
</tr>
<tr>
<td>- <strong>Formal notice to stop proposing its activity on French territory, invitation to present observations within 8 days</strong></td>
</tr>
<tr>
<td><strong>At least 8 days later...</strong></td>
</tr>
<tr>
<td><strong>Referral to the President of the Tribunal de Grande Instance of Paris by the President of ARJEL for the order to stop access to the illegal gambling offer by internet service providers</strong></td>
</tr>
<tr>
<td>Procedure with regard to internet service providers</td>
</tr>
</tbody>
</table>
In 2016, the law of 12 May 2010 was completed to institute a simplified procedure for blocking bypass sites, which allows ARJEL to request the removal of illegal content from publishers who have already been the subject of a blocking injunction, but make this content accessible through new addresses. This procedure provided for in paragraph 4 of article 61 of the law of 12 May 2010 is described below.

<table>
<thead>
<tr>
<th>Report on finding the illegal gambling supply (from France, access to the gambling offer, financial sacrifice and gambling action)</th>
<th>For the operator of the illegal site:</th>
</tr>
</thead>
<tbody>
<tr>
<td>→</td>
<td>- Notification of the report</td>
</tr>
<tr>
<td>Referral to the President of the Tribunal de Grande Instance of Paris by the President of ARJEL for the order to stop access to the illegal gambling offer by internet service providers</td>
<td></td>
</tr>
</tbody>
</table>

Ex parte procedure

### 2 - Statistical assessment of the activity against the illegal offer (between 1 April 2018 and 31 March 2019)

Over the reference period, ARJEL's action led to making it inaccessible from French territory or to removing illegal content (illegal games or advertising for such games) from **205 sites**, compared with 136 the previous year.

This upward result confirms the effectiveness of the combination of three types of action carried out by ARJEL:

- a pedagogical action aimed at game operators based on a simple request from the Authority, by post, to prevent gambling from French territory;

- the observation of the facts and the formulation of formal notices of withdrawal of the contents intended for the publishers and, in case of inaction on their part, of the hosts of content;

- requests for judicial blocking before the President of the Tribunal de Grande Instance of Paris.
### Number of sites rendered inaccessible from French territory

<table>
<thead>
<tr>
<th>Unavailability of the offer on simple request (reminder of the law / RAL)</th>
<th>From 01/04/2016 to 31/03/2017</th>
<th>From 01/04/2017 to 31/03/2018</th>
<th>From 01/04/2018 to 18/02/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>31</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Compliance after finding the illegal offer and formal notice</td>
<td>20</td>
<td>33</td>
<td>60</td>
</tr>
<tr>
<td>Blocking by court order</td>
<td>35</td>
<td>72</td>
<td>92</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>64</strong></td>
<td><strong>136</strong></td>
<td><strong>205</strong></td>
</tr>
</tbody>
</table>

The number of blockages ordered by the judge has been constantly increasing over the past three years. As this action is the most used by the Authority (45% over the reference period), the fight against illegal content could soon reach its cruising speed. In fact, despite a favourable procedural timetable, blocking hearings only take place on a bimonthly basis, thus preventing a more significant increase in the number of content made inaccessible.

**Actions leading to inaccessibility of sites**

The pedagogical action also confirms its increasing efficiency since 53 sites, representing 26% of the actions carried out by the Authority, have thus been made inaccessible, compared with 31 in the previous period.
### Typology of content rendered inaccessible (a site may offer several types of game)

<table>
<thead>
<tr>
<th>Typology of content</th>
<th>Number of sites</th>
<th>Number of DNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailability of the offer on simple request (RAL)</td>
<td>46</td>
<td>116</td>
</tr>
<tr>
<td>Casino, lottery and scratch games</td>
<td>32</td>
<td>92</td>
</tr>
<tr>
<td>Sports betting</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Horse racing betting</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Advertising for the illegal offer</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Others (poker, betting on lottery results or other games...)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Compliance after finding the illegal offer and formal notice</td>
<td>60</td>
<td>168</td>
</tr>
<tr>
<td>Casino, lottery and scratch games</td>
<td>38</td>
<td>124</td>
</tr>
<tr>
<td>Sports betting</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Horse racing betting</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Advertising for the illegal offer</td>
<td>15</td>
<td>29</td>
</tr>
<tr>
<td>Others (poker, betting on lottery results or other games...)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Blocking by court order</td>
<td>92</td>
<td>248</td>
</tr>
<tr>
<td>Casino, lottery and scratch games</td>
<td>73</td>
<td>207</td>
</tr>
<tr>
<td>Sports betting</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Horse racing betting</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Advertising for the illegal offer</td>
<td>18</td>
<td>37</td>
</tr>
<tr>
<td>Others (poker, betting on lottery results or other games...)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

As is the case since 2010, the fight against the illegal offer mainly concerns sites offering online casino games, which cannot be offered by ARJEL approved operators. In this regard, we note that, with the exception of sports stakes, which remain nevertheless marginal, regulated activities (horse racing betting and poker) are little or not concerned by the illegal offer. The fight against the advertising of the illegal offer is also an important part of the department’s activity.
Initial blocking procedure | Simplified bypass procedure
---|---
Number of orders | 39 | 53
Percentage of order totals | 42% | 58%
Number of DNS blocked | 118 | 130

58% of sites blocked following a legal procedure have already been the subject of a first blocking order of the President of the Tribunal de Grande Instance of Paris. This proportion is stable compared to the previous year (56%) and confirms the usefulness of the lighter blocking procedure adopted in 2016.

**Ranking of the five illegal operators most active on the French market (having been subject to judicial blocking proceedings)**

<table>
<thead>
<tr>
<th>Operator</th>
<th>Country of establishment</th>
<th>Number of court orders</th>
<th>Percentage of order totals</th>
<th>Typology of offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator A</td>
<td>Curacao / Cyprus</td>
<td>28</td>
<td>30%</td>
<td>Casino / sports betting</td>
</tr>
<tr>
<td>Operator B</td>
<td>Unidentified</td>
<td>16</td>
<td>17%</td>
<td>Casino / Advertising</td>
</tr>
<tr>
<td>Operator C</td>
<td>Curacao / Cyprus</td>
<td>7</td>
<td>8%</td>
<td>Casino</td>
</tr>
<tr>
<td>Operator D</td>
<td>Cyprus</td>
<td>6</td>
<td>7%</td>
<td>Casino</td>
</tr>
<tr>
<td>Operator E</td>
<td>Curacao / Slovakia</td>
<td>5</td>
<td>5%</td>
<td>Casino / sports betting</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>62</td>
<td>67%</td>
<td></td>
</tr>
</tbody>
</table>

The corporate names have been made anonymous.

5 illegal operators account for 67% of the total blocking court orders (62 orders). These operators are making permanent efforts to remain on the market and bypass judicial blocking measures: they mainly offer online casino games, sometimes coupled with an online sports betting offer.

**Implantation of operators subject to a legal blocking procedure**

<table>
<thead>
<tr>
<th>Country of establishment</th>
<th>Number orders</th>
<th>Percentage of the number of orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURACAO / CYPRUS</td>
<td>41</td>
<td>45%</td>
</tr>
<tr>
<td>CURACAO</td>
<td>18</td>
<td>20%</td>
</tr>
<tr>
<td>CYPRUS</td>
<td>6</td>
<td>7%</td>
</tr>
<tr>
<td>CURACAO / SLOVAKIA</td>
<td>3</td>
<td>3%</td>
</tr>
</tbody>
</table>

The majority of the blocking orders handed down by the judge, 45%, concern operators established in Curacao and Cyprus: the operators often operate through two companies, registered in each of these two islands.

To sum up... Some other figures
Between 1 April 2018 and 31 March 2019, the fight against the illegal offer in ARJEL includes:
- 3 agents,
- 243 minutes drawn up,
- 525 letters of formal notice, notification and information sent to illegal operators, illegal content hosts, internet service providers, payment solution providers,
- 92 summons and motions before the President of the Tribunal de Grande Instance of Paris for blocking costs,
- 19 hearings of the President of the Tribunal de Grande Instance of Paris, including 6 initial hearings and 13 bypass hearings,
- about € 3,100 excluding legal fees and bailiff fees for an initial blocking procedure,
- about € 1,800 excluding the costs of a lawyer and bailiff for a circumvention bypass procedure.

3. ARJEL's action towards payment service providers

ARJEL continued its action against the various service providers of illegal gambling operators. Over the reference period, it notably confirmed its action for payment service providers and deepened its relations with two of them.

These exchanges led to the implementation of two types of measures:
- on the one hand, these service providers are now blocking the use of their means of payment on illegal French sites at the request of the ARJEL, to which is attached the report drawn up by the Department against the illegal offer;
- on the other hand, they are committed to taking more comprehensive measures to prevent illegal operators from offering their services to players. This may result in the insertion of contractual clauses obliging their co-contracting parties to offer their services only to authorised operators but also by the implementation of technical measures preventing a priori the use, on unauthorised betting and gaming sites, of their means of payment sold in France.

In an effort not to misunderstand their own money laundering obligations and to avoid criminal liability, payment service providers are particularly keen to collaborate with ARJEL in the fight against illegal supply.

These measures have proved effective insofar as they have the effect of interrupting the supply of services by the provider in question: players in the illegal gambling offer are therefore, for example, unable to supply their player account.

However, ARJEL’s action in this area must continue and intensify as illegal operators are quick to turn to new payment service providers. The blocking of payments made by means of VISA cards proves for the moment more delicate.

The practices of some important players in the remote payment services sector remain to be clarified. This work of elucidation remains delicate because of the lack of willingness of the latter to collaborate effectively with the Authority.
4. ARJEL's contacts with the players of the illegal offer

Rather than let users face an error message devoid of any explanation, the regulatory power has set up an information page redirecting players seeking to access an online gaming site that has been subject to a judicial blocking measure.

This educational page informs users of the reasons for the blocking, the applicable legal framework and gives them an e-mail address allowing them to contact the authority (see screenshot below).

Thus informed, the players of the illegal offer will not attempt to access the blocked site by another address, or will do so, if necessary, with full knowledge of the facts.

Through the e-mail address provided, the ARJEL is also brought to exchange with vulnerable people particularly exposed to gambling addiction. Some even ignore the illegal nature of the blocked offer and are unaware of the risks involved (piracy of personal data or hacking, lack of responsible gaming, lack of sincerity and integrity of the game, technical manipulations of results, etc.). Many players thus contact the Authority because of difficulties in obtaining payment of their winnings, ARJEL being however not competent to act in this respect.

This contact address finally allows ARJEL to obtain useful information for the exercise of its mission, since some users inform it of the existence of mirror sites or other offers of illegal games.

5 -The actions of ARJEL with regard to video game publishers

In the previous edition of its annual report, ARJEL highlighted the sometimes close links that online gambling has with video games. This relationship had taken a turn accused with the development of micro-transactions within these games, with the phenomenon of "loot boxes" reinforcing this impression of a perilous jamming of borders.

Quickly, the Authority was then careful to insist that the proposal of these loot boxes in a video game did not in itself, from the point of view of French law, constitute a gambling offer. Yet it is indeed so since the box opened by the player, who has become impoverished patrimonially to do so, contains an asset with an exchange value.
However, although the opening of such a box most often assumes this patrimonial impoverishment of the player, it is extremely rare, it seems, that the loot consists of an asset enriching their legal heritage, which prevents the application rules of the law of gambling including the main ones of them, namely the prohibition subject to strictly defined exceptions and submission to a derogatory tax).

This does not mean, however, that certain video games, played through an online public communication service, are not likely to change into the gambling sector. Hence the two actions carried out simultaneously by the Authority.

**The first was educational.** The Authority has thus disseminated its reading of positive law, and, consequently, recalled the constituent elements of the prohibited lottery offence to which article 2 of the amended law of 12 May 2010 refers to the definition of gambling games. Expressed as early as 2017, this position was reiterated by the President of ARJEL during the conference on micro-transactions held on 23 November 2018 in the Senate under the chairmanship of Senator Jérôme DURAIN and at the initiative of the Chair of Regulation of the Bordeaux University Foundation.

It was preceded on 17 September 2018 by a Joint Declaration signed by 17 European gambling regulators (including ARJEL) and a US regulator on their concerns about the porosity of these sectors. This construction has borne fruit since it has led major players in the video games sector to take the lead of the Authority to ensure compliance of their projects with the French gambling law. These exchanges have been greatly appreciated by these actors, who are, moreover, unfamiliar with the scattered and sometimes complex rules that ARJEL handles.

**The second led to a review of the practice of some game publishers.** The Authority has thus been asked to question several of them, even to summon them, so that they describe their games carefully and, if necessary, modify or remove some features, which they are not opposed to. For this reason, it has not instituted procedures to block online video game sites. Obviously, the controls continue to be exercised. The role played by virtual object sales platforms is also carefully considered, including the relationship they have with game publishers, from which they can indirectly benefit. Publishers have become aware of the legal danger for them of this proximity, which has led them to defend these platforms to organise sales in violation of their terms of use and their intellectual property rights.
The blocking of a website consists, for an internet service provider, of preventing access to certain sites identified by their domain name. The aim is generally twofold: firstly, to protect the Internet user in good faith from unwanted content, and secondly to hinder voluntary access to illegal content32.

Two blocking procedures are conceivable, one judicial, by decision of the judge, the other administrative, ordered directly by an administrative authority, under the ex-post control of the administrative judge.

In the field of online gambling and betting, article 61 of the amended law no. 2010-476 of 12 May 2010 set up a judicial blocking mechanism: illegal gambling and online betting sites are blocked by the decision of the president of the tribunal de grande instance of Paris, on the referral of the president of ARJEL.

The question of the introduction of an administrative blocking procedure was recently raised in the Report issued in September 2018 on the evolution of the regulation of the gambling sector in connection with the opening project of the French Games' capital to a private investor, its authors wondering about the legal obstacles that such a system would encounter in the French legal order.

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The adoption of this procedure has given rise to important debates, in particular during the examination of the law in the Senate and the National Assembly, finally prevailing because of the hypothetical legal risks associated with the administrative block. It was important not to entertain doubts about the constitutionality of what would become the law of 12 May 2010 before the start of the World Cup the following month.

The starting point of the reasoning of the supporters of the judicial block lies in the undermining of administrative blocking in Article 11 of the Declaration of the Rights of Man and of the Citizen of 1789, which enshrines freedom of expression. To understand this, it should be recalled that, on 10 June 2009, the Constitutional Council censored the provisions of the law promoting the dissemination and protection of creation on the internet granting HADOPI a sanctioning power allowing it to suspend access to the Internet of any person who has failed to fulfil the obligations laid down in this text. The scholars considered that the competence of an independent administrative authority to suspend Internet access was "not limited to a particular category of persons but extends to the entire population", so that "these powers [could] lead to restricting the exercise, by any person, of their right to express themselves and communicate freely, especially from their home". Therefore, the legislator could not, "whatever the guarantees governing the imposition of sanctions, entrust such powers to an administrative authority for the purpose of protecting the rights of the holders of copyright and neighbouring rights".

In this perspective, directly paralysing access to an illegal site would lead the administrative authority to restrict the freedom of expression, a restriction that only the judicial judge, as guardian of individual freedoms under Article 66 of the Constitution, can exert.

A different interpretation of this decision, reinforced by the recent evolutions of the jurisprudence, however, gradually imposed itself to finally find its achievement in the adoption of a procedure of administrative blocking for child pornography sites or those justifying terrorism. In this respect, the Constitutional Council has considered that the administrative blocking of child pornography sites ensures a non-disproportionate conciliation between the objective of the constitutional value of safeguarding public order and the freedom of communication, since this power is restricted to certain sites, is intended to protect the Internet users themselves and is likely to be challenged at any time by any interested person before a judge, if necessary in

32 See the section CE, 15 February 2016, No. 389140, Cons. 12.
33 Decision No. 2009-580 DC of 10 June 2009, point 16.
Proceedings. It is the much smaller scope of the blocking measures - aimed at blocking only illegal sites and not generally preventing internet access for certain citizens - which essentially explains this decision.

Under the legality of the decrees implementing the blocking of child pornography sites or those justifying terrorism, the Council of State registered in the same trend. It considered that Article 10 of the European Convention for the Protection of Human Rights, which protects the freedom of communication, does not require that the blockage be ordered by a judge. It is only important, in the light of this treaty, that the restrictions imposed on this freedom respect four three conditions: they must be provided for by law, pursue a legitimate aim and be necessary in a democratic society, which supposes that they are adapted and proportionate in view of the objective pursued.

***

The fight against the illegal offer is legitimate because of the serious attacks that such an offer has on the public and social orders. In this connection, it must be remembered that online gambling by an unauthorised operator is an offence punishable by 3 years’ imprisonment and a fine of € 90,000. Blocking access to this offer by an ISP is appropriate, even if it has imperfections. The measure is proportionate to the objective pursued, the risks of "over-blocking" being hypothetical. The ex-post review of the administrative judge, possibly referred to in summary proceedings, dispels the fear of arbitrariness, a fear that is greatly exaggerated in the case of a block decided by an independent administrative authority. It is remarkable in this respect that many European states (thus bound by the European Convention on Human Rights and the European Charter of Fundamental Rights) privilege the administrative blocking, without which this choice feeding the polemics that it never fails to arouse in France. It is thus, in particular, in Italy, Spain and Portugal.

Certain procedural constraints limiting the effectiveness of the judicial blocking could also lead to an administrative blocking: the need for a summons and a hearing mobilising the representatives of Internet service providers, ARJEL and members of the jurisdiction, the relative slowness of the procedural deadlines or the workload of the magistrates that is important not to overload. Lastly, this procedure is a significant source of expenditure for the Authority, which bears the costs of bailiffs attached to the service of each assignment or decision and the legal fees of each instance (total cost of an ordinary blocking procedure for an illegal site: 5 000 euros excluding tax - Total cost of a blocking procedure concerning a mirror site: 2 8000 euros excluding tax).

However, the judicial process presents undeniable merits. It can be adapted when necessary. Since the law of 7 October 2016 for a digital Republic, the president of ARJEL has an accelerated procedure to block access to "mirror sites", which he can speed up on request with the president of the district court of Paris (non-adversarial procedure). In addition, the Tribunal de Grande Instance of Paris has made available to the Authority fixed hearing dates - bimonthly for the initial blocking procedures and fortnightly for the simplified procedures of circumvention - which allow it to regularly obtain the blocking of a significant number of illegal sites. Finally, the blocking decisions taken at the end of this procedure are always invested with the authority and objectivity attached to any judicial decision. They participate in the regulatory mission that the judicial authority also conducts.

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34 Decision no. 2011-625 of 10 March 2011, point 8.
35 CE, Section, 15 February 2016, No. 389140.
36 A maximum of ten files are presented by ARJEL at each hearing.
The regulator and public health
Prevention of excessive or pathological gambling, a major challenge

The prevention of risky gambling behaviour is a strong axis of ARJEL's involvement, which initiates or participates in various projects aimed at raising awareness and educating in responsible gambling.

→ **EVALUJEU**
Put online in 2015, the site allows all players to evaluate in a few minutes their gambling practices and their level of risk in terms of addiction. Complemented with personalised advice based on the results of the evaluation, Evalujeu also addresses the players' entourage and lists all the existing aid and care organisations.

→ **Prevention campaign for the 2018 World Cup: “Betting must remain a game”**
To prevent the addiction of all sports bettors, and especially that of young bettors, ARJEL launched an awareness campaign on social networks at the time of the 2018 Football World Cup. By adopting an offbeat and humorous tone, in the form of short prevention messages and a mini-series of five episodes, this campaign aimed to promote responsible gaming and to deconstruct mistaken beliefs such as overestimation of expertise, recalling some simple tips for betting to remain a recreational activity and a pleasure, without abuse or excesses.

In total, the campaign reached 350,000 people. It generated 305,800 cumulative views on the 5 episodes, 51,232 views thanks to the staging post made by the partners.

→ **Evolution of prevention messages displayed on gambling sites**
Since 2016, ARJEL has been working with Public Health France to improve prevention messages provided by law, both in terms of content, formats and adaptations to mobile media.
Funded by Public Health France and conducted with about fifty players, the qualitative study of 2017 to evaluate the effectiveness of current messages and to test new themes, allowed for the highlighting of a number of avenues for reflection concerning the different elements that make up prevention messages to be developed, whether they are themes, speech elements favouring better receptivity of the players, or mobile posting methods.
A report with proposals for recommendations on the most effective actions to implement is currently being drafted.

→ **Prevention leaflet for the players’ entourage in collaboration with UNAF.**
ARJEL’s prevention actions include the development of information and awareness materials for the general public on the risks of problem gambling and the promotion of responsible gambling.

In partnership with the National Union of Family Associations (UNAF), a booklet for players and their entourage has been published recently.

Set out in 3 parts, there is information on

- The definition and effects of gambling addiction,
- Advice to the player for a responsible game,
- Advice to the entourage of the player,
- Useful addresses (organisations of assistance to players, medical structures...).
Scientific studies

ARJEL continues to be involved in scientific research through maintaining its work on three projects:

- **E-MAJE (Study on Models Analysing Excessive Gambling):** development of a statistical model for analysing excessive gambling, in which more than 9,000 players participated, in partnership with the Observatoire Des Jeux;

- **EDEIN (Study on Screening Excessive Gambling Behaviour on the Internet):** study of University Hospital of Nantes with the objective of using gambling data to assess gamblers' risk levels, by validating this evaluation clinically;

- **TRAIN Online:** study of the Paul Brousse Hospital, jointly funded by the Observatoire Des Jeux and the ARJEL, which assesses the effectiveness of an online therapy programme for excessive gamblers.

Assisting operators

Article 27 of Law 2010-476 of 12 May 2010 provides that "the online gaming or betting operator holding the licence pursuant to Article 21 gives an account of the measures it has taken and the resources it has devoted to promoting responsible gambling and to combatting excessive or pathological gambling".

As with every year, in the first half of 2018 the operators all transmitted to the authority a report outlining the measures taken during the year 2017.

On the basis of these regulatory elements and based on the ensuing exchanges with all operators, ARJEL issues individualised recommendations to improve their responsible gambling policy.

The focus has been on devices for detecting and supporting gamblers at-risk, as well as prevention messages on social networks - where operators are becoming more and more active.

Making a living from gambling: from false belief to fake news

Based on an analysis of the online market data available to it, ARJEL is able to state that in 2018, all activities combined, 85% of the players were losers and that in sports betting, only 1.5 out of 10,000 players earned more than € 12,000 (€ 1,000 per month).

Not only do these figures confirm that gambling must remain a hobby, a recreational activity for which the player is aware that the gain is exceptional but that it is wrong to say or to suggest that it is easy to win a regular and sufficient income from sports stakes to be able to live off it.

However, for several months, this message has been conveyed through sites that, in order to sell their advice and their predictions in sports betting, ("tipsters") suggest to an often very young public that this prospect is assured, including through paid subscriptions that will give them, without the need to gain expertise, the winning results for sure.

Very active on social networks, these sites "use" in support of their assertions, the staging post of known personalities who put forward a luxury lifestyle, fruit supposed of their winnings in the games that also pay them thanks to tipsters predictions. The Regulatory Authority of online games cannot let this type of information go without intervening, it is based on mistaken belief and misinformation. ARJEL has issued warning messages to players in the media and on social networks. It has taken all the necessary steps to put an
end to these practices when they derogate from the principles of consumer protection, the protection of public order and the health of players.

Two questions for Amandine LUQUIENS

1- What are the mechanisms of gambling addiction? Are they similar or different from "substance" addictions?

Gaming addiction was recognised in 2013 under the same heading as substance addictions. It was felt that the processes involved in setting up excessive gambling behaviour and in maintaining it despite negative consequences were the same as those involved in a substance addiction. In both cases, it is a "rewarding" behaviour, that is to say, triggering a nice, pleasant or "comforting" response, which will be memorised by the person and lead them to repeat the same thing, until unpleasant signals are triggered if the behaviour is no longer available, such as irritability and anxiety.

These unpleasant signals can then cause the individual to repeat the behaviour at any cost to be relieved of them. Repeated exposure to the behaviour will also cause habituation, also called conditioning, which will make it systematic and automatic in certain situations. At the same time, the cognitive "stop" will falter, preventing the person from protecting themselves and stopping behaviour that has become automated.

This is called loss of control, the symptom at the heart of addiction. These processes are set up not only by regularly exposing oneself to addictive behaviour, whether it is a substance or a gambling game, and the increase in the presence of fragilities such as difficulties in regulating emotions, a tendency to be impulsive and early exposure while the brain was not yet mature to protect itself. The difference in gambling addiction is that the individual does not really get intoxicated, and that the negative consequences are really directly those of the addiction, without adding the toxicity of a substance to the organs.

This does not make it a less serious or less severe addiction, since unfortunately the quality of life of the people concerned is extremely impacted, sometimes going as far as suicide.

2- What are the challenges for effective prevention?

Challenges arise partly from these mechanisms. It is essential to protect minors from all forms of gambling and not trivialise the game and its environment. The tragedy of gambling addicts is that they are caught between the trivialisation of gambling practices and the stigmatisation of problem gambling, that is, the fact that the general population tends to consider them as responsible for what happens to them. Prevention consists essentially in the injunction to the player to behave responsibly; the expression 'responsible game' is not trivial. Yet the games to which they are exposed have addictive characteristics of their own, as well as addictive substances, which could be better explained, in order to change these representations and that people are knowingly exposing themselves to.

Stigma also limits the use of care. There is therefore a real challenge to facilitating the use of care by systematising the identification and by offering alternatives to face-to-face care, that are less restrictive, by going to problem gamblers.

37 Amandine Luquiens, psychiatrist, addictologist, hospital practitioner at the Paul Brousse hospital in Villejuif, has conducted several studies on gambling addiction, some of them in collaboration with ARJEL: she participated in the scientific committee which chaired the work on the design of the device E-MAJE and currently directs the study Train Online. (see below)
Join Train on line

The Epidemiology and Population Health Research Centre at the APHP is currently conducting a study called Train on line which aims to help players who wish to regain control of their playing practice. Remote assistance, without their having to move, is offered to volunteer players via online cognitive training exercises, and weekly telephone contacts with a neuropsychologist. We seek to strengthen the cognitive "stop", to regain control of their behaviour. Contact us by email at train.online@aphp.fr and you will have access for 6 weeks to two training programmes that can be compared in order to rule on their effectiveness, on the game behaviour itself and also on life quality.
The regulator and public order
The fight against the manipulation of sports competitions

IN SHORT...

ARJEL continues to be involved in the national platform for combatting the manipulation of sports competitions, which is continuing its development. 135 alerts were processed by the French platform in 2018. These led to the opening, either in France or abroad, of 39 judicial investigations.

Recognition in the law of the platform has been announced for 2019. This will improve the effectiveness of the system and should facilitate the communication of information or documents useful in the fight against the manipulation of sports competitions, while guaranteeing the protection of the secrecy of the investigation and the criminal investigation, but also making it possible to enter into agreements with partner platforms to share information.

But the fight against manipulation is above all international. ARJEL represents the French platform within the Copenhagen Group, the international network of national platforms, which now includes nearly 30 countries. The 8th meeting of the Copenhagen Group will be held in Rennes from 17 to 19 June 2019, in the presence of Roxana Maracineanu, Minister of Sports, who chairs the platform.

ARJEL president’s international fight to ban stakes on the most easily manipulated competitions has had a significant impact as, in the final report of 19 December, the independent tennis panel asked the ITF to stop marketing data on the less well-endowed tournaments. Recently, the succession of several arrests of second level tennis players, reminds us of the urgency to apply this limitation of authorised stakes on the most important competitions.

An ever more active national platform

Created in January 2016, the French Platform for Combating the Manipulation of Sports Competitions brings together, under the chairmanship of the Minister of Sport, the French Anti-Corruption Agency, the Online Games Regulatory Authority, the National Olympic Committee and French Sports Federation, the Directorate of the Budget, the Sports Directorate, a representative of the National Federation of Sportsmen’s Associations and Syndicates, FDJ under its monopoly in the physical network, the National Financial Procuratorate, the Central Racing and Games Service and TRACFIN. It also works closely with the integrity delegates of the sports federations.

The National Platform has met five times in 2017 and three times since the beginning of 2019. 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.

The platform’s ARJEL coordinator collects and analyses elements of possible sporting manipulations and defines the monitoring levels and alert levels as follows:
The national platform against the manipulation of competitions processed 135 alerts in 2018, compared with 92 in 2017. As a reminder, the French platform deals only with alerts for competitions open to betting in France or competitions taking place on the national territory. The table below shows the number of alerts processed by the platform since 2016.

<table>
<thead>
<tr>
<th>Surveillance</th>
<th>Alert</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>Normal</td>
</tr>
<tr>
<td>Reinforced</td>
<td>Unexplainable anomaly</td>
</tr>
<tr>
<td>Maximum</td>
<td>Suspicion of manipulation</td>
</tr>
<tr>
<td></td>
<td>Manipulation or proven attempt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow</td>
<td>27</td>
<td>41</td>
<td>96</td>
<td>164</td>
</tr>
<tr>
<td>Orange</td>
<td>3</td>
<td>33</td>
<td>27</td>
<td>63</td>
</tr>
<tr>
<td>Red</td>
<td>1</td>
<td>18</td>
<td>12</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>92</td>
<td>135</td>
<td>258</td>
</tr>
</tbody>
</table>

First lesson, a greater number of alerts were recorded last year (+46%), but they are less serious (+134% yellow notices, -18% orange notices, -33% red).

Second lesson, if we compare these 135 alerts processed by the French platform with the 680 alerts recorded in 2018 internationally in the Journal of the Group of Copenhagen, this proves that the limitation of stakes allowed in France allows ARJEL to protect French gamblers from at least 81% of alerts registered worldwide.
Focus on the response of the Ministry of Sport to Written Question No. 04084 by Senator Michel Savin, published in the OJ Senate of 18/10/2018 - page 5360

"For several years, France has been at the forefront of the fight against the manipulation of sports competitions. In July 2012, it participated in the drafting of the international convention of the Council of Europe on the fight against the manipulation of sports competitions. Without waiting for the ratification of this Convention by the European Union, France was among the first countries to acquire, as of January 2016, a national platform as provided for in Article 13 of this convention. France also took part, at the initiative of the Council of Europe, in the creation, in July 2016, of an international network of national platforms: the Copenhagen Group. This group, which originally had seven national platforms, had 22 in April 2018.

Placed under the responsibility of the Minister of Sports, the French platform brings together the Ministry of Sport, the regulatory authority for online games (ARJEL), the French National Olympic and Sports Committee (CNOSF), the Central Racing and Games Department (SCCJ), the National Financial Office (PNF), the French Anti-Corruption Agency (AFA), the Française des Jeux (FDJ), as well as intelligence processing and action against clandestine financial circuits (TRACFIN).

Several of these actors are bound by professional secrecy by article 26 of the law no. 83-634 of 13 July 1983 but also, for the agents of ARJEL, by IV of article 36 of the law no. 2010-476 of 12 May 2010. The result of these texts is that several members of this platform are prohibited, under penalty of criminal sanctions (one year imprisonment and 100,000 euros fine), from communicating any information whatsoever to other members of the platform, whether or not it relates to personal data.

That is why, at the last plenary meeting of the National Platform, on 4 June 2018, the Minister of Sports, announced that she wanted to recognise on a legislative level the existence of the national platform for combatting the manipulation of competitions, to provide information or documents useful in the fight against the manipulation of sports competitions, while guaranteeing the protection of the secrecy of the investigation, but also to conclude agreements with partner platforms aimed at the sharing of information that might be useful in the fight against the manipulation of sports competitions".

A necessity for the future: limiting betting support competitions

Since its creation, ARJEL prohibits betting on minor competitions. Since there is a market for manipulation, it must be ensured that the cost to the briber is greater than the gain they can draw. It is on this reasoning that the limitation of stakes on competitions with stronger sports and financial stakes is based.

The Independent Report on Integrity in Tennis, released on 19 December 2018, welcomed the wisdom of this approach:

"260. The Panel's investigation suggests that some types of matches are more vulnerable to betting corruption than others. For example, the regulator in France has already imposed restrictions on betting markets for certain types of matches and stakes including, for example, qualifying matches and first-round doubles matches. The Tennis Integrity Unit should have the power to impose, and should consider imposing, additional limitations on the types of matches for which official data may be sold"38.

A change of strategy to target the manipulators rather than the athletes

Paradox of the fight against the manipulation of sports competitions, the athletes, who are the first victims of the manipulators, are also the main "implicated" in handling cases. Dozens of athletes have been fined, banned

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for life from their discipline or even incarcerated following cases of manipulation, while sponsors, difficult to identify, mostly escaped any prosecution.

In order to identify and pursue the clients, the platform members decided to reorient their strategy in order to prioritise criminal networks:

1- **By putting the effort on the identification of the manipulators**

Represented in the National Platform, the union of rugby players PROVALE tests since June 2018 the application of "Red Button" signalling for athletes with the French Platform in the framework of the project Erasmus + PROtect Integrity, backed by the European Union of EUAthletes. This participation was reinforced by the launch, at the initiative of the FDJ, of a working group on whistle-blowers, whose objective is to set up in January 2020 a multisport warning platform.

2- **Raising awareness of young athletes**

At the same time, the members of the platform decided to launch, in November 2018, a major awareness-raising plan for young athletes trained at the National Institute of Sport, Expertise and Performance (INSEP), but also, in the regions, in the Centres of Resources, Expertise and Sports Performance (CREPS) throughout France. ARJEL has already participated in three of these training sessions.

3- **By developing cooperation and coordination with the central shopping and games service, Europol and Interpol**

The contacts were reinforced this year with the participation of the ARJEL coordinator of the national platform at the 10th meeting of the Interpol expert group against the manipulation of sports competitions during which more than eighty participants and forty countries were mobilised. Then, at the organisation of a working meeting at the ARJEL, on 17 April with Interpol, FIFA, FDJ, the SCCJ and the National Financial Office, to prepare for the surveillance of the Women’s Football World Cup France 2019. Finally, with Europol and the Belgian, Dutch and Slovenian national platforms, to prepare for the monitoring of the European Volleyball Championships which will take place from 12 to 28 September 2019.
A rise in power of the Copenhagen Group

In July 2016, at the initiative of the Council of Europe, ARJEL participated, on behalf of the French platform, in the creation of the Copenhagen Group, the network of national platforms for combating the manipulation of sports competitions set Article 13 of the Macolin Convention. With 7 countries at its origin (Belgium, Denmark, Spain, Finland, France, the Netherlands, the United Kingdom), the group is today made up of some 30 countries, including several outside the European continent (Australia, Canada, Nepal).

The Copenhagen Group met in Lisbon (Portugal) on 17 and 18 April 2018: 22 countries attended the 6th meeting of the Copenhagen Group.

For the smooth running of the Football World Cup in Russia, from Thursday 14 June to Sunday 15 July 2018, all members of the Copenhagen Group have mobilised in consultation with FIFA. The objective was to ensure optimal monitoring of all matches in the competition. The French Platform was responsible in particular for monitoring Group A matches.

On 24 and 25 September 2018, at the headquarters of the Council of Europe, in Strasbourg (France), a major international conference on the Macolin Convention was held, in which ARJEL, along with the other members of the French platform, participated.

The 7th meeting of the Copenhagen Group took place in Oslo, Norway, on 19-20 February 2019, 25 countries met for the 7th meeting of the Copenhagen Group with the arrival of Canada, Nepal and Slovenia in the group. This was an opportunity to present the work of the Working Group on the Copenhagen Group Logbook, led by ARJEL, on behalf of the French platform.
It should be noted that ARJEL participates and contributes financially, together with the other members of the National Platform, to the KCOOS + Council of Europe project which aims to enable the creation of new national platforms in the world and thus strengthen the Copenhagen Group.

**Strong political support from the Minister of Sports**

Minister of Sports Roxana Maracineanu visited the premises of ARJEL on 18 January 2019. She took part in the meeting of the analysis and coordination group of ARJEL to analyse the risks on the 16th finals of the Coupe de France and participate in the monitoring of the Australian Open. During her visit, she was able to discuss with the coordinator of the Australian platform against the manipulation of sports competitions. At the plenary meeting of the national platform, on 18 April, she announced that France had decided to organise the 8th meeting of the Copenhagen Group, in Rennes, from 17 to 19 June.
The fight against money laundering (AML / CFT)

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.

As a member of the Anti-Money Laundering Guidance Council (COLB), it participates in the work of this body, which involves both the relevant State departments and all the supervisory authorities.

As part of its activity of controlling the anti-money laundering obligations of licenced online gambling operators, ARJEL has continued its information or training activities, multi or bilateral, aimed at reminding taxpayers of their obligations under AML / CFT and the expectations of the authority in this regard. Notably, in December 2018, licenced gaming and online gambling operators were the subject of a new awareness campaign on several topical issues, the most important of which was the impact of the transposition of the 4th European directive.

At the same time, two audits were conducted in 2018 and two were in progress on 31 March 2019: each audit was the subject of a follow-up letter asking operators to introduce new procedures or improve existing ones.

The authority has also rolled out its 2018 control plan around the implementation of the decree of 26 September 2017 allowing the ARJEL to use the data available to it to search for and identify any fact committed by a gambler or punter, which may constitute fraud, money laundering or terrorist financing. The checks carried out made it possible to detect players and to check compliance by authorised operators with their due diligence and reporting obligations.

In addition, at the end of 2018, work on updating the anti-money laundering guidelines was launched. These should make it possible to issue new common guidelines with the Tracfin service in the first half of 2019.

As a member of the COLB, ARJEL continued to participate in the transposition of the 4th anti-money laundering directive which resulted in the publication of a decree on 15 April 2018 incorporating in the Monetary and Financial Code the regulatory amendments required.

In extension, the Authority is still greatly involved in the final drafting of the national risk analysis provided for by the aforementioned Directive. This analysis is based on the analyses of the various players and in particular ARJEL and Tracfin for the online gambling and betting sector.

Finally, ARJEL is participating in the preparatory work for the FATF assessment of France's AML system, which is being conducted in four phases from the end of 2019 to February 2021.

In the previous evaluation concluded in 2011, the evaluators had indicated that the online gaming sector was recently open to competition and subject to the AML obligations, and would be subject to careful review in the following assessment.
The regulator and international relations
The year 2018 saw the end of the mandate of the Expert Group on Gambling Services, established in December 2012 as a continuation of the adoption of the European Commission's Action Plan, the Communication “Towards a comprehensive European framework for online gambling”.

The 22nd and last meeting of the Group was held in December 2018. During this session, the conclusions of the Member States’ assessment of the implementation of the 2012 Communication and a study commissioned by the Commission on the assessment of regulatory tools in application of national frameworks for regulating online games and channelling demand towards controlled offers remains. The administrative co-operation tool between the regulatory authorities for online gaming of the Member States, which constitutes the Co-operation Agreement concluded in 2015 under the auspices of the European Commission, remains. The latter invites States to keep it regularly informed of national developments in the regulation of online games and assures them of its continued support for their cooperation, in particular by maintaining the on-line library that it provides to them.

In this context, between April 2018 and March 2019, ARJEL has notably invested in the European standardisation process for reporting in support of the monitoring of online gambling services by the regulatory authorities and the animation of the European Association of Gambling Regulators, which it has chaired since August 2018, while sustaining its international action of cooperation and representation.

1. The European Standardisation Process for Reporting by Online Gambling Operators

As a reminder, on 4 April 2018, the European Commission adopted the implementing decision on a standardisation request sent to the European Committee for Standardisation (CEN) concerning the development of a European standard for support for the monitoring of online gambling services by the regulatory authorities of the Member States.

On 26 April 2018, the CEN formally accepted this standardisation request.

In order to develop the voluntary standard requested by the Commission, the CEN and the national standardisation bodies of the participating jurisdictions (see map below) set up the appropriate structures as of 2017.

ARJEL chairs the CEN Technical Committee 456, dedicated to the development of this standard. With the support of the French Agency for Standardisation (AFNOR), in charge of the secretariat of the Technical Committee 456, two plenary meetings were held in June 2018 in Brussels and November 2018 in Paris.

Participants in the Technical Committee 456 include representatives of national standardisation bodies, national gambling regulators, online gambling operators, technical solution providers of these operators, gaming operators' associations and associations for the purpose of standardisation in the gambling sector.

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41 Cooperation Arrangement between the gambling regulatory authorities of the EEA Member States concerning online gambling services - [https://ec.europa.eu/growth/content/enhancing-cross-country-cooperation-tackle-challenges-online-gambling-0_en](https://ec.europa.eu/growth/content/enhancing-cross-country-cooperation-tackle-challenges-online-gambling-0_en).
45 Germany, Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Spain, Finland, France, Italy, Lithuania, Malta, Netherlands, Poland, Portugal, Sweden, Switzerland, Slovenia, Czech Republic, United Kingdom.
46 CEN / TC 456 “Reporting in support of online gambling supervision”
The work programme adopted by the Committee is in line with the standardisation request. It aims to develop a European standard specifying the key reporting data while ensuring the integrity and security of this data as well as compliance with the protection of personal data. As a voluntary tool at the disposal of the regulatory authorities of the Member States, without prejudice to their field of competence, this standard will not impose on the regulators to introduce new declarative obligations within their model or to accept or refuse the issuing of authorisations to online gambling operators or their suppliers.

Two major preparatory works were elaborated by ARJEL within this framework and delivered to the Technical Committee for the drafting of the standard:

- an overview of existing reporting practices based on variables provided by regulatory authorities. This evolving document is intended to be enriched by national publications transmitted over time by the regulatory authorities of Member States;
- a summary of the data flows circulating between the operators and the gambling regulators in accordance with the national regulatory frameworks of the participating jurisdictions.

At its plenary meeting in November 2018, Technical Committee 456 decided to set up a working group to carry out the technical drafting of the standard47. This group, which has already met twice since the beginning of 2019, brings together about 40 experts nominated by the participating Member States. ARJEL also participates actively in the work of this group, conducted in consultation with the Technical Committee 456 on which it depends, which should meet again three times before the draft standard is submitted to the formal observations of the States as from the month of December 2019.

The provision by CEN of the standard currently being drafted will take place no later than April 2021.

47 CEN/TC 456/Working Group 1 ”Online gambling reporting”
2. The European Forum of Money Regulators - Gaming Regulators' European Forum

The European Gaming Regulators' Forum (GREF) has 34 member regulatory authorities from 31 European jurisdictions.48

The purpose of GREF is to provide a forum where European regulators can meet, exchange views and information and discuss gambling policies. On certain occasions, subject to the agreement of its members, the GREF may also be called upon to represent the different positions of the European regulators and to constitute a central point of contact for the requests addressed to them by the authorities or organisations in Europe and beyond.

The GREF offers its members two annual events, a lecture in February and an annual conference in May, as well as participation in three working groups throughout the year: information and statistics, online games and responsible gaming.

ARJEL actively participates in these three groups and co-chairs the "online games" working group since 2015. It hosted four meetings of this working group in Paris between April 2018 and April 2019.

ARJEL, which has been a member of the GREF’s Board of Directors since 2017, was appointed Vice-President in 2018. Following the resignation of the President during the term of office, ARJEL has been assuming the presidency of the structure since August 2018. The GREF Board of Directors met on five occasions between April 2018 and March 2019.

At the GREF Annual Conference 2018, ARJEL took the initiative to propose to GREF members to join their voices in a Declaration of the Regulators of Gambling on their common concerns about the porosity of the borders between gambling and other forms of electronic entertainment such as video games (skin betting, loot boxes, social casinos games, borrowing of contents referring to the world of gambling in video games which children have access to).

The Declaration, published on 17 September 2018, today brings together 18 signatories, 17 Europeans and 1 American.

Through this Declaration, which recognises the diversity of their national regulatory frameworks, signatory regulators have committed to working together to thoroughly analyse the characteristics of video games and social games.

The GREF Online Games Working Group, co-chaired by ARJEL, took charge of the implementation of the Declaration. During the various meetings held since September 2018 to carry out this analysis, the regulatory authorities participating in this working group met with representatives of the video game community and consumer protection associations. The summary of the group’s work will be delivered at the GREF Annual Conference 201952.

This joint action was designed to enable each of the signatories of the Declaration to enter into an informed and constructive dialogue with the responsible video and social game publishers to ensure the justified and efficient implementation of its national laws and regulations. This action will also raise parents ‘and consumers’ awareness of the evolution between play as entertainment and fun and gambling offerings. As such, the signatory regulatory authorities work closely with the consumer protection authorities.

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48 Åland Islands, Alderney, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Gibraltar, Greece, Hungary, Ireland, Isle of Man, Jersey, Latvia, Liechtenstein, Lithuania, Malta, Montenegro, Norway, Netherlands, Poland, Portugal, Czech Republic, Sweden, Switzerland, United Kingdom.

49 In The Hague, Prague, Cyprus, Belfast and London.

50 http://www.arjel.fr/IMG/pdf/20180917CPEN.pdf

51 Regulatory authorities of Austria, Denmark, Spain, Finland, France, Gibraltar, Isle of Man, Ireland, Jersey, Latvia, Malta, Netherlands, Norway, Poland, Portugal, Czech Republic, United Kingdom and Washington State (United States of America).

3. International cooperation and representation action

Between April 2018 and March 2019, ARJEL responded to 26 written requests for cooperation, including 16 in the framework of the Arrangement for Cooperation between the Regulatory Authorities for Online Gambling of the European Economic Area.

The ARJEL received in a bilateral interview its Irish counterparts in April 2018 and Cypriot in January 2019. ARJEL met with its Spanish and Portuguese counterparts in Madrid in December 2018 for an exchange of views on the implementation of the Online Poker Cash Sharing Agreement signed on 6 July 2017.

ARJEL participated in the meeting of the Regulators Group organised by its British counterpart in Birmingham in April 2018, during which discussions focused on the detection of problem gambling, the European standardisation process, loot boxes, skin betting and the manipulation of sports competitions.

In October 2018 ARJEL hosted a meeting of the same Group in Paris during which the regulators discussed the topics of interaction with consumers, the identification of players and the prevention of manipulation of sports competitions linked with betting and decided to deepen the issue of the provision of payment services to illegal gambling operators.

Lastly, the ARJEL spoke at five international conferences in Barcelona in June 2018, in Amsterdam in July 2018, in Copenhagen in September 2018, in Brussels in December 2018 and in London in February 2019.

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53 Aforementioned article: Cooperation Arrangement between the gambling regulatory authorities of the EEA Member States concerning online gambling services - [https://ec.europa.eu/growth/content/enhancing-cross-country-cooperation-tackle-challenges-online-gambling-0_en](https://ec.europa.eu/growth/content/enhancing-cross-country-cooperation-tackle-challenges-online-gambling-0_en)

54 Informal group of multilateral cooperation bringing together French, Spanish, Italian, Portuguese, British, German and Austrian regulatory authorities.


57 World Gaming Executive Summit 2018

58 Gioconeews Roundtable at iGB LIVE! 2018

59 IAGR (International Association of Gaming Regulators) 2018 Copenhagen Conference

60 European Gaming and Betting Association - Responsible Gaming Day 2018

61 ICE Vox 2019
SUPPLEMENTS
Prepare the establishment of the future supervisory authority for gambling

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 optimisation 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 AAlS or APIs or with those of a ministry".

The present supplement to ARJEL's annual report indicates the very likely establishment of a new authority responsible for the regulation of gambling on a wider scope than ARJEL. It describes the actions implemented by ARJEL to prepare the establishment of this future authority which will nonetheless have additional resources to exercise its controls.

The creation of a future regulator and supervisor of gambling is confirmed.

Reports on the regulation of gaming under the previous legislature62 had proposed unifying the regulation of gambling. This proposal was renewed in a follow-up report by the same committee of the National Assembly63. The prospect of the privatisation of the French Games triggered the implementation of these recommendations. In September 2018, a joint IGF-Conseil d’Etat report64 called for “the creation of an independent administrative authority for the regulation and supervision of gambling with a general competence over online games and games under exclusive rights of the FDJ and PMU, and limited competence in the fight against addiction and against money laundering for casinos and gaming clubs". This recommendation is included in an article of the PACTE law which provides for the establishment by order of this independent administrative authority. In January 2019 an interdepartmental working group, in which ARJEL also participated, began drafting this ordinance, which could be promulgated at the beginning of the summer.

The competences of the future Authority could be slightly different from those recommended by the IGF-Conseil d’Etat report, but they will include the regulation of the exclusive rights games of the PMU and FDJ and, most likely, the appreciation of the policy for the fight against addiction in land-based casinos.

ARJEL prepares the establishment of the future authority by reviewing its control methods and by increasing the pooling with the economic and financial ministries

The current Authority is preparing for this enlargement by strengthening the means of action of the future Authority and revising its current methods of control. Participation in the drafting of the ordinance allowed it to propose more effective measures in the fight against addiction or simplifications facilitating the work of the investigators of the future Authority. Better productivity control activities can be achieved through the construction of tools to automate some of these controls, but also by the substitution of a posteriori control with a priori control, the use of a second level control or outsourcing to specialised service providers.

ARJEL is also preparing the extension of skills by recruiting auditors of information systems by obtaining two additional posts authorised in 2019.

These methodological reflections are nourished by the close and frequent links with the other AAI and API responsible for the regulation of economic sectors: exchanges on the means of the fight against the illegal

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62 Report of the Cour des Comptes on the regulation of gambling (October 2016) and information report no. 4456 filed by the National Assembly’s Committee for Evaluation and Control of Public Policies and presented on 8 February 2017 by Mssrs Régis Juanico and Jacques Myard.
63 Information Report no. 494 on the implementation of the conclusions of Information Report no. 4456, tabled by Ms. Olga Givernet and Mr. Régis Juanico on 14 December 2017.
64 Evolution of the regulation of the gambling sector in connection with the project to open the French games to private investors (September 2018)
supply, with the ACPR or the HADOPI, or on the evolution of the regulation (participation in the works on the future digital regulation with the main AAI or API concerned).

The second part of the preparation concerns the intensification of the mutualisation with the economic and financial ministries. This orientation is due to the budgetary connection of ARJEL to Bercy. Since its creation, the resources of the Authority have been registered and entirely financed by a programme of Bercy, whose head since 2013 is the Secretary General of Economic and Financial Ministries. These poolings concern both the management processes themselves and the suppliers or service providers used.

With regard to management processes, payroll, social policy (including occupational health in 2019), part of the training and budget and general accounts are provided under the same conditions as a central administration department of Bercy. ARJEL thus has only a small support team that communicates with the General Secretariat or the accountant with the same tools as the other services of Bercy. Maintenance, reception, guarding and cleaning of the building occupied by ARJEL are the only logistics functions that are not provided by the General Secretariat of Bercy, mainly for reasons of geographical distance, and they are outsourced. Only computer systems remain partially managed internally because of the security constraints related to the possession of operators' game data.

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). In conjunction with the Ministerial Procurement Mission, it plans to systematise the linkage to departmental or interdepartmental contracts at the end of its own contracts.

The future Authority will nevertheless need additional human and financial resources

The new Control and Supervisory Authority will benefit from the human resources of ARJEL and the knowledge capital and experience built up over its ten years of existence. But it will have its perimeter considerably expanded. Indeed, the turnover of operators currently controlled by ARJEL is only about 11% of the total gross turnover of gambling in France.

Given the state of public finances, it cannot count on a proportional increase in its resources. The revision of the methods, the restructuring of the staff in-house and the intensification of the pooling in progress will not, however, guarantee a sufficient level of control, without a slight increase in staff and credits. The final need cannot be fully established until the exact competences of the future Authority and its comitology are known. Therefore a multiannual outline of the expenses of the future Authority can be established only after the promulgation of the order.

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65 Programme 221 "Public Finance Strategy and Modernisation of the State" until 2014, Program 218 "Conduct and Steering of Economic and Financial Policies" since.

66 Until 31 March 2019, the follow-up of ARJEL's employees was ensured within the framework of an agreement made with the French Association of prevention medicine (AFMP), due to a lack of a sufficient number of doctors in Bercy.

67 The general services of the economic and financial ministries are located in the 12th Arrondissement of Paris, and ARJEL in the 15th.

68 The IGF rapporteurs estimated that +7 FTEs needed additional staffing in a skills scenario where the future Authority was not involved at all in the land-based casino sector.
Can a player use the rules of the consumer code in their relations with an operator? A positive answer has long seemed certain. It is now disputed, with some considering that its provisions on prohibited commercial practices (including those on the prohibition of a professional refusing to provide a service) and on unfair terms are inapplicable in the online gambling sector.

The Authority considers that, as is the case with the positive law as it sees it, any player is a consumer if they meet the definition given in the opening article of the Code of Consumption. They must therefore be able to rely on the relevant rules of the latter, the argument being that the operator would not provide them with a service at the time of the contract (gaming or betting) that it concludes with them being inoperative. In addition, it considers that it is entitled to refer penalties to the Penalties Commission in the event of a breach by an authorised operator of the provisions of the Code where it also results in a violation of the Law of 12 May 2010 and the texts adopted for its application.

1. Are the contractual relations between an ARJEL approved operator and a player governed by the Consumer Code? The positive answer was self-evident at the time of the entry into force of Law No. 2010-476 of 12 May 2010. Admittedly, the law did not expressly state this, for one simple reason: this applicability appeared to be obvious, to the point that it was not necessary to state it, nor was there any need to say that the provisions of the Civil Code - particularly those relating to contract law - were intended, as necessary, to be implemented. This evidence no longer seems relevant; more specifically, in the case of disputes with the players, some argued that the judge could not apply the rules of the Consumer Code. To this day, and to our knowledge, the question does not seem to have been asked either to the Court of Cassation or to the Council of State. The Authority has come out in favour of the applicability of these consumer rules.

2. As a regulator acting under the supervision of the judge, ARJEL intends to make known its perception of positive law on the subject. More precisely, through the following lines, it will be necessary to establish that the law of the games and the code of consumption are not exclusive of each other (1), that the player can be a consumer (2), that authorised operators can provide services to them (3), and that the Authority is entitled to refer sanctions to the Commission in the event of failure to comply with the rules of that code, provided that such failure entails a violation of the provisions of the text the compliance with which is incumbent upon them to monitor.

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69 The concept of player is understood in its broadest sense, as including the bettor. Strictly speaking, in civil law in particular, the two notions are however distinct: the player participates in the game while the bettor is outside the event the bet is on. The word “game” is also considered here in its broadest sense.

70 This obviousness is very clearly shown in a collective book of academics published at the beginning of 2013, devoting many pages to the protection of the consumer player, from the point of view of European law and from the perspective of French law: The games online in France and in Europe: reforms three years after the opening of the market, under he board of M. Behar-Touchais, J. Rochfeld and A. de Guillemenchmidt-Guignot, ed. Comparative Legislation Society, coll. Trans Europe Experts, vol. 7, p. 221 et seq., P. 347 and s.

71 Deliberation no. 2017-C-02 of 23 November 2017 relating to the communication of ARJEL relative to the bans and limits on betting.
1. **The complementarity of the law of the games and the code of the consumption**

   3. It should be refuted from the outset to argue that the 2010 Act and the regulatory texts adopted for its application constitute a special right that would neutralise this other special right contained in the Consumer Code. The reason is simple: these two special rights do not contradict each other. They would contradict themselves, moreover, in the national rules of the consumer code which transpose European directives - this is the case of most of those envisaged here - they would prevail over those of the (purely French) games law.

   Does the application of these two special laws lead to the excessive protection of players? Assuming that this is so, the circumstance would be in itself indifferent, being furthermore recalled that this cumulation would lead, in the words of Article 169 TFEU, to “promoting the interests of consumers, and to ensuring a high level of consumer protection”. This is only a way of saying that, according to a classic teleological approach when it comes to protecting a supposedly weak party, these special rights seem to have to be considered as additional for the benefit of the player, who is also a consumer.

2. **The compatibility of the qualities of player and consumer**

   4. In order for this complementarity to exist, it is still necessary for the consumer code to apply to player - operator relations. However, if there is no doubt that the operator is a professional, is the player a consumer? Some seem to doubt it. However, the affirmative answer seems to be necessary if the player in question - a case-by-case analysis is required - is, as the introductory article of the Consumer Code states, "a natural person who acts for the purposes which do not fall within the scope of its commercial, industrial, artisanal, liberal or agricultural activity".

   However, clarification is needed. This national definition of the consumer must be read in the light of that laid down by the applicable European directives, the transposition of which has been adopted by the Consumer Code. This is particularly the case with regard to unfair terms and unfair commercial practices. It is an opportunity to emphasise that the refusal by the French judicial and administrative authorities to implement the rules of the Consumer Code of European origin is liable to constitute a breach by the French State of its own obligations. The risk is all the greater as the Court of Justice...

72 C. Aubert de Vincelles: "The notions of consumer and professional are cross-sectoral and indifferent to codification: any contract concluded between a natural person who contracts outside a professional activity with a person that, acts in the context of its professional activity, is a consumer contract to which at least the rules common to consumer contracts apply, "European clarification on the trivialisation of the notion of "service" in consumer law, D. 2019 548, No. 2.

73 It is interesting to note that Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 on unfair business-to-consumer commercial practices in the internal market indicates that its provisions apply without the rules on gambling (recital 9). However, this phrase "means that the rule that is going to be stated does not affect the application of another rule which one intends precisely not to exclude and which may also apply". (Guide to Legislation, The French Documentation, ed. 2017, p. 302). Consequently, the national rules resulting from the transposition of the Directive are intended to apply without this application paralysing the implementation of the purely internal rules of the law on games with which they are not contradictory (see the application F. Donnat, Gambling and European Union Law, Powers, 2011/4, p.40, which states that the application of EU law is indirect, which is true since this is achieved through the transposition standards).

74 A professional is "any natural or legal person, public or private, who acts for purposes falling within the scope of their commercial, industrial, craft, liberal or agricultural activity, including when acting in the name or on behalf of another professional" (Cons. code, introductory article). The 2nd of article 10 of the law of 12 May 2010 defines it as "any person who, usually, offers to the public gambling or online betting services with stakes in monetary value and the terms of which are defined by a regulation constituting a contract of adhesion to the game subject to the acceptance of the players". This reference to a membership contract in 2010 is significant from the consumerist perspective in which the legislator then placed itself.

75 Cons., Opening art.

76 Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts defines the consumer to which it refers as "any person who, in contracts covered by this Directive, is acting for the purposes which do not fall within the scope of their professional activity". For an interpretation of these provisions, see ECI, 3 September 2015, Costeo, C-110/14, paragraph 21: "The concept of "consumer", within the meaning of Article 2 (b) of Directive 93/13, pointed out by the Advocate General in points 28 to 33 of its Opinion, is an objective character and is independent of the actual knowledge that the person concerned may have, or information of which that person actually has".

77 The Unfair Commercial Practices Directive 2005 refers to consumers as "any natural person who, for commercial practices covered by this Directive, is acting for purposes which fall outside the scope of their commercial, industrial or craft activities" (art. 2 (a).
requires the national court to apply ex officio certain European rules, in particular those relating to unfair terms.

5. In any event, there is no relevant legal reason not to classify a player as a consumer who meets the criteria laid down in those national and European provisions.

It should not be forgotten that the same individual may have different legal qualities since no text excludes this juxtaposition (the same individual may be a borrower and a builder).

6. The law of the European Union and the law of 12 May 2010 supports this literal reading of the Consumer Code. It is hardly useful to recall that the Member States must justify the restrictions which they bring to the freedom to provide services by overriding reasons of general interest. Among these is the protection of those whom the Court of Justice constantly and significantly calls "consumers". The discussion on the notion of consumer therefore more generally relates to the conformity with EU law of the restrictions which the French State makes on the freedom to provide services.

It is logically the same term "consumer" that the French courts use when they decide on the conformity of French law of the games with the law of the Union. Not surprisingly, the other European institutions retain this qualifier. This is the case of the Commission, as shown by its Recommendation of 14 July 2014 on principles for the protection of consumers and gamblers in the context of online gambling services and for the prevention of online gambling among minors. The "guardian of treaties" has always been careful to recall that the absence of secondary law in the specific sector of gambling should not be understood as entailing the inapplicability of directives that do not exclude these games from their scope. The European Parliament naturally uses the term "consumer".

7. The amended law of 12 May 2010 is also enlightening. Article 3 (1) stresses that state policy is, in this area, "to limit and regulate the supply and consumption of games", consumption which is naturally the act of a consumer. Article 9 provides for the possibility for "consumer associations mentioned in Article L. 421-1 of the Consumer Code" to exercise the rights of the civil party in case of advertising carried out in violation of Article 7. Article 39 (I) refers to Article L. 420-5 86.
of the Commercial Code according to which: "Price offers or price selling practices are prohibited in relation to the costs of production, processing and marketing, where such offers or practices have as their object or may have the effect of eliminating from a market or preventing access to a market by a company or one of its products". Better still, the first paragraph of Article 45-2 states: "The mediator is responsible for recommending solutions to disputes arising between a consumer and an online gambling or betting operator holding the authorisation provided for in Article 21 at the time of the formation or execution of the contract mentioned in paragraph 3, article 10". The law imposes a qualification here. Finally, it is interesting to note that several of the amendments made to the law of 12 May 2010 stem from the law no. 2010-344 of 17 March 2014 on consumption.

8. Obviously, all the rules of the consumer code are not intended to govern the relationship between the player-consumer and the professional-operator. Just think of those relating to consumer credit and those relating to the mortgage life loan for example, whose implementation would be curious here to say the least. The provisions of Chapter I are also inapplicable: Contracts entered into at a distance and outside the scope of Title II: Rules for the formation and execution of certain contracts of Book II: Formation and execution of contracts of this code, but only because the third paragraph of Article L. 221-2 expressly states this exclusion 87. This legislative eviction confirms, if need be, the natural vocation of the code to be applied in the games sector. On the other hand, nothing prevents the application of the rules on unfair terms and unfair commercial practices. They are the ones most likely to be mobilised.

3. Services provided to the player by the operator

9. A final obstacle might be the application of the relevant provisions of the Consumer Code: the rules on unfair terms and those on unfair commercial practices would only concern contracts giving rise to the provision of services, a service which would be lacking in the presence of a gaming contract (or betting). This objection does not convince, for two sets of reasons.

The first is that the 1993 Directive generally applies to contracts concluded between a professional and a consumer, without requiring the characterisation of a service 88. The same is true of the 2005 directive 89. The European Commission does not say anything else when it asserts the applicability in the field of gambling of certain secondary legislation 90.

The second is that the contract between the operator and the player leads to the supply of one or more services. The law of 12 May 2010 makes no secret of it, since Article 1 states that "gambling and chance games are neither an ordinary trade, nor an ordinary service": gambling is a sub-category of services.

In other words, the games are services which, unlike other ordinary ones, carry risks in terms of attacking public and social order. More radically, the 2nd paragraph of Article 10 imposes the qualification of services when it says that "an online gambling or betting operator, is any person who, in the usual way, offers to the public online gambling or betting services" 91.

87 C. Cons., Art. L. 221-2: "Excluded from the scope of this chapter are: 3. Contracts relating to gambling mentioned in Article L. 320-1 of the Internal Security Code, including lotteries, casino games and betting transactions". These provisions stem from the transposition of Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights which, under Article 3 (3) (c), excludes from its field relating to gambling, contracts "which involve stakes having a monetary value in gambling, including lotteries, casino games and betting transactions".

88 Art. 1 § 1.

89 Art. 3.

90 Green Paper on online gambling on 24 March 2011.

91 DGFPI, 13 March 2019, Rescript - VAT - Subjugation and tax base for fixed-odds stakes: "Although this type of betting has some peculiarities compared with the other forms of betting mentioned in the previous paragraph, there is indeed between each player and the game operator a synallagmatic legal relationship in which the two parties to the transaction mutually commit to recovering a sum according to a defined dimension. / In addition, if no fee or commission is charged in any apparent manner and the trader can incur a loss on a particular bet, the fact remains that there is a fee for its service which is integrated in the determination of the ratings that it fixes unilaterally and freely" (BOI-RES-000033-20190313).
10. In the field of gambling, the Court of Justice of the European Union defines the normative powers of the Member States with regard to infringements of the freedom to provide services.92

With the provision of gambling being considered as a service, these games should have come under the "Services Directive" of 2006. It was necessary to exclude them expressly so that the principle of mutual recognition that this directive puts in place does not apply.93 The title of the European Commission Recommendation of 14 July 2014 on Principles for the Protection of Consumers and Gamblers in online gambling services and for the prevention of online gambling services among minors is also indicative of the nature of the services provided by the operator.94 Whoever maintains a player account, manages it, offers cash, receives supplies through payment services that they select, makes payments, levies fees, offers original game formulas through an interface specific, always provides several services. This is also what differentiates one operator from another and explains the phenomena of loyalty, especially in sports betting. The Competition Authority also noted: "Operators are also led to differentiate through the quality of service offered to consumers, particularly in terms of simplicity and accessibility of the service (quality of the computer interface), wealth of information available online, and navigation safety (use of online means of payment)"95.

4. The competence of ARJEL

11. Can ARJEL’s board refer the Authority’s sanctions commission to a breach by an authorised operator of obligations arising from the Consumer Code?

12. It is certain that the Authority has no vocation - indeed, it has no ambition - to take the place of the judicial judge to settle disputes between players and operators. In addition, it will be powerless to make a decision determining their rights and obligations and is likely to give rise to forced implementation for the benefit of one of them.

Its intervention is essentially justified when the behaviour of the operators that it has approved affects or is likely to affect the balance of the gambling sector that it must maintain. Its role is different from that of the judge: to regulate a market and not to resolve disputes within the limits of the operative principle. This is what explains the room for manoeuver that the administrative judge recognises with the administrative authorities in the exercise of their power of sanction.96

13. According to article 3 of the Law of 12 May 2010: "the State policy on gambling is intended to limit and to regulate the supply and consumption of the games and control their operation


93 Article 2 (2) (h) of the abovementioned Directive 2006/123/EC.

94 In its Green Paper of 24 March 2011 on online gambling in the Internal Market, the Commission already mentioned under point 2.1 "Definition and organisation of online gambling services " that: "The term "online gambling" covers many different services, such as the provision of online sports betting services (including horse racing betting, casino games, "spread betting", media games, promotional games, gambling services operated by and for recognised charities and non-profit organisations and lotteries". In its reasoned opinion in 2007, the Commission officially asked France to take measures to put an end to certain obstacles to the free provision of sports betting services in the country (Press release of 19 June 2007, IP/07/909).

95 Competition Authority, Opinion No. 11-A-02 of 20 January 2011 on the online gambling industry, No. 105.

96 EC, 30 Nov. 2007, Aviva Life, req. no. 293952: "Considering that it belongs to an independent administrative authority which, by virtue of the law, has a power of sanction which it exercises on its own initiative and whose object is not limited to punishing certain behaviours but consists, in particular in view of the nature of the measures that may be imposed, to ensure the security of a market, to decide, when facts are discovered by a third party are likely to motivate the implementation of this power, and after having examined them, follow up on the complaint; thus it has, for this purpose, broad discretion and may take into account the seriousness of the alleged breaches in terms of the legislation or regulations it is responsible for enforcing, the seriousness of the indices relating to these facts, the date on which they were committed, the context in which they were committed and, more generally, the general interests under its responsibility; and the decision which it takes, when it refuses to follow up on a complaint, has the character of an administrative decision which can be referred to the authoritative judge; and the persons who intervene on the market subject to the control of the authority justify an interest giving them ability to contest this decision; and it is up to the judge to censure this in case of error of fact or of right, of manifest error of appreciation or misuse of power".
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”97. The result of these provisions is that the State intends, inter alia, that the players actually receive their winnings (reliability of the gaming operators), that they are fully and loyally informed about the rules of the game in which they participate (transparency of the operations of games), that the illegal gambling practices shall be anticipated and countered, and that the global games market and, within it, the segments that make up the games (sports betting, horse racing betting, poker, etc.), operate harmoniously, each of the operators having to abstain from adopting behaviour that would unbalance it.

It is up to the operators not to disregard these objectives, which the Authority must check since, as stated in I of Article 34: "It ensures compliance with the objectives of the policy of games and online stakes submitted for approval on the basis of Articles 11, 12 and 14”.

14. The violation by an operator of the (relevant) rules of the Consumer Code necessarily undermines the objectives of the State policy on gambling. The inclusion in the rules of the game of unfair terms or those authorising or characterising prohibited commercial practices is always liable to infringe the player's right to the payment of their prize, to alter their perception of the terms of the game and the content of their rights, to distort the competition between the one who proceeds (in this insertion) and the one who refuses, to disappoint the players who are victims and who, therefore, are encouraged to frequent illegal sites98.

15. Other texts allow us to deduce the competence of ARJEL. Thus, according to paragraph 5 of Article 16: "It [the person applying for approval] justifies its ability to maintain the compliance of the games it proposes with the regulations applicable to them". Article 23 (I) states: "Any undertaking holding the online gambling and online gambling authorisation provided for in Article 21 shall comply with the obligations laid down in Articles 15 to 19", which includes paragraph 5 of Article 16. An operator who does not comply with the code of consumption is not able to justify to the Authority that it is compliant with the regulations that apply to its gambling offer.

16. Finally, Article 43 (II) provides: "II. - The College of the Online Gambling Regulatory Authority may decide to open a sanction procedure against an authorised online gaming or gambling operator who has failed or fails to comply with the applicable legislative and regulatory obligations for its activity, subject to Articles L. 561-37 and L. 561-38 of the Monetary and Financial Code". The Authority is thus competent to prosecute before the sanctions commission the approved operator who does not respect a legal and regulatory obligation, as long as it is related to its activity. However, the rules of the Consumer Code are intended to apply to the conditions of formation, execution and termination of the games contract, which makes up the heart of the activity of the operator, an activity on which the Authority exercises ”permanent control”, as underlined in the first paragraph of Article 38.

Paris, 18 April 2019;

The President of the Regulatory Authority of Online Gaming

98 ARJEL "takes part in the fight against illegal sites" (L. 12 May 2010, article 34-I), also while preserving the attractiveness of the offer of authorised operators, an attractiveness which occurs in particular when they comply with the law. By way of illustration, an operator who refuses or limits sports betting in a discriminatory manner and without a legitimate reason because they have very significant gains in sports betting, disrupts, in breach of Article L. 121 -11 of the Consumer Code, the balance of the sports betting sector, directing them indirectly to other operators, who, potentially are inclined to do the same, will compel these bettors to accept the only betting offer finally available to them, namely that from illegal operators that the state is fighting against.
Charles COPPOLANI
The approved online gaming or betting operators

As of 1 January 2019, 14 online gambling operators held 27 licences:

- 13 for sports betting (SB)
- 8 for horse racing betting (HR)
- 6 in poker (PO)

Among these 14 operators:

- 4 operators have only one licence:
  - Beturf (HR)
  - La Française des Jeux (SB)
  - Netbet FR SAS (SB)
  - Vivaro Limited (SB)

- 7 operators have two licences:
  - 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)

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

During the year 2018:

- 1 approval of poker games was repealed (approval of Electraworks France Limited)
- 1 operator had its 2 licences confirmed for the remainder of its term following a change in share ownership,
- 5 authorisations relating to the sharing of poker cash (article 14-II of the law no. 2010-476) were delivered (Winamax, Betclic Enterprises Limited, SPS Betting France Limited, Pari Mutuel Urban, BES SAS)

Figures unchanged as of 29/03/2019.
ARJEL's organisation chart
MEMBERS OF THE BOARD

Charles COPPOLANI
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 was also President of the Observatoire des Jeux from its creation in 2011 until 2015.
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 haemophilia 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 Oil Pollution Compensation (IOPC) Funds and from November 2002 to October 2008 he was Chairman of the Audit Committee of the International Oil Pollution Compensation (IOPC) Funds.
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 Honour • Knight of the National Order of Merit.

Emmanuelle BOUR-POITRINAL
General engineer of bridges, water and forests, Mrs BOUR-POITRINAL is chair of the section "Forests, waters and territories" of the General Council of agriculture, food, and rural areas in the Ministry of Agriculture and General Delegate of France Bois Industrie Entreprises, which brings together all the federations of wood processing companies (paper, panels, frames, construction, and furnishing).
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 Managing Director of France Galop, Managing Director 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 ARJEL's board by decree of the President of the Republic on 19 July 2013.
Honours and distinctions
Knight of the National Order of the Legion of Honour • 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 Magistrates from 1985 to 1988. Mrs ROBINEAU was appointed member of the ARJEL's board by decree of the President of the Republic on 30 January 2015.

Cécile CHAUSSARD

Cécile CHAUSSARD has been a Senior Lecturer in public law at the University of Burgundy since 2007. Attached to the 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-organised 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 (Vice-Dean of UFR Law, Head of Teaching at 2nd Year Law, 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 administrative courts bench 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 and foreigners' rights. Madam CHAUSSARD was appointed to ARJEL's board in June 2016 by the President of the Senate.

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 Marmottan's consultation to all addictions, he also became interested in the issues of "addiction to video games" or "cyber addiction", and participated in the creation of the network of thinkers on these topics. ("The Guild"). Dr. VALLEUR was Chief Medical Officer at Marmottan Hospital in Paris and served on the Observatory of the Games between 2011 and 2017. He also directs the publication of the journal Psychotropes. Mr VALLEUR was appointed member of the ARJEL's board on 25 June 2013 by the President of the Senate. By letter dated 13 November 2018, Marc Valleur submitted his resignation from ARJEL's board.
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 medallist and triple European champion; Triple world champion by team.

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

Disability counsellor at the Paris City Council from the 11th arrondissement from 2008 to 2011, she was a national judo coach, then become a counsellor in the cabinet of Valérie Fourneyron, Minister of Sports, Youth, Popular Education and Community Life, and is in charge of the themes "Women and sport", "High performance double sports 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"

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

Decorations and distinctions:
Officer of the National Order of Merit; Youth and Sport Gold Medal and National Olympic Committee.

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, licenced 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 Centre 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 (IASE) 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 study "Sports agents and labour markets".

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