2016 ANNUAL REPORT

This report was prepared pursuant to Section 16 of the Gaming and Betting Act of 7 May 1999 on betting, gambling establishments and the protection of players, and covers the period from 1 January to 31 December 2016. The financial information concerns the accounting period from 1 January 2015 to 31 December 2015. The financial year covers the twelve months prior to the year of this annual report, given that most companies who operate in the sector have not yet closed their books for 2016.

The Gaming Commission approved this report during the meeting held on 17 May 2017. The report can also be viewed on the www.gamingcommission.be website.
During 2016, it was evident that a remarkable evolution was unfolding as far as the place that gambling policy has in the activities of the Michel government. This change was reflected in various aspects:

- in terms of legislation: federal tax issues, the Act on the prior concession of casino licences;
- in terms of intentions: the minister of Justice’s action plan of 3 November 2016;
- in terms of the National Lottery management agreement;
- in terms of the budget.

In terms of legislation, the Programming Act 1 of 1 July 2016 introduced VAT on online games (see Section II – Highlights, Point 1), and a change in legislation2 made it possible for a casino licence to be issued to establishments that only had a concession that was very limited in terms of time (see Section II – Highlights, Point 2).

The National Lottery was in the spotlight during the government seminar held on 23 July 2016 after the management agreement had been concluded. The minister of Budgets would like to take into consideration trends in the gambling and betting market, is seeking to improve the visibility of the National Lottery, and would like to strengthen the management of the enterprise. Having said that, the government seminar’s focus was not only on policy for the National Lottery. The ministry of Justice’s general policy document3 of 3 November 2016 reviews various subjects that aim at a better balance between protecting players and the gambling sector.

For instance, the structure of the Gaming Commission is also discussed in the document. The curtailment of advertising (see Section II – Highlights, Point 8), slot machines that are subject to Section 3.3 of the Act, virtual betting (see Section II – Highlights, Point 4), limiting the number of betting offices, and royal decrees for online games are all on the minister’s list of things to do.

The Gaming Commission welcomes this attention and is hoping that these legislative and regulatory initiatives will succeed. But, with that, not all the problems will be a thing of the past. These issues should definitively be entrusted to an autonomous and organizationally independent structure (in terms of the budget, allocation of technical resources and the management of administrative and monitoring staff) that falls within the competence of Parliament.

There is a need for a coherent policy on games of chance so that proportional restrictions can continue to be imposed on the gambling sector. That policy should, without distinction, include all gambling categories in order to protect the players, and to fight fraud and money laundering. Advertising and promotional activities, too, should fall under this coherent policy. Some operators spend more time and budget on publicity than they do on the intrinsic content of the games of chance they offer, as a result of which they are no longer in control of the mechanisms. How can the battle against excessive publicity be approached if this is then only means of raising awareness among prospective players for products they offer? The answer to this question should be sought in a strong will, backed up by the highest authorities.

As far as the budget is concerned, the ministry of Justice has made efforts to make the necessary budget available, which in turn will allow for the more effective identification of online players. The administrative procedure for using the budget was extended by almost 18 months. In 2016, the minister’s commitment resulted in a pilot project with the main operators in the online gambling sector. All admission bans that had been entered into the EPIS databank were identified based on national register numbers. In the conclusions of the 2015 annual report, the wish was expressed that the Gaming Commission should evolve towards greater maturity and sovereignty.

Sovereignty has been a recurring theme in the social debate. For instance, the advocaat.be conference held on 27 October 2016 at the Academy organised a debate on the theme ‘Is the judicature sovereign?’ After J.-P. Buyle gave the introduction, Mr De Coedt, first president of the Court of Cassation, and Mr Geens, the minister of Justice, explained their views on this issue. Based on the reading plan for this compilation of analyses, the Gaming Commission would like to give scope to Section 10 § 6 of the Gaming and Betting Act of 7 May 1999, which stipulates that ‘the Gaming Commission implements its tasks completely independently’. On this occasion, the minister used a quote from Lacordaire to reiterate that we in Belgium live under an extremely stable rule of law, whereby we are inspired by the following adage, ‘between the strong and the weak, between the rich and the poor, between the lord and the slave, it is freedom which impresses and the law which sets free.’
Proper rules for regulators have been laid down in ‘The governance of regulators’:6
1. Role clarity for regulatory authorities
2. Preventing undue influence and maintaining trust
3. Decision-making and governing body structure for independent regulators
4. The obligation of accountability and transparency
5. Engagement
6. Funding
7. Performance evaluation

From the perspective of these points, Belgian gambling policy is inadequate. The regulator has to be impartial, among other things with respect to the government,7 and it has to be able to anticipate technological developments. To achieve this, the existing gambling policy has to be thoroughly reformed. The digital society is in a state of flux.8 Games of chance are at the centre of the developments in this digital society: Belgian companies invest and recruit staff in this sector. Because they do, they get support from the trade unions and from regional authorities.9 The European Commission,10 France, Germany and the regional authorities encourage investments in the digital sectors, with e-sports being the most important application.10 Belgium has its place in this; games of chance are increasingly being developed using digital technology solutions.11 When it comes to online gaming, it goes without saying that the royal decrees that refer to protocols are essential, and they are there to provide for the real challenges that we face in the future. This digital revolution should be in line with this remark:11 ‘In the digital gaming industry, there is a philosophy of ‘Player First’, giving players an embedded role in product development. Maybe a ‘Student First’ approach to developing pedagogies could also be adopted.’

With respect to betting, no structural solution has been found for the most important concerns. The Gaming Commission is working on this. Since betting was brought under the scope of the Gambling and Betting Act in 2011, the Gaming Commission has mainly focused on studying the dosiers. At the moment, an important selection is being made. The important thing right now is to control the manner of exploitation and to investigate the transparency of those responsible.

The policy on games of chance revolves entirely around the integrity of the game (see Section II – Highlighs, Point 5). That speaks for itself when it concerns roulette or dice, but it should also apply in equal measure in the sports world. So tackling match-fixing is a crucial pillar in gambling policy. Criminal law coherence and one central point of contact are essential to this. In terms of prevention, other authorities can contribute too, like the national platform for combating the manipulation of sports. Despite the international challenges and the budgetary context, the Gaming Commission and the Secretariat have resolutely persevered with the handling of the numerous dossiers. For this, priorities had to be set.

At an international level, an important event took place in 2016 in the shape of Brexit. Brexit will bring about a fundamental shift, leaving room for new perspectives. It will constitute a real departure from the way in which gambling was approached during the International Summit on Remote Gambling,12 organised at the initiative of the British secretary of state for Culture, Media and Sport, Tessa Jowell, and minister for Sport, Richard Caborn. The prime objective of this international forum was to get more global collaboration by publishing various principles and an action plan. The European context was completely neglected in this. The British minister for Sports explained at the time that operators with a foreign licence would be permitted to operate in Great Britain and that tax revenue was negligible. Belgium once again confirmed that it was not a proponent of a system of self-regulation for the sector, that these tasks should remain in the hands of the government, and that each country should be allowed to pursue its own policies. The United Kingdom has revised its opinion in the interim.

On the back of Brexit, the exaggerated liberalisation that the United Kingdom advocates will lose its support. Countries like Malta or territories like Gibraltar will have to evolve towards more regulation. The United Kingdom’s departure will make it easier to implement domestic standards. This constitutes a complete reversal of the trends seen in the last decade: if the European Union gambling regulators were to hold a summit, tremendous progress could be booked in terms of the legal and technical regulations, and regulations related to informatics. The question is which country would take such an initiative?

This annual report outlines the Gaming Commission’s and the Secretariat’s activities in terms of advice and the handling of dossiers, and the work carried out by the technical, informatics and monitoring departments.

Mariou E.
Chairman of the Gaming Commission
The Gaming Commission was established pursuant to the Gaming and Betting Act of 7 May 1999 on betting, gambling establishments and the protection of players. The minister of Justice, Koen Geens, is the political point of contact for issues related to gambling and relationships with the Gaming Commission.

A secretariat assists the Gaming Commission in its daily operations. The Secretariat of the Gaming Commission comprises various units. These units carry out the various duties and execute the powers that the Gaming and Betting Act of 7 May 1999 conferred on the Gaming Commission.

Protecting the players is a top priority for the Gaming Commission. To be able to carry out its mandate more effectively, the Gaming Commission is advocating a transformation to an independent and responsible supervisory authority that can work closely together with government and parliament as well as with regional and local administrations. The Gaming Commission would like to evolve to become a fully-fledged regulator that can form a counterweight against the major transnational trends witnessed in the gambling sector.
SECTION 1 INTRODUCTION TO THE GAMING COMMISSION

Having its own statute is also important for the Gaming Commission because the existing structure sometimes obstructs its operations. It stands now, six ministers have to approve every royal decree in the implementation of the Gaming and Betting Act.

The Gaming Commission is not a fully-fledged regulator, and no steps were taken in 2016 towards improving the structure or providing better support for the Gaming Commission’s operations. Online gambling and betting still dominate the market and their range of products is expanding relentlessly. More than seven years have been lost thanks to a lack of support in terms of people and resources.

QUORUM

The Gaming Commission and the Secretariat have made every effort to guarantee proper operations by reaching a consensus each time. This is of paramount importance for implementing the regulations properly, as well as for making decisions about licences. This quorum is also necessary for the effective protection of players, for operators who are focusing on the legal market, for the correct levying of fines, and for simplifying the work that the Secretariat does. The minister of Justice, the Gaming Commission and the Secretariat have all endeavoured to guarantee the continuity of the service, often under challenging circumstances.
Games of chance are part of a continuously evolving sector. In recent years, the games of chance sector has changed tremendously, and that was no different in 2016. Traditional games of chance are increasingly facing competition from new alternatives, often via the internet. With the passage of time, the boundaries between the various kinds of gaming are becoming more and more blurred, which inevitably has consequences for legislation.

In this section, we shed light on a few events that played a role in determining gambling policy during 2016.

1 — VAT ON ONLINE GAMES OF CHANCE
Since 1 July 2016, a VAT levy has applied to online gambling. Lotteries and offline games of chance are exempt from VAT. This measure, taken without first seeking an opinion from the Gaming Commission, served to keep the 2016 budget on track. (See 7.1.1.1., p. ***.)

In order to give the sector the opportunity to prepare for this amendment, the minister of Finance decided to postpone the effective date until August 2016.

The new measure could bolster illegal operators given that they are not required to pay taxes in Belgium, nor do they have to comply with the Belgian regulatory framework, which includes provisions for money laundering, transparency, licences, administrative sanctions, EPPS, identification, access control, monitoring and so on. If the channelling to legal operators is restricted, it may even have an impact on the protection of players. For instance, illegal websites try to attract players with all kinds of huge bonuses.

2 — CONCESSION PROBLEMS FOR CASINOS
One of the most striking problems in 2016 was the casino crisis (see 7.3.1.). Various casinos found themselves facing difficulties because their concessions did not coincide with their licence period. This led to a hasty amendment to the legislation, as a result of which the emphasis when granting operating rights was no longer on the licence, but on the concession instead. Broadly speaking, a trend is noticeable in which casino licences are but a minor part of a larger property project. The authorities will have to ensure that the casino monopoly is not used to create larger property projects in which the casino part of the project is ostensibly no longer relevant.

3 — ADVERTISING
At the request of the minister of Justice, Koen Geens, the Gaming Commission together with the Jury for Ethical Practices took the initiative in 2015 to have more effective control of the ever-increasing number of advertising messages and campaigns on gambling and games of chance that are popping up in the streetscape.

An initial consultation between the various parties on a ‘Covenant for ethical and responsible advertising for and marketing of gambling’ was held on 19 January 2016. The initial intention was to hold these consultations in the autumn of 2015, but they were postponed due to the attack in Paris and the terror threat level in Brussels subsequently being set at 4.

During the consultations, those involved were given the opportunity to make their remarks verbally. After that, they were also given the opportunity to send their comments to the Gaming Commission in writing.

A second round of consultations followed on 16 February 2016 in Hertoginnedal, during which the comments received were integrated in the original draft of the covenant. No consensus was reached during the second consultations, inter alia because the private operators were of the opinion that the National Lottery should commit to signing the covenant. Subsequently, it was decided that a work group should be established in which the discussion could continue among a smaller group. This advertising working group met at the Gaming Commission offices on 25 February 2016. However, one day later, on 26 February 2016, private sector gambling operators trotted out.
their own draft text to regulate gambling advertising, watering down what had been discussed with the working group. A discussion within the Gaming Commission on 14 July 2016 also failed to deliver any results.

For this reason, Minister of Justice Geens gave the order to regulate advertising under the law by way of a royal decree. In the meantime, most of the gambling sector approved their draft agreement at their own initiative on 20 October 2016. This covenant commits the signatories to ethical and responsible advertising and marketing. The six most important enterprises in the gambling sector, united in the new BAGO (Belgian Association of Gaming Operators) organisation, have taken the initiative to promote socially responsible gaming and to guarantee optimum protection of players.

For its part, the Secretariat of the Gaming Commission presented two drafts of the royal decree to give commercial communication a basis in law. This draft was then discussed at a political level. (See Section I, p. ***.)

4 — VIRTUAL BETTING

Virtual betting involves placing bets on virtual sporting events. In practice, these virtual sporting events and the corresponding prizes that can be won are generated by a server that is monitored by an independent third party. Virtual betting takes place at the interface between betting and automatic gambling.

One betting operator had already started offering virtual betting. However, the operator interpreted the Gaming Commission's memorandum dated 1 July 2015 very loosely, necessitating a much clearer framework.

A thorough evaluation of virtual betting followed in 2015, and the Gaming Commission decided to establish a subcommission to review and investigate virtual betting. For reasons of legal certainty, public order and player protection, the subcommission's advice was that a qualification or re-qualification of virtual betting as automatic gambling was necessary, and that the existing legal and regulatory framework should therefore be amended accordingly.

On 13 January 2016, the Gaming Commission studied the subcommission's recommendation, which ultimately led to the drafting of the royal decree on virtual betting.

A decision was taken on that same day to suspend the memorandum of 1 July 2015 and the permission that had been granted from 1 June 2016 onwards. The operator who was already offering virtual betting asked the Gaming Commission if it would be possible to suspend the decision until the royal decree had taken effect. The other betting operators, however, informed their professional association, BBA, by letter that they would take the necessary legal action if virtual betting was not suspended from 1 June 2016 onwards because the existing regulation was to the advantage of one operator only.

On 11 May 2016, the Gaming Commission gave a favourable opinion regarding the draft royal decree, and on 1 June the Gaming Commission reiterated that the old conditions (as laid down in the memorandum of 1 July 2015) would be suspended from the time of the coming into effect of the royal decree and that this would be no later than 1 January 2017.

The preliminary draft of the decree aims to provide better protection for vulnerable players, to offer the necessary legal certainty for the betting operators, and resolve the current discrepancy within Belgian gambling policy. These three objectives should lead to a consolidation of Belgian gambling policy in general. (See 3.1.6.1., p. ***.)

5 — BETTING ON OWN MATCHES

In 2016, the Gaming Commission's Monitoring Unit conducted research into the gambling behaviour of various top sportsmen and -women who were participating in Belgian competitions. In the Gaming and Betting Act, it states, 'Section 4 § 3. All persons are prohibited from participating in any kind of gambling if the person concerned can directly influence the outcome thereof.' (See 5.1.5., p. ***.)

So betting on one's own matches constitutes an infringement of the Gaming and Betting Act. In these cases, the Office of the Public Prosecution Service may decide to prosecute the player, or to dismiss the case and hand it over to the Gaming Commission. The Gaming Commission's investigation revealed evidence that professional footballers were betting on their own matches. The Office of the Public Prosecution Service handed the case files over to the Gaming Commission to allow it to impose appropriate sanctions. The decision on these case files is planned for 2017.

Other case files relating to top sportsmen and -women were handed over to the Gaming Commission (for the application of Section 15(3) of the Gaming and Betting Act). The players submitted a written defence. The decision on these case files was scheduled in the Gaming Commission's diary for 14 December 2016.

The Gaming Commission is in favour of a preventative campaign to point out to footballers that gambling on their own matches is not permitted. The Gaming Commission was in consultations with the Pro League on the subject at the end of 2016.
### 3.1 — Offline gambling establishments

#### 3.1.1. A licences: casinos

The following casino licences expired on 1 January 2017: Chaudfontaine, Spa, Blankenberge, Oostend and Middelkerke. A requirement for renewing the licences was that the operators should have a valid concession contract with the municipality. The validity term of the licence did not always correspond with the validity of this agreement. *(See Section III – Highlights, Point 2 and Point 7.3.1., p. 58)*

In 2016, the first sports bar was opened in the casino in Oostend. Given that there is a minimum age requirement of 21 years, this initiative for protecting players is not necessarily a bad thing *(see Point 3.1.6.2.2.* Class IV mobile gaming establishments).*

In 2016, a temporary operating ban was imposed on the casino in Chaudfontaine for several of its gambling machines after a check carried out in July 2015 revealed some irregularities, among other things in registering the players and because they held a tombola without permission.

#### 3.1.2. B licences: slot machine arcades

In 2016, the Gaming Commission withdrew three B licences because no actual operations were being carried out. The number of active B licences at the end of 2016 was 176. The statutory maximum was therefore no longer reached. However, no available places were announced in accordance with the provisions of the Royal Decree of 24 April 2014 establishing the manner of publication, the application and the issuing of a B licence for the operation of a Class II gaming establishment if a licence becomes available.

Many relocations were approved in 2016, the Gaming Commission gave permission for 10 cases to move their place of business. The trend of having fewer but larger groups continued in 2016.

<table>
<thead>
<tr>
<th>B licences</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licences withdrawn</td>
<td>3</td>
</tr>
<tr>
<td>Licences renewed</td>
<td>3</td>
</tr>
<tr>
<td>Relocations</td>
<td>10</td>
</tr>
</tbody>
</table>

#### 3.1.3. C licences: drinking establishments

The number of decisions to grant or renew licences has been steadily declining since 2012.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Granted</td>
<td>1,684</td>
<td>1,611</td>
<td>1,583</td>
<td>1,609</td>
<td>1,331</td>
<td>1,175</td>
</tr>
<tr>
<td>Renewed</td>
<td>786</td>
<td>481</td>
<td>685</td>
<td>424</td>
<td>369</td>
<td>502</td>
</tr>
<tr>
<td>Rejections</td>
<td>94</td>
<td>72</td>
<td>66</td>
<td>58</td>
<td>50</td>
<td>39</td>
</tr>
<tr>
<td>Renewal rejections</td>
<td>42</td>
<td>27</td>
<td>41</td>
<td>28</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>Expires</td>
<td>219</td>
<td>152</td>
<td>219</td>
<td>134</td>
<td>165</td>
<td>707</td>
</tr>
<tr>
<td>Halting of operations</td>
<td>1,852</td>
<td>1,242</td>
<td>1,002</td>
<td>332</td>
<td>1,113</td>
<td>363</td>
</tr>
<tr>
<td>Waivers</td>
<td>27</td>
<td>22</td>
<td>31</td>
<td>35</td>
<td>29</td>
<td>26</td>
</tr>
</tbody>
</table>

The number of new applications granted dropped significantly *(1,175 in 2016 compared with 1,331 in 2015).* There are various factors that may explain this, for instance, the smoking ban in cafés, a tax hike, the development of games that do not require a licence and so on.
betting on uncertain events that have already taken place, or for which the outcome is already known, is not permitted. Stakes were returned to those who had already placed their bets.

The following three innovative products differ from traditional betting because of the short space of time between when the bet is placed and the time the outcome is known, otherwise known as short odds betting. According to many international studies, this kind of betting can lead to a greater risk of addiction, and so it requires an effective legal framework.

In the years to come, the Gaming Commission will have to assess on an ongoing basis whether the legal framework for betting affords the players proper protection. It will also have to assess whether it remains sufficiently coherent compared to the other games of chance.

A. VIRTUAL BETTING

See Section II – Highlights, p. 14 and Point 3.1.6.1, p. 21.

B. E-SPORTS

On 1 June 2016, the Gaming Commission granted the first permission to an operator to offer this kind of betting on several multi-player computer game competitions. Even though these public competitions are growing tremendously in popularity among the younger generations and are getting more and more media attention, the Gaming Commission deemed that these competitions and betting on them cannot (yet) be viewed as betting on sport, but they can be viewed as betting on events. A direct consequence of this is that this kind of betting may only be offered online and in permanent betting offices. There is a reservation in place for adjustments to policy should this be considered necessary following future assessments of the phenomenon.

C. FANTASY GAMES

Fantasy games are an extremely popular kind of sports betting, particularly in the Anglo-Saxon countries. They involve the winner being selected according to a predetermined points system that is based on a fictitious team that the players put together themselves. The team is made up of existing athletes from a certain branch of sport. Even though betting operators licensed in Belgium have shown an interest, the Gaming Commission has not received any official applications for permission thus far. The coincidence factor when designating the winner in combination with the legal definition of betting under Belgian law means that these games are deemed pre-entry to be betting on sport. Consequently, a foreign operator was asked to stop offering the product in Belgium without a licence, and a similar website was put onto the black list in 2016.

3.1.5. Licences: Manufacturers, Installers and Maintenance Companies

The number of Licences issued fell slightly. There were not very many new applications and several operations halted, mainly those of small companies who were installing bingo machines. Here, too, the trend was clearly towards centralising operations, with large groups starting to operate in the sector.

<table>
<thead>
<tr>
<th>Licences</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licences renewed</td>
<td>7</td>
</tr>
<tr>
<td>Licence applications granted</td>
<td>4</td>
</tr>
<tr>
<td>Operations terminated</td>
<td>2</td>
</tr>
<tr>
<td>Licences withdrawn</td>
<td>1</td>
</tr>
<tr>
<td>End of commercial operations</td>
<td>13</td>
</tr>
</tbody>
</table>

3.1.6. Licences: Betting

The betting sector continues to be the driving force within the gambling world. So the trend towards product diversification steadily continued in 2016. Alongside the ever-growing popularity of live or in-play betting, the Gaming Commission addressed questions about virtual betting, betting on e-sports and (daily) fantasy games. But at the same time traditional betting move into view once more. For instance, in March 2016, the Gaming Commission stopped betting that was organised in the wake of the popular television programme, ‘De Mol’, which involves candidates looking for a traitor while on a group trip. Staff working on the programme, among others, were very well aware who the saboteur was, and that renders all bets invalid. After all, the programme, among others, were very well aware who the saboteur was, and that renders all bets invalid. After all, the programme was put onto the black list in 2016.

<table>
<thead>
<tr>
<th>Licences</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence application rejected</td>
<td>25</td>
</tr>
<tr>
<td>Application for a licence stopped</td>
<td>1</td>
</tr>
</tbody>
</table>

One of the reasons that a licence application may be rejected is if an incomplete dossier is submitted.

3.1.6.1. F1 Licences (Organising Betting)

In 2016, two F1 licences for betting operators were voluntarily discontinued or withdrawn due to liquidation, as a result of the guidelines. The maximum number of licences for offering betting was no longer reached.

<table>
<thead>
<tr>
<th>F1 licences</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of commercial operations</td>
<td>2</td>
</tr>
</tbody>
</table>

In June, the Gaming Commission took note of the fact that Business café bvba had stopped operations due to liquidation. Business café was a company that held an F1 licence. The French company, PML, voluntarily surrendered its licence.

3.1.6.2. F2 Licences (Accepting Bets)

3.1.6.2.1. Class IV permanent gaming establishments or bookmakers

<table>
<thead>
<tr>
<th>F2 licences (bookmakers)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licences renewed</td>
<td>53</td>
</tr>
<tr>
<td>Expired licences</td>
<td>9</td>
</tr>
<tr>
<td>Licences withdrawn</td>
<td>9</td>
</tr>
<tr>
<td>Decision withdrawn</td>
<td>1</td>
</tr>
<tr>
<td>End of commercial operations</td>
<td>34</td>
</tr>
<tr>
<td>Operations terminated</td>
<td>30</td>
</tr>
<tr>
<td>Licence rejections</td>
<td>13</td>
</tr>
<tr>
<td>Application inadmissible</td>
<td>1</td>
</tr>
<tr>
<td>Licence applications granted</td>
<td>89</td>
</tr>
</tbody>
</table>

Drop in the maximum number of bookmakers

The Gaming Commission’s authority in matters related to bookmakers14 has led to the professionalisation of the sector through the rejection of licence applications and the channelling of the products on offer. However, it has become apparent that the channelling was not adequate because of the low threshold and the relatively low level of protection for vulnerable players. Reducing the maximum number of real-world bookmakers was evidently necessary to curb the expansion of supply. On 1 June 2016, the Gaming Commission gave a favourable opinion on the draft royal decree that would reduce the maximum number of bookmakers from 1,000 to 600.

3.1.6.2.2. Class IV mobile gaming establishments or bookmakers

On 13 April 2016, the Gaming Commission granted the casino in Oostend permission to use its Class IV mobile gaming establishment licence – on a regular basis and for predetermined sporting events – for accepting bets in the casino when showing sporting matches on big screens. Provision has been made for an evaluation in 2017. The ceiling of 60 bookmakers was not reached in 2016, nor were any places declared vacant.

<table>
<thead>
<tr>
<th>F2 licences (bookmakers)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application inadmissible</td>
<td>1</td>
</tr>
<tr>
<td>Licences renewed</td>
<td>28</td>
</tr>
<tr>
<td>Expired licences</td>
<td>1</td>
</tr>
<tr>
<td>End of commercial operations</td>
<td>20</td>
</tr>
</tbody>
</table>

3.1.6.2.3. Newspaper vendors
As was the case during the final quarter of 2015, many F2 licences for newspaper vendors were renewed in the first quarter of 2016. These licences were granted for the first time in 2013. Various cities and municipalities hosted the Gaming Commission in 2016. Good cooperation with local authorities is extremely important for finding out whether the legal obligations are being observed, and to check whether the licence applicant is actually a newspaper vendor. So the inspections must be carried out before and after the licence is granted. A further embedding of the role of cities and municipalities in granting permits for newspaper vendors will be explored at greater length in the near future.

<table>
<thead>
<tr>
<th>F2 licences (newspaper vendors)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Licences renewed</td>
<td>364</td>
</tr>
<tr>
<td>Expired licences</td>
<td>357</td>
</tr>
<tr>
<td>Licence applications granted</td>
<td>361</td>
</tr>
<tr>
<td>Application inadmissible</td>
<td>24</td>
</tr>
<tr>
<td>Renewal refused</td>
<td>2</td>
</tr>
<tr>
<td>Licences withdrawn</td>
<td>5</td>
</tr>
<tr>
<td>End of commercial operations</td>
<td>117</td>
</tr>
<tr>
<td>Operations terminated</td>
<td>19</td>
</tr>
<tr>
<td>Licence application rejected</td>
<td>13</td>
</tr>
</tbody>
</table>

3.1.6.2.4. Race courses
As far as the redistribution of the financial returns between the various Belgian racecourse associations is concerned, an agreement about the allocation formula was reached between the Belgian racecourse associations on 19 May 2016. As a consequence, the previous memoranda that determined the allocation formula in the absence of such an agreement no longer apply.

3.1.7. G1 LICENCES: MEDIA GAMES
In Wallonia, 'Call T-V' in the form of a game of chance still exists as a special type of television programme. Since the break in 2014, this programme has been given a restricted place in the programme schedule for the RTL Group's channel. The only novelty in 2016 in this respect consists of the arrival of a second game show, under what used to be called 'Luna-Park'. This show allows for a combination of a new way of broadcasting (pre-recorded broadcasting), a new way of participating (text message), and a changed selection method (drawing of lots every 90 seconds).

The G1 licence that was granted on 7 December 2011 for a duration of 5 years was renewed during the Gaming Commission meeting held on 14 December 2016. The somewhat higher number of complaints (80 in 2016 as opposed to 53 in 2015), in addition to the second broadcasting, does not imply that there were more problems.

The concept of 'complaints' and the overall figure both need to be refined. Numerous interventions were declared unfounded.

Nature of the complaint | Number |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remarks about the selection method – call not selected</td>
<td>38</td>
</tr>
<tr>
<td>Request for intervention for the payment of a gambling prize</td>
<td>23</td>
</tr>
<tr>
<td>Doubts about how the game worked or about call-in television in general</td>
<td>9</td>
</tr>
<tr>
<td>Contesting the show or the correctness of the response(s)</td>
<td>6</td>
</tr>
<tr>
<td>Information about the call costs – Call-in invoicing contested</td>
<td>4</td>
</tr>
</tbody>
</table>

3.2 — ONLINE GAMBLING ESTABLISHMENTS
To give the European Member States the opportunity to supervise online gambling services more effectively, efforts were made towards a European standardisation for the gathering of information on online gambling. A telephone conference on the subject was held in 2016.

During this conference, Member States made comments and put forward proposals to amend a first draft text for European standardisation. A revised version has since been drafted and sent to the Member States. Another telephone conference has been planned for 2017 during which any proposals for amendments will be discussed (See Point 7.1.2 (1d), p. 31).

3.2.1. A+ LICENCES: ONLINE CASINOS
The number of licences for online casinos remained stable in 2016.

There is a need for a clearly defined policy to curb the exploitation of online gambling. The boundaries between the various kinds of gambling are increasingly becoming blurred. All operators want to expand their range with new gambling products. For instance, meetings with stakeholders were held in 2016 to elucidate the legal framework for fantasy games – a game of chance that requires a licence (see 3.1.6., p. 23).

3.2.2. B+ LICENCES: ONLINE SLOT MACHINE ARCADES
In January 2016, a B+ licence holder asked if its licence could be cancelled. His brand name was too insignificant to be able to compete against the big players, for instance, in terms of his advertising budget. Furthermore, it was not possible to exploit versions of his real-world games online. Because some players misused bonuses, they were stopped because the channelling was not guaranteed. In this way, the online licence was no longer cost effective. The operator faced difficulties in its real-world gaming hall too. The number of visitors has dropped by 40 to 50% since 2012. This was also felt in the turnover, albeit not to the same degree. Despite reverting to his real-world activities, this operator stated that internet regulation is necessary because young people consider the online game to be normal and more fun than the regulated sector in the real world. However, greater risks of addiction lurk in online games of chance thanks to the low threshold and the wide range on offer. Real-world gaming halls are being kept profitable through significant cost savings, fewer machines, and recording the course of the game visually, for instance, by showing the ball rolling.

3.2.3 VERGUNNINGEN F1+: ONLINE WEDDENSCHAPPEN
In 2016 werden 2 vergunningen toegekend voor het organiseren van online weddenschappen.
3.3 — NATIONAL LOTTERY

Consultations with the National Lottery are ongoing. In 2016, too, the legally mandatory meetings were held between the chairman of the Gaming Commission and the CEO of the National Lottery, during which a wide variety of subjects were put on the table. The following subjects among others were discussed during this meeting:

- complexity of the gambling market
- need for coherency
- identification
- commercial communications
- audits
- virtual betting
- 3.3 machines
- royal decrees for the internet
- the future of games of chance
- abolishing the Gaming Commission fund
- measures to combat gambling addiction
- the application of EPIS
- signing of the European cooperation agreement
- European recommendation regarding consumer protection
- Council of State procedure
- lottery distributors
- competition
- National Lottery’s withdrawing of the complaint against members of the Gaming Commission
- monopoly

3.4 — FINANCIAL ASPECTS

As was the case last year, the financial figures are based on the information that licence holders provided on the Gaming Commission’s request. The information is for the 2015 calendar year.

Among other things, the Audit Unit asked for the amounts that the players had staked and won in the offline and online sector, but the levels of 2012 or 2013 were not reached.

At the same time, the unit also asked for an estimate of the companies’ turnover, any commission paid to third parties, operating costs and staff costs.

This annual report only takes the GGR into consideration. As far as what is not directly derived from the running of gambling operations, what is reported on relates to the turnover and will be explained in greater detail. Each year the term ‘GGR’ has become more familiar, which means that it is becoming easier to compare the financial figures with those from previous years.

The Audit Unit also decided to carry out a management responsibility audit, so that any financial problems could be detected in good time. To this end, if it is established that a company’s net assets were less than 50% of the company’s authorised capital (in accordance with the Belgian Companies Code), a general meeting of shareholders should be convened to prepare a special report, to decide on the continuation of the company and to take measures where applicable to remedy the situation.

A LICENCES – CASINOS

In 2015, holders of A licences realised a total of € 180,957,963.59 in GGR from gambling operations. The table below shows the GGR for offline gambling, on the one hand, and online gambling on the other hand. In addition to this, casinos also get income from other activities, for instance, from selling beverages. This income is included under ‘Other’.

Revenue from offline gambling continued to fall in 2015, while earnings from online gambling more than doubled, which once again demonstrates a shift in income from traditional gambling to online gambling.

The GGR realised from the online exploitation of games of chance shown in the table below is divided per website and ranked according to the size of the amount.

Revenues from online gambling operations are divided per website and ranked according to the size of the amount.

<table>
<thead>
<tr>
<th>Website</th>
<th>GGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>€ 23,365,132,11</td>
</tr>
<tr>
<td>2</td>
<td>€ 20,867,289,48</td>
</tr>
<tr>
<td>3</td>
<td>€ 12,931,224,98</td>
</tr>
<tr>
<td>4</td>
<td>€ 8,202,737,00</td>
</tr>
<tr>
<td>5</td>
<td>€ 7,122,831,65</td>
</tr>
<tr>
<td>6</td>
<td>€ 5,543,724,90</td>
</tr>
<tr>
<td>7</td>
<td>€ 2,988,811,61</td>
</tr>
<tr>
<td>8</td>
<td>€ 2,722,126,59</td>
</tr>
</tbody>
</table>

In 2015, GGR generated from gambling websites amounted to € 78,653,878.32 compared to € 53,686,841.91 in 2014, which equates to an increase of 41.24%. The casino in Dinant did not run an online gambling operation in 2015.
— SOLVENCY

One of the substantive conditions that an applicant for an A licence for a casino must meet is a solvency ratio of more than 35% for offline licences and more than 40% for online licences.

Eight casinos met this solvency criterion in 2015. The casino that failed to meet the criterion produced figures for 2016 that did meet this condition.

The average solvency ratio of the 9 casinos in 2015 amounted to 57.32%, compared to 41.07% for 2014.

B LICENCES – SLOT MACHINE ARCADES

The figures for 2015 are based on 174 slot machine arcades. Three licences were revoked in 2016 due to non-exploitation. The Gaming Commission instigated a sanctions procedure in the course of 2016 for the two licences that did not have any turnover in 2015 (see p. 29).

<table>
<thead>
<tr>
<th>Website</th>
<th>GGR from 2011 to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>€ 22.848.067,00</td>
</tr>
<tr>
<td>2</td>
<td>€ 16.931.833,03</td>
</tr>
<tr>
<td>3</td>
<td>€ 5.121.173,00</td>
</tr>
<tr>
<td>4</td>
<td>€ 4.099.822,85</td>
</tr>
<tr>
<td>5</td>
<td>€ 3.495.179,42</td>
</tr>
<tr>
<td>6</td>
<td>€ 2.769.408,27</td>
</tr>
<tr>
<td>7</td>
<td>€ 2.715.375,00</td>
</tr>
<tr>
<td>8</td>
<td>€ 2.534.572,79</td>
</tr>
<tr>
<td>9</td>
<td>€ 2.051.681,00</td>
</tr>
<tr>
<td>10</td>
<td>€ 1.992.921,36</td>
</tr>
</tbody>
</table>

— GGR

The table below shows the GGR generated in 2015 for online and offline slot machine arcades, as well as the turnover from other B licence holders’ operations. Other operations include among other things the sale of beverages, snacks and so on.

As opposed to 2014, offline gambling operations rose slightly by 3.4%, which saw it reach a similar level to that of 2013. On the other hand, the online sector enjoyed strong growth of 30.59%.

The ‘Other’ section includes the income from the sale of beverages, snacks or other products that do not fall directly in the ‘gambling’ category. This amount is similar to last year.

The biggest online operator has a market share of around 32%. The bottom table below shows the GGR of the ten most important online slot machine arcades in 2015.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>€ 22.740.394,96</td>
<td>€ 40.288.267,83</td>
<td>€ 49.798.399,79</td>
<td>€ 71.733.051,23</td>
<td>+30.59%</td>
</tr>
<tr>
<td>Offline</td>
<td>€ 166.966.406,04</td>
<td>€ 162.341.305,29</td>
<td>€ 158.855.600,10</td>
<td>€ 152.017.574,55</td>
<td>+3.40%</td>
</tr>
<tr>
<td>Other</td>
<td>€ 4.807.204,77</td>
<td>€ 4.308.834,83</td>
<td>€ 3.712.581,47</td>
<td>€ 5.469.097,29</td>
<td>-0,32%</td>
</tr>
</tbody>
</table>

**TOTAL** | € 171.773.610,81 | € 189.390.535,08 | € 200.866.449,40 | € 207.275.070,63 | € 234.553.345,29 | +11,63% |

— STAFF

In 2015, employment levels in slot machine arcades rose. This represents an increase of almost 59 full-time equivalents or a rise of almost 7%.

### Staff working in slot machine arcades (full-time equivalents)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>862,91</td>
<td>889,07</td>
<td>872,59</td>
<td>844,60</td>
<td>903,45</td>
</tr>
</tbody>
</table>

— SOLVENCY

The average solvency ratio of the B licence holders rose between 2014 to 2015 from 42.35% to 45.39%. Having said that, the number of licence holders with solvency issues rose. In the offline sector alone, 19 active companies had a ratio that was lower than 30% and six active companies in the online sector failed to meet the required criterion of 40%, of which two did not meet the 30% required to continue operating in the offline world. Eleven cases were resolved, mostly through capital contributions. In six cases, it was demonstrated that the 2016 recovery was sufficiently significant to meet the required minimum ratio. By the end of 2016, only three companies were still the subject of an investigation.

C LICENCES – DRINKING ESTABLISHMENTS

Making a multi-year comparison of the turnover trends for C licences based on financial statements is not possible given that some of those running drinking establishments worked as natural persons and so were not obliged to publish balance sheets. Moreover, exploiting games of chance accounts form only part of the turnover of these establishments. On the other hand, revenue from gambling is taken into account in the figures provided by E licence holders.

E LICENCES – SUPPLIERS, MAINTENANCE COMPANIES, MANUFACTURERS AND INFORMATION COMPANIES OF/FOR GAMES OF CHANCE

By the end of 2016, 32 E licence holders had not yet responded to the Gaming Commission’s request for financial information, despite several reminders to do so. In 2017, these licences will be closely monitored so that all the requisite information can be obtained. Sanction procedures will be initiated if necessary.

Given that these companies do not include the major players in the market, it does not affect the data a great deal. The majority of the licence holders (79%) whose registered offices are located outside the country responded to the request for information.

In order to make a comparison with the previous years, trends in turnover figure are also mentioned each time. In addition, operators were asked to distinguish between the ‘gambling’ section and the revenue from repairs, the sale of software or they receive commission from other type A or B licence holders, and they do not directly offer games of chance to the players on the Belgian market. For this reason, the amounts given by these companies are included in the ‘Other’ item. The turnover figure that is not related to the games of chance for E licence holders is also included in the ‘Other’ section. This could, for instance, be income from property rentals.

### Turnover figures

Given that the turnover figures from E licence holders are not a reflection of the actual input and profit from café games, and that some of the turnover reverts to C licence holders by operation of law, the Audit Unit thoroughly revised the form for this type of licence.

Figures for the total input and profit were requested, both for bingo machines in cafés and for class IV machines. The GGR can be calculated using these two figures. Usually the GGR and the turnover figures are identical.

The proportion of foreign companies in the total turnover for E licences is negligible. These companies usually only sell software or they receive commission from other type A or B licence holders, and they do not directly offer games of chance to the players on the Belgian market. For this reason, the amounts given by these companies are included in the ‘Other’ item. The turnover figure that is not related to the games of chance for E licence holders is also included in the ‘Other’ section. This could, for instance, be income from property rentals.
Below are the turnover figures divided per type. The portion from those running cafés and other drinking establishments are included in the ‘bingo machines’ item.

<table>
<thead>
<tr>
<th>Activity</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bingo machines</td>
<td>€ 170,847,996,76</td>
</tr>
<tr>
<td>Class IV machines</td>
<td>€ 22,271,234,42</td>
</tr>
<tr>
<td>Amusement games</td>
<td>€ 13,643,659,11</td>
</tr>
<tr>
<td>Sales from machines</td>
<td>€ 21,248,214,83</td>
</tr>
<tr>
<td>Sales from software</td>
<td>€ 686,530,60</td>
</tr>
<tr>
<td>Machine repairs</td>
<td>€ 1,595,678,94</td>
</tr>
<tr>
<td>Other</td>
<td>€ 114,231,314,88</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>€ 344,524,629,54</strong></td>
</tr>
</tbody>
</table>

The amount in ‘Other’ includes revenues from activities other than from gambling operations, for instance, revenue from property, commission and so on.

By the end of 2016, 24 companies still had not responded to the request to provide financial information, 16 others had only provided some information. For those companies that did not furnish any information about GGR, information was included on the basis of the files sent to the Gaming Commission as described in the information protocol. The total GGR for 2015, for which the calculation was based on the information received via the files that were sent according to the IT-protocol, came to € 2,875,000,000.

The difference with the turnover figure represents the information about companies that did not respond to the request to provide information to the Gaming Commission. The information shows that the turnover of E licence holders rose to a level similar to the 2013 level, as was the case with other licences.

This graph only takes into account gambling stakes placed through an E licence holder. The range of amusement games on offer is more extensive in reality because companies who do not have an E licence for amusement games (including 3.3 machines) also offer these games.

By using software

Sales and reparations: 10%

Amusement games: 6%

Class IV: 10%

Bingo machines: 74%

After a sharp rise in 2014, the number of people employed by E licence holders fell in 2015, but still remained higher than the level for 2013. This does, however, concern all the staff employed by these companies, so including staff that do not work directly with gambling products. Most of the foreign companies reported that none of their staff work for the Belgian market.

In 2016, 27 E licence holders did not achieve a solvency ratio above 30%, which is 12 more than in 2014. The customary procedures that the Gaming Commission applies were instituted, namely they sent a registered letter with a request for recapitalisation, and sanctions procedures were started for two licence holders. It was decided to withdraw the licence for one of these licence holders because it did not submit all the proof requested. At the end of 2016, another sanctions dossier was still active, and the Audit Unit was still investigating 20 companies.

The National Bank of Belgium had not yet published the 2015 financial statements for three E licence holders. The Audit Unit is taking the steps necessary to acquire this information.

Because of measures taken, foreign companies are more likely to provide their annual report, which allows the Audit Unit to monitor their solvency ratios as they do for Belgian companies.

The average solvency ratio of the F1 licence holders fell between 2014 and 2015, from 37.72% to 25.37% to be precise. The number of licence holders with solvency issues rose. Two companies that were only active in the offline sector had a ratio of less than 10% and, five companies that operate online did not achieve the required 40%. Two of them did not even reach the 10% that is required to continue to operate in the offline world. By the end of 2016, one of these companies had still not published its 2014 and 2015 financial statements. A notice of default was sent and the sanctions procedure is pending in the absence of...
compliance. By the end of 2016, three companies had put their affairs in order, and the Audit Unit is processing and following up on the remaining companies. During the course of 2015, one company holding an F1 licence was declared bankrupt, and one company surrendered its licence in 2016.

### STAFF

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>262.5</td>
<td>386.94</td>
<td>292.77</td>
<td>411.36</td>
<td>375.6</td>
</tr>
</tbody>
</table>

After a sharp rise, the number of people employed by the betting sector fell in 2015.

#### 3.5 — MONEY LAUNDERING

**TRANSPOSITION OF THE 4TH ANTI-MONEY LAUNDERING DIRECTIVE INTO BELGIAN LAW**

In 2016, the Gaming Commission participated in the working group that was established to prepare for the transposition of the 4th Anti-Money Laundering Directive into Belgian law. The working group met ostensibly on a weekly basis during the first months of 2016 to keep the transposition on the right track. The bill was debated in September 2016. Based on the remarks received, an amended version was distributed in December 2016, and work continued on this version at the beginning of 2017.

Whereas only casinos were subject to preventive anti-money laundering legislation under the previous Directive, all gaming operators are subject to the 4th Directive. The 4th Anti-Money Laundering Directive is based on a risk-based approach in which preventive measures can be strengthened or eased depending on whether the risk is greater or smaller. The King will have the opportunity to exclude certain gambling sectors entirely or partially from the scope of the preventive law. The Gaming Commission has to prepare a risk analysis for this.

To that end, the Gaming Commission sent a questionnaire to various licence holders in March 2016. The list of questions was divided into three sections. The first section concerned customer-related factors (customer risk), the second concerned product, service, performance and supply channel-related factors (service risk), and the third covered geographical factors (country risk).

The information will be taken into account in the risk analysis. Depending on the outcome, the Gaming Commission may advise the authorities concerned to exclude certain sectors from the scope of application.

The bill provides for a general regulation that sets the limit for carrying out cash transactions at €3,000. This means that a gambling operator may only accept cash bets up to a maximum of €3,000 per person per day, and may only pay out a maximum of €3,000 in cash. The Gaming Commission acknowledges that these measures could have implications for the casinos because, apart from a possible reduction in turnover resulting from bigger clients being put off, it may unintentionally contribute to money laundering because the casinos will be obliged to deposit large sums of money into the player’s account. The Secretariat informed the minister of Finance, who is responsible for the transposition of the 4th Anti-Money Laundering Directive, and the minister of Economy, who is responsible for the application and monitoring of this limit, of these potentially undesirable consequences.

**FINANCIAL ACTION TASK FORCE EVALUATION AND FOLLOW-UP**

The Financial Action Task Force (FATF) evaluated Belgium in 2015.15 The FATF issued 40 recommendations; the application of these recommendations is evaluated in various countries. Because the evaluation brought shortcomings in several aspects to light in Belgium, the FATF will be following up on these matters. Belgium submitted a first follow-up report at the beginning of March 2016; the Gaming Commission also contributed to this report for the matters that concern it and the gambling sector.

In 2016, the Gaming Commission attended the Coormulti meeting, a meeting on multi-lateral coordination in which arrangements are made about the following up of various international obligations related to money laundering. Particular attention was paid to the follow-up reports that have to be compiled for the FATF.

### 3.6 — ILLEGAL GAMES OF CHANCE

In addition to the legal sector, the illegal gambling sector also falls under the authority of the Gaming Commission. Effectively channeling gambling activities to those games of chance that are licensed can only be guaranteed if illegal products are curtailed. Indeed, legal operators have to comply with statutory obligations – including those related to the protection of players, for instance, by using EPIS – that are associated with their license and they contribute to the Gaming Commission’s operations. All too often, illegal operators flout these regulations and do not generate any income for the Belgian state. For this reason, the Gaming Commission took action to combat illegal games of chance in the real world in 2016 as well. (See 3.5.2. Inspections of illegal gambling establishments, p. 145.)

As far as illegal gambling sites were concerned, 12 websites all in all were put on the blacklist in 2016, which is the same number as in 2015.

An illegal website that offered fantasy games of chance, www.buabook.com, was also added to the list. The game involves buying a share of a certain value for one or more players. The value fluctuates in line with their performance during the matches. The gambler can win or lose money depending on whether the share value rises or falls.

Because most illegal operators are aware that their sites are banned in Belgium, they make sure that payments are routed through foreign payment providers. Competing legal websites, private individuals and private companies that receive e-mails advertising gambling websites tip off the Gaming Commission about these illegal websites.

Below is an overview of the websites that ended up on the Gaming Commission’s blacklist in 2016:

### Website | Gaming Commission decision | Publication in the Bulletin of Acts and Decrees
---|---|---
www.cssriscasino.com | Gaming Commission ruling of 13/01/2016 | Published on 28/01/2016
www.majesticlotclub.com | Gaming Commission ruling of 10/02/2016 | Published on 22/02/2016
www.casinoblue.com | Gaming Commission ruling of 23/03/2016 | Published on 21/03/2016
www.betpokerexchange.com | Gaming Commission ruling of 13/04/2016 | Published on 22/04/2016
www.larenecasino.com | Gaming Commission ruling of 11/05/2016 | Published on 24/05/2016
www.viproomcasino.com | Gaming Commission ruling of 1/06/2016 | Published on 21/06/2016
www.parklaneecasino.com | Gaming Commission ruling of 26/10/2016 | Published on 5/12/2016
www.goldrunincasino.com | Gaming Commission ruling of 26/10/2016 | Published on 5/12/2016
secure.gatorama.com | Gaming Commission ruling of 14/12/2016 | Published on 9/01/2017
www.casinoluck.com | Gaming Commission ruling of 14/12/2016 | Published on 9/01/2017

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15 The Financial Action Task Force (FATF) is an inter-governmental body. The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
An event held in 2016 that had a considerable impact on betting operations was Euro 2016. Unfortunately, monitoring of the Gaming Commission’s blocking page shows that the championship brought an increase in visits to illegal websites in its wake.

If a player in Belgium surfs to one of these websites, then he or she is automatically referred to the Gaming Commission’s blocking page.
SECTION 4 PROTECTING THE PLAYERS

At the request of the administrator, as a criminal sanction, through a petition for the protection of persons, or through a petition for the mentally ill.

4.1 — LIST OF EXCLUDED PLAYERS

Since 2004, Belgium has had the excluded persons information system (EPIS), an electronic system that combines all excluded players. When entering an offline or online casino, a slot machine arcade, or an online betting office, the name, first name and date of birth of the player are entered into EPIS to check whether the person is allowed access to the gambling facility. This is without doubt an extremely powerful and effective tool in the fight against gambling addiction. For privacy reasons, no information is given about the reason for the exclusion.

<table>
<thead>
<tr>
<th>Reason for exclusion</th>
<th>31/12/2013</th>
<th>31/12/2014</th>
<th>31/12/2015</th>
<th>31/12/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group debt management scheme</td>
<td>86,638</td>
<td>122,434</td>
<td>122,601</td>
<td>116,503</td>
</tr>
<tr>
<td>Court decision*</td>
<td>82,590</td>
<td>95,415</td>
<td>116,476</td>
<td>139,247</td>
</tr>
<tr>
<td>Voluntary exclusions</td>
<td>19,670</td>
<td>21,985</td>
<td>24,322</td>
<td>26,782</td>
</tr>
<tr>
<td>Exclusions at the request of an interested third party</td>
<td>89</td>
<td>130</td>
<td>220</td>
<td>314</td>
</tr>
<tr>
<td>Exclusions due to the nature of the person’s profession</td>
<td>46,344</td>
<td>45,957</td>
<td>45,436</td>
<td>45,976</td>
</tr>
<tr>
<td>TOTAL</td>
<td>235,321</td>
<td>285,921</td>
<td>309,055</td>
<td>328,822</td>
</tr>
</tbody>
</table>

Below is a list of the total number of exclusions per category as of 31 December of the previous four years:

### Comparative table – Age restrictions for players and EPIS

<table>
<thead>
<tr>
<th>GAMBLING ESTABLISHMENTS</th>
<th>CURRENT LEGISLATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offline</td>
<td></td>
</tr>
<tr>
<td>Casinos</td>
<td>21 years</td>
</tr>
<tr>
<td>Slot machine arcades</td>
<td>21 years</td>
</tr>
<tr>
<td>Drinking establishments</td>
<td>18 years (eID reader)</td>
</tr>
<tr>
<td>Vaste wedkantoren</td>
<td>18 years</td>
</tr>
<tr>
<td>Temporary betting offices for sports and other events – Bookmakers</td>
<td>18 years</td>
</tr>
<tr>
<td>Newspaper vendors</td>
<td>18 years</td>
</tr>
<tr>
<td>Racecourses</td>
<td>18 years</td>
</tr>
<tr>
<td>National Lottery</td>
<td>18 years</td>
</tr>
<tr>
<td>Illegal games of chance</td>
<td>?</td>
</tr>
<tr>
<td>Online</td>
<td></td>
</tr>
<tr>
<td>Casinos</td>
<td>21 years</td>
</tr>
<tr>
<td>Slot machine arcades</td>
<td>21 years</td>
</tr>
<tr>
<td>Betting</td>
<td>18 years</td>
</tr>
<tr>
<td>National Lottery</td>
<td>18 years</td>
</tr>
<tr>
<td>Illegal games of chance</td>
<td>?</td>
</tr>
</tbody>
</table>

* At the request of the administrator, as a criminal sanction, through a petition for the protection of persons, or through a petition for the mentally ill.
than a year had passed since the ban became effective. In the
interested third party to lift the ban was rejected because less
received, of which only one was granted. Nine requests from an
Nine requests from interested third parties to lift the ban were
magistracy on behalf of a person seeking justice; and finally, in
five cases, it was a friend; in one case it was a member of the
relative, like a brother, sister, mother-in-law or sister-in-law; in
in 14 cases, it was the player's child; in 12 cases, it was another
cases, it was a parent who requested the exclusion; in 27 cases
exclusion, while 1,942 people submitted a request to the Gaming
Commission to have their voluntary admission ban lifted.
During the course of 2016, 4,402 people requested voluntary
exclusion, of which 1,942 were excluded on a voluntary basis compared to the previous
year.
In 2016, the Gaming Commission approved 95 exclusions at the
request of an interested third party, for instance, the partner, child
or parent of a person with a gambling problem. In 35 of these
cases, it was a parent who requested the exclusion; in 27 cases it
was the spouse or person with whom they were cohabiting,
in 14 cases, it was the player's child; in 12 cases, it was another
relative, like a brother, sister, mother-in-law or sister-in-law; in
five cases, it was a friend; in one case it was a member of the
magistracy on behalf of a person seeking justice; and finally, in
each case it was a lawyer on behalf of his client.
Nine requests from interested third parties to lift the ban were
received, of which only one was granted. One request from an
interested third party to lift the ban was rejected because less
than a year had passed since the ban became effective. In the
Gaming and Betting Act, it states: ‘After one year has passed, the
player may ask the Gaming Commission to lift the admission
ban by means of a registered letter or electronically registered
item.’ Reasons why the Gaming Commission rejected other
applications to have the ban lifted were related to an important
criterion that the Gaming Commission takes into consideration
when lifting a ban, namely the presence of adequate social and
psychological assistance. The players in these cases could not
prove that they had sought help with tackling their gambling
problem.

4.2 — ASSISTANCE AND PREVENTION
The Gaming Commission did not launch any new projects in 2016
for budgetary reasons and due to staff shortages. The Gaming
Commission did, however, attempt to respond positively to the
various requests from counselling and assistance organisations,
such as the request to recruit players through the Laboratory of
Medical Psychology and Addictology at the Free University of
Brussels, or the request to participate in a study day held on 20
September 2016 and organised by the Association for Alcohol
and other Drug Problems. (See Section IX – Collaborations and
participations. p. 70) Further consultations with the care sector are
planned for 2017.

4.2.1 NEW EDITION OF THE INFORMATION LEAFLET FOR PLAYERS
This leaflet, which had a layout and graphic design that dated
back to 2012, was updated in December 2016. Addresses
for organisations offering assistance were added to the
folder, including the Internet and Gambling Disorders Clinic,
Department of Adult Psychiatry, Saint-Luc University Hospitals,
Brussels. It was emphasised in the leaflet that exclusions also
apply to online gambling. These leaflets have to be available
to the public in places where they are visible in all casinos,
slot machine arcades and betting offices. They can be sent on
request to any interested individuals or services.

4.2.2. WWW.GOKHULP.BE
AND WWW.AIDE-AUX-JOEURS.BE
The funding of the public contract for a website intended to
provide assistance to players, (www.gokhulp.be/www.aide-aux-
joeurs.be), with information about gambling addiction and
self-help programme, expired in March 2015. The Gaming
Commission had hoped that it would be able to expand the
website to include personal counselling for players. For this, the
approval of a royal decree is required. This royal decree provides
for the option of having the Gaming Commission intervene to
inform the public, and it includes initiatives designed to provide
assistance to dependent persons or high-risk individuals. This
royal decree was not issued in 2016.

4.2.3 505 GAMES: 9800 35.777
Section 61 of the Gaming and Betting Act provides for a free
24/7 help line. The service is insured by IPG. The calls that
were received were mainly about lottery games and exclusion
procedures for gambling, and also about looking for help. The
help line is an information service that refers people to specialised
healthcare professionals. 2016 saw an increase in calls: 3,882 calls
as opposed to 3,404 in 2015, which were received and answered
after 14 seconds on average. The calls lasted around one minute
and 57 seconds.

4.2.4 BLUFF!
In 2010, the Gaming Commission commissioned an educational
film entitled BLUFF! (i.e. Bluff!) about the dangers of gambling. The film is intended for young people between the ages of 14
and 18 years. About 1,600 educational packages were distributed
among teachers, pupils undergoing training, nurses, health
services specialised in addictions, debt counselling services,
Public Centres for Social Welfare, youth organisations and prisons.
The Gaming Commission still send packages on request. The film
can also be viewed via the www.bluffonline.be
website.

The Gaming Commission provided 400 DVDs free of charge to
the Association for Alcohol and Other Drug Problems for the ‘You
bet! educational package. The target audience for the package
are mainly young people aged between 16 and 18 years and
youth care services. The package contains a digital game of the
same name: http://www.youbet.be/. The game is played
in teams and is intended to familiarise the players with the
Gaming and Betting Act, the risks associated with gambling,
the importance of random chance to gambling, and places
where people can go for help.

There are still one thousand copies of the BLUFF! DVD in French,
800 in Dutch, 40 in German and 85 in English left.
5.1 — INSPECTIONS

5.1.1 INSPECTIONS IN LICENSED GAMBLING ESTABLISHMENTS

<table>
<thead>
<tr>
<th>GAMING ESTABLISHMENT</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casinos</td>
<td>14</td>
</tr>
<tr>
<td>Slot machine arcades</td>
<td>29</td>
</tr>
<tr>
<td>Drinking establishments with bingo machines</td>
<td>77</td>
</tr>
<tr>
<td>Bookmakers</td>
<td>32</td>
</tr>
<tr>
<td>Newspaper vendors</td>
<td>28</td>
</tr>
<tr>
<td>Online</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>194</strong></td>
</tr>
</tbody>
</table>

5.1.2 INSPECTIONS OF ILLEGAL GAMBLING ESTABLISHMENTS

In 2016, the Monitoring Unit carried out 16 raids of illegal gambling establishments. These raids mainly took place in drinking establishments where, alongside licensed gambling, illegal gambling operations were also being run. In the process, apart from the unlicensed games of chance (betting terminals, illegal casino slot machines, and TV monitors), cash was also confiscated amounting to €12,344 in total. In addition, two illegal lotteries were discovered (one in a casino and one in a betting office).

5.1.3 JUDICIAL AND OTHER INVESTIGATIONS

The Gaming Commission’s Monitoring Unit actively promoted its range of duties and its valuable contribution in the form of the support it provides to the police, the deputy public prosecutor, the public prosecutor and investigating judges during judicial and other investigations. As a result, there was a dramatic increase in requests for these services in 2016. All in all, the Gaming Commission’s Monitoring Unit handled 418 requests (370 written and 48 telephone requests).

5.1.4 OFFICIAL REPORTS

During 2016, the Gaming Commission’s Monitoring Unit drafted 253 official reports. Furthermore, 14 initial official reports were drawn up against illegal gambling websites.

5.1.5 MATCH-FIXING

(See Section II — Highlights, p. 14.)

In 2016, the Gaming Commission’s Monitoring Unit launched an investigation into criminal violations of Section 4 § 3 of the coordinated Gaming and Betting Act. This led to seven criminal investigations (into six footballers and one basketball player) in 2016. The section mentioned stipulates: ‘All persons are prohibited from participating in any kind of gambling if the person concerned can directly influence the outcome thereof.’ The infringement is punishable pursuant to Section 63 of the coordinated Gaming and Betting Act of 7/05/1999: ‘Perpetrators who infringe the provisions of Sections 4, § 1, 4 § 3, 8, 25, 27(1), 46 and 58 are liable to a term of imprisonment of six months to five years and to a penalty of €100 to €100,000 or to one of these punishments on its own.’

In the application of Section 15(1) § 1 of the Gaming and Betting Act, the Office of the Public Prosecution Service (offices for East and West Flanders) handed over six case files to the Gaming Commission – without doubting that infringements had actually taken place – so that they could impose administrative fines pursuant to Section 15(3).

5.1.6 INTERNATIONAL LETTER ROGATORY

In the period from 19 December 2016 to 21 December 2016, the task force of the local criminal investigation department of the Antwerp police zone together with the Gaming Commission’s Monitoring Unit sent an international request for legal assistance to Austria. This was on the orders of the Office of the Public Prosecution Service in Antwerp in the context of a case file concerning the illegal operation of betting terminals/machines with casino games in Belgian drinking establishments and at non-profit making associations.

5.1.7 LEGAL ASSISTANCE OF THE DUTCH MINISTRY OF JUSTICE

The Gaming Commission’s Monitoring Unit received two requests for legal assistance from the Dutch Ministry of Justice in connection with money laundering/ embezzlement carried out by Dutch subjects in Belgium. For one of the criminal files, Dutch detectives attended the investigations. The result of the international request for legal assistance that the Gaming Commission’s Monitoring Unit conducted was crucial to the Dutch criminal files.
5.1.8 INTERVIEWS WITH CHIEF OFFICERS OF THE LOCAL POLICE REGARDING THE INSPECTIONS CARRIED OUT IN LEGAL AND ILLEGAL GAMBLING ESTABLISHMENTS AND OFFICIAL REPORTS DRAWN UP (UNDER CODE 38) BY THE LOCAL POLICE (2014 TO 2017)

In response to the analysis of the interviews carried out by the police zones in 2016, the Gaming Commission’s Monitoring Unit visited local police zones in 2016. The Monitoring Unit had already given the following police zones theoretical and practical training on the Gaming and Betting Act and on inspecting gaming establishments: Limburg District Regional Capital Police Zone, Leuven Police Zone, Vesa Police Zone, Minos Police Zone, Molenbeek Police Zone and Aarlen Police Zone. The handbook that the Monitoring Unit compiled was also distributed to the police services in 2016.

5.2 — SANCTIONS

Sections 15(1) to 15(9) of the Gaming and Betting Act regulate the powers that the Gaming Commission has to impose sanctions and the procedures within which it does so. On the one hand, the Gaming Commission can sanction licence holders by issuing a warning, suspending or withdrawing their licence, or imposing a temporary operating ban. On the other hand, the Gaming Commission has the authority to impose administrative fines in certain cases provided for under Section 15(1) of the Gaming and Betting Act.

The Gaming Commission has the authority to impose administrative fines on legal entities as well as on the managers in their capacity as a natural person. Legal proceedings are instigated against the licence holder if it is a company and also against the manager in his or her capacity as a natural person.

RULINGS ON LEGAL SANCTION PROCEDURES STARTED IN 2016

In 2016, the Gaming Commission opened 100 penalty file. Rulings are expected in the course of 2017 for 77 case files. These are cases that were only started in December, cases in which the decision is scheduled to start in 2017, or cases in which the person concerned still wishes to be heard.

— ADMINISTRATIVE SANCTIONS

In 2016, 44 legal proceedings were instituted against licence holders pursuant to Section 15(2) of the Gaming and Betting Act. This article gives the Gaming Commission the option of issuing warnings, suspending or lifting the suspension of a licence or imposing a temporary operating ban. Of these, 14 proceedings have not yet been completed. A ruling for these is expected in 2017.

One casino was given an operating ban for 10 slot machines for the duration of one month (see 3.1.1).

Nine C licences were revoked. For six of these cases, the reason for this was because illegal betting was being exploited in drinking establishments. The other reasons for revoking the licences were non-compliance with the requirements of the function and making the operator’s card for the bingo machine permanently available so that the machine could be enabled.

The Gaming Commission suspended the C licences of two licence holders for one year. These licence holders had left the operator’s card in the bingo machine permanently, which meant that the electronic ID card reader could be bypassed. One C licence holder had his licence suspended for one year because, in one case, no eID card reader had been installed on the bingo machine.

Three individuals who worked in a gambling establishment lost their D licences. Two of these licence holders had given players credit; one committed fraud with the machines.

Legal proceedings were instituted against two E licence holders because they did not meet the solvency criteria. Ultimately, the Gaming Commission decided to effectively revoke one E licence.

The other legal action was declared devoid of purpose because the E licence holder put matters in order.

In addition to this, the Gaming Commission proposed 10 sanctions against F2 licence holders who were not actually operating their permanent betting office; five F2 licences were effectively revoked in the process. In the other cases, the F2 licence holders restarted actual operations, as a result of which two proceedings were declared devoid of purpose and the three remaining licence holders were given a warning.

In addition, one F2 licence was withdrawn for several reasons; because alcohol was sold in a permanent betting office, it was not possible to register; staff without D licences were working there; and there was no video surveillance. Another F2 licence was suspended for six months because there was no option for registration and no video surveillance.

Finally, one newspaper vendor’s F2 licence was revoked due to lending operations and for not observing the cap on betting of € 200 per player per day. Other legal proceedings against a newspaper vendor were declared devoid of purpose because he voluntarily surrendered his licence.
**Administrative Fines**

Pursuant to the provisions of Section 15(3) of the Gaming and Betting Act of 7 May 1999, the Gaming Commission has the power to impose administrative fines. The fines must be paid within 30 days of the notification of the ruling. If the payment is not made within this term and after a reminder has been sent, the case is handed over to the Federal Public Service for Finances (Domain) for the collection of the amounts still owed.

Since June 2015, the Gaming Commission has deposited the fines in a specific general account and transferred them to the Treasury. In the past, the general services of the Federal Public Service for Justice followed up on the payment of penalties. In 144 cases, the public prosecutor decided to drop the charges, which gave the Gaming Commission the opportunity to impose administrative fines itself. Of the 144 cases that were instituted, 62 are still awaiting a ruling in 2017. The Gaming Commission ruled on 82 proceedings in 2016.

In 144 cases, the public prosecutor decided to drop the charges, which gave the Gaming Commission the opportunity to impose administrative fines itself. Of the 144 cases that were instituted, 62 are still awaiting a ruling in 2017. The Gaming Commission ruled on 82 proceedings in 2016.

Fifty-one administrative fines were imposed on 16 C licence holders and 10 E licence holders and their directors or managers because it was established that the bingo machines that they were operating were not fitted with an electronic ID card reader. These administrative penalties amounted to at least €200 and at most €8,000.

Ten administrative fines were imposed, each amounting to €2,500, on companies and their managers who were operating bingo machines without the requisite C licence. The supplier of these bingo machines was also fined in some cases.

An administrative fine of €50,000 was imposed on a company that offered gambling facilities without an E licence.

In addition, administrative fines were imposed on nine players who participated in illegal gambling; on one website that operated illegal games of chance, which was also placed on the blacklist; on one C licence holder who operated an illegal betting terminal; and on two players who had been involved in competitions on which they themselves were able to exert influence.

For the rest, another seven administrative fines were imposed on companies for a variety of reasons, including for accepting bets as a sideline activity without the main activity being operating a newspaper vending outlet, for providing credit or for allowing minors to gamble.

**Sanction Rulings in 2016:**

- Licences withdrawn: 35
- Licences suspended: 5
- Warnings: 3
- Temporary operating ban: 1
- Devoid of purpose: 6
- Administrative fines: 85

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**Overview of the Fines**

<table>
<thead>
<tr>
<th>Fines imposed by the Gaming Commission</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carried forward from last year</td>
<td>-€60,000.00</td>
<td>€49,500.00</td>
<td>€54,450.00</td>
<td></td>
</tr>
<tr>
<td>Total to be collected</td>
<td>€60,000.00</td>
<td>€252,000.00</td>
<td>€134,150.00</td>
<td>€292,600.00</td>
</tr>
<tr>
<td>Amount collected</td>
<td>-€262,500.00</td>
<td>-€91,200.00</td>
<td>-€55,700.00</td>
<td></td>
</tr>
<tr>
<td>Recuperation shipment Domain</td>
<td>-€38,000.00</td>
<td>-€4,000.00</td>
<td>-€4,000.00</td>
<td></td>
</tr>
<tr>
<td>Balance payable</td>
<td>€60,000.00</td>
<td>€49,500.00</td>
<td>€54,450.00</td>
<td>€287,350.00</td>
</tr>
</tbody>
</table>

Six of the 288 fines imposed concerned companies that operated illegal gambling sites and that had been placed on a black list. These fines amounted to €360,000 in total and have been outstanding since 2013.

The appeal court, however, annulled the decisions to order the payment of the amounts pronounced in 2014. As it stands now, four other appeal proceedings are still active.

The Gaming Commission also permitted various debt settlement schemes, and these are being observed.

The Audit Unit is following up on various outstanding amounts and the process to transfer these files to the Domain is under way.
SECTION 6 TECHNICAL EVALUATIONS

6.1 — APPROVAL OF MODELS

Below is an overview of the number of model approvals granted for new models as well as variants:

<table>
<thead>
<tr>
<th>Class</th>
<th>New applications</th>
<th>Additions to existing files (variants, changes to software etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>II</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>III</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>IV</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

Compared to the 2015 figures, the number of approvals for Class I models fell by half. This drop can be attributed to the rise in approvals of ‘kiosk’ machine models, i.e. machines that offer up to 10 games. In 2016, 80% of the approvals were for kiosk machine models.

In the past, if a manufacturer wanted to diversify its range of games, each new game was subject to a model approval. Since the introduction of kiosk machines, it is possible to do so through one single model approval.

The kiosk machines also make it possible for casinos to expand their range of games, while keeping the same number of machines. In the past, players only had the option of playing one game per machine, and if they wanted to play another game, they had to move to another kind of machine, and perhaps wait until the machine with the game they wanted was available.

More and more multi-designated machines are being installed, which allows casinos to offer the player a wider choice for their bets. So ‘small-time’ players and ‘big-time’ players can play on the same machine, which is not the case for machines with one designation.

In 2016, more and more casinos were fitted with a Mystery progressive and Car progressive, which link up to 10 slot machines. These types of progressive machines are still based on the ‘community jackpot’ principle, i.e. there is an 80:20 distribution of the progressive jackpot between the various ‘eligible’ players, whereby the 80% is awarded to the player who generated the jackpot. The gains from progressive games are not taken into account when calculating the hourly loss and the payment percentage.

In 2016, old roulettes were replaced by new approved roulettes in two casinos.

Two new manufacturers of Class I machines were introduced, of which one was a Belgian company.

The number of model approvals for Class II fell slightly, but remained otherwise stable. Applications for new games that comply with the regulations are becoming rare. During the sector meeting in September, the sector voiced its displeasure and said that it wants to make these amendments to the current legislation with a view to granting more room for manoeuvre, for instance, by introducing new categories of games of chance.

There were no new approvals for Class III models. The number of variants and updates has fallen dramatically. The variants involved adding a new game to a machine. The reason for this drop is that, since 1 July 2015, all bingo machines have to be fitted with an ID reader and an ice-detection system.

No requests at all were made for model or variant approvals for Class IV machines. The types of games that are permitted under the current conditions seem to be arousing no interest at all among the players, which means that the manufacturers are investing neither money nor time in this type of machines.

Furthermore, the sector is facing competition from virtual betting.

Significant changes were implemented in the procedure for approving models in 2016. The memorandum from the Technical Assessments Department of 13 April 2016 states that the department has new priorities, and that the manufacturers/importers are advised to have the tests carried out by an accredited laboratory prior to the model approval for the ‘land-based’ Classes I, II, III and IV machines. It is still possible to have the tests carried out by the Technical Assessments Department but it is taking much longer to approve models. If those concerned opted to have a test carried out by an accredited laboratory, they were asked to present the game concept to the Technical Assessments Department via verification@gamingcommission.be. The Technical Assessments Department still supervises the tests that the various laboratories carry out, and the Gaming Commission still issues the final model approval.
Since the informative memorandum of 13 April 2016, manufacturers have been eagerly taking advantage of the possibility of testing Class I devices in the same way as Classes II and III. This is an exception that is granted to some machines (a minimum of three and a maximum of five), limited in time, to be placed as a trial, without exceeding the permitted number of games of chance in the establishment.

A Class I machine was fitted with a new concept for the first time in July 2016. In this concept, the machine has the initial basic reels (9 to 16 reels) that spin after the player presses the start button, but it also offers the player the chance to intervene when placing the triplets drawn initially (combinations of 3 symbols). In other words, the player decides the position of these triplets in the containers to get the winning combinations.

The manufacturer in question applied for permission to have the game installed for testing. The application was approved. This new slot concept was also included in the new Class I testing protocol; it was subsequently presented during the sector meeting held on 22 September 2016 and approved by the Gaming Commission on 26 October 2016.

### 6.2 — INSPECTIONS

#### 6.2.1 INITIAL CALIBRATIONS

<table>
<thead>
<tr>
<th>Class</th>
<th>Machines or conversion kits</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>308</td>
</tr>
<tr>
<td>II</td>
<td>1123</td>
</tr>
<tr>
<td>III</td>
<td>1393</td>
</tr>
<tr>
<td>IV</td>
<td>89</td>
</tr>
</tbody>
</table>

An external accredited body is engaged to provide the figures for the primitive calibrations for Classes I, II, III and IV. For years, Federal Public Service for Economy inspectors carried out the calibrations for these classes. But since the Programming Act amendment of 26 December 2015, this competence was transferred to the Technical Assessments Department in January 2016. The manufacturers entrust these calibrations to an accredited body.

A service level agreement is then drawn up between the latter and the Technical Assessments Department. The Technical Assessments Department still carries out the calibrations (primitive and periodic) for Class I machines. Class I machines, which have to be recalibrated annually, often contain Community progressives. This means that these calibrations are somewhat more complex than the other classes. For this reason, the Technical Assessments Department has opted to carry out these calibrations (primitive and periodic) itself. For Class I, III and IV machines equipped with the electronic signature procedure, it is easier to guarantee the integrity of the software because all permitted settings are fixed in line with the testing protocol, and the software only includes permitted settings, which is not the case for Class I machines.

In 2016, between 15 and 20% of the machines in casinos were renewed, either through replacement with new machines or using conversion kits. The number of new machines that were commissioned remains the same.

For slot machine arcades, around 60% of the calibrations related to changes to the games. The remaining 40% concerned new machines that were commissioned to replace the old machines or to expand the machine collection.

The number of initial calibrations dropped sharply in drinking establishments. In 2015, important amendments were made to the regulations that obliged all manufacturers to make their machines compliant and to subject them to an initial calibration. In 2016, 95% of the initial calibrations were done for conversion kits, the remaining 5% were for the commissioning of new machines.

At betting offices, the number of new machines that were commissioned once again dropped by half. In 2015, the number of applications had already dropped by half compared to 2014. Players were not very enthusiastic about this type of machines that involves unregulated virtual betting.

The advantage of having initial and periodic calibrations was once again demonstrated in 2016. Based on the initial calibrations, it was repeatedly determined that the machines calibrated were not properly configured and therefore had to be re-programmed before the Technical Assessments Department could apply the compliance stickers.

#### 6.2.2 PERIODIC CALIBRATIONS

<table>
<thead>
<tr>
<th>Class</th>
<th>Machines</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1517</td>
</tr>
</tbody>
</table>

The periodic calibrations led to red stickers (stickers for non-compliance) being affixed because the CPU switch system was not working properly; the Technical Assessments Department applied 13 of these red stickers. One of the casinos was given four other red stickers because of configuration errors in the machine. Only one of the nine casinos was not given any red stickers.

During the course of 2016, it was noticed during the periodic checks in casinos that more and more machines are owned by leasing companies; these machines used to be the property of the casinos.

#### 6.2.3 OTHER INSPECTIONS

The Technical Assessments Department participated in two events in Hasselt and Vilvoorde during which an explanation of the Gaming and Betting Act was given, followed by inspections in various establishments. The department also took part in four actions concerning illegal gambling as an officer of the judicial police.

At the beginning of November, a calibration was carried out in slot machine arcades in Aarlen. The calibration brought various anomalies to light. Some machines did not have a name plate (lost); other machines had name plates with an incorrect serial number; or had name plates that did not correspond to the model of the game that was installed on the machine. The operators were asked to put their affairs in order.

The Technical Assessments Department analysed six illegal machines that were seized. The official reports that the Audit Unit drew up were based on this analysis.

In October 2016, one type 3.3 machine was seized administratively. An analysis proved that one out of five games can be considered to be an illegal slot game. The informative memorandum of 14 December 2016 therefore emphasised that the ‘Big Deal’ slot game was being operated and that these machines containing slot games of this type must immediately be removed from the market.

The analysis also showed that this type of machines is very dangerous. The regulations do not permit games with small bets, small wins and small losses. These machines are not always in line with a policy that prioritises the protection of players. Even though the stakes are not high, it is still possible to lose money very quickly. The Technical Assessments Department also found that more and more games offered in this type of machine are similar to slots that are normally only allowed in casinos and are clearly regulated by royal decrees.

In the wake of complaints from players about machines that, according to them do not pay out enough, the department analysed data from F data files (i.e. files that are sent on a daily basis to our identification system at the Gaming Commission) and often it was established that the machines did not display any deviations worth mentioning.

### 6.3 — PROTOCOLS

During the annual sector meeting held in September, licence holders raised the issue that they are struggling with the competition they face from online gambling and betting. Inspection protocols were updated after the sector meeting, these were published on 1 December 2016.
7.1 — REGULATORY DEVELOPMENTS

7.1.1 BELGIUM

7.1.1.1 PROGRAMMING ACT OF 1 JULY 2016, TITLE 3 — FINANCES

Since 1 July 2016, VAT has been levied on online gambling. Only lotteries and offline games of chance will still be VAT exempt. Section 44, § 3, 13 of the VAT Act, which deals with exemptions, now stipulates that this exemption only applies to lotteries and for the other gambling and cash games with the exception of those that are carried out electronically, as referred to in Section 18, § 1(2), 16.

As a consequence, the revenue from electronic gambling and cash game operations, for instance, betting on horse racing and sports prognostics, will be taxed from now on. The same applies to revenue from games, competitions or matches, however described, that are operated electronically, whereby the participants must make a creative contribution if they are to stand a chance of winning a prize.

The explanatory memorandum gives an extensive account of the various ways that online and offline gambling is handled. For instance, the various circumstances under which the services are provided were considered, such as the fact that it is possible to provide online services 24/7, irrespective of where they are provided, and all of this particularly in the context of complete anonymity.

There is not a single word in the explanatory memorandum about the concurrence of VAT with the tax on the games and betting for which the income accrues to the regions that can set the tax rate, the taxable basis and the exemptions. This tax also applies to online gambling.

The Constitutional Court has since annulled several appeals instituted against the scrapping of the VAT exemption (see Point 7.2.1.1., p. 51). That said, these appeals have not prevented the Administration from devoting a detailed circular to the new regulation. The circular provides for a special determination of the taxable amount, which also includes the gambling tax.

Because only online gaming and cash games are now subject to VAT, it is not just a matter of knowing what is meant by ‘gaming and cash games’, but also when such games are deemed to be ‘by electronic means’.

The definition of gambling and cash games is given in Section 1, § 14, 1 of the VAT Code. This includes betting on sports, betting on horse racing, games operated via the radio, television, and newspapers and in magazines, poker matches, architectural competitions, etc. (Circular marginal no. 7). They are deemed to be operated by ‘electronic means’ if they are ‘largely automated and require only minor human interventions and cannot be performed without information technology’.

Gambling and cash games operated on slot machines that are connected to the internet or to a similar electronic network are exempt by admission if the slot machines are installed in a casino, drinking establishment or newspaper vending outlet, among others.

Organisational fund

In terms of the budget, 2016 was a year of reform for the organisational funds. The organisational Gambling Fund under the auspices of the Federal Public Service for Justice was one of the only funds that was not abolished.

The fees, generated by the Gaming Commission’s Technical Assessments Unit for the technical inspections of automatic games of chance (model approvals, calibrations) were added for the first time to the Gambling Fund at the Federal Public Service for Justice. These fees used to be collected for the benefit of the Gambling Fund at the Federal Public Service for Economy, a fund that was abolished by the Programming Act of 26 December 2015.

In addition to this, the expenditure ceiling for the Gambling Fund was set at the equivalent of the expected annual revenue for the first time in 2016. This resulted in an increase in the expenditure ceiling of € 2,565,000 compared to 2015.

On the other hand, due to the Act of 12 July 2016, which contained the first adjustment to the general expenditure budget, € 15,618,000 were taken out of the Gambling Fund at the Federal Public Service for Justice, and the entire balance of € 9,305,000 from the Gambling Fund at the Federal Public Service for Justice was deallocated to the Treasury. In practical terms, this means that the designated purpose of € 24,923,000 deposited by the gambling sector to serve as a contribution to the formation, operating and staff expenses of the Gaming Commission and the Technical Assessments Unit was changed and could no longer be used for what was originally intended.

19 Cfr. Arts. 16bis, 16ter van de LVT van 30 november 2016.
be allowed to exempt certain gambling services from some or all of this Directive’s provisions.

In the proposal for the amendment, paragraph 1 of Article 47 of EU Directive 2015/849 is replaced by:

1. Member States guarantee that providers of virtual currency and fiduciary currency exchange services, custodian wallet providers, foreign exchange bureaus and bureaux for cashing cheques, and trust services or corporate services providers are licensed or registered and that gambling service providers are regulated.

B. Geo-blocking Regulation

In May 2016, the European Commission put forward a proposal for the Regulation addressing geo-blocking and other forms of discrimination based on customers’ nationality, place of residence or place of establishment within the internal market and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC.

The general objective of the proposal is to give consumers better access to goods and services in the internal market. For instance, blocking access to websites and directing the customers from the version for one country to that of another country is prohibited.

In November 2016 the Council reached agreement on the draft, and on 19 December 2016 the European Parliament published a draft report on this proposal for a regulation.

C. Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data

In April 2016, Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC was published.

This new regulation will also lead to significant challenges for gambling operators when determining their policy on the processing of personal data.

D. Requests for the standardisation

(see Point 1.2., p. 23)

In June 2016, the European Commission put forward a joint EU initiative setting out a shared vision of European standardisation.

In order to meet current economic challenges and to contribute further to job creation and economic growth, concrete actions to promote innovation are provided for in the initiative.

Standardised norms are useful when defining the market and are a way for small and medium-sized enterprises to bridge the gap and enable them to compete with large companies on an equal footing.

E. Convention of the Council of Europe on the manipulation of sports competitions

On 18 September 2014, the Convention on the manipulation of sports competitions was opened for signature at the 13th Council of Europe Conference of Ministers responsible for sport in Macolin, Switzerland.

Belgium also signed the Convention of the Council of Europe on the manipulation of sports competitions in November 2016.
The word ‘casino’ in slot machine arcade substantiated the exclusion based on the request of an interested third party. The Council of State stated that the Gaming Commission’s decision at the request of an interested third party were dismissed. On 16 November 2014, the Council of State already ruled in an appeal case brought against the Gaming Commission’s decision that stated that it was forbidden for B licence holders (online slot machine arcades) to mention the word ‘casino’ in their publicity or in their name. This word is reserved exclusively for A licence holders (online casinos). At the time, the Council of State annulled the Gaming Commission’s decision because such a prohibition was not included either in the Gaming and Betting Act or in its implementation decrees. On 16 December 2014, two A licence holders filed third-party proceedings against this ruling, the main argument being that the public will no longer be able to distinguish between the two licences and that, if B licence holders use the word ‘casino’, it will cause confusion. According to the Council, however, no comparison can be made between the two licences because the real world and the virtual world are not comparable. Moreover, it reiterated the argument from the first ruling, reaffirming that such a prohibition was not included in the Gaming and Betting Act or its implementation decrees. The third-party proceedings were dismissed.

D. Ruling of 12 May 2016:
Exclusion at the request of an interested third party
The Council of State stated that the Gaming Commission substantiated the exclusion based on the request of an interested third party by referring to the large number of visits to a gambling establishment over a specific period of time.

E. Ruling of 16 June 2016c:
1,000-metre rule for betting offices. (See 3.16.1, p. 21)
This concerned an action for the suspension of the Gaming Commission’s decision, as a result of which the earlier decision to grant an F2 licence was reviewed, and it therefore refused to grant a licence. When granting the licence, the Gaming Commission had based its decision on a statement in the dossier from a chartered land surveyor stating that the distance to the nearest gaming establishment was more than 1,000 metres. After granting the licence, and in the context of a new application procedure, the Gaming Commission received an official report from a bailiff showing that the distance between the two gaming establishments is less than 1,000 metres, on the basis of which the Gaming Commission proceeded to revoke its previous decision to grant an F2 licence because in its opinion the application did not comply with all the legal and regulatory requirements at the outset. Given that all conditions for urgency had been met, the Council ordered the suspension of the implementation of the Gaming Commission’s decision. The annulment proceedings were still pending at the end of 2016.

F. Ruling of 30 June 2016:
Fraud using bingo machines on the part of an E licence holder
The appeal lodged at the Council of State seeks the annulment of the Gaming Commission’s decision of 4 February 2015 in which it revoked the E licence for providing services related to the sale, hire, leasing, provision, import services and the production of games of chance. An investigation showed that, in at least 33 establishments several times and on 69 different machines, the glass had been removed from the bingo machines so that the balls could then be manually placed in the winning holes. The Council of State ruled that the authority conferred on the Gaming Commission to rule on the breach of gambling regulations also implies the power to determine such infringements, regardless of whether these infringements may be sanctioned under criminal law. Moreover, the Council also ruled that the Gaming Commission must observe the principle of proportionality when determining the sanctions. It noted that it would only deem the contested decision to be contrary to this principle if it established that the decision is such that it is indeed out of proportion to the nature of the facts. A strict interpretation of the discretionary power granted to the Gaming Commission is not in itself the same as the excessive and unreasonable exercise of that power. The appeal was therefore dismissed.

G. Ruling of 13 September 2016:
Accumulation of licences through one URL
A petition submitted on 24 September 2015 requested the annulment of two decisions taken by the Gaming Commission whereby an A+ and an F1+ licence were granted to an operator who wanted to exploit both licences through the same URL. The Council considered it necessary in this case to refer a preliminary ruling to the Constitutional Court asking whether Sections 4, 6, 34, 43(4) and 43(8) of the Gaming and Betting Act constitute a violation of Sections 10 and 11 of the Constitution in the sense that the sections of the Gaming and Betting Act would allow several supplementary licences to be accumulated (A+, B+ and F1+). A similar petition was also submitted in two other cases in which a B licence and an A+ licence were granted.

The Court of Appeal had not ruled on this petition by the end of 2016.

H. Ruling of 22 September 2016:
Slot machine arcade not actually operating
The action seeks to suspend the decision of the Gaming Commission pertaining to the withdrawal of the licence to operate a slot machine arcade because it was not actually in operation. The actual operation is one of the conditions listed in Section 36 of the Gaming and Betting Act to be able to remain a holder of a licence. The Council ruled that the discretionary powers specifically pertain to the Gaming Commission’s assessment of the obligation to actually operate the establishment. This authority does not mean that any kind of inactivity should lead to the revoking of the licence. It is the Gaming Commission’s responsibility to include the specific material circumstance in its assessment, and to attach appropriate conclusions to its assessment.

In addition, in terms of applying the principle of due care, it considers that the Gaming Commission’s task does not consist in assisting licence holders and giving them the opportunity to comply with applicable regulations. The responsibility to observe the requirements for obtaining and keeping a licence lies solely with the licence holder.

The Council of State dismissed the appellant’s action.

7.2.1.3 COURTS
— COURT OF FIRST INSTANCE
A. Judgement pronounced by the Court of First Instance, 25th Division, Brussels (2 February 2016): Non-awarding of a public contract
In connection with the non-awarding of a public contract to a bidder, an action for the suspension of this decision under urgent necessity was brought before the Council of State as far back as 2012. The Council dismissed this action because the award decision had since been withdrawn and the action was devoid of purpose. The contract was not put out to tender again. The bidder was of the opinion that it had suffered damages as a consequence and had a summons served. Given that the bidder failed to provide evidence of an error as referred to in Section 1382 of the Civil Code, the action was dismissed as unfounded. The appeal proceedings were still pending at the end of 2016.

B. Judgement pronounced by the Court of First Instance, Antwerp Division (7 November 2016): Participating in illegal barbooth gambling
In the night of Monday 29 to Tuesday 30 December 2014, the Gaming Commission in collaboration with the Antwerp local police organised an inspection intervention for illegal gambling during which it was established that the illegal game of chance, ‘barbooth’, was being run.

The Gaming Commission imposed an administrative fine of €2,000 on the participants. It is a criminal contravention of Section 4 § 2 of the Gaming and Betting Act, on the grounds of which all are forbidden from participating in an illegal gambling operation that is not licensed pursuant to the Gaming and Betting Act. The player in this case lodged an appeal at the court of first instance in Antwerp. The appeal was declared inadmissible because it was submitted late.

C. Judgements passed down by the Court of First Instance Henegouwen, Charleroi Division (9 November 2016): Participating in illegal barbooth gambling
Based on its decision of 1 October 2014, the Gaming Commission imposed administrative fines on two players because they were found participating in the illegal game of chance, ‘barbooth’, during an inspection. By doing so, both players had committed a criminal offence in contravention of Section 4 § 2 of the Gaming and Betting Act, on the grounds of which all are forbidden from participating in an illegal gambling operation...
participating in a game of chance for which those involved know that it constitutes an illegal gambling operation that is not licensed pursuant to the Gaming and Betting Act. The criminal court based its ruling inter alia on the fact that both players were present in a back room of a drinking establishment that was closed to ordinary consumers. Both players have been ordered to pay a financial penalty of €2,000, of which half is suspended, plus litigation costs. de spelers dienen een geldboete te betalen van €2,000, waarvan de helft met uitzet en vermeerderd met de gereden kosten.

7.2.2 EUROPE (COURT OF JUSTICE)

1.1 RULINGS FROM THE COURT OF JUSTICE

A. Ruling of 28 January 2016, Laeza, case C-375/14, EU:C:2016:60
This is a case that must be viewed in the context of a series of Italian cases related to the concessions for offering betting on the Italian market (see also the case Plicavisa, Costa & Côte, and Stanley International Betting).

As is customary, the Court of Justice first established that the measure did indeed constitute a restriction of Articles 49 and 56 of the Treaty on the Functioning of the European Union (TFEU), i.e. free movement of persons, services and capital. There was a debate on the question of whether or not this measure applies to all operators, and is therefore non-discriminatory. Based on the information available, the Court of Justice could not deduce whether the measure was discriminatory, but left it to the referring court to assess definitively.

The Court of Justice then proceeded to review the objective of EU law, and to assess whether the measure was discriminatory.

The Court of Justice pointed out that provisions that are contrary to EU law should not be taken into consideration. The implementation of a domestic gambling regulation that is contrary to EU law cannot continue during some kind of transitional period. Having said that, the Court of Justice reiterated that this does not mean that a Member State should take into consideration the reality of the situation at the time that the domestic court carries it out.

The Court of Justice clarified in the Admiral Casinos ruling that the word ‘actually’ should not be interpreted as an instruction to take domestic legislation as having been established ‘empirically and with certainty’. There was a lack of clarity on this matter arising from the different wording used in the various language versions of the Pfleger ruling.

As far as the evolution of the proportionality test is concerned, the Court of Justice noted that it had previously ruled ‘that domestic authorities have when it comes to determining what the offences took place. In other words, the proportionality test is evolving, or dynamic’ as the Court of Justice put it, and it should take into consideration the reality of the situation at the time that the domestic court carries it out.

This means that a domestic regulation that was originally in accordance with EU law may be considered to be disproportional at a later stage. Indeed, a domestic regulation may fall victim to its own success: a strict measure that effectively tackles illegal gambling activities may be useful and proportionate to start out with, but it may become disproportional later because it effectively eradicates illegal gambling.

D. Ruling of 8 September 2016, Politamico, case C-323/15, EU:C:2016:645
This, too, involved an Italian preliminary referral. It concerns a question of whether a specific condition for obtaining a gambling concession in Italy is compatible with EU law.

Essentially, the question asked related to whether a concession system could require that candidates must demonstrate their financial standing by submitting two separate bank statements that verify their financial stability.

The Court of Justice referred to the wide discretionary power that domestic authorities have when it comes to determining what the protection of consumers and social order requires in the non-harmonised field of gambling.

Considering that this requirement applies only to those candidate operators who have existed for less than two years, and whose total income from gambling operations during the previous two financial years was less than €2 million, the Court finds that this requirement apparently does not go beyond what is necessary to achieve the intended purpose. So in principle the measure is proportional, although ultimately it is up to the domestic courts to make this judgement.
In this Polish case, operators of unlicensed gambling argued that the prohibitory provision in question had not been reported in accordance with Notification Directive (at the time EU Directive 9/34 – now replaced by EU Directive 2015/1535).

Pursuant to Article 8(1) of the Notification Directive, the ‘technical regulations’ have to be reported to the Commission. However, if this is not done, the provision in question is not opposable and the domestic courts cannot take them into consideration. Therefore, if a prohibitory provision related to gambling is actually a technical rule, the infringer will be let off if notice was not given about the provision.

This was the case in the legal proceedings brought before the Polish court. No notice had been given that a licence is required in order to operate a casino in Poland. Nevertheless, the court did not simply wish to refrain from applying the sanction and wanted to know if there was no way of mitigating this (strict) penalty for non-notification.

In this regard, the referring court wanted to know whether, in the gambling domain, a technical regulation for which no notice had been given should be disregarded if it did not pass the proportionality test (and thus remains applicable if it were in principle considered to be in accordance with EU law).

The Court of Justice reformulated the question, and queried instead whether the measure in question should be regarded as a technical regulation under the Notification Directive.

The Court of Justice concluded that the provision in question was not a technical regulation, and that consequently it is not necessary for the Court to consider what the implications are if the obligation to give notice of a technical regulation is not met.

The applicant is also of the opinion that the United Kingdom and Gibraltar have to be regarded as one single Member State for the purposes of applying Article 56 of the TFEU.

B. Case C-685/15 Online Games

This concerned a referral from Austria involving illegal operators of gambling machines who raise the issue in their proceedings that Austrian legislation is in conflict with EU law.

The referring court requested clarification regarding the evidence that has to be produced by Member States when it has to implement the proportionality test with regard to the domestic gambling regime. In other words, does it actually serve the purpose of pursuing the objectives that the government claims it is promoting?

In the process, the court would specifically like to know whether it is in conflict with EU law if domestic legal proceedings obliges the court to establish the truth itself to a degree, rather than placing the responsibility for raising all the information entirely with the authorities. The Court feared that this constitutes inquisitorial proceedings whereby the rights to defence are insufficiently safeguarded.

The session was held on 10 November 2016.
7.3 — PARLIAMENTARY INITIATIVES

7.3.1 LEGISLATIVE PROPOSALS AND BILLS

Because the continuity of several casinos was in jeopardy, this dossier was covered widely in the press. In order to operate a casino, the prospective operator has to enter into a concession agreement with the municipality. The validity term of these concession contracts does not always correspond to that of the 15-year Gaming Commission licence. At the end of 2016, several licences needed to be renewed for the next 15-year term (see Section 0 – Highlights and Point 3.1.1., p. 18). The issue was that the underlying concession contracts with the respective municipalities no longer had any remaining validity term that would fully cover the 15-year term. Pursuant to Section 25 of the Gaming and Betting Act, the Gaming Commission may only issue or renew licences for fixed 15-year periods (no more and no less).

As a result, these licences could not be renewed without a new concession contract. Furthermore, in accordance with European directives, these concession contracts now have to be entered into through transparent competition proceedings. A fast-track renewal of these contracts by the municipalities would be contrary to this.

The fact that the continuity of several casinos was compromised due to late action cannot be attributed to the Gaming Commission, according to legal precedent set by the Council of State. Under the principle of due care, the Gaming Commission’s obligation cannot be diverted to intervene in the process. After all, the Gaming Commission’s task does not consist in assisting licence holders and giving them the opportunity to comply with applicable regulations. The responsibility to observe the requirements for obtaining and keeping a licence lies solely with the licence holder.37 Moreover, the Gaming Commission organised a seminar in May 2015 to warn operators and municipalities.

The only solution that would safeguard the continuity of the casinos and job security for the employees was to amend the Gaming and Betting Act. Various proposals were formulated, but ultimately it was decided that Article 25(1) would have to be amended, whereby the validity term for licences in certain cases would be restricted to the duration of the concession contract. This amendment to the legislation was effected via Potpourri IV.38 This new section came into effect on 31 December 2016 and allows the Gaming Commission to renew licences or grant them for a period shorter than 15 years under certain circumstances.

In the short term, this change in legislation did indeed offer a solution to the problem of the continuity of the casinos. The long-term consequences were not the subject of the discussion given the short term within which this draft was established. The granting of licences for various terms not only gives rise to discriminatory treatment, it also completely reverses the roles between the Gaming Commission as the regulator and the municipalities. Whereas previously the concession contract was subordinate to the licence, it now seems as though the Gaming Commission has become dependent on the validity term of these concession contracts when granting or renewing a licence.

A further and in-depth analysis of the application of the new Section 25 and its implications will therefore be called for in the future.

37 Ruling of the Council of State of 22 September 2016, A. 219/221/08-19498 (see Point 7.2.1., p. 51)
38 The Act of 25 December 2016 to amend the legal status of prisoners and the supervision of prisoners, and containing various provisions related to the judicial authorities, Chapter 17
8.1 — STAFF

The staff complement at the Gaming Commission Secretariat continued to shrink in 2016. The Secretariat had fewer staff in 2016 than they did in 2011. What is more, the amended Gaming and Betting Act came into effect in that year, and that constituted a doubling of the range of duties. That the increased work-related pressure is gradually becoming untenable is evidenced in the number of overtime hours that the members of the Secretariat have had to work. Whereas the number of additional hours worked before the amendment to the legislation was 18 hours per employee, in 2016 this increased to an average of more than 30 overtime hours per member of the Secretariat. This work-related pressure also has an impact on sickness absence, which has increased significantly.

Back in 2015, the Gaming Commission put forward a strategic plan to become a modern regulator with a clear mission and vision. To this end, a new organisation chart was proposed that enables the Gaming Commission to operate optimally. The staff complement as it stands now will not suffice to flesh out this organisation chart. Below we sketch an outline of how the workforce is projected in this organisation chart as it stands now. Members of the police force who are seconded are not covered by the staff budget, so they are not taken into account in this.

| Table showing number of staff members and FTE from 2010 to date (excluding the police) |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| A  | 11    | 18    | 18    | 18    | 17    | 15    | 15    |
| B  | 5     | 4     | 4     | 4     | 4     | 3     | 3     |
| C  | 15    | 17    | 14    | 14    | 14    | 13    | 13    |
| D  | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| TOTAL | 33  | 41    | 39    | 38    | 37    | 33    | 33    |
| TOTAL FTE | 31,8 | 36,3  | 37,3  | 35,1  | 34,1  | 31    | 30,7  |

Back in 2015, the Gaming Commission put forward a strategic plan to become a modern regulator with a clear mission and vision. To this end, a new organisation chart was proposed that enables the Gaming Commission to operate optimally. The staff complement as it stands now will not suffice to flesh out this organisation chart. Below we sketch an outline of how the workforce is projected in this organisation chart as it stands now. Members of the police force who are seconded are not covered by the staff budget, so they are not taken into account in this.

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As is evident from this organisation chart, some services are either understaffed or not staffed at all thanks to structural staff shortages. Moreover, this organisation chart does not take into consideration the fulltime equivalents.

In order to deal with this difficult situation and as part of its quest for tangible solutions in the short term, the Secretariat's management decided to hold an internal audit about specific staff-related matters. To this end, all members of the Secretariat took part in written and verbal interviews in a general climate of confidentiality. This audit resulted in a report dated 4 April 2016, with the principle conclusion being that the Gaming Commission finds itself in a precarious situation due to a shortage of human resources and the lack of autonomy in the deployment of its own resources. The high work-related pressure has significant implications for the operation of the Gaming Commission. For instance, since the doubling of the Gaming Commission’s range of duties (new Gaming and Betting Act which came into effect on 2 January 2011), employees are not in a position to perform their core duties properly. The online gambling market and betting are hardly being investigated and are monitored as it stands now by one FTE. Moreover, the Gaming Commission is losing control of the legal and illegal gambling sector. […] There is a need for an autonomous status in which the Gaming Commission has access to its own resources, in the context prescribed by the Federal Public Service for Personnel and Organisation. Because staff increases were blocked for many years, a new staffing plan for 2016 to 2017 was drawn up based on the most recent budget figures. To keep staff motivated despite the unfavourable working conditions, a team building exercise for the Secretariat of the Gaming Commission was held on 7 March 2016.

On 8 December 2016, the Gaming Commission was present at the Catholic University of Leuven Faculty of Law for campus interviews with a view to filling vacancies for summer internships in 2017.

8.2 — BUDGET

REALLOCATION OF RESOURCES

In 2016, the Gaming Commission received an increase in expenditure credits amounting to € 2,565,000. This increase, which was allocated by bringing the expenditure into line with the estimated annual revenue, was booked entirely under operating credits in 2016, which meant that it was not possible for it to have an immediate impact on the staff complement. A request for reallocation was submitted.

A staffing plan for 2016 to 2017, was drawn up based on the approval for reallocation dated 26/08/2016 (see 8.1 Staff complement, p 61), for which so far the Inspectorate of Finance has in the interim only partially given the green light. The Gaming Commission is hoping to be able to effectively proceed with a few recruitments in 2017.

STAFFING EXPENSES

Staffing expenses include staff wage costs and allowances, including for the seconded police officers. The table below clearly shows that the human resources budget was not fully spent in 2016. This was because the reallocation of operating resources to human resources had already been factored in, but no recruitments had yet taken place.

The ceiling increase for the additional secondments and for the replacement of an official vehicle.

OPERATING EXPENSES

Operating expenses include the usual operating resources, building rental, entertainment expenses and investments, in rolling stock, IT as well as other expenses. The full commitment appropriation could also not be used for the operating costs. Non-essential expenditure was not approved at federal government level. As a consequence, the resources obtained were underutilised. As an example, the Gaming Commission was not given the green light to finance a chair that would be able to do independent scientific research into gambling. Work was, however, done on the JK3 project, which was entered in the 2014 credits was, which led to larger settlements compared to the commitments.
8.3 — COMPUTER SCIENCE

2016 saw the end of two periods for the IT Unit:
1. the end of the first fifth anniversary of IT independence at the Gaming Commission;
2. the end of 2016, a cut-off year in terms of the renovations and the IT approach for the next generation.

1 — THE FIFTH ANNIVERSARY
The amended Gaming and Betting Act and IT independence, which was consolidated in the 2010 IT Protocol, brought about a tripling of IT activities and responsibilities. Indeed, the Gaming Commission’s business model cannot be compared to that of the Federal Public Service for Justice.

The objectives in 2011 were:
1. making a clean break from the deplorable infrastructure that existed prior to 2011;
2. relocating the servers and services from the Federal Public Service for Justice to the Gaming Commission;
3. making the systems self-sufficient and completely tolerant to errors and threats;
4. modernising and facilitating the Secretariat’s administrative resources;
5. monitoring systems, applications and the business;
6. protecting individuals, systems and applications;
7. expanding the fully-fledged IT department.

However, these objectives took more time than expected. The collaboration with external parties did not always go smoothly. Resources are required for setting up an independent department.

2 — 2016
In 2016, the operating budget for the IT Unit was tripled, from € 1,100,000 to € 3,400,000.

This may be an indication that the will to support the Gaming Commission exists. On the one hand, the IT Unit welcomes this. On the other hand, the expansion that has been required since the amendment of the Gaming and Betting Act and IT independence has not yet been achieved.

IT STAFF COMPLEMENT
To be able to function properly, the IT Unit should be able to deploy 14 people. This includes two external experts (security officer and systems engineer) and two business units that cannot be recruited internally. There are also business-related jobs that the IT Unit has to fill.

For the rest, the following are also needed:
- A web specialist for monitoring the internet:
  - Illegal websites: managing the blacklist, checking illegal websites and blocking pages, contacting ISPs, statistics on illegal use
  - Legal websites: checking URLs, checking the link with the Gaming Commission for www.gokhulp.be, marketing activities (promotions, bonuses, and so on)
- Server specialist for monitoring the servers of licensed operators (protocols, EPIS, e-games, logs, player access and so on)
- Software analyst for the business monitoring of e-games, EPIS and the data received via the protocols.
CUSTOM SOFTWARE
An external partner maintains and develops the custom software. The changes to the software can be subdivided into:
1. Reporting
2. Secretariat (tools to support file managers and the monitoring unit)
3. Services (principally EPIS, e-games and protocols)
4. IT (servers, databanks, business security and so on)

DOSSIER IDENTIFICATION
In December 2015, the IT Unit put forward a business plan (€ 210,000) to enhance among other things the quality of the EPIS and player profiles (e-games) databanks, and to hone the process of creating new player profiles. For instance, a control mechanism was provided that compares the player profile data of Belgian players with the data in the National Register (i.e. bulk validation).

The many questions put to parliament in 2016 about player identification illustrates the concern that prevails on this subject. Getting the budget released for the Proximus security equipment mechanism was provided that compares the player profile data (EPIS and player profiles (e-games) databanks, and to hone the process of creating new player profiles. For instance, a control mechanism was provided that compares the player profile data of Belgian players with the data in the National Register (i.e. bulk validation).

Furthermore, internet communications at the Secretariat are also done via an inbox set up specially for this purpose and managed by the HRM Unit. This is a fast and efficient way to spread information among staff and to keep everyone up to date about certain situations.

8.4 COMMUNICATIONS

8.4.1 INTERNAL

In 2016, electronic newsletters were sent to all Secretariat staff inboxes after every meeting. This newsletter keeps staff informed of what was discussed during the last Gaming Commission meeting, among other things. After all, work is much more enjoyable when it is also clear what the results are. The Gaming Commission therefore tries to involve its staff as much as possible in the work that it does. Information of a more personal nature, like births, marriages and impending birthdays, is also announced through this channel. For the rest, there is also space for reports and/or photographs of recent events. The newsletter is intended to contribute to a good atmosphere within the Secretariat.

Furthermore, internal communications at the Secretariat are also done via an inbox set up specially for this purpose and managed by the HRM Unit. This is a fast and efficient way to spread information among staff and to keep everyone up to date about certain situations.

8.4.2 EXTERNAL

— CONTACT FORM WEBSITE – INFO@GAMINGCOMMISSION.BE

In 2016, too, the Gaming Commission received many e-mails via the contact form on its website and via the general e-mail address info@gamingcommission.be.

The table below shows the number of e-mails received via info@gamingcommission.be in 2016 according to category:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2015</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>164</td>
<td>1463</td>
</tr>
<tr>
<td>Administration</td>
<td>162</td>
<td>523</td>
</tr>
<tr>
<td>Protection of players</td>
<td>2604</td>
<td>2638</td>
</tr>
<tr>
<td>Inspections</td>
<td>96</td>
<td>102</td>
</tr>
<tr>
<td>HRM</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Offline games of chance</td>
<td>136</td>
<td>119</td>
</tr>
<tr>
<td>Online games of chance</td>
<td>960</td>
<td>945</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2623</td>
<td>5792</td>
</tr>
</tbody>
</table>

General

E-mails that cannot be placed under one of the specific categories are labelled ‘General’. These are often e-mails that are not intended for the Gaming Commission (e.g. advertising/spam). Sometimes they are also messages that end up in the Gaming Commission inbox more than once. This immediately explains the high number.

Administration

Questions under the heading ‘Administration’ come from people who wish to apply for a licence for organizing gambling as well as from existing licence holders who wish to information to the Gaming Commission about specific information.

Protection of players

The large quantity of e-mails in this category can be attributed to the many questions about exclusions from people who request exclusion as well as from people who are wondering when their access injunction is due to expire. Players who are suddenly part of a collective debt management scheme, and who are no longer admitted to gambling establishments, form the largest group. They are often not aware of the fact that the debt management scheme is linked to a gaming ban.

Online games of chance

Bar a few exceptions, almost all the people that contact the Gaming Commission are not experiencing any problems whatsoever. To these people, judging by the content of the text, are actually addicted to gambling. The silent majority of players on legal gambling websites do not get in touch with us, and this suggests that they are not experiencing any problems whatsoever.

FAQS

Many of the e-mails sent to info@gamingcommission.be are similar in nature (for instance, what to do if after a collective debt management scheme has ended). Standard answers that often recur were collected and placed online under the ‘frequently asked questions’ section: http://www.gamingcommission.be/opencms/opencms/hrkswt_en/faq/.
— SOCIAL MEDIA
The Gaming Commission wants to be a transparent organisation that is easy to access and has a modern image. Members of the public, players and gambling addicts must all be able to find their way to the Gaming Commission quickly and easily if they need to. For this reason, the Gaming Commission jumped onto the social media bandwagon in 2015; since then we can be found on Facebook, Twitter and LinkedIn. #meemethaartijd

By the end of 2016, social media users had gradually found their way to the Gaming Commission’s new channels. The Gaming Commission received 27 private messages via Facebook (15 in Dutch and 12 in French) that were requests for information.

1. Facebook: https://www.facebook.com/KSC-Commission-des-jeux-de-hasard-1686186716056337/
2. Twitter: https://twitter.com/ksc_cjh
3. LinkedIn: https://www.linkedin.com/company/KSC—commission-des-jeux-de-hasard?trk=top_nav_home

— PRESS
In 2016, the Gaming Commission only sent one message at its own initiative to the Belga press agency to draw attention to a fact:

1. 14/01/2016: Gaming Commission’s perspective on the smoking ban. This was in response to the article that was published in De Tijd on 8 January, and was entitled ‘Gaming Commission: Allows people to smoke in casinos’ and the ensuing furor in the press about the smoking ban in gambling establishments. The Gaming Commission would like to make it clear that it respects the authority of every minister as well as the regulatory decisions taken.

This does not detract from the fact that the Gaming Commission was strongly represented in the print media with the 229 (201 in 2015) articles that appeared. Gambling appeals to the imagination and so it is a popular subject for journalists to report on:

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Number of articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>23</td>
</tr>
<tr>
<td>February</td>
<td>3</td>
</tr>
<tr>
<td>March</td>
<td>18</td>
</tr>
<tr>
<td>April</td>
<td>14</td>
</tr>
<tr>
<td>May</td>
<td>10</td>
</tr>
<tr>
<td>June</td>
<td>33</td>
</tr>
<tr>
<td>July</td>
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</tr>
<tr>
<td>August</td>
<td>1</td>
</tr>
<tr>
<td>September</td>
<td>50</td>
</tr>
<tr>
<td>October</td>
<td>33</td>
</tr>
<tr>
<td>November</td>
<td>15</td>
</tr>
<tr>
<td>December</td>
<td>18</td>
</tr>
</tbody>
</table>

The peak in September can be attributed to the significant media attention spent on well-known sports personalities betting on their own matches. (See Policy p.68).


— ASSISTANCE FROM A COMMUNICATIONS FIRM
The Gaming Commission is endeavouring to improve its external communication to all stakeholders. In 2016, various articles were published in the press that damaged the Gaming Commission’s reputation and that demonstrated that the press and the public are not fully aware of what the Commission’s mission actually is. For this reason, the Gaming Commission believes that it is essential to rid the world of these misconceptions, and to work on a more proactive approach in the future.

To keep this challenge on the right track, the Gaming Commission sought the assistance of a communications firm and wishes to avail itself of this firm’s expertise. So it worked on a ‘negotiations procedure without prior disclosure for support for the Gaming Commission’s external communication from a communications firm’ in which the Gaming Commission wrote to five agencies to put forward a proposal. However, at the end of 2016, the inspector of Finances gave an unfavourable opinion because only one firm had responded.
At the beginning of 2016, the Secretariat cooperated fully with the scientific research initiative, the Bingo Project, run by the Law Faculty at the University of Kent, a project supported by the British Government.

2 to 4 February 2016:
During the stay in London for the ICE Totally Gaming trade fair, the Gaming Commission delegation visited the International Casino Conference among others and participated in the ‘What is the appropriate response to illegal gambling operations?’ debate. Members of the Technical Assessments Department visited the Casino Hippodrome, the Crystal Rooms gaming hall and a Ladbrokes office. On 2 February, they also participated in the ‘Legal, Illegal, Grey: Creating regulatory scheme for iGaming that will force black market out’ debate, in the context of the World Regulatory Briefing at the conference. At the trade fair itself, contacts were made with new manufacturers and various Belgian importers presented new machines and side games for table games that they want to put on the Belgian market. The technical requirements for model approvals were discussed with the programmers/manufacturers. On 3 February, the head of the Secretariat was invited to attend a closed conference for the Norwegian minister and secretary of state for games of chance, representatives of the competent administrations and representatives of the gambling authority. A presentation was given of the Belgian model. The focus was first and foremost on the political sensitivity of the subject, on punishing players and the success of the blocking page for games of chance. For the rest, Italy, France and Finland were also discussed.

A Gaming Commission representative took part as a speaker in a debate entitled ‘Regulatory briefing: incorporating new product categories into jurisdictional legislation’ (BetMarkets conference) in which the latest innovative betting products, such as virtual betting, betting on e-sports and (daily) fantasy games were discussed in greater detail. The Belgian regulator’s contribution consisted of the very broad Belgian definition of gambling, which means that these new products can qualify as gambling games, and in turn means that the relevant level of player protection is applicable to these products (versus the vision of American organisers such as Yahoo, i.e. it’s not betting, it’s entertainment). A case-by-case approach seems appropriate from the perspective of the regulator.

17 to 18 February 2016: Match-fixing in Europe (Brussels)
On 17 and 18 February, the head of the Secretariat and the head of the Inspection Unit participated in the ‘Developing European initiatives to fight match-fixing’, an event held by the European Commission. In the ‘Towards a culture of information sharing’ component, with the responsible European official for gambling as the moderator, a presentation was given about the Gaming Commission’s actions related to match-fixing and related issues.

9 to 10 March 2016: University of Hohenheim (Germany)
The European Court of Justice (Ince case) found the federal German gambling regulations to be partly in conflict with European law. For this reason, in 2016 extensive debates took place at all levels (academic, federal state, federal and so on) in Germany about the question of which gambling regulations should be introduced going forward. The Gaming Commission followed the various discussions on this closely during the symposium held by the University of Hohenheim in Stuttgart.

18 March 2016: iGaming Industry Council (London)
The Secretariat participated in the iGaming Industry Council, a meeting of operators and regulators following the Open Spa concept. The main theme: ‘What are the challenges, opportunities and trends in online gambling and betting to ensure our success all the way till 2020 (and beyond)?’ was explored in greater detail.

15 to 16 March 2016:
Federal Convention on Gambling (Bundeskongress zum Glücksspielwesen) (Germany)
The Gaming Commission also followed the debates on German gambling policy at the Federal Convention of Gambling held in the German capital Berlin. A proposed amendment, put forward by Minister Peter Beuth, minister for Internal Affairs and Sport for the federal state of Hessen, was discussed. Although the legislative process in Germany is still in its infancy, the final impact of German gambling regulations cannot be underestimated given the size of the German gambling market, which is estimated at € 11.3 billion (GGR).

24 March 2016: Visit to Holland Casino (the Netherlands)
On 24 March, Holland Casino in Breda was visited to see how operations differ compared to Belgian casinos.
14 April 2016: Stockholm conference (Sweden)
Dagens Industri invited the head of the Secretariat to give a presentation about the Belgian online model. According to plan, a licensing system is set to be introduced in Sweden (planned for 2018).

15 April 2016: Gambling working group
On 15 April 2016, the Gaming Commission attended a meeting of the Gambling working group of the Federal Public Service for Health. The aim of the meeting was to listen to the input of experts so that a political debate can be held on the subject at a later stage. The main research questions related to the need for investments, the cost of gambling addiction, the Gaming Commission’s and the National Lottery’s situation, evaluating assistance, and the legal framework.

18 April 2016: Council Of Europe and Sorbonne (Paris)
The Gaming Commission took part as an expert in a joint project with the Council Of Europe and the Sorbonne University in Paris. The aim of the meeting was to listen to the input of experts so that a political debate can be held on the subject at a later stage. The main research questions related to the need for investments, the cost of gambling addiction, the Gaming Commission’s and the National Lottery’s situation, evaluating assistance, and the legal framework.

22 April 2016: IFC-integral seminar (Roussillon)
A delegation from the Gaming Commission attended this seminar.

11, 12, 14 and 27 April 2016
In April 2016, the Gaming Commission lent its cooperation to four preliminary stages with a view to the Preventive Health Conference that took place on 16 and 17 December 2016. During the preliminary stages, the following topics, among others, were discussed: nutrition, exercise, sedentary behaviour, malnutrition in the elderly, eating disorders, tobacco, alcohol, drugs, psychoactive medication, gaming and gambling. In the context of ‘Health in All Policies’ initiatives, workshops were scheduled to share ideas, trends, best practices, expertise and suggestions for opportunities.

2 May 2016: Responsible Gaming Academy
ON 2 May 2016, the head of the Secretariat gave a presentation on illegal gambling – regulatory point of view during an initiative of the Responsible Gaming Academy.

12 May 2016: Basic training for economics civil servants
The Gaming Commission participated as a guest speaker in the basic training for Flemish civil servants held by the Association of Flemish Cities and Municipalities on 12 May 2016. The aim was to explain the role the municipalities in the context of gambling addiction, the Gaming Commission’s and the National Lottery’s situation, evaluating assistance, and the legal framework.

26 May 2016: Europam conference (Barcelona)
On 26 May 2016, the Gaming Commission participated in the Europam Gaming Summit entitled ‘Moving ahead of the game’. Adapting to an evolving regulatory and commercial environment in Europe, and more specifically in the panel discussion ‘Get to know the regulators’. Besides Belgium, representatives from the regulators and policymakers from Spain and Italy took part, as did a representative of the European Commission.

31 May to 3 June 2016:
Gambling Regulators European Forum meeting (Malta)
At the beginning of May, representatives, guest speakers and the audience gathered for the annual Gambling Regulators European Forum meeting in the Maltese coastal town of Saint Julian’s. Around 70 representatives from 27 countries signed in and played their part in a successful conference. Even Singapore and South Africa showed an interest.

6 September 2016: UCL and CRIDES
Under the leadership of Professor Philippe Denis, the UCL and the CRIDES held a preparatory session at the seminar of 25 April 2017 entitled ‘Gambling: pan-disciplinary approach’ (Jeux de hasard approche pluridisciplinaire). The Gaming Commission gave a presentation there on the regulations.

6 September 2016: VAD study day
On 20 September 2016, the Flemish Expertise Centre for Alcohol and Other Drugs (VAD) held a training course on problem gambling. Furthermore, the approach to problem gamblers was discussed and the VAD tried to provide a better understanding of gambling prevention, and to provide insight into gambling legislation and the regulation it encompasses with respect to the protection of players. The Gaming Commission assisted with the training course.
20 to 22 September 2016: Convention on the manipulation of sports competitions (Strasbourg)
The Gaming Commission participated in the convention on the manipulation of sports matches organised by the Council of Europe in Strasbourg. It also attended a meeting of domestic regulatory authorities responsible for betting on sports.

7 October 2016: HiPay Gaming Seminar 2.0 (Brussels)
This seminar took place in the Brussels Expo.

24 to 27 October 2016: Slot Academy course (Leiden)
This course clarified how the payment percentage specifically for slot games can be calculated using the payout tables and the probability distribution of the symbols on the reels. An important aspect in this is that changing the probability distribution influences the volatility of the game. A game is more volatile if the chances of winning a prize are lower, but the prizes are high.

14 November 2016: World Rugby Sports Integrity Forum (London)

21 November 2016: Betting workshop (Paris)
At the end of November, the European Commission organised the ‘BETMONTALERT – Monitoring systems of sports betting and warning mechanisms between public and private actors’ research programme. The Gaming Commission participated in this workshop.

25 November 2016: Seminar on gambling (Brussels)
The members of the Belgian Association of Gaming Operators (BAGO) wanted to encourage social reflection on the future of the sector to reconcile two basic requirements: on the one hand, effective and efficient player protection and, on the other hand, the financial viability of legal operators. This seminar took place in the Bozar arts centre. The Gaming Commission was also represented in one of the panel discussions.

16 December 2016: European Commission’s games of chance expert group
True to tradition, the Gaming Commission was represented in the European Commission’s games of chance expert group. After the presentation on the matrix study of technical requirements, match-fixing (a presentation from Europol in Hungary) and anti-money laundering (a presentation from Europol in Italy) were on the agenda.

2016: Collaboration with the Walloon Region
In the course of 2016, information was exchanged several times with the Walloon Region in the context of implementing the collaboration agreement of 9 October 2015. These exchanges related to the listing of 3.3 machines and the ‘gambling and betting income’ amounts that the Gaming Commission and the Walloon Region have at their disposal. Various joint actions were also undertaken on the premises, including in the context of a company that organised bets that went bankrupt, and the monitoring of legal and illegal gambling establishments. Action will be undertaken in 2017 to ensure an even better collaboration in order to achieve the best possible results.
The objectives of the Gaming Commission’s work is to ensure compliance with the letter and the spirit of the law, to restrict and to rationalise the range of games of chance on offer. Virtually every day, players are tempted to have a flutter, a new provider enters the market or someone comes up with a brand new game concept. These trends generally originate somewhere beyond Belgium’s borders, but nevertheless that can have an impact on the equilibrium that Minister Geens has in mind. Those peddling games of chance are becoming increasingly creative in conjuring up new game formats, venturing dangerously close to the boundary of what is illegal in the process. The difference between what is and is not permitted must be clearly demarcated, among other things, when it comes to publicity for gambling. It is crucial that regulations are laid down and complied with.

In a world in which everyone cheats, it’s the honest man who passes for a charlatan. If it wishes to act with due care and diligence, the regulator must be able to rely on the support of parliament and the government, and it must be acknowledged and respected by the operators.

If the regulatory authority fails to gain this confidence and the political powers contradict its authority, or if they take the responsibility for handling these files out of its hands, it can no longer perform its duties. Having said that, there are calls for the modernisation of the regulatory authorities and, more especially, the gambling authority. Against a background where ‘gambling and betting now take place on a global scale, in the virtual environment, via our smartphones, which know all about us, we are charted and analysed from all angles and then attracted by the personalised advertising for all kinds of new products and services. Who still retains the overview of all this or, to put it more clearly: who will still take responsibility for ‘monitoring’ all these activities? What purpose does domestic monitoring serve if the large-scale platforms operate globally and new technologies change the essence of the game, including gambling? Robots are taking over from humans in all games. Who has the necessary resources to contain and monitor all of this?’

In answer to these questions posed by the former minister of Justice, De Cleck, the response could be that gambling policy is still a domestic competence within the European Union. It is necessary to ensure better protection of players in the context of combating fraud and money laundering. Protection of players is at an exceptionally high level in Belgium. The Belgian regulator is a well-equipped body with a competent staff complement that does everything in its power to protect the young and the vulnerable population. The Gaming Commission supports the position of an important player with broad experience, the gambling market and the technologies must be able to rely on shared knowledge of a group of professional and independent people. Essential to this is a proper assessment of the interests of the consumer versus that of the operator who is investing, but also of new technologies. Quick and clear decisions are necessary, in the interests of everyone.

To achieve the required level of precision, we need to provide for a reformed regulator, or at least for a unique expertise centre that is at the disposal of the various market regulators. The statute and the proceedings should be identical for all regulators. If this intention were to be achieved, it may lead to a more efficient and effective gambling policy, while at the same time savings could be made.

E. Marique
President of the Belgian Gaming Commission
APPENDICES

GERMAN SYNOPSIS

PARLIAMENTARY QUESTIONS AND ANSWERS

In diesem Kapitel werden einige Ereignisse erörtert, die die Glückspielepoltik im Jahr 2016 mitbestimmten.

1 — MEHRWERTSTEUER AUF ONLINE-GLÜCKSSPIELE

Damit sich die betroffene Branche auf diese Änderung vorbereiten konnte, entschied der Finanzminister, das Datum des Inkrafttretens bis August 2016 zu verschieben.

Die neue Maßnahme kann die Position illegaler Anbieter stärken, weil sie weder Steuern in Belgien zahlen, noch den Rechtsvorschriften in Belgien entsprechen (Geldwäsche, Transparenz, Lizenzen, administrative Strafen, EPIS, Identifikation, Zugriffskontrolle, Kontrollen usw.). Dies kann sogar Folgen für den Schutz der Spieler haben, wenn die Kanalisierung zu den gesetzlichen Anbietern zurückgeht. So locken illegale Websites Spieler beispielsweise mit verschiedenen hohen Boni.

2 — KONZSEPIONSPROBLEME VON Casinos

3 — WERBUNG


die in der neuen Organisation BAGO (Belgian Association of Gaming Operators) vereint sind, ergriffen die Initiative, um sozialverträgliche Spiele zu fördern und einen optimalen Schutz der Spieler zu gewährleisten.

Das Sekretariat der Glücksspielkommission legte seinerseits zwei Entwürfe eines Königlichen Erlasses vor, um der kommerziellen Kommunikation eine gesetzliche Grundlage zu geben. Dieser Entwurf wurde anschließend auf politischer Ebene erörtert. (Siehe Kapitel 1.5.1.1.)

4 — VIRTUELLE WETTEN


Die Glücksspielkommission befürwortet eine Vorbeugungskampagne, um Fußballer darauf hinzuweisen, dass das Wetten auf eigene Spiele unzulässig ist. Diesbezüglich führte die Glücksspielkommission Ende 2016 mit der Pro League Gespräche.
<table>
<thead>
<tr>
<th>No.</th>
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<th>Subject</th>
<th>URL</th>
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<tr>
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<td><a href="http://www.dekamer.be/QRVA/pdf/54/54K0068.pdf">http://www.dekamer.be/QRVA/pdf/54/54K0068.pdf</a></td>
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<td>554</td>
<td>Christoph D’Haese</td>
<td>Federal public services and public institutions – HR policy</td>
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<td>Paul-Olivier Delannoi</td>
<td>Fake profiles on gambling sites</td>
<td><a href="http://www.dekamer.be/QRVA/pdf/54/54K0073.pdf">http://www.dekamer.be/QRVA/pdf/54/54K0073.pdf</a></td>
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</tbody>
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PARLIAMENTARY QUESTIONS AND ANSWERS

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999 | Sybille de Coster-Bauchau | Monitoring online gambling operators | http://www.dekamer.be/QRVA/pdf/54/54K0084.pdf
1002 | Paul-Olivier Delanois | Fake profiles on gambling sites | https://www.dekamer.be/QRVA/pdf/54/54K0063.pdf
8080 | Laurent Devin | The lack of control of online sports betting | https://www.dekamer.be/doc/CCRI/html/54/ic320x.html
8504 | Philippe Goffin | The abolition of so-called games of chance referred to in Section 3.3 of the Gambling and Betting Act | https://www.dekamer.be/doc/CCRI/html/54/ic331x.html
10009 | Georges Gilkinet | The suspicions related to the match between Oostend and Waasland Beveren | https://www.dekamer.be/doc/CCRI/html/54/ic379x.html
12116 | Georges Gilkinet | The future for the cycling team sponsored by the National Lottery | https://www.dekamer.be/doc/CCRI/html/54/ac477x.html
12211 | Griet Smaers - Peter Dedecker | Online gambling sites - The Excluded Persons Information System | https://www.dekamer.be/doc/CCRI/html/54/ac444x.html
12784 | Catherine Fonck | Games of chance | https://www.dekamer.be/doc/CCRI/html/54/ac468x.html
12977 | Eric Massin | Credit cards used on gambling sites | https://www.dekamer.be/doc/CCRI/pdf/54/ac470.pdf
14302 | Els Van Hoof | Gambling winnings not paid out by gambling operators | www.lachambre.be/doc/CCRI/pdf/54/ac512.pdf
1427 | Brecht Vermeulen | Match-fixing – Several research projects | https://www.dekamer.be/QRVA/pdf/54/54K0095.pdf
1527 | Fabienne Winckel | Ethical gambling | https://www.dekamer.be/QRVA/pdf/54/54K0110.pdf
1524 | Els Van Hoof | Tracking high risk gamblers among professional sports persons – Match-fixing | https://www.dekamer.be/QRVA/pdf/54/54K0101.pdf
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