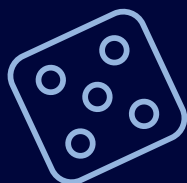


Spillemyndigheden

Annual Report 2018





Annual Report 2018



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Director's Foreword

A fair gambling market ... in the proper way

2018 saw major changes in the worldwide gambling market. The USA saw a movement towards more licencing for online gambling, and Sweden prepared a liberalisation model resembling the Danish model. Many other countries saw similar developments or made minor adjustments to their own gambling legislation, but on the whole, 2018 fully lived up to the international trends of previous years. There was a constant development of new gambling products, gambling operators acquired other operators, or were themselves acquired, and new operators entered the market.

Denmark had the valuable opportunity of seeing these changes at close hand, as we had the honour of having been chosen as the host country for the annual gambling conference, held by the International Association of Gaming Regulators (IAGR). This took place in Copenhagen in September for gambling authority colleagues and guests from Denmark and all parts of the world.



Focus on responsible gambling

Many gambling operators in Denmark are international companies or influenced by international gambling activities and products. Thus, we attach great importance to acquiring knowledge and inspiration from abroad. This provides us with a sound basis for being ahead of the developments in the gambling market and when possible use it in our day-to-day implementation of the gambling legislation. Overall, 2018 has seen much focus in Europe on marketing and responsibility.

Denmark was no exception. There was much debate about the number of gambling advertisements, and a special focus on gaming amongst young people and on the risk of compulsive gambling. In June, a broad group of political parties entered into an agreement on new initiatives against compulsive gambling in Denmark, and proposals for regulatory changes were sent out for debate at the end of the year. This included areas such as bonuses and a cooling off period

before opting out of the self-exclusion system ROFUS. The agreement also meant the opening of an independent compulsive gambling helpline at the Danish Gambling Authority on 1 January 2019. We warmly welcome this task. We will do our utmost to provide impartial counselling on compulsive gambling, and we will surely benefit from the valuable insights from the helpline. Finally, the agreement expects a common code of conduct for the gambling industry in Denmark, involving restrictions on gambling advertising and efficient information on time and money spent on gambling. The code of conduct is expected to be ready in spring 2019.

Also, a Danish research project about young people's relation to video games with elements of gambling such as skin betting and loot boxes is on the way.

A stable market

It is now seven years since the market was partially liberalised, and in 2018 we continued to experience a stable and well-regulated market. The competition in the industry is intense and the advertisements and gambling products are numerous. We, again, had to get illegal gambling websites blocked and issue sanctions against operators that had unclear bonus offers or ran advertisements aimed at minors. Some cases ended up with injunctions, but others were sent to the police to decide upon a fine. Despite these cases, we still experience a clear willingness from the vast majority of operators in the gambling industry to comply with the regulations. It is my belief that the best advertising for a gambling operator is to conduct their services in a legal and responsible manner with a view to preventing compulsive

gambling, and that their gambling services are for entertainment purposes only.

2018 was also the year when the liberalisation of online bingo and betting on horse racing came into force, and new operators in the area entered the market. Money laundering has also taken up a great deal of public debate, and the Danish Gambling Authority continued its work to ensure that gambling operators comply with the regulations around mandatory processes and reports.

Dialogue and valuable relations

Gambling is increasingly offered on several social media platforms. No matter our efficiency at the Danish Gambling Authority, there is always a risk that some of the gambling activities offered do not comply with the rules. But, as always, we are ready to enter a dialogue with gambling operators, and in 2018, we also put a great deal of effort into maintaining and expanding our valuable relationships with our many stakeholders. In this way, we continue to carry out our tasks based on the good experiences of previous years – ultimately we must make sure that gambling in Denmark is perceived as fair and takes place in a safe environment. Sanctions and injunctions should continue to be the exception, while responsible provision of gambling should be a matter of course if we want to maintain a fair gambling market - in the proper way.

Thank you very much to everyone for their cooperation in ensuring a fair gambling market over the past year - from us all at the Danish Gambling Authority!

Birgitte Sand

Director of the Danish Gambling Authority



6

The Danish Gambling Authority

- › About the Danish Gambling Authority
- › New organisational structure in the Danish Gambling Authority





About the Danish Gambling Authority

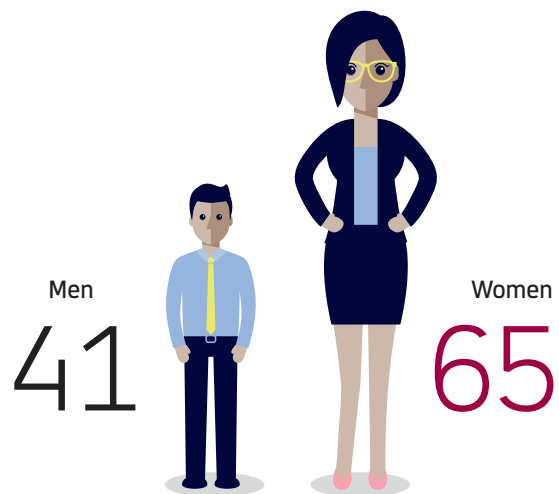
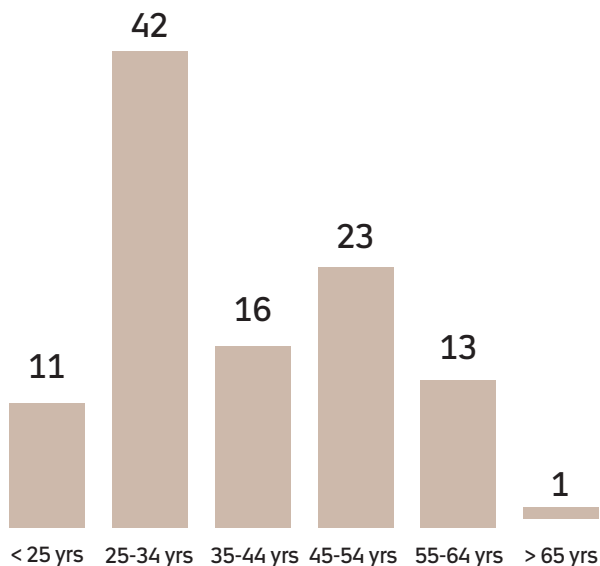
The Danish Gambling Authority is an executive authority under the Ministry of Taxation. We are tasked with ensuring a responsible and well-regulated gambling industry in Denmark, where gamblers are protected against unfair and illegal gambling activities.

The Danish Gambling Authority is responsible for the administration of gambling legislation; including lotteries, betting and online casino,

gaming machines, public poker tournaments, and land-based casinos.

Our most important tasks include issuing licences for the provision of gambling, supervision of gambling operators, and monitoring of the gambling market. Other important tasks include international cooperation, analysis of the gambling market, following trends and developments in gambling, taking initiatives to ensure responsible gambling, protection of gamblers, and advisory services.

Figure 1: The age distribution of the staff



New organisational structure in the Danish Gambling Authority

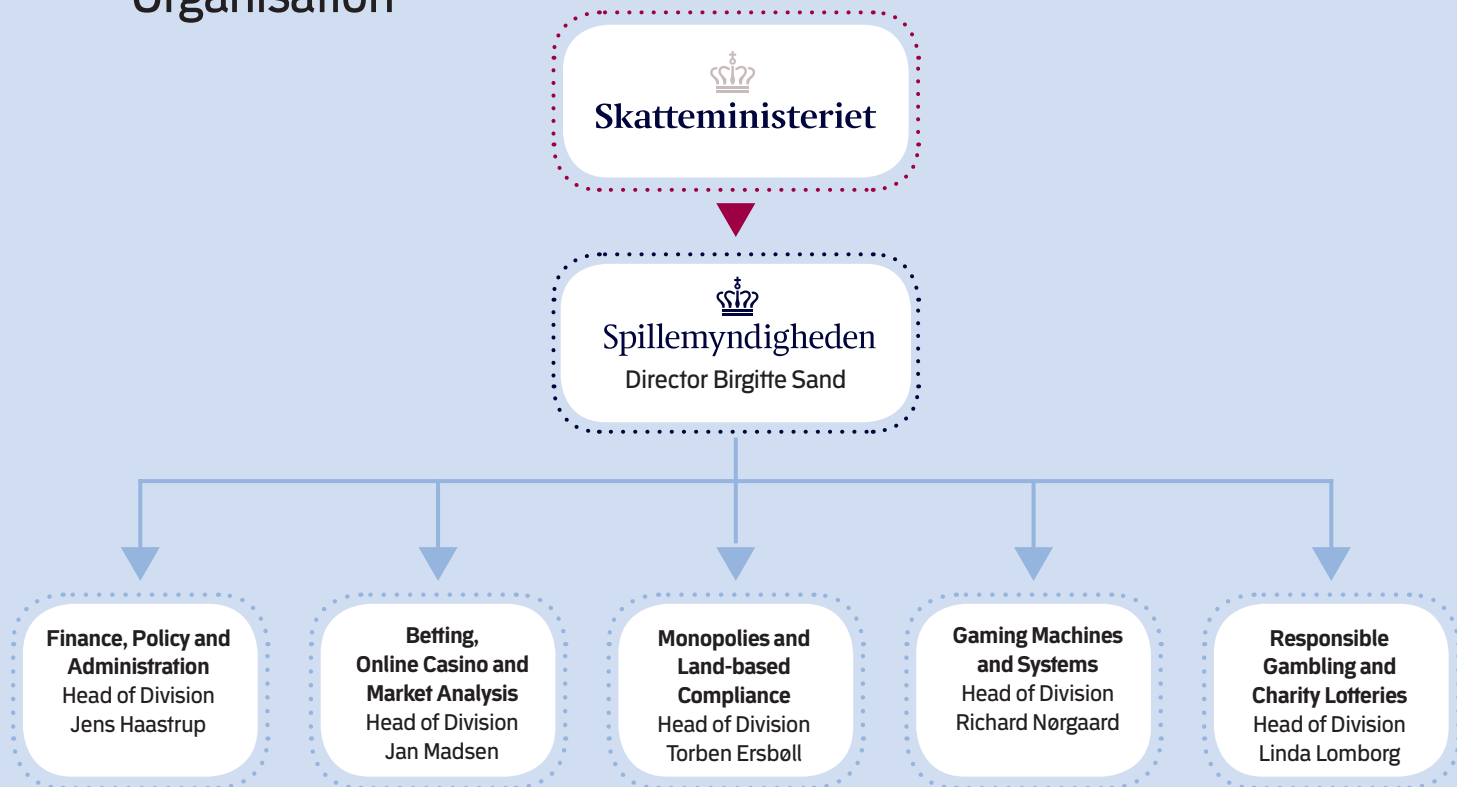
In 2018, the Danish Gambling Authority implemented a new organisational structure as the result of a number of new responsibilities. The first stage came into force on 1 October 2018 and the final stage on 1 January 2019.

The former structure is generally maintained, but, following the expansion of the Danish Gambling Authority's areas of responsibility in connection with a political agreement on new

measures against compulsive gambling, a need for adapting the organisation arose.

The adjustments to the organisation mean that the Danish Gambling Authority is now divided into five divisions instead of four. The new division will among other things focus on responsible gambling including the new helpline concerning compulsive gambling – StopSpillet (Stop Gambling).

Organisation



We ensure the framework for a fair gambling market

The Danish Gambling Authority is tasked with ensuring a responsible, fair, and well-regulated gambling market for the benefit of consumers and gambling operators. We issue a number of different licences for gambling activities in Denmark, and we conduct risk-based supervision of the gambling market.

We also carry out analysis of the market and provide clear and transparent guidance and information. Our work cannot succeed unless we are forward-thinking and quick to react, especially in an industry that is constantly developing. For this reason, we place great emphasis on the exchange of knowledge and experience with other countries on both gambling

activities and legislation.

Openness and dialogue are the hallmarks of the way we work. It is vital to maintain the constructive cooperation we have with our stakeholders, and our managers and employees solve our many challenging tasks professionally and with great commitment. Our expertise goes hand in hand with our dedication to ensuring a legal and safe gambling market in Denmark.

In our overall work on the tasks and day-to-day decision making, we take responsibility and we work together with all stakeholders. Together with the other authorities under the Ministry of Taxation, the Danish Gambling Authority works to ensure the foundations of the public sector in Denmark.



Birgitte Sand
Director



Jan Madsen
*Betting, Online Casino
and Market Analysis*



Torben Ersbøll
*Monopolies and
Land-based
Compliance*



Jens Haastrup
*Finance, Policy and
Administration*



Richard Nørgaard
*Gaming Machines
and Systems*



Linda Lomborg
*Responsible Gambling
and Charity Lotteries*



Our values

Knowledge

The Danish Gambling Authority takes pride in our highly competent supervision of gambling operators. We take a professional approach to our work and are experts in our field. Our administration of the different tasks is built on high levels of professionalism and commitment.

Responsibility

The Danish Gambling Authority takes responsibility for a well-regulated and fair gambling market. We focus on the protection of gamblers, as well as children, young adults, and those especially at risk. We attach great importance to the task of informing and advising stakeholders on the framework for legal gambling.

Collaboration

The Danish Gambling Authority is a diverse workplace, which means we make room for different opinions and are open to new ideas. We place great importance on team-spirit, employee well-being, and trust. Mutual respect is essential to the way we carry out our tasks.

Perspective

The Danish Gambling Authority is at the forefront of industry development and is not afraid to break new ground. We are open to new perspectives regarding our supervisory tasks and maintain an ongoing dialogue with our stakeholders. Gambling exists all over the world, so it is vital that we closely follow the gambling market developments in other countries.

Focus areas

- › Responsible gambling
- › Marketing
- › The Danish Gambling Authority – on the road
- › Anti-money laundering and financing of terrorism
- › Match-fixing
- › The Danish Gambling Authority in the media
- › International cooperation
- › IAGR conference in Copenhagen
- › Illegal gambling



Focus areas

Responsible gambling

In 2018, responsible gambling remained a high-priority focus area for the Danish Gambling Authority. Gambling activities must always be carried out in a fair and responsible manner. This is done through the supervision of licence holders and widespread cooperation with both national and international stakeholders.

Political agreement on new initiatives against compulsive gambling

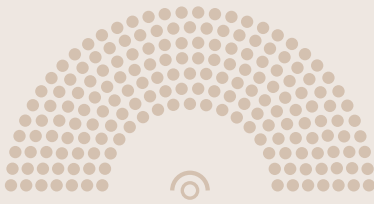
As a result of a political agreement on new measures to combat compulsive gambling, the Danish Gambling Authority worked on setting up a helpline concerning compulsive gambling in 2018.

Another element of the Danish Gambling Authority's work on responsible gambling is the Register of self-excluded gamblers (ROFUS). The number of people registered in ROFUS reached over 17,000 in 2018, which was a significant increase compared to 2017. The register covers many different player profiles from at risk gamblers and problem gamblers to compulsive gamblers.

The implementation of the political agreement had three consequences; an amendment that was enacted in December 2018, amendments of the executive orders that were submitted for consultation before Christmas and are expected to enter into force on 1 July 2019, and a code of conduct to be drafted by the gambling industry. The discussions on a code of conduct began in November 2018 and will be implemented in a code of conduct in spring 2019.

StopSpillet – helpline concerning compulsive gambling

Part of the political agreement involved the setting up of an independent helpline concerning compulsive gambling at the Danish Gambling Authority. The helpline is called StopSpillet (StopGambling) and shall provide advice to gamblers, relatives, and profes-



Agreement on new initiatives against compulsive gambling and adjustments to the agreement

On 29 June 2018, a political agreement concerning new measures to combat compulsive gambling and adjustments to the gambling agreement was concluded between the Government, the Social Democratic Party, the Danish People's Party, the Danish Social-Liberal Party, and the Socialist People's Party. The purpose of the agreement is to increase consumer protection via information and help for compulsive gamblers, regulation, and a common code of conduct for gambling operators¹.

The agreement affects the Danish Gambling Authority's work, and involves the following:

Information and help for compulsive gamblers

- Setting up the independent compulsive gambling helpline StopSpillet (StopGambling) at the Danish Gambling Authority on 1 January 2019
- Gambling operators must continue to refer their customers to the Danish Gambling Authority's register of self-excluded gamblers (ROFUS) but in the future also refer to the compulsive gambling helpline StopSpillet

Increased consumer protection

- Gambling operators must still not offer individual bonuses to gamblers, and in the future, gamblers must not be offered bonuses as a result of inactivity on the gambling website
- Gamblers must set a deposit limit for their gambling activities before participating
- Gambling operators must not send advertisements to customers who, after 1 January 2019, exclude themselves from gambling via ROFUS

A code of conduct for gambling operators

- A code of conduct will help to increase consumer protection via initiatives such as limiting gambling advertising and individual reminders of the time and money spent on gambling activities

Skin betting and loot boxes

- A research project will be initiated to examine young people's relation to and addiction to video gaming
- The Danish Gambling Authority will continue to use the blocking of websites that illegally provide games with gambling elements aimed at children and young people

Long term funding for treatment centres

- In the future, it will be possible for compulsive gambling treatment centres to apply for long-term funding over a number of years to ensure budgetary security

¹ Parts of the agreement depend on the final amendments to the executive orders expected 1 July 2019.

sionals. StopSpillet will enable gamblers and relatives to talk in confidence with an adviser about gambling habits, gambling consumption, and gambling patterns. Via the helpline, it will be possible to get advice on how to manage compulsive gambling, as well as information on treatment options and ROFUS.

Since 2011, Danske Spil A/S has operated the “Ludomanilinjen” (Compulsive gambling helpline). This closed down when StopSpillet began on 2 January 2019.

The Danish Gambling Authority took over the helpline number and, through a fruitful cooperation, has gained valuable insight into Danske Spil’s experiences of running a compulsive gambling helpline.



Susanne Mørch Koch, Managing Director of Danske Spil A/S (right) and Birgitte Sand, Director of the Danish Gambling Authority (left) shake hands in connection with the Danish Gambling Authority's taking over the phone number of Ludomanilinjen.

Stop. spillet

Call 70 22 28 25

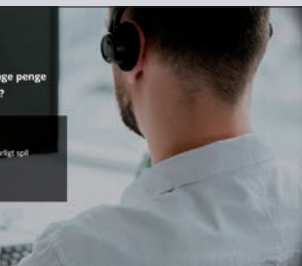
StopSpillet

Bruger du for meget tid og for mange penge på spil? Eller kender du en, der gør?

Ring til StopSpillet og få

- ✓ Professionel og udløst rådgivning om ansvarligt spil
- ✓ Afklaring af problematisk spilleadfærd
- ✓ Vejledning om behandlingsmuligheder

Ring til 70 22 28 25



Stop. spillet

HVAD ER STOPSPILLET?

StopSpillet er Spillemyndighedens hjælpe-tjeneste om spilleafhængighed. StopSpillet er for alle, der har brug for råd og vejledning om ansvarligt spil og spilleafhængighed. Vores rådgivere sidder klar til at tale med dig. Sammen finder I ud af, hvilke muligheder, du har, og hvordan du kommer videre.

HVORNÅR KAN JEG RINGE?

Vi er klar til at tale med dig
Mandag – torsdag 9.00 – 21.00
Fredag 9.00 – 17.00

FORTROLIGE SAMTALER

Når du ringer til StopSpillet er samtalen fortrolig mellem dig og rådgiveren. Spillemyndigheden videregiver ikke oplysninger fra samtalen til andre myndigheder.

HVEM TALER JEG MED?

StopSpillet's rådgivere er professionelle og uddannede til at rådgive og vejlede inden for ansvarligt spil og spilleafhængighed.

HVEM KAN RINGE?

Alle, der har brug for at tale om spilleafhængighed kan ringe. Du kan ringe, hvis du selv synes, du har problemer med spil. Du kan ringe, hvis en du kender, har problemer med spil. Hvis du har spørgsmål om spilleafhængighed i forbindelse med dit arbejde, er du også velkommen til at ringe.

HVAD ER NUMMERET?

Telefonnummeret er
70 22 28 25



The Danish Gambling Authority were pleased to open the phone lines on 2 January 2019.



ROFUS

ROFUS is the Danish Gambling Authority's register of self-excluded gamblers. It allows gamblers to exclude themselves from gambling online via operators with a licence from the Danish Gambling Authority, and also at land-based casinos. The individual gambler can opt for a temporary or permanent exclusion. A temporary exclusion may last 24 hours, or one, three, or six months. A permanent exclusion means that a gambler is, by definition, permanently excluded from gambling, but with the opportunity to be deleted from ROFUS after a minimum of one year.

In 2018, ROFUS had a total of 17,355 registered users. This is an increase of 35 per cent compared to the end of 2017. 76 per cent of the registered users are men, and 69 per cent of the registered users are permanently excluded.



Figure 2: Number of registrations in ROFUS as of 1 January 2019

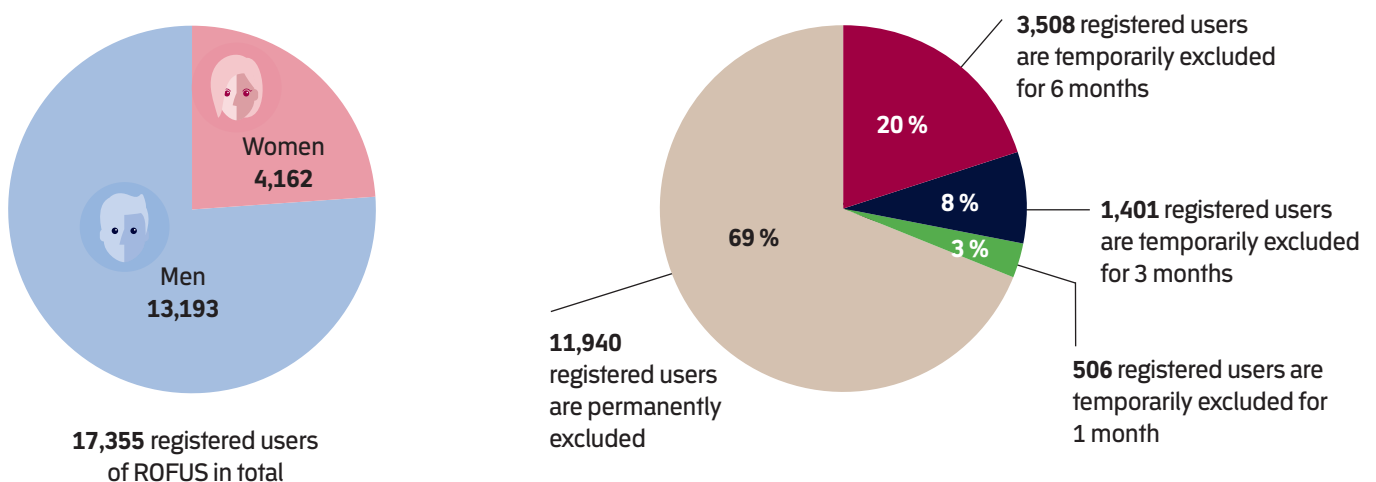


Figure 3: Total registrations in ROFUS per year (2012-2018)

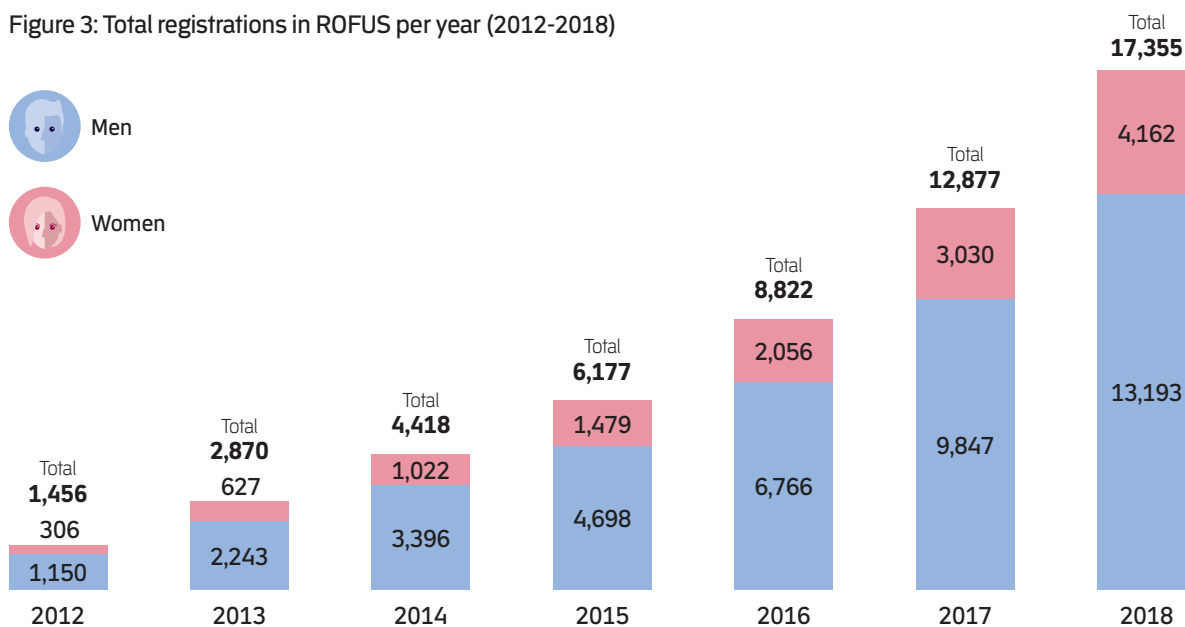
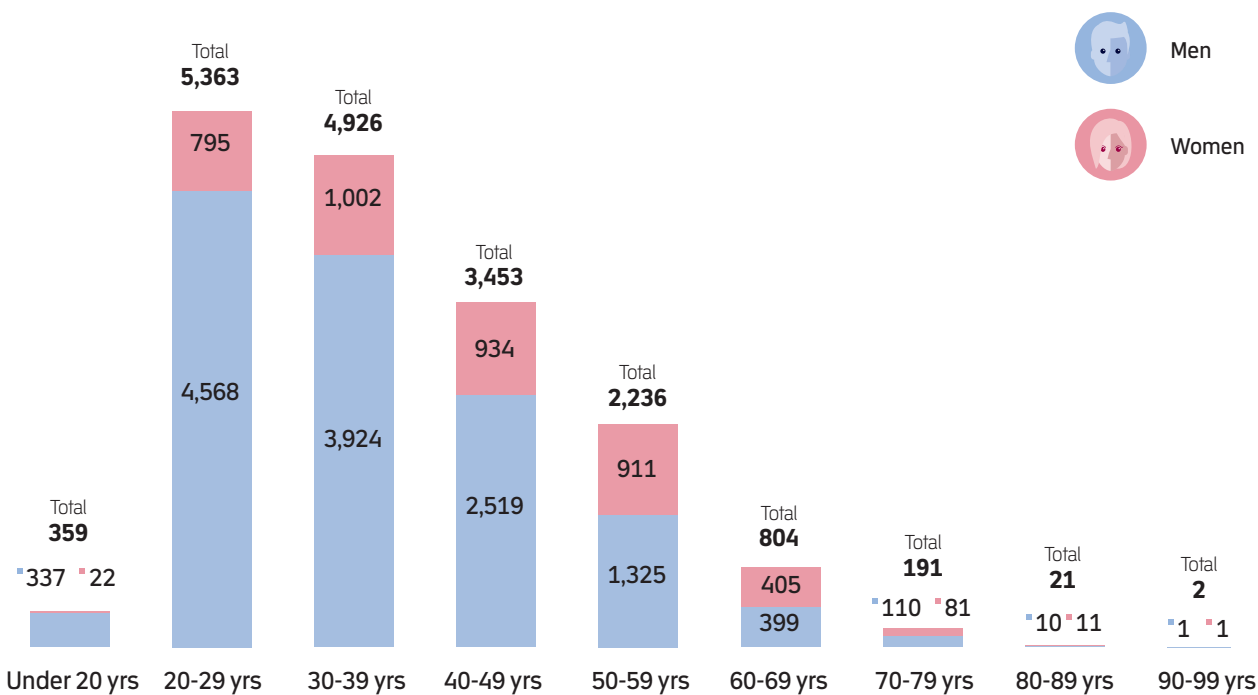


Figure 4: Total registrations by age in 2018



Valuable cooperation and extended networks

In 2018, both international and national cooperation on responsible gambling were again high on the agenda for the Danish Gambling Authority. In connection with the start of Stop-Spillet, the Danish Gambling Authority gained a great deal of valuable insight and inspiration from peers in countries such as Norway and Finland.

Since 2001, the Danish Gambling Authority has arranged meetings in a network on compulsive gambling, with representatives from both licence holders and treatment centres. In 2018, several licence holders joined the network, with the Minister for Taxation attending the first meeting of the year in the spring. This network is a good opportunity for the gambling industry and treatment centres to discuss and share the challenges they experience in their day-to-day work, and then find common solutions. Topics at this year's meetings included the industry's attitude to bonus offers, marketing issues in general, and the political agreement on new initiatives to combat compulsive gambling. The network meets two to three times a year.

Marketing

The Danish Gambling Authority supervises the marketing activities of licence holders and must ensure that all marketing is carried out in compliance with the provisions of the Gambling Act. The Gambling Act's provisions on the marketing of gambling are a supplement to the Danish Marketing Practices Act, and for this reason the Danish Gambling Authority also cooperates closely with the Consumer Ombudsman to ensure that licence holders follow all Danish rules on marketing.

Regulation of marketing in gambling

A number of European countries are taking action to tighten the rules for the marketing of gambling. In Italy, a total ban on the marketing of gambling will be introduced in 2019. In Belgium, the marketing of online casino is prohibited and betting operators are not allowed to carry out any marketing activities on TV before 20.00. In Denmark, a number of changes have also been made in the area of the licence holders' marketing activities. This was a part of the political agreement of June 2018 on new measures to combat compulsive gambling and adjustments to the previous gambling agreement. The political agreement requires that restrictions be imposed in the area of bonuses and promotional activities. One of these restrictions is that there may not be a playthrough requirement of more than 10 times.

WHAT IS A PLAYTHROUGH REQUIREMENT?

A playthrough requirement is a condition that is often seen in connection with a licence holder's bonus offer. A playthrough requirement is also known as a wagering or rollover requirement.

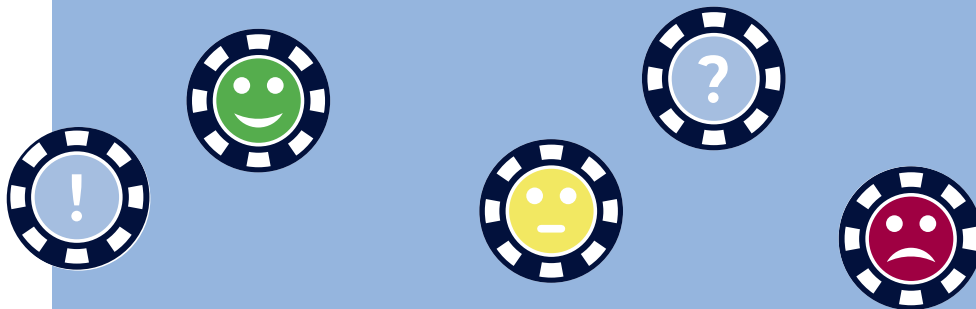
For example, a playthrough requirement may mean that the bonus amount "must be wagered 10 times" or that the "deposit and bonus must be wagered 10 times". This means that gamblers must bet for the amount that they have received in bonus multiplied by the number stated in the playthrough requirement.

A gambler deposits DKK 100 in their account and gets DKK 100 in bonus. It means:

If the gambler has a 10x playthrough requirement, they will have to bet $\text{DKK } 10 \times 100 = \text{DKK } 1,000$ before they are allowed to withdraw any winnings resulting from the bonus.

If both deposits and bonuses are part of the playthrough requirement, the gambler must bet $10 \times (\text{DKK } 100 + \text{DKK } 100) = \text{DKK } 2,000$ before any winnings can be withdrawn.

It is therefore important that gamblers are aware of all the terms and conditions attached to an offer before accepting a bonus. Licence holders must always state the terms and conditions attached to a bonus in a clear and concise manner in immediate connection with the offer.



READ MORE ABOUT

the political agreement on new initiatives to combat compulsive gambling and adjustments to the gambling agreement in the section: “Responsible gambling” on page 15.



Code of conduct

In connection with the political agreement on new initiatives to combat compulsive gambling, the gambling industry will have to prepare a code of conduct, which also includes advertising of gambling. The Danish Gambling Authority has helped to facilitate two meetings for the gambling industry in order to allow the parties involved to discuss the design and the specific content of such an industry code. The code of conduct for the gambling industry is expected to be published in spring 2019.

Marketing of bonuses on websites

The Danish Gambling Authority continues to focus on the licence holders’ marketing of bonuses, as this is one of the licence holders’ most important competitive parameters. In 2018, we once again reviewed the websites of licence holders, with a risk based approach, to ensure that these complied with requirements that bonus terms and conditions are clear and concise in immediate connection with the bonus. This monitoring project showed that 24 licence holders were still marketing their bonus offers without fully complying with these requirements. Marketing of bonuses will therefore continue to be a focus area for the Danish Gambling Authority’s monitoring of new and already existing licence holders’ marketing in 2019.

The Danish Gambling Authority – on the road

In 2018, the Danish Gambling Authority continued to give priority to “going on the road” and meeting the Danes. We do this to meet as many people as possible and inform about our work on gambling regulations, responsible gambling, and the help one can get by using the Danish Gambling Authority’s register of self-excluded gamblers (ROFUS).

At the People’s Meeting on Bornholm and in Valby

The Danish Gambling Authority joined the People’s Meeting on Bornholm for the fourth time. We participated in debates about loot boxes and the marketing of gambling. Our experience was that parents of young players were very interested in understanding the content of the games that young people play.



Minister for Taxation Karsten Lauritzen and Director Birgitte Sand.



The Danish Gambling Authority at the People's Meeting on Bornholm.



The Danish Gambling Authority at the Youth People's Meeting in Valbyparken.

For the second year in a row, the Danish Gambling Authority participated in the Youth People's Meeting, which was held in Valbyparken in September 2018. The Youth People's Meeting is the junior version of the People's Meeting held annually on Bornholm. The visitors are primarily students from the oldest classes at state schools and other educational institutions.

A number of the young people had signed up in advance for a workshop that the Danish Gambling Authority had planned and announced. It was interesting for us to experience and challenge young people's understanding of the relationships and boundaries between video games and gambling. It was not only the workshop that proved valuable for the Danish Gambling Authority. During the Youth People's Meeting, our stand was visited by over 400 participants who asked highly relevant questions and showed a great deal of curiosity about the role of the Danish Gambling Authority and the gambling legislation in general.



The Danish Gambling Authority at the Youth People's Meeting in Valbyparken.



Industry day in Copenhagen.

Industry day on skin betting and horse racing

At the beginning of the year, the Danish Gambling Authority held its fifth industry day. The annual event brings together a number of our partners in the gambling industry for a day of presentations and discussions on current topics.

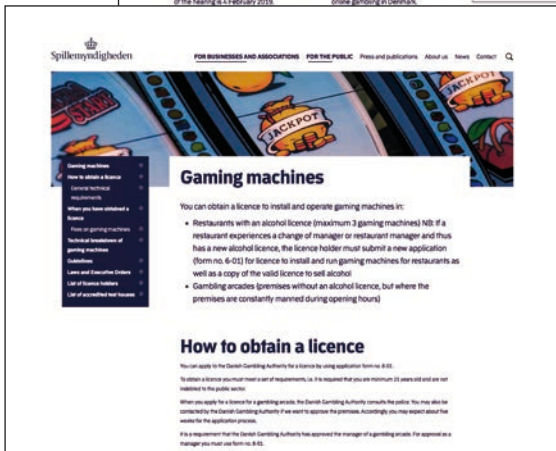
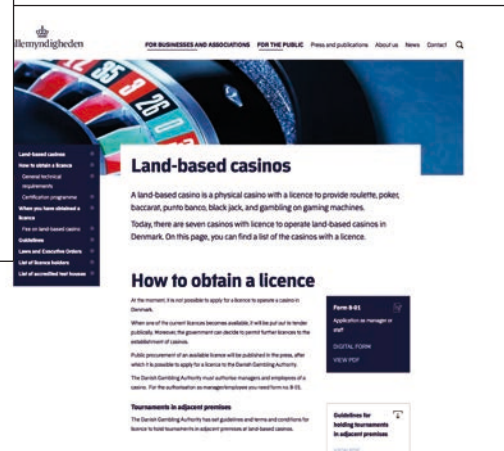
The more than 100 participants who came together in Copenhagen had the opportunity to delve into topics such as a statistical review of the Danish gambling market and a presentation of the Danish Gambling Authority's work on responsible gambling including ROFUS.

The Danish Centre for Problem Gambling (Center for Ludomani) told participants about how skin betting and eBetting are increasingly making inroads into the gambling environment and how this affects the number of enquiries that the treatment centres receive from worried parents.

The Danish Gambling Authority also presented new legislation on online bingo and betting on horse racing, and the Danish Horse Racing Association (Dansk Hestevæddeløb) let us know what they expected the consequences of the new legislation to be for the industry.

New website

At the end of the year the Danish Gambling Authority launched a new design on our website, spillemyndigheden.dk. The new website especially differs from the previous one with the addition of a user-divided menu. Here, you can choose to enter the website by choosing either “businesses and associations” or “for the public”. In this way, the new website makes it easier for users to have an overview of the relevant information.



Anti-money laundering and counter terrorism financing

In 2018, the Danish Gambling Authority continued its work on combating money laundering both on a national and an international level.

New national strategy

On 19 September 2018, a broad political majority entered into an agreement on further initiatives to strengthen efforts against money laundering and terrorism financing. This resulted in a new national strategy for 2018-2021. The national strategy includes a number of measures, including the establishment of an anti-money laundering forum named HvidvaskForum+. The forum gave stakeholders the opportunity to discuss issues and experiences on an ongoing basis directly with the authorities responsible for coordinating Denmark's efforts to combat money laundering and terrorism financing. To supplement this initiative, the Danish Financial Supervisory Authority (Finanstilsynet) will be arranging an annual seminar. Here, representatives of financial companies and other stakeholders covered by the Anti-Money Laundering Act will be able to discuss issues such as risk assessment in the gambling industry together with the Danish Gambling Authority and other relevant authorities.

Plenary session of Financial Action Task Force (FATF)

The FATF is an intergovernmental initiative aimed at combating money laundering, terrorist financ-



FATF's plenary session in Paris.

ing, and the proliferation of weapons of mass destruction. Part of FATF's mission is to publish recommendations for what the national legislation of member states should include and proposals for action plans. Another aspect of FATF's mission is a continuous evaluation of how member states follow these recommendations.

In June 2017, Denmark received its first FATF evaluation at a plenary meeting in Valencia. In October 2018, representatives of the Danish Gambling Authority participated in FATF's plenary session in Paris, where Denmark was to be re-evaluated in the Follow-up Report (FUR) to the evaluation from June 2017. Denmark was upgraded in 10 of FATF's recommendations, which is primarily due to the implementation of the EU's 4th anti-money laundering directive into Danish law and a number of other political initiatives.



Two new monitoring projects

At the end of 2018, the Danish Gambling Authority initiated two monitoring projects. The first deals with the collection of organisational data from gambling operators licensed to offer betting and online casino. This project aims to clarify how the individual licence holders, in organisational terms, fulfil their responsibility to combat money laundering. The second project involves examining how licence holders providing land-based betting have implemented internal rules into their land-based services and whether their agents are familiar with these rules and apply them in practice. Both projects are expected to be completed in 2019.

The Anti-Money Laundering Forum

is a cooperative partnership between a number of Danish authorities and is established by law. The forum is among other things tasked with coordinating the authorities' risk assessment. The risk assessment is intended to help focus the authorities' joint effort to prevent and combat money laundering and terrorism financing in Denmark.

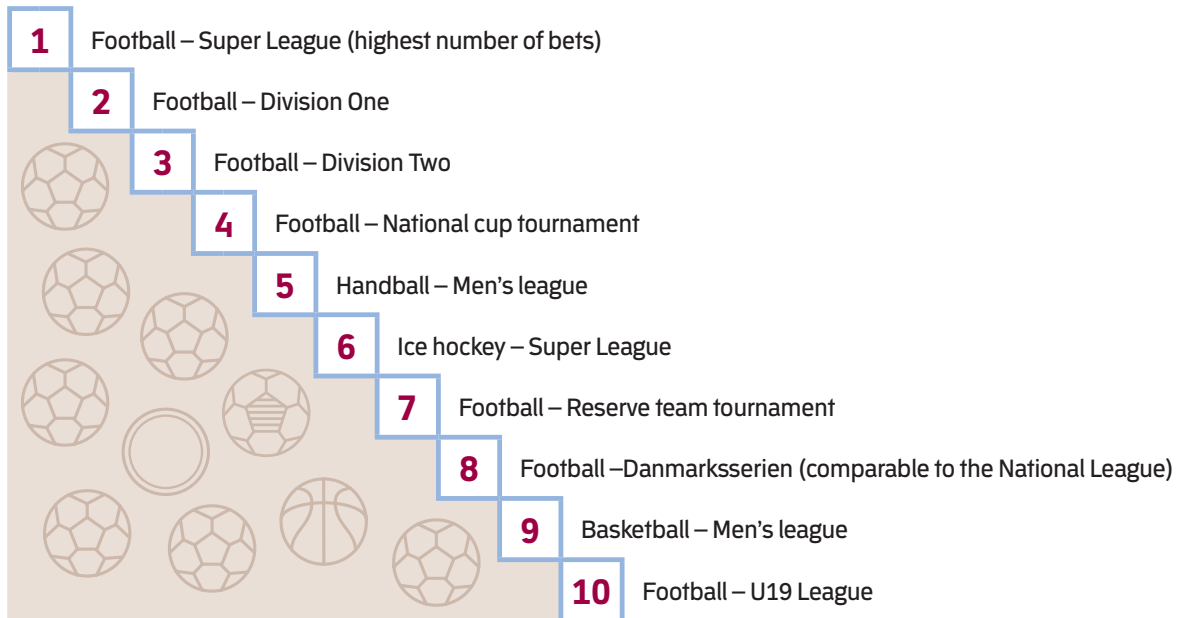
Match-fixing

In 2018, the Danish Gambling Authority focused on preventive measures against match-fixing.

Mapping of the betting market for sporting events taking place in Denmark

To help assess the risk of match-fixing in Denmark and contribute to preventive action, the Danish Gambling Authority initiated a project in 2018 aimed at giving an overview of betting services on sports events taking place in Denmark. As a result, in September 2018, we collected information from licence holders about the revenue from single bets offered on sports events taking place in Denmark during the period January 2018 – September 2018. Before the end of the year, the Danish Gambling Authority presented this information in the cooperation forum the national platform (Den Nationale Platform) as a contribution to the planning of future prevention strategies.

Figure 5: Sports tournaments in Denmark with the highest revenue among licence holders



Sports in Denmark where betting services are provided in 2018

American Football	E-sport	Handball
Badminton	Equestrian	Ice hockey
Basketball	Floorball	MMA (Mixed Martial Arts)
Chess	Football	Speedway
Cycling	Futsal	Tennis (exhibition game)
Dart	Golf	Volleyball

Monitoring project: Betting on sports events exclusively for athletes under the age of 18

The Gambling Act prohibits betting on sports events reserved for young people under the age of 18. This rule is in place to reduce the risk of match-fixing, as studies have shown that athletes under the age of 18 are particularly susceptible to be offered participation in match-fixing. In connection with the U-17 European Championship in Football, the Danish Gambling Authority carried out a project to ensure compliance with this rule which was aimed at all betting licence holders. We found two violations during this project, and in our ongoing monitoring activities, we found one additional violation in 2018. The violations led to one case being reported to the police and the two remaining violations led to an injunction.

MATCH-FIXING

An intentional arrangement, act, or omission aimed at an improper alteration of the result or the course of a sport competition in order to remove all or part of the unpredictable nature of the aforementioned sport competition with a view to obtaining an undue advantage for oneself or for others.

(Source: the Macolin Convention)



The Danish Gambling Authority at the Youth People's Meeting in Valbyparken.

Match-fixing at the Youth People's Meeting

The Danish Gambling Authority also used the Youth People's Meeting in Valby to raise awareness of our efforts to combat match-fixing. At our stand, we held a presentation on match-fixing, which was well received by an interested audience. The positive response once again confirms that we have an important and relevant task in reaching out to the Danes and talking about the challenges of match-fixing.



DID YOU KNOW THAT...

if the Danish Gambling Authority suspects match-fixing, the Danish Gambling Authority can share necessary information with Danish and foreign authorities as well as Danish and foreign central sport organisations responsible for combatting match-fixing?

It is important that the general public knows who the Danish Gambling Authority is and that gamblers know that we are the authority ensuring the framework for a fair gambling market and protecting them against unregulated and unfair gambling. This is why we keep an eye out for relevant stories to share with the general public.

In February 2018, the Danish Gambling Authority won a number of cases concerning the blocking of 24 websites, of which six were skin betting websites. This created a lot of publicity in both national and international media: in print media, online, TV, and radio. In total, there were 25 articles and features about this story. The great interest was especially due to the skin betting sites. In general, phenomena such as skin betting, which mixes elements from gambling and video games, have generated a great deal of interest both in Denmark and abroad.

Responsible gambling on the agenda

ISSUE 26
CONTINUING ONLINE CONTENT
DECEMBER 2017

EGGA NEWS

CONTENTS

01 Editorial by Martin Hegert
02 The importance of good
online governance in Denmark

03 The rule of law must not be
used to justify high-spaces
Hegert continues online
04 The Danish Gambling Authority

Editorial

Online content governance is
the focus of the last issue of
2017.

Content and services online
are understandably getting more
and more prominent in the public debate.
How is implement responsibility on online
content, is a priority for the regulated EU
online gambling industry, online platforms
as well as regulators.

We are delighted in this issue to feature
an article with **Bright Seed** from the
Danish Gambling Authority on regulated
websites. While some Member States
do not see that their faith within licensing
measures, **Bright Seed** article on the successful
regulation of the Danish gambling market
can't substitute a well-regulated offer by one
country. The Danish regulatory structure and
regulated gambling services and locally
licensed operators need to be completed.

Our second article is from one of the
most experienced and knowledgeable
international. Online information,
communication and advertising are
allowed to play a role in the hands of
judges, jury and enforcers with regard
to the integrity of the legal context or
challenge former companies by the
court. The Danish Gambling Authority
has been considered to be the legal
or regulatory body very strongly from one
country. Through the use of the
EU's umbrella organization **EGGPA**,
Malcolm Turner wants to address the
recent European Commission guidelines.
Many Christmas and new year 2018.

Martin Hegert
Secretary General, EGGA

EGGA | European Gaming & Betting Association

Controlling online content

The Danish Authority to tackling unlicensed gambling in Denmark

Bright Seed, Director, Danish Gambling Authority, talks to the EGGA about their country's approach to treating unlicensed gambling in Denmark

One of the important tasks of the Danish Gambling Authority (DGA) is to monitor gambling activities unlicensed in Denmark. We search for gambling to prevent the unlicensed operators from entering the Danish market, as act on what we find. The Danish Gambling Authority in Denmark and ensure an attractive market for those who play by the rules and provide gambling in Denmark with a Danish license.

The DGA cooperates with the Anti-Fraud Unit run by the Danish Tax Administration. The Anti-Fraud Unit provides DGA with findings based on an automatic web search providing unique search possibilities and covering a large number of websites. We started using the search tool back in 2012, when the Danish gambling market was partly liberalized and over since the number of unlicensed operators has increased by findings. Since 2012 the search tool has generated an average 1100 websites related to gambling and potential unlicensed operators in the Danish market. We have sent out approx. 175 petitions and we are in the process of hopefully adding another 27 websites blocked on the top of the 25 already made."

"Since 2012 the search tool has presented us with around 1100 websites related to gambling and potential unlicensed marketing or gambling activities. We have sent out approx. 175 petitions and we are in the process of hopefully adding another 27 websites blocked on the top of the 25 already made."

Bright Seed, Director, Danish Gambling Authority

process of hopefully adding another 25 websites blocked on the top of the 25 already made.

EGGA

News & Continuing online content

www.egga.eu | 1

NYHED

Hjemmesider med skinbetting skal blokeres

TOP 5 TIPS FOR CS:GO BETTING

Teleskabekas skal blokere 24 hjemmesider, så du ikke stopper under fra spil om værdifulde skins.

Skinbetting kan virke harmende, men det kan faktisk komme til at betyde mange penge. Derfor har Spillemyndigheden i Danmark nu fået retfærd og så, at hjemmesider med skinbetting

skal blokeres. Det er teleskabekasens TDC, og i år har det fået skud på at blokere for adgang til 24 hjemmesider.

Skins fra computerspil

Skinbetting er en udvalgt af computerstyret Counter Strike, hvor man kan købe særlig udstyrsudrustning - skins - til sine våben i spillet. Disse skins kan indløses og byttes udstyrsindløbere, og i nogle af dem er stjålne og blev tyvstjålet kommer sælgt. Der udbyrder firmaer, der tilbyder at tage imod skins som indløst på udstyrsindløbere. De skal sende dem som vinder eller købe disse nemt.

Løser ikke problemet

Kasper Wilner er direktør for Teleskabekas. Han mener, at mange hjemmesider, hvor man kan spille om skins, er ulovligt. Men han skal have fat om problemet, så han kan have fat i produktion af Counter Strike-spil og så i de blokerede for udvalgte spil, siger han.

GAMBLING FOR A WINNER

Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark.

AT UDVALGT BLOKERES

Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark.

Danskere holdt på ret køl i Top 5

Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark.



E-sport 26

kræver sites



Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark. Det er en af de grunde, som har gjort skinbetting til en af de mest populære former for hasardspil i Danmark.

[illegible]



Head of Division Jan Madsen being interviewed by the local division of DR.

more during the finals of international tournaments, and wanted to investigate whether it had an impact on the number of people registered in ROFUS. The Danish Gambling Authority's statistics showed that there may be a correlation between an increase in gambling and the number of registered people in ROFUS.

The story that we had signed an international declaration of intent to focus on the blurred lines between gaming and gambling also made it to the pages of newspapers and news bulletins on TV.

In December, DR (Danish Broadcasting Cooperation) reported on our new national helpline StopSpillet on their website, radio, and on TV.

In 2018, the Danish Gambling Authority received a total of about 70 enquiries from Danish and foreign media. By way of comparison, we received about 60 in 2017.



Head of Division Richard Nørgaard being interviewed by the Danish national television news.



Director Birgitte Sand being interviewed by the Danish national television news.



New advertising spot: “We pay attention to fair play”

In September, the Danish Gambling Authority launched a TV campaign under the slogan “We pay attention to fair play”. The campaign highlighted the fact that the Danish Gambling Authority works to ensure a fair gambling market in Denmark. The advertisement made good use of humour by using an actor to personify the Danish Gambling Authority. She sits symbolically in an umpire chair on the sideline and watches as Danes gamble on slot machines, scratch scratch cards, or bet money online on football matches.

The focal point of the TV spot is the Danish Gambling Authority’s labelling scheme, which all gambling operators licensed by the Danish Gambling Authority have the right to use in their communication. The label tells gamblers that the operator is approved by the Danish Gambling Authority and that we supervise their activities.

The advertisement aired for four weeks on various TV channels, especially in connection with football matches and other sport events. In addition, it was shared on social media.

International cooperation

International cooperation is an important part of the Danish Gambling Authority's work and provides us with a vital source of knowledge as well as inspiring potential improvements to the way we execute authority. In 2018, we continued to participate in conferences – often as panelists or speakers and in working groups, and visited several licence holders and gambling operators. In addition, in September 2018, Denmark was host country for the annual conference held by the International Association of Gaming Regulators (IAGR), where the Danish Gambling Authority helped to run the successful, well-attended conference.

International cooperation increases our knowledge of the international gambling market and developments in technical and regulatory areas in Europe and globally. The Danish Gambling Authority is an active member of both the International Association of Gaming Regulators (IAGR) and the Gaming Regulators European Forum (GREF). Furthermore, we enjoy a valuable cooperation with the other Nordic countries, as well as having cooperation agreements with a number of other countries.

EU cooperation

In December 2018, when the Danish Gambling Authority participated in the European Commission's expert group on online gambling, it was the last in the series of quarterly meetings held since the establishment of the expert group in 2012.

The expert group was a forum for open discussion among member states, and included the preparation of recommendations and reports.

For the Danish Gambling Authority, the exchange of experiences and good practices in online gambling has been extremely valuable, and over the years the expert group has produced many useful results.

The initiative to ease administrative cooperation between European gambling regulators, the joint efforts on consumer protection, and the ongoing efforts to harmonise technical standards have all been particularly successful in our opinion. The administrative cooperation between the gambling regulators and the work on common technical standards will continue after the closure of the expert committee.

Through the expert group, member states have achieved results benefiting both gamblers and the industry itself, and participation in the expert group demonstrates that member states are well equipped to achieve good results in spite of our differences in many respects.

European Association for the Study of Gambling (EASG)

In September 2018, the Danish Gambling Authority participated in the EASG's biennial conference, which was held in Valletta in Malta. The organisation is a forum for discussions, dissemination of information, and presentations on gambling research, with a particular focus on the consequences of gambling. The conference offered a diverse program that contributed to the increase of our knowledge of the latest trends, and opportunities for using data in new contexts in order to protect gamblers.

Gaming Regulators European Forum (GREF)

GREF is principally a network for European gambling regulators, and its members include both EU and non-EU countries. The annual GREF conference was held in Prague in 2018. The theme of the conference was "Blurred Lines - See the trends coming". The theme covered issues such as presentations on gambling elements in video games. These presentations led to discussions of consumer protection in video gaming compared to gambling, where there need to be clearly stated rules on aspects such as rate of return. This was followed by a panel debate on the regulation of loot boxes in the different member states.

At the conference, the host country of Czechia gave a presentation on their recently liberalised gambling legislation. It is always inspiring to hear about other gambling regulators and gain insight into their reflections on legislative matters.

During the conference, meetings were also held in a number of working groups, which discussed topics such as consumer protection and the need for a declaration of intent to look more closely into the issue of gambling elements in video games. In addition, there were working groups on market statistics and responsible gambling. The Danish Gambling Authority also participated in panel discussions on market statistics and the effect of liberalisation.

Nordic cooperation focuses on knowledge sharing

In August 2018, the Finnish gambling regulator hosted this year's Nordic director meeting, which took place in Fiskari. The annual meetings are held to strengthen cooperation between Nordic countries in the area of gambling and to create a forum for exchanging experiences between the countries.

Sweden provided a status on their work with a new licensing system, which came into force on 1 January 2019. Furthermore, Sweden's proposal gave rise to discussion of the legal basis

for gambling on ferries sailing in Nordic waters. Norway reported an initiative to bring legislation from different gambling areas into one law, Finland gave a general overview of the Finnish gambling market and the latest developments in the field, while Denmark talked about the political agreement on compulsive gambling and the future tasks this will bring the Danish Gambling Authority.

The Danish Gambling Authority also has a fruitful collaboration with its Nordic counterparts at employee level. Employees from the Norwegian, Swedish, Finnish, and Danish gambling regulators met in Førde, Norway to discuss some of the common challenges faced by all these countries. The programme included illegal gambling, skin betting and loot boxes, and responsible gambling. There were also good discussions on the differences between monopolised and liberalised gambling.

This Nordic cooperation is highly appreciated by the Danish Gambling Authority and in 2018, it culminated in a joint initiative for knowledge sharing and investigation into skin betting and loot boxes.

European standard for data reporting

Since 2013, the European Commission has examined the possibilities of a common European standard for the reporting of gambling data. The Danish Gambling Authority has, through our participation in the European Commission's expert group on gambling, played an active and prominent role in defining and formulating the content of a European standard.

In April 2018, the European Commission asked the European Committee for Standardisation to draft a standard for the reporting of data to be used in supervision of online gambling. The core elements of the standard include information on gambling accounts, player information, payments and payment methods, customer self-limitation (responsible gambling), fraudulent gambling accounts, gambler activity, gambling transactions, information concerning GGR, and marketing information.

The work on standardisation is expected to be completed in 2021.

The standard will become voluntary for EU member states to use. Denmark already places

Read the European Commission's implementing decision:

The European Commission's implementing decision is dated 4 April 2018 with reference C(2018) 1815.

(www.ec.europa.eu/commission)



requirements on licence holders within several of these core elements, but in the long term Denmark can choose to implement definitions or other elements from the standard.

The Danish Gambling Authority participates in the work on a European standard through membership of a standardisation committee set up by the agency, Dansk Standard. This model also occurs in the other EU member states.

IAGR

International Association
of Gaming Regulators

Copenhagen 2018
Conference

September 17-20



International Association of Gaming Regulators (IAGR)

IAGR is a non-profit organisation that brings together national gambling regulators across the continents. The association gives the about 75 member states a unique opportunity to share knowledge and gain insight into global gambling laws. The Danish Gambling Authority has been a member of IAGR since the organisation was founded in 2011. We are represented on IAGR's board of trustees through our director.

IAGR conference in Copenhagen

Every year, the IAGR holds a conference for members. The organisation selected Denmark as the host country for 2018, and the Danish Gambling Authority helped facilitate the conference in Copenhagen. Already in 2017, a working group had started the work on creating the basis for a well-run conference. This thorough groundwork ensured that the conference was a great success.

From 17 to 20 of September, the Hotel Scandic Copenhagen was venue to the conference with over 200 participants from all over the world. Under the headline "Let us make great regulation - together", there were presentations from over 40 speakers and panellists from all over the world. The speakers numbered researchers, advisers, and representatives from regulators and the gambling industry. The 25 sessions included subjects such as international statistics in the area of gambling, new gambling types, marketing and bonuses, responsible gambling, and sanctions against illegal gambling.





Illegal gambling

In its work on illegal gambling in 2018, the Danish Gambling Authority focused on the dividing lines between video gaming and gambling.

Both in Denmark and abroad, an increasing number of elements from gambling are finding their way to video games, which are often played by young people under the age of 18. Since the Danish gambling legislation is also about protecting minors, we have had a particularly focus on this subject area.

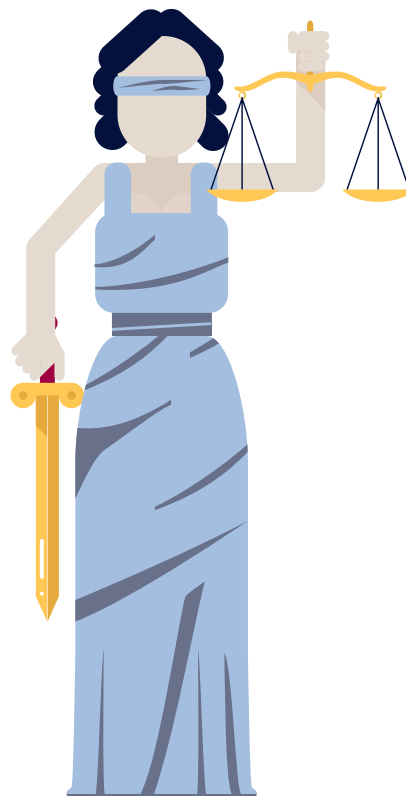
Blocking of illegal websites

On 6 February 2018, the court decided in favour of the Danish Gambling Authority to get 24 unlicensed websites offering gambling to Danes blocked. 18 of these websites were traditional casino game sites, while the six others were skin betting websites.

Skin betting involves “skins” from video games used on a third party’s website as a stake in traditional forms of gambling, such as roulette. There are no providers in Denmark with a licence to offer skin betting.

Since it is more demanding to search for skin betting websites than traditional gambling websites, we developed our own web search engine for the purpose.

In the next round of blocking, we expect to get more skin betting websites blocked.



International cooperation on the blurred lines between gaming and gambling

In November 2018, the Danish Gambling Authority entered into an international cooperation agreement that focuses on the blurred lines between gaming and gambling. 17 (mostly European) countries have signed a letter of intent to look more closely at the blurred lines that arise when gambling is incorporated into video games. This could be in the form of loot boxes or skin betting. Often these games are played by young people under the age of 18, which is of particular concern to all the participating countries. The declaration is available in its entirety on the Danish Gambling Authority's website.

Information, presentations, and panel debates

An important element of our work on the blurred lines between gaming and gambling is to provide information about rules and protective aspects in connection to gambling. For this reason, the Danish Gambling Authority are happy to participate in debates and other public events. Like in the previous years, we contributed with a description of “the Danish model” for liberalisation of gambling and the significant level of legality in the gambling market that Denmark has achieved.

In 2018, we took part in several national and international panel discussions on issues such as loot boxes, and the possibility that the contents of loot boxes could be used as cash deposits for gambling. In addition, the Danish Gambling Authority participated in panels at the People's Meeting on Bornholm and had a stand at the Youth People's Meeting where we held a workshop on the blurred lines between gaming and gambling.

New research on the way

At a national level, gaming and gambling among children and young people has also received a great deal of political attention. One of the initiatives agreed by the parties behind the political agreement on new measures to combat compulsive gambling is a research project on young people's relation to and potential addiction to gaming. The Danish Gambling Authority will be responsible for the project, which is expected to be launched in 2019 and completed in 2020.

Cooperation with Facebook

In 2018, we became aware of an increasing problem around the illegal provision of gambling on Facebook. This primarily involves Facebook groups that offer illegal gambling (often lotteries). The Danish Gambling Authority works together with Facebook on this issue, and has been given the opportunity to report illegal content on Facebook directly to the Facebook team who work with illegal gambling. In 2018, this approach enabled us to close four Facebook groups that offered illegal gambling. Our experiences from this cooperation means that we will continue to examine closely the provision of gambling on Facebook and other social media in 2019.

Illegal gambling at bingo halls

In 2018, the Danish Gambling Authority conducted an investigation into the extent of illegal gambling at bingo halls.

The Danish Tax Agency's anti-fraud unit assisted with the preparation of a preliminary analysis focusing on reporting obligations and statistics on gambling duties for the bingo events running more frequently than once a week. This will be part of the Danish Gambling Authority's supervision in 2019.

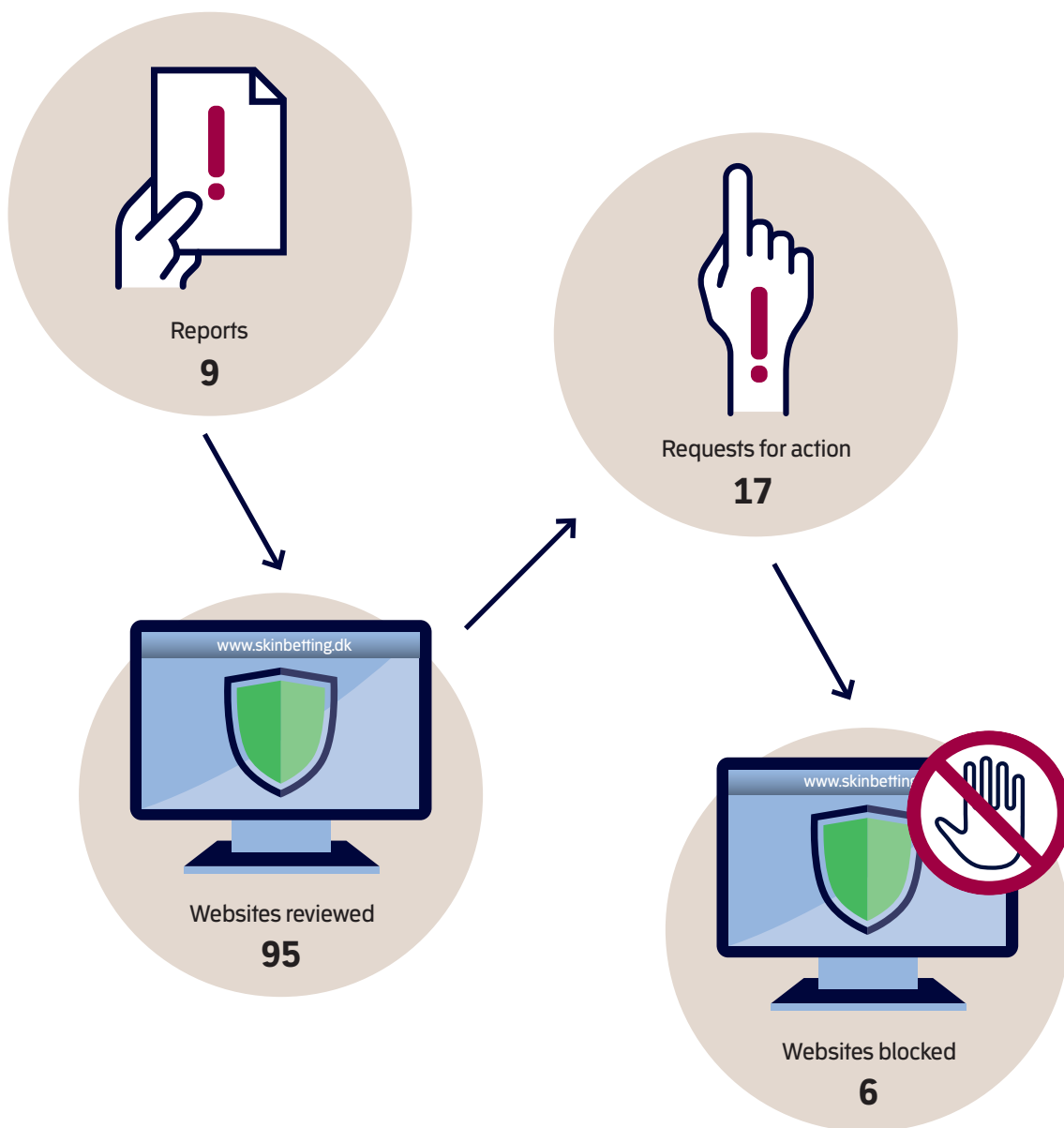
Table 1: Overview of the number of reviews and requests for action since the liberalisation of the online gambling market in 2012

	Websites reviewed	Reports	Requests for action	Websites blocked
2012	180	71	46	20 (12 & 8)
2013	7	73	23	0
2014	280	122	12	5
2015	0	74	40	0
2016	246	29	21	0
2017	328	25	31	0
2018	742*	10	22	18
Total	1,783	391	195	43

* In 2018, a broader search than previously was conducted to ensure that originally legal sites remain legal.

Skin betting

Overview of the number of reviews and requests for action for skin betting websites



The year in numbers

- › Developments in the gambling market (2012-2018)
- › Football World Cup 2018
- › Land-based gambling compared with online gambling
- › Charity lotteries
- › Monopolised lotteries
- › Land-based casinos
- › Gaming machines
- › Betting
- › Online casino
- › Gambling behaviour
- › Average gambling consumption in Denmark
- › Demographic profile
- › Denmark compared with similar countries





9.7 Total GGR for 2018
billion DKK

The year in numbers

In this chapter, the Danish Gambling Authority presents statistics on the various gambling markets¹ - lotteries, betting, online casino, gaming machines, and land-based casinos. The statistics give an overview of the current situation in the Danish gambling market and developments since 2012. Please note that the statistics in this chapter are not inflation-adjusted.

We use the term gross gaming revenue (GGR) to measure the size of the gambling market. GGR is made up of stakes (for example, the price of a lottery ticket) minus winnings, plus commission that players pay for participation (for example, in multiplayer casino games or on betting exchanges), put briefly, the amount that players lose. In addition to measuring market size, the Danish Gambling Authority uses statistics as a monitoring tool as we can use statistics to plan initiatives in relation to the latest market developments.

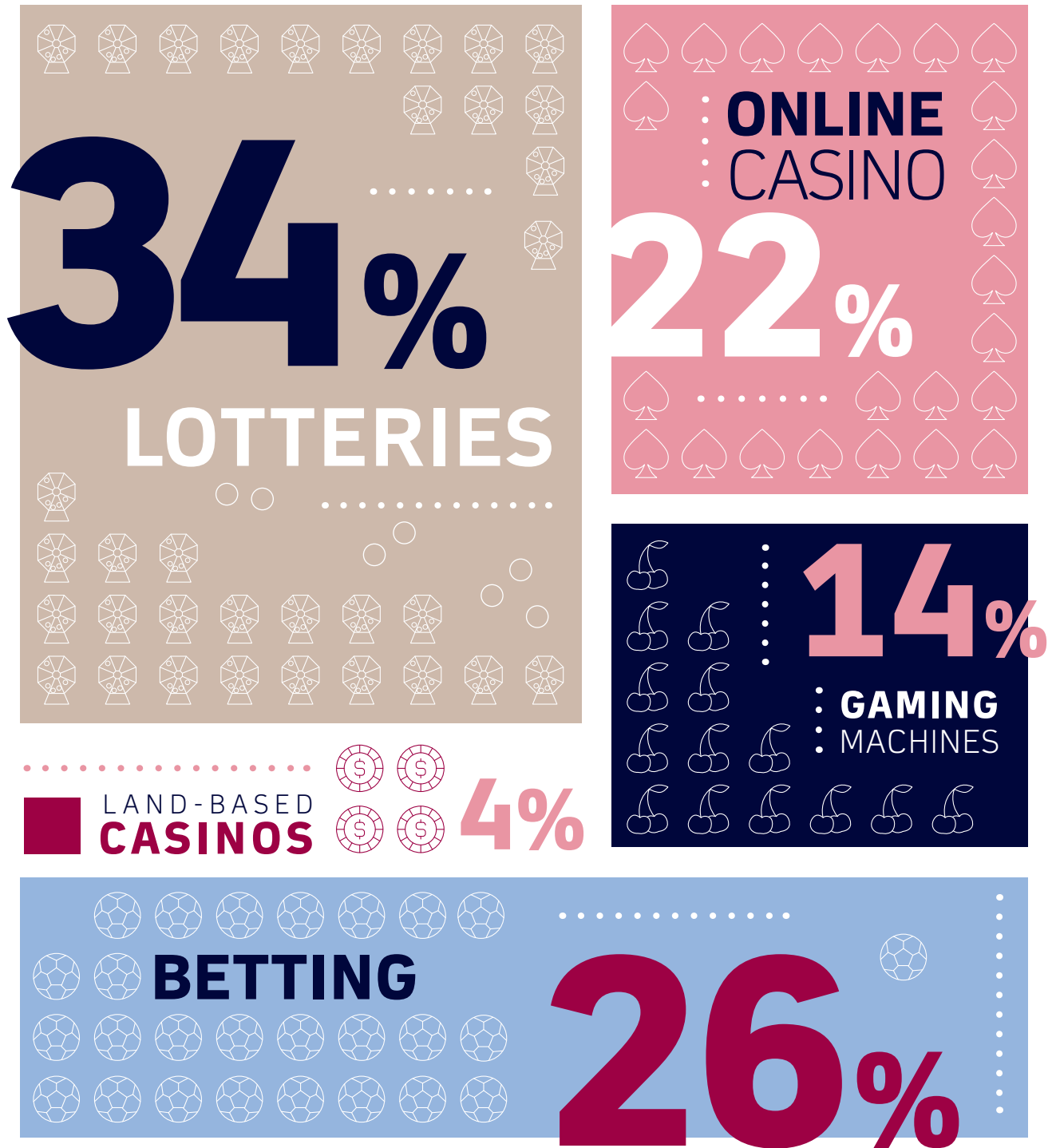
Later, we will explain why we use GGR instead of turnover to calculate the size of the gambling market. As was the case last year, we have compared Denmark to other European countries and described the average Dane's gambling behaviour. In 2018, the football World Cup was a particular focus point.

We also describe the market development in Denmark based on the partial liberalisation of the gambling market, which came into force on 1 January 2012. When growth in the gambling market is analysed, the effect of the partial liberalisation of online casino and betting must be taken into account, and the fact that a large part of gambling activities that took place at unlicensed providers now takes place at operators with a Danish licence.

On 1 January 2018, betting on horse, dog, and pigeon racing as well as online bingo were liberalised. In this connection, licence holders were required to pay a special contribution to the sport of horse racing of 8 per cent of stakes from betting on horse racing.

¹ In the tables and figures, the sum of the individual items may deviate from the total as a result of rounding. The sources cover the "raw numbers" used for calculations by the Danish Gambling Authority.

Figure 6: The gambling sectors' market share measured by GGR in 2018





GGR as the yardstick

Gross gaming revenue (GGR) is used as the measure of the size of the gambling market, as this actually shows how much gamblers lose. Stakes (also called deposits or turnover), on the other hand, covers the total of all bets, where the continued gambling of winnings is also included. This means that if a player puts DKK 100 in a gaming machine and wins DKK 2 a total of 100 times and wins DKK 50 four times (DKK 400 in total), and the player also spends the DKK 400 on gambling, the total stakes will be DKK 500, whereas GGR is DKK 100. This represents the real amount that the gambler has lost. On online casino, a loss of DKK 100 may appear as DKK 2,500 in stakes and DKK 2,400 in winnings.

Against this background, stakes gives a wrong impression of how much money Danes actually spend on gambling, which is why the Danish Gambling Authority uses GGR as the measure of the overall size of the gambling market. GGR is an internationally used term. GGR is also used as a basis for calculating the gambling duties that licence holders have to pay to the Danish Tax Agency as well as the fees paid to the Danish Gambling Authority to cover supervisory costs. Please note that GGR also exaggerates gamblers' losses, as the bonuses that players receive and then lose also count as stakes.

GGR

(gross gaming revenue)

=

Value of stakes

Value of winnings

+

Value of commission

What is GGR?

Developments in the gambling market (2012-2018)

In 2018, the total GGR¹ for the Danish gambling market was DKK 9.7 billion. This was DKK 0.5 billion higher than in 2017 and DKK 2.3 billion higher than in 2012. The largest sector is lotteries with a GGR of DKK 3.3 billion in 2018, while betting was the second largest with a GGR of DKK 2.5 billion.

For online casino, GGR has grown from just below DKK 0.9 billion in 2012 to just under DKK 2.2 billion in 2018. Land-based casinos have also experienced a rise in GGR, from DKK 344 million in 2012 to DKK 354 million in 2018. The GGR of gaming machines has fallen from DKK 1.8 billion in 2012 to DKK 1.4 billion in 2018.

¹ The GGR total for gaming machines, land-based casinos, monopolised lotteries, charity lotteries, betting, and online casino.

Table 2: Gambling consumption since 2012 in GGR (million DKK)²

	2011	2012	2013	2014	2015	2016	2017	2018
Gaming machines	1,785	1,774	1,630	1,547	1,548	1,504	1,487	1,406
Land-based casinos	320	344	337	330	349	379	375	354
Lotteries, incl. charity lotteries	3,545	3,145	3,100	2,902	3,046	3,105	3,107	3,295
Betting	750	1,175	1,371	1,791	1,999	2,168	2,329	2,526
Betting on horse racing	145	145	135	130	120	118	116	-
Online casino	-	885	976	1,069	1,308	1,563	1,806	2,158
Total	6,545	7,468	7,549	7,769	8,370	8,837	9,220	9,740

Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

Special contribution to horse racing

Since the liberalisation of gambling on horse racing on 1 January 2018, three licence holders have chosen to offer betting on horse racing taking place in Denmark. These licence holders need to pay 8 per cent of stakes to the sport of horse racing to cover expenses of common interest to both horse racing and licence holders. The Danish Gambling Authority has the task of supervising the licence holders' calculation of the contribution, as well as the how the money is spent.

Stakes were highest in the third quarter of 2018, which led to a special contribution of DKK 3.6 million, and a total amount of DKK 10.2 million in 2018.

Table 3: Stakes on horse racing in Denmark and special contribution to the sport of horse racing (million DKK)

	Q1	Q2	Q3	Q4	Total
Stakes	20.3	35.7	45.6	26.2	127.8
Special contribution 8%	1.6	2.9	3.6	2.1	10.2

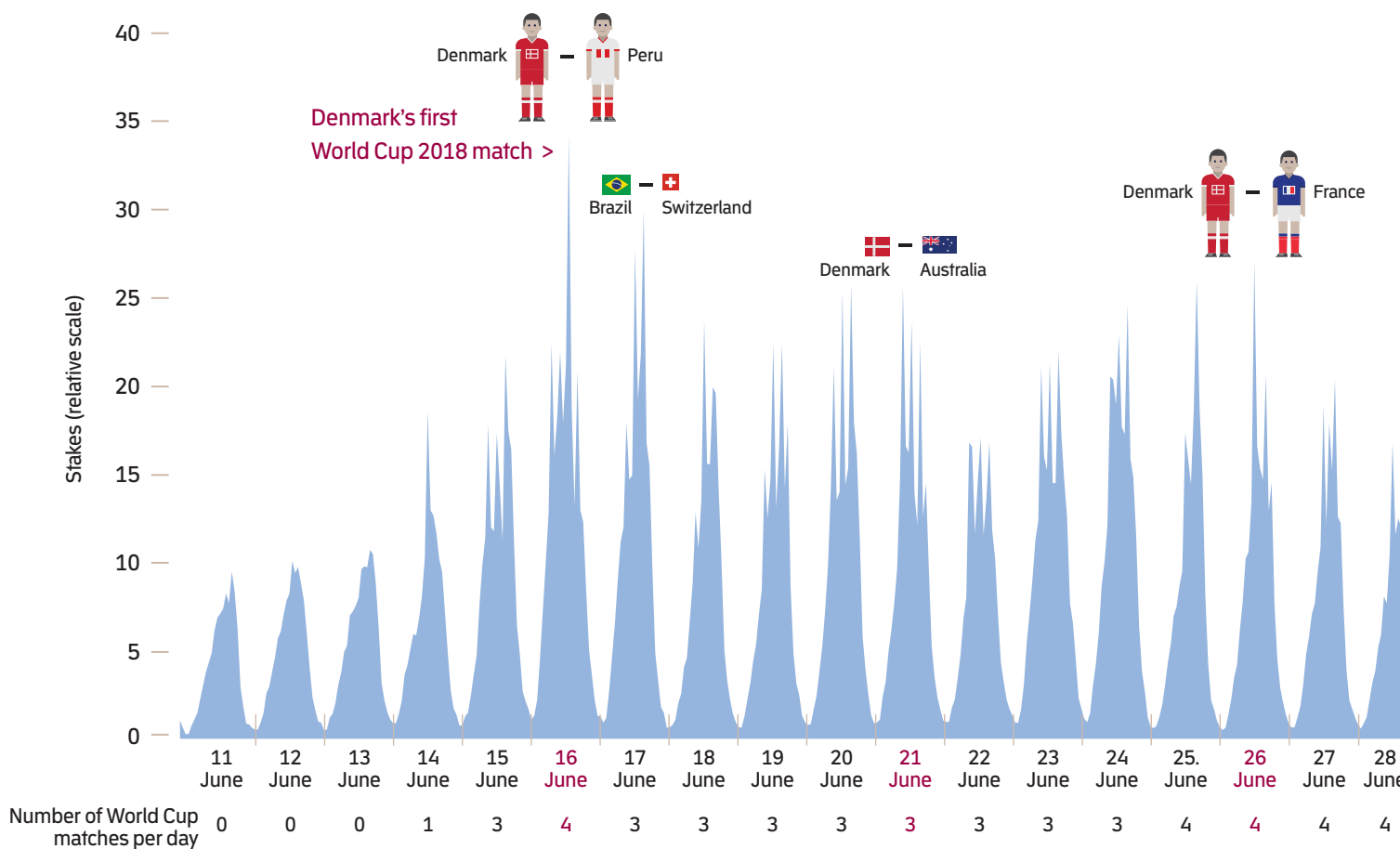
² From 2018, horse racing is included in the statistics for betting, and online bingo is included in the statistics for online casino.

Football World Cup 2018

The Football World Cup was held from 14 June to 15 July. This was clearly reflected¹ in the betting market. During this period, stakes on bets grew, while mobile devices were used for betting more than ever before.

The World Cup final was particularly popular, with deposits higher than normally. In particular, matches involving Denmark triggered high stakes prior to kick-off, as can be seen from figure 7. The day with the highest stakes was the day when Croatia and Denmark played in

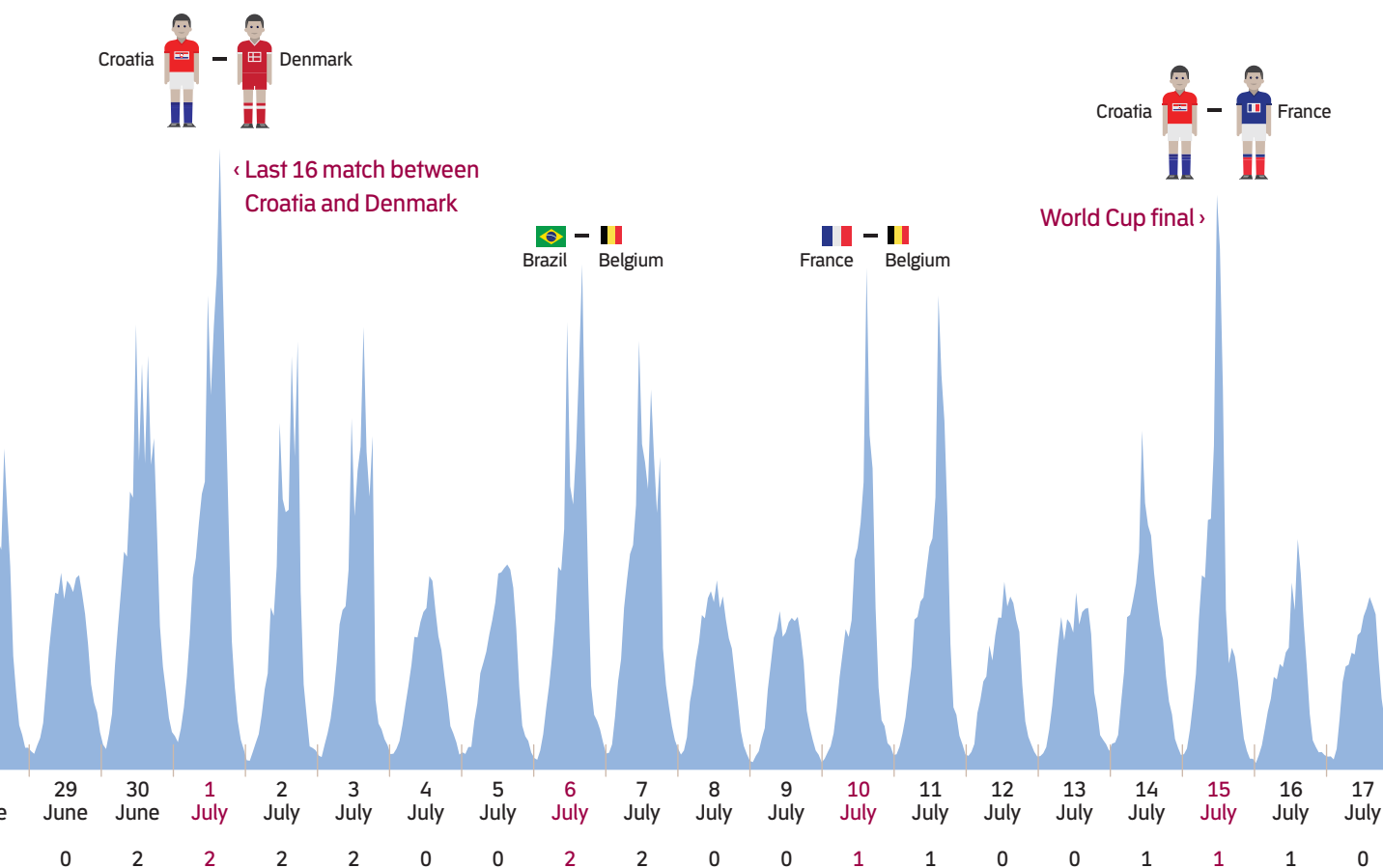
Figure 7: World Cup barometer based on stakes per hour



¹ The effect of the 2018 World Cup in football cannot be measured in isolation, and the effect here could be influenced by other types of betting in addition to football. However, since the biggest variations were measured on days of World Cup matches, it is relatively safe to say that the World Cup is the cause.

the last sixteen, the day with the second highest stakes was Denmark's first World Cup match, against Peru. The final between France and Croatia had the third highest stakes.

Compared with the 2014 World Cup, stakes during 2018 World Cup were 72.5 per cent higher. However, Denmark did not qualify for the 2014 World Cup, which could explain the big difference, as well as the overall expansion of the betting market (excl. horse racing) since 2014, which has increased by 41 per cent.



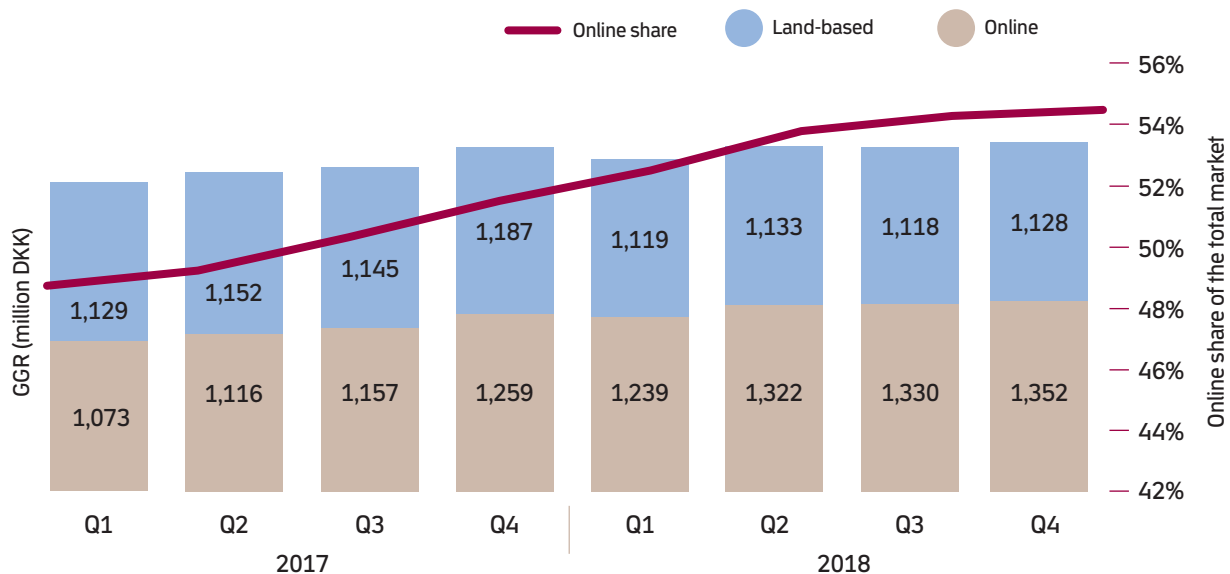
Land-based gambling compared with online gambling

In the fourth quarter of 2018, 54.5 per cent of GGR for the total Danish gambling market was generated from online gambling, which is an increase of 3 percentage points since the fourth quarter of 2017 when the online share stood at 51.5 per cent.

Growth in the GGR originates from the online market, which has grown by DKK 657 million from 2017 to 2018, whereas the land-based market has decreased by DKK 87 million over the same period. This continues to reflect the overall trends since the partial liberalisation of the market in 2012.

The online market includes GGR from online casino, online betting, as well as online sales of monopolised lotteries¹. The land-based market refers to GGR from land-based casinos, gaming machines, land-based betting, and sale of monopolised lotteries in shops and kiosks.

Figure 8: Quarterly GGR for online and land-based gambling



Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

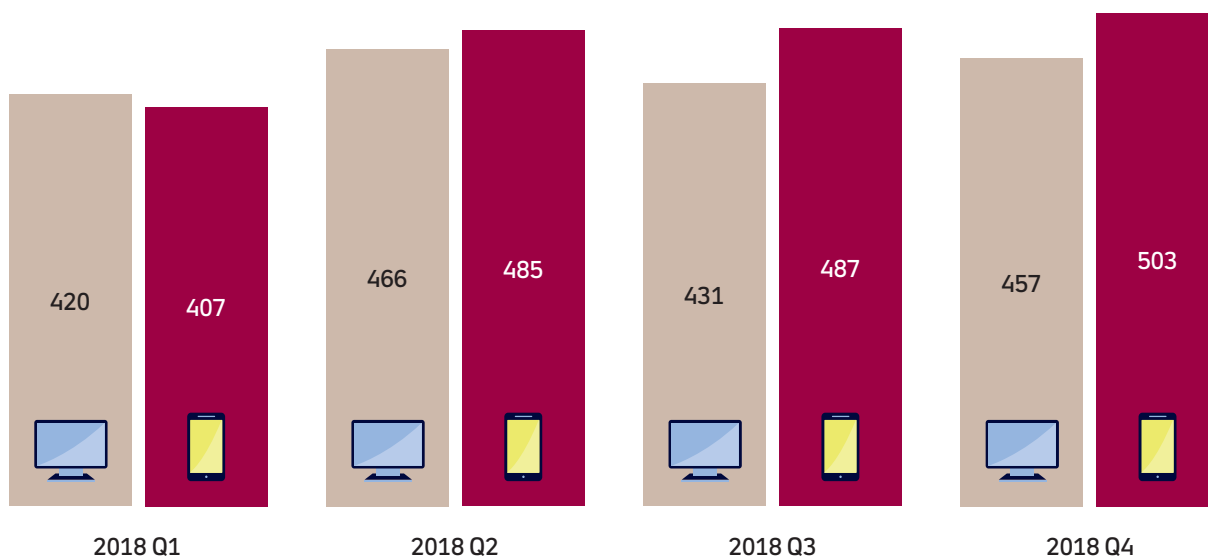
¹ The figures for the online sales of monopolised lotteries are based on estimates taken from the development of online compared with land-based lotteries.

Growth in gambling on mobile devices

Online gambling can be divided into two sales channels; mobile devices (such as smart phones and tablets) and computers. Since 2017, the Danish Gambling Authority has followed the developments in these two areas, which show that the area of mobile devices has experienced the greatest growth. The Danish Gambling Authority's data also shows that the share of gambling on mobile devices especially grew during the 2018 World Cup.

For betting and online casino operators, gambling on mobile devices accounted for 49.2 per cent of GGR in the first quarter of 2018. This increased to 52.4 per cent in the fourth quarter of 2018. In absolute terms, this corresponds to a growth in gambling on mobile devices of DKK 96 million. In comparison, GGR from gambling on computers increased by DKK 37 million.

Figure 9: Quarterly GGR divided between mobile devices and computer in 2018 (million DKK)



Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

Charity lotteries

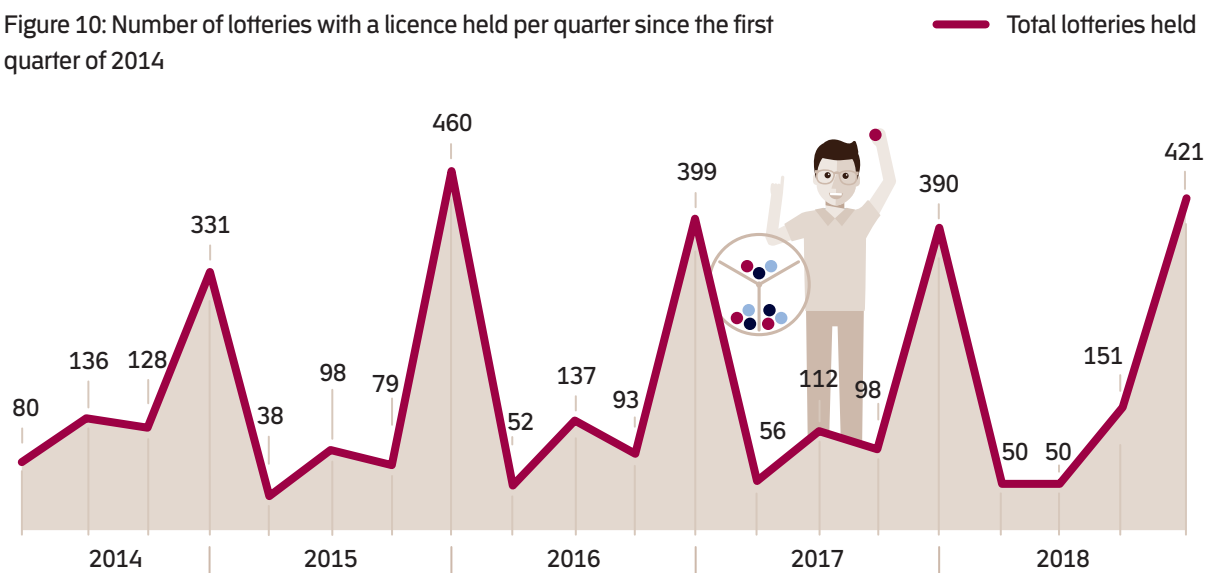
In 2018, the GGR of charity lotteries was estimated at DKK 271.1 million, or 3 per cent of the total Danish gambling market. This was DKK 1 million more than in 2017, corresponding to an increase of 0.4 per cent. Since 2014, the annual GGR has grown by DKK 30 million or 12.2 per cent.

Since statistics for charity lotteries are prepared on the basis of accounts (for lotteries with an estimated sales price over DKK 20,000), which may be presented several months after the actual lottery is held, the figures for this area are estimated.

The term charity lottery covers many different types of lottery games, but not class lotteries or lotteries where participants can choose their own numbers. At least 35 per cent of the sales price must go to charity or other purposes for the common good. In 2018, it is estimated that 73.9 per cent of GGR, corresponding to DKK 199 million, was distributed to charitable or other purposes for the common good against 72.2 per cent, or DKK 195 million in 2017.

According to figure 10, most charity lotteries are held in the fourth quarter each year, with the majority being held close to Christmas. The quarterly statistics are calculated according to the end date of the lottery.

Figure 10: Number of lotteries with a licence held per quarter since the first quarter of 2014



Source: Accounts from charity lotteries submitted to the Danish Gambling Authority by licence holders. Numbers for 2018 is estimated on the basis of the developments since 2014.

Table 4: Total quarterly GGR for charity lotteries since 2014 (million DK)

	2014		2015		2016		2017		2018*	
	GGR	Share	GGR	Share	GGR	Share	GGR	Share	GGR	Share
Quarter 1	57.0	24%	64.6	21%	63.1	23%	60.8	23%	59.0	22%
Quarter 2	16.2	7%	23.0	7%	24.1	9%	20.7	8%	19.7	7%
Quarter 3	6.2	3%	47.4	15%	10.1	4%	19.5	7%	20.9	8%
Quarter 4	162.2	67%	175.9	57%	172.6	64%	169.0	63%	171.5	63%
Total	241.6		310.9		269.9		270.0		271.1	

Source: Accounts from charity lotteries submitted to the Danish Gambling Authority by licence holders. Reports are not included.

*Numbers for 2018 are estimated on the basis of the developments of previous years as well as already submitted accounts.

As can be seen in table 4, the GGR¹, as with the amount of lotteries held, is biggest in the fourth quarter and made up 63 per cent of the total GGR in 2018. Of this, 22 per cent of GGR is generated in the first quarter of 2018². In addition, the estimated distribution of GGR per quarter is relatively similar to 2017.

1 The GGR is calculated by the end date of each lottery held, and the numbers only include licensed lotteries with an estimated turnover greater than DKK 20,000.

2 GGR in the first quarter may be affected by lotteries held during the fourth quarter of the previous year, if the lottery is not completed until the first quarter of the following year.

Monopolised lotteries

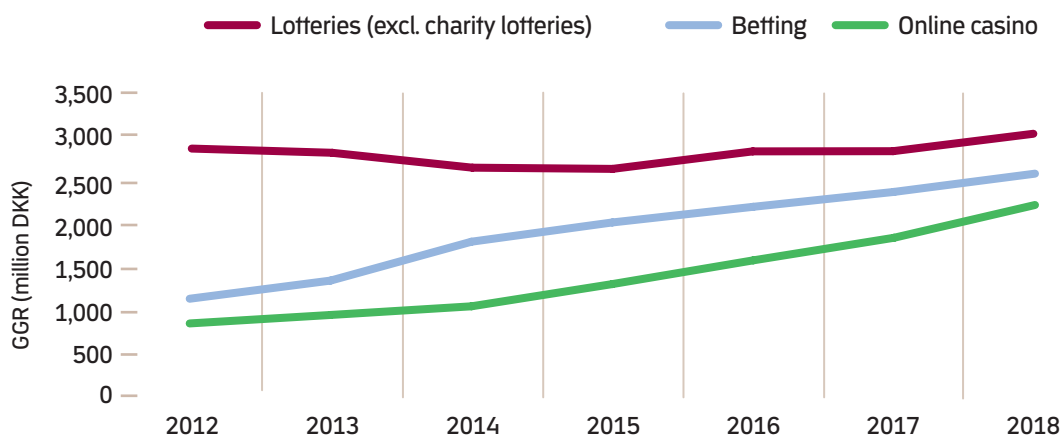
In 2018, the GGR for monopolised lotteries represented DKK 3,024 million or 31 per cent of the total Danish gambling market. This was DKK 187 million higher than in 2017, corresponding to an increase of 6.6 per cent. Since 2014, the annual GGR has grown by DKK 364 million or 13.7 per cent. GGR is divided into different types of lotteries, as shown in table 5, where it can be seen that the growth in the lottery market is largely due to lotto games incl. Joker and EuroJackpot, as well as the three class lotteries.

Since the liberalisation of betting and online casino, these markets have seen greater growth compared to lotteries (including charity lotteries), as it appears from figure 11. The markets for betting and online casino accounted for 29.5 per cent of the total Danish gambling market in 2012. In 2018, this stood at 47.8 per cent.

The reason why statistics for lotteries are calculated annually rather than quarterly, as is the case in other markets, is that the reporting of gambling duties is different. This means the time intervals for calculating data and preparing statistics are also different.

According to table 5, lotto games have grown 12.5 per cent since 2012, just as the class lotteries have grown 37.7 per cent. At the same time, scratch cards have fallen by 20.9 per cent, which is still 3.7 per cent higher compared to 2017. Keno has fallen by 46.3 per cent since 2012.

Figure 11: Comparison between the developments in the annual GGR for lotteries, betting, and online casino



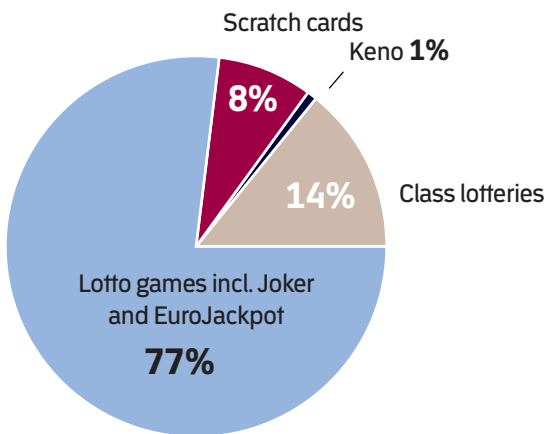
Source: Danske Spil A/S, the class lotteries, the Danish Tax Agency, and the Danish Gambling Authority's own calculations.

Table 5: Annual GGR for monopolised lotto games since 2012 (million DKK)¹

	2012	2013	2014	2015	2016	2017	2018
Lotto games incl. Joker and EuroJackpot	2,100	2,085	1,975	2,049	2,151	2,110	2,332
Scratch cards	335	290	275	264	258	254	248
Keno	60	60	45	54	60	60	31
Bingo incl. Boxen	65	65	50	48	46	38	-
Class lotteries (Klasselotteriet A/S, Varelotteriet and Landbrugslotteriet)	300	310	315	320	320	376	413
Total	2,860	2,810	2,660	2,735	2,835	2,837	3,024

Source: Danske Lotteri Spil A/S, Klasselotteriet A/S, Varelotteriet, and Landbrugslotteriet. Estimates are included in the data concerning the class lotteries.

Figure 12: The lottery types' market shares (measured by GGR) in 2018



The proportion of lotto games including Joker and EuroJackpot accounted for 77 per cent of the total lottery market in 2018, compared with 74 per cent in 2017.

The class lotteries accounted for 13 per cent in 2018, which is 1 percentage point higher than in 2017.

Scratch cards accounted for 8 per cent of the lottery market in 2018, 1 percentage point lower than in 2017.

Keno accounted for 1 per cent of the lottery market, which is 1 percentage point lower than in 2017.

Source: Danske Lotteri Spil A/S, Klasselotteriet A/S, Varelotteriet, and Landbrugslotteriet. Estimates are included in the data concerning the class lotteries.

¹ Bingo is no longer part of the monopolised area.



Land-based casinos

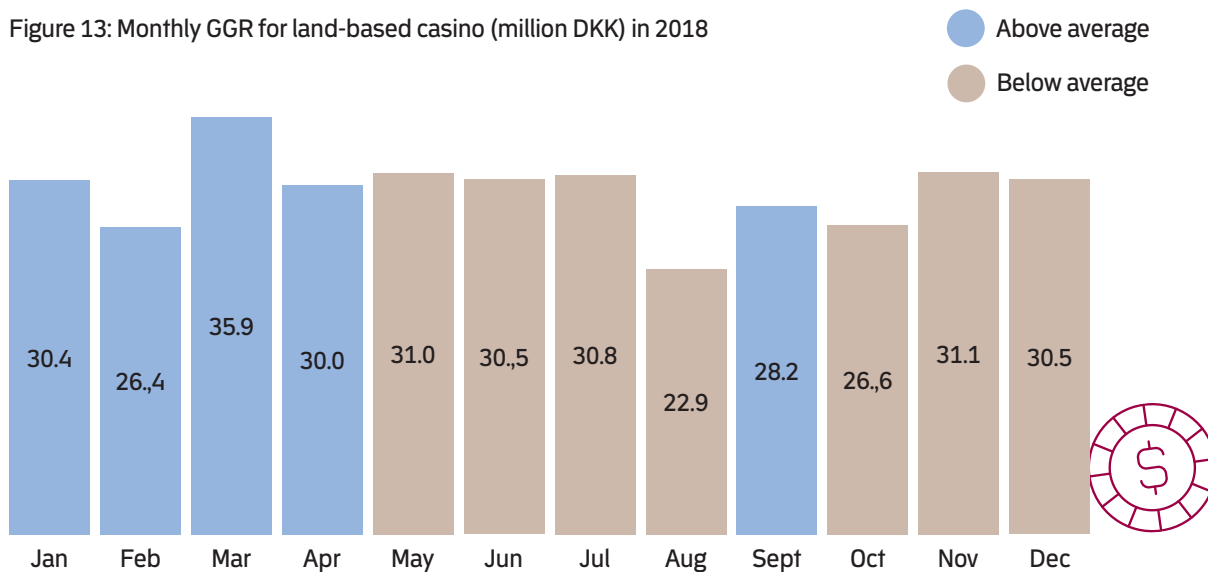
In 2018, the GGR for the seven land-based casinos accounted for DKK 354.2 million, or 4 per cent of the total Danish gambling market. This was DKK 21 million less than in 2017, corresponding to a decrease of 5.8 per cent. Since 2014, the annual GGR has grown by DKK 24 million, or 7.3 per cent.

As shown in figure 13, the annual GGR is divided unequally over 2018 with a monthly average of DKK 29.5 million. The highest monthly GGR was in March at DKK 35.9 million, and the lowest in August at DKK 22.9 million.

The average daily GGR in 2018 was DKK 0.97 million. Figure 13 shows the months that are above the daily average and the months that are below. However, correction of the monthly GGR in line with the daily average does not change the fact that GGR is highest in March at a daily average of DKK 1.16 million, whereas the lowest daily average is in August at DKK 0.74 million.

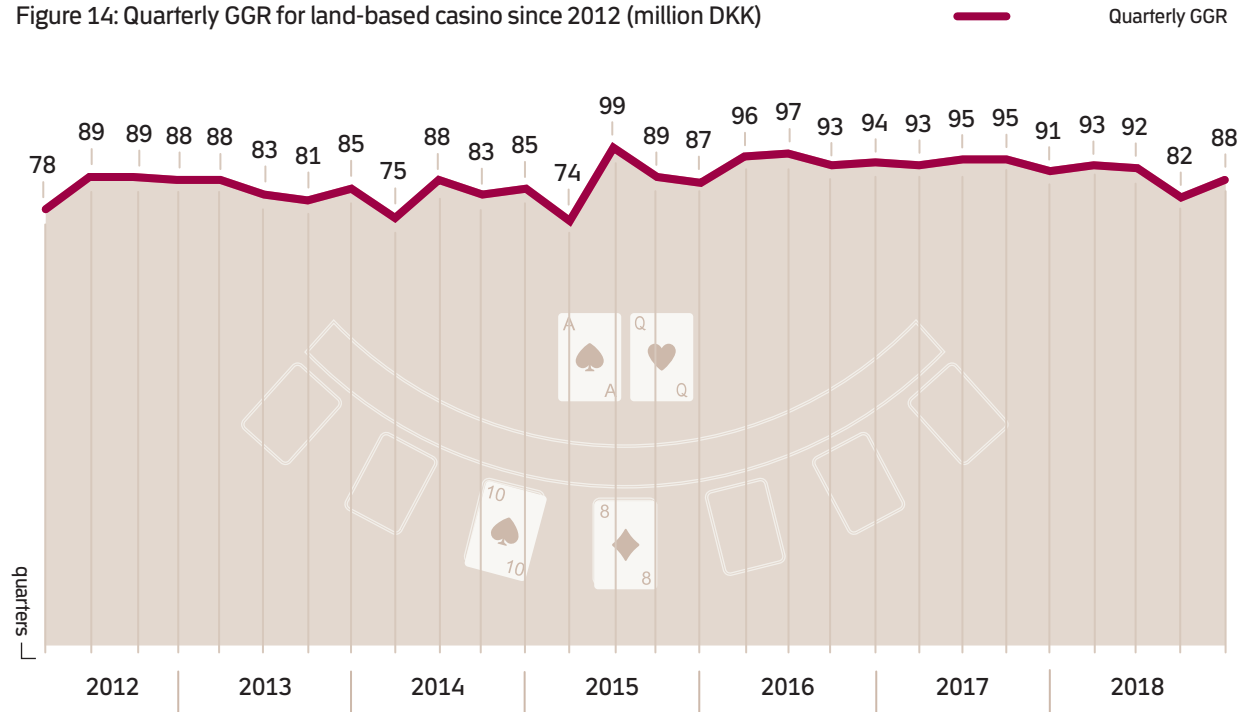
In general, the quarterly GGR for the second quarter has been higher than the third quarter since 2012, as can be seen in figure 14.

Figure 13: Monthly GGR for land-based casino (million DKK) in 2018



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

Figure 14: Quarterly GGR for land-based casino since 2012 (million DKK)



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.



Data as a starting point

When compiling market statistics, the Danish Gambling Authority combines data on gambling duties from the Danish Tax Agency in combination with data from our gambling control system. The hands-on nature of land-based casinos means that transaction data is limited compared

to online casino and betting, for example, where all transactions are registered. Nonetheless through on-site supervision and a positive working relationship between the Danish Gambling Authority and casino operators, we are in tune with developments for land-based casinos.

Gaming machines

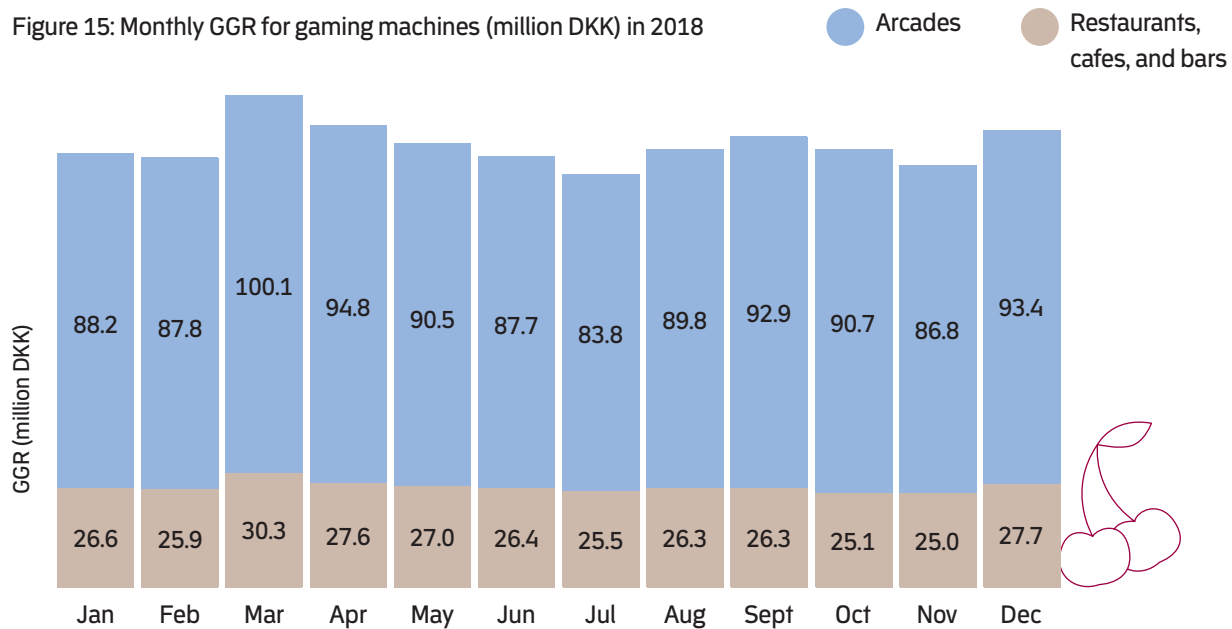
In 2018, the GGR for gaming machines¹ accounted for DKK 1,406 million, or 14 per cent of the total Danish gambling market. This was DKK 81 million less than in 2017, corresponding to a decrease of 5.4 per cent. Arcades accounted for DKK 1,087 million in GGR, while restaurants, cafes, and bars with an alcohol licence made up the remaining DKK 320 million. Since 2014, the total annual GGR has fallen by DKK 141 million, or 9.1 per cent.

The monthly GGR was relatively stable for most of 2018, with an average of DKK 117.2 million. March was, however, somewhat higher with a GGR of DKK 130.4 million, as shown in figure 15.

The average daily GGR was highest in March for both arcades and restaurants, cafes, and bars at DKK 3.23 million and DKK 0.98 million, respectively. July saw the lowest average daily GGR for arcades at DKK 2.70 million, and for restaurants, cafes, and bars in October at DKK 0.81 million.

Generally speaking, the gaming machine market is characterised by seasonal differences, with GGR typically peaking in the second quarter since 2012. In 2018, however, GGR in the second quarter was DKK 4.8 million less than in the first quarter, as shown in figure 16, which is due to the relatively high GGR in March.

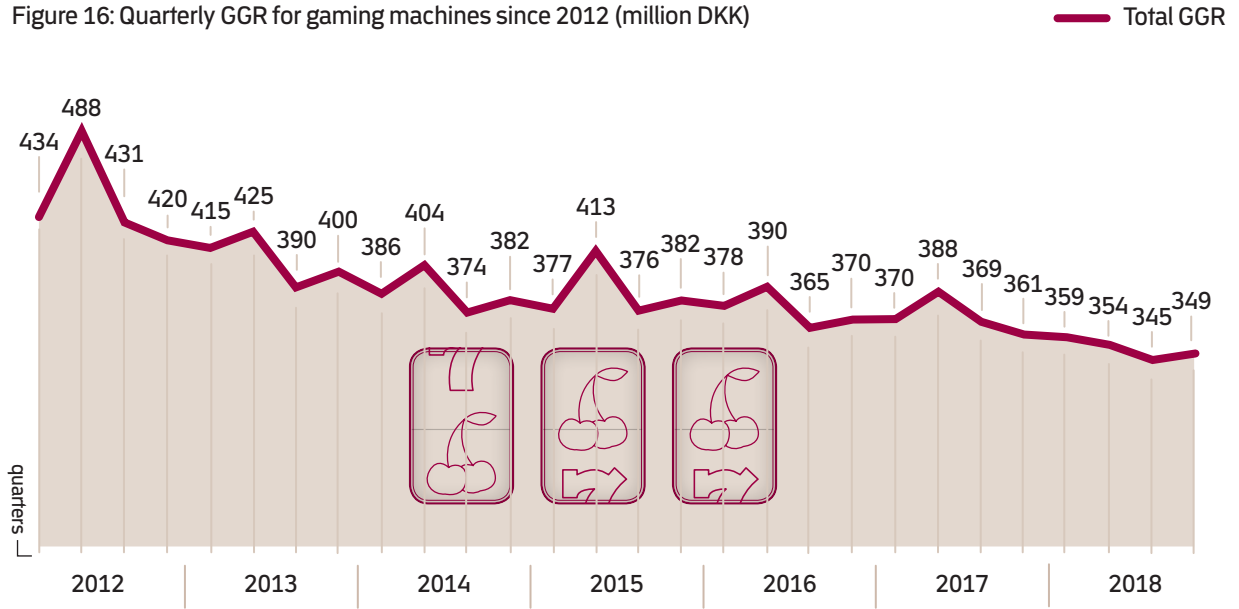
Figure 15: Monthly GGR for gaming machines (million DKK) in 2018



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

¹ Excl. gaming machines in land-based casinos.

Figure 16: Quarterly GGR for gaming machines since 2012 (million DKK)



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

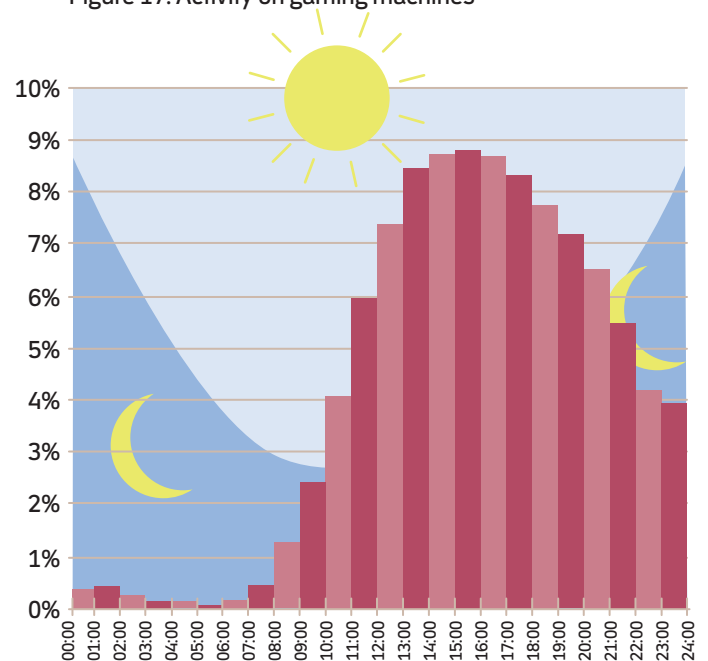
Figure 17: Activity on gaming machines

There are in the ballpark of 25,000 active gaming machines in Denmark. However, the exact figure changes from day to day.

Figure 17 shows how gaming machines are used throughout the day on an hourly average basis for 2018.

The distribution shows that most of the money was spent on gaming machines in the afternoon and evening.

On an hourly basis, gaming machines were most heavily used in the afternoon with a peak around 16.00.





89.0%

Betting

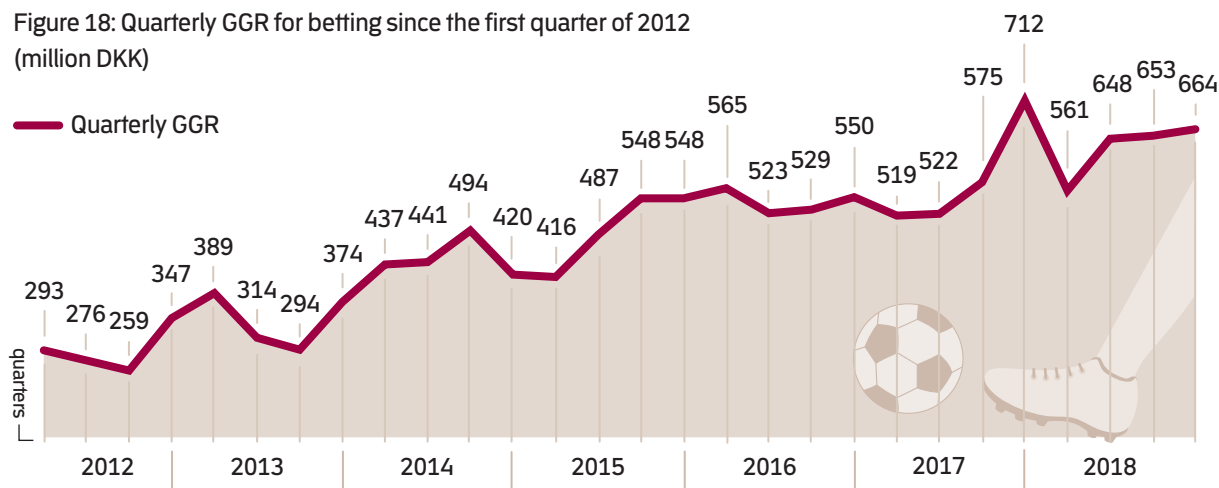
Average rate of return 2018

In 2018, the GGR¹ of the betting market accounted for a total of DKK 2,526 million, or 26 per cent of the total Danish gambling market. This was DKK 81 million more than in 2017, with bets on horses from 2017 included, corresponding to an increase of 3.3 per cent. Figure 18 shows that the annual GGR has grown by DKK 605 million, or 31.5 per cent since 2014. Following the liberalisation of betting on horse, dog, and pigeon racing on 1 January 2018, this is included in the general GGR for the betting market.

The betting market, as in 2017, was characterised by monthly fluctuations in stakes, as shown in figure 19. The highest total monthly stakes was DKK 2,124 million in June, and the lowest in January at DKK 1,609 million. This corresponds to a difference of DKK 514 million, or 32.0 per cent. The impact of the World Cup in 2018 is quite clear from the June stake rates, and the high stakes in April are probably influenced by the end of the season in European football leagues, where bets are concluded and final figures recorded.

Figure 20 shows that GGR does not develop in proportion with stakes, as the rate of return is a major factor. The rate of return is uncertain because winnings, as opposed to stakes, are first included in GGR when they are won. The rate of return was at a low of 85.8 per cent in January and peaked at 91.3 per cent in February, which is a difference of 5.5 percentage points. The high rate of return in February resulted in the lowest GGR for the year (DKK 150 million) although the level of stakes is not markedly different from the rest. Conversely, the highest GGR for the year was in July at DKK 246 million, with a relatively low rate of return at 87.0 per cent.

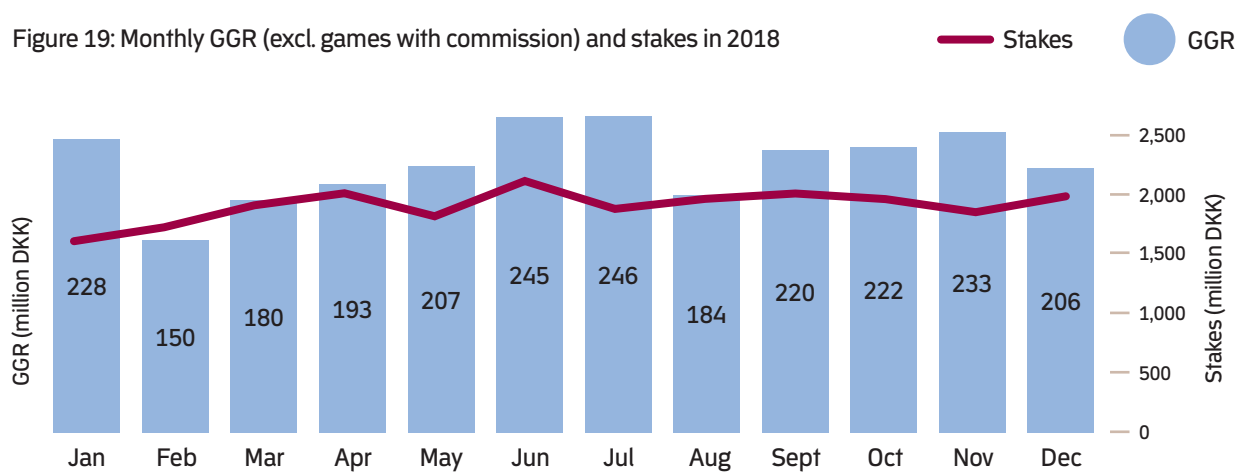
Figure 18: Quarterly GGR for betting since the first quarter of 2012
(million DKK)



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

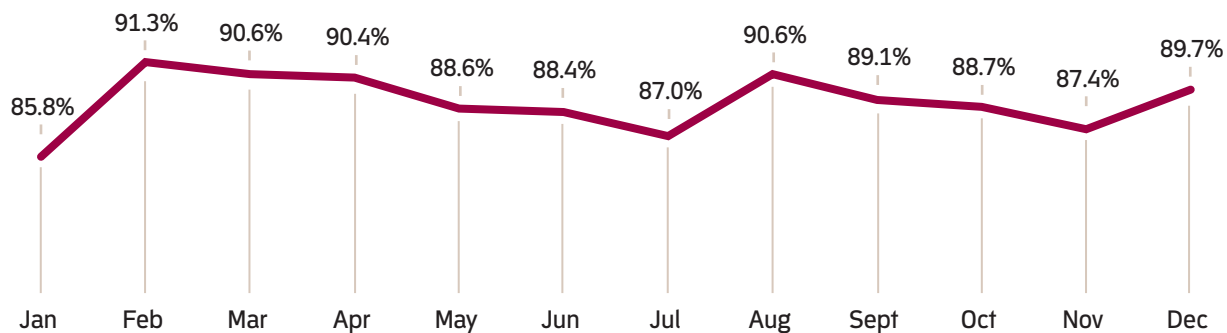
1 Excl. local pool betting.

Figure 19: Monthly GGR (excl. games with commission) and stakes in 2018



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

Figure 20: Monthly rate of return in 2018



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.



96.3%

Online casino

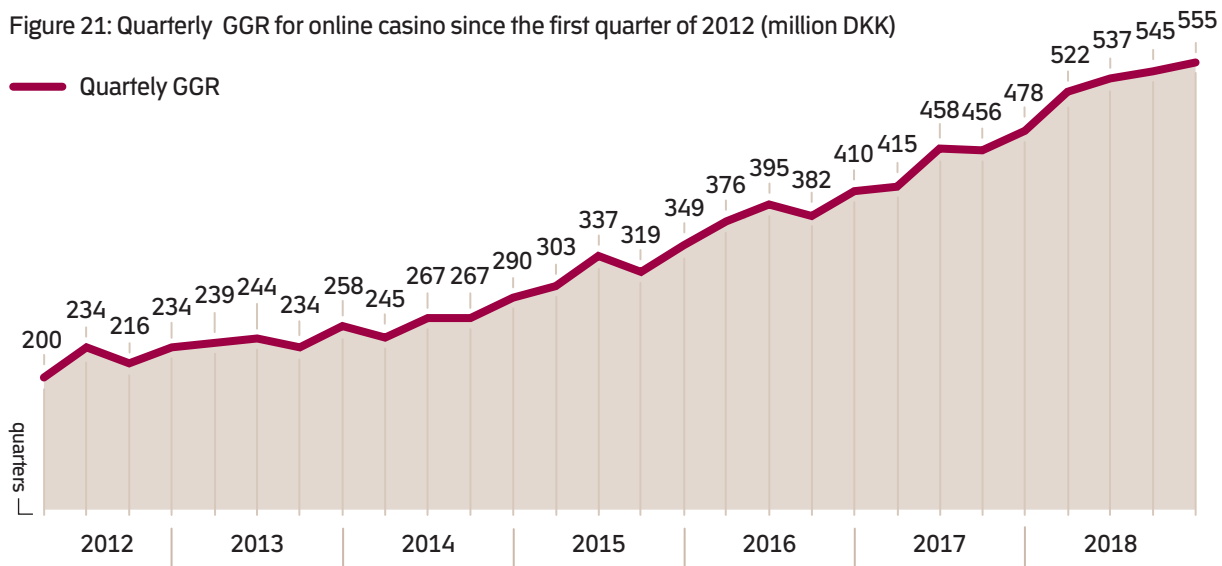
Average rate of return 2018

In 2018, the GGR for the online casino market accounted for DKK 2,158 million, or 22 per cent of the total Danish gambling market. This was DKK 352 million more than in 2017, corresponding to an increase of 19.5 per cent. Figure 21 shows that the annual GGR increased by DKK 1,089 million, or 101.9 per cent since 2014. After the liberalisation of online bingo on 1 January 2018, the GGR for online bingo is included in the general GGR for the online casino market.

As in 2017, the online casino market was characterised by a stable upward trend, and according to figure 22, monthly stakes were distributed fairly evenly over the 12 months of the year, with the lowest stakes in February at DKK 3,925 million, and the highest in December at DKK 5,158 million. This corresponds to a difference of DKK 1,233 million, or 31.4 per cent.

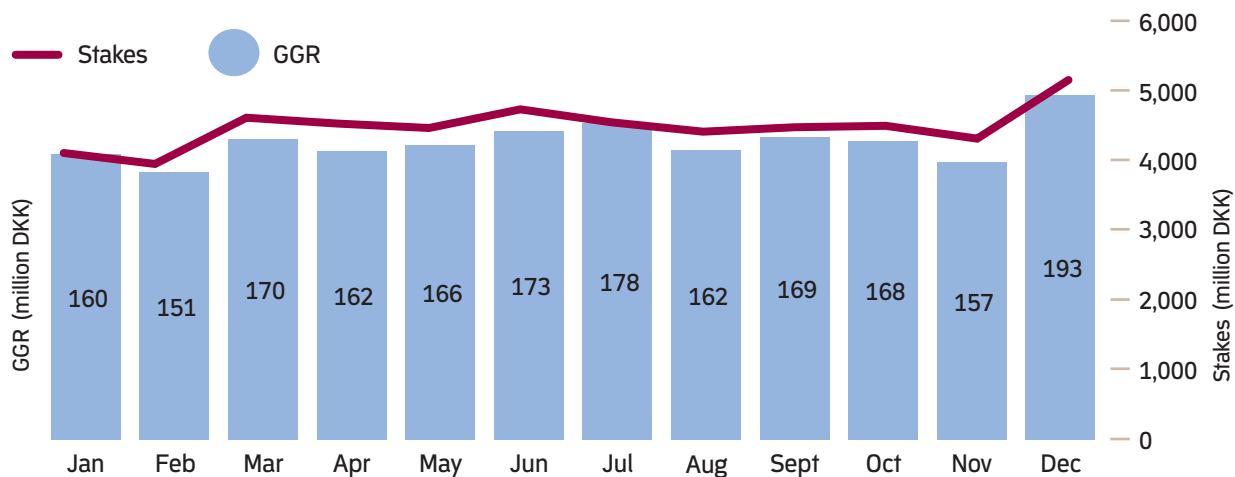
Figure 23 shows that the rate of return for online casino is relatively high compared to, for example, the betting market, and is also more stable over the whole year. The rate of return in 2018 was lowest in January and July at 96.1 per cent, whereas it was 96.4 per cent in April, giving a minor deviation of 0.3 percentage points. GGR for online casino was lowest in February at DKK 151 million, and highest in December at DKK 193 million. The market for online casino does not show large seasonal fluctuations.

Figure 21: Quarterly GGR for online casino since the first quarter of 2012 (million DKK)



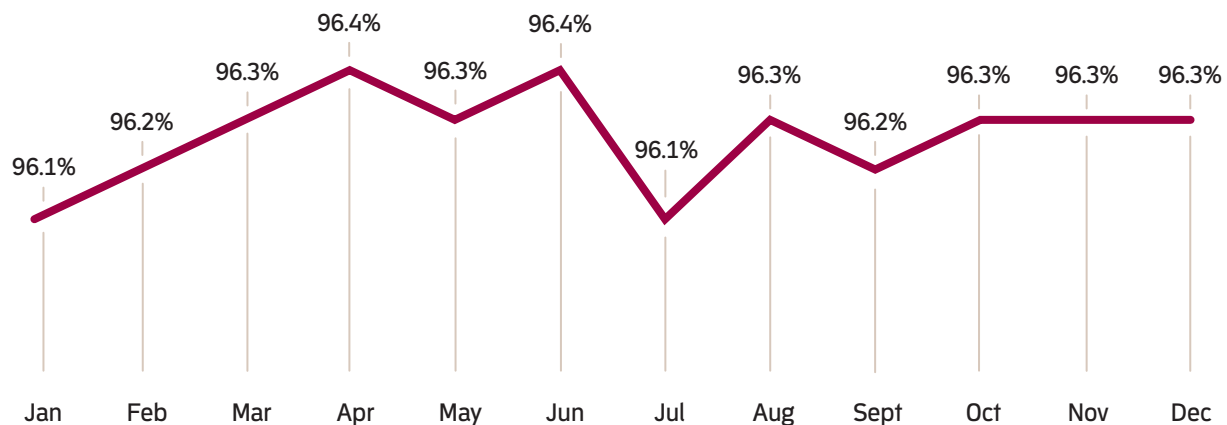
Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

Figure 22: Monthly GGR for online casino in 2018 (excl. games with commission)



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

Figure 23: Monthly rate of return in 2018



Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency.

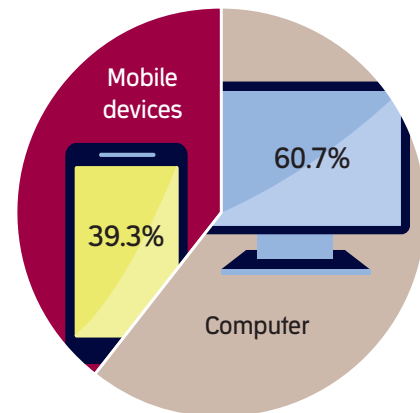
Online bingo

On 1 January 2018, online bingo was liberalised as a part of the online casino market. During the course of 2018, five licence holders provided online bingo. The GGR in 2018 reached DKK 59.6 million. This figure is included in the general statistics for the online casino market in 2018.

Figure 24 shows that 60.7 per cent of online bingo gambling took place via computers and the remaining 39.3 per cent of GGR originated from mobile devices.

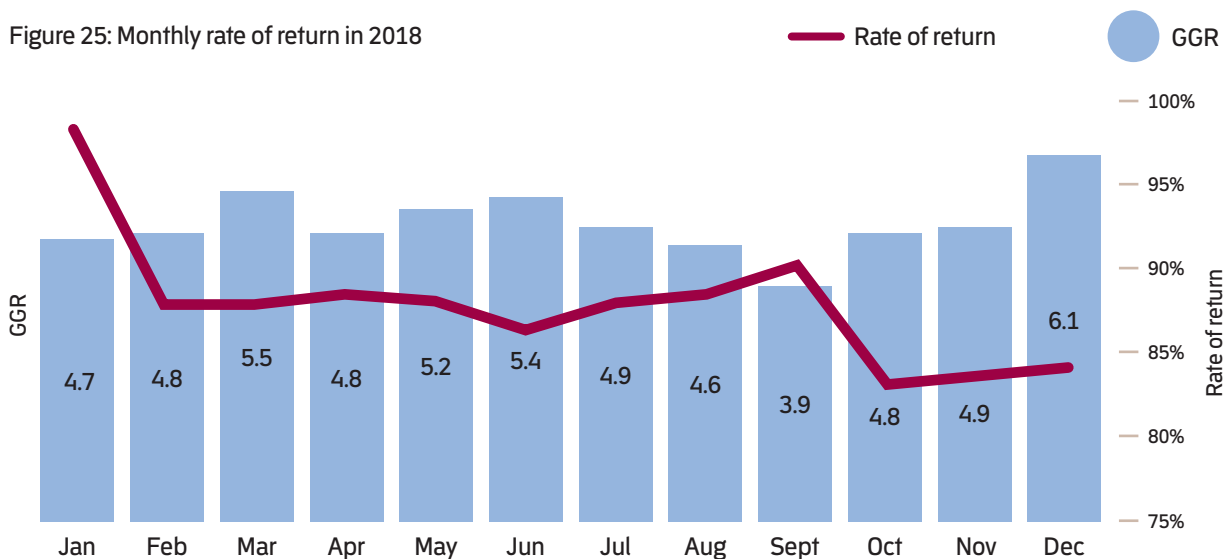
Monthly GGR for online bingo is shown in figure 25. Monthly fluctuations can be seen, with the lowest GGR in September at DKK 3.9 million, and the highest GGR in December at DKK 6.1 million. The December figure follows the trend from the online casino market with both higher stakes and GGR during this month. The rate of return is affected by the recently liberalised market, with a figure of 98.2 per cent in January, compared with 84.2 per cent in December. This has also had an impact on GGR. The average rate of return for 2018 was 87.9 per cent.

Figure 24: Online bingo divided between mobile devices and computer



Source: Data on duties submitted by licence holders to the Danish Gambling Authority's gambling control system.

Figure 25: Monthly rate of return in 2018



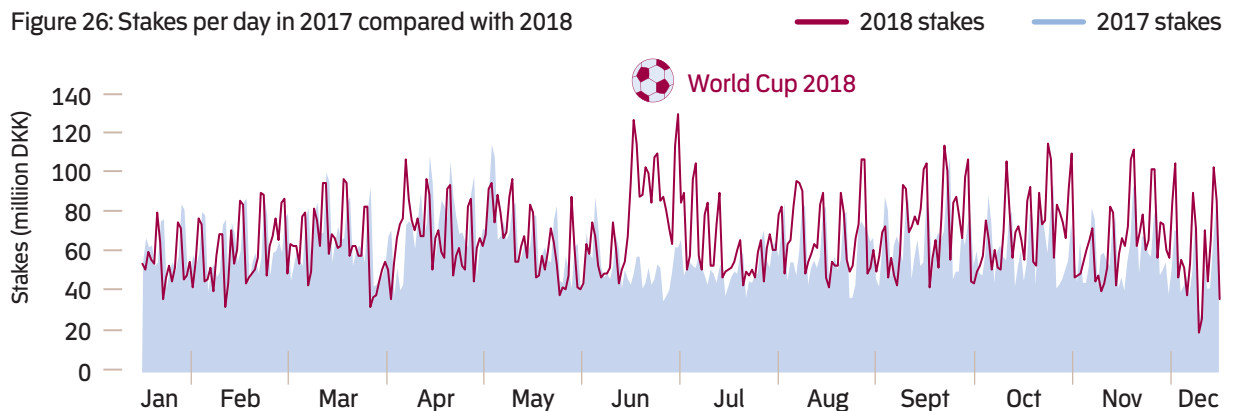
Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

Gambling behaviour

In the Danish Gambling Authority's control system, we record data on what gambling activities are taking place, and when. By studying this information, we are able to see different patterns of gambling behaviour repeat themselves throughout the year. This provides us with an increased understanding of market trends within the individual gambling markets. For example, in 2018, it is evident that most bets are made at the weekend, while gaming machines are the most popular choice in the online casino market. If these patterns were to change significantly, it might result in some form of appropriate supervisory action.

Betting

Figure 26: Stakes per day in 2017 compared with 2018



Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

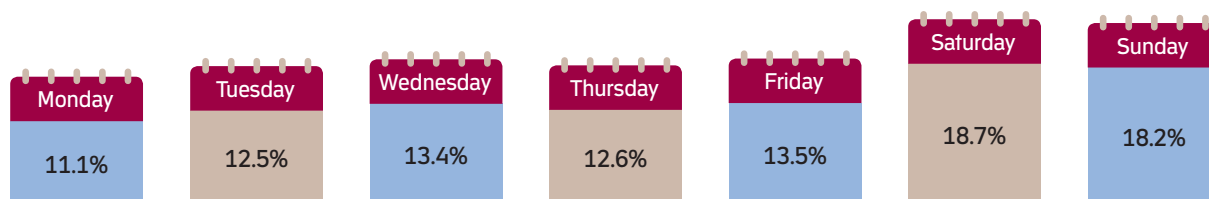
According to figure 26, betting stakes were highest in June 2018. By way of comparison, betting stakes in 2017 were highest in April. This difference is probably due to the 2018 World Cup, which was held from 14 June to 15 July 2018. (There was no World Cup in 2017).

If the 2018 World Cup is disregarded, the tendency for betting stakes is similar to the trend from 2017 where the spring and autumn period saw higher stakes compared with the summer months.

In addition, there is a clear indication that stakes are higher on the days when people typically receive their salaries. On a weekly basis, according to figure 27, bets are also largely placed in the weekends. On the whole, there is a clear pattern of increased gambling activity at weekends, where many sports events take place. Stakes on weekend days (Friday, Saturday, and Sunday) make up an average of 50.4 per cent of the total weekly stakes, with Monday being the lowest at 11.1 per cent.



Figure 27: Share of stakes on betting distributed on weekdays in 2018



Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

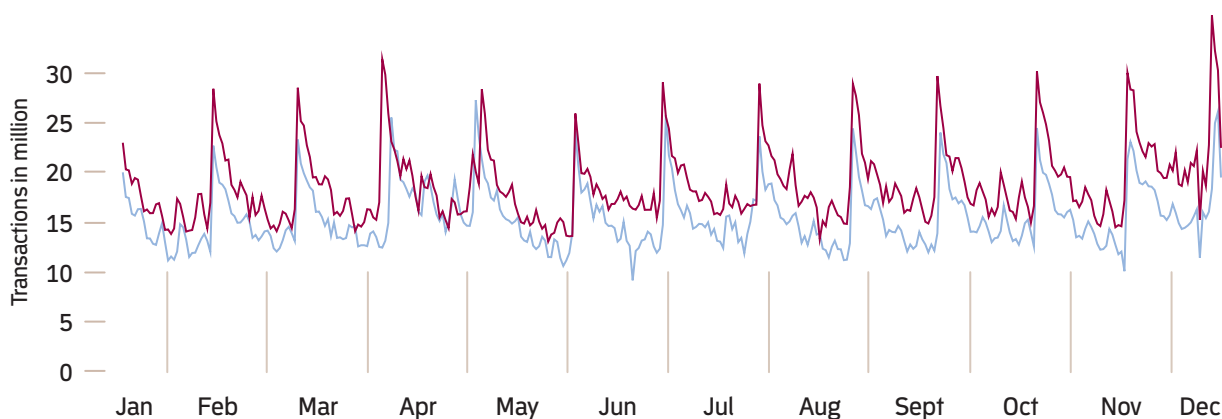
Online casino

Figure 28 shows the number of daily transactions for online casino in 2018 compared with the number of transactions in 2017. Here, it can be seen that the trend in the market for 2017 is repeated again in 2018, but with a greater number of transactions. The number of transactions is highest on days when people typically receive their salaries and the following weekend, while numbers gradually decrease towards the end of the month. The day with the highest number of transactions in 2018 was 28 December.

Compared to the betting market, the number of transactions is more stable over the whole year, and more evenly distributed over the weekdays. However, gambling at the weekend, similar to the betting market, is also popular for online casino. Here, Friday, Saturday, and Sunday make up 44.8 per cent of the weekly gambling activity, as shown in figure 29.

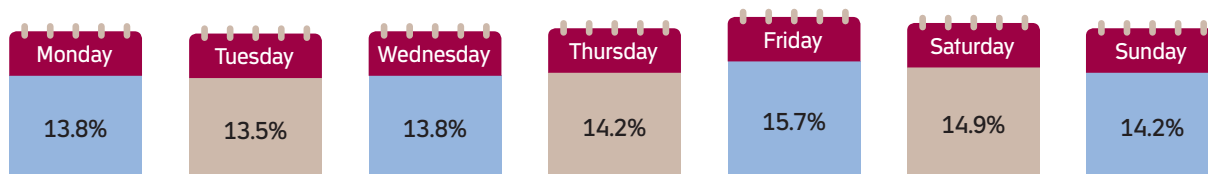
Figure 28: Number of transactions (million) per day in 2017 compared with 2018

— 2018 — 2017



Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

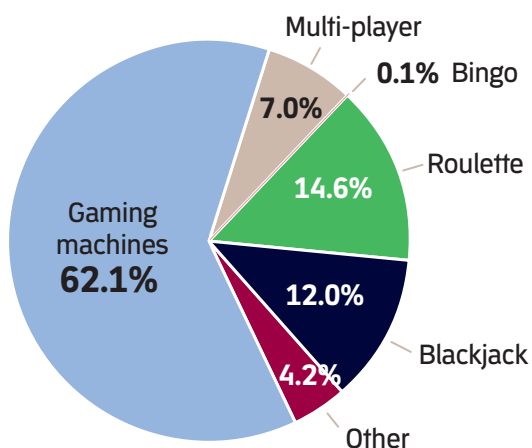
Figure 29: Share of transactions on online casino distributed on weekdays in 2018



Source: Data submitted by licence holders to the Danish Gambling Authority's gambling control system.

Online casino consists of a number of different activities, as shown in figure 30. Gaming machines is the most popular type at 62.1 per cent of all gambling, followed by roulette at 14.6 per cent, and blackjack at 12.0 per cent. Commission games make up 7.0 per cent of the total, and cover casino games against other players, such as multi-player poker. Video poker falls under the category "Other", which covers the remaining 4.2 per cent of the market.

Figure 30: Different gambling types' market shares (excl. commission games)



Source: Data submitted by licence holders to the Danish Gambling Authority.



Average gambling consumption in Denmark

Danish adults over the age of 18 spend an average of DKK 41.00 per game, per week¹ – the total figure was DKK 38.50 in 2017. This means that the gambling consumption for the individual adult has increased by DKK 2.50 or 6.5 per cent.

Facts about Danes' average gambling consumption per week:

- Danes spend DKK 14.00 per person on lotteries each week. Of this, DKK 10.00 is spent on lotteries offered by Danske Lotteri Spil A/S.
- In an average week, Danes spend DKK 6.00 on gaming machines per person. Of this, DKK 4.50 is spent in arcades and the rest in restaurants, cafes, and bars.
- Danes spend DKK 9.00 a week on online casino per person. Just over DKK 5.50 is spent on online casino gaming machines and DKK 0.50 on multi-player casino games such as poker. The remaining DKK 3.00 is spent on other types of gambling.
- Danes spend DKK 1.50 on land-based casinos per week. This could be on activities such as roulette, blackjack, or gaming machines.
- Danes spent DKK 95.50 a week on betting in 2018 and won just under DKK 85.00, which gives a net consumption of approximately DKK 10.50. The World Cup in football probably represented a large part of these stakes during the summer period.

Figure 31: Average gambling consumption per Dane over 18 years old per week (measured by GGR)



Source: Data on gambling duties submitted to the Danish Tax Agency, the Danish Gambling Authority's gambling control system, and Statistics Denmark.

¹ Rounded to the nearest DKK 0.50.

Demographic profile

In the betting market, over half of all betting accounts belong to men under the age of 35, while 62.1 per cent of all bets are made by men and women under the age of 35.² Men account for 83.2 per cent of all registered betting accounts. About 7 per cent of all accounts belong to people over the age of 56.

In the area of online casino, the picture is slightly different. Here, 31.7 per cent of all accounts have been set up by women. Women thus make up a larger share of customer accounts for online casino compared to betting. Just over 11 per cent of all accounts in the area of online casino belong to people over the age of 56. The age distribution is higher for online casino compared to betting, where young people make up a high proportion of account holders.

Figure 32: Share of total online casino accounts by sex and age in 2018

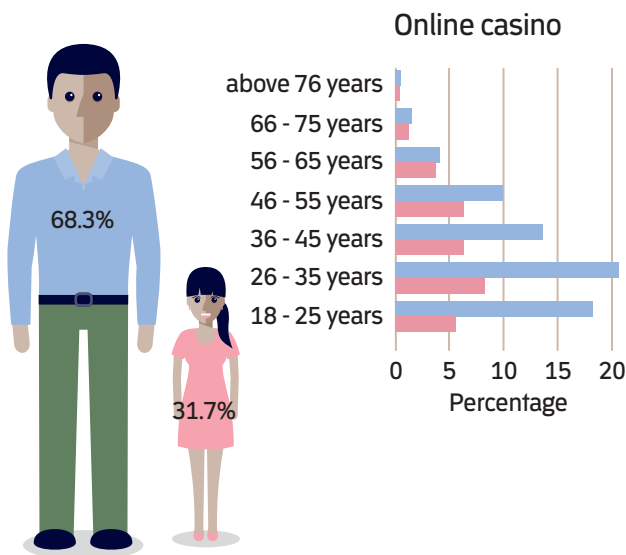
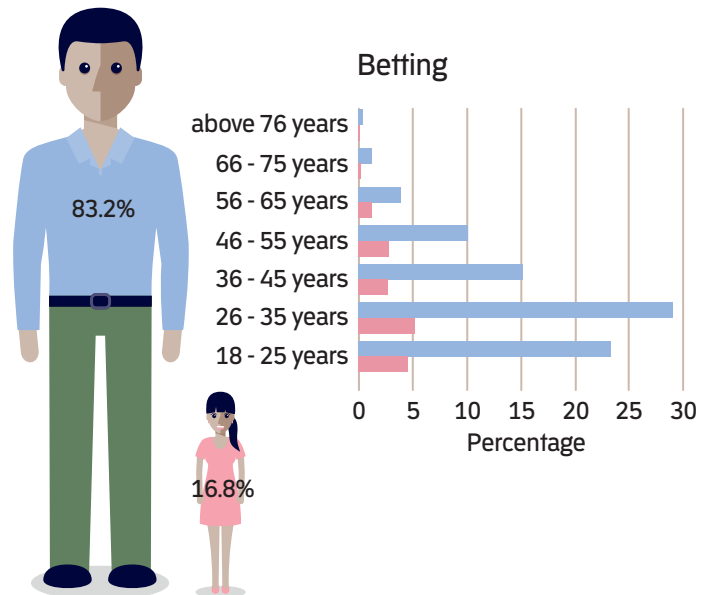


Figure 33: Share of total betting accounts by sex and age in 2018



Source: Data submitted by licence holders via the annual accounts to the Danish Gambling Authority.

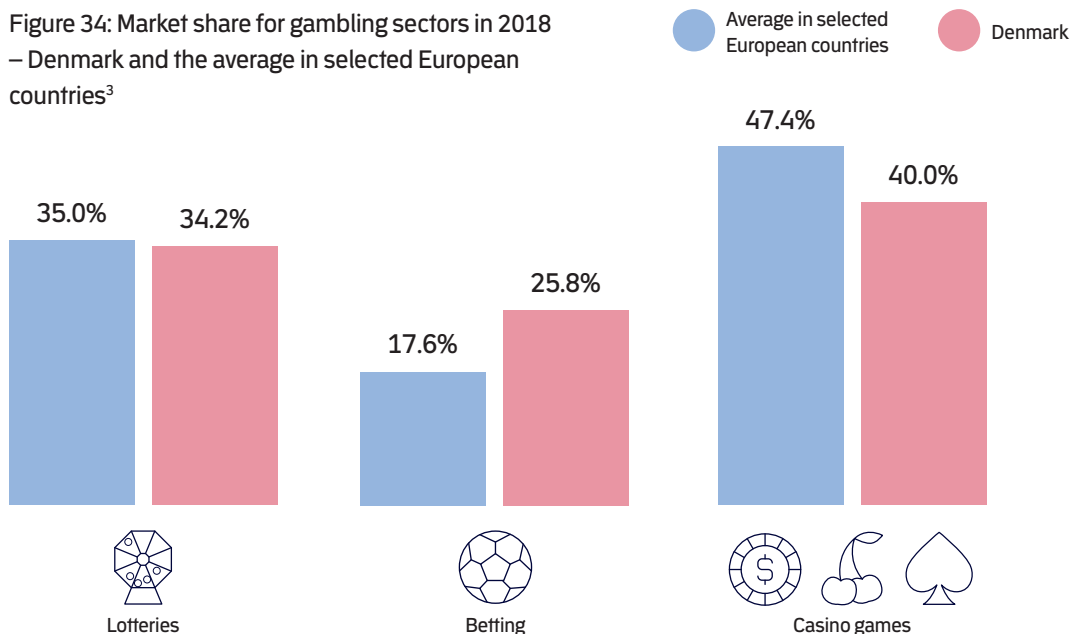
² The Danish Gambling Authority does not register statistics on expenditure at an individual level, but in the annual reports of the licence holders for betting and online casino, we can see demographic information about their customers.

Denmark compared with similar countries

Gambling consumption in Denmark is comparable to the consumption in similar countries¹. When comparing consumption in the legal gambling market (in Denmark, this means gambling from operators with a Danish licence), Danes spend less per person over the age of 18 than Finland, Norway, and Sweden². When compared to the average for selected European countries³, Danes have a higher gambling consumption on betting but a lower consumption on lotteries and casino games⁴, as shown in figure 34.

Denmark lies in 16th place out of 18 countries when comparing the total GGR, as can be seen in figure 35. However, it is important to take into account that Denmark is a small country with relatively few inhabitants. In fact, Denmark ranks 7th out of 18 countries when looking at gambling consumption per adult. Of these selected countries, Italy has the highest total GGR, while Iceland has the lowest. However, they are in 3rd and 8th places respectively as regards GGR per adult.

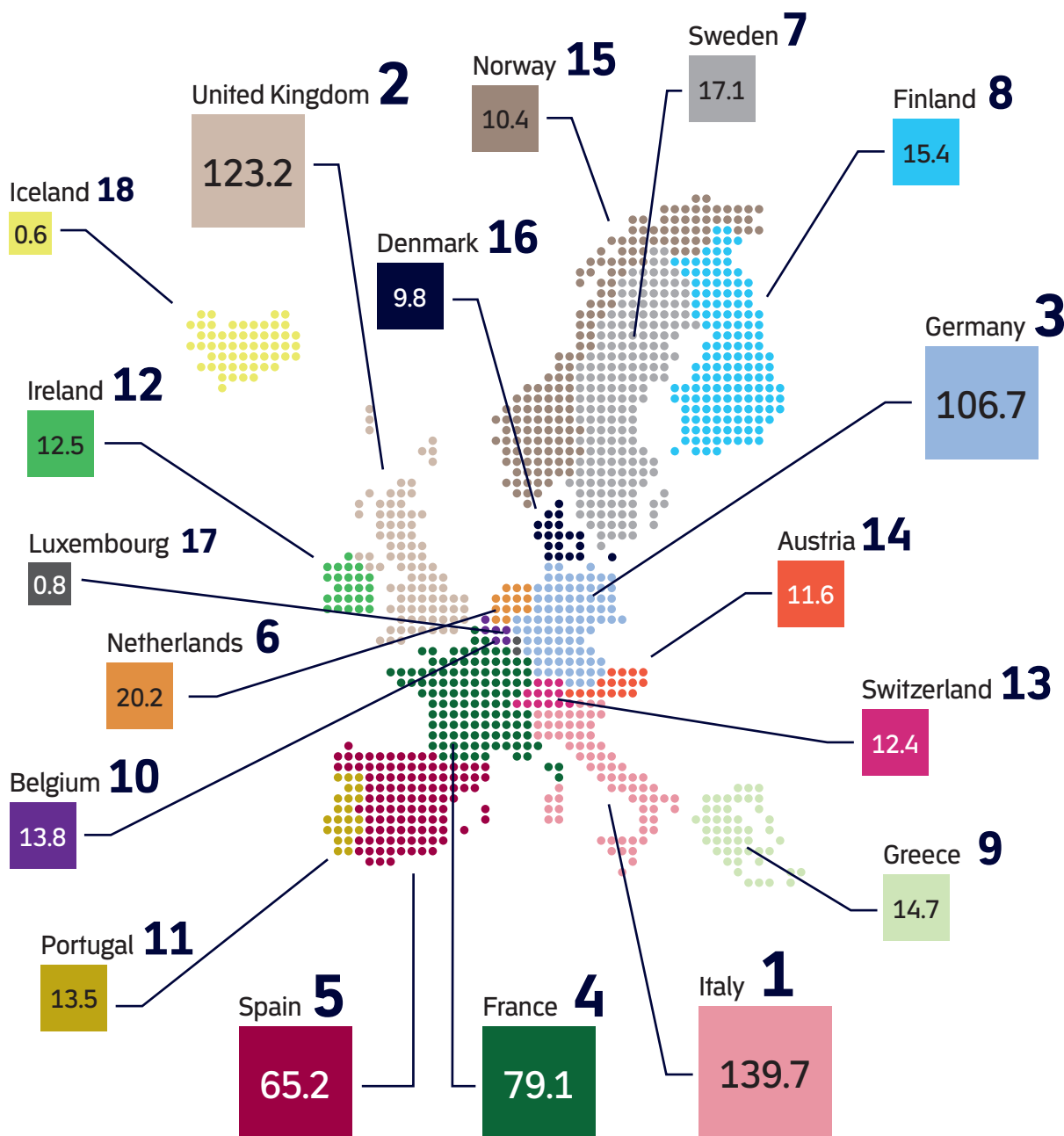
Figure 34: Market share for gambling sectors in 2018
– Denmark and the average in selected European countries³



Source: H2 Gambling Capital, Eurostat, and the Danish Gambling Authority.

- 1 In this chapter, the European Union 15 is used (EU15 - EU countries before the expansion in 2014), including Iceland, Norway, and Switzerland. Data concerning gambling consumption comes from H2 Gambling Capital.
- 2 Population figures are based on numbers from the Eurostat database.
- 3 The 18 countries in figure 35.
- 4 Casino games include online casino, gaming machines, and land-based casinos.

Figure 35: GGR (billion DKK) in 2018



Source: H2 Gambling Capital and the Danish Gambling Authority's own calculations.



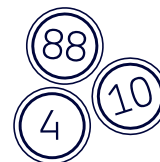
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Gambling sectors

- › Charity lotteries
- › Monopolised lotteries
- › Land-based casinos
- › Public poker tournaments
- › Gaming machines
- › Betting and online casino



Gambling sectors



Charity lotteries

In Denmark there is a monopoly on the provision of lotteries.

However, it is possible to report or submit an application to the Danish Gambling Authority if one wishes to hold a lottery for charitable purposes or for other purposes for the common good.

A charity lottery may include many different types of lotteries, including lottery tickets, scratch cards, raffles, or bingo.

The holding of charity lotteries only requires permission from the Danish Gambling Authority if:

- Participants pay a stake (money or equivalent)
- Winning depends solely on chance
- Through the payment, participants have the opportunity to win a prize (any kind of prize)

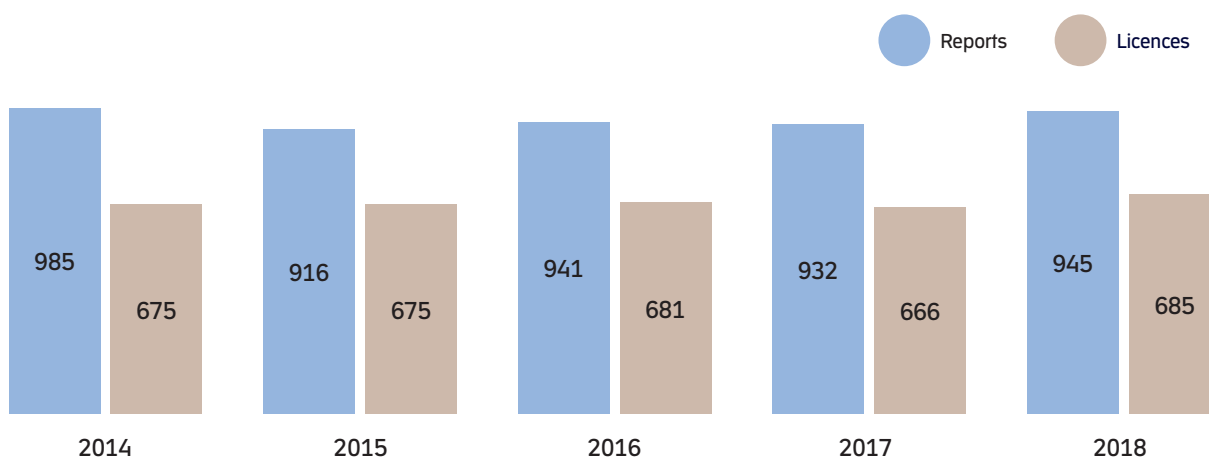
Number of reports and applications

In 2018, the Danish Gambling Authority had 1,630 cases concerning charity lotteries. 685 of these involved licences and the remaining 945 were reports. If the total sales amount is less than DKK 20,000, it is sufficient to report that you hold a lottery. If the total exceeds DKK 20,000, you need to have a licence from the Danish Gambling Authority.

Accounting project

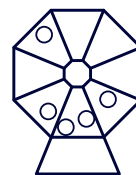
As part of the Danish Gambling Authority's supervision in the area of charity lotteries, the Danish Gambling Authority initiated an accounting project in 2018. Organisations that have obtained a licence to hold a charity lottery must send updated accounts to the Danish Gambling Authority no later than six months after they have completed lottery sales. The ac-

Figure 36: Number of reports of charity lotteries and licences to hold charity lotteries



counting project involved a more detailed review of the submitted accounts and was intended to ensure that the organisations involved were fully aware of the accounting rules.

The accounting project showed that the requirements for the presentation of accounts were complied with in most cases. However, there were particular cases where the requirement of donating a minimum of 35 per cent of the sales price to a charity was not complied with. In such cases, the Danish Gambling Authority entered into dialogue with the licence holders in order to ensure that organisations are aware of the rules and possible sanctions. Therefore, the Danish Gambling Authority initiated a project in cooperation with ISOBRO (industry organisation for charity lotteries), which looked more closely at the reasonableness of the expenses deducted from a lottery account prior to calculating the lottery's profit margin. Work on this project will continue into 2019.



Monopolised lotteries

The Danish Gambling Authority supervises the two monopoly companies Danske Lotteri Spil A/S and Det Danske Klasselotteri A/S, while supervision of Landbrugslotteriet and Varelotteriet is handled by the Ministry of Justice.

Danske Lotteri Spil A/S

Danske Lotteri Spil A/S offers lotteries such as lotto games, keno, and physical and online scratch cards.

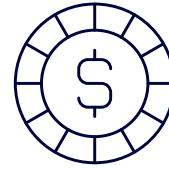
Over the course of the year, the Danish Gambling Authority continually processes applications for licences to offer new games or apply changes to existing games. For a store to sell products from Danske Lotteri Spil A/S, it is necessary to have an approved manager. In 2018, the Danish Gambling Authority processed 1,700 cases for approval of such managers.

The Danish Gambling Authority supervises the activities of Danske Lotteri Spil A/S in several ways. For example, there are visits to the physical stores that sell products from Danske Lotteri Spil A/S. We are also present to witness the weekly lottery draws.

In addition, we regularly receive data about the games, which we process to carry out automatic controls of the lottery systems. We also carry out ongoing monitoring activities in areas chosen based on the balancing of risk and importance.

Det Danske Klasselotteri A/S

Det Danske Klasselotteri A/S is authorised to offer class lottery, with draws occurring once a month. The Danish Gambling Authority's supervision of Det Danske Klasselotteri A/S consists of witnessing and approving the monthly draws. In addition, the Danish Gambling Authority and a risk-based monitoring of lottery data, carries out class lottery test draws, and performs random checks to control major winnings.



Land-based casinos

The Danish Gambling Authority supervises land-based casinos in Denmark. In 2018, there were seven land-based casinos. These casinos are located in Copenhagen, Elsinore, Odense, Vejle, Aarhus, and Aalborg and on board the ferry between Copenhagen and Oslo.

Applications for a licence to operate a casino in Denmark

The Danish Gambling Authority has the responsibility for issuing licences for the establishment and operation of land-based casinos in Denmark. Authorisation is granted for up to 10 years at a time and must be put out to tender again upon expiry.

In the summer of 2018, the Danish Gambling Authority announced a tender for a licence to operate a casino on land or on a Danish ferry with a regular service. It was the second time that the Danish Gambling Authority had initiated an application round since the Danish Gambling Authority took over the casino area from the Ministry of Justice in 2011.

The Danish Gambling Authority received a total of six applications, three of which were for existing casinos and three were for new casinos. The review of these applications will continue into 2019.

New application round in 2019

At the end of 2019, the Danish Gambling Authority will announce a new application round, where it will be possible to apply for a licence for the establishment and operation of a land-based casino.

Industry cooperation

We aim to have a positive and constructive dialogue with the industry. This is why the Danish Gambling Authority attaches great importance to regular contact with representatives from the individual casinos, and with the Danish Casino Association (Dansk Kasinoforening). In 2018, the Danish Gambling Authority hosted two committee meetings with representatives from the seven land-based casinos.



A land-based casino is a physical venue with a licence to offer activities such as roulette, poker, baccarat, punto banco, blackjack, and gaming machines. The Danish Gambling Authority's supervision includes carrying out both unannounced and announced visits to the individual casinos.



Public poker tournaments

Individuals, companies, and associations can apply to the Danish Gambling Authority for a licence to arrange public poker tournaments for a limited amount of prize money. The licence is valid for a specified location, and for up to two years at a time. It is possible to get a licence to run public poker tournaments in more than one location, but this requires an individual licence for each separate location.

Licences

Before the Danish Gambling Authority issues a licence, we evaluate whether the location is suitable for holding public poker tournaments. Our evaluation includes a consultation with the police on matters of order and security in the relevant police district. At the end of 2018, there were 15 valid licences for public poker tournaments.

Table 6: Number of licences issued for public poker tournaments

	2012	2013	2014	2015	2016	2017	2018
Licences issued	53	31	31	14	25	8	7

Procedures for public poker tournaments

A public poker tournament can only be held when there are at least eight participants, all of whom must have paid their deposits prior to the tournament start. Young people under the age of 18 are not allowed to participate in or be physically present in rooms when the poker tournaments are held.

A participant's deposit must not exceed the maximum amount of DKK 400 per tournament per day, and the tournament pool's upper limit is set at DKK 20,000 (additional DKK 5,000 may be added as sponsor prizes). Under special circumstances, the Danish Gambling Authority may allow the tournament pool to exceed DKK 20,000. This, for example, could be in connection with a town festival, a significant anniversary, or major poker championship. In granting exemptions, the Danish Gambling Authority considers factors such as whether the applicant has regularly held tournaments over a longer period at the tournament venue.

Table 7: Number of dispensations issued for public poker tournaments

	2012	2013	2014	2015	2016	2017	2018
Licences issued	14	10	9	8	12	9	4



Gaming machines

In connection with gaming machines, the Danish Gambling Authority is first and foremost responsible for the supervision of the licence holders. We also have a service function that is intended to help licence holders understand and comply with the legislation covering gaming machines. In addition to this, the Danish Gambling Authority works closely together with accredited test houses to ensure that all gaming machines continue to comply with a range of technical requirements so that they can be part of a fair gambling market.

Gaming machines can be found in in arcades and in restaurants, cafes, and bars with licences to serve alcohol. In an alcohol-licensed restaurant, there can be no more than three gaming machines, while the maximum number of gaming machines in an arcade depends on the size of the arcade.

Table 8: Number of licence cases and manager approval cases

	2015	2016	2017	2018
Licence cases	1,600	1,700	1,274	1,247
Manager approval cases	208	535	379	341

Licences and supervision

The Danish Gambling Authority's primary role concerning gaming machines is to issue licences for the establishment and operation of gaming machines and to supervise the operation of gaming machines set up in restaurants and arcades.

During 2018, we dealt with 1,247 cases regarding licences to the setting up and operation of gaming machines. These cases were divided into applications for licences to operate gaming machines, applications to expand the premises of arcades, and cases involving the closure of arcades. In addition to this, we dealt with 341 applications for approvals of arcade managers.

Our supervision of gaming machines consists partly of inspections at the actual arcades, and partly of administrative control of the licence holders' payment of fees. In 2018, our supervision totalled 2,499 inspection visits and 284 cases of follow-up fee control, which together brought in about DKK 1.8 million.

Table 9: Number of inspections, fee control cases, and follow up collections of fees

	2015	2016	2017	2018
Inspections	2,202	2,051	2,034	2,499
Fee control cases	316	286	307	284
Follow-up collection of fees in million DKK	7.8	3.0	1.5	1.8

Gaming machines by location

Gambling is offered on around 24,700 gaming machines in Denmark. Licences to operate gaming machines are distributed among 323 licence holders of varying sizes. In December 2018, there were a total of 2,659 premises with gaming machines. 1,149 of these venues were arcades, while 1,510 were alcohol-licensed restaurants, cafes, and bars.

Table 10: Number of premises and licence holders

	2015	2016	2017	2018
Premises with gaming machines	2,800	2,750	2,690	2,659
Arcades	1,175	1,145	1,135	1,149
Restaurants/cafes/bars	1,625	1,605	1,555	1,510
Licence holders	380	360	345	323

Industry cooperation

It is essential for the Danish Gambling Authority to stay in positive and constructive dialogue with the industry. We attach a great deal of importance to ongoing contact with Dansk Automat Brancheforening (the Danish gaming machine industry association), accredited test houses, licence holders, and other stakeholders.

We regularly hold committee meetings where we meet representatives from the industry in open dialogue.

Criminal cases

During 2018, we reported 103 cases to the police concerning violations of gaming machine legislation. The cases mainly concerned the lack of manning in arcades, unsealed and uninspected gaming machines, as well as illegal gambling.

Table 11: Number of reported cases

	2015	2016	2017	2018
Reported cases	23	60	75	103

Cooperation with the police

We work closely with the police in connection with all kinds of illegal gambling. Our co-operation here mainly involves dealing with the issue of illegal gambling premises, where we typically assist the police in raids of illegal gambling premises for the purpose of seizing illegal gaming machines and other illegal gambling equipment.

In the autumn of 2018, the Danish Gambling Authority, in cooperation with Funen Police (Fyns Politi), carried out a series of inspections at restaurants with gaming machines. The inspections were carried out over four days, during which 28 gambling premises in Funen (Fyn) were visited in the period between 16.00 and 23.00.

The restaurants were selected by the police licensing office. The Danish Gambling Authority then reviewed the list to see if there were licences to operate gaming machines at the selected restaurants.

For the police, the overall purpose of the initiative was to carry out separate controls of the restaurants in accordance with the Restaurants' Act, and to assist the Danish Gambling Authority in carrying out their inspections of gaming machines in case of situations that required police assistance. In addition, the Danish Gambling Authority had the opportunity to carry out inspections at times when inspections were not normally expected. Funen Police district took this initiative after they had participated in a theme day at the Danish Gambling Authority where all the police districts in Denmark were invited. On the theme day, it was discussed how to promote broader cooperation between different authorities.

The cooperation between the authorities was a success, and some good relations were created for continued cooperation.



Betting and online casino

Since 2012, the Danish Gambling Authority has been issuing licences and supervising the provision of betting and online casino.

The area of betting and online casino in Denmark is still of great interest for gambling operators, even though licensing in Sweden has enjoyed special attention from many gambling operators following the liberalisation of the Swedish market on 1 January 2019.

In 2018, in addition to specific supervisory projects, we have highly prioritised the ongoing supervision of licence holders, including the maintenance of dialogue and the understanding of the challenges that licence holders face in connection with the provision of gambling.

In addition, efforts have been made to improve the format of the annual report that licence holders have to submit to the Danish Gambling Authority, as well as follow up on the information we have received.

Table 12: Applications for licences for the provision of betting and online casino

2018	Online casino	Betting
Number of applications for 5-year licences, including upgrades from 1-year to 5-year licences	8	5
Number of applications to renew 5-year licences	4	2
Expired licences	0	0
Number of active licences at the end of 2018	29	18

Liberalisation of online bingo, betting on horse racing, etc, including the introduction of a special contribution to horse racing

On 1 January 2018, online bingo and betting on horse, dog, and pigeon racing were liberalised as a result of a political agreement of January 2017. The expectation was that it would increase interest in these three sporting activities.

The political agreement also included the decision to introduce a special contribution of 8 per cent of the revenue on betting on horse racing. The money must be used for initiatives to increase interest in horse racing. After a transitional period, the subsidies that today go to horse racing from profits on monopolised gambling will be phased out.

In connection with the liberalisation, a preliminary estimate of DKK 10 million for 2018 was made, and this proved to be accurate, as the special contribution finally totalled DKK 10.4 million.

The reason for the liberalisation of online bingo was an assessment that the actual market for online bingo was three times the size of the official gambling market. In this way, the liberalisation of online bingo has contributed to the protection of more gamblers as gambling moves to the official market.

Changed practice for self-service betting terminals

In 2018, the Danish Gambling Authority changed its practices for self-service betting terminals. The change means that it is now possible to set up self-service terminals in a number of stores. This is a natural consequence of the advances in technological development in society, where self-service solutions are increasingly being demanded by both consumers and traders. The Danish Gambling Authority carried out a thorough assessment of the options for offering betting via self-service terminals. Provided that the provision of betting takes place in a professionally responsible manner, including the prevention of betting for persons under the age of 18, the conclusion was that licence holders should be allowed to set up self-service terminals.

Update of technical requirement guidelines

The Danish Gambling Authority has been working for some time on publishing an updated guide to the technical requirements for areas such as SAFE (data archive with direct access for the Danish Gambling Authority), TamperToken (tamperproof file folders issued by the Danish Gambling Authority), and ROFUS, which apply to the provision of betting and online casino. On 31 July, the new guideline was published. The guidelines have compiled information that previously must be found in up to seven different documents. This update makes the technical requirements more manageable and has made it easier to find exactly the requirements that you need.

In addition to the actual restructuring of technical requirements, there were several areas where the Danish Gambling Authority saw a need to clarify the requirements and provide more detailed descriptions.

Monitoring project on the basis of certification reports

In 2018, the Danish Gambling Authority started a monitoring project on the basis of certification reports from licence holders. The purpose of this project is to verify compliance with regulations on both formalities (e.g. compliance with certification frequencies) and the material content (whether required tests are performed on various functions; e.g. Random Number Generator (RNG)). In addition, the project is also intended to provide an improved basis for initiating any advisory measures for licence holders and the accredited test houses. The project is expected to be completed in 2019.



The Danish Gambling Authority's certification programme aims to ensure that gambling systems and equipment carry out their operations correctly and that the security of the gambling system in question is constantly maintained. Licence holders must at all times be certified in accordance with the parts of the certification programme that apply to their own provision of gambling services.

Table 13: Licence holders for online casino



Number of licence holders	GGR (million DKK)	Fee (DKK)
5	Under 5	54,700
2	5 to 10	136,800
8	10 to 25	246,200
5	25 to 50	492,300
3	50 to 100	875,200
4	100 to 200	1,641,000
1	200 to 500	2,735,000
1	500 or more	4,923,000

Table 14: Licence holders for betting



Number of licence holders	GGR (million DKK)	Fee (DKK)
4	Under 5	54,700
1	5 to 10	136,800
5	10 to 25	246,200
3	25 to 50	492,300
1	50 to 100	875,200
2	100 to 200	1,641,000
0	200 to 500	2,735,000
2	500 or more	4,923,000

Industry cooperation

The Danish Gambling Authority considers ongoing dialogue and interaction with the industry to be one of its most important tasks. For this reason, the Danish Gambling Authority holds a committee meeting twice a year with licence holders of betting and online casino. The topics at these meetings are focused on relevant issues of the day from the industry, new legislation, and the Danish Gambling Authority's ongoing supervision. The latest meeting, which was held in December 2018, primarily addressed topics from the political agreement on new measures to combat compulsive gambling from 29 June 2018. In addition, topics such as market analysis, anti-money laundering, illegal gambling, and marketing are often discussed at the committee meetings.

Company visits

In 2018, the Danish Gambling Authority again visited a number of licence holders in order to learn more about their business and their thoughts and observations around the Danish gambling market.

The Danish Gambling Authority also prioritised visits to some of the gambling companies that provide games for gambling to Danish licence holders. The visits to these subcontractors not only helped to give us an overall understanding of the gambling operators' business models, but also gave us the opportunity to discuss controls of gambling systems in both Denmark and other jurisdictions.



Did you know that...

The Danish Gambling Authority monitors the data reported to the gambling control system from the licence holders of betting and online casino? During 2018, the Danish Gambling Authority was in contact with 97 per cent of the licence holders in connection with their reported data. The Danish Gambling Authority aims by the

good and constructive dialogue with licence holders to ensure that all data reported to the Danish Gambling Authority has a high level of quality including consistency.

The Danish Gambling Authority's supervision of online gambling is partly based on the data provided to our gambling control system.





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