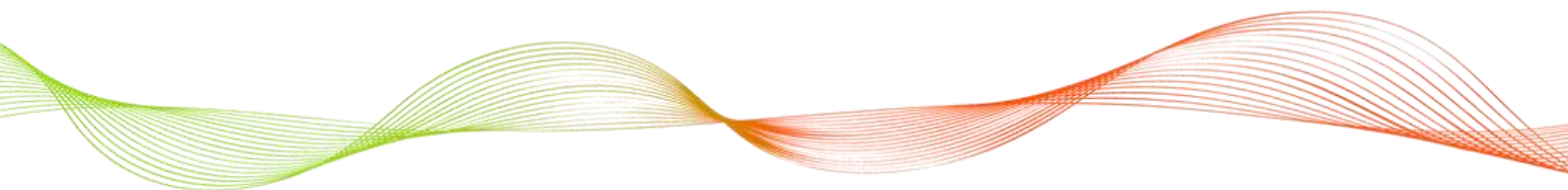




IBIA response:
Finland Draft Gambling Act

August 2024



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Chapter 1: Introduction

1. The International Betting Integrity Association (IBIA)¹ is a not-for-profit trade body representing the betting integrity interests of many of the largest licensed retail and online betting operators in the world. The association welcomes the opportunity to provide representations regarding the draft Gambling Act currently under discussion in Finland.²
2. The association's members are licensed and operate within various regulatory frameworks for gambling around the world; their business operations and focus are truly international. IBIA's membership is made up of over 50 companies and 125 retail and remote betting brands, including many globally recognised household names, operating across six continents. Those operators have US\$300bn of global betting turnover per annum through their regulated businesses.
3. IBIA's principal goal is to protect its members, consumers and partners, such as sports bodies, from fraud caused by the unfair manipulation of sporting events and associated betting. The organisation combats this fraud with evidence-based intelligence, principally obtained from its global monitoring and alert network which identifies suspicious activity on its members' markets.
4. The association has longstanding information sharing partnerships with leading sports bodies and gambling regulators around the world to utilise that data to investigate and prosecute corruption. That approach has been successful in helping to drive criminals away from regulated markets, creating a safe and secure environment for our members' customers and sports.
5. The association, which was established in 2005 and formerly known as ESSA, is the leading global voice on integrity for the licensed betting industry. It represents the sector at high-level policy discussion forums and maintains a policy of transparency and open debate, publishing quarterly integrity reports analysing activity reported on the IBIA monitoring and alert network.³
6. In particular, IBIA holds seats on betting integrity policy groups run by the International Olympic Committee (IOC), Council of Europe (CoE) and the United Nations (UN), amongst others. The association also engages in mitigating actions with a range of partners, such as player betting education programmes and academic studies on the causes of, and solutions to, match-fixing.
7. The following paragraphs focus on betting integrity, the prevention of match-fixing and the necessity to ensure that suitable statutory provisions are in place to protect sports in Finland from potential betting related corruption, with reference to best practice examples from around the world.
8. IBIA has also included separate documents with its submission that cover interrelated issues such as licensing, taxation, advertising, betting product availability and onshore channelisation through detailed reports titled: An Optimum Betting Market (2021) and the Availability of Sports Betting Products (2024).

¹ <https://ibia.bet/>

² <https://intermin.fi/-/uuden-rahapelijarjestelman-lakiluonnos-lausunnolle>

³ <https://ibia.bet/study/>

Chapter 2: Draft Gambling Act – Integrity Provisions

9. Maintaining the integrity of sporting events and stopping the corruption of those events for fraudulent betting purposes, most notably through the manipulation of the event and associated wagering, has become an increasing focus of policymakers, sports and betting companies.
10. IBIA welcomes the development of a new gambling law in Finland that is designed to open the market to private operators and to establish a regulatory and licensing system. However, IBIA contends that additional provisions should be added to the draft law to strengthen the monitoring and reporting of suspicious betting, and which are increasingly commonplace around the world.
11. Responsible licensed operators support practical and effective market integrity measures; defrauding betting operators is often the focus of corruption and will see operators incur financial loss. Consumers will also be less likely to engage with a product they believe is unfair or fixed. Maintaining the integrity and credibility of the market is therefore of paramount importance.
12. A range of integrity measures are readily available and employed by various regulatory authorities around the world and include information sharing, voiding suspicious bets and the suspension of betting markets. However, the principal means of protecting a market is through monitoring, and the most efficient and widely used approach is to require licensed operators to utilise their market and customer oversight to identify and report suspicious betting to the relevant authorities.
13. Great Britain’s Gambling Act⁴ is widely seen as one of the most effective on sports betting integrity, with a clear operator monitoring and reporting requirement for suspicious betting and an integrity unit within the regulator.⁵ The law also provides a range of specific provisions to counteract betting corruption.
14. In particular, this includes the regulator’s ability to: issue codes of practice (Section 24); prosecute offences (Section 28); exchange information (Section 30 and Schedule 6); an offence of cheating (Section 42); require the provision of information (Section 88); and to void bets (Section 336).⁶ This is supplemented by regulatory guidance on the integrity monitoring and reporting process.⁷
15. Whilst that model remains effective, it was drafted in 2005 (operational since 2007) and reflects the understanding and response to the issue at that time. More recent legislation has taken that approach and built upon it and, in addition to individual operator monitoring and reporting, it is increasingly recognised that there is clear value from operators being part of a wider international integrity alert and monitoring network, which also feeds data into the appropriate authorities.
16. This approach adds an additional layer of protection both for operators’ own businesses and also the licensed framework and its operational integrity capacity and associated reputation. This approach – requiring operators to be part of a betting integrity monitoring body in addition to reporting requirements – has, in recent years, been implemented in the following jurisdictions:

⁴ http://www.legislation.gov.uk/ukpga/2005/19/pdfs/ukpga_20050019_en.pdf

⁵ Paragraph 15.1.2 <https://beta.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/15-1-2-reporting-suspicion-of-offences-etc-betting-licences> & <https://www.gamblingcommission.gov.uk/news-action-and-statistics/Match-fixing-and-sports-integrity/Sports-Betting-Intelligence-Unit.aspx>

⁶ http://www.legislation.gov.uk/ukpga/2005/19/pdfs/ukpga_20050019_en.pdf

⁷ <https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/page/background-protecting-betting-integrity>

- Czech Republic Gambling Law (operational since January 2017);⁸
 - Around a dozen U.S. states, to date, permitting betting since PASPA was repealed in 2018 e.g. New Jersey (and in operation at various stages since August 2018);⁹
 - Amended German Interstate Treaty on Gambling (in operation since July 2021);¹⁰
 - The Netherlands Remote Gambling Law (in operation since October 2021);¹¹
 - The Canadian province of Ontario gaming regulations (in operation since April 2022);¹² and
 - The Brazilian sports betting regulations (expected to be in force from the start of 2025).¹³
17. The Review of Australia’s Sports Integrity Arrangements, which reported in 2018, similarly recognised this integrity approach and promotes that betting operators licensed in Australia “participate in a ‘detect and disrupt’ real-time monitoring and analysis of suspicious wagering activity”, anticipating a model similar to IBIA’s monitoring system.¹⁴
18. In addition, a Swedish government established inquiry into match-fixing and unlicensed gambling reported in October 2021 recommending that being part of a betting integrity monitoring body, such as IBIA, should be a licensing requirement for all of its operators to provide “an international exchange of information and warnings of suspected manipulation of sports events”.¹⁵
19. In doing so, the inquiry commented that: “Given the international nature of the betting market where betting objects are often found on another market than the gambling companies home market, the investigation considers it to be reasonable that the licenced companies in Sweden contribute to, as well as benefit from, these international monitoring and warning systems.”¹⁶
20. The Swedish government has subsequently supported the proposal that licensed betting operators should be part of a betting integrity monitor system.¹⁷
21. These approaches support the European Commission funded Betmonialert report, which strongly recommends that public authorities should oblige all of their licensed sports betting operators to be “part of a betting monitoring system”.¹⁸ That report, and the Netherlands legislation, specifically refer to the International Betting Integrity Association as a best practice example.¹⁹
22. This model and many of the regulatory approaches to integrity listed above do not appear to have been assessed as part of the deliberations for the draft Gambling Act. IBIA contends that Finland would benefit greatly from the adoption of this enhanced integrity protection model.
23. It recognises the value from operators being part of a wider international integrity monitoring system which feeds data into the appropriate authorities. In particular, the benefits this additional

⁸ <https://www.zakonyprolidi.cz/cs/2016-186> and in English <https://www.iprh.cz/en/documentation/act-no-186-2016-on-gambling/> Section 88 (5)

⁹ <https://www.dlapiper.com/en/us/insights/publications/2018/05/paspa-unconstitutional/> & <https://www.wsn.com/sports-betting-usa/paspa/> & New Jersey § 13:69N-1.6 Sports pool and online sports pool integrity; confidential information <https://www.nj.gov/lps/ge/docs/SportsBetting/PublishedproposalJan7th2019.pdf>

¹⁰ <https://mi.sachsen-anhalt.de/themen/gluecksspiel/gluecksspielstaatsvertrag-2021/> Section 21 (3)

¹¹ <https://kansspelautoriteit.nl/nieuws/nieuwsberichten/2020/maart/voortgang-wet/> Decree laying down provisions for the implementation of the Remote Gambling Act (Remote Gambling Decree) – Article 4.7 and related sections in the Explanatory Memorandum (Translated from Dutch to English)

¹² <https://www.agco.ca/sport-and-event-betting-integrity> AGCO Gaming Standards - Sport and Event Betting Integrity

¹³ Article 13 Paragraph 2 <https://www.gamesbras.com/english-version/2022/5/4/gmb-offers-english-version-of-presidential-decree-draft-for-fixed-odds-sports-betting-in-brazil-30395.html> & Law No. 14,790, of December 30, 2023 Article 19 https://www.planalto.gov.br/ccivil_03/_ato2023-2026/2023/lei/14790.htm?ref=nucleo.jor.br & Article 29 of SPA/MF No. 1.231, of 31 July 2024 <https://www.in.gov.br/en/web/dou/-/portaria-spa/mf-n-1.231-de-31-de-julho-de-2024-575670297>

¹⁴ [https://www1.health.gov.au/internet/main/publishing.nsf/Content/63F0A5D7BDA5A0B5CA2582CF0005E6F9/\\$File/HEALTH-RASIA-Report-Acc.pdf](https://www1.health.gov.au/internet/main/publishing.nsf/Content/63F0A5D7BDA5A0B5CA2582CF0005E6F9/$File/HEALTH-RASIA-Report-Acc.pdf) page 91 and footnote 160. The Australian report refers to IBIA under its previous identity of ESSA

¹⁵ <https://www.regeringen.se/rattsliga-dokument/departementsserien-och-promemorior/2021/10/ds-202129/> Section 7.4 translated from Swedish to English

¹⁶ Ibid.

¹⁷ <https://www.regeringen.se/rattsliga-dokument/proposition/2022/12/prop.-20222333/> Section 7.3

¹⁸ http://ethisport.com/wp-content/uploads/2017/06/Betmonialert_Design-NB-DEF-2-06-2017.pdf Page 7

¹⁹ The Betmonialert report refers to IBIA under its previous identity of ESSA

layer of protection, shared data and a common threshold for identifying and reporting suspicious betting provides for operators’ businesses, consumers and the regulatory framework.

24. IBIA members share data because they are aware that corrupters may seek to try and circumvent integrity protocols of individual operators by placing bets with multiple operators licensed in different jurisdictions. Betting related match-fixing is transnational and monitoring systems are therefore most effective when they are also transnational and multi-operator.
25. Indeed, IBIA’s data shows that the majority of its alerts involve customer accounts outside of the market where the potentially corrupted sporting event takes place. For example, 90% of IBIA’s football alerts during 2017-23 involved suspicious betting by customers placing bets outside of the country and regulatory framework where the potentially corrupted sporting event took place.²⁰
26. In basketball, 97% of suspicious betting alerts were similarly generated by customers in a different country to where the match was taking place.²¹ Any national approach would therefore be best served by also seeking to address this international dimension. From an integrity perspective, that is best achieved through monitoring international betting markets and customer activity.
27. Detailed customer account data, which is only available from regulated operators (unregulated or poorly regulated operators will not or cannot provide such data), is critical for investigations. It allows investigators to “obtain information from betting operators on those who have placed suspicious bets”²², which is far more valuable than simple odds movement data (Figure 1).

Figure 1: IBIA’s customer transaction monitoring approach v odds monitoring

	Account monitoring	Odds monitoring
Identity and location of the customer	✓	×
Disproportionate volumes of bets placed	✓	×
Customer bet type outside normal behaviour	✓	×
An unusual number of new accounts opened	✓	×
Geographical location/clustering of accounts	✓	×
Accounts showing previous suspicious behaviour	✓	×
Ability to link account activity across operators	✓	×
Covers every bet and betting market of operators involved	✓	×

28. The UNODC rightly notes that operators are a “principal source of information/intelligence about a fixed sporting event, both past and future”.²³ When combined across multiple operators operating across different jurisdictions, such customer account data becomes an immensely valuable resource in detecting suspicious betting and identifying potential corruption globally.
29. Its value is not just in uncovering potential corruption across operators and markets, but also being able to discount ‘false positives’ other systems may raise (e.g. just odds movements), but where customer account data provides a justifiable reason for such betting which is not related to corruption. This prevents valuable investigatory resources from being wasted.
30. To utilise this data to best effect, IBIA has information sharing agreements with major sports and regulatory and law enforcement authorities around the world, allowing both parties to engage on integrity matters both in relation to our international alert system and with regard to any national actions. IBIA would welcome an agreement with the regulatory authority established in Finland.

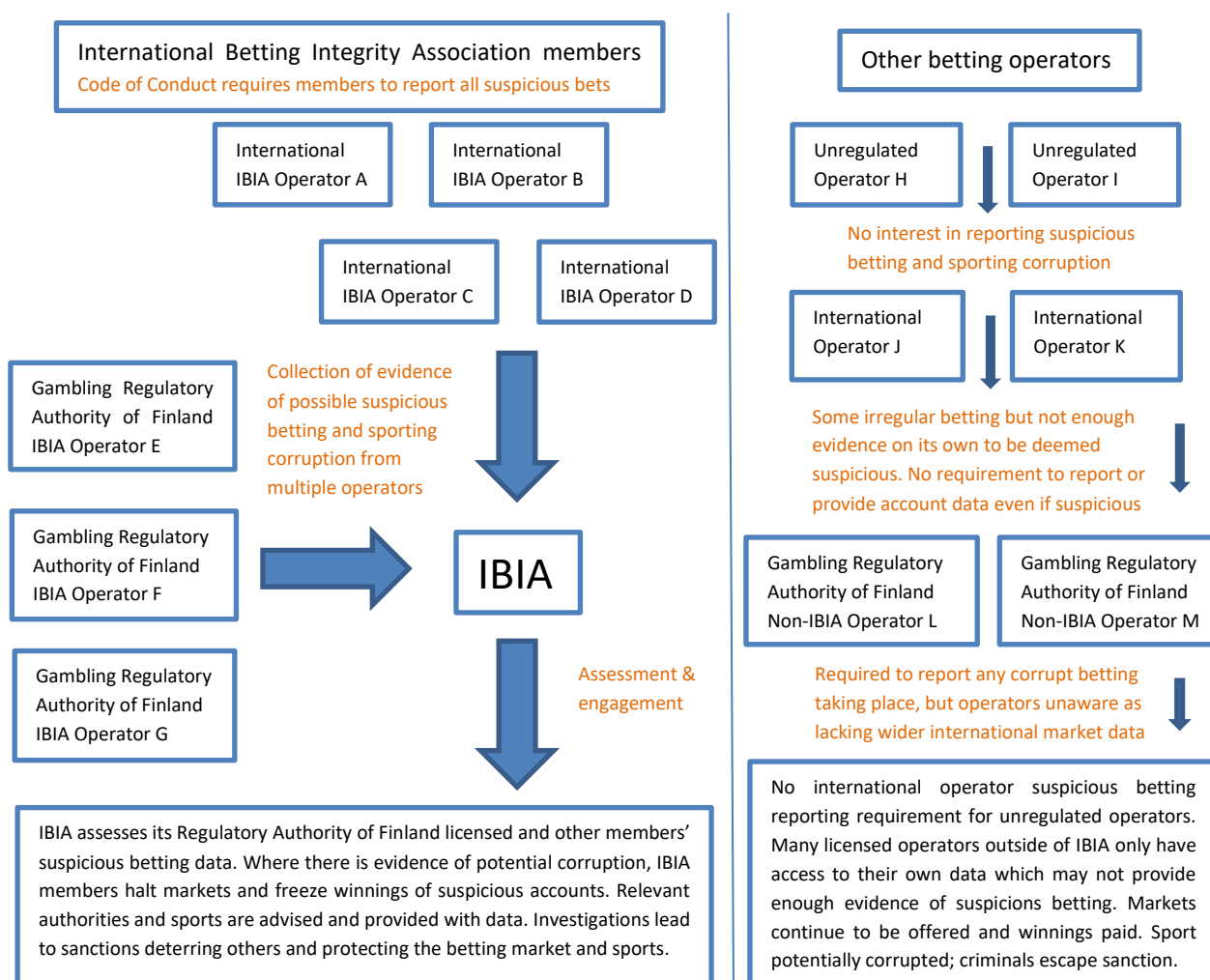
²⁰ <https://ibia.bet/study/> Availability of Sports Betting Products report page 29

²¹ Ibid. page 48

²² https://www.unodc.org/documents/corruption/Publications/2016/V1602591-RESOURCE_GUIDE_ON_GOOD_PRACTICES_IN_THE_INVESTIGATION_OF_MATCH-FIXING.pdf Page 19

²³ Page 30 Ibid.

Figure 2: Operation and benefits of IBIA’s transaction-based international alert system



31. Betting operators outside of IBIA may have their own internal control systems to detect suspicious betting or their betting operation may be managed by a third-party provider, along with other operators. In either instance, those operators will not have access to the level of international betting integrity coverage and market protection that IBIA members have access to.

32. The scope of their betting operation may therefore be relatively small and their national and international market data capture likewise small. As such, this may increase the possibility of corruption taking place through those non-IBIA operators and where they may simply not have the level of data to identify suspicious trends across the wider international market (Figure 2).

33. Suspicious betting has been reported by IBIA on four sporting events (three in tennis, one in football) played in Finland during 2018-23 from round 1,700 alerts reported globally.²⁴ Whilst that may demonstrate a potentially relatively low level of integrity issues in Finland, the importance of this issue and the legislative response by the government should not be underestimated.

34. As stated above, the integrity model of requiring licensed betting operators engage with an international integrity monitor is increasingly being promoted around the world as part of a

²⁴ <https://ibia.bet/resources/>

modern regulatory approach. It is a licensing requirement in jurisdictions such as Germany, the Netherlands, around a dozen US states (and potentially growing as other states regulate betting), and in Ontario, with the expectation that it will be introduced in Brazil at the start of 2025.

35. The Netherlands and Ontario models are two leading examples (see Annexes). Ontario represents the most recent and, in many respects, is the most advanced model. In addition to requiring operators to be part of an integrity monitoring system, the Ontario authorities have also: a) established a register of approved monitors (of which there are currently three, including IBIA); and b) moved to remove any commercial conflicts from those parties offering integrity services.
36. On the latter, the Alcohol and Gaming Commission of Ontario's (AGCO) gaming standards include a specific requirement that: "Independent integrity monitors shall not have any perceived or real conflicts of interests in performing the independent integrity monitor role, including such as acting as an operator or as an oddsmaker."²⁵ This covers remote and land-based betting.²⁶
37. On the latter, there is a general presumption that fraudulent betting activity only, or primarily, takes place online. However, 22% of IBIA's football alerts during 2017-2020 were flagged involving suspicious retail betting transactions. As such, any regulatory framework or market monitoring that relies predominantly or solely on online activity could therefore be deemed to be somewhat incomplete in its ability to detect and report potential corruption, if excluding retail betting.²⁷
38. For the reasons set out above, IBIA would like to see every licensed betting operator be part of an integrity monitoring system. IBIA therefore hopes that, under its new Gambling Act, Finland will adopt the best practice international betting integrity monitoring approach set out in this response and to requiring its licensed betting operators to be part of monitoring body.
39. IBIA therefore proposes that the draft Gambling Act be amended to include specific betting integrity provisions to bring it into line with the most effective regulatory models currently in operation around the world, as follows:

New Article XX. A licensed betting operator shall establish controls to identify suspicious betting activity as may be determined by the regulatory authority.

New Article XX. A licensed betting operator may suspend betting, void bets and withhold associated customer funds and payments on a suspicious bet for as long as any relevant investigation is ongoing or as may otherwise be determined by the regulatory authority.

New Article XX. A licensed betting operator shall be required to be a member of, or have a contractual relationship with, an international sports integrity monitoring body.

New Article XX. An international sports integrity monitoring body shall be required to be approved by the regulatory authority and a list of those approved bodies shall be published.

New Article XX. An approved international sports betting integrity monitoring body shall not have any potential or real commercial conflicts of interest in performing the international sport betting integrity monitoring role, and in particular shall not:

²⁵ <https://www.agco.ca/sport-and-event-betting-integrity>

²⁶ <https://www.agco.ca/blog/lottery-and-gaming/feb-2022/agco-updates-land-based-gaming-standards-include-sport-and-event>

²⁷ <https://ibia.bet/an-optimum-betting-market/> page 62

I - operate as a commercial body monitoring integrity for sports and betting operators at the same time;

II - provide betting market trading services to betting operators;

III - provide sporting event data to betting operators to create betting markets.

New Article XX. A licensed operator will promptly advise the regulator and the relevant Finish sports governing body if it identifies a sporting participant or other relevant party that may have breached betting rules applied by that governing body.

New Article XX. Finish sports governing bodies shall supply the regulator with details of any parties that are subject to its rules on betting, and which shall be disseminated to licensed betting operators.

Annex A: Netherlands Integrity Provisions

Translated from Dutch to English

Decree laying down provisions for the implementation of the Remote Gambling Act (Remote Gambling Decree)

Article 4.7

1. Without prejudice to Articles 4.5 and 4.6, a licence holder that organises bets must make sure that an effective policy is developed, applied and maintained within its organization that is focussed on maintaining the integrity of the contests associated with these bets.
2. The licence holder must at any rate take appropriate measures aimed at cooperation and the exchange of data, in the interest of preventing and identifying match fixing, with relevant organizations operating in the area of the integrity of sport, including at any rate the contest organisers and sports organizations involved in the contests, the Dutch National Match-Fixing Platform and an international collaborative association of contest organisers and operators of games of chance.
3. The licence holder must also take appropriate measures to prevent conflict of interests or the misuse of inside information relating to contests. These measures must at any rate cover the prevention of:
 - a. misuse of its financial and commercial relationship with the sports organization, sportspersons and organisers of contests for which it arranges bets;
 - b. involvement by individuals involved in a contest in determining the odds for bets on that contest; and
 - c. taking part in a bet that it has organised on a contest by individuals involved in that contest or in the organization of that bet.
4. Further rules may be set by order of the Minister concerning the paragraphs 1 to 3.

Explanatory Memorandum

Article 4.7

Paragraph 2

It is extremely important that the various parties involved have all the information required if manipulation of contests and the associated risks are to be prevented and tackled. The licence holder must therefore cooperate with (among others) the organisers of the contests, the sports organizations concerned and the umbrella organizations that work to prevent and combat manipulation. Depending on signals given by the licence holder and any matters that are brought to light, they may take the necessary action using the tools they have available to prevent possible match fixing or to apply sanctions against those involved. Conversely, signals from other parties that indicate possible match fixing may be a reason for the licence holder to take additional measures, such as placing a maximum on the stake for certain bets or for cancelling a specific bet. The licence holder must take appropriate measures in its organization to make such cooperation and exchanges of information possible.

The licence holder must in any event cooperate with the contest organisers and sports organizations concerned. An example of this is the joint drafting of a code of conduct with a number of common standards. The NOC*NSF, the KNVB [Royal Dutch Football Association] the *Eredivisie* CV [Premier League CV] and the *Coöperatie Eerste Divisie* [Cooperative First Division] have drawn up the 'Code

Betrouwbaar Spel&Sponsoring' [Reliable Game & Sponsoring Code]. Based on Article 4.8, paragraph 2 the licence holder must also give the contest organisers and sports organizations concerned notification in advance about the nature of the bets it wishes to organise.

In addition, it must cooperate with the Dutch National Platform on Match Fixing, which was set up after a recommendation in the report entitled "*Matchfixing in Nederland*" (Match Fixing in the Netherlands). That platform is a forum within which there are structural consultations between the investigative partners involved, supervisory authorities (including the Gambling Authority), the sports sector and the games-of-chance sector in order to improve the availability of information for all those involved, so that more signals that point towards match fixing are detected, more signals are picked up in good time through the appropriate channels by the right people and the most appropriate interventions can be used to combat match fixing.

In addition to the cooperation with the National Platform on Match Fixing, the licence holder must also cooperate with an internationally operating collaborative venture in which the organisers of sports betting analyse and exchange data with the sports organizations concerned relating to such betting, in the interests of the integrity of the sport and of sports betting. Through its affiliation with such a collaborative venture, the licence holder can also receive signals from games-of chance operators who are not active on the Dutch market. The collaborative venture with which the licence holder must be affiliated is not prescribed. It is however important that this is an organization that has a formal status in the country in which it is established and that it is an organization within which signals about match fixing are shared with its members. Because of the social responsibility they bear and with a view to the quality of the products they offer, socially responsible operators of sports betting have already set up a number of international collaborative ventures as a form of self-regulation in order to limit the risks of match fixing as much as possible. Example of this are the International Betting Integrity Association (IBIA) and Global Lottery Monitoring System (GLMS). In the Government's response to the report that was issued in September 2013 entitled "*Matchfixing in Nederland, de aard en reikwijdte van het probleem, de risico's en de aanpak*" (Match fixing in the Netherlands: the nature and scope of the problem, the risks and the approach) (Parliamentary Papers II 2012/13, 33 296, nos. 9 and 10), it is stated that the licence holder must be affiliated to such a collaborative venture.

Annex B: Ontario Integrity Provisions

Sport and Event Betting Integrity

4.32 Sport and event betting operators shall have risk management measures in place to mitigate the betting integrity risk associated with sport and event betting, including insider betting and event manipulation. (Also applicable to Gaming-Related Suppliers)

Requirements – At a minimum:

1. Operators shall establish controls to identify unusual or suspicious betting activity and report such activity to an independent integrity monitor.

Unusual betting activity is a betting pattern that deviates, including statistically, from the activity otherwise exhibited by patrons and reasonably expected by an operator or independent integrity monitor, which may indicate potential suspicious activity in the betting or the underlying sport or other event. Unusual betting activity may include the size of a patron's wager or increased wagering volume on a particular event or wager type.

Suspicious betting activity is unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information, or other illicit activity.

2. Independent integrity monitors shall not have any perceived or real conflicts of interests in performing the independent integrity monitor role, including such as acting as an operator or as an oddsmaker.
3. Independent integrity monitors shall promptly disseminate reports of unusual betting activity to all member sport betting operators.
4. All sport and event betting operators shall review such reports and notify their independent integrity monitor of whether they have experienced similar activity.
5. If an independent integrity monitor finds that previously reported unusual betting activity rises to the level of suspicious activity, they shall immediately notify any entity with which they have an information sharing relationship, including independent integrity monitors, sport betting operators, the appropriate governing authority for the sport or event, and any other organizations or individuals identified by the Registrar.
6. All independent integrity monitors receiving such a report shall share such report with their member sport betting operators.
7. Independent integrity monitors shall facilitate collaboration and information sharing to enable the investigation of and response to prohibited activity associated with the suspicious betting activity as directed by the Registrar.
8. Independent integrity monitors shall provide, in accordance with the notification matrix, the Registrar with:
 1. All reports of unusual betting activity;
 2. If the activity was determined to be suspicious; and
 3. The actions taken by the independent integrity monitor.

Guidance: The Registrar will publish a list of registered independent integrity monitors.

4.33 An operator receiving a report of suspicious activity under Standard 4.32 may suspend or cancel sport and event betting on events related to the report or withhold associated customer funds. To this end, an Operator must ensure that it has reserved itself the authority to suspend betting, void bets, and withhold associated customer funds. The Operator's decision to suspend or cancel sport and event betting, or withhold associated customer funds, on events related to the report must be fair, reasonable, and made in good faith.



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