

# GAMBLING ADVERTISING

practice of EU countries

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Comparison with the  
Republic of Moldova

Legal Business Monitor  
August 2022







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# About the study

## Introduction

Gambling advertising must be responsible - with clear rules and restrictions for juvenils. But its complete ban hits the state budget and contributes to the development of the shadow sector. This conclusion is reached in a number of European countries, discussing the tightening of laws for the industry. The basic principle of an effective solution is a dialogue with legal businesses in this area to develop optimal rules, conduct comprehensive research, analyze risks and experience of other countries.





# About the Study



Below we consider the current situation in Sweden, Belgium, France, and also in Italy. The purpose of the study is to compare the approach of a number of EU countries with the practice applied in the Republic of Moldova, as well as to consider the effectiveness of tightening the rules in the field of gambling on the example of Italy.





# THE SWEDISH GOVERNMENT HAS ABANDONED THE IDEA OF A COMPLETE BAN ON GAMBLING ADVERTISING

1. The original version of the gambling bill has been changed. In the final document, advertising by licensed operators was, after all, allowed on TV, radio and online media - with no restrictions on release time.

Moreover, the enacted "Enhanced Gambling Law" proposes measures to combat the advertising of unauthorized gambling.



Sweden



# Sweden

## Gustaf Hoffstedt

general secretary of the Swedish Gambling Industry Association (BOS)

*“We are pleased that the government has listened to stakeholders in the gambling industry, as well as several publishers, who have pointed out the shortcomings of such a proposal.”*



# Earlier, BOS submitted an independent study to the Swedish authorities

**10 BILLION SEK**

total annual income to the budget from the gambling industry

**4200 PERMANENT JOBS**

provides a licensed gambling business in Sweden

**800 MILLION SEK**

sponsorship of Swedish sports by the gambling industry

**4 BILLION SEK**

organizers of gambling pay annually as taxes





# Sweden

The authors of the study emphasized the importance of encouraging players to use the services of licensed operators only



**NIMA SANANDAJI**

*“Sweden could benefit from revisiting gambling regulations to loosen some of the restrictions that force most game consumers to move into the unlicensed games market.”*





# Republic of Moldova: comparison

**SINCE JANUARY 1, 2022,  
ADVERTISING OF GAMBLING IS  
COMPLETELY PROHIBITED IN  
MOLDOVA**

The changes were adopted without any research and bypassing the Ministry of Finance's warning about imminent risks to the state budget.



The outflow of players to  
the shadow sector in just  
4 months of 2022

+

> 66%

MOLDOVAN PLAYERS  
ON ILLEGAL  
BETTING SITES

predominantly Russian offshore





# Reference



## **THE VOLUME OF THE SHADOW MARKET OF GAMBLING IN THE REPUBLIC OF MOLDOVA,**

dominated by offshore operators has grown steadily in recent years, reaching its highest level in 2020, when it exceeded 500 million lei, according to the NBM. These amounts do not include transfers via bank cards, which means that the final figures are significantly higher.

## **THE SITUATION CHANGED ONLY IN 2021**

Then the Republic of Moldova for the first time began to block access to unauthorized gambling sites and introduce other restrictions for illegal immigrants.



# Reference



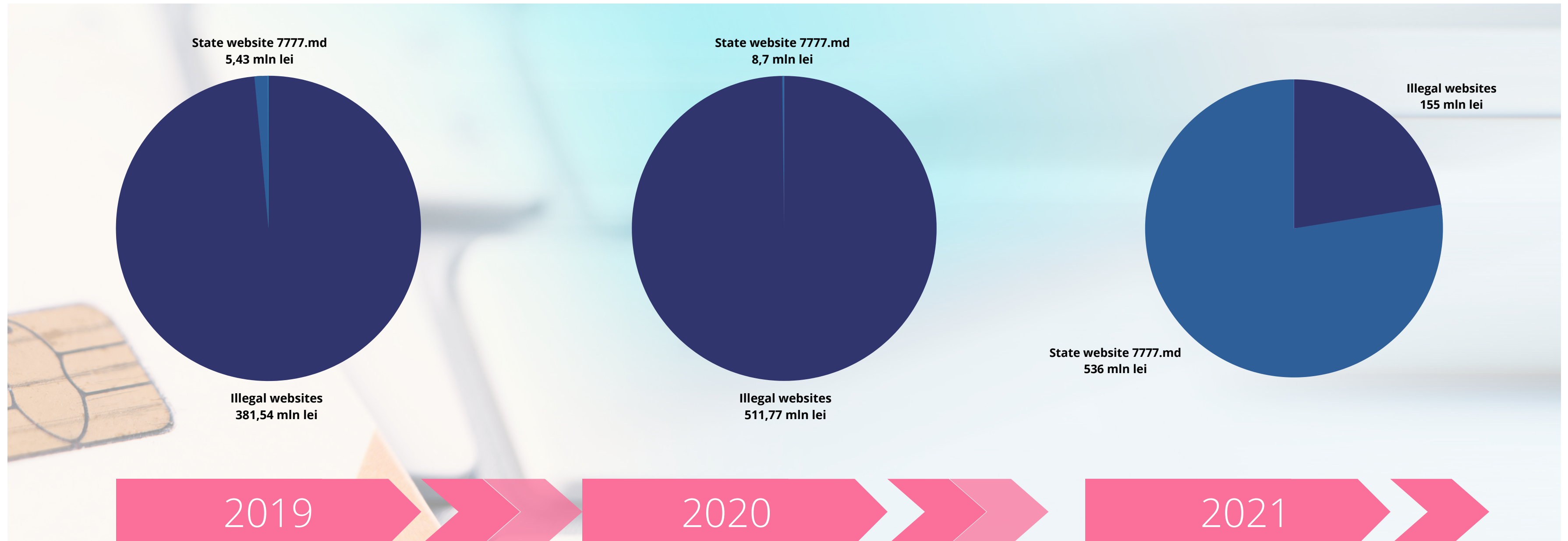
## THE RESULT OF THE ACTION OF THE AUTHORITIES TO BLOCK ILLEGAL SITES

The amounts received by the organizers of illegal online lotteries and sports betting decreased to 155.5 million lei (only online payment systems). At the same time, 536 million lei were transferred to the only state site in this way. (see next slide)




# Compare chronology

2019 - 2021



(\*only through payment systems)





## THE BAN ON GAMBLING ADVERTISING STIMULATES THE DEVELOPMENT OF THE ILLEGAL MARKET AND A MASSIVE OUTFLOW OF PLAYERS TO THE SHADOW SECTOR. THE SAME CONCLUSION WAS REACHED IN BELGIUM.

By the end of 2022, the Belgian authorities intend to introduce a ban on gambling advertising. However, the innovation does not apply to the Belgian National Lottery.

Moreover, the decision was made only after a study by the Flemish Addiction Expertise Center, which identified over 100,000 addicted players.

# Belgium



# Belgium

## However,

private legal operators will still be allowed to advertise on their social media accounts, including video messages, within gambling establishments and on their web pages. Sports sponsorship is also planned to be banned, but from 2025 for a series of transitional measures.





# Belgium

Permitted forms of advertising must comply with a set of general ethical measures

**Can not involve**

celebrities

**No**

fictional characters



# Important

## The Belgian Gambling Commission

(the state regulator) still insists on introducing strict measures against advertising itself, but not on a complete ban on it.

The regulator believes that the law should be reviewed before it comes into force.





# More arguments

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## Belgian association game operators (BAGO)

claims that the ad ban will  
"golden time for illegal business."  
BAGO links to a recent UGent survey  
(Ghent University).





# Poll results

## Ghent University

Every third advertised  
operator



is illegal

1 in 5 €



is spent in Belgium on  
illegal gambling  
schemes

by 12% per year



reduction in Belgian  
sports revenue





# Meanwhile

—  
ABOUT 100 MILLION EUROS

BELGIAN FOOTBALL HAS ALREADY LOST AMID  
THE ECONOMIC IMPACT OF COVID-19.







*“Advertising is necessary to direct the consumer to a legal, controlled and safe offer. Examples from abroad, such as Italy and Spain, where advertising and sponsorship were banned in 2019, specifically demonstrate the dangers of advertising bans. For example, since the introduction of a total ban in Italy, the illegal sector has grown by as much as 50% (2019-2021).”*





Only legal business in  
this industry

is able to identify problems and  
regulate the gaming behavior of  
consumers -

SAYS THE BELGIAN GAME OPERATORS ASSOCIATION





# Important

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Against the backdrop of a similar dialogue with the gambling industry and risk analysis, the Swedish government had previously abandoned its decision to ban advertising.





**PLEASE NOTE**

**THAT THE APPROACH OF THE  
EU COUNTRIES DIFFERS FROM  
THE MOLDOVAN PRACTICE.**

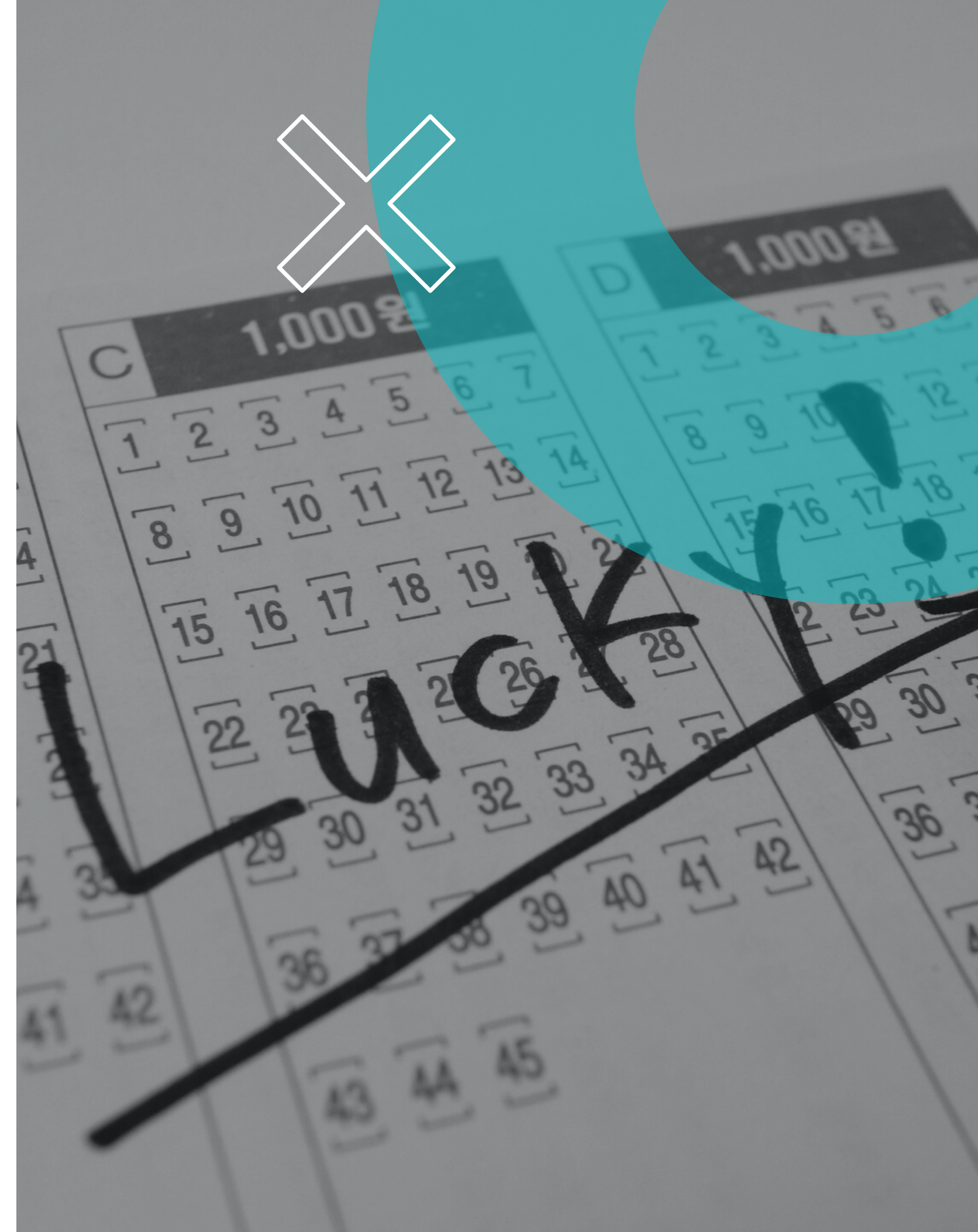




# Even if

the restrictions in Belgium come into force,

**they will not affect the country's National Lottery.**





# MOLDOVAN AUTHORITIES

## COMPLETELY BANNED GAMBLING ADVERTISING WITHOUT CONDUCTING



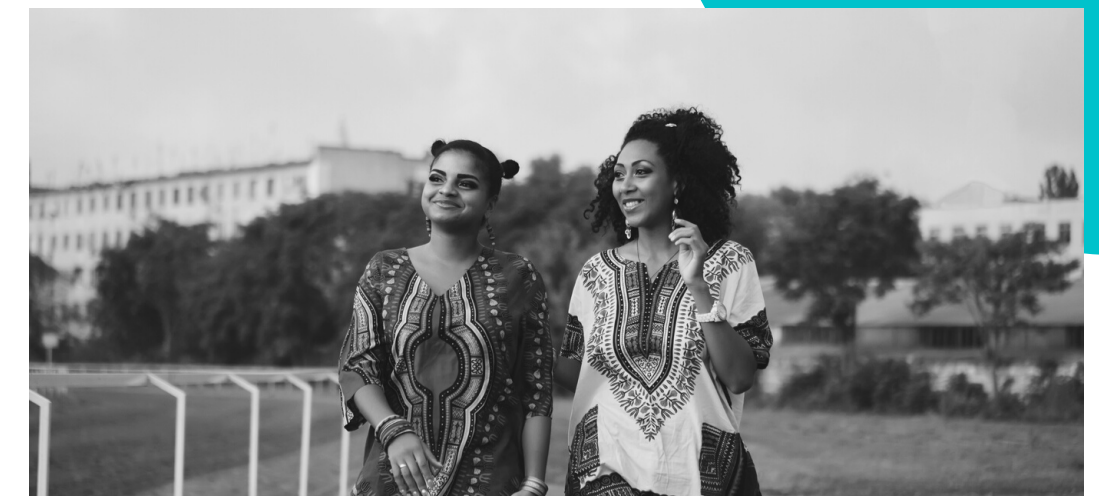
### SOCIOLOGICAL STUDIES

on the degree of dependence on gambling among citizens, as was done in Belgium



### REAL CONSULTATIONS

were limited to a few round tables, where the arguments of the National Lottery and other participants were not taken into account



### ANALIZA RISCURILOR FINANCIARE

the warning of the Ministry of Finance was not heeded





# The first and only opinion poll in Moldova

—  
was conducted by iData commissioned by Legal  
Business Monitor in April 2022

The study did not reveal a problem

**AT THE SAME TIME, THE AUTHORITIES DID NOT  
TAKE MEASURES TO COMBAT GAMBLING  
ADDICTION,**

**AS IS PRACTICED IN THE EU COUNTRIES**

*(IF THAT WAS THE PURPOSE OF THE LAW).*



And a ban on sponsorship of sports and other socially significant areas was introduced even without a transition period

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**UNLIKE BELGIUM, WHERE  
THE BAN WILL COME INTO  
FORCE ONLY AFTER THREE  
YEARS.**



# RESULT

**+66%**

outflow of Moldovan players  
on illegal offshore websites

**-70%**

drop in sales of paper  
tickets of the National  
Lottery of Moldova

**-2 000 000 LEI**

comparison of National  
Lottery online profits for  
January and June

**+50%**

an increase in the tax on  
winnings, which also  
favored illegal sites





# Trends Contradict Targets

## INSTEAD OF REDUCING THE NUMBER OF PLAYERS, THEIR OUTFLOW TO THE SHADOW SECTOR BEGAN

the share of which in Moldova was first reduced only in 2021 with the start of industry regulation by the Moldovan authorities.

## A YEAR EARLIER

illegal gambling sites received over 500 million lei only through payment systems (according to the National Bank of Moldova), while

## THE NATIONAL LOTTERY WEBSITE

received only 8.7 million lei.





## **PRIVATE BUSINESS**

The income of entrepreneurs who sold tickets also dropped significantly.



## **STATE ENTERPRISES**

Poșta Moldovei has already lost order 3.5 million lei.



## **SOCIETY**

The National Lottery also stopped its social projects, which previously affected the country's medical institutions, educational institutions, low-income citizens throughout the country, as well as Moldovan athletes directly.



## **SPORT**

The National Olympic Committee of Moldova and numerous sports federations were left without sponsorship.

# **OTHER EFFECTS**

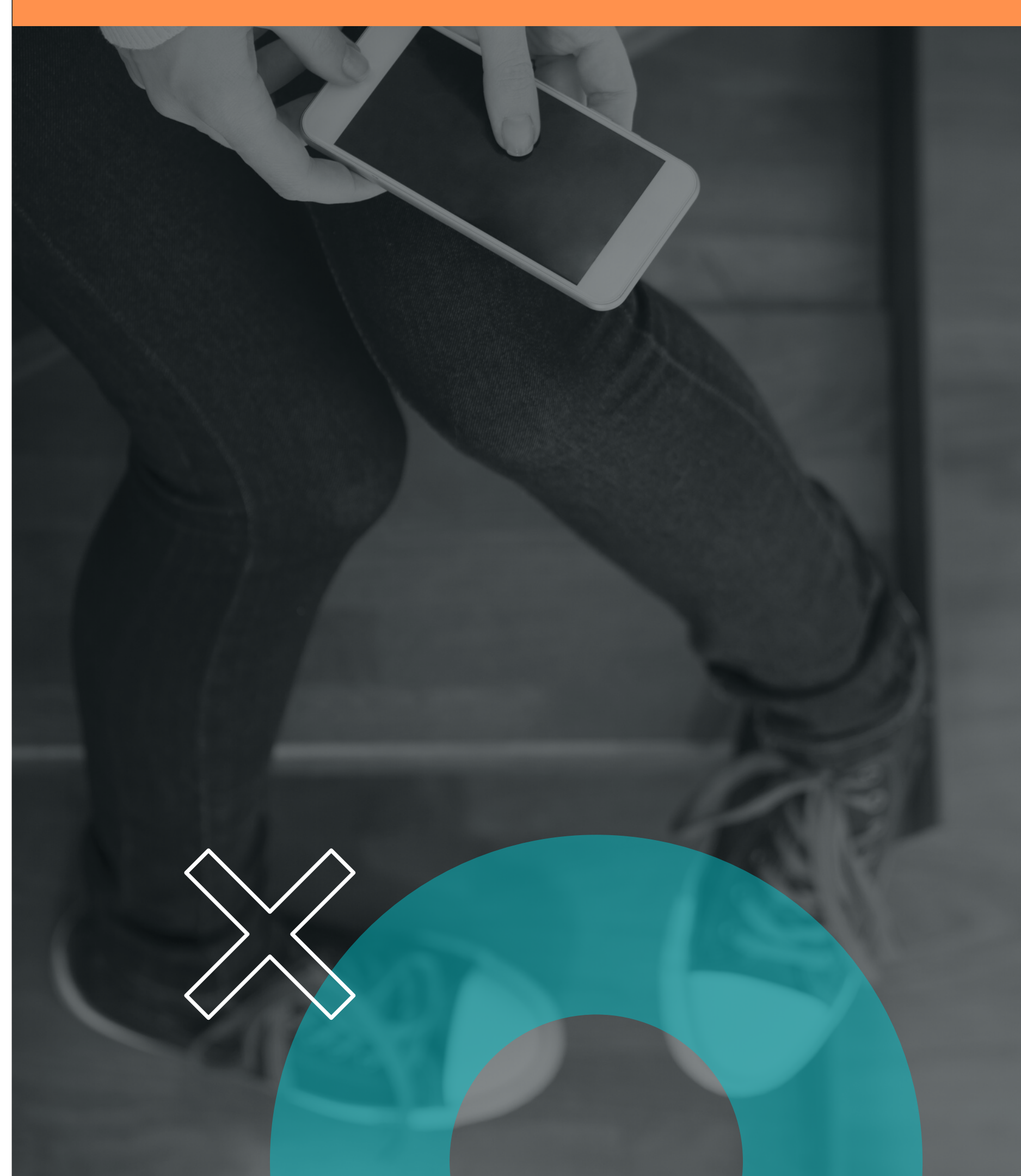


# Last but not least

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## illegal gambling websites

are still advertised in Moldova. And unlike the site of the National Lottery of Moldova, illegal bookmakers allow minors to play games.





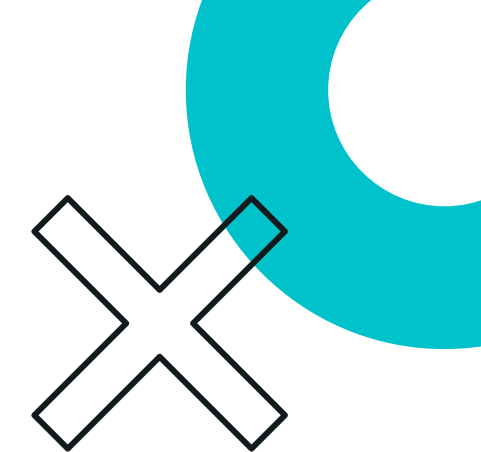
# France



A BALANCED APPROACH TO  
GAMBLING ADVERTISING  
REGULATION







## Since September 2021, the regulator

L'Autorité Nationale des Jeux (ANJ) has launched a public consultation on gambling marketing. This happened after the amount of such advertising in the country during the European Championship 2020 tournament was excessive.





However

instead of quickly adopting restrictive laws, the French authorities preferred to start

CONSULTATIONS AND GATHERING ALL POINTS OF VIEW TO  
MAKE DECISIONS.



**ANJ OFFERS  
develop  
viable basis  
for responsible  
advertising**



**ISABELLE FALQUE-PIERROTIN  
PRESIDENT ANJ**



*"IN A MORE GENERAL PLAN, THE IDEA IS  
VOLUME TO CREATE APPROACH  
JOINT REGULATION WHAT  
INDICATES OPERATORS SHOULD  
BE MORE RESPONSIBLE BUT IN  
WITHIN THE REGULATION SCHEME,  
ESTABLISHED BY THE REGULATOR  
AUTHORITY".*



# It is about the amount of advertising and its content.



## For example,

any advertising that "vulgarizes" gambling, "contains unfounded claims about the chances of winning" or equates gambling with social status or as an alternative to paid work will be banned.





## The regulation

also affects the use of persons under the age of 18 in advertising.



## However,

the French authorities do not intend to introduce a complete ban on advertising, since it is it that should help clients distinguish legal operators from the offshore market.



The shadow gambling  
market in France in 2022 is

57%

BETTING GAMING COUNCIL



# Italy



IN 2019, ITALY BECAME THE FIRST  
EU COUNTRY TO COMPLETELY BAN  
GAMBLING ADVERTISING.





## UP TO 200 MILLION EUROS PER YEAR

taly risks losing, and the industry itself will go into the shadows - representatives of legitimate business warned

## >120,000 PEOPLE

employed by the gambling industry in Italy until 2019

## THE THIRD LARGEST AREA IN TERMS

of providing jobs - indicators of the Italian gambling market until 2019

## €770 MILLION PER YEAR

additionally expected to receive the Italian government by increasing taxes in the field of gambling in 2019

# ITALY





# Large representatives of the legal business in Italy

emphasized their concern about the highest taxes in Europe in this area.

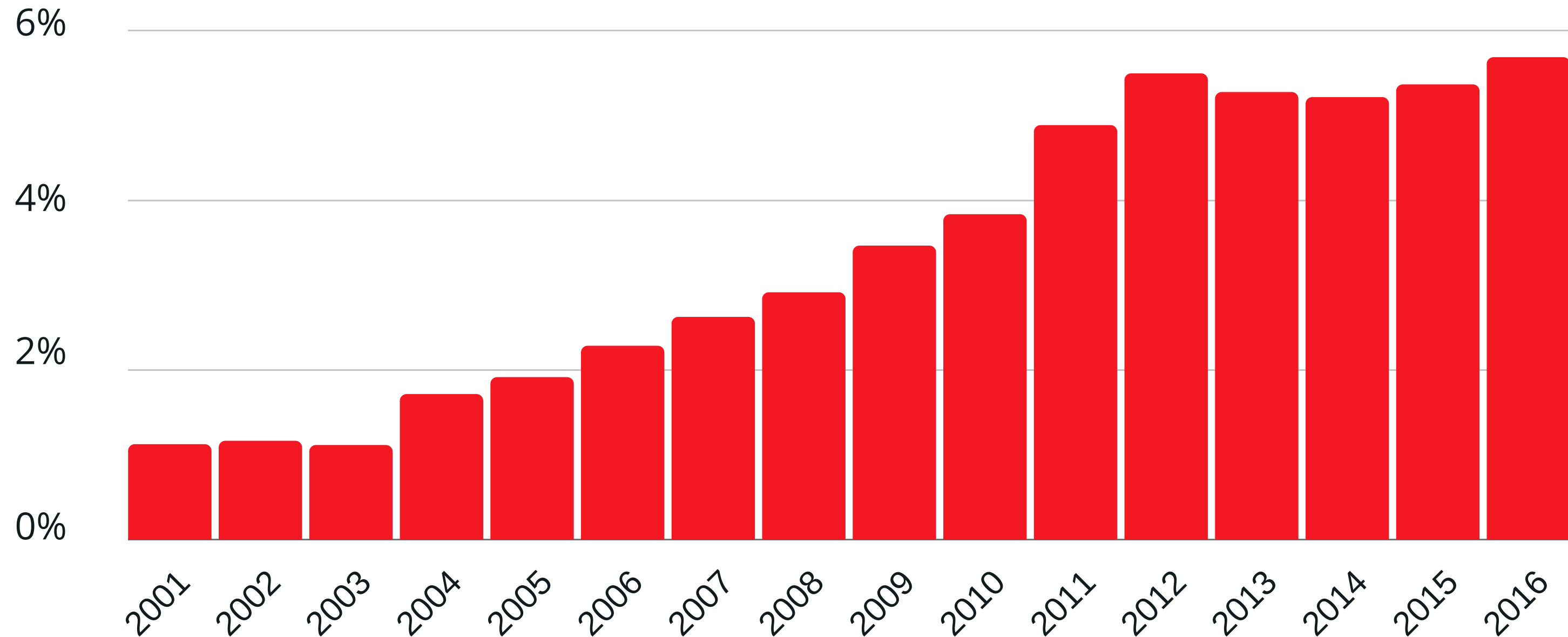
## IT IS NOTEWORTHY THAT

from 2001 to 2016 inclusive, the share of gambling in Italy's GDP grew rapidly, reaching in 2016 the indicator

5,68%



# Share of income from gambling in Italy's GDP







Just **ONE YEAR** after the  
complete ban on gambling  
advertising in Italy

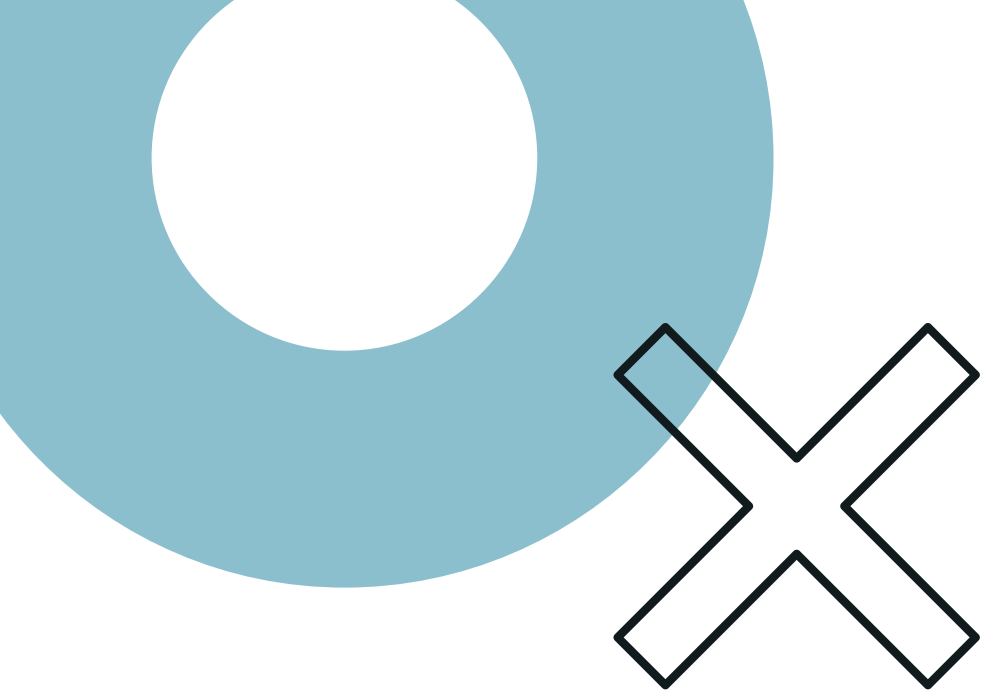
2020

**0,6%**

SHARE OF INCOME FROM  
GAMBLING IN  
COUNTRY'S GDP

(5,68% - 2016)





# According to the report



of the Italian Customs and  
Monopoly Agency 2021

**-36%**

Tax revenues from gambling  
fell by €7.24 billion



**If in 2019**

**63,4%**

of the total tax revenue was  
guaranteed by slot machines  
and video lotteries



**then in 2020**

only

**44,6%**



However,

contrary to the ban, illegal operators  
violated the law by continuing to  
advertise

2020  
FOR 100 THOUSAND €

2022  
FOT 750 THOUSAND €

Italy fines Google for  
posting gambling ads



# The shadow gambling market in Italy in 2022

23%

BETTING GAMING COUNCIL



# Experts

**directly attribute this**

to restrictions on legal business and an increase in taxes in this area.

## **The Belgian Association of Game Operators**

even claims that the illegal gambling sector in Italy has doubled since 2019.





# Conclusions



## **THE INEFFICIENCY**

of a complete ban on advertising and the loss to the budget from unreasonable tax increases.

## **CONTRARY TO THE GOALS**

of the Italian authorities to reduce the level of dependence on gambling, the result of such measures was the development of the shadow market, which now accounts for almost a quarter of the total in Italy.

## **AN UNREGULATED MARKET**

hardly contributes to the fight against addiction. However, it definitely hits the country's budget. Contrary to expectations, tax revenues in this area have declined, and the industry's share in the country's GDP has fallen from 5.6% to 0.6% in just 4 years.



## Sources

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Article - Research  
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Article - Belgium  
Article - Belgian Gambling Commission  
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Opinion poll - Moldova  
Article - income of the National Lottery of Moldova

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Research - Betting Gaming Council  
Article - Italy  
Article - Italy has increased taxes  
Article – Expectations of the Italian authorities  
Research – Importance of gambling in country's GDP  
Article – The share of the gambling sector in the GDP of EU countries  
Report of the Italian Customs and Monopolies Agency  
Article – Italian authorities have sanctioned Google