



Spillemyndigheden

---

# ANNUAL REPORT

## 2016

---

Published by  
The Danish Gambling Authority  
Englandsgade 25, 6. sal  
DK-5000 Odense C  
www.spillemyndigheden.dk

March 2017  
ISBN 978-87-93417-35-9  
Printed by: Rosendahls a/s  
Graphics: Kanada.dk

---

## TABLE OF CONTENT

|    |   |
|----|---|
| 4  | The year in review - Interview with the management team |
| 10 | About the Danish Gambling Authority                     |
| 13 | The Danish Gambling Authority “out and about”           |
| 16 | <b>Focal areas</b>                                      |
| 18 | Match-fixing  |
| 19 | Anti-money laundering and financing of terrorism        |
| 22 | Marketing   |
| 25 | International cooperation                               |
| 27 | Responsible gambling                                    |
| 32 | <b>Types of gambling</b>                                |
| 34 | The year in numbers                                     |
| 48 | Charity lotteries                                       |
| 49 | Lotteries   |
| 52 | Land-based casinos                                      |
| 55 | Public poker tournaments                                |
| 56 | Gaming machines   |
| 60 | Betting and online casinos                              |

## THE YEAR IN REVIEW - INTERVIEW WITH THE MANAGEMENT TEAM

### Focus on core areas

For Birgitte Sand, Director of the Danish Gambling Authority, focus in 2016 was upon core areas:

- The authority's role is to take care of players, make sure they are well-informed and ensure that gambling in Denmark is carried out fairly. By maintaining our high performance levels in 2016, we managed to achieve this and ensure that the gambling market remains fairly and properly regulated. We work in an exciting field where it is easy to take a keen interest, something which shows in the way we go about our work, says Birgitte Sand, who continues: - I'm happy Denmark is still attractive for rule-compliant gambling operators. This gives a healthy degree of stability to the market, leaving little room for illegal activities. It's also very important to recognise that our dialogue-based approach means we continue to enjoy a strong cooperative relationship with gambling operators and our numerous other stakeholders.

### Match-fixing and money laundering on the agenda

Beyond the authority's day-to-day core tasks, match-fixing and money laundering were high on the agenda. For instance, the Danish Gambling Authority and Anti Doping Denmark struck an agreement on cooperation in the fight against match-fixing. We also participated in a wider, more formalised national platform on coordination and cooperation against manipulation in sporting events led by Anti Doping Denmark. This involves working together with authorities such as the Danish Police and the Public Prosecutor for Serious Financial and International crime (SØIK). Furthermore, in 2016 the Danish Gambling Authority also took part in three international projects on combatting match-fixing.

Many of our employees were also highly involved in Denmark's reporting activities to the inter-governmental Financial Action Task Force (FATF) on Danish efforts to counter money laundering. Richard Nørgaard, Head of the Licensing Division, was very satisfied with the outcome of the FATF-visit:

- It challenged our resources, but was an exciting and enriching experience. We were praised for our way of handling the risk-based approach, one of the bedrocks of the Anti-money laundering legislation

### New surveillance methods for casinos and night-time closing of gaming arcades

In 2016, a radically different approach to surveillance of land-based casinos saw the light of day.

Benny Pedersen leads the Land-based Gambling Unit, which is responsible for the ongoing surveillance of land-based casinos and gaming arcades: - There have been some big changes in the way we work. Instead of always being present during a casino's opening hours, employees from the Danish Gambling Authority now make around three visits a month; not including unannounced inspections. Our tasks include making sure that the casino's own internal surveillance systems work properly, and I believe that this reorganisation has been a success, says Benny Pedersen.

While resources were saved on casino surveillance, more were needed from July 1st when night-time



closing of gambling arcades (00:00 - 07:00) took effect. – We sent many employees out late at night to make sure the new rules were being complied with, says Benny Pedersen. – A number of gaming arcades were in breach of the law, so this will continue to be one of our focus areas in 2017.

### **New types of gambling pose challenges**

Among the challenges facing the Danish Gambling Authority are the various new forms of gambling that are always cropping up on the market: - Especially developments in the online market, such as e-sports, are moving fast, says Birgitte Sand.

Lars Bonne Christensen, head of the Compliance Division, which is responsible for the continuous surveillance of online gambling operators, agrees: – We are always trying to stay up to date with new types of gambling activity, and with this comes new challenges in finding the best methods to monitor these activities. From the perspective of a regulator, it can be difficult to keep up with technological developments when you are on the other side of the table, but sharing experiences with international partners such as the UK Gambling Commission has allowed us to make great strides, says Lars Bonne Christensen.

When law and technology meet, legislation is often a step behind reality. Many of the new gambling forms, such as "skin betting" challenge our gambling legislation as it stands today. - The gambling market is always changing and this of course sets high stands for our professionalism and knowledge of gambling products, says Richard Nørgaard. - Many gambling products are not even restricted to a single delivery channel, but are offered to gamblers through a number of different platforms. Birgitte Sand adds: - As regulator for such a dynamic area, it's important to draw on knowledge from the industry itself and exchange experiences of regulatory models with other national gambling authorities. At the same time, we should remember that the Gambling Act has been in force for a good five years, so some fine-tuning in line with our experiences with the Act is natural.

### **16 operators had their licences renewed**

When the Danish gambling market was liberalised in 2012, licences were issued to 22 operators. The licences were valid for a period of five years. Most of these licences expired on December 31st 2016, and consequently, work on renewing the licences for a further five-year was a time-consuming process. –We allocated ample time to this process, and conducted it in a methodical and responsive manner, says Richard Nørgaard. – This meant operators applied in a timely fashion and all applicants secured their licences before the turn of the year. It was especially satisfying that none of the operators had to suspend their activities while waiting for a new licence, and could provide their services in Denmark without interruption.

### **International cooperation has high priority**

The Danish Gambling Authority enjoys multi-faceted cooperation with international partners. In addition to participating and presenting at conferences, the Danish Gambling Authority is represented on the EU Commission's Expert Group on Gambling Services, as well as being on committees in gambling regulator working groups at a European and global level. The Nordic gambling authorities also work in close cooperation with one another.

We value international cooperation, stresses Birgitte Sand: - Gambling is an inspiring and exciting field, but equally it can be hard to navigate and keep one-step ahead unless we take the time to move away from the confines of our desks. Many gambling operators are internationally oriented and industries associated with gambling are located in multiple jurisdictions. - As such, we need that oversight and cooperation at an international level if we are to maintain our professional standards and understanding of the market we operate in on a daily basis. It's also, as I see it, extremely important to contribute actively by sharing the good experiences we have had if these can in any way help to support the regulation of gambling in other jurisdictions.

Our participation in the EU Commission's Expert Group on Gambling Services is a good example of this. In many regards, Denmark is ahead of the game on gambling regulation, meaning we are able to put forward suggestions and share experiences on a number of subjects discussed in the expert group. At the same time, we also learn from the experiences and reflections of other EU member countries. We are also very happy to share our experiences in the drafting of gambling legislation with countries outside the EU and Europe. We often get the opportunity to share knowledge and experiences with gambling authorities far from Denmark, such as Australia, and it always provides us with food for thought when we learn about legislation in other countries and hear their reactions to our solutions.

Birgitte Sand also emphasises the value of our collaboration with the other Nordic gambling authorities, a point backed up by others in the management group: - Nordic cooperation has proven very worthwhile, says Richard Nørgaard. Lars Bonne Christensen adds: - It's clear to me that activities such as the Nordic meeting at employee level, which we hosted in November, are an extremely rewarding experience for employees as both a debate forum and networking opportunity. It's a valuable forum worth maintaining because our gambling legislation, while similar in some areas, is also quite different in others.

### **Raising the profile of the Danish Gambling Authority**

The Danish Gambling Authority moved into unknown territory in 2016 in order to raise its profile in Denmark and our self-exclusion register ROFUS.

- The Danish Gambling Authority is responsible for an area that Danes are familiar with and have an opinion about. We therefore need to make Danes aware we exist and that there is legislation and an authority in place to give them peace of mind when gambling, says Birgitte Sand. – In the middle of the year, we launched our app, “MitSpil” (“MyGame”), in part to reach a younger target group, and at the end of 2016, we premiered our first TV commercial, which publicised the ROFUS register. Here, we took a more light-hearted approach, casting the well-known comedian Simon Jul in the role of a casino bouncer telling viewers how they could take a break from gambling. As with last year, lot of effort was put into raising our profile at both the People’s Meeting (Folkemødet) on Bornholm and at Culture Night in Copenhagen. Both events were well suited for raising awareness with gamblers and those in their social circle.

### **From Copenhagen to Odense**

One thing that took a lot of our time in 2016 was the relocation of the Danish Gambling Authority to Odense. As part of the government’s plans to relocate state workplaces, our headquarters moved from Havneholmen in Copenhagen to Englandsgade by Odense harbour.

- The move was one of our biggest challenges, says Birgitte Sand. – A quarter of us, those who work with monitoring of land-based gambling, already work from different locations in Denmark. However, around half of those working in the Copenhagen office chose to step down in the wake of the relocation. It was hard to say goodbye to so many colleagues in such a short period, and of course, the move led to an equivalent loss of knowledge.

### **Good results in turbulent times**

- When we look back on the year, we have to bear in mind the massive organisational changes we have been through. Nonetheless, despite the turbulent times, if I say so myself, we’ve done really well to make sure 2016’s results are so solid! It’s not easy to keep on top of your own tasks while at the same time welcoming and training so many new colleagues. But we are fortunate to have a solid foundation, gambling legislation that is for the most part well-functioning, as well as established and documented operational processes. I believe we can be proud that through helping each other and dedication to our work, we’ve met the targets we set ourselves for this year.

Richard Nørgaard also underlines that professional standards have been maintained. – I’m very

impressed that case-handling times for new licence applications have not taken longer. 20 out of 29 employees in the Licensing Division were replaced during 2016, yet still we have maintained the same production levels while making great strides in training new employees.

### **The year ahead**

2017 promises to be another busy year for the Danish Gambling Authority. – As always, we need to keep an eye on developments in the gambling market, new gambling activities, and the behaviour of operators active in Denmark. That makes it important to maintain the good dialogue we already have with gambling operators and the valuable cooperation we enjoy with our stakeholders, says Birgitte Sand, who continues: - We will continue to take action against the illegal gambling market and ensure that gambling in Denmark takes place in an acceptable, safe, and well-regulated environment. In 2017, we will also continue our work on informing Danes about important aspects of gambling regulation, with the aim of reaching out to even more people and further boosting our public profile. For example, we intend to visit educational institutions and sports clubs to tell people what we do to ensure a fair gambling market, as well as provide gamblers with the information they need about lawful gambling operators and self-exclusion from gambling. From an internal perspective, our focus will naturally be on building up competence levels and strengthening the working climate and job satisfaction.

Birgitte Sand is positive about the future of the Danish Gambling Authority in Odense: - Even though we have to recognise that the coming year will be affected by the loss of knowledge associated with relocation, I am confident that if we continue to help each other with a starting point in our values, we will once again meet the high standards we have set.

## ABOUT THE DANISH GAMBLING AUTHORITY

The Danish Gambling Authority is an executive authority under the Ministry of Taxation. The Danish Gambling Authority is responsible for ensuring an orderly and regulated gambling market in Denmark, where players are protected against unfair and illegal gambling activities.

Our tasks include:

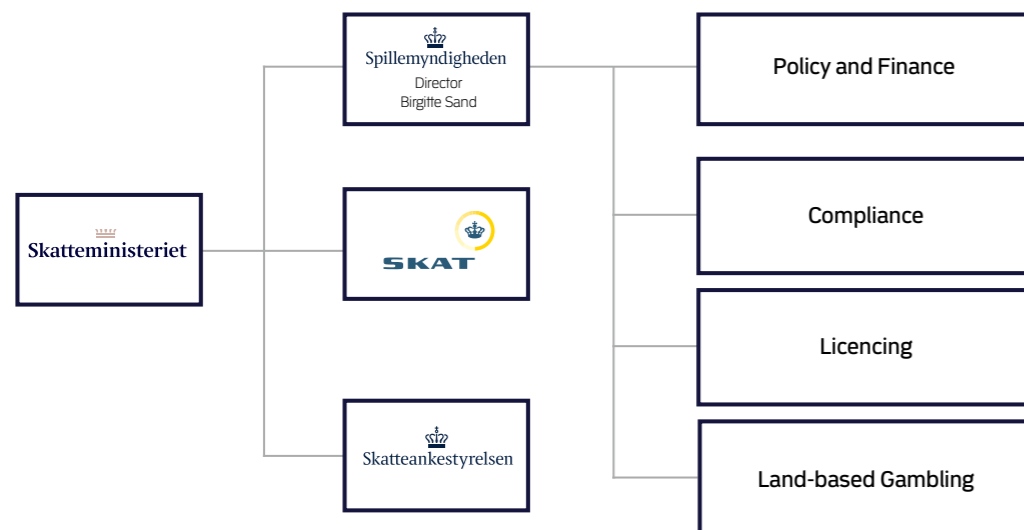
- Issuing and managing licences for Danske Lotteri Spil A/S, Det Danske Klasselotteri A/S, betting activities, online casinos, gaming machines, land-based casinos, public poker tournaments and charity lotteries.
- Supervision and surveillance of gambling operators and the gambling market.
- Provision of information and international cooperation.

In 2016, our staff of 79 full-time employees comprised of:

|              |    |
|--------------|----|
| Women:       | 43 |
| Men:         | 36 |
| < 25 years:  | 2  |
| 25-34 years: | 21 |
| 35-44 years: | 17 |
| 45-54 years: | 20 |
| 55-64 years: | 19 |

### Organisation

The Danish Gambling Authority consists of four divisions; Policy and Finance, Compliance, Licencing and Land-based Gambling.



### Relocation

As part of government plans to relocate public sector workplaces, the Danish Gambling Authority moved at the end of 2016 from Copenhagen to Odense. On December 12th, we held an official opening reception at our new offices in Englandsgade by Odense harbour. Among the guests was Tax Minister Karsten Lauritzen, who made the opening speech and cut the ribbon.

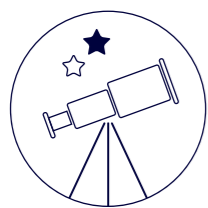


### The new head quarters

The Danish Gambling Authority's new head quarters located in Odense C.

## OUR VALUES

The Danish Gambling Authority aims at promoting a responsible, fair and well-regulated gambling market to the benefit of players, operators and society. Our approach is characterised by openness and dialogue. Development and new trends within the world of gambling require high expertise, and the many exciting and challenging tasks go hand-in-hand with our high level of professionalism. Job satisfaction, curiosity, and dedication lead to good results.



### WE ARE VISIONARY

The Danish Gambling Authority is at the forefront of industry developments and dares to break new grounds. We are open to new perspectives in our supervision and maintain ongoing dialogue with our stakeholders. Gambling is internationally anchored, thus focus on the developments of gambling in other countries is a prerequisite.



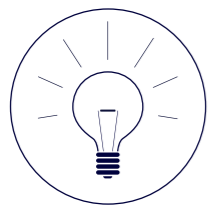
### WE HAVE ROOM FOR DIFFERENCES

The Danish Gambling Authority has room for differences, which means that we allow for diversity and are open to new ideas. We highly prioritise team spirit, well-being and trust. Mutual respect is an importing starting point for the way we solve our tasks.



### WE ARE COMPETENT

The Danish Gambling Authority takes pride in supervising gambling providers in a competent manner. We take a professional approach to our work and we are experts in our field. We build our administration on a high level of professionalism and dedication.



### WE ENSURE FAIRNESS

The Danish Gambling Authority takes responsibility for a well-regulated and fair gambling market. We focus on the protection of players as well as the protection of children, young people and other vulnerable people. We strive to provide information and guidance on how to remain within the framework for legal gambling.

## THE DANISH GAMBLING AUTHORITY "OUT AND ABOUT"

In 2016, the Danish Gambling Authority continued work on raising its profile. For this reason, we took part in the People's Meeting on Bornholm in June, as well as Culture Night in Copenhagen in October.

### Myths dispelled at People's Meeting

For the second time, the Danish Gambling Authority participated in the People's Meeting. We were present all four days and our stand was well visited by interested guests, including the Tax Minister, Karsten Lauritzen. Many had not previously heard of the Danish Gambling Authority, allowing us the opportunity to engage in some lively discussions on gambling regulation as well as the opportunities open to individuals to voluntarily exclude themselves from gambling. This gave us a platform to dispel many of the myths and prejudices that proliferate on the liberalised gambling market. We explained to guests that there exists well-functioning legislation and an authority that continuously monitors the gambling operators via, for example, monitoring game transaction data for the different types of gambling and supervising the payment of winnings.

It was especially the self-exclusion system ROFUS that generated interest amongst visitors. They were pleased to hear that we, as an authority, take responsibility for protecting players and offering a solution to those who feel they gamble too much and need a way to say "stop".

Focus also fell upon the marketing of gambling activities, and questions as to its legality. We informed visitors about marketing rules for gambling, our continuous surveillance of how gambling operators market their products to Danes, and the positive cooperation we enjoy with the Consumer Ombudsman.

### Lotto balls a big hit on Culture Night

The Danish Gambling Authority was part of the Ministry of Taxation's activities at Culture Night in Copenhagen. There were more than 500 visitors, most of whom also found their way to our stand to hear about the Danish gambling market, responsible gambling, and how a gaming machine works. The lotto balls were especially popular, with visitors able to inspect a set that had at some point in time, turned one or more Danes into a millionaire.

### Industry day on marketing and consumer protection

At our annual Industry day, we brought together partners in the gambling industry for a day of presentations and discussions about current issues.



This was the third time we have hosted the event, with over 80 participants attending to hear about subjects including marketing and consumer protection. Among the presenters were the Consumer Ombudsman, who held a presentation on the terms and conditions for consumer protection agreements, as well as representatives from De Samvirkende Købmænd, an industry organisation for supermarkets and convenience stores, who presented their campaign for age limits on the sale of alcohol. The Danish Competition and Consumer Authority spoke about the new Consumer Complaints Act, while the Danish Gambling Authority presented the latest figures on the gambling market, the self-exclusion system ROFUS, and the use of bonuses in the Danish gambling market.

The day ended with a spirited discussion on age limits in the gambling market. Taking part were Danske Lotteri Spil A/S, De Samvirkende Købmænd, The National Council for Children, Frederiksberg Treatment Centre (Dagbehandlingen Frederiksberg Centeret) and the consumer spokesperson from the Liberal Party of Denmark.





## FOCAL AREAS

MATCH-FIXING

ANTI-MONEY LAUNDERING  
AND FINANCING OF TERRORISM

MARKETING

INTERNATIONAL COOPERATION

RESPONSIBLE GAMBLING



## MATCH-FIXING

### Project “Keep Crime Out Of Sport” and the national platform

In 2016, the Danish Gambling Authority took part in several projects on match-fixing. In the Autumn, particular focus fell upon “Keep Crime Out Of Sport” (KCOOS), a project arranged by the Council of Europe. The project is intended to assist in the implementation of the Convention on the Manipulation of Sports Competitions, which Denmark has signed but not yet ratified.

It is anticipated that the project will be completed by the end of 2017. The results will be presented in a handbook on the establishment and running of a national platform, which is a formal cross-authority collaboration led by Anti Doping Denmark (ADD, which lies under the auspices of the Ministry of Culture). In addition to the Danish Gambling Authority, the Danish Police and the Public Prosecutor for Serious Financial and International crime (SØIK) are among the participants.

In connection with the national platform, a cooperation forum has been initiated, consisting of ADD, Danish Gambling Authority, the Danish Police, SØIK, Danish Online Gambling Association (DOGA), Danske Licens Spil A/S, the Danish Football Association (DBU), and the Danish National Olympic Committee (DIF).

### Project “PreCrimBet”

The Danish Gambling Authority also participated in the EU Commission funded project “PreCrimBet”, which had the aim of identifying and placing focus upon betting-related crime, for example match-fixing and money laundering.

The project will assist national authorities in protecting the integrity of national markets for sports betting. “PreCrimBet” will also help facilitate the establishment and strengthening of national networks of relevant public and private stakeholders, for example gambling operators, gambling authorities, sports organisations and relevant ministries.

In March 2017, the Danish Gambling Authority will co-arrange a seminar held in Denmark where recommendations from the project will be discussed. “PreCrimBet” is expected to be completed by June 2017, when a pan-European seminar will be held. The results will be published in a White Paper containing specific recommendations for the area.

### Project “Betmonialert”

A third project the Danish Gambling Authority took part in was “Betmonialert”. This project focused on the monitoring and warning systems that licensees use to follow suspicious betting transactions. “Betmonialert” is evaluating the existing monitoring and warning systems with the aim of publishing recommendations on how to improve these systems.

## ANTI-MONEY LAUNDERING AND FINANCING OF TERRORISM

At present, only operators of land-based and online casinos are regulated under legislation to prevent money laundering of winnings and financing of terrorism.

### Implementation of the 4th Anti-Money Laundering Directive

In 2016, together with a number of other authorities, the Danish Gambling Authority contributed to the implementation of the 4th Anti-Money Laundering Directive into Danish law, with a new statute on money laundering due to enter into force on June 26th 2017. The new legislation will replace the existing anti-money laundering rules in the gambling legislation. We are responsible for the surveillance of money laundering in the area of gambling, while the Danish Financial Supervisory Authority, the Danish Business Authority, the Danish Customs and Tax Administration (SKAT) and the Danish Bar and Law Society are responsible for monitoring the other individuals and companies covered by the anti-money laundering legislation.

In contrast to previous legislation, as a starting point, the new act will cover all forms of gambling activities. However, the Tax Minister will have the authority to exempt certain gambling activities from the act.

### Strengthened surveillance of money laundering

At the end of 2015, the Danish Gambling Authority drew up a strategy for 2016 and 2017 on addressing money laundering. The strategy has set the direction for our work on the prevention of money laundering and financing of terrorism, with the aim of strengthening the surveillance of money laundering and ensuring greater adherence to regulations.

The strategy was realised in a number of activities for both land-based casinos and online casinos. For example, we undertook a review of licensees’ internal anti-money laundering rules and conducted a study into how far the duties to monitor, investigate, and inform were observed by gambling providers.

### Dialogue with licensees

Our ongoing supervision of licensees subject to money laundering regulations meant that in 2016, there was continued focus on advisory activities, both in concrete cases and in the two annual contact group meetings for providers of land-based casinos and online casinos respectively.

In order to strengthen and support adherence to regulations and cooperation, the Danish Gambling Authority set up a special forum for individuals and companies that will be affected by the money laundering legislation and therefore have common interests and informational needs in the area of anti-money laundering.

### Participation in working groups and FATF visit

Denmark (including Greenland and the Faroe Islands) is a member of the Financial Action Task Force (FATF), a cross-border collaboration working to combat money laundering, financing of terrorism, and the spread of weapons of mass destruction. One of FATF's tasks is to recommend the content of national legislation and suggest plans of action. Another part of FATF's mission is the continuous evaluation of how member countries follow these recommendations.

In 2016, FATF began an evaluation of Denmark. In conjunction with this evaluation, the Danish Gambling Authority and other authorities supplied information to FATF and their assessors about national risk evaluations, national cooperation and supervision. The other authorities involved were the Financial Supervisory Authority (FSA), the Danish Business Authority, the Public Prosecutor for Serious Financial and International crime (SØIK), the Danish Bar and Law Society, the Danish Security and Intelligence Service (PET), the Ministry of Justice, the Ministry of Foreign Affairs, and the Danish Customs and Tax Administration (SKAT).

Part of our task involved setting out the current rules for gambling operators in Denmark, Greenland and The Faroe Islands, and showing how we ensured that gambling operators complied with legislation.

The assessment process culminated in a visit from FATF in November 2016. Here, the assessors had the opportunity to interview the supervisory authorities about the information they had received from Denmark. This was a positive and educational experience for the Danish Gambling Authority and we look forward to the results of the evaluation in 2017; we are convinced we will receive valuable advice to strengthen further our oversight of the gambling market.

### Anti-Money Laundering Forum

The Danish Gambling Authority participates in the national Anti-Money Laundering Forum, which is responsible for coordinating Denmark's efforts in the area of anti-money laundering. The participants hold three scheduled meetings a year, with additional meetings as necessary.

The Money Laundering Forum consists of FSA, SØIK, PET (as an observer), the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Taxation, SKAT and the Danish Gambling Authority.

### Collaboration with other national gambling authorities

We are in continuous contact with other national gambling authorities. At the annual meeting of Nordic gambling regulators in 2016, issues discussed by the participants included the implementation of the 4th Anti-Money Laundering Directive and the FATF evaluation. These topics were also on the agenda when the Danish Gambling Authority visited its British counterparts, the UK Gambling Commission, which gave both parties the chance to share experiences of exercising real-time surveillance in this area.



## MARKETING

As marketing is a gambling licensee's gateway to attracting players, special attention is paid to issues particular to the gambling market in gambling legislation as well as the interpretation of marketing law. As such, the Danish Gambling Authority values the strong dialogue it has fostered with the Consumer Ombudsman, who supervises commercial marketing in relation to the Danish Marketing Practices Act. In 2016, in furtherance of our important cooperation with the Consumer Ombudsman, we met to discuss topical issues at our twice-yearly dialogue meetings.

### Marketing of bonuses

One focus area has been to ensure licensees' marketing of bonus terms is transparent for players. At the end of 2015, and continuing through 2016, we started a project where we analysed licensees' marketing of bonuses on their own websites. Many licensees had not provided the necessary information on terms for bonus offers. We therefore took the decision to provide detailed guidance and assistance on regulation in this area. The results were satisfying, with licensees adapting their marketing in accordance with our guidelines. Only one licensee failed to adapt its marketing appropriately, whom we reported to the police for breaching gambling legislation.

### Focus on marketing in applications for new licences

Ever since the gambling market was liberalised five years ago, our experience in the Danish Gambling Authority has been that the marketing of gambling is an area that needs constant attention. Therefore in 2016, when 16 licensees applied for renewal of their licence to provide betting and/or an online casino, we chose to pay particular attention to licensees' marketing procedures in the renewal process. We did this partly to demonstrate to licensees our awareness of ongoing compliance issues relating to marketing of gambling offers, and partly to ensure that licensees would continue to adhere to the requirement that gambling is marketed in a reasonable, responsible and transparent manner in their daily operations. Consequently, we required applicants to document their procedures for ensuring compliance with marketing regulations, including documentation describing their processes for informing their customers on the conditions attached to bonus offers.

### No thank you to advertisements

In 2016, we developed a solution to enable self-excluded individuals to stop receiving advertisements from gambling operators.

Previously, there were repeated instances of people receiving marketing from gambling operators even though they had excluded themselves from gambling via the ROFUS system (Register of voluntarily

self-excluded players). ROFUS now includes a service that makes it possible for individuals registered in ROFUS to say "no thank you" to gambling advertising while simultaneously allowing gambling operators to check the system for such information.

In this way, self-excluded individuals can avoid receiving unsolicited gambling material sent by licensees who have made use of the search-function in the ROFUS system.

## FACTS - MARKETING OF BONUSES

One of the purposes of the gambling legislation is ensure that gambling is marketed in a reasonable, responsible and transparent manner. According to the executive orders for betting and online casinos, licensees must ensure that when marketing bonuses, all conditions on claiming these bonuses are described in a clear and transparent manner with a direct reference to the offer in question. In addition, a player must have a minimum of 60 days in which to fulfil these conditions. Finally, bonus offers must be general in nature, with no bonus offers made to individuals that differ from offers made to other players.

The Danish Gambling Authority has drawn up set of guidelines describing our interpretation of the legislation regarding the marketing of bonus offers in various media such as websites, text messages and radio advertisements.



## INTERNATIONAL COOPERATION

The Danish Gambling Authority continued to prioritise international cooperation highly in 2016. We participated in conferences and working groups, and visited authorities and businesses to increase our knowledge on the international gambling market and technological and legislative developments. As in previous years, we were contacted by a number of overseas jurisdictions to answer questions about everything from the surveillance of gaming machines, risk-based supervision and the utilisation of gambling data in charity lotteries.

The Danish Gambling Authority is part of the EU Commission's Expert Group on Gambling Services, the International Association of Gaming Regulators (IAGR) and the Gaming Regulators European Forum (GREF). In addition, we are part of a permanent Nordic working group as well as having bilateral cooperation agreements with a number of jurisdictions. In our experience, international cooperation makes a highly positive contribution towards the legalisation of gambling markets and as a result, helps to combat illegal gambling on an international level.

### **EU Commission's Expert Group on Gambling Services**

The Danish Gambling Authority, together with representatives from the Ministry of Taxation, takes part in an EU expert group on online gambling services. The Commission established the expert group with one of the aims being to bring about an exchange of experiences and best practices between EU/EEA countries.

The expert group meets approximately every three months. The agenda includes consumer protection, money laundering, match-fixing, technical requirements, and data requirements from gambling operators. At these meetings, we contribute with our experiences from the partial liberalisation of the gambling market in Denmark. For example, we gave a presentation in 2016 about requirements for the reporting of gambling data in order to give input to the ongoing work in the creation of common recommendations within the EU.

### **International Association of Gaming Regulators (IAGR)**

The IAGR consists of 75 jurisdictions around the world. The Danish Gambling Authority's director is a board member of IAGR, and is chairperson of a working group tasked to draw up the first set of global statistics for the gambling market using information from member countries. Our participation in IAGR helps to spread awareness of the Danish gambling legislation. Furthermore, it allows us to build up and maintain an effective network that reflects the international expansion of gambling operators and

advances our knowledge about the latest developments within gambling activities, gambling legislation and administration of these.

#### **Gaming Regulators European Forum (GREF)**

The Danish Gambling Authority is represented on the board of GREF, and once again took part in the annual GREF conference. The main themes of the conference were lotteries, match-fixing, money laundering and fantasy sports. For a number of years we have contributed to GREF's collection of gambling statistics, as well as taking part in the working group that organises the collection of voluntary statistical reports from Member States.

#### **Longstanding Nordic collaboration**

We participate in the annual meeting of Nordic directors where gambling topics relevant to Nordic countries are discussed. This year's meeting was held in Norway, where debate centered upon the Nordic benchmarking report and match-fixing in Norway. In conjunction with this meeting, a Nordic meeting is also held at an employee level. In 2016, the Danish Gambling Authority hosted this meeting, which focused on responsible gambling, marketing, illegal gambling, and the implementation of the 4th Anti-Money Laundering Directive.

#### **Active participation in conferences**

The Danish Gambling Authority takes part in a large number of conferences abroad every year. These trips provide us with the opportunity to meet stakeholders in the industry such as operators and other gambling authorities, strengthen our knowledge, and raise awareness of the regulated Danish gambling market.

At these conferences, we regularly give presentations and take part in panel debates. In 2016, we held presentations about responsible gambling and the creation of the Danish gambling legislation. We also provided facts on the gambling market in Denmark. Our participation in conferences has also helped increase our visibility to licencees and other operators, while enhancing our understanding of the many different aspects of the gambling industry and the challenges involved.

## RESPONSIBLE GAMBLING

One of the Danish Gambling Authority's most important tasks is to ensure that gambling takes place in a responsible manner. We do this as part of our supervision of the gambling market, through our register of self-excluded players (ROFUS), and by attention to studies on problem gambling. In connection with our work on responsible gambling, it is extremely important for us to have a good dialogue with Danish and other national authorities, the gambling industry, and treatment centres.

#### **Studies on problem gambling**

In 2016, two studies on problem gambling funded by the Ministry of Taxation were published. The Danish National Centre for Social Research (SFI) was the architect of the reports that looked into the gambling habits of Danes between the ages of 18 to 74 and young people from 12 to 17. The results were comparable to similar studies from 2005 and 2007.

#### **Fewer adults gambling**

According to the report "Gambling and problem gambling in Denmark, 2005-2016", the proportion of 18-74 year-olds that gambled was lower in 2016 (63 percent) than in 2005 (76 percent).

On the other hand, the report showed that there was a greater number of 18-74 year-olds exhibiting potentially problematic gambling behaviour. Men in the age group 18-39 are especially at risk of developing gambling problems.

In the report, SFI estimated that the number of people suffering from compulsive gambling in 2016 was around 10,000 as opposed to 6,000 in 2005.

---

### FACTS - YOUNG PEOPLE UNDER THE AGE OF 18

It is illegal to offer gambling to young people under the age of 18 in Denmark. However, young people over the age of 16 are allowed to buy tickets to charitable lotteries, Lotto and scratch cards.

In 2016, the Danish Gambling Authority conducted inspections with a special focus on whether young people under the age of 18 had access to gambling in establishments such as newsagent's shops. During the summer, we carried out 500 unannounced inspections on an extraordinary basis. We found no players under the age of 18 at the land-based gambling premises we visited.

---

### Problem gambling not increasing among young people

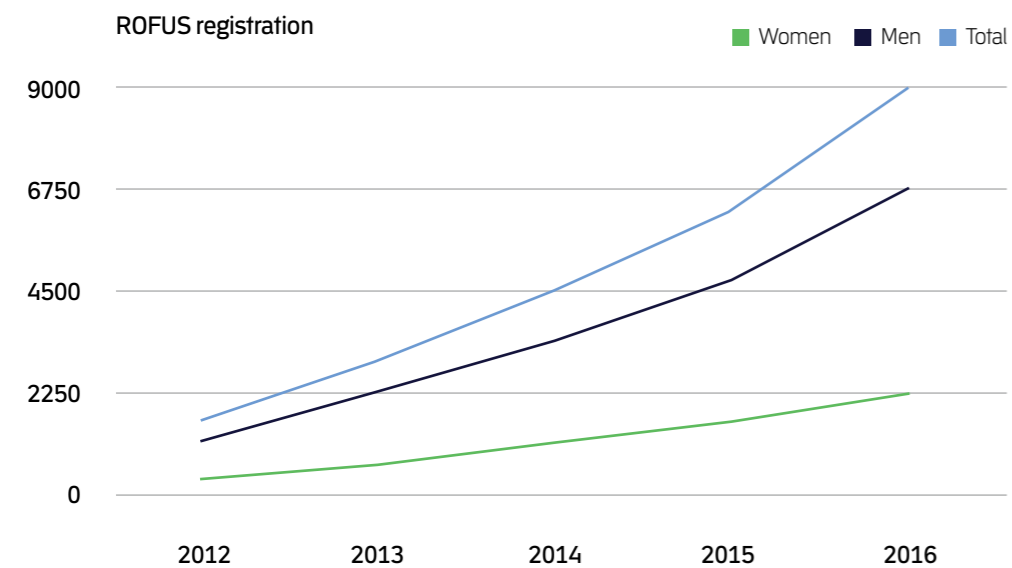
The report, "Youth Gambling in Denmark 2007-2016," investigated gambling habits among 12-17 year-olds. This study also showed a fall in the number of players compared to the last report from 2007. 40 percent of those interviewed in 2016 had tried gambling compared to 52 percent in 2007.

Unlike the study of Danes over the age of 18, the statistics showed no sign that more young people were at a moderate or high risk of developing gambling problems.

### Register of voluntarily self-excluded players (ROFUS)

Since 2012, the Danish Gambling Authority has administered a register of self-excluded players (ROFUS). ROFUS allows players to exclude themselves voluntarily from all online gambling offered by licensed gambling operators. The players can opt to exclude themselves permanently or for a temporary period of 24 hours, 1 month, 3 months or 6 months. In 2016, the number of persons registered in ROFUS stood at 9,000. This is an increase of 40 percent compared to 2015.

The total number of persons registered in ROFUS increased at an average of 210 persons a month over the course of 2016. In January 2017 the number of registered users in ROFUS increased by 720 persons. This may be attributable to the TV commercials we ran for ROFUS in December 2016 and January 2017.



### ROFUS.NU – new website for ROFUS

In December 2016, we launched the website ROFUS.nu which contains all the necessary information on how to become registered in the self-exclusion system. The website includes a list of gambling operators you exclude yourself from and news from the Danish Gambling Authority about ROFUS and problem gambling. It is also possible to watch the TV commercial for ROFUS.

### ROFUS on TV

On Monday, December 26th, the Danish Gambling Authority ventured into a completely new arena with the airing of our first TV commercial on the terrestrial TV channel, TV2 Denmark. The commercial was designed to raise awareness of the ROFUS system and the Danish Gambling Authority. Using a tongue-in-cheek humorous approach, the TV commercial boils down the ROFUS register into one



### TV-spot

Simon Jul plays the part of ROFUS the bouncer, who helps the player to exclude himself from gambling.

[www.ROFUS.nu](http://www.ROFUS.nu)

person, the comedian Simon Jul. He plays the friendly bouncer ROFUS who helps players to exclude themselves from gambling. The TV commercial was generally well-received by both the media and our stakeholders.

#### ”MitSpil” - app with test and access to ROFUS

In November the Danish Gambling Authority launched its first app - ”MitSpil” (”MyGame”). The app includes a test to show whether you have a balanced approach to gambling, or are perhaps on the path to developing a gambling problem. With just a few clicks on a smartphone, players can exclude themselves from online gambling via ROFUS. The app also includes a function that can quickly show the nearest treatment centres. The app was chosen as a communications channel because we wanted to interact with more varied and younger target groups than previously.

In the course of 2017, the app will be updated with a function that can register a player’s participation in individual games so each player can keep track of what they have won and lost. By giving players an overview of their gambling activity, our intention is that this increased awareness can help players who are potentially at risk of developing gambling problems, gamble in a more balanced way. Over the first three months, ”MitSpil” was downloaded around 500 times.

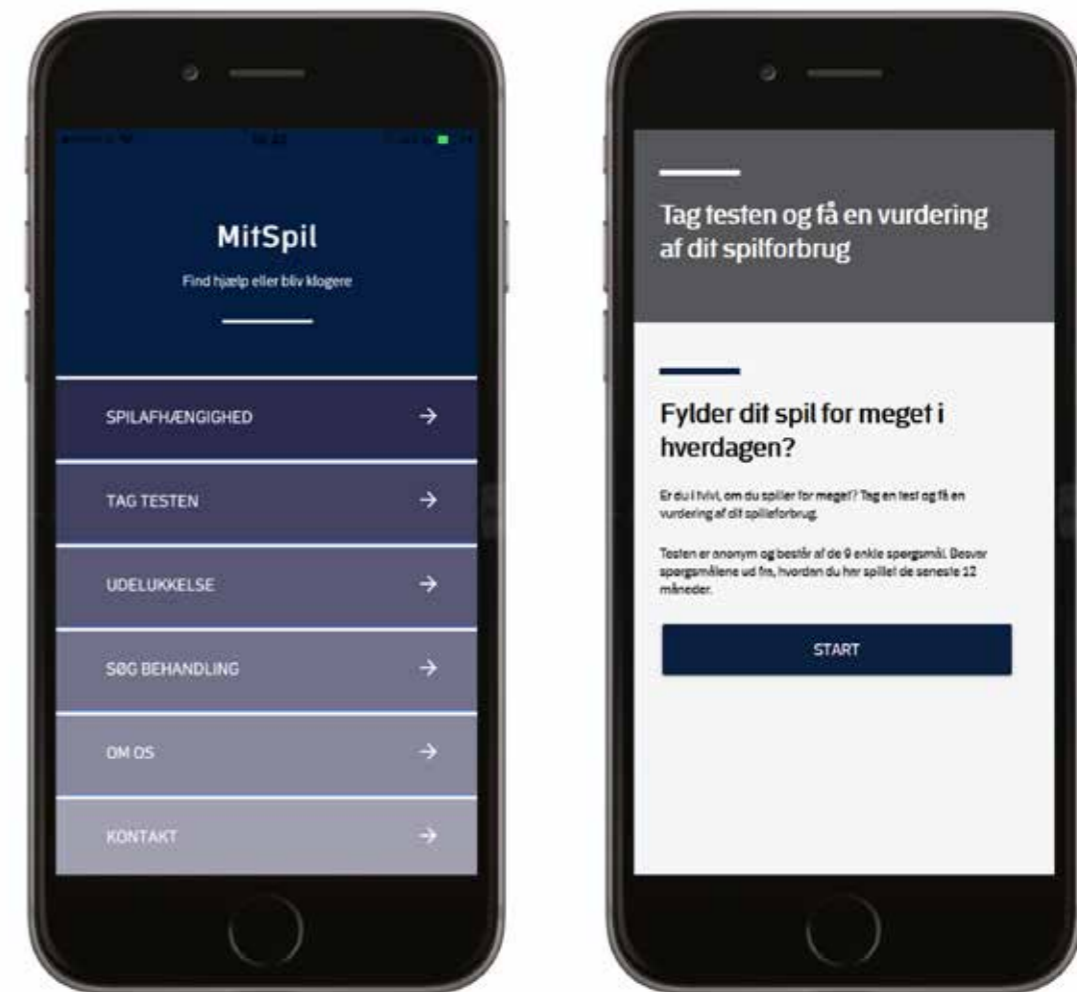
#### Expansion of ROFUS services to land-based casinos

On July 1st, 2016, a new executive order on land-based casinos came into force. In connection with this, we expanded ROFUS so that players will be able to exclude themselves from land-based casinos. To ensure the best possible technical solution, the Danish Gambling Authority engaged in a dialogue with the casinos themselves. Just as online gambling operators have to check ROFUS each time a player logs in, land-based casinos will now have to carry out the same kind of check in ROFUS each time a guest arrives at the casino.

#### International exchange of knowledge and ideas

The Danish Gambling Authority was active in the international arena in 2016. Activities included a presentation at the ”European Conference on Gambling Studies and Policy Issues,” a major international conference on developments at the relevant national authorities and in the gambling industry itself.

We talked at the conference about our positive experiences with ROFUS and the latest Danish studies into problem gambling. We also took part in other international conferences on responsible gambling, and maintained an ongoing dialogue with other national gambling authorities about our experiences with ROFUS.



#### MitSpil app

The app MitSpil (MyGame) has been downloaded approximately 500 times.



## TYPES OF GAMBLING

THE YEAR IN NUMBERS

CHARITY LOTTERIES

LOTTERIES

LAND-BASED CASINOS

PUBLIC POKER TOURNAMENTS

GAMING MACHINES

BETTING AND ONLINE CASINO



## THE YEAR IN NUMBERS\*

### Overall trends in gambling

Total gambling consumption grew by 6% in 2016. Although this is less than the 8% rise seen in 2015, it still represents a significant increase.

Gambling expenditure is measured in Gross Gambling Revenue (GGR), which is the sum of the players' stakes less winnings. However, for games where gambling providers take a commission (typically poker, but this could also be betting exchanges or even other casino games such as yahtzee), the commission makes up the GGR\*\*.

Developments in GGR for individual gambling activities are listed in Table 1. The table only includes games offered by operators with a Danish licence (including charity lotteries and gambling markets limited to monopoly providers). Lotteries (state-run and charitable) account for the greatest proportion of gambling activity with a GGR of DKK 3.1 billion, followed by the fully liberalised categories of betting (not including horse-racing, but including virtual sports events), gaming machines (physical) and online casinos (including online gaming machines). Please note that these statistics have not been corrected for inflation, salary adjustments or similar.

NOTE: Following improved calculation methods, the Danish gambling authority has changed from rounding GGR numbers to the nearest DKK 5 million, and now rounds numbers to the nearest DKK 1 million. These figures are still subject to future changes, for example in connection with delayed reporting of fees. Please note that all figures from 2015 and onwards have been recalculated and rounded according to these new principles. This applies to all subsequent figures and tables in this section.

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

\*\*As some forms of multi-player gambling are open to players from both Denmark and overseas, it is more accurate to say GGR represents the gambling provider's gross revenue from Danish players. This means that if Danish players win more than their foreign counterparts, GGR will be greater than the amount that Danish players have placed stakes for less winnings, and vice versa.

Table 1: Development of Gross Gambling Revenue (GGR) (in DKK million)

|                     | 2013  | 2014  | 2015  | 2016  |
|---------------------|-------|-------|-------|-------|
| All regulated games | 7,575 | 7,755 | 8,338 | 8,850 |
| Lotteries           | 3,100 | 2,940 | 3,015 | 3,115 |
| Gaming machines     | 1,630 | 1,505 | 1,547 | 1,499 |
| Betting             | 1,385 | 1,780 | 1,999 | 2,175 |
| Online casinos      | 990   | 1,075 | 1,308 | 1,564 |
| Land-based casinos  | 335   | 325   | 349   | 379   |
| Horse racing        | 135   | 130   | 120   | 118   |

Source: Tax returns, Danske Lotteri Spil A/S, Klasselotteriet A/S and various financial statements from charity lotteries.

Table 2 details annual growth for individual gambling activities. In 2016, the substantial increase in gambling activity for online casinos continued, with a rise of 20%. GGR for betting also grew significantly, though this 9% increase should be seen in the light of a relatively large rise in the first half of 2015, after which GGR has remained fairly constant.

Land-based casinos (which have a limited number of licences) have also seen GGR increase by 9%, which is higher than witnessed in recent years. GGR for gaming machines fell by 3%, reversing the 3% rise of 2015. Lotteries grew by 3%, as they also did in 2015. GGR for horse racing (a monopoly) continued to fall, but only by 2% in 2016.

**Table 2: Annual Gross Gambling Revenue (GGR) relative growth**

|                     | 2013 | 2014 | 2015 | 2016 |
|---------------------|------|------|------|------|
| All regulated games | 1%   | 2%   | 8%   | 6%   |
| Lotteries           | -1%  | -5%  | 3%   | 3%   |
| Gaming machines     | -10% | -8%  | 3%   | -3%  |
| Betting             | 18%  | 29%  | 12%  | 9%   |
| Online casinos      | 14%  | 9%   | 22%  | 20%  |
| Land-based casinos  | -3%  | -3%  | 7%   | 9%   |
| Horse racing        | -7%  | -4%  | -8%  | -2%  |

Source: Tax returns, Danske Lotteri Spil A/S, Klasselotteriet A/S and various financial statements from charity lotteries.

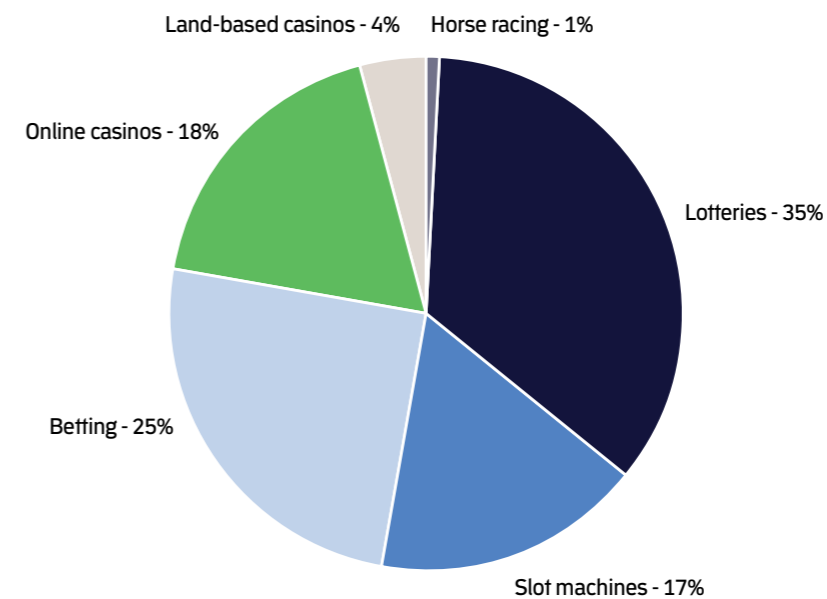
Table 3 shows the individual market share of gambling activities as a proportion of GGR, with the percentages for 2016 illustrated in Figure 1. There were no significant movements in relation to 2015. Lotteries fell by a single percentage point, and betting grew by a single percentage point. Two percentage points of market share have moved from gaming machines to online casinos, with the data showing that this growth in online casinos has been driven by online gaming machines (see Table 9).

The market share of gambling activities is also shown in Figure 1.

**Table 3: Market share of gambling activities as a proportion of GGR**

|                    | 2013 | 2014 | 2015 | 2016 |
|--------------------|------|------|------|------|
| Lotteries          | 41%  | 38%  | 36%  | 35%  |
| Gaming machines    | 22%  | 19%  | 19%  | 17%  |
| Betting            | 18%  | 23%  | 24%  | 25%  |
| Online casinos     | 13%  | 14%  | 16%  | 18%  |
| Land-based casinos | 4%   | 4%   | 4%   | 4%   |
| Horse racing       | 2%   | 2%   | 1%   | 1%   |

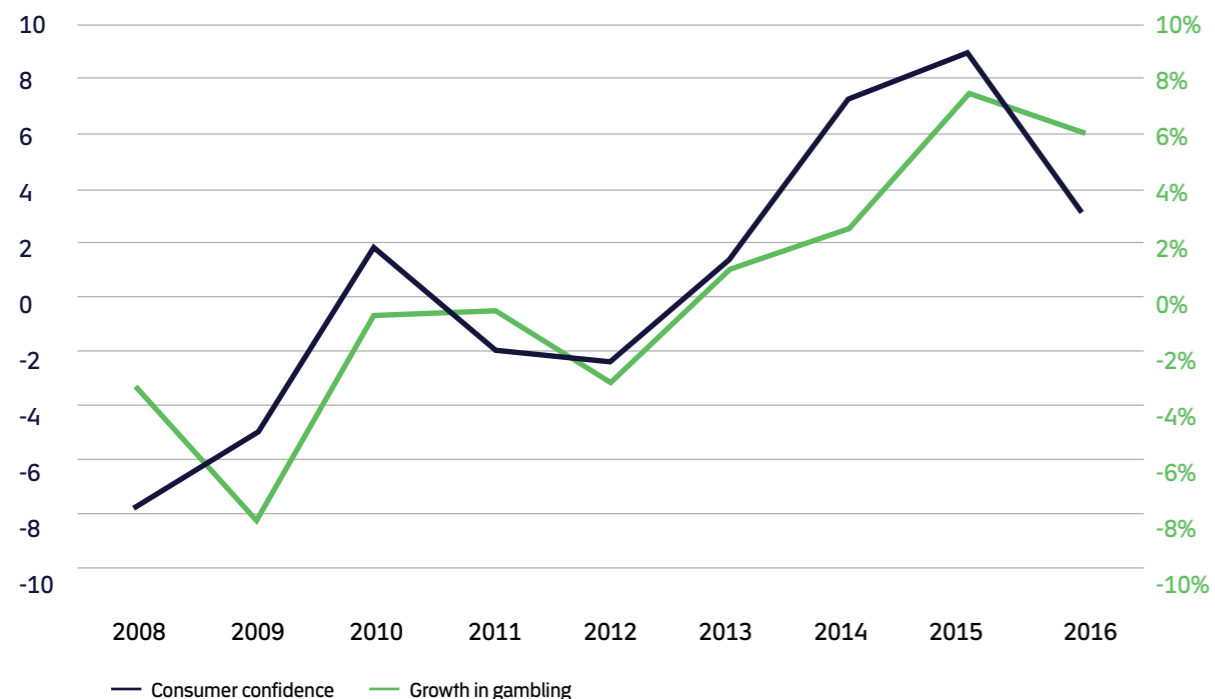
Source: Tax returns, Danske Lotteri Spil A/S, Klasselotteriet A/S and various financial statements from charity lotteries.

**Figure 1: Market share of individual gambling types in 2016**

Sources: Tax returns, Danske Lotteri Spil A/S, Klasselotteriet A/S and various financial statements from charity lotteries.

Figure 2 shows overall growth in gambling activities together with a measurement of consumer confidence. In 2015, consumer confidence reached a level not seen since 2006. At the same time, there was substantial growth in gambling activities. It is, however, interesting that this correlation has existed for such a long time, and it is worth noting that both consumer confidence and growth in gambling activities (not the actual level of activity itself) fell in 2016. Overall, gambling activities have grown by 6%, which is somewhat lower than in 2015, where the increase was 8% (see Table 2).

Figure 2: Relative annual growth in gambling activities\* and Consumer Confidence\*\*



Source: Tax returns, Danske Lotteri Spil A/S, Klasselotteriet A/S, various financial statements from charity lotteries.

\*More exact: GGR. In growth calculations for the time around liberalisation of the market in 2012, statistical corrections have been made to account for the increase in official GGR figures due to the partial entry of the unregulated market into the regulated market.

\*\*Roughly speaking, the Consumer Confidence Index (CCI) is positive if consumers see their own and the national economy positively, and negative if the opposite is the case.

**Lotteries**

With the exception of charity lotteries, only a select group of state-owned monopolies may run lotteries, namely Danske Lotteri Spil A/S (a subsidiary of Danske Spil A/S) and the three class lottery providers – “Klasselotteriet”, “Varelotteriet,” and “Landbrugslotteriet”.

Table 4 shows the overall market share of these lotteries (measured in GGR). The activities provided by Danske Lotteri Spil A/S (DLO) are divided into a number of categories. The more traditional Lotto (including Joker and Eurojackpot) makes up the bulk of lottery activity, accounting for 69% of the lottery market. This sector saw GGR growth of 5% in 2016. Of the other lottery types, scratch cards have a 8% market share, while other DLO games stand at just over 3%. Charity lotteries remain unchanged at 9%. On the whole, there have been very few changes in the area of lotteries. Bingo's fall in market share from 2% to 1% may seem dramatic, but this represented a relatively small decrease in absolute terms of just DKK 2 million. Combined with the fact that the overall market grew by 3%, the market share of Bingo has been rounded down to 1%. Likewise Class lotteries has this time been rounded to 10%.

Table 4: GGR (DKK million) for different lottery types – and market share of total GGR for lotteries.

|  | 2014  |       | 2015  |       | 2016  |       |
|--|-------|-------|-------|-------|-------|-------|
|  | GGR   | Share | GGR   | Share | GGR   | Share |
| Lotto including Joker and Euro Jackpot | 1,975 | 67%   | 2,049 | 68%   | 2,151 | 69%   |
| Scratch card games                     | 275   | 9%    | 264   | 9%    | 258   | 8%    |
| Keno                                   | 45    | 2%    | 54    | 2%    | 60    | 2%    |
| Bingo including “Boxen”                | 50    | 2%    | 48    | 2%    | 46    | 1%    |
| Class lotteries                        | 315   | 11%   | 320   | 11%   | 320   | 10%   |
| Charity lotteries                      | 280   | 10%   | 280   | 9%    | 280   | 9%    |

Source: Danske Lotteri Spil A/S, Klasselotteriet A/S and various financial statements from charity lotteries. Note: Estimates have been made in relation to statistics for class lotteries and charity lotteries.

**Betting and online casinos**

Betting and online casinos were both fully liberalised on 1 January 2012 (i.e. there are no limits on the number of licences that can be issued). It is possible to apply for a combined licence or separate licences for each activity.

Table 2 shows that both markets have grown rapidly in all 4 years since liberalisation – the lowest growth rate for both areas being 9%. The strongest growth in betting took place in 2013 and 2104 (18% and 29% respectively), while online casinos grew most rapidly in 2015 and 2016 (22% and 20% respectively).

**Developments in betting**

Table 5 shows the developments in turnover (stakes) for the area of betting\* in all quarters since the liberalisation of the gambling market. Note that changes are relative to the previous quarter, and not the same quarter in the previous year. There was significant growth in Q2. This is probably due to the EURO 2016 tournament; there were similar growth rates in 2012 and 2014 – but not in years without international football tournaments. The drop in Q3 only indicates that the level fell back to slightly over the level of Q1.

**Table 5: Growth in betting turnover relative to the previous quarter\*\***

|    | 2012 | 2013 | 2014 | 2015 | 2016 |
|----|------|------|------|------|------|
| Q1 |      | 0%   | 1%   | -2%  | 7%   |
| Q2 | 21%  | 0%   | 15%  | 8%   | 15%  |
| Q3 | -10% | 16%  | 3%   | -12% | -13% |
| Q4 | 26%  | 14%  | 21%  | 19%  | 1%   |

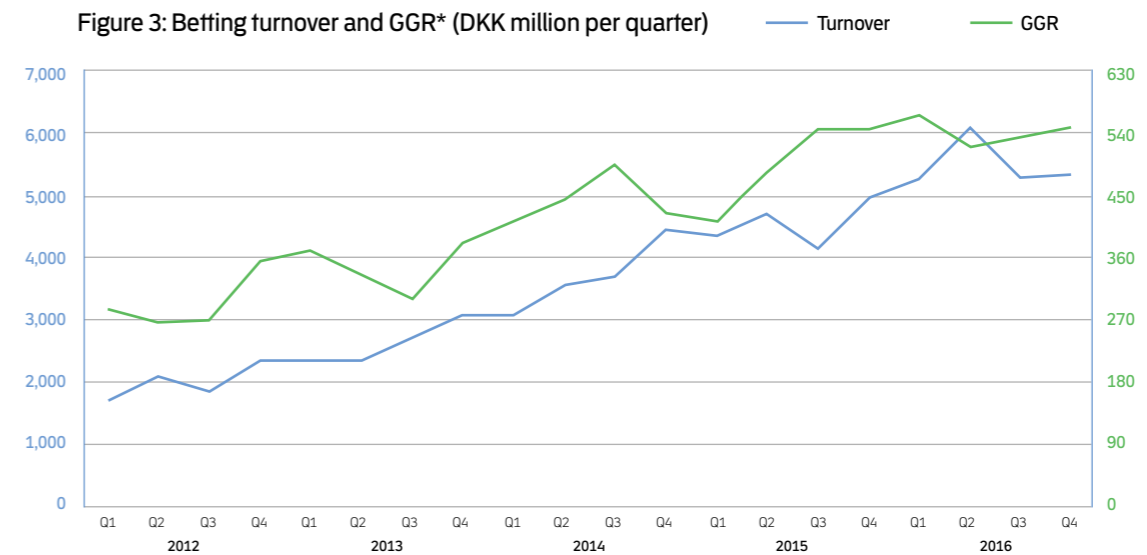
Source: Statistics from all licensees (fees).

\* Where betting is mentioned, this does not include horse racing, dog racing or local pool betting, such as pigeon racing or cycling.

\*\*This does not include commission-based games.

In Figure 3, turnover and GGR have been plotted into the same graph (note the different axes). The two measures have developed in fact with each other (they would be fully aligned if pay out rates remained constant). In Q2, 2016 turnover grew significantly, while GGR fell. The increase in turnover, as previously mentioned, is probably due to the EURO 2016 tournament. However, competition between licensees were so fierce that earnings (GGR) decreased. In Q3, the situation returned to normal. Turnover fell again, with GGR growing despite this fall.

**Figure 3: Betting turnover and GGR\* (DKK million per quarter)**



Source: Statistics from all licensees (fees).

\*Not including commission-based games.

Table 6 shows the return to player (RTP) rate\* (total winnings divided by total stakes).

The average return in 2016 for each DKK 100 was DKK 90.1. The greater variations in Figure 3 are not seen on an annual basis. However, there is a slow but steady increase in the RTP rate, which is probably due to heightened levels of competition.

**Table 6: Return to player (RTP) rates for betting (not including commission-based games)**

| 2012  | 2013  | 2014  | 2015  | 2016  |
|-------|-------|-------|-------|-------|
| 85.3% | 86.7% | 88.0% | 89.0% | 90.1% |

Source: Statistics from all licensees (fees).

Since 2016, the Danish gambling authority has divided gambling into land-based and online categories. Market share has remained highly stable, with online gambling accounting for around two thirds of GGR. It appears that the majority of the extra gambling associated with EURO 2016 took place online.

**Table 7: Betting by sales channel, share of GGR\*\***

| 2016 | Land-based | Online |
|------|------------|--------|
| Q1   | 36.5%      | 63.5%  |
| Q2   | 34.5%      | 65.5%  |
| Q3   | 35.5%      | 64.5%  |
| Q4   | 35.5%      | 64.5%  |

Source: Statistics from all licensees – except for income-restricted licensees.

\*The return to player rate is sometimes known as the pay out percentage – but then 2016 should read 90.1 instead of 91% which would make the formula more complicated.

\*\* Numbers are rounded to 0.5 percentage points.

Figures for betting include both fixed odds betting (where players can calculate their potential winnings beforehand) and pool betting (where winnings depend on how other players have fared). The betting exchanges, where players pay commission, are generally included in calculations of GGR, but not in turnover. This is why betting exchanges are not included in Figure 3 (where GGR and turnover are shown together) or in Table 6, where the return to player rates are shown.

**Developments in online casinos**

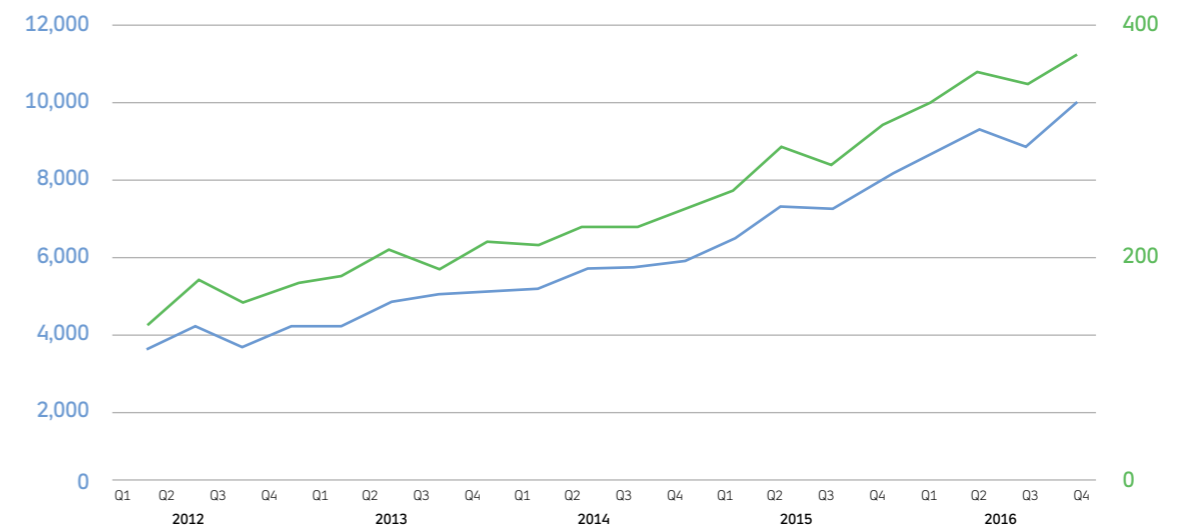
Figure 4 shows the turnover and GGR for online casinos in one graph (note the different axes).

As with betting (Figure 3), the graph only includes GGR and turnover for games without commission.

For online casinos, commission-based games form a greater share of the market (see Table 9).

This includes poker games where providers take a commission and players play for the remaining stakes. Examples of the latter are PokerCash, where players can leave the table with their winnings at any point, or Poker tournaments where you play until an individual player has won with the stakes divided into winnings according to a predefined formula. Despite the total increase of 20% over the year, there was a slight fall in Q3.

**Figure 4: Turnover and GGR for online casinos\*(DKK million per quarter)**



Source: Statistics from all licensees (fees).

\*Not including commission-based games.

Turnover and GGR for online casinos have developed in fact with each other (also see Figure 4). This means that the return to player rates are virtually constant and have actually been at 96% (rounded to whole percentage points) in all quarters since liberalisation. Table 8 shows the annual return to player rates. The overall trend has been slightly upward, but in 2016 it stood at 96.1% for the second year in a row.

**Table 8: Return to player (RTP) rates for online casinos (not including commission-based games)**

| 2012  | 2013  | 2014  | 2015  | 2016  |
|-------|-------|-------|-------|-------|
| 95.8% | 95.8% | 96.0% | 96.1% | 96.1% |

Source: Statistics from all licensees (fees).

Since 2016, the Danish gambling authority has used statistics to show the most popular types of gambling. Statistics for Q4 can be seen in Table 9. "Poker" includes all games involving commission. This means that other multi-player games (such as yahtzee) are included if commission is paid to the provider and players compete for the remaining stakes. This also means that poker games involving a gaming machine (so called video poker) are not included. Video poker is included in the category "other".

The year's growth of 20% was driven by online gaming machines, an area which has grown even faster than the whole online casino market, with the online gaming machine share growing by 4 percentage points (corresponding to about 6%) over the year to 72% of the market. "Poker" (commission-based) fell by 3 percentage points (corresponding to about 25%) and also fell in absolute terms from DKK 42 million in Q1 to DKK 36 million in Q4. In Q3, "poker" had a GGR of DKK 34 million; the lowest since liberalisation. Whether the growth in Q4 reflects an end to market decline is much too soon to say.

**Table 9: Online casinos by type (measured in GGR)**

| 2016 | Online gaming machines | "Poker" | Roulette | Black Jack | Others |
|------|------------------------|---------|----------|------------|--------|
| Q1   | 68%                    | 12%     | 6%       | 5%         | 9%     |
| Q2   | 68%                    | 10%     | 6%       | 5%         | 11%    |
| Q3   | 70%                    | 9%      | 6%       | 6%         | 9%     |
| Q4   | 72%                    | 9%      | 5%       | 5%         | 10%    |

Source: Statistics from all licensees – except multi-player games without commission and income-restricted licensees.

**Gaming machines**

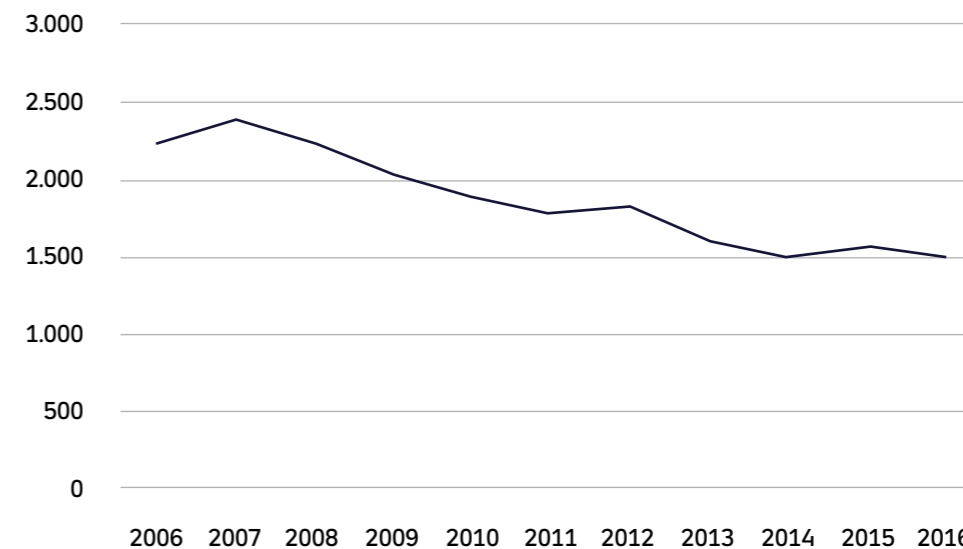
As of 31 December 2016, there were about 26,000 gaming machines in operation in Denmark. The gaming machines are located in gambling arcades and restaurants, and the total has remained relatively stable since 2006 at between 25,000 and 27,000.

In 2007, restaurants accounted for nearly 30% of GGR from gaming machines, with the remaining 70% coming from gambling arcades. However, in 2016, restaurants only made up 22% of the total GGR. Since 2011, the GGR in restaurants has fallen by 29% and in gambling arcades by 16%.

This does not imply that the fall is due to the liberalisation of the market in 2012.

GGR had already begun to fall in 2007 as gaming machines presumably came into competition with the wide variety of online entertainment at home – not just gambling. Figure 5 shows the annual GGR for gaming machines. In 2016, there was a slight decrease following the small rise in 2015. Overall, the market seems to have stabilised since 2014.

**Figure 5: Annual GGR for gaming machines (DKK million)**



Source: Statistics from all licensees (fees).

**Land-based casinos**

There are 7 land-based casinos in Denmark. They are located in Copenhagen, Elsinore, Odense, Vejle, Aarhus, Aalborg and aboard the DFDS ferry Pearl Seaways, which sails between Copenhagen and Oslo. 2016 saw the highest GGR in 4 years with growth of 9%. Table 10 shows the quarterly GGR over the last 4 years. It is worth noting that DKK 22 million of the total increase of DKK 30 million from 2015 to 2016 came in the first quarter of 2016. Put another way, the significant growth in GGR experienced in 2016 was due to the first quarter catching up with the other 3 quarters.

**Table 10: Quarterly GGR for land-based casinos (DKK million)**

|       | 2013 | 2014 | 2015 | 2016 |
|-------|------|------|------|------|
| Q1    | 85   | 75   | 74   | 96   |
| Q2    | 80   | 85   | 99   | 97   |
| Q3    | 85   | 80   | 89   | 93   |
| Q4    | 85   | 85   | 87   | 94   |
| Total | 335  | 325  | 349  | 379  |

Source: Statistics from all licensees (fees).





## CHARITY LOTTERIES

Charity lotteries exist in a wide variety of forms including bingo, tombola, traditional lottery tickets and scratch cards. If a lottery is to be open to public participation, all profits generated by the lottery must go to a recognised good cause, with this set at a minimum of 35 percent of sales revenue. Charity lotteries are the only type of lottery that may be run by others than the state monopolies (Danske Lotteri Spil A/S, Det Danske Klasselotteri A/S, Varelotteriet, and Landbrugslotteriet).

### Number of notifications and licences to run charity lotteries

|               | 2014 | 2015 | 2016 |
|---------------|------|------|------|
| Notifications | 985  | 985  | 941  |
| Licences      | 675  | 675  | 681  |

Charity lotteries with a total sales revenue of DKK 20,000 or more have to apply for a licence. If certain conditions are met, charity lotteries with a total sales revenue of less than DKK 20,000 can sometimes be held by just notifying the Danish Gambling Authority in advance.

In 2016, the Danish Gambling Authority issued 681 licences and received 941 notifications. The licensing levels were unchanged in relation to 2014 and 2015, where 675 licences were issued in each year. The number of notified lotteries rose slightly compared to 2015, where there were 916 notifications.

### Establishment of contact group

To strengthen dialogue and cooperation with the operators of charity lotteries, the Danish Gambling Authority set up a specific contact group. The purpose of the group was to give operators the opportunity to discuss ideas and make suggestions for improvements to the way the Danish Gambling Authority uses in our administration to administrate the clubs and associations. In addition, participants can inform about new initiatives and discuss market developments. The contact group is scheduled to meet twice a year.

The contact group consists of representatives from a wide range of organisations such as ISOBRO (The charity fund-raising umbrella organisation), SIFA (a collective group of sports associations), the major organisations running charity lotteries, as well as representatives from the Danish Gambling Authority.

### Legislation for charity lotteries

After legislative changes that came into force on July 1st, 2016, running charity lotteries as a class lottery was expressly forbidden. The change includes charity lotteries that require a licence from the Danish Gambling Authority, charity lotteries that require prior notification to the Danish Gambling Authority, and charity lotteries that may be run without a licence or prior notification.

## LOTTERIES

With the exception of charitable lotteries, Danish lotteries are state-regulated monopolies. This means that only four state-owned companies have permission to hold lotteries. Two of these are under the supervision of the Danish Gambling Authority: Danske Lotteri Spil A/S and Det Danske Klasselotteri A/S. We hold regular contact group meetings with both companies to discuss issues relevant for their respective licences.

### Danske Lotteri Spil A/S

During 2016, the Danish Gambling Authority dealt with a range of licence applications for new gambling products or changes to existing gambling products, with scratch cards making up the majority.

### Updated information on 4,500 managers

Premises that want to sell Danske Lotteri Spil A/S products (such as scratch cards and lottery tickets) need to have a manager approved by the Danish Gambling Authority. Over the course of 2016, the Danish Gambling Authority paid special attention to ensuring our information on managers approved for selling products from Danske Lotteri Spil A/S was up-to-date. This was a significant undertaking for both Danske Lotteri Spil A/S and the Danish Gambling Authority as it concerned details of around 4,500 managers.

### Control of valid data

The Danish Gambling Authority continuously receives data on the gambling products sold by Danske Lotteri Spil A/S in the same way that data is received from the liberalised market. In 2016, we worked together with Danske Lotteri Spil A/S on collecting valid data in a form that would allow the future automation of a number of control procedures, thereby releasing resources for more specific types of control work. This work is still underway and is expected to be completed by the end of 2017.

**Certification**

In the course of 2016, we implemented a certification programme for lotteries that ensures (in a similar way to the liberalised online gambling model) that systems live up to legislative requirements from a technical perspective.

**Det Danske Klasselotteri A/S**

Det Danske Klasselotteri A/S provides a class lottery with draws once a month. The Danish Gambling Authority's supervision of Det Danske Klasselotteri A/S includes attending and approving the monthly draws. We also carry out a risk-based control of gambling data, perform lottery test-draws, and randomly control large prizes.

**FACTS - GAMBLING MANAGER****What is the responsibility of a manager?**

Premises selling gambling products need to have an approved manager in the shop. It is the manager's task to ensure that all employees selling gambling products know and follow the rules set down in the Danish Act on Gambling. You can only be a manager for one location.

**Who can become a manager?**

To be a manager, the person first needs to be approved by the Danish Gambling Authority. The conditions are as follows: The person must be at least 21 years-old, must not be a ward of guardianship or a ward of curatorship, and must not have any previous convictions that provide grounds to assume that the abuse of access to gambling products poses an obvious risk. The manager cannot be approved if the behaviour of the manager or persons with a controlling interest in the manager's work gives grounds for assuming that the gambling premises will not be run in a responsible manner.



## LAND-BASED CASINOS

### Amendments to legislation and supervisory methods

As part of the restructuring of supervisory activities for land-based casinos, new legislation for the area came into force on July 1st, 2016. The legislation came as a consequence of minor changes made in 2015 where the requirement for the permanent presence of an independent controller employed by the Danish Gambling Authority during the casino's opening hours was removed. To compensate for the absence of a permanent controller, the new legislation has introduced other control measures. These include a requirement that casinos must have an adequate system of self-regulation to ensure that they adhere to gambling legislation. The self-regulation programme must consist of a written description of the casino's fixed internal rules and procedures. There is also a new requirement that at least two of the casino's employees perform the tasks that were previously the responsibility of the state controller. Additionally, a casino's duty to carry out video surveillance has been extended, meaning that monitoring must take place for all counting of cash, transactions, and gambling activities.

Future inspections will take the form of a basic inspection, which may be supplemented by specific control activities. Unannounced inspections will primarily be conducted on the basis of reports or follow-up activities of previous visits.

### New fee structure and introduction of sliding-scale fees

Until now, land-based casinos have paid a fee to the Danish Gambling Authority equivalent to the cost of supervision for the individual casino. With the new type of casino supervision, the fee structure in gambling legislation changed from the July 1st, 2016. Casinos now pay an annual fee based on the gross gaming revenue of the individual casino.

The altered fee structure sees the introduction of a sliding-scale where fees are calculated and collected in the same manner as the annual fees for betting and online casinos. The fees should correspond to the actual supervisory and administrative costs incurred by the Danish Gambling Authority.

## FACTS - LICENCE FOR LAND-BASED CASINOS

The Danish Gambling Authority issues licences for the establishment and operation of land-based casinos in Denmark. Licences are issued for 10 years at a time. At the end of 2016, licences had been issued to seven land-based casinos, which are located in Copenhagen, Elsinore, Odense, Vejle, Aarhus, Aalborg, and aboard the Oslo ferry Pearl Seaways DFDS.

### Fee scale

| Gross gaming revenue        | Fee (2016-level) |
|-----------------------------|------------------|
| Under 10 mio. kr.           | 150.000 kr.      |
| 10 mio. kr. to 20 mio. kr.  | 300.000 kr.      |
| 20 mio. kr. to 50 mio. kr.  | 450.000 kr.      |
| 50 mio. kr. to 100 mio. kr. | 750.000 kr.      |
| 100 mio. kr. and over       | 1.250.000 kr.    |

### Self-exclusion

The Danish Gambling Authority is tasked with ensuring gambling takes place in a responsible manner and to protect vulnerable people from developing a gambling problem. This is the motivation behind new legislation, whereby players can exclude themselves from land-based casinos in the same way as they can from online gambling. In the future, those registered in the Danish Gambling Authority's register of voluntarily self-excluded players (ROFUS) will be unable to access land-based casinos in Denmark. It is also possible to exclude yourself from a land-based casino in the casino's own self-exclusion register, either temporarily or permanently.

### Tender for new casino licences

The Danish Gambling Authority issues licences for the operation of a land-based casino. When a licence expires, it has to be put out to tender again, with the number of licences for land-based casinos limited by law.

At the end of 2016, the Danish Gambling Authority published a tender for three new casino licences. The three licences can be awarded to land-based casinos or to Danish ships sailing scheduled routes. In addition, one licence is out to tender for a land-based casino in Northern Zealand and one in Copenhagen. It is the first time since 2011, when the Danish Gambling Authority took over the responsibility for casinos, that there has been a tender for land-based casinos.



## PUBLIC POKER TOURNAMENTS

Individuals, companies and associations may apply to the Danish Gambling Authority for a licence to arrange public poker tournaments with a limited tournament pool. In 2016, the maximum participation stake for each tournament was raised from DKK 300 to DKK 400. The licence is valid for holding a poker tournament at a designated location and is valid for two years at a time.

### Amendments to legislation

From January 1st, 2016, a number of changes came into force in relation to the Act on Public Poker Tournaments. The new rules included changes making it possible to arrange multiple tournaments, offer sponsored prizes in tournament pools, and hold tournament leagues. There is an upper limit for tournament pools of DKK 20,000 (maximum DKK 25,000 if there are sponsored prizes). It is our impression that the licencees for public poker tournaments are taking advantage of these new opportunities.

### Licences and supervision

Before the Danish Gambling Authority issues a licence, we assess whether the premises are suitable for holding public poker tournaments. Our assessment includes consulting with the local police on public order and safety issues at the location in question.

At the end of 2016, there were 31 valid licences.

### Licences issued

| 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|
| 53   | 31   | 31   | 14   | 25   |

In 2016, we carried out five service visits and six inspections.

### FACTS - PUBLIC POKER TOURNAMENTS

Young people under the age of 18 are not allowed to take part in public poker tournaments or enter the rooms where tournaments are being held. A tournament may only be held when there are at least eight participants who have all paid their participation stake before the commencement of the tournament.

## GAMING MACHINES

The Danish Gambling Authority is responsible for issuing licences for hosting gaming machines in restaurants with alcohol licences (a maximum of three gaming machines) as well as gambling arcades, and the subsequent oversight of these machines.

In 2016, we processed around 1700 cases involving the installation and operation of gaming machines (applications, deregistration, changes). We also processed around 475 applications to approve managers of premises with gaming machines.

|  | 2013  | 2014  | 2015  | 2016  |
|--|-------|-------|-------|-------|
| Number of licence cases  | 1.500 | 1.600 | 1.600 | 1.700 |
| Number of manager approval cases for premises with gaming machines | 585   | 530   | 445   | 475   |

On December 31st, 2016, there were around 26,000 gaming machines in operation.

|   | 2013  | 2014  | 2015  | 2016  |
|---|-------|-------|-------|-------|
| Number of gambling premises                   | 3.225 | 2.960 | 2.800 | 2.750 |
| Number of gambling arcades                    | 1.275 | 1.210 | 1.175 | 1.145 |
| Number of restaurants with an alcohol licence | 1.950 | 1.750 | 1.625 | 1.605 |
| Number of licensees                           | 410   | 400   | 380   | 360   |
| Number of approvals for premises              | 450   | 400   | 430   | 390   |

### Supervision of gaming machines

Our supervision of gaming machines includes service visits, inspections, and administrative control of fee payments. In 2016, we carried out 157 service visits, more than 2000 inspections, and 286 fee payment controls.

|   | 2013  | 2014  | 2015  | 2016  |
|---|-------|-------|-------|-------|
| Number of service visits                          | 2.250 | 2.100 | 2.202 | 2.051 |
| Number of fee payment controls                    | 200   | 340   | 316   | 286   |
| Claims for additional fee payments in million DKK | 1,5   | 2,0   | 1,8   | 3,0*  |

\*After changes to our supervision in 2016, missing annual fees due on January 31st were immediately followed up in February, which is why the figure is higher than previous years.

### New legislation

On January 1st, 2016, the following changes came into force in the area of gaming machines:

The maximum stake for gaming machines in gambling arcades and restaurants increased from DKK 0.50 to DKK 1, and the maximum winnings from DKK 300 to DKK 600.

The Danish Gambling Authority can revoke a licence if the licence holder is guilty of serious or repeated failure to state the fees for gaming machines.

Managers need prior approval from the Danish Gambling Authority before taking up their position.

From July 1st, 2016, new rules came into force concerning opening hours of gambling arcades with gaming machines. The change meant that these arcades must be closed between 00:00 and 07:00.

### Night-time closing of gambling arcades

To gauge compliance with the new rules for night-time closing, the Danish Gambling Authority visited 58 gambling arcades between the hours of 00.00 and 07.00 during the period July 1st, 2016 to December 31st, 2016.

The visits took place shortly after midnight and early in the morning, with 13 cases sent to the Danish Gambling Authority's legal department for internal assessment.

The gambling arcades chosen for unannounced visits were selected partly as a result of reports and via the analysis of data collected by the Danish Gambling Authority's monitoring system, where it is possible to see on an hourly basis whether individual gaming machines are being used. The monitoring system was a valuable tool for ensuring gambling arcades complied with the new night-time closing rules.

In 2017, we will continue to focus on gambling arcades compliance with night-time closing rules.

### Many gaming machines are not properly sealed

One of the Danish Gambling Authority's responsibilities is to ensure that the 26,000 or so gaming machines currently in use have been correctly sealed. Sealing gaming machines goes towards ensuring gambling takes place in a fair and responsible manner for players. At the same time, the risk of manipulating the machines is reduced. As such, the Danish Gambling Authority visited 242 different locations with gaming machines in the second quarter of the year to check on sealing.

The Danish Gambling Authority gave licensees 14 days' notice of these inspections. Despite this, a large number of cases were sent to the Danish Gambling Authority's legal department for internal assessment because the machines were not correctly sealed. A number of these cases were later passed on to the police for further investigation.

### Criminal proceedings

In 2016, 57 cases were reported to the police after an inspection showed violations of gambling legislation. In three such cases, we helped the police with their investigations.

|   | 2013 | 2014 | 2015 | 2016 |
|---|------|------|------|------|
| Number of reported cases and cases where we helped the police with their investigations | 35   | 30   | 23   | 60   |

The reason for this substantial increase of cases in 2016 is in part due to altered working practices. Cases where a gaming machine or technical installation with a broken seal is being used will in the future be sent to the Danish Gambling Authority's legal department for internal assessment, with the possibility of a report being later filed with the police in the event of determination of a breach.

### Contact group ensures good dialogue

To ensure a good dialogue with the industry, the Danish Gambling Authority has set up a contact group with representatives from Dansk Automatbrancheforening (an umbrella organisation that safeguards the interests of the gaming machine industry) and other relevant stakeholders.

The contact group meets twice a year to discuss relevant and current issues in the gaming machine industry. In 2016, issues high on the agenda included criminal proceedings, our focus on gaming machine sealing, and the new rules for night-time closing.

### Cooperation with the police

The Danish Gambling Authority cooperates constructively with the police on tackling illegal gambling premises. Every year, also in 2016, we are involved in raids and help the police when they decide to confiscate gaming machines.



## BETTING AND ONLINE CASINOS

In 2016, we entered the fifth year of the Danish Act on Gambling. The Danish Gambling Authority is in constant supervision of the gambling market, and in 2016 much of our work was concentrated upon the renewal of the existing five-year licences due to expire at the end of the year. Licences for both gambling and online casinos are issued for a period of either one year or five years.

### Renewal of licences

Many of the five-year licences to provide betting and online casino expired on the December 31st, 2016. We drew up a new application form and guidelines for licence renewal. We received applications from 16 out of 18 licensees. One of the licensees chose not to apply for renewal, while the other merged with another licensee. Of the 16 applicants, one applied for the renewal of a betting licence, eight for the renewal of an online casino licence, and seven for the renewal of both a betting and online casino licence.

When processing these applications, we engaged in a constructive dialogue with applicants, and in general we experienced a willingness to cooperate amongst applicants to discuss relevant issues. The process also naturally revealed some issues that we will take into consideration in our future dealings with licensees.

In December, all 16 applicants were issued with a new licence valid from January 1st, 2017. However, one of the licences was limited to a year as the certain conditions had not been met by the licensee.

---

### FACTS - HOW MUCH DOES IT COST TO APPLY FOR A BETTING AND ONLINE CASINO LICENCE?

- Provision of either betting or online casino: DKK 261,800
  - Provision of both betting or online casino: DKK 366,500
  - Issue of income-restricted licences of maximum 1 year's duration: DKK 52,400  
(Gross gaming revenue (stakes minus winnings) must not exceed DKK 1 million )
- 

### Betting on under-18s sporting events

After noticing that some licensees had provided betting on under-18s sporting events, we set up a project to monitor this area, which involved the taking of statements from the licensees in question. The project closed with a letter sent to all licensees, where we drew their attention to the illegality of providing betting on under-18s sporting events.

---

### FACTS

**Betting** is a form of gambling where players predict the result of a future event. Betting not only includes the results of sporting events, but also, for example, political events such as a presidential election in the USA.

**Online casino gambling includes** roulette, black jack, baccarat, punto banco, poker and virtual gaming machines. In addition to traditional casino games, the concept also includes so-called combination games, which rely on a mixture of chance and skill. Games that rely purely on chance, such as lotteries, or purely on skill are not included.

---

## Licences\*

| 2016  | Online casino | Betting |
|---|---------------|---------|
| Number of applications for 5-year licences, including changes of 1-year licences to 5-year licences | 3             | 3       |
| Number of applications for renewal of 5-year licences   | 15            | 8       |
| Expired licences  | 4             | 2       |
| Number of active licences at the end of 2016  | 25            | 14      |

## New fee structure

From July 1st, 2016, a new sliding scale of fees was introduced for betting and online casinos. This meant that license holders with the highest gross gaming revenue (GGR) saw an increase in fees. At the same time, fees for licensees with a GGR under DKK 100 million were reduced.

## Yearly fee for provision of betting and online casinos (from July 1st, 2016)

| Gross gaming revenue               | Fee 2016      |
|------------------------------------|---------------|
| Under DKK 5 million                | DKK 52,400    |
| DKK 5 million to DKK 10 million    | DKK 130,900   |
| DKK 10 million to DKK 25 million   | DKK 235,600   |
| DKK 25 million to DKK 50 million   | DKK 471,200   |
| DKK 50 million to DKK 100 million  | DKK 837,600   |
| DKK 100 million to DKK 200 million | DKK 1,570,500 |
| DKK 200 million to DKK 500 million | DKK 2,617,500 |
| DKK 500 million and over           | DKK 4,711,500 |

## Number of online casino licensees under each GGR band was as follows in 2016\*

| Amount of licences | GRR                           |
|--------------------|-------------------------------|
| 8                  | DKK under 5 mio.              |
| 1                  | DKK 5 mio. kr. to 10 mio.     |
| 6                  | DKK 10 mio. kr. to 25 mio.    |
| 1                  | DKK 25 mio. kr. to 50 mio.    |
| 5                  | DKK 50 mio. kr. to 100 mio.   |
| 3                  | DKK 100 mio. kr. to 200 mio.  |
| 0                  | DKK 200 mio. kr. til 500 mio. |
| 1                  | DKK 500 mio. kr. or over.     |

## Number of betting licensees under each GGR band was as follows in 2016\*

| Amount of licences | GRR                           |
|--------------------|-------------------------------|
| 3                  | DKK under 5 mio.              |
| 1                  | DKK 5 mio. kr. to 10 mio.     |
| 2                  | DKK 10 mio. kr. to 25 mio.    |
| 3                  | DKK 25 mio. kr. to 50 mio.    |
| 1                  | DKK 50 mio. kr. to 100 mio.   |
| 2                  | DKK 100 mio. kr. to 200 mio.  |
| 0                  | DKK 200 mio. kr. til 500 mio. |
| 2                  | DKK 500 mio. kr. or over.     |

\*Not included income-restricted licences.



### Income-restricted and turnover-restricted licences

In 2016, 11 licensees had an income-restricted licence for online casinos or betting. This includes six operators of online casinos, of which three are traditional online casino games and three are text-message guessing competitions. The remaining five are betting operators.

In 2016, a change in the legislation allowed gambling operators to apply for a turnover-restricted licence, aimed at operators of pool betting such as manager games. A similar licence is not available for operators of online casinos.

A turnover-restricted licence can be issued for one year. Turnover is limited to DKK 5 million, with a maximum pay-out ratio of 20 percent.

### Contact group discussed issues such as ROFUS and money laundering

To maintain a good dialogue with the gambling industry, the Danish Gambling Authority has set up a contact group with the more than 20 licensed gambling operators of online casinos and betting. The contact group meets twice a year, with meetings held in English. In 2016, the most heavily-discussed issues were new functions in ROFUS, money laundering legislation, developments in the gambling industry, and feedback from the EU expert group.

### Surveillance of the illegal online market

As part of our general supervisory activities, the Danish Gambling Authority continuously monitors the illegal online gambling market. Since 2012, we have worked together with SKAT, which has access to software that can assist in finding illegal websites according to certain pre-defined criteria.

In 2016, a search came up with 246 potentially illegal websites.

| Status                                      | Number     | Percentage |
|---|------------|------------|
| <b>With Danish licence</b>                  |            |            |
| Licensees                                   | 7          | 3          |
| <b>Without Danish licence</b>               |            |            |
| Violation to be evaluated                   | 85         | 35         |
| No illegal activity found                   | 133        | 54         |
| Not relevant to gambling/No website         | 4          | 1          |
| Misuse of Danish Gambling Authority's label | 17         | 7          |
| <b>Total</b>                                | <b>246</b> | <b>100</b> |



One issue we had not previously seen to such a degree was the misuse of the Danish Gambling Authority's labelling scheme. Licensees use our labelling scheme to show players that they have a Danish licence. We found this type of misuse on 17 websites run by unlicensed gambling operators. In cases where the Danish Gambling Authority managed to contact the website owners, the labels were removed.

#### Focus on skin betting

In 2016, the Danish Gambling Authority had focus on the illegal provision of gambling where virtual items are used as stakes for betting, lotteries, or coin flipping; so-called "skin betting". We dealt with many concrete cases of this type, after which provision of skin betting ceased at our request. We also engaged in an ongoing exchange of experiences about the issue with gambling authorities in other countries.

In addition to targeted investigations, the Danish Gambling Authority also received reports of illegal gambling. In connection with our continuous surveillance of the market, we also discover websites that need further evaluation for potential violations. In some cases this has led to a request for action.

#### Overview of the number of reports and requests for action since the online market was liberalised in 2012:

|              | Number of websites reviewed | Reported websites | Requests for action | Blocked websites |
|--------------|-----------------------------|-------------------|---------------------|------------------|
| 2012         | 180                         | 71                | 46                  | 20               |
| 2013         | 7                           | 73                | 23                  | 0                |
| 2014         | 280                         | 122               | 12                  | 5                |
| 2015         | -                           | 74                | 40                  | 0                |
| 2016         | 246                         | 76                | 21                  | 0                |
| <b>I alt</b> | <b>713</b>                  | <b>416</b>        | <b>142</b>          | <b>25</b>        |

Of the 25 blocked websites, 12 chose to comply with our request for action, after which they were unblocked again. The remaining 13 websites are still blocked.

#### FACTS - SKINS

Skins are virtual items that can be used in online computer gaming such as Counter Strike Global Offensive or DOTA2. Skins' value range all the way between zero and more than DKK 10,000. As unlicensed skin betting is illegal in Denmark, the Danish Gambling Authority has exercised increased attention on this growth of this particular gambling market.