



Use and effectiveness of enforcement measures against unlicensed gambling operators in Europe

One of the key aims of the European Casino Association (ECA) is to raise awareness of the growing issue of unlicensed provision of online gambling services and highlight the severity of this growing issue. While the Court of Justice of the European Union has repeatedly confirmed that Member States can set their own gambling policy within certain parameters, some online gambling providers are continuing to target countries in which they do not have a licence. It is estimated that up to 50 % of the total online gambling revenue is generated in countries where the respective operator does not hold the required licence¹.

Some countries have attempted to implement a regulatory framework to tackle this growing issue by establishing enforcement measures to reduce the availability of unlicensed gambling services. This includes the use of tools such as IP blocking and payment blocking, as well as other such enforcement measures. To provide input to ongoing discussions on the use and effectiveness of such enforcement measures, a survey of ECA members was conducted in September 2017 to collect concrete information on the different enforcement measures and their effectiveness. A total of 22 ECA members (both EU and non-EU) contributed to the survey, which cover the main European jurisdictions across Europe. The results of this survey are compiled in this report.

Key messages

- **16 out of 22 countries** have some enforcement measures in place against unlicensed online gambling providers
- The **most effective** enforcement measures against unlicensed gambling providers are **advertising blocking, IP blocking and blacklisting of unlicensed operators**
- Some of the **most effective enforcement** measures available are also one that are used in **only a few countries**
- Criminal sanctions against players is one of the most ineffective tools
- **Cooperation** between countries and sharing of **best practices** can help regulators implement an approach that is effective and considers existing challenges

¹ ECA position paper on Illegal Gambling services, 2016 - click [here](#)



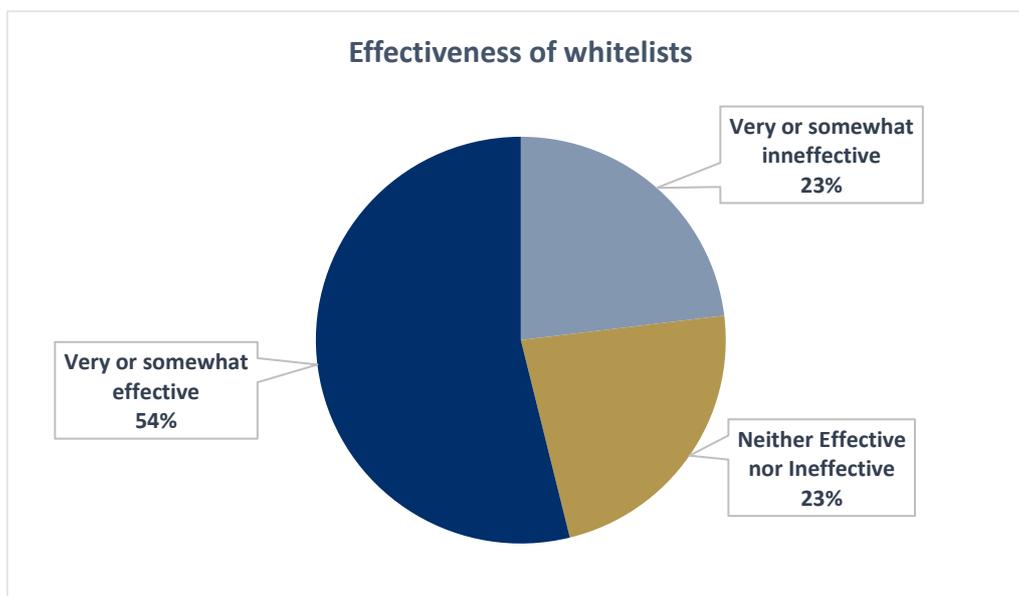
1. Enforcement measures against unlicensed online gambling providers

Across Europe, **16 out of 22 countries** overall have some enforcement measures in place against unlicensed online gambling providers with a further **3 countries currently considering** their introduction. A further 3 countries do not have any enforcement measures in place.

Below is an overview of the main enforcement measures and their respective effectiveness in terms of preventing unlicensed operators from providing their services. The ECA does not necessarily support any specific measure, but wants to provide factual information for use by regulators and national and regional policy-makers in defining the best possible legislative framework.

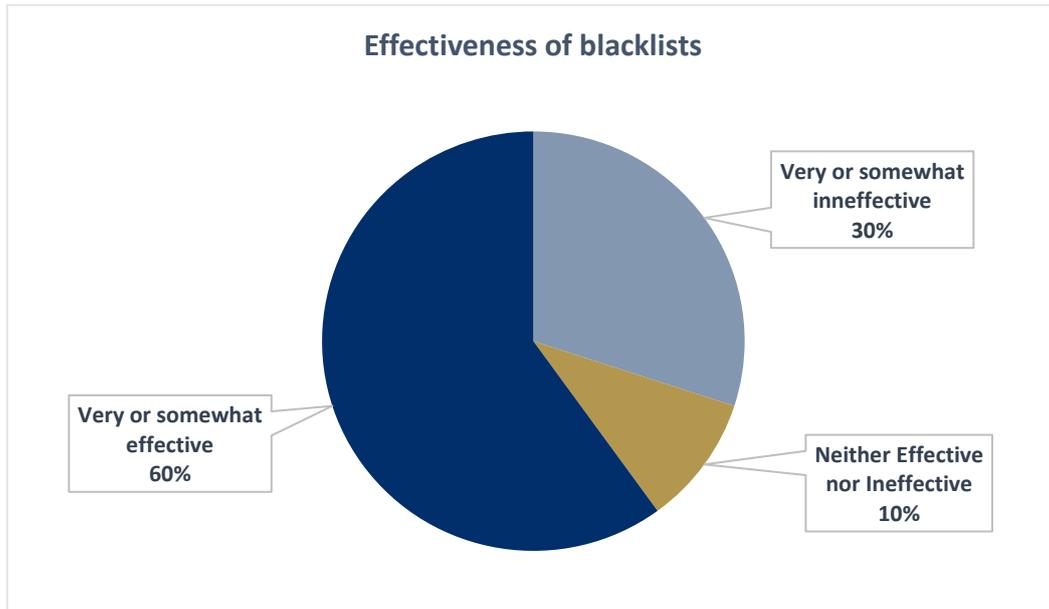
1.1. Whitelists of legal gambling operators

12 out of 22 countries have established whitelists that list operators holding a licence to provide gambling services with a further **2 considering** their introduction. 8 countries do not have whitelists in place.



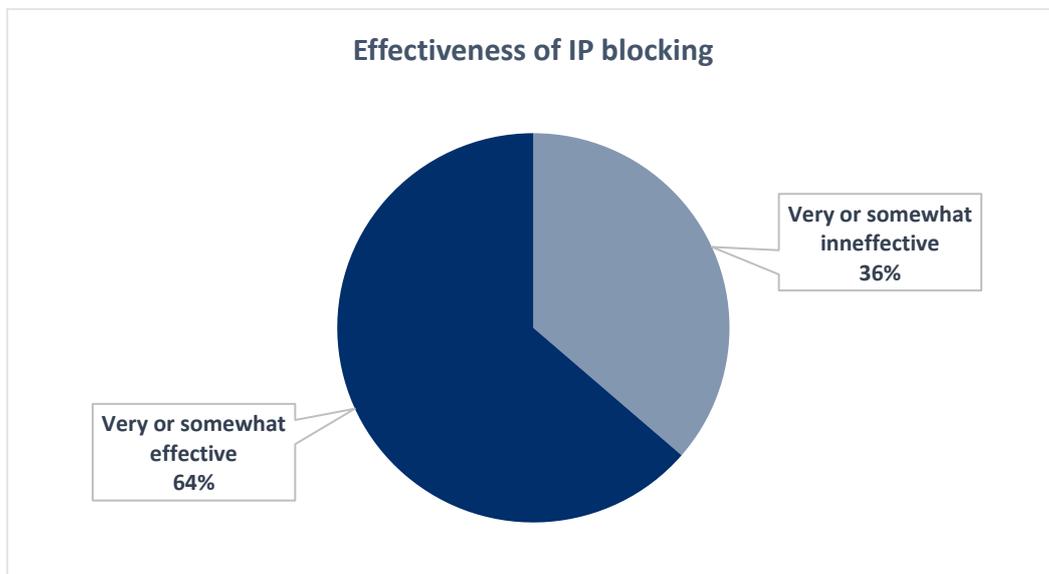
1.2. Blacklists of unlicensed gambling operators

9 out of 22 countries have set up blacklists listing unlicensed gambling operators with 2 considering their introduction. 11 do not have a blacklist in place.



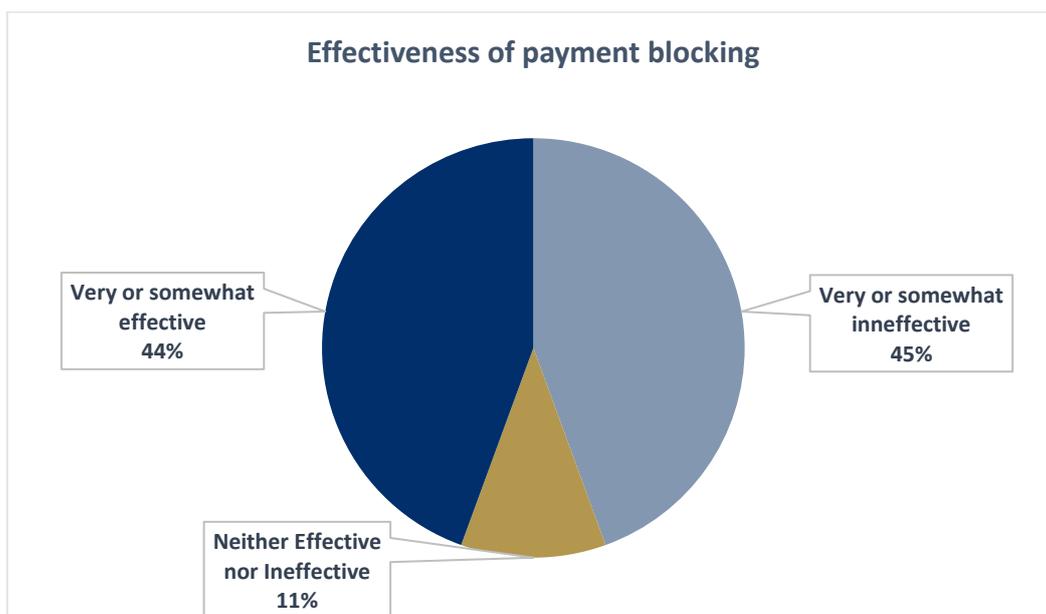
1.3. IP blocking of unlicensed gambling operators

10 out of 22 countries have IP blocking measures in place against unlicensed gambling providers with 5 considering their introduction (usually those included on the blacklist). 7 countries do not have any IP blocking measures in place.



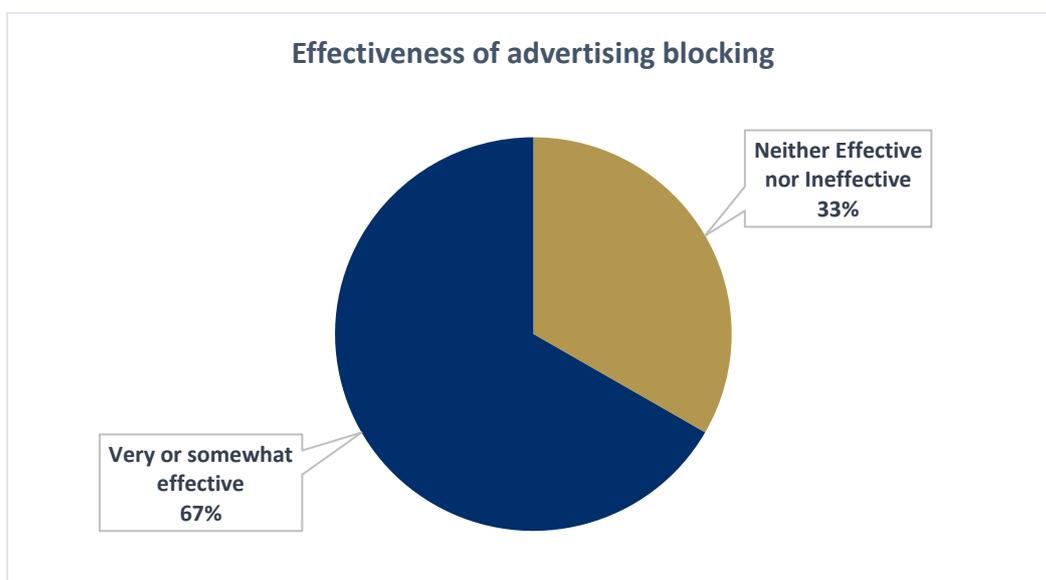
1.4. Payment blocking of unlicensed gambling operators

7 out of 22 countries currently have payment blocking measures in place against unlicensed gambling operators with a further **6 considering** their introduction. 9 countries do not make use of this enforcement tool.



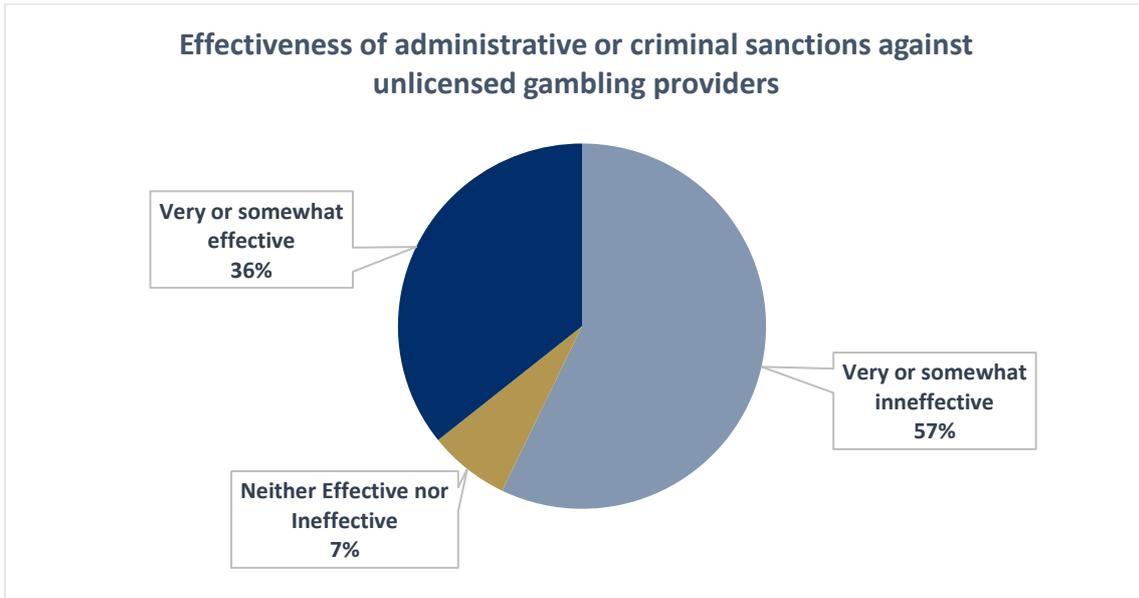
1.5. Blocking of advertising of unlicensed gambling operators (including affiliates)

6 out of 22 countries have advertising blocking measures in place with a further **4 considering** their introduction (including affiliates promoting such website). 12 countries do not have any blocking of advertising in place.



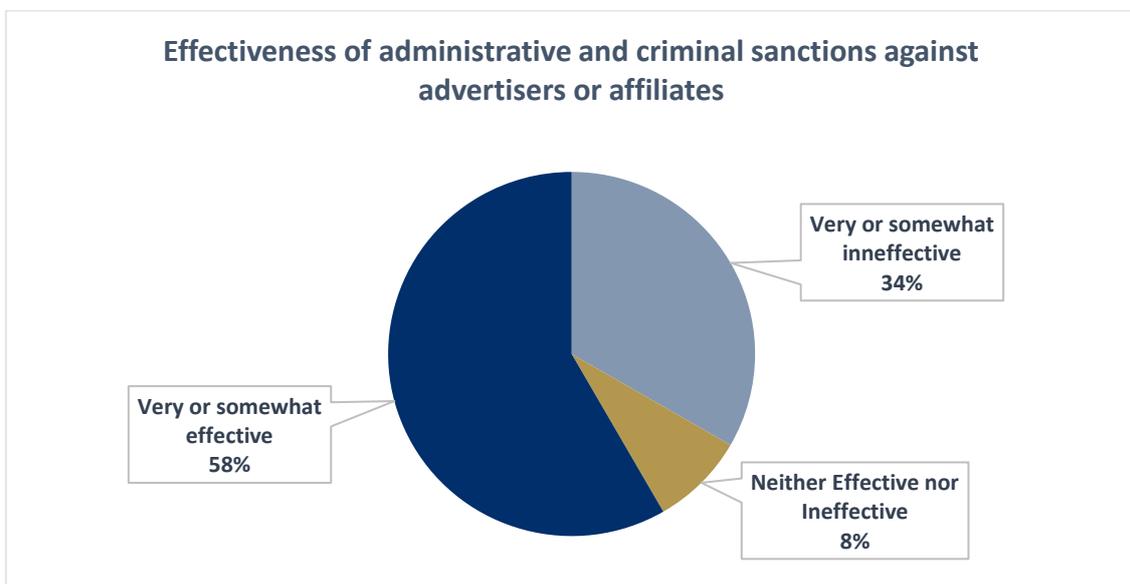
1.6. Administrative and criminal sanctions against unlicensed gambling operators

13 out of 22 countries have administrative or criminal sanctions in place against unlicensed gambling operators with 5 considering their introduction. 4 countries do not have any in place.



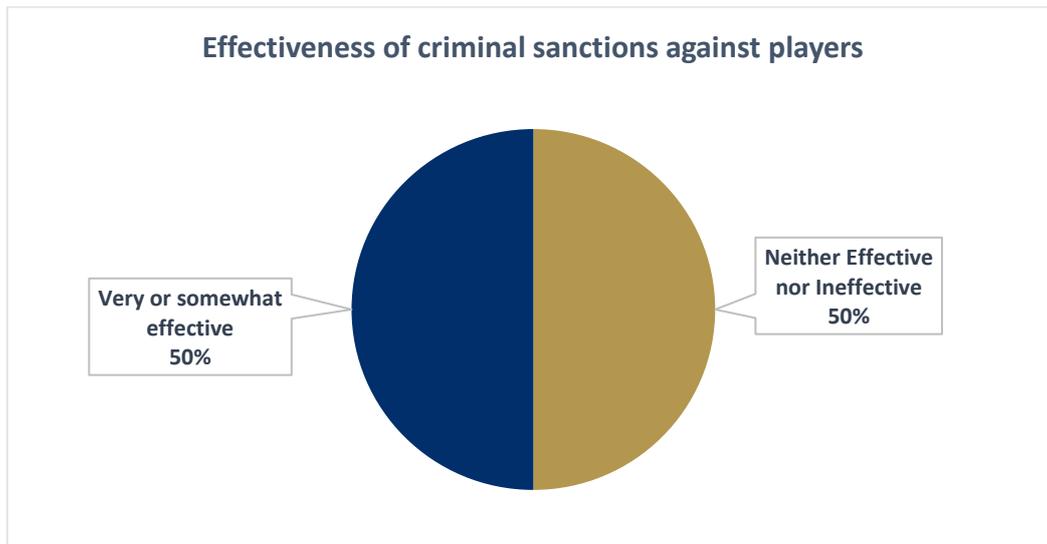
1.7. Administrative and criminal sanctions against advertisers or affiliates (promoting unlicensed gambling operators)

11 out of 22 countries employ administrative or criminal sanctions against advertisers or affiliates that promote unlicensed gambling operators in place with 5 considering their introduction. 6 do not have such measures in place.



1.8. Administrative and criminal sanctions against players

3 out of 22 countries have administrative and criminal sanctions in place against players using unlicensed gambling providers with **3 considering** their introduction. 16 do not have any measures of this kind in place.



2. Challenges for regulators and governments

The implementation of any of the above enforcement measures can lead to challenges for national policy-makers and gambling regulators. A key issue is the resolve of some operators of unlicensed online gambling services to continue to provide access to their website by circumventing enforcement measures.

Below is an overview of the challenges that were highlighted in the survey:

- **Bypassing advertising restrictions** (e.g. TV or print) through use of social media advertising targeted at the respective country or mailings sent from abroad, as well celebrities promoting their services.
- **Changing of website IP** once a website has been blocked to be able to continue to provide access to their services and sidestep the blocking measure
- **Promotion of 'free-play' websites** where the player can gamble with tokens rather than real money, but provide easy access to 'sister website' where the player can gamble with real money (often includes a switch from the local domain ending to an international).
- **Use of Virtual Private Network (VPN)** by players to bypass restrictions and disguise their physical location.

To tackle these challenges, regulators have found innovative and effective ways to discourage such bypassing measures and ensure that unlicensed gambling website cannot and are not accessed. For



instance, regulators in some countries cooperate with celebrities and internet companies such as Facebook to raise awareness of the national restrictions of unlicensed gambling services. The survey showed that certain challenges exist in the implementation of enforcement measures in many countries. However, the possible solutions to such challenges are not shared between different regulators and more could be done to share best practices.