

11 November 2013

BENCHMARKING STUDY OF SWEDISH RESPONSIBLE GAMBLING REQUIREMENTS AGAINST THE CEN WORKSHOP AGREEMENT 16259:2011 FOR RESPONSIBLE REMOTE GAMBLING MEASURES

In accordance with our Letter of Engagement dated 22 October 2013, eGaming Compliance Services Limited, trading as 'eCOGRA', was appointed by Branschföreningen för OnlineSpel ('BOS') to perform a benchmarking study of Swedish government responsible gambling requirements and the Swedish organisation SPER's Standard on Gambling Responsibility (the 'Swedish Requirements') against the CEN Workshop Agreement 16259:2011 for Responsible Remote Gambling Measures (the 'CWA').

BOS commissioned the benchmarking study for November 2013 and the enclosed report provides the results of the study, and highlights the findings where the CWA Measures are only partially addressed or not addressed by the Swedish Requirements, and those Swedish Requirements that BOS Members should further investigate and potentially implement.

The findings included in this report are those that could be assessed through the translations of Swedish Requirements provided by BOS. Due to the inherent limitations of performing work in this manner, the results of the benchmarking study are dependent on the completeness and accuracy of information provided. As a result this report may not highlight all possible discrepancies.

This report is supplied on the basis that it is for the sole use of the parties listed and to whom it is addressed, and exclusively for the objectives set out herein. No party, other than those specified, may rely upon this report for any purpose whatsoever. eCOGRA does not accept any liability or responsibility towards any third party to whom this report is shown or into whose hands it may fall.

We would like to take this opportunity to thank the various members of your staff, for their co-operation and assistance during the course of the review. Please feel free to contact myself on +44 (0)7866 777772 should you have any questions or require further discussion or explanation with regards to any of the findings raised in this report.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Tex Rees'.

Tex Rees
Executive Director, eCOGRA

BENCHMARKING STUDY

Branschföreningen för OnlineSpel ('BOS')

CONFIDENTIAL

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BENCHMARKING STUDY

MANAGEMENT REPORT

CONFIDENTIAL

1. INTRODUCTION

Established in 2003, eCOGRA is a London-based internationally accredited testing agency and player protection and standards organisation that provides an international framework for best operational practice requirements, with particular emphasis on fair and responsible gambling.

eCOGRA is currently approved as an online gambling testing laboratory in the United Kingdom, Alderney, Italy, Spain, Denmark and various other jurisdictions offering online gambling licences. The organisation has been awarded the United Kingdom Accreditation Service (UKAS) ISO approval ISO/IEC 17025:2005: General Requirements for the competence of testing and calibration laboratories.

In October 2013, eCOGRA was appointed by BOS to perform a benchmarking study of the Swedish Requirements against the CWA Measures.

The following documents were used for the study:

1. **The Department of Finance: The Change of Conditions in Svenska Spel's Lottery license, The Government Decision 112**
2. **The Department of Finance: The Change of Conditions in Svenska Spel's license on Arranging Casino Games According to the Casino Law, The Government Decision 114**
3. **The Department of Finance: The Change of Conditions in Svenska Spel's license to Arranging Online Poker, The Government Decision 115**
4. **The Department of Finance: The Change of Conditions in Svenska Spel's license to Arranging Gambling with Gambling Machines, The Government Decision 116**
5. **The Swedish Gambling Authorities' Injunctions on Gambling Consequences Analysis - 20 August 2013**
6. **Specific Conditions Regarding AB Svenska Spel's Products Distributed via Electromagnetic Waves**
7. **The Association SPER's Standard on Gambling Responsibility - April 2013**
8. **The Association SPER's Guidelines on Bonuses – September 2013**

Background to the CWA

CEN is the European Committee for Standardisation, one of three European Standardisation Organisations officially recognised by the EU (www.cen.eu). CEN draws up voluntary technical specifications, such as a CEN Workshop Agreement, to help facilitate a single market for European industry and consumers across its members in 31 European countries.

http://www.eesc.europa.eu/self-and-coregulation/documents/codes/private/143%20MARKT%202011%20CEN%20Responsible%20Remote%20Gambling%20Measures_Workshop%20Agreement_final_16259-2011.pdf

The Workshop Agreement "Responsible Remote Gambling Measures" is a set of 134 practical measures aimed at safeguarding a high level of consumer protection and ensuring that remote gambling operators behave responsibly in the European Union.

1. INTRODUCTION

It was published in February 2011 by CEN, the European Committee for Standardization, one of three European Standardization Organizations officially recognised by the EU, with members across 31 European countries.

CEN Workshop Agreements (CWA) are self-regulatory agreements that function as effective complements to existing national and EU regulation. The current CWA also informs policy makers of the standards required to maintain a responsible, safe and secure remote gambling environment. The CWA at hand concerns remote gambling; land-based gambling is not included in its scope.

The work was proposed and undertaken by a wide range of experts and stakeholders involved in different aspects of online gambling. It was formally launched in May 2010, with over 25 registered participating stakeholders. The CWA is based on more than 600 specific contributions submitted by participants, and was open to public consultation over a three-month period.

To ensure the proper protection of the customer on as many levels of gambling as possible, the CWA defines 9 Control Objectives. For the effective implementation of each Control Objective, a series of detailed Measures are laid down. The 9 Control Objectives are:

1. The protection of vulnerable customers

- The objective is to combat problem gambling and to ensure that gambling takes place in a responsible environment.
- The 21 Measures include clear and accessible customer information and the ability for players to impose deposit limits, self-exclusion or cooling-off periods.

2. The prevention of underage gambling

- The objective is to provide practical and effective means of preventing underage individuals from accessing remote gambling products.
- The 14 Measures include operator and third-party age and ID verification as well as the use of filtering programs.

3. Combating fraudulent and criminal behaviour

- The objective is to protect customers and operators from fraud and criminal behaviour.
- The 16 Measures include the implementation and enforcement of strict security measures and the reporting of any suspected transactions to the authorities.
- They serve as a complement to the provisions of the 3rd anti-Money Laundering Directive (Directive 2005/60/EC).

4. Protection of customer privacy and safeguarding of information

- The objective is to ensure that privacy and confidentiality of customer information is secured.
- The 6 Measures include the secure storage of credit card details and a confidentiality clause in employment contracts prohibiting the unauthorised disclosure of information.
- The measures are in compliance with the Directive on Data Protection (Directive 95/46/EC) and the e-Privacy Directive (Directive 2009/136/EC) as applicable.

5. Prompt and accurate customer payments

- The objective is to secure that payments to customers are prompt and accurate.
- The 11 Measures include the logging of all information regarding receipts and payments and the use of appropriate checks and verification.

1. INTRODUCTION

6. Fair gaming

- The objective is to ensure that all gambling products offered to customers are fair.
- The 22 Measures include proper procedures for ensuring games are random and fair, and identifying suspicious sports betting transactions and patterns which might pose a threat to the integrity of sporting competitions.

7. Responsible marketing

- The objective is to provide assurance that advertisements contain factually correct information and are neither false nor misleading.
- The 10 Measures include ensuring advertising is not aimed at underage individuals and does not suggest gambling is a means of solving financial difficulties.

8. Commitment to customer satisfaction and support

- The objective is to provide assurance that customers are provided with an enjoyable gaming experience and that possible complaints can be logged at all times and are properly handled.
- The 7 Measures include procedures for the proper handling of customer complaints and the availability of third-party mediation.

9. Secure, safe and reliable operating environment

- The objective is to ensure that gambling products are provided in a secure, safe and reliable operating environment.
- The 27 Measures include risk-based internal and external security reviews that should be conducted at least annually or in the event of material changes as well as regular training and awareness programmes for compliance personnel.

2. OBJECTIVES AND SCOPE

The objective of this benchmarking study is to determine if the Swedish Requirements:

- Fully Addressed the requirements of the CWA;
- Partially Addressed the requirements of the CWA;
- Do Not Address the requirements of the CWA; or
- Identify Responsible Gambling policies and procedures in the Swedish Requirements that are not contained in the CWA.

By comparing the CWA Measures against the Swedish Requirements, this study is an empirical exercise that attempts to provide fact based evidence about the levels of consumer protection offered by private EU regulated operators and the Swedish regulated operator. 'The Swedish Requirements' include regulations set forth by licensing/supervisory bodies and by external organisations or procedures, but not by trade associations in forms of codes of conduct or binding statutes.

The scope of the study covers the CWA Measures grouped under 9 different Control Objectives and the eight translated Swedish Requirements documents. It does not include information that may be contained in the Terms and Conditions of the Swedish regulated operator.

3. METHODOLOGY AND APPROACH

In order to achieve the objectives of the benchmarking study, we reviewed and compared the Swedish Requirements against the CWA Measures.

The results of the comparative analysis performed between the Swedish Requirements and the CWA Measures are enclosed, with the CWA Measures used as the primary base. Where a direct correlation between a CWA Measure and a Swedish Requirement was identified, the respective Requirement and Measure was mapped accordingly and the direct correlation was marked as "Fully Addressed" for the purposes of the comparison. For those requirements where a correlation was identified but notable differences exist in the nature or extent of the Swedish Requirement versus the CWA Measure, the correlation was marked as "Partially Addressed" for the purposes of the comparison. CWA Measures for which no equivalent or similar Swedish Requirements were identified, were highlighted as such and marked as "Not Addressed". Furthermore, we have included an evaluation of the Swedish specific requirements that are not addressed within the CWA Measures.

It is important to note that certain Swedish Requirements that are not addressed within the CWA Measures are aimed at a land-based gambling environment or the licensing of the single operator (Svenska Spel). Swedish Requirements of this nature have been intentionally excluded for the purposes of this benchmarking study.

4. SUMMARY OF FINDINGS

Table 1. below provides a summary of the results of our findings for the various CWA Measures according to each CWA Control Objective that was assessed.

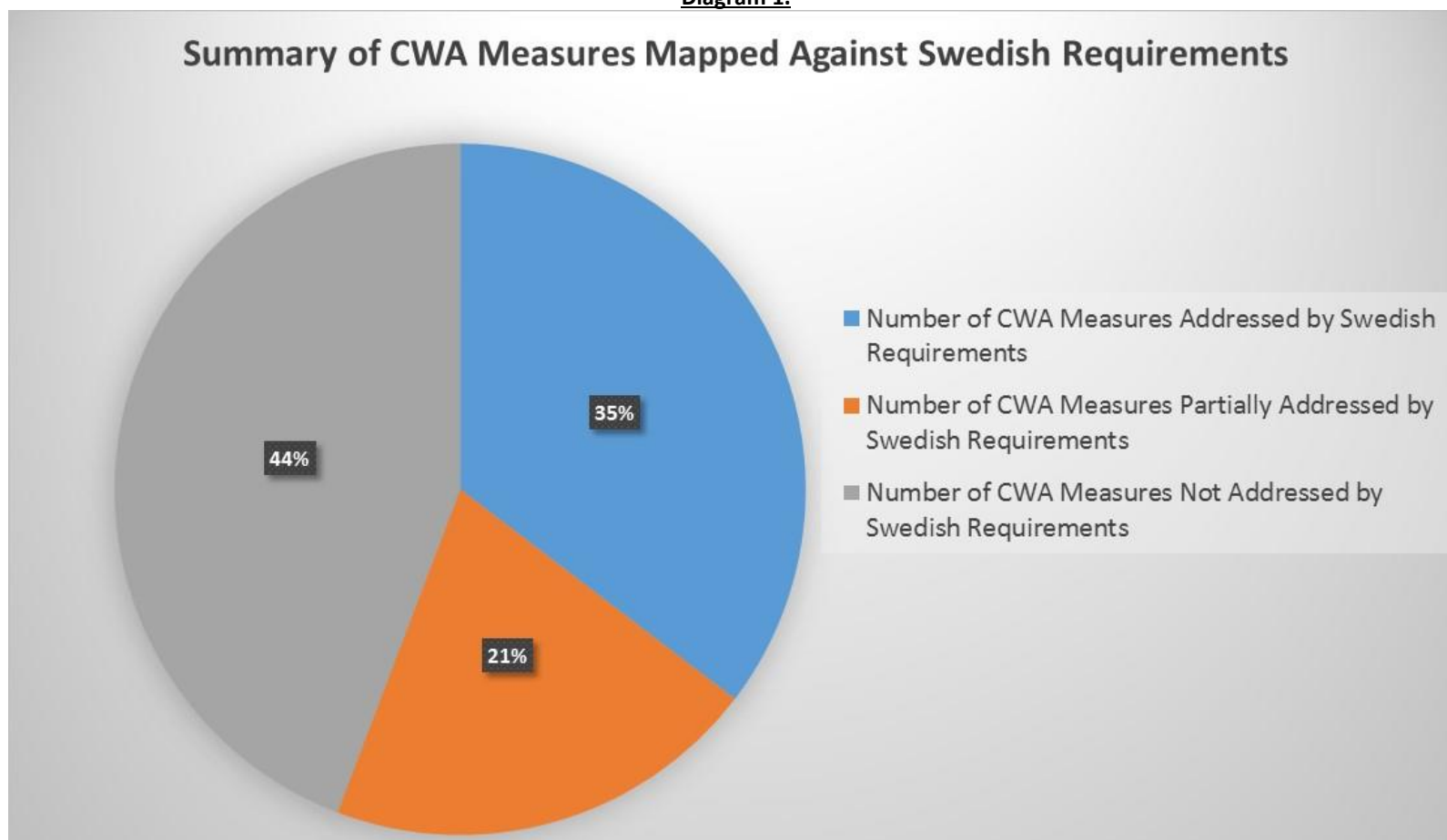
Table 1.

CWA Principle	Number of CWA Measures Fully Addressed by Swedish Requirements	Number of CWA Measures Partially Addressed by Swedish Requirements	Number of CWA Measures Not Addressed by Swedish Requirements	Total Number of CWA Measures
1. The protection of vulnerable customers	19	0	3	22
2. The prevention of underage gambling	14	0	0	14
3. Combating fraudulent and criminal behaviour	0	17	0	17
4. Protection of customer privacy and safeguarding of information	0	0	7	7
5. Prompt and accurate customer payments	0	0	12	12
6. Fair gaming	1	8	15	24
7. Responsible marketing	13	0	0	13
8. Commitment to customer satisfaction and support	5	1	2	8
9. Secure, safe and reliable operating environment	0	4	26	30
Total	52	30	65	147

SUMMARY OF FINDINGS CONT.

Diagram 1. below illustrates the total percentage of Swedish Requirements that fully address, partially address or do not address the CWA Measures. When the results across all CWA Control Objectives are totalled for all CWA Measures, the results indicate that 35% of Swedish Requirements fully address the CWA Measures, 21% of Swedish Requirements partially address the CWA Measures and 44% do not address the CWA Measures.

Diagram 1.



SUMMARY OF FINDINGS CONT.

Diagram 2. below illustrates the summary of the CWA Measures mapped against Swedish Requirements by CWA Control Objective.

Diagram 2.

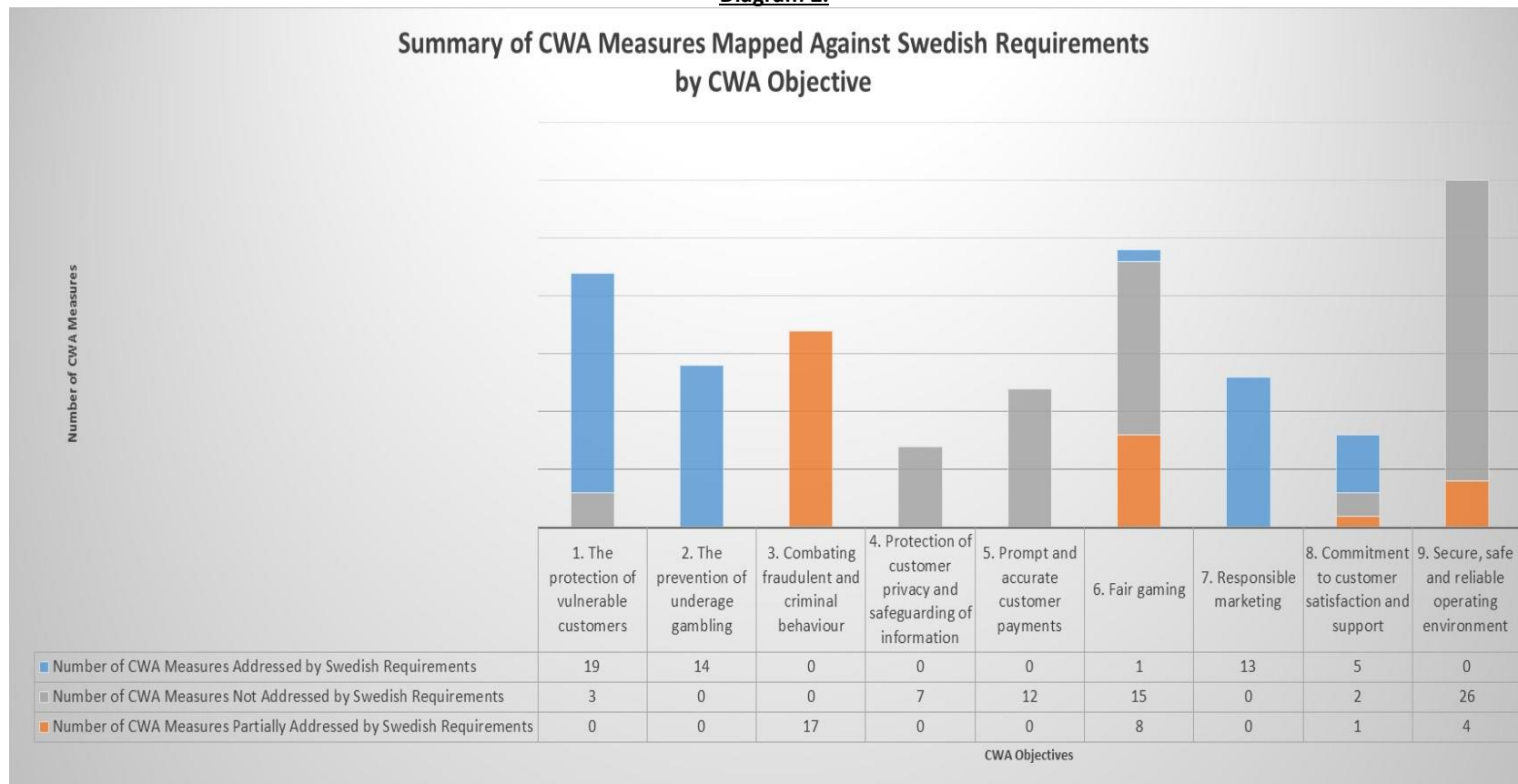
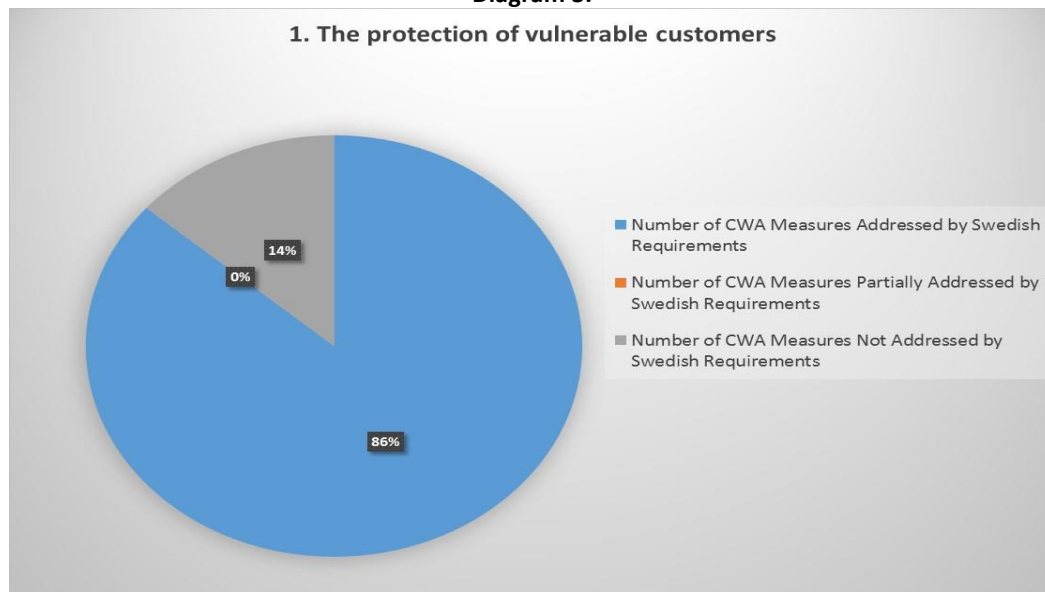


Diagram 3. below illustrates a comparison of the first CWA Control Objective 'The protection of vulnerable customers'.

Diagram 3.



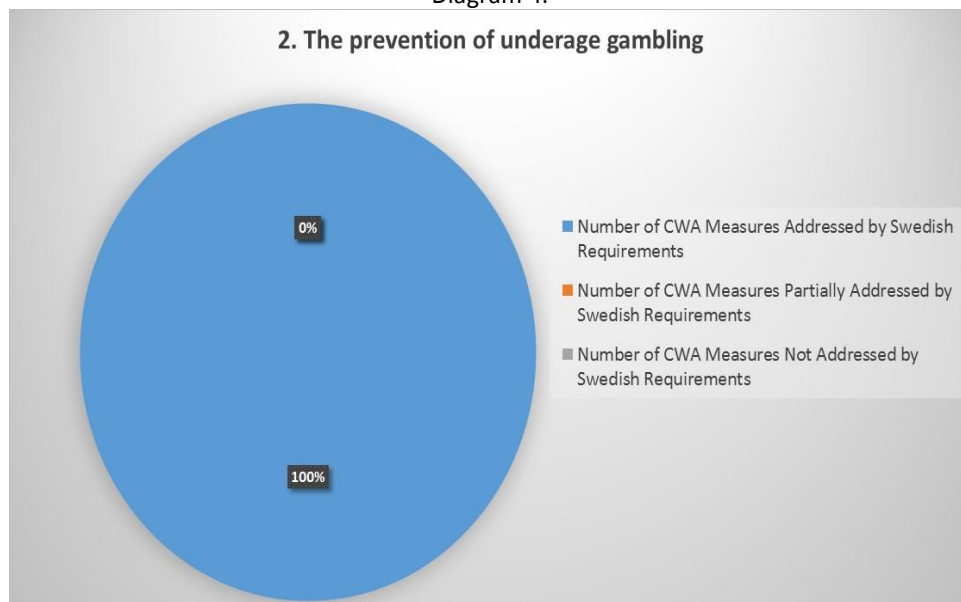
When the results across the CWA Control Objective 'The protection of vulnerable customers' are totalled this indicates that **86%** of CWA Measures are fully addressed by the Swedish Requirements. 14% of CWA Measures are not addressed at all by the Swedish Requirements.

The first CWA Control Objective contains 22 Measures that deal with the protection of vulnerable customers. The following Measures were not addressed:

- **1.08** Customers should be provided with reliable and remote access to their account history dating back for a minimum period of 60 days, and offline access dating back for a minimum period of 6 months, including all deposits, withdrawals, wagers, wins, losses, fees and bonuses.
- **1.09** Free play games websites should provide links to the same age restriction, responsible gambling, and customer protection information as the real money sites, but need not be subject to the same verification process.
- **1.10** Multiple language websites should provide all information concerning age limits, responsible gambling, and customer protection in the relevant languages.

Diagram 4. below illustrates a comparison of the second CWA Control Objective 'The prevention of underage gambling'.

Diagram 4.



When the results across the CWA Control Objective 'The prevention of underage gambling' are totalled the results indicate that **100%** of CWA Measures are fully addressed by the Swedish Requirements.

The second CWA Control Objective contains 14 Measures that deal with the prevention of underage gambling, covering the following areas:

- Links and information
- Registration and verification
- Free play sites
- Dealing with identified underage customers
- General

Diagram 5. below illustrates a comparison of the third CWA Control Objective 'Combating fraudulent and criminal behaviour'.

Diagram 5.



When the results across the CWA Control Objective 'Combating fraudulent and criminal behaviour' are totalled the results indicate that 100% of CWA Measures are partially addressed by the Swedish Requirements.

The Association SPER's Standards, Principles and Guidelines for Responsible Gambling has a single requirement that states:

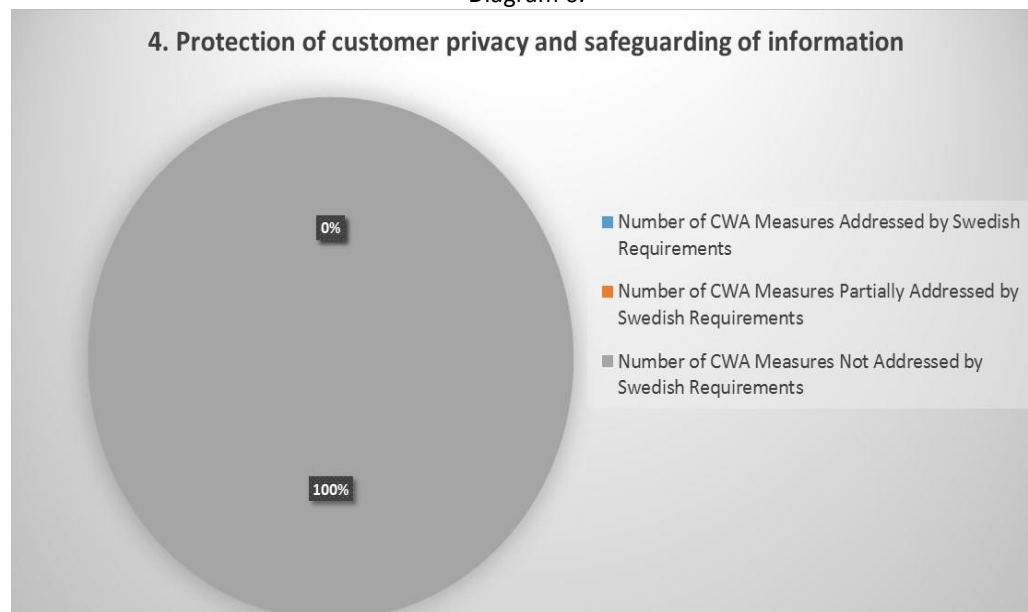
- **1.4** should through their work aim to prevent criminal actions and contribute to prevent money laundering;

The third CWA Control Objective breaks this down into 17 Measures that deal with combating fraudulent and criminal behaviour covering the following areas:

- The EU Third Money Laundering Directive
- Responsibility and ownership (AML policies and procedures)
- Account funding and transfers
- Detecting and reporting of criminal and suspicious behaviour
- Record retention

Diagram 6. below illustrates a comparison of the fourth CWA Control Objective 'Protection of customer privacy and safeguarding of information'.

Diagram 6.



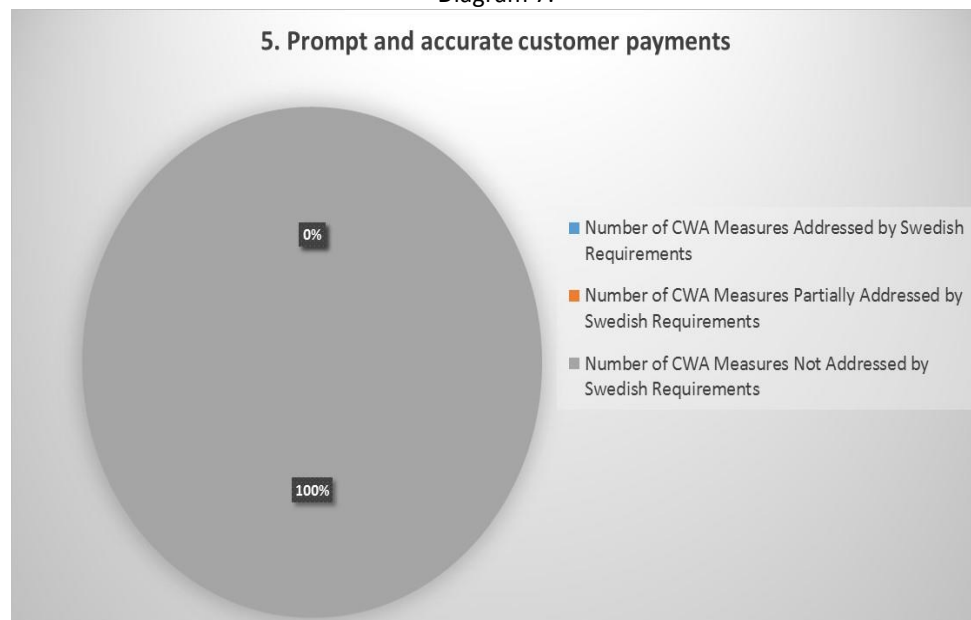
When the results across the CWA Control Objective 'Protection of customer privacy and safeguarding of information' are totalled this indicates that 100% of the CWA Measures are not addressed at all by the Swedish Requirements.

The fourth CWA Control Objective contains 7 Measures that deal with the protection of customer privacy and safeguarding of information. The following Measures were not addressed in the Swedish Requirements:

- **4.01** Confidential customer information submitted at any point in time should be protected from unauthorised or unnecessary disclosure in line with the EU Directives on Data Protection and e-Privacy.
- **4.02** The operator's privacy policy should state the minimum information that is required to be collected, the purpose for information collection, the conditions under which information may be disclosed and the controls in place to prevent the unauthorised or unnecessary disclosure of the information.
- **4.03** Multiple language websites should display the operator's privacy policy in the relevant languages.
- **4.04** Terms and conditions that require acceptance from customers during registration should clearly state the operator's privacy policy. Customer consent of the terms and conditions is required prior to successful registration.
- **4.05** Customer credit card numbers stored on the system should be secured from unauthorised use.
- **4.06** The operator should take all reasonable steps to ensure that any information supplied by customers is kept up to date and that customers are provided access to their confidential information.
- **4.07** Director, officer and employee contracts should contain a "confidentiality" clause prohibiting the unauthorised or unnecessary disclosure of customer information.

Diagram 7. below illustrates a comparison of the fifth CWA Control Objective 'Prompt and accurate customer payments'.

Diagram 7.



When the results across the CWA Control Objective 'Prompt and accurate customer payments' is totalled the results indicate that 100% of CWA Measures are not addressed at all by the Swedish Requirements.

The fifth CWA Control Objective contains 12 Measures that deal with prompt and accurate customer payments. The following measures were not addressed:

- **5.01** Registration, deposit and withdrawal procedures and conditions should comply with the EU Distance Selling Directive where applicable and be clearly communicated to customers.
- **5.02** The operator's website terms and conditions should state that only customers legally permitted by their respective jurisdiction can participate in gambling activities.
- **5.03** Payments to and from customers should be conducted according to a formal documented process.
- **5.04** The detection and correction of timeout receipts should be conducted in accordance with a formal documented process.
- **5.05** Operators should ensure prompt and accurate processing of payments subject to appropriate and necessary checks and verifications.
- **5.06** All information regarding receipts and payments should be logged and retained by the applicable parties.
- **5.07** Financial reconciliations performed for payments and receipts should be reviewed and approved.
- **5.08** Customer account related queries should be promptly addressed.
- **5.09** The locking of customer accounts should be conducted through a formal documented process.
- **5.10** Any uncontested funds left in an account, previously de-activated by the operator, should be remitted to the owner of the funds, upon request and subject to published terms and conditions.
- **5.11** The operator's liability for customer balances, pending cash-ins and guaranteed prizes should be separately identifiable at any point in time, and operators should demonstrate sufficient cash and cash equivalents to pay these balances.
- **5.12** If the operator adopts a policy of clearing inactive customer accounts, then customers should be informed prior to clearing of the account, and this policy should be clearly stated in the operator's terms and conditions.

Diagram 8. below illustrates a comparison of the sixth CWA Control Objective 'Fair gaming'.

Diagram 8.

6. Fair gaming



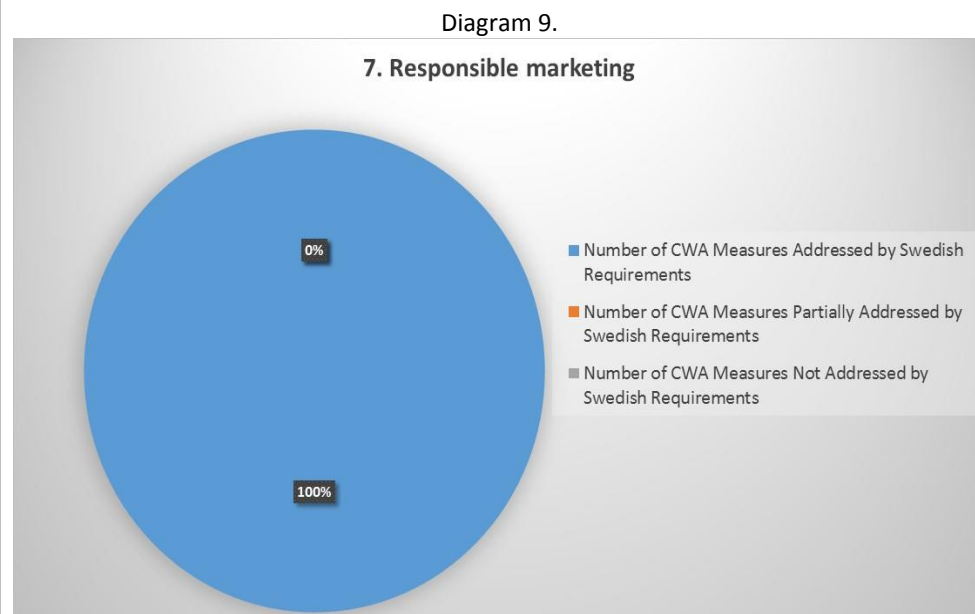
When the results across the CWA Control Objective 'Fair Gaming' are totalled the results indicate that 4% of CWA Measures are fully addressed by the Swedish Requirements, 33% of CWA Measures are partially addressed by the Swedish Requirements and 63% of CWA Measures are not addressed at all by the Swedish Requirements.

The sixth CWA Control Objective contains 24 Measures that deal with fair gaming, the following Measures were partially addressed or not addressed at all:

- **6.01** Operators should implement a product testing policy, approved and supported by its senior management, which will provide for the testing of all products for fairness and randomness.
- **6.02** The policy should make provision for the internal and external testing of product fairness and randomness.
- **6.03** Testing of fairness and randomness of products should be conducted prior to, and subsequent to the operation of the games and/or betting products.
- **6.04** All major changes should be individually tested and a system-wide regression test should be completed at least annually.
- **6.05** Payout percentage reviews should be conducted on a regular basis to verify the actual return to the customer against the theoretical/estimated return.
- **6.06** The financial data log files should be reconciled to movements on the operator / customer accounts to ensure accuracy and completeness of data used in output-based payout percentage and RNG testing.
- **6.07** The theoretical statistical return percentage for a particular game type should be no less than that of the equivalent game in free play mode.
- **6.09** The output obtained through the use of the random number generator ("RNG") in games should be proven to be:
 - Statistically independent
 - Uniformly distributed over their range
- **6.11** "Near-miss" game results should not be falsely displayed by substituting one losing outcome with a different losing outcome.
- **6.12** Where a game simulates a physical device:
 - visual representation of the device ought to correspond to the features of the physical device
 - The probability of any event occurring should be as for the actual physical

	<p>device except where deviations are clearly displayed to the customers.</p> <ul style="list-style-type: none"> • 6.13 Where the game simulates multiple physical devices that would be expected to be independent of one another, each simulated device should be independent of the other simulated device. • 6.14 Where the game simulates physical devices that have no memory of previous events, the behaviour of the simulations should be independent of the behaviour of previous simulations. • 6.15 The design and operation of games should be strictly in accordance with the specified game rules, and should not deviate from those rules. • 6.16 Game rules should be date stamped and made available to the customer at all times, and should be tested on an annual basis. • 6.17 Changes to rules and pay tables should not be retrospective in their effect. • 6.18 The game pay tables should be available to the customer during games of chance. • 6.19 Multiple language websites should provide game rules in the relevant languages. • 6.20 Preventative and detective controls or technology should be in place to ensure that the prospect of cheating through collusion (external exchange of information between different customers) is prevented. • 6.21 If poker rooms employ poker robots these should be clearly identifiable as such to customers and must not be used to provide misleading information about a site's popularity. • 6.22 Under their terms and conditions, poker rooms should not permit the use of robots by customers with a view to providing them with an advantage over other customers, and should have procedures in place to monitor the rooms for robots and, upon detection stopping their use. • 6.23 For sportsbetting there should be procedures for identifying suspicious betting transactions and patterns which might identify a threat to the sport's integrity or an offence of cheating. Where a threat is identified there should be a procedure for notifying the relevant sporting body or Regulatory Authority. • 6.24 Effective risk control mechanisms should be in place for managing events offered, bet sizes and prices, taking into consideration available cash and cash equivalents.
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Diagram 9. below illustrates a comparison of the seventh CWA Control Objective 'Responsible marketing'.



When the results across the CWA Control Objective 'Responsible marketing' is totalled the results indicate that **100%** of CWA Measures are fully addressed by the Swedish Requirements.

The seventh CWA Control Objective contains 13 Measures that deal with responsible marketing, covering the following areas:

- The EU Unfair Commercial Practices and Distance Selling Directives
- Advertising content
- Unauthorised marketing activity
- Third party marketing activities

Diagram 10. below illustrates a comparison of the eighth CWA Control Objective 'Commitment to customer satisfaction and support'.

Diagram 10.



When the results across the CWA Control Objective 'Commitment to customer satisfaction and support' are totalled this indicates that 62% of CWA Measures are fully addressed by the Swedish Requirements, 13% of CWA Measures are partially addressed by the Swedish Requirements and 25% of CWA Measures are not addressed at all by the Swedish Requirements.

The eighth CWA Control Objective contains 8 Measures that deal with the commitment to customer satisfaction and support, the following measures were partially addressed or not addressed at all:

- **8.06** Operators should keep records of all customer correspondence relating to a complaint and dispute for an appropriate period of time.
- **8.07** An independent third party should be available for mediation or resolution of disputes.
- **8.08** The third party should be required to keep records of all customer correspondence relating to a dispute for an appropriate period of time.

Diagram 11. below illustrates a comparison of the ninth CWA Control Objective 'Secure, safe and reliable operating environment'.

Diagram 11.



When the results across the CWA Control Objective 'Secure, safe and reliable operating environment' are totalled this indicates that 13% of CWA Measures are partially addressed by the Swedish Requirements and 87% of CWA Measures are not addressed at all by the Swedish Requirements

The ninth CWA Control Objective contains 30 Measures that deal with a secure, safe and reliable operating environment. The following Measures were partially addressed or not addressed at all:

- **9.01** Operators should appoint a Compliance Officer, who will assume overall responsibility for compliance with the controls specified within the Control Measures.
- **9.02** The appointed Compliance Officer should:
 - Be responsible for any other staff members appointed in terms of these Control Measures, for example responsible gambling and AML officers.
 - Ensure that training and awareness programmes, specified within the Control Measures, are conducted on an annual basis or more frequently if required within the operator organisation.
 - Ensure that processes, policies and procedures required for compliance are established, implemented and maintained.
 - Have the responsibility and authority to regularly report compliance with the Control Measures to senior management.
- **9.03** Operators should keep financial transaction records in accordance with the retention requirements of their licensing jurisdiction.
- **9.04** Operator websites should display the name of the operator and the address of its registered office.
- **9.05** Operators should have a legal operating license from a European regulatory authority, which should be prominently displayed on the operator's websites.
- **9.06** Operators should keep records in a manner that will allow the timely preparation and audit of financial statements and accounts.
- **9.07** Operators should commit to an annual audit of financial statements and accounts performed by a reputable external audit firm.
- **9.08** Operator websites should prominently display date stamped contractual terms and conditions applicable to gambling activities.
- **9.09** General "terms and conditions should be available to print or download at any

	<p>time.</p> <ul style="list-style-type: none"> • 9.10 Security policies and procedures should be documented and communicated to relevant employees, and reviewed at least annually or in the event of material changes. • 9.11 Security policies and procedures should be implemented and monitored. Risk-based internal and external security reviews should be conducted at least annually or in the event of material changes. • 9.12 Physical security perimeters should be in place to ensure restricted access to authorised personnel to areas that contain information and information processing facilities and to reduce the risk of environmental threats and hazards to equipment. • 9.13 Relevant third party and business partner contractual terms and conditions should cover all appropriate security requirements. • 9.14 Virus scanners and/or detection programs should be installed on all pertinent information systems. These programs should be updated regularly to scan for new strains of viruses. • 9.15 Controls should be in place for changes to information processing facilities and systems in order to reduce the risk of security or system failures. • 9.16 All customers should be verified through the use of an account identifier/password pair, or by any other means that provide equal or greater security (e.g. digital certificates), prior to being permitted to participate in gambling activities. • 9.17 All system users should have their identity verified with an account identifier/password pair, or by any other means that provide equal or greater security, prior to being permitted to access the system. • 9.18 All customer deposit, withdrawal or adjustment transactions should be subject to strict security control and should be maintained in a system audit log. • 9.19 Information involved in online transactions should be protected to prevent incomplete transmission, miss-routing, unauthorised message alteration, unauthorised disclosure, unauthorised message duplication or replay. • 9.20 A policy on the use of cryptographic controls for protection of information should be developed and implemented. • 9.21 Backup and recovery procedures should be in place to ensure appropriate data and information (e.g. logs and financial information) are backed up on a regular basis and can be restored in the event of a disaster. • 9.22 Backup and disaster recovery responsibilities and procedures between software providers and operators should be clearly defined.
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- **9.23** The system should enable customers to complete interrupted games, within a reasonable timeframe, whether from loss of communication with the end-player device or an event on the system.
- **9.24** All information required for completing an incomplete game should be recoverable by the system.
- **9.25** All transactions involving customer funds should be recoverable by the system in the event of a failure or malfunction.
- **9.26** If a operator has reason to believe or to suspect that an interruption has been caused, or a transaction affected by illegal activity, the operator may withhold payment pending further investigation.
- **9.27** A development methodology for software and applications should be defined, documented and implemented.
- **9.28** All documentation relating to software and application development should be available and retained for the duration of its lifecycle.
- **9.29** Change control procedures should be implemented in line with the change management policy and should cater for the following:
 - Approval procedures for changes to software.
 - A policy addressing emergency change procedures.
 - Procedures for testing and migration of changes.
 - Segregation of duties between the developers, quality assurance team, the migration team and users.
 - Procedures to ensure that technical and user documentation is updated as a result of a change.
 - Procedures to ensure that security control requirements are specified for new information systems, or enhancements to existing information systems.
- **9.30** The test environment ought to be isolated physically and logically from the live operational systems.

5. SWEDISH RESPONSIBLE GAMBLING POLICIES AND PROCEDURES THAT ARE NOT CONTAINED IN THE CWA MEASURES.

An inherent limitation of a benchmarking exercise of this nature against existing standards is the potential for limiting the scope of the review. Benchmarking is normally seen as a means to learn from other's situations, and with this in mind there are a few relatively small areas where the CWA can be further strengthened based on Swedish Requirements.

5. SWEDISH RESPONSIBLE GAMBLING POLICIES AND PROCEDURES THAT ARE NOT CONTAINED IN THE CWA MEASURES.

During the performance of our review work, we identified the following areas where the CWA Measures did not contain an equivalent to a Swedish requirement:

SPER's standards, principles and guidelines for responsible gambling

- 2.1 when developing new products or services conduct an analysis to evaluate the risk factors look at facts and research;
- 2.2 implement measures, based on an analysis, to minimize possible risks connected to risk or the service. The measures should be documented and be evaluated continuously.
- 8.1 having a process to connect facts to the purpose and to evaluate actions taken to spread gambling responsibility;
- 8.2 continuously evaluate actions taken regarding gambling responsibility;
- 8.3 encourage research on gambling responsibility;
- 8.4 invite different actors with the purpose to inform about working with gambling responsibility;
- 9.1 implement routines for a regular dialog with key stakeholders;
- 9.2 define key numbers based on goals, on different levels of the corporation;
- 9.3 report about what has been done during the year in relevant channels;
- 9.4 aim to verify their action program through a third actor.
- 10.1 taking part of experiences and knowledge to create a more effective gambling responsibility;
- 10.2 invite different stakeholders to have dialog with the purpose to achieve insight in the situation of the gambling addicted ones;
- 10.3 offer lectures on gambling problems together with the gambling addict's organisations;
- 10.4 contribute to a common platform for coordinating questions on gambling problems and gambling responsibility;
- 10.5 work for more knowledge on gambling problems and gambling responsibility.

The Swedish Gambling Authorities' injunctions on gambling consequences analysis

- The gambling consequences analysis should also include a summarizing judgement of the risk for being affected by social damages like exaggerated gambling and gambling addiction.

SPER's guidelines on bonuses - September 2013

- Performance bonus (e.g. "put in xx and get yy") may not exceed the performance stake or the value of 200 kroners at each time of apportion.
- Free bonuses (e.g. bonuses for registering or gambling profits) may not exceed the value of 200 kroners at each time of apportion.
- Compensation for losses (e.g. guaranties of winning) may not exceed 50 % of the stake or the value of 200 kroners at each time of apportion.
- Discounts (e.g. "buy x, pay y") may not exceed the value of 200 kroners at each time of apportion.
- No bonuses may be progressive (e.g. "buy x, pay y, but pay for 2x and you get 3y")

6. CONCLUSION

The purpose of eCOGRA's review work is to benchmark the CWA Measures against current Swedish Requirements, in order to demonstrate the levels of compliance and ethical conduct demonstrated by European operators who operate remotely in regulated markets and have adopted the CWA Measures.

In the absence of pan-European regulation, self-regulation standards which draw on industry best practice and which reflect what is expected of gambling operators in the jurisdictions where they are licensed are the most effective means of consistently creating and maintaining a safe and secure environment for consumers. Some regulators like Denmark have already used the CWA in shaping their regulations and others including the Netherlands are discussing whether there is common ground between them and the CWA that can supplement that process.

The benchmarking results illustrate that the current Swedish Requirements only address or partially address 56% of the CWA's Measures. In our opinion the use of the CWA as a common code within Sweden would strengthen the current standards and achieve a higher level of consumer protection.