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OPINION ON PROMEMORY Fi2021 / 04095, NEW GAME RESPONSIBILITY MEASURES IN RESPECT OF COVID-19

In the memorandum, the Ministry of Finance proposes restrictions for e.g. online casino that is similar to - but not identical to - the restrictions that applied during large parts of 2020 and 2021.

The Trade Association for Online Games (BOS) rejects the memorandum's proposal.

About BOS

BOS brings together about twenty online gaming companies operating in Sweden. The companies operate in the competitive Swedish gaming market. They are independent of the state in the sense of ownership, principal and board composition. All members have a Swedish gaming license for such activities that are subject to a license. BOS works for a healthy and sustainable gaming market which i.a. is characterized by strong consumer protection, high channeling and zero tolerance for suspected crime as well as foresight and long-term perspective in the regulations.

BOS's previous positions

BOS has commented several times on the covid restrictions that were introduced and subsequently extended during the years 2020-21. Common to these statements is that we have rejected the restrictions. We have requested evidence of the government's alarming increase in online casinos, as we have not seen such a development in our own books. Despite the development of the gaming market, we have also pointed out that the restrictions are counterproductive. They thus have an impact on the gaming market and consumers that is negative for consumer protection and public health. This is mainly related to two consequences of the restrictions:

On the one hand, the restrictions create incentives for the high-volume consumer to, instead of playing with a single gaming company, instead play with many companies, in order to thus override the deposit limit. This action means that no gaming company gets a comprehensive picture of the gaming consumer's behavior, and thereby the statutory duty of care is eliminated.

On the other hand, it creates additional incentives for consumers - together with other additions of restrictions from the government and the Swedish Gaming Inspectorate - to move away from the regulated license market to the in that sense simpler and more attractive unlicensed gaming market.

We remind you that the treatment institute Spelfriheten is forced to state that nine out of ten clients seeking help from them are now suspended in the self-exclusion system Spelpaus, but since the channeling in Sweden of, above all, online casinos is so weak, it has no effect. Clients apply to the unlicensed gaming market. Similar testimonies come from the National Association of Gambling Addicts and their local branches.

Development of the gaming market

We have requested facts in support of the government's claims about the sharp increase in online casinos. No such facts have ever been presented, not even in the now presented memorandum. In the now presented memorandum, we instead find a single effect analysis (from the Svenska Spel professorship at Lund University) which is mainly distinguished by statements of a normative type, such as that "[t]he few players have reached the maximum limits for bets, one of the researchers behind the study that the regulation itself has an important signal value." [our italics] In addition to the effect analysis itself, the research report is thus marinated with a general opinion dressed in scientific attire. And as far as the effect analysis itself is concerned, it shows that one percent (1%) has reduced their gambling, two percent (2%) has increased (!) their gambling and 96-97% was not affected in their gambling as a result of the temporary regulation (part 3.3, page 10). If a conclusion is to be drawn on the basis of the only effect analysis that the Ministry of Finance is leaning towards, it is consequently more reasonable that the temporary gambling liability measures were ineffective and marginally increased the risk of problem gambling.

The Swedish Parliament has also demanded the factual basis for previously implemented restrictions, and in the absence of these has been forced to criticize the responsible minister in the Constitution Committee for the inability to present evidence for his claims. We are puzzled to see again almost the same proposals as the previous proposals so heavily criticized by the Constitution Committee, with the same absence of evidence for the development of the gaming market.

The practical implementation

The new covid restrictions for the gaming market were presented on 4 January. The last date to respond to the referral sent out is 17 January. The government is expected to make a decision on the issue on 20 or 27 January. According to the proposal, the restrictions will take effect on 7 February. It gives a time suit for implementation of at best a couple of weeks. It can be compared to the gaming companies' own time suits for changes of this kind, which last for three to six months. That changes take time is due to the fact that many actors involved who are absolutely crucial in implementing the practical change do not work in the gaming companies themselves. In many cases, it is also actors who do not even work for the gaming companies, but who are nevertheless necessary to implement a change of the kind that the Ministry of Finance is now proposing. In addition, the fact that the new restrictions are not identical to the previous ones adds another degree of complexity to an implementation that is unrealistic from the outset.

If the new temporary restrictions are to be implemented - which BOS strongly opposes - we advocate at least a reasonable amount of time to enforce them. In the name of the principle

of proportionality, we then recommend that the same regulations as in previous covid restrictions be applied, something else is not in reasonable proportion to what is intended to be achieved.

The competition law

The five largest licensees account for close to seventy percent of the competitive gaming market in Sweden, and that consolidation seems to increase over time. BOS has no views on that development. We represent both small and large players in the Swedish gaming market and their mutual struggle for market share is not our thing. Our thing, on the other hand, is to safeguard equal and fair conditions of competition in the Swedish gaming market. The Ministry of Finance's proposal for covid restrictions has a direct impact on that market, in that the large companies can no longer offer the consumer their total demand for games, as the deposit limit is SEK 4,000 or 5,000. The effect is that the consumer is forced to look beyond the five players who have seventy percent of the Swedish market. Not because the consumer wants it, but because the government has implemented a regulation that drives the consumer in that direction. We do not mind that smaller players in the gaming market take market shares from larger players - we are friends of competition - but to force such a development by regulatory means rather than allowing the consumer to choose freely is not something we can support.

In the service,

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