



Ontario

Alcohol and Gaming Commission of Ontario

Chief Executive Officer

90 Sheppard Avenue East
Suite 200
Toronto ON M2N 0A4
Tel. 416-326-3644
Fax 416-326-8054

agco.ca

Commission des alcools et des jeux de l'Ontario

Directeur général

90, avenue Sheppard Est
Bureau 200
Toronto (Ontario) M2N 0A4
Tél. 416-326-3644
Télééc. 416-326-8054

agco.ca/fr

March 21, 2022

SENT VIA EMAIL: jeff@ifrahlaw.com

Mr. Jeff Ifrah
General Counsel, iDEA Growth
1717 Pennsylvania Ave, N.W., Suite 650
Washington, DC 20006

Dear Mr. Ifrah,

Thank you for outlining the positions of your members. We appreciate the ongoing dialogue and our shared interest in a successful launch of the new igaming market in April 2022.

The AGCO takes a risk- and outcomes-based approach to gaming regulation. This approach gives registrants flexibility to determine control activities to fit their business operations that can be adapted over time in a quickly-evolving sector, while still ensuring that the expected outcomes are met, as outlined in the [Registrar's Standards for Internet Gaming](#). The AGCO's regulatory framework provides greater flexibility but also comes with heightened accountability for those we regulate. We expect igaming operators and registered suppliers to have control environments in place that are consistently capable of achieving the AGCO's regulatory outcomes, and to demonstrate transparency and initiative in addressing instances of non-compliance.

Registrar's Standard 1.01 sets out the expectation for all registrants—which includes operators and registered suppliers—that “there shall be a commitment to character, integrity and high ethical values demonstrated through attitude and actions”, and a requirement that all registrants will adhere to all applicable laws and regulations and will develop a code of conduct that addresses transparency in dealings with the Registrar.

Registrar's Standard 1.13 requires that all registrants engage with the Registrar in a transparent way, including by providing reports regarding any incident or matter that may affect the integrity or public confidence in gaming in accordance with the notification matrix. We expect registrants, including suppliers, to notify the Registrar if they become aware of unlawful activity occurring in relation to gaming sites or registered entities.

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With respect to your second issue related to the technology testing requirements, as outlined in the AGCO's [Go-Live Compliance Guide](#), the specific types of technology that must be certified by a registered independent test lab (ITL) are: all igaming games, random number generators and components of igaming systems that accept, process, determine outcome, and log details about player bets. Geolocation systems are not considered to be part of the systems requiring ITL certification.

However, operators are required to provide AGCO with confirmation that their technology is compliant with applicable Registrar's Standards prior to going live, in the form of a technology compliance confirmation that is supported by appropriate evidence (which may include further ITL testing if determined appropriate by the operator). In terms of geolocation components, we expect operators to include confirmation that their technology meets Registrar's Standard 3.02, ensuring that games are provided only within Ontario. Furthermore, operators are required to provide a description of how the controls implemented to meet this standard have been validated.

I hope that this response gives you and your members increased clarity on the AGCO's expectations in these areas. We are committed to open dialogue with current and prospective registrants and would be happy to discuss any areas of further concern.

Sincerely,



Tom Mungham
Chief Executive Officer
and Registrar

C: The Honourable Doug Downey
Attorney General of Ontario

The Honourable Peter Bethlenfalvy,
Minister of Finance

Birgitte Sand
Ontario Commercial Project Lead for iGaming

Martha Otton
Executive Director, iGaming Ontario