



AGCO

Alcohol and Gaming  
Commission of Ontario



# Discussion Paper

igaming Standards for Sport and Event Betting

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## AGCO moving forward to implement sport and event betting

With the recent passage of Bill C-218 (the *Safe and Regulated Sports Betting Act*), the Alcohol and Gaming Commission of Ontario (AGCO) is moving forward to build a regulatory framework that will allow for a regulated, open, and competitive market for sport and event betting in Ontario. The AGCO's framework aims to achieve the Government of Ontario's objectives of providing consumer choice, ensuring consumer protection, supporting the growth of the legal market, generating provincial revenues, and reducing red tape.

The AGCO recognizes that sport and event betting is an integral part of internet gaming (igaming). As such, all efforts will be made to ensure a regulatory framework for sport and event betting is in place at the introduction of the competitive and regulated open market for internet gaming in Ontario. Please note that single event sports wagering is only permitted once Bill C-218 is proclaimed and the amendments to the Criminal Code are in force.

The starting point for building the sport and event betting regulatory program is the creation of draft standards and requirements intended to apply to all sports, esports, novelty, betting exchange, and fantasy sports products. Once finalized, these standards will form part of the *Registrar's Standards for Internet Gaming*. The proposed framework includes various bet types, including in-game, pool, parlay, and exchange bets.

The purpose of this engagement is to invite stakeholder feedback on those draft standards and requirements. Your feedback is a critical part of our development process – we value the views, experience, and perspectives of the public, gaming industry, sports bodies, sports integrity organizations, responsible gambling organizations, Indigenous and other First Nations communities and organizations as well as other stakeholders. This engagement will be open until August 18, 2021.

The AGCO understands that land-based operators are also interested in sport and event betting. As the Ontario Lottery and Gaming Corporation (OLG) will continue to conduct and manage land-based gaming, including lottery and casino-style sport and event betting, the OLG will work with land-based operators to bring these products to market. The AGCO will consider revisions to the *Registrar's Standards for Gaming* to accommodate sport and event betting in the near future.

## Regulatory risks for sport and event betting

Earlier this month, the AGCO released the final version of the *Registrar's Standards for Internet Gaming*, which will come into force when the open and competitive igaming market launches later this year. The standards address a broad range of regulatory risks, such as the protection of youth, deterring money laundering, and consumer protection including responsible gambling and privacy and cybersecurity.

For the most part, the regulatory risks for online sport and event betting are substantially the same as for igaming. However, the AGCO's risk assessment, the experience of other jurisdictions, and advice and input from stakeholders have highlighted a critical risk that is unique to sport and event betting - the potential compromising of betting markets through activities such as insider betting or game manipulation. As you will see in the attached, this critical risk is the main focus of this engagement.

## Integrated internet gaming and sport and event betting standards

The proposed sport and event betting standards will not be standalone, or separate and apart from the *Registrar's Standards for Internet Gaming*. As most readers will be aware, the more general internet gaming standards were the subject of a public engagement that ran between March 30 and April 30, 2021.

The AGCO has taken an integrated approach where the standards and requirements for sport and event betting are embedded within the *Registrar's Standards for Internet Gaming*. This integrated structure means that the *Registrar's Standards for Internet Gaming* will generally apply to sport and event betting, and the intention is to take a similar approach for standards applicable to other lines of business (for example, land-based casinos) in the future.

Accordingly, most of the content of the attached standards is comprised of the *AGCO Registrar's Standards for Internet Gaming* that were the subject of earlier engagement and have since been finalized and published on July 14, 2021. In some places, new standards specific to sport and event betting have been inserted. In other places, the AGCO has revised the wording from the internet gaming standards. The AGCO appreciates the feedback stakeholders provided on these topics during previous engagements and would now like the focus of this engagement to be on:

- **The new draft standards and requirements that are specific to sport and event betting**
  - Highlighted in bold red text
- **Elements of the previously circulated Registrar's Standards for Internet Gaming that have been revised to incorporate sport and event betting**
  - Highlighted in bold purple text

To assist your review of the proposed sport and event betting standards, the following sections are where most of the proposed standards can be found:

- 2 - Responsible Gambling
- 3 - Prohibiting Access to Designated Groups
- 4 - Ensuring Game Integrity and Player Awareness

## 5 - Public Safety and Protection of Assets

**Note: In responding to this discussion paper, please focus your comments and suggestions on the issues related to the standards and requirements for sport and event betting.** At this point, we are not inviting additional comments on the internet gaming standards more generally. The only caveat to this is that comments are welcome if you feel something in the internet gaming standards conflicts or is inconsistent with a specific sport and event betting standard being proposed.

### **Other information to note when reviewing the draft sport and event betting standards**

#### ***Roles and Responsibilities:***

- Regulation of the igaming, including sport and event betting, will be carried out by the AGCO. In addition to establishing the standards, the AGCO's regulatory roles include eligibility determination, registration, and compliance.
- The internet gaming standards establish the foundations of the eligibility model and compliance approach. As the standards to address sport and event betting are a revision of the existing internet gaming standards, the AGCO anticipates that these additions will align with the eligibility model and compliance approach already presented in previous engagements. You can review both discussion papers linked on the **engagement portal**.
- Separate from the AGCO regulatory program, the independent AGCO igaming subsidiary, iGaming Ontario™, will conduct and manage the offerings of all registered private internet gaming operators via commercial contracts.
- The OLG will continue to conduct and manage land-based gaming, including lottery and casino-style sport and event betting products. The OLG will also continue to conduct and manage, as well as operate, its own internet gaming platform, including a sport and event betting component.

#### ***Risk and Outcomes Based Standards:***

- The AGCO employs a standards-based approach to gaming regulation, which focuses on risks and outcomes. The standards are developed to address regulatory

risks, and the wording of these standards most often describes the outcomes that registrants are expected to achieve.

- That means that the standards are not prescriptive for the most part, although, for some standards, additional “requirements” that may be more detailed are provided.
- By not being overly prescriptive, registrants have greater flexibility to respond more quickly to changing market demands and develop controls and processes that meet their unique business and operating environment.

### ***Applicability and Scope:***

- As noted earlier, the proposed sport and event betting standards are intended to cover all traditional sports, esports, novelty, betting exchange, and fantasy sports products. These revised standards are not applicable to virtual sports. For virtual sports, the existing *Registrar’s Standards for Internet Gaming* standards will apply.
- These standards and requirements will apply to all registered operators. Some standards may also apply to gaming-related suppliers offering these products or services, including the internet-based offerings of OLG and its service providers and operators. The standards will also apply to relevant activities of iGaming Ontario, the AGCO’s independent subsidiary

## **Let us know what you think...**

We encourage you to submit your comments and suggestions on the proposed draft sport and event betting standards. The standards that will apply to gaming-related suppliers are noted. These standards may also apply to operators to the extent that they provide the applicable games and/or gaming software.

Below are some questions to consider as you read through the material –

### ***General Questions***

- Are the proposed sport and event betting standards as well as related changes to the *Registrar’s Standards for Internet Gaming* clear? Are there any elements that you have questions about?
- Are there any key sport and event betting-related risks that we have not sufficiently addressed or anticipated?
- Do you have any suggestions to strengthen the sport and event betting aspects of the attached standards, based on your experience in other jurisdictions?
- Is there anything related to the sport and event betting standards that will unduly create a barrier to a smooth transition to the regulated market?
- Are there any specific features of sport and event betting that the AGCO should pay particular attention to in planning for its eligibility and compliance activities?

### ***Acceptable Bets***

Rather than propose a list of “approved bets”, the AGCO has developed a set of criteria that all bets will need to meet (see page 46–47). In taking this approach, the AGCO’s purpose is to give operators the flexibility to respond to new opportunities and changing market needs, provided that the criteria are met.

- Are the proposed criteria sufficiently comprehensive, recognizing that the criteria may evolve over time in response to shifting market conditions? Should the AGCO consider any additional criteria?
- Will any of these criteria unduly impact the viability of exchange or any other betting products?
- Are there specific types of sport and event betting products that the AGCO should consider restricting or prohibiting?

### ***Future Applicability to Land-Based Gaming***

As noted earlier, the proposed draft standards and requirements for sport and event betting were developed for internet gaming. Recognizing that at some point in the future, sport and event betting will be permitted in land-based gaming venues, your advice about the applicability – or inapplicability – of the approach set out in the attached draft would be appreciated, including:

- Which standards and requirements would not be relevant for land-based sport and event betting?
- Are there any areas where additional standards, specific to land-based gaming venues, would be required?