EGBA | European Gaming & Betting Association

European Gaming and Betting Association (EGBA)
Avenue de Broqueville 12
Brussels 1150, Belgium

To: Administration Committee
HaV@eduskunta.fi

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Re: EGBA statement on the Government proposal to Parliament for legislation on the new gambling system (HE 16/2025 vp)

The European Gaming and Betting Association ("**EGBA**") thanks the Finnish Parliament's Administration Committee for the opportunity to comment on the Government proposal to Parliament for legislation on the new gambling system (HE 16/2025 vp).

As the Brussels-based trade association representing Europe's leading online gambling operators, EGBA welcomes the opportunity to participate in this consultation process. Our members operate across 21 European countries, including Ireland, serving over 30 million customers and representing approximately 30% of Europe's 2024 online gambling gross gaming revenue.

EGBA believes that the overarching objectives of ensuring legal protection of participants, prevent abuse and crimes related to gambling and the prevention and reduction of gambling-related harms will be best achieved with the creation of a regulatory regime that encourages and attracts participation of the maximum possible number of operators into the licensed market.

EGBA believes that a well-regulated and competitive market, where licensed operators can compete fairly, will contribute to:

- **Increased consumer protection:** Licensed operators are subject to strict regulatory oversight, including measures to prevent gambling harm and ensure fair play.
- **Enhanced consumer choice:** A competitive market will offer consumers a wider range of safe and responsible gambling options.

Finland has a long history of maintaining a highly regulated gambling market, driven by a monopoly model aimed at tackling economic, social and health-related harm resulting from gambling and to prevent misuse. Historically, the wholly State-owned limited liability company Veikkaus had the exclusive right to run all gambling games. According to the Finnish authorities, this monopoly system has been justified by ensuring that profits are directed toward socially beneficial causes, such as healthcare, education, and sports.

We understand that since 2001, the Lotteries Act has been reformed several times with the intention to gradually strengthen the exclusive right system. EGBA welcomes the aim of the current legislative revision to reform the monopolistic system and open the Finnish market to competition.

According to the Finnish authorities, this measure seeks to open the gambling market to private operators while putting a (partial) end to the State monopoly Veikkaus Oy ("**Veikkaus**"). Indeed, according to the draft proposal, Veikkaus' monopoly will partially end,[1] in particular with regard to betting games, online slot machines and online casino games, which would be opened to competition under a licensing model.

As a general overview, EGBA considers that the proposal is a significant step towards the liberalisation of the Finnish market. The proposal contains many positive aspects and if implemented, it would represent a comprehensive improvement over the current regulatory regime governing the gambling landscape in Finland. However, certain provisions require further clarity and some others potentially create unnecessary and discriminatory restrictions, and EGBA sets out below explanations for its position.

While the Finnish government's draft proposal has many positives and is a significant step in the right direction, EGBA has a few concerns that it would like to bring to the attention of the Committee:

- EGBA holds that some of the provisions within the draft proposal require further clarification from the legislator, as the lack of legal certainty and ambiguity may deter operators from entering the Finnish market.

- Other provisions, namely the suitability and reliability criteria as provided in Article 10(8) of the draft proposal, provide unnecessary, discriminatory and disproportionate restrictions.

In addition to the points above, other provisions raise concerns since they provide an advantage to the existing monopoly by means of unjustified inequality of treatment.

EGBA's more detailed comments on the government's proposal

In some instances, the draft proposal introduces overly restrictive measures, when less restrictive alternatives could be implemented to achieve equivalent consumer protection.

Article 10 of the draft proposal provides that the grant of a gambling license is subject to several conditions and lists the conditions for this purpose. The applicant must be "*reliable and suitable*" to carry on the games of gambling[2] defined by the draft proposal.

According to Article 10(8) of the draft proposal, an applicant that "*has been issued with a prohibition order or a penalty fee for the operation or marketing of gambling in violation of the Lotteries Act*" after the 1st of September 2024 is not allowed to apply for a license to be able to provide the relevant gaming services.

Under the current Lotteries Act, the National Police Board (the "**NPB**") is responsible for imposing a range of administrative sanctions. Among other measures, the NPB may issue a prohibition order, which prevents operators from operating and/or marketing gambling activities that do not comply with the Lottery Act. Additionally, the NPB can impose financial penalties and payment blocking orders. Therefore, prohibition orders and fines issued by the NPB would be sufficient to result in a failure to meet the reliability and suitability condition.

[1] *Veikkaus would retain its exclusive rights over lotteries, land-based casinos, slot machines and totalizator/pool betting.*

[2] *Gambling license holders may commercialise the following forms of gambling operations: fixed odds betting, variable odds betting, virtual betting, online casino games, online money bingo and online cash machine games.*

We have some concerns about this provision for the following reasons:

- It is in breach of the principle of legal certainty since it would amount to a retroactive penalty for actions that took place prior to the entry into force of the draft proposal. Any regulation should ensure clear and equal conditions for all market entrants. Consequently, any retroactive effects within the draft proposal must be considered as a barrier to access the market.

- It is in breach of the principle of equal treatment - whilst the reliability and suitability assessments are meant to apply to both applicants for an exclusive licence and a gambling licence, the interpretation which is provided in the explanatory note to Article 10(8) is to limit it to operators outside the monopoly system. According to the section on the detailed explanation of the specific provisions: "*A licence could not be granted if, during the two years preceding the assessment but nevertheless after 1 September 2024, the applicant has been issued with a prohibition order or a penalty fee for the operation or marketing of gambling in breach of the Lotteries Act.* ***"****These would be operators outside the current exclusivity system who would have been subject to a prohibition order or a penalty fee for activities in breach of the Lotteries Act. The purpose of this provision is to ensure that licences are granted to operators who have not violated the gambling legislation in force."* This is all the more problematic since the stated intention of the provision is to ensure delivering licences only to operators which 'have not violated the gambling legislation in scope'. However, in November 2024, Veikkaus received a prohibition order for breaching the advertising law. While, in principle, this breach would fall within the scope Article 10(8), the interpretation resulting from the explanatory note shows the intention to limit it only to operators outside the monopoly system. If this is the case, the practical application of this provision would be ***i)*** in contradiction to the stated aim of ensuring that operators which are granted a license have not violated the legislation in force, and ***ii)*** discriminatory since it would exclude the monopoly operator from this assessment.

In practice, this reliability test will present a barrier for certain EU-licensed operators, which have operated on the basis of the principle of free movement of services, from receiving a license and being able to legally operate in the Finnish market.

The provision is disproportionate since an operator which has previously been subject to sanctions for a breach of marketing rules under a different legal regime is also deprived of the right to enter the new licensing system.

Second, the Finnish reform foresees restrictions on marketing. According to Article 51 of the draft proposal, "*marketing of gambling services and marketing of the holders of an exclusive licence and the holders of a gambling licence is allowed if the marketing is moderate in volume, scope, visibility and repetition*".

While EGBA is pleased to see Finland take a liberalised approach towards marketing, EGBA calls upon the Finnish Parliament to clarify the limits of permissible marketing, in order to safeguard the principles of legal certainty and legitimate expectation. Furthermore, an examination of Articles 51 and 52 of the draft proposal indicate that the exclusive licensee will be subject to fewer specific restrictions, including, but not limited to, outdoor marketing, de facto treating holders of a gambling license and an exclusive license differently.

In relation to this concern, EGBA notes that the Finnish government underlined that the draft proposal should "*improve the channelling rate of the gambling system*". According to the Government Program, the reform will secure the possibility of directing consumption to authorized supply, for example, through marketing. However, certain provisions do not appear to contribute towards facilitating this channelisation and may even have the opposite effect. Article 51 of the draft proposal imposes specific and sometimes disproportionate restrictions on marketing. It is imperative that license holders can market their services to inform potential players about the availability of regulated gambling opportunities, within the industry standard parameters such as those limiting minors' exposure. The inability of licensed operators to

effectively reach their targeted audience significantly reduces the capability of the average consumer of distinguishing between the licensed and unlicensed supply of gambling services, and is therefore detrimental to channelisation and, as a result, the stated scope of protecting consumers.

The same applies to affiliate marketing since the prohibition of this type of advertisement for licence holders creates the risk that the affiliates will be financially motivated to push marketing towards unlicensed operators. This is not theoretical since in many regulated markets, generic searches for terms like “online casino” or “betting” commonly return affiliate websites as top results. If licensed operators are excluded, players will often be directed to unlicensed alternatives.

Restrictions on the use of influencers similarly limit the ability of licensed operators to reach their audiences. In particular, the ban on what the draft refers to as “interactive” marketing such as podcasts will significantly reduce the effectiveness of outreach to key segments, especially younger generations. These audiences are both more responsive to this type of content and generally more tech-savvy, making them more likely to find and engage with unlicensed options. At the same time, they are often considered more vulnerable, which makes it even more important that they are reached through the regulated system with its responsible gambling measures.

This concern is further reinforced by the potentially weak enforcement tools available to address the illegal market. While it’s still early, it’s important to start considering these aspects now to avoid having to amend the framework later. In combination with a ban on affiliate marketing, limited enforcement capabilities risk giving unlicensed operators an even greater advantage, both in visibility and in the lack of effective deterrents.

It will also be important to ensure that the public is clearly informed about the difference between licensed and unlicensed operators. A large share of Finnish consumers currently play on the grey market and are accustomed to doing so. Without clear communication and education efforts, many may not understand the shift or the benefits of choosing licensed operators, which could further undermine the effectiveness of the new system.

For the above reasons, EGBA is concerned that these currently unjustified restrictions on affiliate marketing lack proportionality and would run counter to the objectives pursued by the Finnish government.

Third, another potential barrier is the requirement in Article 46 of the draft proposal that the license holders’ gaming systems are located in Finland. Despite the provisions of subsection 2 of Article 46, EGBA contends that the Article should be amended to enable eligibility for operators whose gaming systems are located in the EU or the European Economic Area (EEA).

EGBA calls upon the Administration Committee to seek clarity and justification from the Finnish Government where, in the instances mentioned in this document, there appears to be an unjustified, or unexplained, distinction in the regulatory treatment of exclusive and online gambling licence holders. One such example, stated above, is the case for outdoor advertising, where Veikkaus would be allowed to promote both its brand and its services, whereas its direct competitors, i.e. gambling license holders, will only be allowed to advertise their brand. To ensure market fairness and proportionality, we suggest that any differences in regulatory treatment be accompanied by clear evidence-based justifications in terms of public interest, security or health of the consumer.

Other legal certainty issues contained in the draft proposal

The draft proposal introduces significant legal uncertainty in many respects.

First, Article 76 of the draft proposal states a ban on the implementation and marketing of gambling services under certain conditions enumerated in the Article, such as the implementation or marketing of gambling activities in breach of the prohibition laid down in the draft proposal. Based on the Article, the ban is valid for a maximum period of 12 months. However, the conditions under which the Authority will

determine the duration of the ban remain unclear, as no specific degree of severity or threshold for applying this measure has been defined.

Second, license holders are permitted under Article 26 to provide a "*moderate amount*" of bonus gaming money during an "*established customer relationship on equal terms between the customers of the exclusive licence holder and the gambling licence holder*". However, there is no further clarification on what constitutes a "moderate amount" or an "established customer relationship" creating uncertainty for operators and potentially discouraging them from offering such bonuses to avoid any unintentional infringement of the law. Discouraging the offering of bonuses would be detrimental to channelisation, as unlicensed operators will no doubt seek to attract players by offering incentives which licensed operators will be prevented from offering.

Third, following Article 23 of the draft proposal, when closing the game account, the exclusive license holders shall promptly pay the funds in the gaming account to the player. There are instances where operators unilaterally close accounts based on suspicions of fraudulent activity or betting manipulation. In such cases, immediate repayment of funds could inadvertently incentivize and reward this type of behaviour. There may also be instances where operators would be required by virtue of other laws not to return the funds e.g. if there is suspicion that the funds do not belong to the relevant player; the interaction between different legal obligations should be clarified, in order to establish legal certainty and to avoid situations where operators end up in a precarious position of risking non-compliance with one law or another.

Fourth, the draft proposal requires the licence holders to verify the "*player's place of residence on a regular basis during the customer relationship*"[3]. However, the relevant provision does not provide for further clarification on what constitutes a "*regular basis*". Clarification of this term is essential, as its infringement is sanctioned by significant fines.

We are concerned that these provisions could create uncertainty for operators seeking to comply with the new regulations and should be clarified in order to avoid further restrictions on the newly opened market and hindering the sought level of channelisation.

Conclusion

In conclusion, EGBA reiterates its satisfaction with the Finnish Government's decision to open up the gambling market for licensing. This move represents a significant step forward in aligning Finnish gambling policy with the licencing system in all EU countries.

As explained above, the draft proposal, as outlined, includes several provisions that may potentially affect the proposed objectives of the reform and be against the goal of achieving a high level of channelisation. Consequently, we invite the Administration Committee to strongly encourage the Finnish government to amend these provisions.

EGBA looks forward to continued dialogue with the Finnish Government and Parliament to ensure that the licensing regime is designed to promote a sustainable and responsible gambling market that benefits both consumers and society.

Yours sincerely,



[3] *Article 21 draft Legislation.*

Maarten Haijer
Secretary General

About EGBA

The European Gaming and Betting Association (EGBA) is the Brussels-based trade association representing the leading online gambling operators established, licensed, and regulated within the EU. EGBA collaborates with national and EU authorities and other stakeholders to foster a well-regulated online gambling market that ensures high consumer protection standards while acknowledging internet realities and evolving consumer preferences. As part of its commitment to safer gambling, EGBA organises and coordinates the annual European Safer Gambling Week, bringing together industry stakeholders to promote safe and sustainable play.

EGBA members adhere to the highest regulatory standards, collectively holding 321 online gambling licences—each licence with its own rigorous compliance requirements—and serving over 30 million customers across 21 European countries. Together, they represent approximately 30% of Europe's 2024 online gambling gross gaming revenue (GGR).