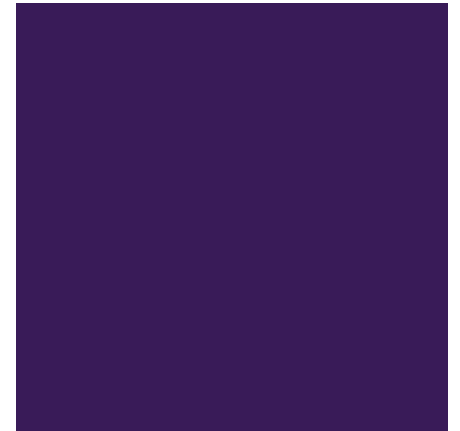




# SPORTS BETTING

The French regulatory  
approach



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## OUTLINE OF PRESENTATION

- I. The Law of 12 May, 2010 (French Online Gambling Act)
- II. Protecting the integrity of sports
- III. The Funding of sport
- IV. Concluding remarks



# I. Background

- The general context presiding over the passage of the French Online Gambling Act
- Its general framework



Concerns voiced by sports governing bodies:

- Risks of cheating in the sporting context in relation to sports betting
- The financing of sports



## II. Protecting the integrity of sports

Authorized bets:

- Mutual betting and fixed-price betting (betting odds) are authorized
- Live betting is authorized
- Exchange betting is prohibited



ARJEL (the French Online Gaming Regulatory Authority) draws up the list of authorized-for Betting:

- Competitions
- Outcomes/results



- In order to reduce the risk of cheating, results that can be manipulated are prohibited. So-called "negative" score elements, such as double faults and penalties in football and rugby, are prohibited. In tennis, bets are automatically cancelled if a player retires during a match.
- Betting operators may only use results, score elements and phases of the game that have been officially declared by event organizers.
- The list is modified and completed if necessary by ARJEL. Operators, sports governing bodies and sporting organizers can request the withdrawal from or the addition onto the list of any event or sports outcome. They have to substantiate their request.



- A licensed operator holding controlling shares, directly or indirectly, in any competition or in any club partaking therein, cannot offer any bets in relation to that competition.
- Similarly, a licensed operator cannot offer any bets on any given competition if he is controlled by that competition's organizer.



- Sports governing bodies have to enact statutory provisions whereby players (but more generally, “actors of the competition”) are prohibited from placing bets, directly or indirectly, in relation to that competition.
- Private organizers must stipulate similar provisions in the entry forms signed by players.



- The Property Right vested to sports organizers applies to sports betting.
- Article L.333-1 of the French Sports Code:
- « *Sports federations, as well as organizers of sports competitions, have ownership over the exploitation of the sporting events or competitions they organize.* »



- The tender process for granting a Betting Right must ensure compliance with competition law (secondary legislation):
  - No exclusivity may be granted
  - Fee must be a percentage
  - The sporting event organizer has to sign with all licensed operator who complies with the tender specifications and agrees to pay the fee
- Non-binding advisory opinion of ARJEL and the French National Competition Authority.



## II. The Funding of sport

Three existing mechanisms:

- CNDS levy (National Centre for the Development of Sport)
- The Betting Right
- Sponsorship agreements



## CNDS LEVY

- Purpose
- 1.8% of stakes
- Collections



# The Betting Right

- Fair return
- 1% of stakes in relation to events taking place in France only (online operators + FDJ)
- Collections



# Sponsorship agreements

- Conflict of interests issues
- Business models of operators
- Proceeds



## IV. Concluding remarks

### The Vilotte Report

- Jean-François Vilotte submitted a report to the French Sports Minister in March 2011 entitled, *“Maintaining the integrity and honesty of sporting competitions in the face of expanding on-line sports betting.”*
- Made observations on betting-related sports corruption.
- Made 10 recommendations.
- Law of 1<sup>st</sup> February 2012 relating to ethics in sports.