

# **Striking the right balance: Leading advisor calls for greater dialogue on compliance as the international industry prepares to meet at ICE London**

*In light of the recent DOJ ruling and Europe's tighter regulatory and AML requirements, Ms. Dina Niron, founder and CEO of Sparks Advisory and former CEO of Playtech subsidiary Juego Online, and advisor to Fischer Behar law firm, has called for more frankness and compatibility between operators and regulators as the international industry comes together at this year's ICE London (5-7 February, ExCeL London, UK). With her extensive experience consulting and advising companies on the legal and operational requirements in Europe and the US, Ms. Niron is uniquely positioned to explore the future for online operators in Europe, the Americas and beyond. Ahead of her appearance on the esports panel at ICE VOX, she took the time to explain the growth of third party compliance companies, the hurdles that exist in the US market and why ICE London is the place to set trends, make decisions and to have fun!*

## **You've been working in the industry for over 10 years with some of Europe's key operators - how do you see the future of European gaming shaping up in the face of tighter compliance and AML requirements?**

Higher compliance costs and fines, coupled with lower margins due to new advertising bans, saturated markets, increasingly higher taxation rates and wagers' limitations, will continue to drive the industry to consolidation and constant search of new, less saturated and more cost efficient markets. Many smaller operators will have to give up their licenses, a trend that we can see has started already. Additionally, we will see more and more operators outsourcing their compliance department, triggering a new line of companies offering dedicated, professional compliance services as third party providers, such as LeoVegas.

## **How can the industry strike the right balance between regulation and creative freedom?**

In my opinion, there are four key ways we can achieve this. Firstly, establishing an open dialog between regulators and operators will be extremely helpful. Secondly, implementing innovative technological tools, such as player behavioural tests, to assist with compliance. Thirdly, operators could take a more active part in public surveys and provide some of their non-confidential data to help fight addiction – and, fourthly, pushing for self-

regulation regarding marketing would be a beneficial step for the industry.

**From a legal perspective, what do you see as the major pitfalls for operators?**

KYC and AML. Historically, operators identified and verified players and their source of funds only once upon registration, especially in the case of high rollers. Tightening compliance regulations requires periodic checks in addition to the onboarding ones and, therefore, these are causing operators losses, not only because they add to the raising compliance costs, but also since they result in the ban of commercially good players.

**Where do you see the biggest opportunities stemming from in the next few years?**

The United States of America is an obvious answer, but the DOJ's recent decision reversing the 2011 opinion of the Wire Act is yet another hurdle in the US market. Moreover, some of the states, like Pennsylvania, introduced a very expensive license fee of \$10m, triggering a very high barrier of entry, as well as very high taxation rate of 36% of gross gaming revenues. Therefore, I would say, the opening of new European markets like Sweden and the Netherlands, as well as South America, hold key opportunities for the future. Brazil legalized sports betting in Dec 2018 and more and more territories are expected to follow, such as the province of Buenos Aires, which is the richest province in Argentina.

**With sports betting and esports set to grow again following the US regulatory changes in 2018, alongside other emerging territories, how can the industry ensure compliance remains at the fore?**

I think it all comes down to being open and united as an industry. For example, regulators from around the world should unify and create the same set of compliance requirements and they need to share the information they all have. From an operator perspective, they should implement emerging technologies to assist with compliance requirements and customer management, whilst also adopting better procedures and employing professionals to supervise and control marketing material and channel distributions. It's also down to operators to pay better attention to compliance requirements and also share information globally.

**What role can ICE London play in helping to shape the industry's future?**

Events such as ICE London are very important to the industry, as they provide an insight to the upcoming trends, as well as the most innovative drivers for growth and the popular channels. In recent years, this has been around verticals like lotto, payment providers various players' optimization tools and sport betting suppliers. Additionally, it's a great place to network with diverse groups of software providers, operators and third party providers, all of whom are necessary for the operation of online gambling. It's also a place

to hear about the latest regulatory updates and, of course, to socialize and enjoy the parties!

*ICE VOX is the re-formatted conference series, which features over 120 high profile, tier-one thought leaders delivering over 40 hours of business-centric learning taking place at ICE London (5-7 February, ExCeL London, UK). Comprising four separate learning experience hubs and a broad spectrum of speakers drawn from both within and outside the gaming space, the 2019 edition of ICE VOX is set to do things differently, while still delivering the most comprehensive learning programme in gaming, curated to provide delegates with the unique insight to shape and enhance their businesses. The updated conference programme, which runs alongside what will be the biggest ever edition of ICE London, will feature a diverse series of tracks which are essential to the future of the industry, including: Advertising & Marketing; Cybercrime & Security; Artificial Intelligence; Esports; Modernising Lotteries; the World Regulatory Briefing, and the International Casino Conference.*

To download the full ICE VOX agenda and to register to experience Gaming's Spirit of Genius, visit: [icelondon.uk.com/ice-vox](http://icelondon.uk.com/ice-vox).