



SEMINAR “PRECRIMBET - PORTUGAL”

Date: 20 April 2017

Place: Lisbon (Portugal)

Participants: cf. appendix

1. Main issues raised during the seminar

Illegal betting:

- A few years ago, there was an important illegal betting market in Portugal. According to participants to the workshop, the situation has changed with the implementation of the new gambling regulation. Nevertheless, no evaluation of the illegal market has been made recently.
- As it is written in the gambling legislation, the fight against the illegal betting is a priority for Portugal. Different measures have been implemented with the support of a clear legislation (and first of all websites blocking measures).

Money laundering:

- In Portugal, the 4th EU Directive on money laundering will cover the betting industry, following the EU recommendations.
- Regarding the question of virtual currencies (for example bitcoins), the means of payment are limited according to the 2015 legislation on online gambling.
- The Portuguese betting regulator is in charge of the monitoring of the operators' obligations regarding money laundering.

Manipulation of sports competitions:

- The manipulation of sports competitions risk in Portugal is considered by the participants as quite high (manipulation linked to betting but also end-of-season bribes).
- In Portugal, there is a dedicated criminal legislation for active and passive corruption in sport (Law n^o50/2007 amended by Law n^o 30/2015, 22 April and Law n.º 13/2017 de 2 May). Sanctions are quite important: Imprisonment of up to 5 years, applying to all the sports actors: leaders, coaches, athletes, referees, *etc.*
- This new legislation dedicated to manipulation of sports competitions has been recently adopted by the Parliament. If someone changes the outcome of the game (connected to betting or not) he can be convicted (up to 2 years imprisonment and in some cases up to 8 years according to the recent modifications in the law).

- The main issue for Portugal is now to make all those that are involved in this matter, private or public entities, to work together on an efficient way.
- Portugal is quite active in all the four main issues to fight the manipulation of sports competitions: prevention – detection (including monitoring of irregular / suspicious betting through the betting regulator) – sanction – cooperation.
- Several participants mentioned the economic crisis within the football sector, as players do not always get paid on time, and that it is difficult to vet the profile of foreign investors in football clubs.

National platform (Sport integrity):

Portugal is the first (and so far only) EU country to have ratified the CoE Convention but hasn't yet created its national platform. Public authorities would like to evaluate different organisational systems before making their choice.

The Secretary of State of Youth and Sports and the National Sports Institute are taking the lead in the definition of this platform with the cooperation of the national Gambling Authority.

Sports betting regulation:

A new gambling regulation was improved in Portugal in April 2015. The whole legal framework is supported by the existence of the Portuguese Gambling Authority (control, monitor and regulate the online gambling activity). The efficiency of the new regulation is still under evaluation.

Objectives of this new regulation are:

- Create a regulated market
- Ensure conditions for a healthy functioning of the market
- Give protection to the players
- Pursue a policy of responsible gambling
- Fight against parallel economy
- Prevent fraud and money laundering
- Prevent criminal behaviour in online gambling
- Ensure the integrity and transparency of all games and sports and the fairness of the events where the bets are placed.

The number of licences is not limited. Operators can apply for a licence with no time limit. At the moment, there are 4 licenced operators. 6 licences have been awarded (some operators have two licences). In 2016, the payout rate amounts around 80% (due to a tax system varying between 8 and 16% of the turnover).

The gambling authority has access to all data in almost real-time, including individual betting data. Furthermore, betting operators have the obligation to report any suspicious activity regarding match-fixing.

There was a discussion about the opportunity to restrict some types of bets. Most of the participants were in favour of such measures.

2. Summary

NATURE	COMMENTS
Part of illegal betting market	- Not determined
Measures against illegal betting	- Adapted legislation - Blocking of websites through ISP (implemented) - Ban of illegal advertising - Blocking of financial movements: Possibly in the future
Acceptance of the definition of illegal betting (CoE Convention)	- Yes
Possibility to get an agreement for operators with more than 50% of their global GGR remaining illegal	- Yes
Level of money laundering risks regarding sports betting	- Quite high (especially through illegal online betting)
Measures against money laundering	- Obligations for betting operators to comply with ML procedures: Yes (the regulator is in charge of the control of the betting operators' money laundering requirements) - Sanctions to betting operators not compliant with AML procedures: Yes - Restrictions regarding anonymous means of payment: Yes (written in the online gambling legislation)
Sports betting operators to implement measures of the 4th EU Directive against ML	- Yes
Level of manipulations of sports competitions risks	- Quite high
Measures against manipulations of sports competitions risks	- The legislation includes a law on the manipulation of sports competitions - Obligations for betting operators to report any suspicious betting activity: Yes
Betting Contribution to protect sport integrity	- No. Although a percentage of the gambling tax is allocated to clubs, leagues and federations which will be used to implement prevention mechanisms, namely specific programmes to raise awareness among practitioners and public in general
Obligations for sports organizations to set up awareness programmes regarding manipulations	- No
Signature / Ratification (Convention against manipulation)	- Signature: Yes - Ratification: Yes
Existence of national platform against manipulation of sports competitions	- In progress - Organisation and stakeholders to be determined
Automatic monitoring (of the betting market) system	- Yes
Standard of alert	- No (The Gambling Authority is preparing an alert system, but at the moment, alerts are sent by betting operators on a voluntary basis)
Measures against conflicts of interests	- Prohibition to bet on their own competitions for sport actors: Yes (Written in the gambling legislation) - Prohibition to bet on their own sport for sport actors: Yes «Any person, in particular sports practitioners, both professional and amateur, judges, referees, trainers and

	<p>persons responsible for the organising bodies of the events which are the subject of the bet, when directly or indirectly, they may or could intervene in the result of such events are prohibited from engaging in online betting, directly or through an intermediary ». Article 6/i) Decree-Law No66/2015</p> <ul style="list-style-type: none"> - Prohibition for sport actors to disclose inside information for betting purposes: Yes - Prohibition to bet with their own company for betting employees: Yes - Prohibition to bet for betting employees: Yes, in relation to the website of their the betting employers «Employees of <i>online</i> gambling in regard to the website of the same entity are prohibited from engaging in <i>online</i> betting » Article 6/g) Decree-Law No66/2015 - - Prohibition for betting operators to control sports organisations and to offer bets on the concerned competitions: No - Prohibition to use some inside information for betting purposes for betting employees (including scouts / court siders working for information providers): Yes, not only for employees, but also for any person who has or may have access to the IT systems of the operator Article 6/h) Decree-Law No66/2015. Pursuant this provision the prohibition applies to any person who has or may have access to online betting computer systems from a particular website.
Cooperation with other betting regulatory authorities (illegal betting, manipulations, etc.)	<ul style="list-style-type: none"> - Bilateral: Yes (With different betting regulatory authorities: France, Spain and United Kingdom) - International groups: Yes (Group of Expert on Gambling Services – European Commission.)
Cooperation with other law enforcement authorities	<ul style="list-style-type: none"> - Case-by-case
Betting restrictions	<ul style="list-style-type: none"> - Yes (List of authorised bets determined by the betting regulator in cooperation with sports bodies)
Due diligence regarding betting operators' shareholders	<ul style="list-style-type: none"> - Yes
Possibility for betting regulatory authority to access individual betting accounts and transactions	<ul style="list-style-type: none"> - Yes (almost real-time – Included in the licences requirements)
Limitation of pay out rates	<ul style="list-style-type: none"> - No (Indirectly through the betting tax level)
Limitation of betting licenses (justified by public order reasons)	<ul style="list-style-type: none"> - No (at the moment 4 licenced online gambling operators)

3. Recommendations

NATURE	LEVEL OF RISK (1 = lowest to 5 = highest)
Join the Copenhagen Group of betting regulators, under the supervision of the Council of Europe.	4
Enhance due diligence procedures for betting operators' shareholders and consider awarding some agreements to individual managing Directors.	3

Vet the ownership and leaders of betting operators (including subsidiaries), notably in order to identify potential criminal connections.	
Sanction betting operators not compliant with AML or sport integrity procedures	3
Obligation for sports organizers to implement some awareness programmes on manipulations of sports competitions and betting	3
Limit betting agreements, including for temporary licenses, to operators with at least X% of their Gross Gaming Revenue being legal (We would suggest 70%). Award betting licences only to companies located in « cooperative countries » (in order to avoid operators situated in « offshore financial centres » as defined by the IMF)	3
Consider the development of a “risk matrix” to objective betting restrictions (on competitions and types of bets), possibly in cooperation with other countries and the sport movement	2
Prohibit traders from betting with any betting operator	2
Consider the possibility to make the betting industry contribute to the funding of sport integrity	1

APPENDIX

LIST OF PARTICIPANTS

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