DRAFT 01 November 2024

Government proposal to Parliament for legislation on a new gambling system

MAIN CONTENT OF THE BILL

It is proposed to enact a new Gambling Act. The Act would lay down provisions on gambling activities and their supervision.

The operation of gambling would be subject to licence. The operation of gambling could be carried out under an exclusive licence or a gambling licence. The Act would lay down provisions on the forms of gambling that could be granted an exclusive licence or a gambling licence. In addition, the supply of gambling software used in the operation of gambling would require a gambling software licence. Licence holders should exclusively use gambling software supplied by holders of gambling software licenses for the gambling they operate. Holders of a gambling software licence should not supply gambling software to gambling operators that operate or market gambling unlawfully without a licence.

The Act would lay down the conditions for granting licences and the procedure for applying for licences. An exclusive licence would be valid for ten years, and a gambling licence and a gambling software licence for not more than five years. The Act would provide for the obligation of the holder of an exclusive licence to pay compensation to the State for the exclusive licence and the criteria for the amount of compensation.

The Gambling Act would include provisions on the registration of players and the verification of their identity and place of residence. Among other things, the Act would lay down provisions on the age limit for gambling, gambling using a player account and other forms of identity verification required for gambling, as well as on self-exclusion and restrictions on gambling. The Act would contain provisions on marketing, prohibited marketing methods, information to be provided in connection with marketing, sponsorship, and direct marketing bans.

The Draft proposes a wide range of powers for the supervisory authority. The Act would lay down provisions on the annual supervisory fee to be paid by licence holders to cover the costs of supervision and the criteria for determining the fee. In order to address illegal activities, the Act would also provide for administrative penalties, which would include a ban on the operation and marketing of gambling, the revocation of a licence and the imposition of periodic penalty fines to enforce certain decisions by the authorities. The Act would provide for the restriction of supply and marketing outside the licensing system in order to prevent gambling-related harms and to steer demand towards activities regulated by the proposed Act. In addition to administrative penalties against supply outside the licensing system, it is proposed to provide for the right of the supervisory authority to order the removal of illegal online content relating to the operation and marketing of gambling or the removal of a domain name containing such content.

The Gambling Act would lay down provisions on the duty of the Ministry of Social Affairs and Health to monitor, investigate and assess gambling and the harms caused by it. The Finnish Institute for Health and Welfare would carry out these tasks in accordance with the mandate of the Ministry of Social Affairs and Health. Discretionary government grants could be awarded for the prevention and reduction of gambling-related harms.

As a result of the transition to a licensing system, it is proposed to also amend the Lotteries Act, the Lottery Tax Act, the Income Tax Act, the Criminal Code, and certain other acts. In accordance with the proposed amendment to the Lottery Tax Act, the uniform tax rate for gambling activities in Finland would be 22 %. In accordance with the proposed amendment to the Income Tax Act, winnings from gambling offered without a licence would be taxable income. In addition, all licence holders established in Finland would in future be subject to uniform principles of taxation in respect of corporate taxation.

The bill is related to the draft State budget for 2026 and is intended to be reviewed in connection with the draft budget. The Gambling Act and other proposed acts are mainly intended to enter into force on 1 July 2026 at the earliest, but no later than 1 January 2027, when licensed gambling activities could begin. However, the provisions of the Gambling Act concerning the application for a licence and the conditions for granting a licence, the authorities' right to information relating to the licence procedure, and the compensation paid to the State for an exclusive licence would enter into force at the beginning of 2026.

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RATIONALE

1 Background and preparatory work

1.1 Background

The current gambling system in Finland is based on the exclusive right laid down in the Lotteries Act (1047/2001). Veikkaus Oy, which is wholly owned by the State, has an exclusive right to the operation of gambling. The Lotteries Act lays down provisions on the operation and supervision of lotteries, the rendering of accounts and use of lottery proceeds, and the supervision of the use of proceeds. The purpose of the Lotteries Act is to ensure the legal protection of those participating in lotteries operated for non-profit purposes, to prevent irregularities and crime related to lotteries, and to reduce the economic, social and health harms resulting from participation in lotteries.

According to the programme of Prime Minister Petteri Orpo's Government, the Finnish gambling system will be reformed, opening it up to competition under a licensing model no later than 1 January 2026. According to the Government Programme, the aim of the reform is to prevent and reduce economic, social and health harms resulting from gambling and to improve the channelling rate of the gambling system.

According to the Government Programme the licensing system would, in principle, cover online casino games and online betting, and the exclusive right operations remaining in Veikkaus Oy and the activities conducted in the competitive market would be spun off into separate companies within the same group.

The Government Programme states that the current gambling policy has failed, as gambling is a major problem for some Finnish people. The market share of the exclusivity system in digital gambling is close to 50 %, and companies outside the exclusivity system operating in the digital gambling market receive their profits without license fees, taxes, or responsibility for the gambling problems caused by these activities.

According to the Government Programme, in the transition to a licensing system, the supervision of the gambling industry will be enhanced, sufficient resources for supervision will be secured, and, for example, money laundering and match fixing will be effectively prevented. Sufficient resources will be secured for the prevention of gambling-related harms in the public sector and the non-governmental sector.

According to the Government Programme, the transfer of gaming machines to separate controlled premises will also be investigated. Consumers will be enabled to self-exclude from gambling on a single platform for all licensed services and other necessary means of managing gambling harms will be ensured.

According to the Government Programme, the reform will ensure that consumption can be directed to licensed supply, for example, by means of marketing. Channelling will be carried out in such a way that marketing does not promote harmful gambling and so that marketing of gambling is not directly targeted at minors. Marketing must be moderate and responsible in terms of content, scope, visibility, and repetition. Individually targeted marketing of games without the express consent of the individual will be prohibited.

According to the Government Programme, the effects of the licence model on Åland and on the funding for the autonomy of Åland will be ensured in collaboration with the Government of Åland.

In addition, the Government Programme states that the introduction of the licence model must be based on careful assessment of the social effects of the reform and, in particular, its effects on the prevalence of gambling-related harms.

1.2 Preparatory work

The draft government proposal was prepared by the working group for the project on the reform of the gambling system appointed by the Ministry of the Interior on 24 October 2023. The preparatory documents for the project are available in the public service at www.valtioneuvosto.fi/hankkeet under the identifier SM053:00/2023.

The aim of the project was to examine the reform of the gambling system in accordance with the Government Programme and to prepare a proposal for a legal basis for the transition to a licensing system. The task of the project was to prepare a report, in accordance with the objectives of the Government Programme, containing the necessary legislative proposals concerning the matters mentioned in the appointment decision. The project included 11 topics that were considered necessary for the implementation of the reform outlined in the Government Programme. The topics examined in the project were (1) gambling categories to be included in the licensing system, (2) licensing procedure and licence fees, (3) taxation, (4) Veikkaus Oy's special assignment and competition and company law issues, (5) operation of gambling, (6) monitoring, research and assessment of gambling-related harms and development of prevention and treatment, (7) supervision of gambling activities, powers of the authorities and funding, (8) prevention of irregularities and crime, as well as consumer protection, (9) marketing and sponsorship of gambling, 10) a centralised self-exclusion system and other necessary tools for the management of gambling, and (11) means to counter the provision and marketing of gambling outside the system. In accordance with the Government Programme, the project also carried out a study of the transfer of gaming machines to separate, supervised premises. The study is annexed to this report.

In addition to the Ministry of the Interior, the Ministry of Agriculture and Forestry, the Ministry of Education and Culture, the Ministry of Social Affairs and Health, the Ministry of Economic Affairs and Employment, the Prime Minister's Office, the Ministry of Finance, the National Police Board, the Finnish Institute for Health and Welfare (THL), and the Finnish Competition and Consumer Authority (FCCA) were represented in the project working group. The FCCA representative submitted a supplementary statement to the proposal. A political steering group, composed of secretaries of state, guided the work of the working group with its guidelines.

The Government Ownership Steering Department of the Prime Minister's Office has been responsible for preparing the draft provisions for the exclusive right to be granted to Veikkaus Oy. To support its own preparation, the department hired a legal adviser to assist in the preparation of draft texts to be submitted to the working party. This concerned issues requiring special legal expertise that do not fall within the duties of the Government Ownership Steering Department of the Prime Minister’s Office and for which the Ownership Steering Department does not have the required expertise. In addition, Veikkaus Oy has provided the Government Ownership Steering Department with material to support the preparation.

In accordance with the appointment decision, experts from different sectors have been consulted in the project. For example, representatives of different ministries and authorities, experts familiar with gambling-related harms, operators offering gambling activities, representatives of the sports and media sectors, and civil society organisations were consulted in the project. On 28 November 2023, the Ministry of the Interior organised an extensive stakeholder consultation event, attended by approximately 60 participants from various stakeholders. Other statements published for the preparation of the project have also been published on the project page.

The project utilised the final report of the rapporteurs of the preliminary study project (SM001:00/2023) set up by the Ministry of the Interior on 5 January 2023 (Publications of the Ministry of the Interior 2023:21). The aim of the preliminary study project was to assess the current gambling system and to carry out mapping of alternative models to support political decision-making. In addition, the project has utilised, among other things, the Finnish Institute for Health and Welfare's Finnish Gambling 2023 population survey and the reports of the evaluation working group for risks and harms resulting from the operation of gambling that operates under the Ministry of Social Affairs and Health (hereinafter: *evaluation working group*). In addition, the project has utilised the FCCA's research report on the current situation and development of online and non-exclusive gambling (FCCA Research Reports 3/2023) and other reports of the FCCA.

The proposal prepared by the project working group was out for consultation between 3 July and 18 August 2024. The consultation period was about six weeks, which is shorter than the eight weeks required for extensive proposals. The shorter consultation period was due to the Government's objective to submit the Government's proposal to Parliament during the spring session of 2025 and the EU notification procedure in the field of technical regulations described below. Opinions were requested from ministries, public authorities, municipal and regional operators, organisations familiar with gambling-related harms, representatives of the gambling industry, representatives of the sports sector, the media and the events industry, representatives of Veikkaus Oy's gambling outlets, network operators and payment service providers, and the Government of Åland. The opinions have been published in the Lausuntopalvelu consultation service (VN/27332/2023) and on the project page (SM053:00/2023).

Bills amending the gambling system must be notified to the European Commission in accordance with Directive (EU) 2015/1535 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services. After the date of notification the three-month standstill period provided for in the Directive begins, during which the proposal cannot be adopted. Approval of the proposal must be postponed for a further month if the Commission or another Member State delivers a detailed opinion within the three-month standstill period to the effect that the measure envisaged may create obstacles to the free movement of services within the single market. The legislative proposals are intended to be notified to the Commission in autumn 2024. Member States shall resubmit the draft technical regulation to the Commission in the event of substantial amendments to the proposal which alter its scope, shorten the initial implementation schedule, increase specifications or requirements or tighten them.

2 Current situation and its assessment

2.1 Development of the exclusive rights system and recent reforms of the Lotteries Act

Since it entered into force, the Lotteries Act has been amended on a number of occasions, particularly with regard to the provisions on gambling activities. The aim of the legislative amendments has been to strengthen the exclusivity system. In the reform in 2010, the Lotteries Act was supplemented by provisions aimed at enhancing the prevention of social and health harms caused by gambling and at increasing the authorities' means to intervene in illegal gambling activities. This reform also laid down a minimum age limit of 18 for all gambling, and a provision was added to the Act regarding the permitted marketing of gambling. The 2012 reform moved from the then formal licensing system to a system of statutory exclusive rights, where the right to the provision of gambling services was granted to the holders of exclusive rights designated by law: Fintoto Oy, Raha-automaattiyhdistys (RAY, the Finnish Slot Machine Association) and Veikkaus Oy. As a result of the legislative amendment that came into force at the beginning of 2017, the gambling operators Fintoto Oy, the Finnish Slot Machine Association and Veikkaus Oy were merged into a new state-owned gambling company, Veikkaus Oy, in order to strengthen the system of exclusive rights. In the 2019 reform of the Lotteries Act, provisions on mandatory identity verification when playing slot machines in e.g. shops, petrol stations and kiosks, were added to make the prevention and reduction of gambling-related harms more effective. The provisions entered into force on 1 January 2022.

The aim of the reform of the Lotteries Act that entered into force at the beginning of 2022 was to further enhance the prevention and reduction of gambling-related harms, to counter gambling activities and marketing in violation of the Lotteries Act and to support the ability of the exclusive rights system to direct demand towards gambling activities regulated by the Lotteries Act. The reform included a number of measures to prevent and reduce gambling-related harms. In addition, the reform strengthened the powers of the National Police Board to intervene in the marketing of gambling companies outside the exclusive rights system. In order to enhance the prevention of gambling-related harms and to support the operating conditions of the exclusive rights system, provisions were also added to the Lotteries Act concerning payment transaction blocks imposed on marketing in violation of the Lotteries Act, which became applicable at the beginning of 2023 (HE 135/2021 vp).

At the beginning of 2024, amendments to the Lotteries Act concerning the uses of Veikkaus Oy's proceeds entered into force, based on a new funding model for non-profit activities funded by gambling proceeds prepared in parliamentary. The non-profit uses of Veikkaus Oy's proceeds were abandoned, and Veikkaus Oy's proceeds are entered as general revenue in the state budget to be used for expenditure in accordance with the budget. The non-profit activities previously financed by the proceeds of Veikkaus Oy are financed from general budget funds (HE 255/2022 vp).

On 5 January 2023, the Ministry of the Interior set up a preliminary study project to evaluate the exclusivity system (SM001:00/2023). According to the final report of the rapporteurs, from the perspective of the recent development of the Finnish gambling market, the single most significant change is the increased importance of the digital gaming channel and the related growth in gambling outside the exclusive rights system. The main options presented in the preliminary study were (a) to maintain the current exclusivity system, complemented by new restrictive measures to more effectively prevent gambling outside the exclusivity system and to strengthen Veikkaus Oy's ability to channel online gambling, or (b) to move to a partial

licensing system which would allow all operators fulfilling the licence conditions to offer online casino and betting games and which, like the current system, would aim to prevent and reduce gambling-related harms.

2.2 Current situation with regard to gambling and gambling-related harms

2.2.1 Gambling in the exclusive rights system

Finnish gambling has been monitored using Finnish Institute for Health and Welfare (THL) population surveys every four years since 2003. The latest population survey data are from 2023. The Finnish gambling population survey examined gambling and opinions about gambling among persons aged 15–74 living in mainland Finland.

According to the population survey, gambling is common in Finland, but the prevalence of gambling is decreasing. In 2023, around 70 % of respondents had gambled in the past 12 months. Between 2007 and 2015, the share of people who gambled increased, but between 2015 and 2019, the share remained unchanged. In contrast, between 2019 and 2023, the share of people who gambled decreased. Gambling at the population level has become increasingly sporadic: gambling at least once a week and at least once a month has decreased. On the other hand, consumption seems to be concentrated in a smaller population group. Men gamble more than women, but the prevalence of gambling decreased between 2019 and 2023 for both men and women.

According to the survey of online gambling regularly conducted by THL, the share of the population who have engaged in any type of online gambling in the past year has been approximately 30 % of all individuals aged 18–79. The share of the population of those who have played only Veikkaus Oy's games online in the past year has been around 25 % of 18–79-year-olds. For Veikkaus Oy's games, the share slightly increased from 2022 to 2024. (THL 2024) According to the THL population survey, the most popular game types in 2023 were games offered by Veikkaus Oy: lottery games and/or the Joker lottery game (52 %), scratchcard games (40 %), and machine gambling other than in a casino (18 %).

The long-term change in gambling culture is characterised by digitalisation. According to the Finnish gambling population survey (2023), the proportion of individuals aged 18 and over who have gambled online has increased for both men and women since 2007. Between 2015 and 2019, the share of people gambling online increased by nearly 13 percentage points. Digitalisation has made it possible for supply outside the system to target mainland Finland. According to the responses to THL's 2019 gambling survey, the majority of players are those who only play at physical gambling locations. Twenty-two per cent of the population play both online and at physical gambling locations. These people accounted for about 29 % of players. Approximately 14 % of the population played only online. These people accounted for 18 % of players.

The survey data of the Healthy Finland survey also provide information on gambling in Finland. The results cannot be directly compared to the results of the Finnish gambling survey, as the Healthy Finland respondent group includes all persons aged 20 and over, and only one question was asked about the frequency of gambling. The Healthy Finland survey was carried out in 2022–2023 using questionnaires and health check measurements from mainland Finland and Åland. Just over half (56 %) of the respondents to the survey had

gambled in the past 12 months. Gambling was most common among respondents aged 40 to 74 and least common among respondents aged 75 and over. Gambling was more common among men than women in all age groups. Nearly one in four respondents had gambled on a weekly basis. Weekly gambling was most common among those aged 55–74 and least common among those aged under 40.

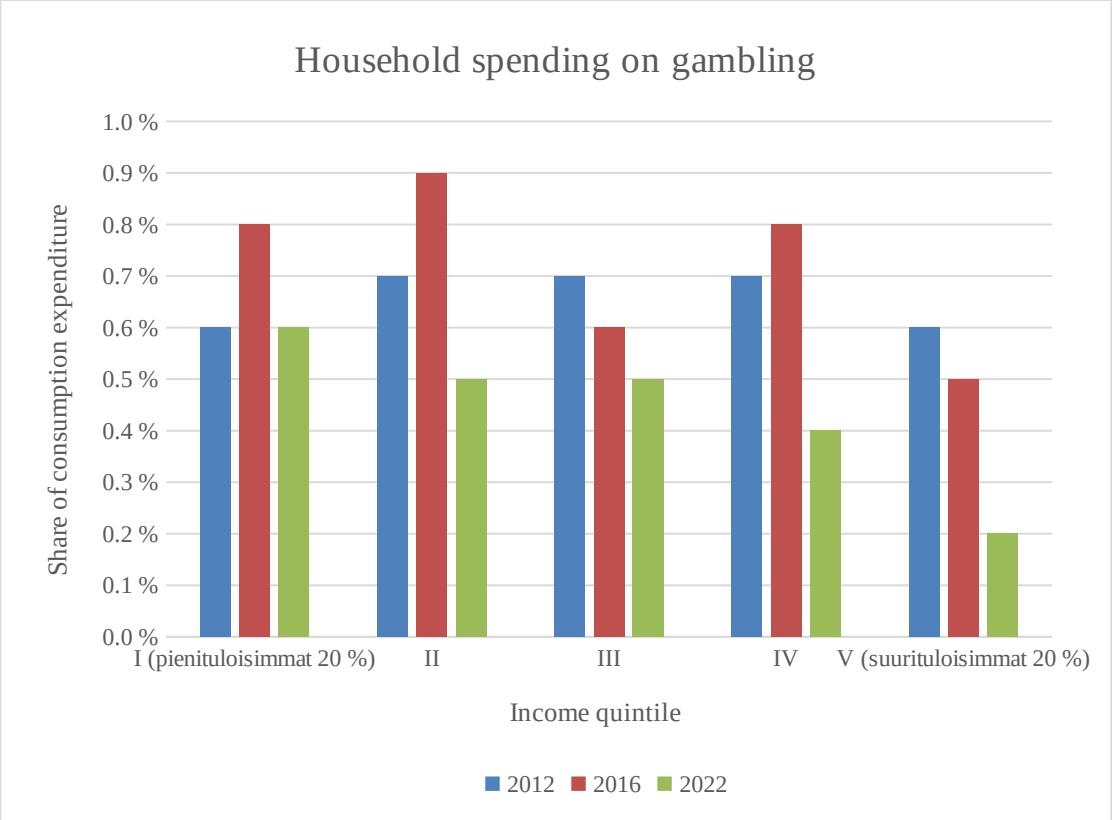
Surveys make it difficult to obtain reliable estimates of the amount of money spent on gambling consumption. This is due, among other things, to the fact that people find it difficult to estimate their own gambling consumption, and they do not always want to report it truthfully. In addition to interviews, Statistics Finland also estimates household consumption based on receipts and consumption notebooks collected by households. The statistics on Household Consumption produced by Statistics Finland also include consumption directed at gambling. According to the report, households spent on average EUR 155 per year on gambling in 2022, which corresponds to around 0.4 % of all household spending. This figure is clearly lower than in previous statistics years, as households spent an average of EUR 257 on gambling in 2016 and EUR 224 in 2012 (at 2022 prices). The share of money spent on gambling in consumption expenditure has also decreased, as households spent 0.7 % of their consumption expenditure on gambling in 2016 and 0.6 % in 2012.[1] However, precise estimates in euro should be treated with caution, as they are certain to be underestimated. Based on the average consumption in 2022, Finnish households would spend less than half a billion euro in total per year[2], which is clearly less than the expenditure on gambling that can be assumed from, for example, Veikkaus Oy's financial statements.

The statistics on household consumption compiled by Statistics Finland can also be used to examine how gambling is distributed across different income categories. The statistics show that low-income households spend a larger share of their consumption expenditure on gambling than high-income households. In 2022, the 20 % of households with the lowest income spent an average of 0.6 % of their consumption expenditure on gambling, while the corresponding figure for the 20 % with the highest income was 0.2 %.[3]

[1] Official Statistics of Finland (OSF): Household consumption [online publication]. ISSN 1798-3533 Helsinki: Statistics Finland. Accessed 11 April 2024. Source: https://www.stat.fi/tilasto/ktutk.

[2] Total consumption can be calculated by multiplying average household consumption by the number of households. The total expenditure on gambling thus calculated is EUR 155 * 2,919,000 = EUR 452,445,000.

[3] Official Statistics of Finland (OSF): Household consumption [online publication]. ISSN 1798-3533 Helsinki: Statistics Finland: Accessed 11 April 2024. Source: https://www.stat.fi/tilasto/ktutk.



(pienituloisimmat 20 %)	(lowest income 20 %)
(suurituloisimmat 20 %)	(highest income 20 %)

Figure 1. Share of gambling of household consumption expenditure in different income categories in 2012–2022. Source of data: Statistics Finland:

As the exclusive operator, gambling offered by Veikkaus Oy accounts for the bulk of the market. Precise information on the company's operations is available, but the overall market also includes gambling outside the gambling system. Some of the gambling outside the system is directed at the games of the Åland-based PAF and some at the games of foreign gambling companies that target their services to Finland. Only estimates are available for the amount of online gambling outside the exclusive rights system that involves gambling other than PAF games.

Estimates of the amount of gambling outside the gambling system made and produced by different parties vary. Estimates are subject to considerable uncertainty, and no reliable estimates are available. H2 Gambling Capital (H2GC) is one of the most widely used providers of national and regional market share estimates for gambling, but as a commercial operator, it does not disclose details of the basis of its estimates or the sources of information it uses. The estimates produced by H2GC every 1 to 2 months, in particular the forecasts for the development of the gambling market, are also subject to significant fluctuations depending on the time of publication of the estimate.

According to H2GC estimates, the total gambling market in Finland peaked at approximately EUR 2 billion in 2017. The gross gaming revenue of the gambling operators offering gambling under exclusive rights: Fintoto Oy, Raha-automaattiyhdistys (RAY), Veikkaus Oy, and PAF, peaked at EUR 1.79 billion in 2016. Since then, H2GC's estimates of the total gross gaming revenue in Finland have decreased. Veikkaus Oy's annual report for 2023 refers to H2GC's estimate, according to which the total Finnish gambling market, measured by gross gaming revenue, was approximately EUR 1.5 billion in 2023, indicating a decrease of approximately five per cent compared with the previous year. Measured by the same H2GC estimates, Veikkaus Oy's share of the total market increased by one percentage point to 68 % from 2022 to 2023. Similarly, the Finnish Competition and Consumer Authority estimated in 2023 that Veikkaus Oy's share of the total market has been 60–70 % in recent years.

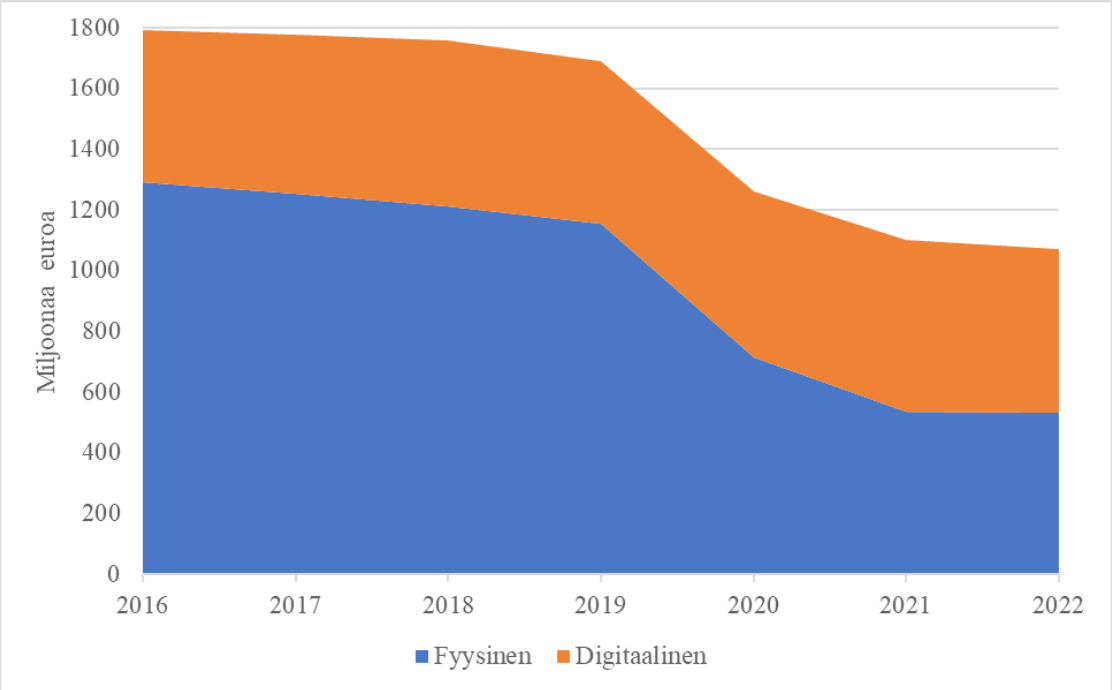
There are several factors influencing the development of the overall gambling market and the unchanged situation at the population level. Since estimates of the overall gambling market started to decline already in a situation where the overall availability of gambling had not yet started to decline, it can be estimated that the change is at least partly related to a decrease in the attractiveness of gambling and changes in perceptions of gambling as well as changes in purchasing power. The subsequent acceleration of the change is estimated to be influenced by changes related to the availability of gambling.

There are also variations in the availability of gambling activities outside the gambling system, although only a small amount of assessment and research data are currently available. Legislation to restrict access to gambling outside the gambling system was tightened by the provisions on marketing and payment transactions that entered into force in 2022 and 2023. These changes are estimated to have at least a minor impact on the supply of gambling and on gambling outside the system. According to the latest estimates, Veikkaus Oy's share of the total market, i.e. the so-called channelling rate of the exclusivity system, has slightly increased, as has PAF's share of the market outside the system (see section 2.2.3. for more details).

2.2.2 Veikkaus Oy gambling

The amount of gambling within the exclusivity system, measured by gross gaming revenue, increased throughout the 2000s until 2017. In 2016, the combined gross gaming revenue of the old Veikkaus Oy, RAY, and Fintoto Oy was EUR 1.79 billion. The gross gaming revenue of the new Veikkaus Oy was EUR 1.78 billion in 2017 and EUR 1.67 billion in the following year. The biggest change in gross gaming revenue occurred between 2019 and 2020, when Veikkaus Oy's gross gaming revenue fell from EUR 1.7 billion to EUR 1.3 billion as a result of the strictest coronavirus restrictions. Since then, Veikkaus Oy's gross gaming revenue has stabilised at just over one billion euro annually. Gross gaming revenue in 2021 was EUR 1.1 billion and in 2022 it was EUR 1.07 billion (-2.7 %). In 2023, the gross gaming revenue was EUR 1.03 billion (-3.6 % compared with the previous year).

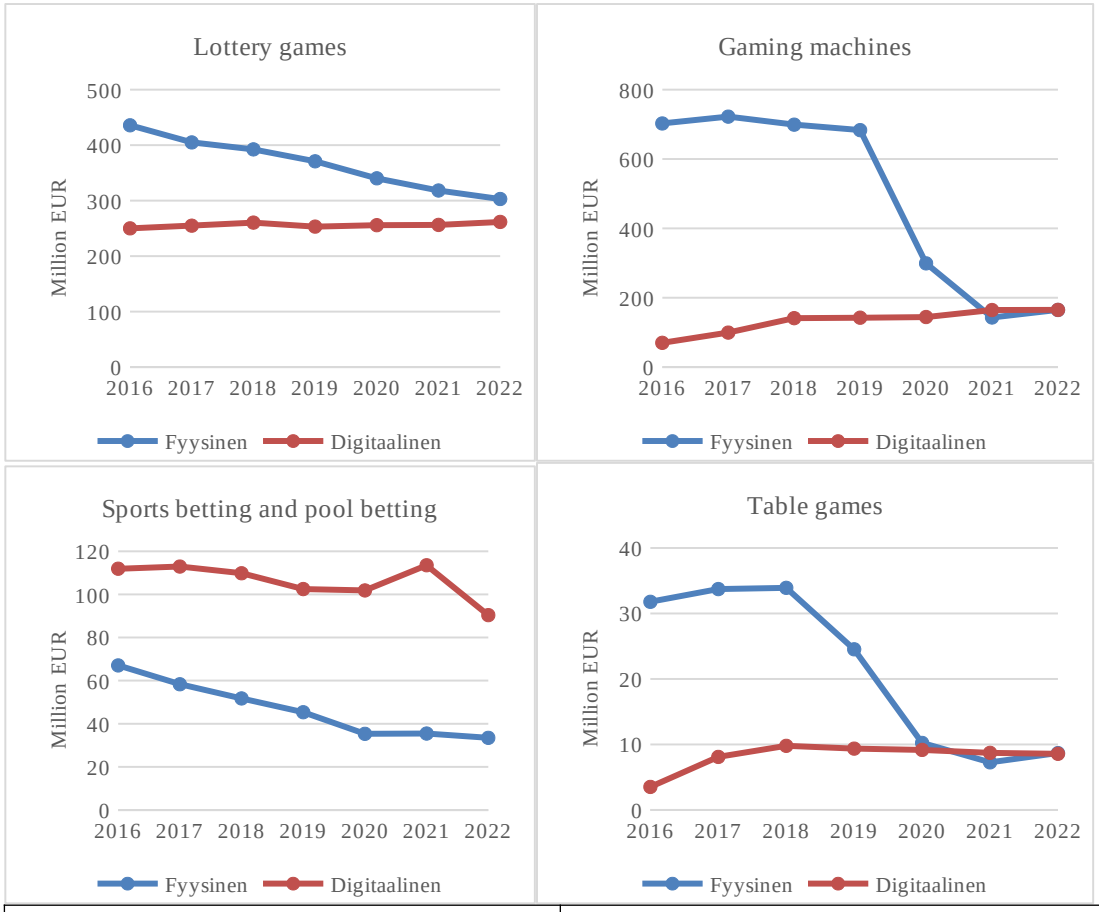
The most significant drop in terms of euro occurred in physical slot machines, where gross gaming revenue has decreased by three quarters. Between 2019 and 2023, the number of slot machines decreased by around 45 %. Gross gaming revenue has also decreased in the product categories of daily lotteries and betting. Veikkaus Oy has predicted that its gross gaming revenue will start to increase from 2024.



Miljoonaa euroa	Million EUR
Fyysinen	Physical
Digitaalinen	Digital

Figure 2. Development of Veikkaus Oy's gross gaming revenue by sales channel in the period 2016–2022 (Source FCCA)

FCCA's research report 3/2023 describes the development of Veikkaus Oy's gross gaming revenue by type of gambling and sales channel. According to the report, the gross gaming revenue of the physical channel has decreased, particularly in lottery games, gaming games, and table games. The report stresses that a type-by-type analysis does not allow direct conclusions to be drawn about the transition from physical to digital gambling or to gambling sites outside the system. However, the report states that Veikkaus Oy's gross gaming revenue from digital gambling has not decreased particularly in categories most exposed to competition, i.e. slot machines, table games, and sports betting. In recent years, gross gaming revenue from digital gambling has increased for slot games, decreased in sports betting, and remained more or less the same for table games. According to the report, the changes may indicate changes in gambling habits rather than a shift to gambling outside the system.



Fyysinen	Physical
Digitaalinen	Digital

Figure 3. Development of Veikkaus Oy's gross gaming revenue by type of gambling in the physical and digital sales channels 2016–2022. (Source: FCCA)

According to the company's assessment, the responsibility measures implemented by Veikkaus Oy have had an impact on its gross gaming revenue and its share of the total Finnish gambling market. According to the company's estimate, the greatest impact on gross gaming revenue has been the expansion of mandatory identity verification to physical slot machines and gambling using play slips. The most recent major reform in terms of responsibility that affected gross gaming revenue was the introduction in May 2023 of mandatory identity verification for gambling using play slips (Lotto, Eurojackpot, etc.). Scratchcards became subject to mandatory identity verification at the beginning of 2024, following which all gambling offered by Veikkaus Oy's requires authentication.

Veikkaus Oy anticipates that its gambling operations will have approximately 2.4–2.5 million players during 2023. It is not possible to know the exact number of players as identity verification did not cover all gambling in 2023. According to the company, the number of ID verified customers in 2023 was likely to be around 2.2 million.

In addition to the general trend towards digital transactions, the company estimates that the transition of gambling using play slips to mandatory identity verification has to some extent accelerated the shift to ambling activities in the digital channel. Despite the popularity of the digital channel, Veikkaus Oy's partner network and its own gaming venues play a significant role in the company's gambling activities. In 2023, an estimated 1.5 million players gambled at Veikkaus Oy's physical venues.

The general decline in the share of the population that gambles was partly reflected in Veikkaus Oy's gross gaming revenue, but there are other factors. Measured by Veikkaus Oy's gross gaming revenue, gambling in Finland has clearly decreased in recent years compared with pre-Covid gambling. This has been influenced by the decrease in the number of slot machines, but a slight downward trend was already visible before the decrease in the number of slot machines. This was probably influenced at least by changes in consumer behaviour and attitudes towards gambling, the progress of mandatory identity verification, and the entry into force at the end of 2017 of the gambling restrictions package issued by decree of the Ministry of the Interior. The change in consumer behaviour is also intrinsically linked to the shift of gambling to the online channel, where, in addition to Veikkaus Oy's gambling activities, gambling outside the system is available in Finland. Changes in purchasing power also affect the development of gross gaming revenue. In addition to the stakes paid by players, gross gaming revenue is also affected by how much the gambling company returns to the players as winnings. Thus, changes in payout percentages may also affect the development of gross gaming revenue.

Based on analyses of Veikkaus Oy's gambling and player data, the share of occasional gambling of total gross gaming revenue will continue to decrease, and the share of total gross gaming revenue of those who gamble significantly more than average will increase. A similar trend can be seen in Veikkaus Oy's gambling and player data as well as in the results of population surveys. However, the concentration and strengthening of gambling does not only apply to Veikkaus Oy gambling, but describes gambling as a whole. According to the 2019 population survey, 2.5 % of players accounted for half of total gambling expenditure. The preliminary results of the 2023 population survey suggest that concentration has at the very least not stabilised in four years.

The proportion of online gambling of all gambling at Veikkaus Oy has increased significantly in recent years, but there are also signs of a slowdown in the growth of the digital market in absolute terms, measured in euro-denominated gross gaming revenue. The proportion of online gambling has increased particularly as a result of mandatory identity verification, a decrease in the use of physical slot machines and the general digitalisation of society. In 2023, 54.8 % of Veikkaus Oy's gross gaming revenue came from the digital channel.

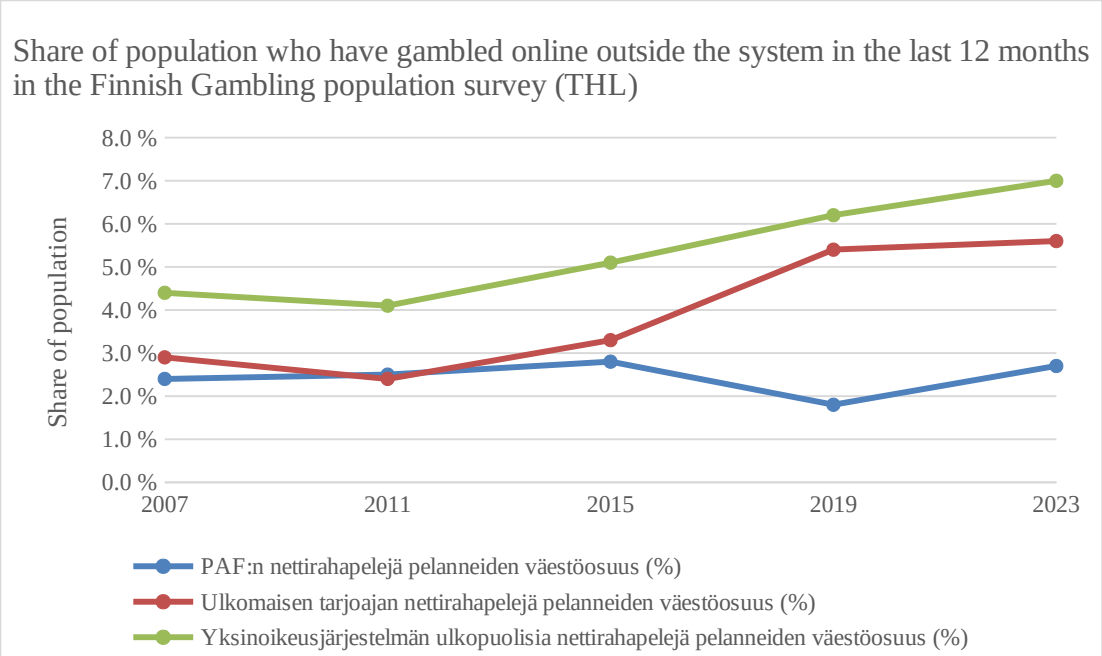
Of the individual gambling products, weekly lotteries such as Lotto and Eurojackpot are the most played. Approximately 90 % of Veikkaus Oy's customers play either of these games. In 2023, approximately 70 % of Veikkaus Oy's players used a digital channel and approximately 60 % of the players visited physical venues (some customers use both channels). Weekly lottery draws account for more than a third of Veikkaus Oy's gross gaming revenue, but the trend in this product category has been declining over the past five years. Of the product categories, only the online casino's gross gaming revenue has increased. The online casino accounts for almost one-fifth of the company's gross gaming revenue. Veikkaus Oy has estimated that the company’s number of registered customers will exceed 2.5 million by the end of 2023.

2.2.3 Gambling outside the system

Gambling outside the exclusivity system can be estimated, among other things, by examining the share of players and the monetary value of gambling. The estimates below are based on various surveys, euro-denominated gross gaming revenue data from gambling companies and estimates by the consulting company H2GC. Information from the Peluuri gambling helpline has also been used to describe the gambling of people with gambling problems.

In terms of the number of players, gambling outside the exclusive rights system does not appear to be on the rise. This can be stated on the basis of the Finnish gambling population survey (2024) and up-to-date monitoring surveys of the Finnish Institute for Health and Welfare (THL).

According to the Finnish gambling population survey, the share of the population who played online games offered by PAF increased from two per cent to three per cent between 2019 and 2023, but there was no statistically significant change in the share of the population who played online games offered by foreign gambling companies. However, the share of the population who played online games offered by foreign gambling companies seems to have slowly increased during the 2010s. In 2023, seven per cent of the respondents had played at least one online gambling game outside Veikkaus Oy.



PAF:n nettirahapelejä pelanneiden väestöosuus (%)	Share of the population (%) who have played PAF online games
Ulkomaisen tarjoajan nettirahapelejä pelanneiden väestöosuus (%)	Share of the population (%) who have played online games offered by foreign gambling operators
Yksinoikeusjärjestelmän ulkopuolisia nettira-	Share of the population playing online gambling

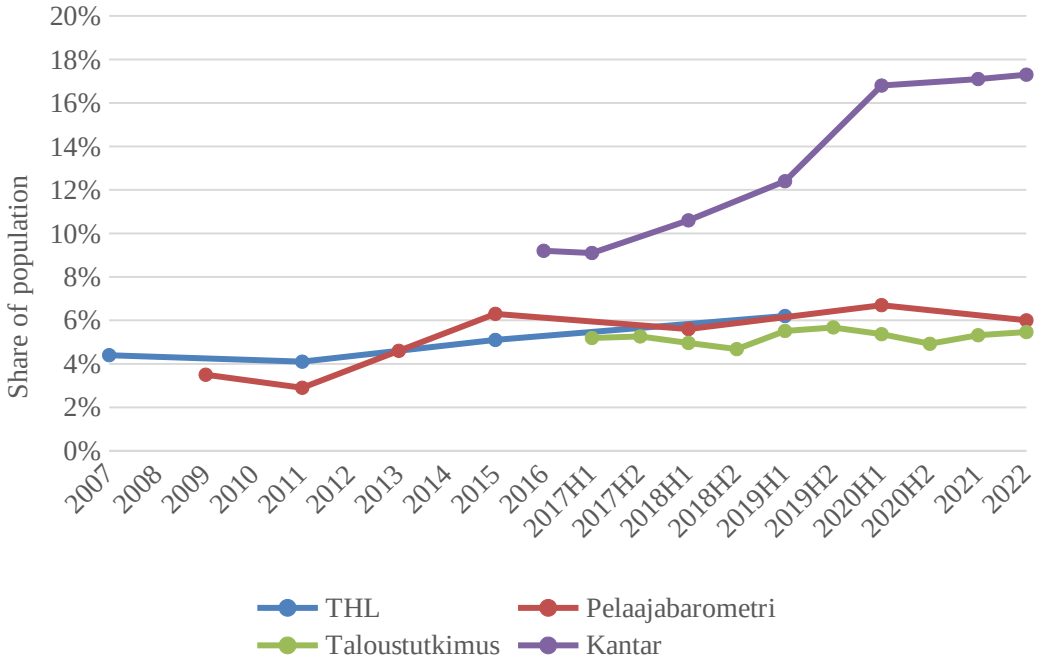
hapelejä pelanneiden väestöosuus (%)	games outside the exclusive rights system

Figure 4. Share of the population who have played online games outside the system in the last 12 months in the Finnish Gambling population survey (THL).

In addition to the Finnish Gambling population survey, the Finnish Institute for Health and Welfare also monitors gambling outside the exclusivity system through telephone interviews conducted approximately once a month. According to surveys conducted by the Finnish Institute for Health and Welfare (THL), the estimated number of people participating in gambling other than that offered by Veikkaus Oy during the past year corresponds to approximately 5–6 % of the adult population (18–79-years). This share has remained largely unchanged throughout the period covered by the review, i.e. since 2022. Correspondingly, the number of people who have gambled outside the system during the past week currently corresponds to about 1.5 % of the adult population.

The Gambling Harms Survey, commissioned by Veikkaus Oy and carried out by the market research company Taloustutkimus, asked players who have played games outside the exclusivity system which gambling company's games they have played. Most often they have played PAF games. Major international gambling groups, such as Betsson, ComeOn Group, Entain, Flutter, Kindred Group, LeoVegas, and William Hill (888 Holdings), which are part of the Gambling Industry Association Finland (Rahapeliala ry), which represents the interests of foreign gambling companies, also attract a significant share of gambling.

There are only a few estimates of the value in euro of gambling outside the system. The most reliable way to assess the value in euro of gambling outside the system would be to use information received from companies on the gross gaming revenue they have received from Finland.



THL	Finnish Institute for Health and Welfare (THL).
Pelaajabarometri	Player barometer
Taloustutkimus	Taloustutkimus
Kantar	Kantar
2017H1	2017H1
2018H2	2018H2

Figure 5. Different surveys showing the share of the population who played games outside the exclusive rights system of gambling in the last 12 months. (FCCA 2023)

With the exception of PAF's gross gaming revenue data, detailed information on the value in euro of consumption of gambling outside Veikkaus Oy has not been available. PAF's gross gaming revenue on the Finnish mainland market varied between just over EUR 80 million and EUR 90 million between 2017 and 2023. In 2022, gross gaming revenue was at a record high (EUR 90.2 million). According to an estimate by the Gambling Industry Association Finland, the total gross gaming revenue of their seven member companies in Finland in 2021 was approximately EUR 330 million[4].

According to H2GC's estimate (11 March 2024), in 2021, gambling outside the exclusive rights system in Finland, measured in terms of gross gaming revenue amounted to just under EUR 400 million. According to the latest H2GC estimates, overall gambling outside the system is not growing in terms of value in euro. The estimates produced by H2GC of the value in euro of gambling outside the system in Finland are approximately EUR 520 million for 2022 and approximately EUR 477 million for 2023 (estimate produced on 11 March

[4] Karjalainen, J., Sieppi, A. & Buri, R. (2023). The current situation and development of online gambling and gambling outside the exclusive rights system. FCCA Research Reports 3/2023. Available at https://www.kkv.fi/uploads/sites/2/03-2023-tutkimusraportteja-rahapelaaminen.pdf. Hereinafter (FCCA, 2023).

2024). This would suggest that gambling in Finland directed outside the exclusivity system could be declining overall in terms of value in euro. However, PAF's market share increased from 17.3 % to 18 % of the estimated market outside the system between 2022 and 2023. The same applies to Veikkaus Oy's share of the total market, i.e. the so-called channelling rate. Veikkaus Oy's Interim Report 2023 and Annual and Sustainability Report 2023 include estimates, based on H2GC figures, indicating that Veikkaus Oy's channelling rate has improved. However, it is unclear to what extent H2GC's estimates cover all gambling outside the system. H2GC has included in its most recent estimates a reference to the fact that its monitoring does not cover so-called black market operators, without specifying what those operators are. Thus, in principle, it is possible that gambling has shifted beyond H2GC's monitoring and that H2GC estimates give a distorted picture of the development of the channelling rate. However, on the basis of the responses to the monthly telephone interviews conducted by THL, it does not appear that there have been any significant changes in the share of operators considered to be black market operators recently.

The FCCA has assessed Veikkaus Oy's market share by combining data from different sources on the gross gaming revenue of different gambling companies and estimates of the market shares of operators outside the exclusive rights system. In its assessment, the FCCA used data from Veikkaus Oy, PAF, and the Gambling Industry Association Finland on gambling companies' gross gaming revenue for 2021. In addition, the FCCA used data obtained from the Taloustutkimus survey on which gambling sites the respondents had gambled, thus forming an estimate of the market shares of Veikkaus Oy, PAF, and the member companies of the Gambling Industry Association Finland. On the basis of this information, it was possible to form an estimate of the gross gaming revenue received by gambling companies other than those listed above. Based on this information, the FCCA estimated that gambling outside the exclusive rights system in 2021 was worth EUR 520–590 million. The FCCA further estimates that Veikkaus Oy's market share of the entire Finnish gambling market was approximately 60–70 % and its share of online gambling in Finland approximately 50–60 %. The FCCA also used the data from the Finnish Institute for Health and Welfare's Finnish Gambling population survey on the amounts of money spent on gambling estimated by players and, based on these figures, estimated Veikkaus Oy's share of the overall gambling market to be about 60 % and its share of the online gambling market to be about 50 %. (FCCA 2023)

According to various sources of information (e.g. FCCA, THL, Peluuri), young men in particular are involved in gambling outside the exclusive rights system. According to the FCCA's report, people gambling outside the exclusive rights system spend significantly more money on gambling than other people participating in gambling. On average, those who gambled outside the system spent more than EUR 10 000 a year, whereas those who gambled only at Veikkaus Oy spent approximately EUR 340. In its report, the FCCA states that gambling outside the exclusivity system is highly concentrated: as much as 90 % of the money spent on this gambling comes from only around 6 % of persons gambling outside the system (FCCA 2023).

Gambling is concentrated regardless of the system and the gambling channel, but in gambling outside the exclusivity system, it is even more concentrated on a small number of players. This means that, in practice, efforts to improve the channelling rate should target a very small target group with the aim of transferring existing consumption into a regulated market. It is also clear that a large part of the gross gaming revenue outside the system comes from people who experience gambling-related harms and who have a serious gambling problem. This has been seen as a reason why measures to improve the channelling rate should focus primarily on

limiting the availability of gambling, which at the same time can prevent and reduce gambling-related harms. Prevention of gambling-related harms is also known to be more effective and cost-efficient than addressing existing problems. It should also be noted that directing harmful consumer behaviour from one place to another does not reduce the harms.

An emerging trend in the market outside the exclusive rights system is so-called crypto casinos, which offer varies types of gambling which use crypto-assets and/or currencies and where it is possible to play completely anonymously. Estimates of the amount of crypto casino gambling, or its inclusion in estimates of gambling outside the system, are not available.

Prior to 2024, crypto-assets were not covered by European Union legal instruments on financial services, with the exception of anti-money laundering regulations. The absence of uniform European rules has exposed holders of crypto-assets to risks, in particular in areas not covered by consumer protection provisions. This has been assessed as posing significant risks to the integrity of crypto-asset markets, such as market abuse and financial crime. This has been a challenge, in particular in view of the fact that it is a fully digital service delivery model and that investors can easily become customers of services from different Member States and also services outside the EEA.

Regulation (EU) 2023/1114 on markets in crypto-assets (*MiCA Regulation*) lays down uniform requirements for issuers of crypto-assets not yet regulated by other European Union financial services legislative acts and for providers of services related to such crypto-assets. The Regulation applies to the issuance, offer to the public, and admission to trading of crypto-assets, as well as the provision of services related to crypto-assets. The Regulation distinguishes between e-money tokens, i.e. crypto-assets that stabilise their value by referencing an official currency, asset-referenced tokens, i.e. crypto-assets that stabilise their value by referencing a specific asset or basket of assets, and crypto-assets other than asset-referenced tokens and e-money tokens. Crypto-asset regulation does not change the status of crypto-assets as official currency, although the regulation sets the framework conditions for crypto-asset activities.

Regulation (EU) 2023/1113 on information accompanying transfers of funds and certain crypto-assets (*Transfer of Funds Regulation*, *TFR)*lays down provisions on the information on payers and payees that must accompany transfers of funds in any currency, and on the information on originators and beneficiaries that must accompany transfers of crypto-assets. The MiCA Regulation and the Transfer of Funds Regulation will apply from 30 December 2024. However, in respect of the MiCA Regulation, the rules on asset-referenced tokens and e-money tokens shall apply as of 30 June 2024.

Currently, a significant portion of thousands of different crypto-assets is not in active use, and around 70 % of the crypto-asset market is concentrated under Bitcoin and Ethereum, which fall under the category of other crypto-assets under the new regulation. It is possible that the industry may change significantly as a result of the new EU regulations. In particular, e-money tokens are a new market, and it is not known at this stage how popular their use will become. As the EU regulation on crypto-assets has only recently entered into force, it has not yet been possible to gather experience on its impact on consumer protection and the development of the crypto-asset market.

2.2.4 Young people and gambling

The School Health Promotion study has provided monitoring information on the prevalence of gambling among young people since 2007. According to the results of the study, gambling by young people has started to decline over the long term. However, the decline in gambling has not been as pronounced among young people in low socio-economic groups or those who drink alcohol or get drunk at least once a month.

Recent developments show that the decline in gambling by young people has clearly slowed or even stopped. The 2023 School Health Promotion study shows that weekly gambling has increased somewhat among young people in grades 8 and 9 of basic education (boys and girls) and among first and second year students in vocational institutions (boys and girls), as well as first and second year students in upper secondary school (boys). There was no increase for girls in upper secondary school compared with the previous year of the study (2021). Boys still gamble significantly more than girls. Despite the age limit of 18 for gambling, around nine per cent of boys in grades 8 and 9 are still involved in gambling on a weekly basis. Gambling among underage girls is modest. Physically available gambling, such as slot machines and scratchcards, have been popular among minors.

The European School Survey Project on Alcohol and Other Drugs (ESPAD) monitors trends in the use of alcohol, tobacco and nicotine products and drugs as well as gambling for money among European schoolchildren of the same age. Since 1995, ESPAD data has been collected every four years in 23–39 European countries. The target group of the survey is young people aged 15–16 at the time of the survey and in the 9th grade of basic education in Finland. The 2019 survey results showed that in the last 12 months, boys in grade 9 (48.1 %) played slot machines more than girls (27.4 %). According to ESPAD data, between 1995 and 2011, before the legislative amendment aligning gambling age limits, the proportion of boys playing slot machines at least once a week increased from 36 % to 45 %. The proportion of young people who did not gamble has grown steadily since 1995, especially among girls.

2.2.5 Gambling-related harms in the light of research data

Gambling-related harms can be divided into economic harms, relationship harm, work or study-related harms, health harms, emotional harms, and other harms, such as criminal activity. Gambling-related harms can range from mild to severe and from short-term to long-term harms. Harms may affect both players and their loved ones as well as society at large. The most serious harms are gambling problems, gambling addiction, and suicide.

Since 2003, gambling-related harms and changes in these have been monitored on a four-yearly basis through the Finnish Gambling population survey. In a survey conducted in 2023, the severity of the gambling problem was measured using the international Problem Gambling Severity Index (PGSI). Simplified scoring was used for the PGSI, where a score of 1–2 corresponds to low-risk gambling and 3 or more to moderate-risk or problem gambling. With the help of the index, the severity of the gambling problem can be assessed on a continuum where low-risk gambling is a milder form of the gambling problem, while moderate-risk gambling and problem gambling are more serious forms of the problem. In 2023, 9 % engaged in low-risk gambling and 4.2% in moderate-risk or problem gambling. The proportion of respondents whose gambling was at moderate risk or problem gambling level increased compared with 2019, when the corresponding proportion was three per cent. Problems of varying severity related to gambling are clearly more common in men than in women.

Gambling problems continued to become more common among men between 2019 and 2023. In women, gambling at a low risk level became more common over the same period.

A number of factors are likely to be behind the change in gambling-related harms seen in the results of the population survey, and in-depth analysis of the population survey data will continue. The need for in-depth analysis is underlined when you consider that the observed change in harms coincides with the decrease in the prevalence of gambling, the downward trend in the overall gambling market, and the fact that the share of the population gambling outside the system remains unchanged. In an exclusivity system, gambling can typically be assessed as having a lower risk of harm than gambling offered outside the system, because gambling, game features, and the operation of gambling are regulated. Changes in supply and the nature of the games played also apply to the gambling offered within the exclusive system. In addition to digitalisation, the supply and product development of gambling as a whole is characterised by a development in which the nature and distribution of the gambling on offer increasingly emphasises features that involve risks of harm. The gambling industry has responded to the decline in interest in gambling and the weakened demand by making the offer even more attractive. Another key underlying factor is the increased risk of harm from gambling in a digital gaming environment.

According to data from the Finnish Institute for Health and Welfare's Finnish Gambling population survey, the highest incidence of risk-level gambling is among people who are involved in both physical gambling and online gambling. As many as 23 % of such individuals gambled at least at a low-risk level (PGSI score > 0). Approximately 2 % of this group can be considered problem gamblers (PGSI score ≥8) on the basis of the PGSI. Only 13 % of those gambling only online were involved in gambling at least at a low-risk level, but only 0.4 % were problem gamblers. Among people whose gambling involved only physical games, the gambling of seven per cent was at least at a low-risk level and 0.3 % of them were problem gamblers as measured by the PGSI. Gambling at risk level is clearly more common among players whose gambling involves gambling outside the exclusive system. The gambling of 26 % of such players was at least at a low-risk level and around three per cent of players could be considered problem gamblers on the basis of the PGSI. Of the players whose gambling involved only Veikkaus Oy's games, at least eight per cent were low-risk gamblers and only 0.2 % were classified as problem gamblers. The majority of people who do not have a gambling problem (69 %) or whose gambling is at a low risk level (78 %), according to the PGSI, only play Veikkaus Oy's games. By contrast, the gambling of moderate-risk gamblers (PGSI score 5 to 7) and those classified as problem gamblers mainly involved gambling outside the exclusivity system. Among moderate risk gamblers, 66 % of gambling involved gambling other than Veikkaus Oy games, and for problem gamblers, the equivalent share was 56 %. (FCCA 2023).

The latest Healthy Finland surveys use a slightly different classification of problem gambling from the Finnish Gambling population survey. According to the results, 9 % of the respondents had gambled in the past 12 months at a level of at least low risk (PGSI ≥ 1). The share was 13 % for men and 6 % for women. The gambling of 1.1 % of respondents had been at problem level (PGSI ≥ 8), in the past 12 months. Problem gambling was most common among men under the age of 40, three per cent of whom were involved in gambling at the problem level. In men, problem gambling was less common when moving towards older age groups. Of the women, 0.5 % had gambled at problem level. Women's problem gambling was most common among those aged 40 to 64, but less common among respondents aged 65 and over.

The wellbeing services county of Central Ostrobothnia had the highest share of gamblers whose gambling was at least at low risk level (15 %), while Åland had the lowest share (3 %). Problem-level gambling, on the other hand, was most prominent in the wellbeing services counties of Vantaa and Kerava as well as Pirkanmaa (2 %). The lowest share of gambling at problem level was recorded in the City of Helsinki metropolitan area (0.3 %). For men (19 %) and women (10 %), gambling at risk level was most common in the wellbeing services county of Central Ostrobothnia. Problem-level gambling, in turn, was prominent among men in the Central Uusimaa region (3 %) and among women in the Vantaa and Kerava wellbeing services county (1.7 %). Of the respondents, 3 % had experienced gambling as a problem at least at some point in their lives. Men (5.5 %) had experienced this more often than women (1.4 %). The wellbeing services counties of Northern Ostrobothnia (4.6 %) and Central Uusimaa (4.5 %) had the highest percentage of people who had experienced gambling as a problem at some point in their lives.

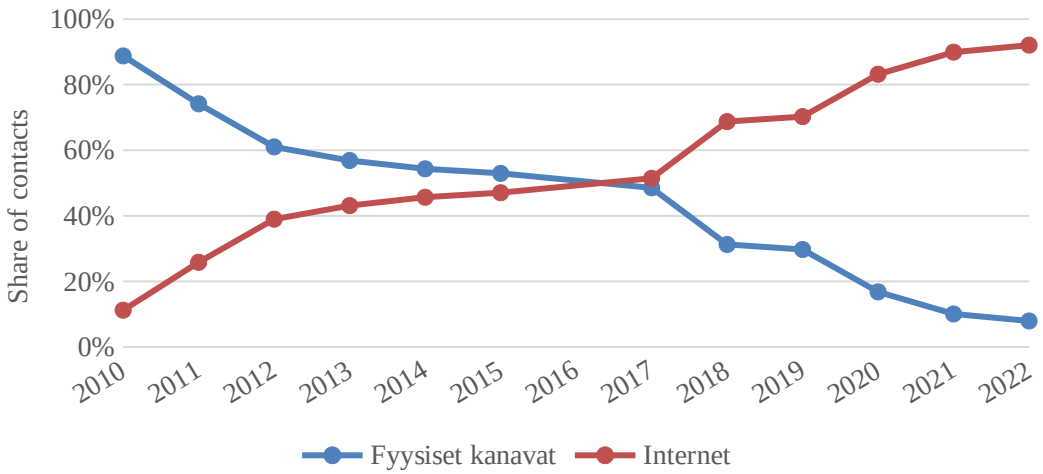
Prisoners most often belong to groups that are not included in the population surveys. The prevalence of a probable gambling problem was investigated among Finnish prisoners as part of the Health and Wellbeing of Prisoners 2023 study. Of the prisoners participating in the study (n=527), 12.5 % had a score indicating a gambling problem. A probable gambling problem was more common among younger prisoners, first-time offenders, and prisoners whose main offence was theft or property offence. A link has also been found at the population level between criminal convictions, social disadvantage and the seriousness of the gambling problem (Lind et al. 2023). An untreated gambling problem puts a strain on the financial situation and relationships, making it difficult to adapt to a crime-free everyday life after the conviction.

In 2017–2021, serious gambling-related harms played a significant role in at least 21 suicides in Finland. A study by the Finnish Institute for Health and Welfare (THL) examined police investigation documents and found that people who had experienced serious gambling problems and ended up committing suicide lived in challenging social conditions. Social conditions are characterised by various stress factors, such as relationship problems, over-indebtedness, psychological distress, and often substance abuse. There were also large variations in the number and quality of people's social relationships. The results of the study show that the intertwining of different stress factors into complex life situations is typical and that even strong social ties may not be enough to protect those experiencing gambling-related harms. It is likely that the number of cases where the suicide was caused by serious gambling problems is significantly higher than the number of cases found in the study, as gambling may not be known to the police during their investigation. (Selin, Jani & Lind, Kalle 2023. Gambling, social integration and sources of strain in cases of suicide: exploring police investigation reports. Addiction Research & Theory 32 (2), 104–110.)

In 2022 and 2023, the Finnish Institute for Health and Welfare conducted two surveys on gambling-related harms mainly using qualitative methods. The surveys were targeted at those responsible for the prevention of gambling-related harms and at people employed in services providing support and treatment for gambling problems in different parts of the country. The employees identified an increased risk of suicide associated with serious gambling problems. The concentration of risk-level and problematic gambling in a relatively small group also means that the harms caused by these issues accumulate.

2.2.6 Gambling problems in the light of information on services offering support for gambling-related harms

To date, the most comprehensive statistical information on support services produced on a regular basis has been available from statistics on services specialising in gambling problems. According to the 2022 annual report of the national e-service Peluuri, which offers support for gambling problems, for 53 % of people who contacted the service, gambling involving online slot machines was the most frequent cause of problems (54 % in 2021). The digitalisation of gambling was clearly visible among the players who contacted Peluuri. In 2022, the share of players gambling mostly online was already 90 % (85 % in 2021). This is a significant change over the last ten years or so, as in 2010 almost 90 % of those who contacted Peluuri reported that physical games were their main gaming channel. (FCCA 2023).



Fyysiset kanavat	Physical channels
Internet	Online

Figure 6. The figure shows the main gambling channel used by those who contacted Peluuri. Data for 2016 are missing. Data for that year are shown in the figure with a dashed line. (FCCA, 2023 based on data relating to people contacting Peluuri).

The majority (65 %) of players gambled only on the websites of gambling companies outside the exclusive rights system (incl. PAF 1 %). In 2021, the corresponding proportion was 71 %. (Silvennoinen, 2022.) In the early 2010s, the share of players whose gambling involved gambling outside the exclusive rights system was clearly lower (FCCA 2023). Gambling involving only Veikkaus Oy games was reported by 18 % (15 % in 2021). In 2022, 17 % of respondents reported that their gambling involved equal amounts of gambling within and outside the exclusive rights system (14 % in 2021). (Silvennoinen, 2022).

67 % of Peluuri's customers financed their gambling with earned income (57 % in 2021). Of people who contacted Peluuri, 53 % funded their gambling using loans or payday loans (47 % in 2021, 50 % in 2020, 60 % in 2019, and 37 % in 2018), while the proportion among online players was 55 % (51 % in 2021). The most common amount of debt accumulated due to gambling was between EUR 20 000 and EUR 50 000. In 2022, 60 % of the players who contacted Peluuri and for whom the amount owed was recorded had debts of more than

EUR 10 000 (55 % in 2021) and around 3 % of the players had debts of more than EUR 100 000 (5 % in 2021). In 2022, the average gambling debt was between EUR 10 000 and EUR 19 999. The most common debt amount for those who called the helpline or used the chat function was EUR 20 000–EUR 50 000, and for 63 %, the debt was over EUR 10 000. (Silvennoinen, 2022).

The profile of players who contacted Peluuri has not changed significantly in recent years. The largest group of players contacting the helpline is young adult men. In 2022, 64 % of gambling customers were men, and 65 % were under 34 years old. Peluuri's statistics, for their part, show that gambling-related harms affect not only players themselves but also their immediate family and friends and other social environments. Of all calls received by Peluuri, 28 % came from close relatives. Of the close relatives, 74 % were women and 71 % were over 34 years of age, the largest age group being people aged 55 or over. (Silvennoinen, 2022).

Slot machines have been the form of gambling causing the most gambling problems throughout Peluuri's history. In 2019, they accounted for the main form of problem gambling with a share of 83 %(43 % for online slots and 40 % for gambling locations). In 2022, online slot machines caused problems for 59 % of the people for whom the gambling that was causing problems was identified. In the case of gambling machines in gambling locations, the corresponding share was 10 %. The share of gaming machines in gambling problems has thus remained significant, but the weighting has shifted strongly to online gambling. (Silvennoinen, 2022).

Among people gambling online, 93 % gambled at least occasionally on mobile devices, while 48 % gambled exclusively on mobile devices. For people gambling mostly online, slot machines caused problems for 53 % of gamblers. Casino table games (15 %) and betting (14 %) were the next most common causes of problems for online gamblers. For individuals who gambled mainly at gambling locations, 46 % of the problems were related to scratchcards and 39 % were related to slot machines. (Silvennoinen, 2022).

2.2.7 Over-indebtedness

Gambling problems are usually associated with financial problems. The problems manifest both as large debts and as scrimping and saving when it comes to everyday life and basic needs. The funding of gambling using borrowed money is common among players who have contacted Peluuri. In 2022, 74 % of those who embarked on the Peli poikki (Time to Fold) programme had gambling-related debts. Of these people, 66 % owed more than EUR 10 000. The amount of debt that emerged as the most common in both the Time to Fold programme and the helpline and chat.was between EUR 20 000 and EUR 50 000. Debts were often associated with a large number of different types of consumer credit. Large debts were concentrated mainly on online gamblers. According to the Guarantee Foundation's guarantee decision data, indebtedness due to gambling is more common among younger people and men, especially men under the age of 30. The share of calls related to gambling to the Guarantee Foundation's debt helpline and chat function has remained fairly stable in recent years. According to the statistics of the Guarantee Foundation, indebtedness due to gambling and calls to helplines about this issue are most common among men under the age of 30. For the youngest age group (24 years or under), calls and chat messages related to indebtedness due to gambling have increased slightly between 2022 and 2023.

Among the Guarantee Foundation's customers, a common feature among gamblers is unsecured loans (so-called consumer and payday loans), and the amounts of these debts are, on average, clearly higher for gamblers than for other customers.

In both spring 2022 and spring 2023, the Finnish Institute for Health and Welfare conducted surveys on the harm caused by gambling mainly using qualitative methods. The surveys were targeted at those responsible for the prevention of gambling-related harms and at people employed in services providing support and treatment for gambling problems in different parts of the country. According to the respondents, the faster pace and 24/7 accessibility of online gambling combined with easy-to-access consumer credit lead to more rapid and more severe indebtedness more easily than before. Rapid indebtedness involving larger amounts than previously may also accelerate other gambling problems, according to the support services employees, and situations may escalate more easily. According to the respondents, particularly among young players, gambling at online casinos and the intertwining of online gaming and gambling for money are evident as part of gambling problems. In some cases, online casino gambling and obtaining instant loans are activities that have started and caused problems as soon as a young person reaches the age of majority. Rapidly escalating gambling-related harms and rapidly growing debts due to high-interest consumer credit at an early stage of life can have a significant impact on players for years, even decades, for example, through difficulties related to studies or employment.

According to the professionals, the effects of the Covid-19 pandemic, the war in Ukraine and rising interest rates can be seen in the everyday lives of those who experience gambling-related harms. For example, the resulting economic challenges, such as lay-offs, reductions in working hours and redundancies, had in some cases caused an already difficult financial situation to spiral out of control. Over-indebtedness and a difficult financial situation caused by gambling put a strain not only on players themselves but also on many family members. Especially for families with children where one or both parents experience problem gambling, the situation is a particular concern for the professionals.

2.2.8 Gambling addiction diagnosis

Gambling addiction (ICD-10: F63.0, pathological gambling) refers to repeated problem gambling behaviour that is associated with serious long-term psychosocial, economic and health harms. Based on data from the care notification register HILMO, between 2011 and 2021, 3 142 persons over the age of 18 living in mainland Finland had been diagnosed with gambling addiction. Men had more gambling addiction diagnoses than women: about a third of the diagnoses were in women. Although the number of diagnoses has increased between 2011 and 2021, the number remains low. The number of gambling addiction diagnoses is significantly lower than the estimates of the prevalence of gambling addiction made on the basis of the Finnish Gambling population surveys, which suggests that the phenomenon is underdiagnosed and that gambling problems are not adequately identified in social and health services.

Gambling addiction is often associated with comorbidity. People diagnosed with gambling addiction have been found to have other mental and behavioural disorders, such as anxiety disorders and substance abuse problems. Many different somatic symptom disorders, such as, in particular, diseases of the nervous system, memory disorders, respiratory diseases, diabetes, and diseases of the digestive system, are also exacerbated in people diagnosed with gambling addiction. In addition, the risk of suicide has been found to be many times higher among individuals diagnosed with gambling addiction compared to the rest of the population. This

has been found to be particularly pronounced in the context of concomitant mental and behavioural disorders.

2.2.9 Services offering support and treatment for gambling problems nationwide

The social and health services of the wellbeing services counties are responsible for arranging support and treatment for gambling problems as part of substance abuse and addiction treatment in health care (Health Care Act 1326/2010) and substance abuse and addiction work in social welfare (Social Welfare Act 1301/2014). At the beginning of 2023, legislation was amended to include e.g. other addictive behaviour, which referred specifically to gambling, thereby clarifying and strengthening the responsibility of the wellbeing services counties to organise these services.

Psychosocial treatment of gambling problems is implemented in the wellbeing services counties as part of mental health, substance abuse, and addiction services. Peluuri, a nationwide online service package funded by Veikkaus Oy and organised by the Finnish Blue Ribbon organisation and the A-Clinic Foundation, has become a significant support service complementing public services for players, their loved ones, and those encountering gambling-related harms in their work. The organisation of the service is subject to a cooperation agreement between Veikkaus Oy, the Ministry of Social Affairs and Health, and the service providers. In addition to these services, there are also other services provided by the organisations that complement public services, such as low-threshold support and counselling as well as peer support.

According to data collected by the Finnish Institute for Health and Welfare, nearly all (93%) municipalities in mainland Finland reported that outpatient care and rehabilitation for gambling problems were available before the social welfare and health care reform (Heiskanen et al., 2023). At least 17 institutional rehabilitation units offer institutional rehabilitation for gambling addiction (Nevalainen et al., 2022). Outpatient care and rehabilitation are more often public service provision, whereas institutional rehabilitation is often provided through public procurement (Heiskanen et al., 2023).

Although, according to THL data, treatment is available, there are still practical challenges and gaps in the knowledge base affecting its accessibility and effectiveness. According to a survey carried out by the Finnish Institute for Health and Welfare (THL) in 2020, 74 % of municipalities estimated that the information provided on websites on services for the treatment of gambling problems was insufficient. Additionally, in the 2020 survey only around 40 % of respondents were of the opinion that other services would, if necessary, direct the customer to treatment for a gambling problem. (Heiskanen, Kesänen & Tenkanen 2021).

In some parts of the country, the health service keeps a record of the number of structured assessments of gambling problems. Early identification of gambling problems and referral to treatment are key to reducing these issues. The number of structured assessments has steadily increased since 2019 (22 times), with 571 carried out in 2023 (AvoHilmo). In addition to treatment, problem gamblers or their loved ones may need other services, such as social services, health care, or financial and debt counselling. Rehabilitation is also supported by, for example, housing services or employment services. Gambling problems may also involve criminal convictions and typically long-term debt enforcement.

The connection between gambling problems and other issues is typical. According to a study by the Finnish Institute for Health and Welfare (THL), seven per cent of those who had

contacted social and health services for substance abuse in 2019 also had gambling problems, and these problems were associated with being male, young age, drug use, depression, and having a country of birth other than Finland. For example, 11 % of customers who had nowhere to live who had contacted the services for substance abuse had gambling problems, and 13 % of customers born outside Finland who had contacted the services for substance abuse had gambling problems. (Heiskanen & Kuussaari, 2023.) In a research project conducted by the Finnish Institute for Health and Welfare, employees at temporary accommodation facilities for drug users identified customers who were homeless and needed temporary accommodation precisely because of a gambling problem, although they often had co-occurring substance abuse problems (Kuussaari et al., 2024).

2.3 Regulations and guidance for the operation of gambling

2.3.1 Scope and definitions of legislation on gambling activities

The legislation on lotteries is the main tool for the implementation and control of gambling policy. The aim of the Lotteries Act is to prevent and reduce the economic, social and health-related harm from participating in lotteries. In addition, the aim is to prevent abuse and crime and to ensure legal protection for participants in lotteries.

The Lotteries Act defines a lottery as an activity in which participants may win a prize of monetary value based in full or in part on chance and in which there is a charge for participation. Gambling is still defined by law as a lottery in which money can be won, and it is still regulated by the Lotteries Act as the exclusive right of Veikkaus Oy, which is wholly owned by the state. In the case of lotteries other than gambling, the right to run lotteries is subject to a licence and is reserved exclusively for registered associations, independent foundations, or other such organisations with a non-profit purpose and domiciled in Finland. The scope of the current Lotteries Act therefore covers all forms of running lotteries.

The Lotteries Act and the decrees issued under it restrict the provision of gambling and regulate the features and marketing of gambling. The Lotteries Act also lays down provisions on the duties of different ministries and authorities related to the gambling system in respect of steering the operation of gambling and preventing harms. The prevention and reduction of gambling-related harms is multidisciplinary work and responsibility lies with several parties.

The Lotteries Act contains definitions of gambling services, the permissible forms of gambling services and gambling points of sale. The Lotteries Act lays down provisions on the location of slot machines for the purposes of gambling supervision, and the Lotteries Act also contains provisions on the self-monitoring of slot machines by gaming venue. The Lotteries Act also provides for mandatory identity verification for all gambling, which uses technology to enable the use of self-exclusion and restrictions targeted at regulated gambling. Gambling may not be sold to persons under the age of 18, which is also supported by mandatory identify verification.

In addition to the exclusive right to operate gambling, the Lotteries Act contains detailed provisions on restrictions on the operation of gambling, the prevention and prohibition of gambling, intervention in illegal activities, and supervision. According to sections 42 and 43 of the Lotteries Act, the National Police Board is responsible for supervision of the operation of gambling. The availability and features of gambling are regulated in more detail by decrees issued under the Lotteries Act, which also provide for a number of restrictions on gambling.

The key decrees regulating the operation of gambling are the Government Decree on the gambling offered by Veikkaus Oy (1414/2016) and the Decree of the Ministry of the Interior on the rules of play offered by Veikkaus Oy (VN/19779/2023). The decrees were issued pursuant to section 13c of the Lotteries Act, which lays down powers to issue decrees on the operation of gambling. Under section 13c, operation of gambling must be carried out in such a way as to ensure the legal protection of participants in gambling, prevent irregularities and crime, and prevent and reduce the economic, social and health-related harms resulting from gambling. The Lotteries Act contains not only provisions on powers to issue decrees on the operation of gambling, but also other provisions on powers to issue decrees at the level of the Government and the Ministry of the Interior.

Pursuant to section 13c of the Lotteries Act, provisions are laid down by government decree on game-specific payouts to players, the rounding of winnings, and the manner of distribution of unclaimed winnings, as well as on the types and maximum number of slot machines and casino games at gambling locations, specific game rooms and casinos, and on the maximum number of specific game rooms, and the number, locations, and opening hours of casinos. During its period of validity, the decree has been amended, among other things, as regards the payouts to players laid down in the decree and as a result of amendments to the Lotteries Act.

Pursuant to section 13c of the Lotteries Act, provisions on, among other things, regulations on gambling draws, the features of games, and quantitative and temporal restrictions on gambling are laid down by decree of the Ministry of the Interior. The decree has been amended to take account of changes in the features of the gambling offered or to add rules on new gambling activities. The Decree of the Ministry of the Interior also includes restrictions on gambling (see section 2.5 below for more details). In addition, a Decree of the Ministry of the Interior lays down provisions on the features of gambling, such as the maximum permitted stakes and winnings on gambling found to be harmful.

2.3.2 Guidance on the operation of gambling

In the current system, guidance on the operation of gambling extends beyond guidance through legislation. According to the Court of Justice of the European Union, a system of exclusivity under the strict control of the public authorities can be an effective means of managing the risks associated with gambling. This line highlights the key potential of exclusivity to tightly control gambling activities through a variety of means. In addition to guidance through legislation, the overall package includes ownership steering, supervision, knowledge management, and other monitoring and steering by the authorities. In this context, guidance refers to all statutory measures taken by the authorities by which the State guides and steers the operation of the gambling system and gambling in order to prevent and reduce harms.

Guidance and monitoring by the authorities focus on, for example, ensuring at a strategic level that Veikkaus Oy operates in accordance with its special assignment in respect of the gambling offered and product development, gaming restrictions (such as loss and money transfer limits) and voluntary gambling management tools, Veikkaus Oy's responsibility work, as well as factors related to the gaming environment and marketing. Guidance on gambling features targeted at the prevention of harms can be considered to have contributed, for example, to the fact that certain product features in gambling have not been part of the games offered. For example, the so-called autoplay feature in slot machines has not been available, and the regulatory model has not considered it necessary to introduce bonuses, which are a

means of attracting gambling that is usually used in licensing models and increases the risk of harms.

In the current system, it has been considered that in order to prevent and reduce gambling-related harms, the impact of the features of games and the availability of games must be assessed both by the gambling operator and as part of the activities of the authorities. Evaluation by the authorities of the operation of gambling was initiated by he Ministry of Social Affairs and Health in 2016. The task is carried out by the evaluation working group on the risks and harms caused by gambling operating under the Ministry of Social Affairs and Health. In connection with the amendments to the Lotteries Act (HE 135/2021 vp), which entered into force at the beginning of 2022, the evaluation work was strengthened by transforming it into a statutory part of the work on the prevention and reduction of gambling-related harms in accordance with section 52 of the Lotteries Act and by improving Veikkaus Oy’s rights of access to information in order to carry out the evaluation work.

Evaluation is by nature information guidance. It examines the features and characteristics of games, game restrictions and gaming management measures, the availability and accessibility of gambling, and the marketing of gambling. Veikkaus Oy's gambling and player data, methods of technical measurement and expert evaluation, appropriate scientific research, and information on the situations of those seeking help from support services are utilised in the evaluation and in determining the harm profile of gambling products. In addition, the evaluation utilises the experience-based information of those who have experienced harms, as well as any other potential material on harms.

In addition to the gambling offered by Veikkaus Oy, the evaluation takes into account gambling offered outside the system and its effects. The evaluation working group responsible for the evaluation has submitted statements to the Ministry of the Interior on draft decree amendments concerning rules of play, which it has been necessary to assess from the perspective of social, economic, and health-related harms. The evaluation group has also participated in the official processes concerning Veikkaus Oy's monitoring and guidance, and commented on Veikkaus Oy's product development plans and on gambling activities and responsibility work from the perspective of prevention and reduction of harms in order to promote sustainable operation of gambling. The evaluation work and its operating model are globally unique and, in terms of current operating models, partly tied to the exclusive system in which the overall guidance package and the single-actor model enable an in-depth approach to work.

The challenge of the evaluation work in the early years has been to obtain sufficient information from Veikkaus Oy to support the data-based evaluation. Veikkaus Oy's gambling and player data is increasingly important as a basis for the evaluation work. As a result of the amendments to the Lotteries Act that entered into force at the beginning of 2022, Veikkaus Oy's right of access to gambling and player data was improved and it has been possible to better utilise the data in the evaluation work.

Cooperation between the authorities with regard to the evaluation work, supervision of gambling activities, legislative guidance and ownership guidance is important in order for the government’s guidance measures to form a coherent whole and create a shared knowledge base. Cooperation between the authorities to develop the overall guidance of gambling activities has been initiated as part of the implementation of the gambling policy programme. The need to develop cooperation was identified in connection with the preparation of the gambling policy programme.

From the perspective of the supervision of gambling activities, there is still room for further development in the availability of research data and its utilisation in supervisory work, and there are grounds for closer cooperation between the authorities. Cooperation between the authorities is particularly important from the perspective of the discussion on gambling-related harms. An essential part of this cooperation is the smooth exchange of information and the presentation of views and positions in joint forums. The gambling policy programme, prepared in cooperation between the Ministry of the Interior, the Prime Minister's Office, the Ministry of Social Affairs and Health, the National Police Board, and the Finnish Institute for Health and Welfare, brings together the key steering bodies for gambling policy. Uniform guidance of the operation of gambling is one of the key objectives of the programme. In Finland, the first gambling policy programme of its kind was completed in 2022. The programme includes targets and measures to reduce the harm from gambling in Finland by 2030. The objectives are aimed at harmonised control of the organisation of gambling, ensuring a gambling system that prevents harm, promoting well-being, health and safety, and developing services. In connection with the preparation of the programme, it was noted that there is a need to harmonise and develop the guidance of gambling activities in order to ensure that the special assignment of the exclusive rights company based on law and the operation of gambling in practice are carried out in a uniform manner. Evaluation of the need for development of guidance structures was highlighted as one of the measures of the gambling policy programme.

From the point of view of harms prevention, a problematic feature of the Finnish system is considered to be the close link between the activities funded by the proceeds of gambling and the profit-sharing entities to gambling policy. The connection between beneficiaries and civil society and gambling activities, and consequently the handling of gambling-related harms, has been considered problematic. This link was cut at the beginning of 2024, when the uses of Veikkaus Oy's proceeds laid down in the Lotteries Act were abandoned. The removal of the connection has been assessed in research and widely among gambling harms experts to strengthen the prevention of gambling harms in gambling policy.

2.4 Marketing of gambling

The definition of marketing in section 4, paragraph 8 of the Lotteries Act divides marketing into three elements. According to the provision, marketing means advertising, indirect advertising and other sales promotion activities. The definition of marketing in the Lotteries Act is therefore broad, covering a wide range of activities. For example, voice marketing, advertising banners, various marketing lotteries and competitions, displaying the logo of gambling websites, using a hashtag referring to a gambling company or other similar promotion aimed at promoting demand for gambling or the image of a gambling company, are marketing activities that, when directed at mainland Finland, are prohibited for anyone other than Veikkaus Oy.

The Lotteries Act lays down restrictions on the marketing of gambling, in particular to prevent harmful consequences caused by gambling. Section 14b of the Lotteries Act lays down general principles on permitted marketing and it contains provisions on restrictions on the content of marketing. Only Veikkaus Oy may market gambling and the company itself if the marketing is moderate in terms of quantity, scope, visibility, and repetition, and is necessary to direct the demand for gambling to gambling activities carried out under the Lotteries Act and to less harmful gambling. Veikkaus Oy may grant a licence for the sale and supply of tickets relating to gambling, receipt of stakes, and distribution of winnings related to gambling. On the other hand, on the basis of the provision, Veikkaus Oy cannot authorise the

marketing of gambling and in this way transfer responsibility for marketing to others. For example, an agent of Veikkaus Oy or a person who has provided a facilities for the operation of gambling does not have an independent right to market Veikkaus Oy's gambling.

Section 14b of the Lotteries Act contains provisions on prohibited marketing methods, the information to be provided in connection with marketing, and provisions on direct marketing prohibitions. Gambling marketing must always include information on the legal age limit for gambling, as well as details of where to obtain information on tools to manage gambling and on service providers offering support for gambling problems. Section 14b of the Lotteries Act also provides for a prohibition on the marketing of gambling involving a particular risk of gambling-related harms, which are listed in subsection 4 of the section.

Under the Lotteries Act, the National Police Board is responsible for supervision of the marketing of gambling. The obligation to supervise the marketing of gambling is based on the general provision of the Lotteries Act that the running of lotteries shall be supervised in order to guarantee the legal protection of participants in lotteries, to prevent irregularities and crime, and to prevent and reduce the economic, social and health-related harms caused by lotteries. The provision, which reflects the purpose and objective of the Act, has also been of particular importance for marketing outside the exclusivity system, as supervision has largely focused on countering the marketing of gambling outside the exclusivity system.

Special attention has been paid to the protection of minors from the harmful effects of gambling in the regulation of marketing. Marketing shall not be targeted at minors or other vulnerable persons. Marketing shall not feature minors. Gambling must not be marketed in television and radio broadcasting, public screenings of audiovisual programmes in a cinema and publishing activities aimed at minors, nor in media services that are aimed at minors or appeal specifically to minors and young persons.

The Lotteries Act does not contain any specific provisions on sponsorship. Sponsorship has been permitted for Veikkaus Oy within the marketing restrictions laid down in section 14b. Thus, sponsorship under the current Act must take into account at least the provision on moderation in marketing and the prohibition on targeting marketing at minors or otherwise vulnerable persons.

The National Police Board is responsible for supervising the marketing of gambling as provided for in the Lotteries Act. The Lotteries Act contains provisions on the powers of the National Police Board to prohibit marketing in violation of the Lotteries Act and to target the prohibition at gambling operators, traders or private individuals engaged in illegal marketing. A periodic penalty payment may be imposed to enforce the prohibition. An administrative penalty fee may also be imposed on these parties for marketing in breach of the Lotteries Act. Marketing that infringes the Lotteries Act is also subject to criminal law regulation and the penalty system. According to chapter 17, section 16b, paragraph 8 of the Criminal Code, a person who violates the provisions of section 14b of the Lotteries Act on the marketing of gambling shall, unless a more severe punishment is provided for elsewhere by law, be sentenced for a lottery offence to a fine or to imprisonment for a period of up to six months.

The marketing of gambling is also supervised by the Consumer Ombudsman. The competence of the Consumer Ombudsman is determined in accordance with chapter 2 of the Consumer Protection Act (38/1978), the concepts of marketing and commercial transactions of which are based on the Unfair Commercial Practices Directive (2005/29/EC). The Consumer

Ombudsman's supervisory powers are general and, if necessary, allow intervention in unfair commercial practices.

The marketing provisions were amended by the reform of the Lotteries Act in 2022. The aim of the amendment was to prevent and reduce the economic, social, and health-related harms caused by gambling more effectively by adding new provisions to the Lotteries Act that support this objective. In addition, the objective of the Act was to strengthen the ability of the exclusivity system to direct demand towards gambling activities regulated by the Lotteries Act in order to further enhance the prevention and reduction of gambling-related harms. The provisions on the marketing of Veikkaus Oy's gambling activities were amended by adding more detailed provisions on the prohibited marketing of gambling, the marketing methods that are to be prohibited, the provisions on information to be provided in connection with marketing, and the provisions on direct marketing bans.

The starting point for regulating the permitted marketing of gambling has been to direct gambling to the activities of Veikkaus Oy, which are regulated by the Lotteries Act. The reform of the Lotteries Act supplemented this principle with the principle of directing gambling towards less harmful gambling. In addition, marketing should be necessary in order to steer gambling and be moderate in terms of quantity, scope, visibility and frequency. In order to support the channelling capacity of the exclusivity system, the provisions on marketing were amended to allow the marketing of betting and pool betting within the specified marketing restrictions.

The marketing carried out by Veikkaus Oy has decreased in recent years. The amount spent on marketing had stabilised for some years at around EUR 20 million, but increased to EUR 24.6 million in 2023. The growth was focused on TV marketing and betting marketing. Targeted marketing and direct marketing have become significant marketing channels. The focus of marketing has varied from year to year, and especially in recent years, the communication of customer authentication for gambling has brought visibility to Veikkaus Oy in addition to the actual marketing of games. Veikkaus Oy has used traditional media in its marketing, such as television, radio and printed media, as well as online advertising, direct marketing, and social media platforms. The content of Veikkaus Oy's website, which does not require login, is also considered marketing, which has resulted in changes to Veikkaus Oy's SEO marketing. In addition, other forms of marketing connected to the internet, and especially to various social media platforms, and their rapid development have created challenges for the regulated exclusive rights operator. Veikkaus Oy has a strong presence in Finland and the Finnish media, but still relatively moderately compared to the marketing of gambling in the streets and media of some countries covered by a licensing system.

Veikkaus Oy's marketing has become more moderate in recent years, and the National Police Board has not observed any significant practices in Veikkaus Oy's marketing that violate the Lotteries Act. The cases that have progressed to administrative measures have mostly been related to the interpretation of the wording of the Act and the delineation of what has been permissible marketing activity within the framework of the interpretations made. The original aim and purpose of the Act in relation to the prevention and reduction of gambling-related harms have been decisive in the interpretations. In particular, there are no clear criteria for the moderation required in marketing in the law or its preparatory work. Furthermore, no clear set of criteria for moderation has yet been established in supervision. The inclusion of the term in the Lotteries Act has left the authorities with room for interpretation, covering a wide range of marketing cases, but the use of the term has also been found to involve risks, especially through the adverse effects of gambling. The interpretation of what constitutes moderate

marketing is essentially influenced by the other elements used in marketing and should therefore not be regarded as a separate entity. In addition, the definition of cross-selling referred to in section 14b, subsection 2, paragraph 9 of the Lotteries Act and the related differences in interpretation have also led in practice to a supervisory measure.

In principle, the marketing restrictions laid down in section 14b of the Lotteries Act may have been regarded as practicable in the prevailing exclusivity system. Regular supervisory meetings with Veikkaus Oy and the opportunity to express the views of the National Police Board through a procedure lighter than the administrative process have been significant from the perspective of supervision. Due to the prevailing exclusive position, it has been important that clear and comprehensive restrictions are imposed on Veikkaus Oy's marketing. However, despite their comprehensiveness, the marketing restrictions have nevertheless been such that the supervisory authority could be required to make interpretations.

There is no research data on the decision to allow marketing of betting games that came into force at the beginning of 2022. As a rule, betting games can be considered gambling with a relatively high risk of gambling-related harms. Allowing the marketing of betting games therefore entailed a risk of increased gambling-related harms. It is also possible that some of those who had previously played betting games online outside the regulatory framework switched to Veikkaus Oy's betting games.

2.4.1 Exposure of minors to gambling marketing

International research data suggests that children and young people are a vulnerable group in terms of gambling marketing. Marketing can increase the likelihood that children and young people will gamble.

A study comparing the marketing of Veikkaus Oy and gambling companies operating in Sweden on social media between 2017 and 2020 found that minors' access to content was mainly blocked, but this was not always the case in certain channels. Veikkaus Oy's social media channels that sent the most messages concerned poker, betting, and pool betting (tote). Approximately 10 % of Veikkaus Oy's messages mentioned age limits or responsible gaming, which was less than in Sweden (Lindeman et al. 2023: Gambling operators' social media image creation in Finland and Sweden 2017–2020. Nordic Studies on Alcohol and Drugs 40 (1), pp. 40–60.

2.4.2 The impact of marketing on people experiencing gambling-related harms

International research shows that those who have experienced gambling-related harms are a vulnerable group, as advertising increases the likelihood that they will continue to gamble. They feel that advertising increases, among other things, thoughts about gambling, intentions to gamble, and actual gambling. For them, advertising increases the likelihood of experiencing gambling-related harms. (McGrane, E et al. (2023) What is the evidence that advertising policies could have an impact on gambling-related harms? A systematic umbrella review of the literature. Public Health 215, 124-130). Of the advertising channels, the internet has been found to have the strongest impact.

Another study of Veikkaus Oy's social media channels showed that the content was often news-like or journalistic without direct references to gambling (Jääskeläinen et al. 2023: Sports News And Stories In The Service Of Gamblification: The Finnish State-Owned Gambling Monopoly's Sports-Related Social Media Posts. Journal of Gambling Issues). This

may make it more difficult for consumers to distinguish between the presentation of information about gambling and sales promotion. It is possible that this type of indirect marketing may have an impact on people who experience gambling-related harms in a way that increases gambling.

2.4.3 Marketing of gambling companies outside the exclusive rights system in Finland

The marketing of gambling companies outside the exclusive rights system refers to the marketing of a company other than Veikkaus Oy. The maintenance of the Finnish system of exclusive rights has required the State to counter unauthorised operation of gambling and its marketing. In its recommendations, the European Union Commission has concluded that it is appropriate for Member States to act against gambling services that are not allowed according to Union law or the law of the Member State where the gambling services are used. The Commission has also taken legal action if it considers that a Member State does not consistently implement its chosen monopoly system and allows unauthorised gambling activities.

Due to the abundance of marketing of gambling outside the exclusive rights system, supervision has focused on investigating and preventing cases that have come to the attention of the authorities based on, for example, citizens' letters, officials' own observations, notifications from other authorities, or representatives of the sector.

Following the entry into force of the Lotteries Act at the beginning of 2022, the National Police Board’s human resources were increased to supervise illegal gambling activities. Even before this, considering the existing human resources, the duties of the National Police Board in intervening in illegal gambling activities and in supervising marketing had increased significantly. As a result of the rapid development of technology and services, the visibility of gambling marketing has increased significantly over the past five years and expanded to a number of different services. Marketing is increasingly personalised and closer to the consumer than before. New marketing tools and practices have also led to more extensive measures and interpretation practices in the supervision of gambling marketing.

The availability of social media services and the flexibility and speed of marketing have led to a strong increase in gambling marketing, especially by natural persons, in addition to companies outside the exclusive rights system. The marketing of gambling by natural persons has been seen as particularly harmful, especially to minors, as it has been carried out on platforms that are mainly used by young people and minors,and carried out by persons who are followed and admired by young people in particular. In addition, the marketing has not disclosed its commercial purpose, and gambling has been marketed in a manner akin to covert advertising.

Gambling marketing has currently been implemented by utilising various communication channels and methods. Marketing in the e-environment, in particular, has been found to be abundant. Special websites have featured, among other things, gambling banner advertising and links to gambling websites. Links have been used in advertising space purchased directly from the publisher and in marketing carried out using affiliate sites. Marketing content has also been created by producing podcasts and video publications for the e-environment. In order to counter marketing outside the exclusivity system, the National Police Board has intervened in gambling marketing that violates the Lotteries Act by issuing prohibition

decisions on gambling advertising banners, links on gambling websites, and podcasts and videos promoting gambling.

Companies outside the exclusive rights system have also utilised direct marketing in their marketing. Direct marketing has been targeted at consumers particularly through phone calls, text messages, and emails. Marketing bans requested by consumers or imposed by consumers have not had an impact on stopping marketing. Marketing activities targeting mainland Finland have ended with the National Police Board's prohibition on gambling marketing in violation of the Lotteries Act.

In addition to website advertising and direct marketing, marketing of gambling outside the exclusive rights system has also been observed in more traditional forms of advertising, such as television and radio advertising, as well as in physical environments, such as sports events in mainland Finland. With regard to marketing in the physical environment, the supervisory authority has effectively prevented the visibility and marketing activities of gambling companies by informing event organisers and competitors about the provisions of the Lotteries Act and interpretation practices related to the marketing of gambling. At the time of writing, a matter concerning marketing in violation of the Lotteries Act in television broadcasts is pending before the Supreme Administrative Court and has therefore not yet been the subject of a final decision. The issue is how the country of origin principle in the Audiovisual Media Services Directive (AVMS) applies in relation to the Lotteries Act.

In the phenomenon-based assessment, differing views on the interpretation of the Lotteries Act between the National Police Board and the parties subject to supervision have included establishment outside mainland Finland and the effects of the language used in marketing on marketing orientation. Persons marketing using streaming services in particular are established outside mainland Finland in order to circumvent the provisions of the Lotteries Act. Attempts have also been made to obscure the criterion of marketing orientation in the language used in marketing, other than Finnish. However, the marketing provisions of the Lotteries Act also apply to foreign operators if the purpose of the marketing is to promote the sale of gambling in mainland Finland. It has also been important to determine whether gambling is actually available in mainland Finland. Marketing is monitored according to the same principles as for operators established in mainland Finland.

The marketing communications of foreign gambling companies often include a reference to the national support service Peluuri. The purpose of adding information on Peluuri may be to obscure consumers' perception of the legal right of the gambling operator to operate gambling in mainland Finland. The aim is also to circumvent the unequivocal prohibition of the Lotteries Act on the marketing of gambling other than the gambling offered by Veikkaus Oy by actively utilising covert advertising.

2.4.4 Gambling marketing from the perspective of people employed in services providing prevention and treatment

In spring 2022 and spring 2023, the Finnish Institute for Health and Welfare conducted two surveys on gambling-related harms mainly using qualitative methods[5]. The surveys were targeted at those responsible for the prevention of gambling-related harms and at people employed in services providing support and treatment for gambling problems in different parts of the country. A total of 92 responses were received in two years. Some of the respondents

[5] https://www.julkari.fi/bitstream/handle/10024/148852/URN_ISBN_978-952-408-289-1.pdf?sequence=1&isAllowed=y.

were the same in different years and in two different surveys. The diversified and often aggressively implemented gambling advertising on a wide range of platforms, such as online gaming, social media platforms, influencer marketing, direct advertising or websites, raises significant concerns among survey participants.

2.4.5 Marketing regulation from Veikkaus Oy's perspective

It has been considered necessary to impose different marketing restrictions on the various forms of gambling defined in the Lotteries Act due to the harmful effects of gambling. The marketing of gambling considered to be the most harmful is completely prohibited in any place other than the specific game rooms in which the gambling activities in question are located. Such gambling includes online money lotteries, betting offered exclusively online (e.g. eBingo), slot machines and casino games. Only information related to, for example, the location and opening hours of the venue, as well as other similar information, can be provided about these gambling venues.

As a result of the interpretation of the law, this also applies to Veikkaus Oy's website and application, which cannot, therefore, be marketed in the same way that international operators market their own websites. The part of Veikkaus Oy's website that does not required login is interpreted as marketing, which means the content is very limited for gambling subject to marketing restrictions. No content other than the game name and emblem (logo, pictogram) can be displayed on the site for such games. According to the company, the interpretation affects the effectiveness of Veikkaus Oy's SEO marketing, as the breadth and diversity of the website's content directly influence the search results. As a result, the content of international operators can rise to the top in searches thanks to the more diverse content on the sites.

The ban on the marketing of casino games and slot machines also applies to online gambling. As a result, new game releases (digital, fast-paced gaming) can only be marketed by Veikkaus Oy on the part of the website requiring login or if the customer has separately ordered a service message on the subject. Veikkaus Oy does not have the opportunity to inform about casino games, poker, e-Scratchcards, or e-Bingo in its customer relationship marketing (email, text message, and push messages). Operators outside the exclusive rights system, on the other hand, actively market gambling through these channels.

According to Veikkaus Oy, the marketing provisions concerning individual gambling activities have mainly proved to be clear, and the related interpretations by the authorities have become established. According to Veikkaus Oy, the inclusion of information on the age limit for gambling, gambling management tools, and service providers offering support for gambling problems in the marketing of gambling has proven to be effective.

Influencer marketing is prohibited for Veikkaus Oy, i.e., public figures cannot distribute Veikkaus Oy's content on their own channels against payment or free of charge. Public figures can be used as the face of advertising and in content shared by Veikkaus Oy.

According to Veikkaus Oy, the regulations and interpretations concerning marketing restrictions have not taken into account the general standards of online stores and other digital services and customer expectations. For example, the opportunities for developing services that require logging in to an online store or providing good customer service are limited due to the interpretations (for example, serving customers along the service path and introducing them to new games and services). Operators outside the exclusive rights system are actively developing their services to meet customers' expectations.

In Veikkaus Oy's view, the regulations related to customer service situations at physical gambling venues and the interpretations made by the authorities concerning, for example, gambling and its features or game novelties are partly opaque and, according to Veikkaus Oy, weaken the customer experience. Similarly, legal interpretations of the use of different expressions make it difficult to communicate in plain language to customers. Imperatives related to gambling are prohibited in the interpretations. As a result, in the guidance on digital marketing, SEO advertising, online services, and applications, for example, it is necessary to use expressions that are less clear to customers, which makes the content of Veikkaus Oy's marketing rigid and it does not appeal to customer target groups in the same way as the content and marketing messages of international operators. In Veikkaus Oy's view, the interpretations regarding pictorial communication also limit the company's operations compared with its competitors. This also affects the content of SEO advertising and search engine results.

According to Veikkaus Oy, the interpretations concerning the marketing of gambling also limit the use of marketing communication tools. According to the company, new marketing channels or technologies and related consumer behaviour, target groups or customer expectations are not taken into account in the regulation and interpretation of marketing. For example, regarding new social media channels, video services, or influencer marketing, the interpretations are based on the principles of more traditional media. According to Veikkaus Oy, the interpretations also do not take into account the changing media use of different age groups, such as the limited TV viewing by young people.

2.5 Self-exclusion and other gambling management tools

The Decree of the Ministry of the Interior on the rules of play of the gambling offered by Veikkaus Oy issued on the basis of the Lotteries Act lays down provisions on the tools for managing gambling. The Decree applies to gambling offered online by Veikkaus Oy and accessed through a player account, but in practice Veikkaus Oy has voluntarily extended the scope of the Decree to also cover physical gambling channels.

2.5.1 Self-exclusion and time out

For slot machines located at gambling locations, the option to self-exclude for a fixed or indefinite period entered into force in January 2021 and for game rooms in July 2021. In May 2023, Veikkaus Oy supplemented the self-exclusion package to cover all forms of gambling, with the exception of scratchcards. Scratchcards were included in the scope of gambling requiring identity verification and the possibility of self-exclusion from the beginning of 2024. Since 2024, it has been possible to self-exclude for a fixed or indefinite period.

The Decree of the Ministry of the Interior also lays down provisions on self-exclusion, which a player may set to apply for a fixed period or for an indefinite period. Gambling also features a quick-lock function that prevents players from gambling until the end of the following day.

In 2017, the Ministry of Social Affairs and Health commissioned a report on effective regulatory harm prevention measures. Mandatory identify verification and self-imposed limits on gambling consumption were highlighted in the report as key measures aimed at minimising harms. Based on the current knowledge base, it can be estimated that if the limits are sufficiently low and are mandatory, and identity verification is used, the measures can prevent and reduce risk-level gambling and thus gambling problems. However, no single gambling

management tool alone is likely to have a significant effect on preventing or reducing harms, and the effectiveness of individual measures depends on other harm-preventing measures.

The effects of self-exclusions on gambling behaviour have been studied extensively in relation to online gambling. The research evidence is not undisputed, but in the light of the research evidence, self-exclusion can justifiably be estimated to reduce gambling, gambling consumption, and to mitigate an individual's gambling problems. (e.g. Caillon, J et al. (2019) Effectiveness of At-Risk Gamblers' Temporary Self-Exclusion from Internet Gambling Sites. J Gambl Stud 35, 601–615; Naoimh McMahon, K et al. (2019) Effects of prevention and harm reduction interventions on gambling behaviours and gambling-related harm: An umbrella review, Addictive Behaviors, 90, 380-388.) Blocking gambling may be considered necessary, for example, to prevent a sudden escalation of gambling and the resulting harms.

The time-limited or indefinite blocks laid down by the Decree apply to online gambling. Blocks in respect of a specific game or group of games are valid for a fixed period of time. Blocks on all gambling may also be in force until further notice. As a self-imposed measure, Veikkaus Oy has extended the blocks to also cover gambling in the physical channel.

The practical supervision of gambling activities has shown that the instant-lock function does not always work in a manner that prevents gambling immediately in all cases. For example, in ongoing poker tournaments, using the quick-lock feature only prevents the placement of new bets. If a player has already paid the entry fee before using the quick-lock function, they can continue to play the ongoing tournament. The quick-lock function therefore only applies to new bets. However, the player may also choose to leave the tournament and stop playing.

2.5.2 Loss limits

According to the Decree of the Ministry of the Interior, players must set daily and monthly limits on transfers between the bank account and the player account. The Decree contains a provision prohibiting the transfer of money during the night and on the maximum amount of funds in euro held in a player account. Players must set maximum daily and monthly loss limits for fast-paced gambling as defined in the Decree. The maximum daily limit is EUR 500 and the monthly limit is EUR 2 000. Players also have access to a gambling time reminder.

The existing research evidence on the effect of gambling consumption limits on the amount of gambling and gambling problems is not undisputed, but according to research data, consumption limits can reasonably be estimated to have the effect of reducing gambling consumption. (e.g. McAuliffe et al. (2021) Responsible product design to mitigate excessive gambling: A scoping review and z-curve analysis of replicability. Plos One 16(4): e0249926; Marionneau, V. et al. (2024). Availability restrictions and mandatory precommitment in land-based gambling: effects on online substitutes and total consumption in longitudinal sales data. BMC Public Health 24, p. 809. Mandatory and sufficiently low consumption limits are therefore an effective means of preventing gambling-related harms caused by excessive gambling. The effects of loss limits on gambling-related harms depend on the upper level of the consumption limits to be set, the mandatory use of limits, the binding nature of limits, and their extent.

The evaluation working group on the risk of gambling harms has assessed the gambling restriction package. Veikkaus Oy's customer data has been used in the evaluation. So far, only the loss limits have been assessed in more detail. The expansion of gambling management tools and mandatory identity verification over the past few years to several different gambling

activities and all sales channels has clearly had a negative impact on Veikkaus Oy's gross gaming revenue. For example, following the introduction of mandatory identity verification, gross gaming revenue generated by slot machines decreased significantly. Correspondingly, the decrease in gross gaming revenue was immediately visible in physical slot machines once loss limits were introduced for them. On the other hand, no information has been available on the extent to which gambling has switched to gambling other than that offered by Veikkaus Oy.

The provisions on loss limits entered into force by decree in December 2017. The introduction of loss limits was accompanied by a transitional period during which players were able to increase their deposit and loss limits immediately without a cooling-off period for changing the limits. In accordance with the current decree, whenever limits are raised, the new limits will only enter into force at the beginning of the following day (daily limit) or at the beginning of the following calendar month (monthly limit). After the transitional period, it was noticeable that players did not change their loss and deposit limits for fast-paced online gambling as much, because the limits could not be changed and raised as easily. After the end of the transitional period, gross gaming revenue from gambling covered by the loss limits decreased. From the point of view of gambling-related harms, it was particularly noteworthy that the decrease in gross gaming revenue occurred specifically for those gambling at the risk level.

An important aspect of the nature and functioning of loss limits from the point of view of harms is their mandatory and binding nature. International studies (e.g. Ivanova, E., Magnusson, K., & Carlbring, P. (2019). Deposit limit prompt in online gambling for reducing gambling intensity: A randomized controlled trial. Frontiers in Psychology, 10, 433546) and the findings of the evaluation working group described above have shown that voluntary loss limits are less effective in preventing excessive gambling and gambling-related harms. Gambling causes addiction in the same way as, for example, alcohol and tobacco, so it is difficult to stop and reduce gambling and stick to one's own decisions if a person has already developed a problem with gambling.

In its reviews, the evaluation working group has also found that Veikkaus Oy's current loss limits for gambling are fairly high in relation to the general income level of Finnish people. The current gambling limits also seem to be quite high compared to, for example, Norway, where the level of income is higher and which, like Finland, has a gambling monopoly, and which uses separate loss limits per game and game type.

It is often suggested as a counter-argument, especially against stricter mandatory centralised loss limits, that gambling will move outside the system, where there are no corresponding limits. In the view of the evaluation working group, it is not realistic to assume that there would be a complete shift due to the restrictions. It is more likely that some of the gambling will be lost as a result of the restrictions. According to surveys conducted both in Finland by Veikkaus Oy and in Norway by Norsk Tipping, the majority of players stop playing when they reach the limit. Loss limits are likely to have both a preventive and a corrective effect. Such observations have been reported by the support services, in particular, following the entry into force of mandatory loss limits for slot machine gambling.

The Ministry of Social Affairs and Health, the Finnish Institute for Health and Welfare (THL) and experts have pointed out that the key to gambling restrictions and other regulation methods within the system is to counter supply outside the system. This includes all the means by which the provision of gambling from outside the system, and correspondingly, gambling

using these activities instead of gambling offered within the system, is rendered as unprofitable as possible in relation to operations within the system. If the fight against external supply is effective, it will simultaneously strengthen both the system's ability to prevent harms and the channelling rate of the system, as demand for gambling will not be as easily directed outside the system. If the fight against external supply is not effective, the system will not be as effective in countering harms or channelling demand to within the system.

2.5.3 Deposit limits

Deposit limits can be seen as an important tool for the prevention of harms, and similar mechanisms apply to their effectiveness as to loss limits. The provisions on mandatory deposit limits entered into force in parallel with the provisions on loss limits. Players must set a maximum daily and monthly deposit limit for transfers between their bank account and the player account before making their first deposit into the player account. The deposit limits were also subject to a transitional period, during which the player was able to adjust the limits upwards without a cooling-off period. As with the loss limits, after the transitional period, any increases in deposit limit made by players took effect only at the beginning of the following day (daily limit) or month (monthly limit). It should be noted, however, that, unlike the loss limits, there is no maximum amount in euro laid down in the decree for deposits into a player account. However, according to the decree, a player's account may not exceed EUR 20 000 at any one time.

Some players set deposit limits that are remarkably high, so they cannot be seen to have any restrictive effect. In this case, the commitment to adhere to the set limits is also somewhat weaker, as in practice the payment of deposits is limited only by the provision on the maximum amount of the account balance. However, according to THL experts, this does not have a very restrictive effect from the perspective of prevention of harms, as the number of individual money transfers is not limited, only the total amount of deposits. Players can make as many deposits as often as they like within the limit in terms of euro. From the perspective of effective prevention of harms, the approach is not watertight, as frequent money transfers between a player account and a bank account can be an indicator of problem gambling.

According to Veikkaus Oy, in particular, customers’ self-imposed exclusions of different durations and for different games, mandatory self-imposed loss limits, as well as contacting high-risk players based on gambling behaviour and communication targeted at them, work well from the perspective of gambling management. Customers use various targeted blocking measures to manage the money spent on gambling according to their own gambling behaviour. For example, a player may want to stop gambling using slot machines, but not the national Lotto lottery. According to the company, the data shows that players mainly encounter self-imposed, very moderate limits (median EUR 200 per month). Therefore, mandatory self-imposed loss limits both reduce problem gambling involving gambling offered by Veikkaus Oy and help players regulate their own consumption of Veikkaus Oy's games to an appropriate level.

In the view of the evaluation working group, there should be a delay of at least several days between the raising of the limits and their entry into force in order to prevent harm effectively.

2.5.4 Gambling blocks in casinos and game rooms

In the case of casinos and specific game rooms, the Lotteries Act provides for the blocking of access and the restriction of gambling. In the reform of the Lotteries Act in 2022, the

regulation on this was specified and extended to game rooms. A ban on entry or a restriction on gambling may be imposed for a fixed period or for an indefinite period. The Lotteries Act also lays down provisions on the right of Veikkaus Oy's employees to remove a person from a gaming casino or a specific game room. Veikkaus Oy and its employees have the right to deny a person entry to a casino and a specific game room, remove a person or restrict their gambling if they are suspected of gambling fraud or have committed gambling fraud, their behaviour causes or may be suspected of causing disturbance to the order of a casino or a specific game room, their gambling has caused or is likely to cause them economic, social or health harm, or they have requested that Veikkaus Oy deny them entry to a casino or a specific game room or restrict their gambling.

From the perspective of the supervision of gambling activities, the provisions of the current Lotteries Act on blocking access to and restricting gambling at a casino allow Veikkaus Oy wide discretionary powers. In accordance with the wording of section 15, subsection 2, paragraphs 2–4 of the Lotteries Act, Veikkaus Oy has the right, instead of an obligation, to take the measures referred to in that provision. In other words, on the basis of the wording, for example, a player’s own request or a player at obvious risk of serious gambling harms would not constitute absolute grounds for preventing a player from entering a casino or a specific game room, removing a person from a casino or a specific game room, or restricting their gambling. From the perspective of the supervision of gambling activities, responsible gambling and the prevention of gambling-related harms, the discretionary nature of the restriction measures can be considered problematic in respect of the player's own request referred to in section 15, subsection 2, paragraph 4, in particular.

In the situations referred to in section 15, subsection 2, paragraphs 1–3, the imposition of prohibitions and restrictions is also discretionary. However, in view of the ambiguity of those paragraphs, discretion may be considered more appropriate in relation to those situations. However, it should be noted that the Lotteries Act imposes an obligation on Veikkaus Oy to prevent gambling-related harms, which in practice also entails an obligation to consider the restrictive measures referred to in section 15 of the Act. That is apparent, inter alia, from section 14c of the Lotteries Act, according to which Veikkaus Oy must, where appropriate, impose quantitative and temporal restrictions on gambling by game category, game type, specific game and specific player in order to prevent and reduce the economic, social, and health harms resulting from gambling, and offer players the opportunity to impose the above restrictions themselves. However, for the sake of regulatory clarity, it may be necessary to clarify the wording and justifications of the section from the point of view of supervision.

In 2017, Veikkaus Oy imposed entry bans or other gambling restrictions requested by players themselves on a total of 560 people at casinos. In 2018, the corresponding figure was 486 and in 2019 it was 426. In 2020, 220 prohibitions and restrictions were imposed, in 2021 the figure was 227, in 2022 it was 511, and by the end of September 2023 it was 371. As a result of problem gambling, Veikkaus Oy imposed either a ban on admission to a casino or another restriction on gambling on a total of 48 people in 2017. The corresponding figure was 58 in 2018 and 74 in 2019. In 2020, 45 prohibitions and restrictions were imposed as a result of problem gambling, 88 in 2021, 42 in 2022, and 17 by the end of September 2023.

From the perspective of the supervision of gambling activities, the number of prohibitions and restrictions imposed is small in relation to the number of customers of the casinos. The number of prohibitions and restrictions can be partly explained by the fact that setting them is difficult from the player's point of view. It is only possible to set casino blocks and restrictions on the spot at the casino, and it requires the help of staff and the completion of a separate

paper form. It is therefore not possible to set blocks and restrictions independently or remotely, for example, on Veikkaus Oy's website. From the perspective of responsibility and prevention of gambling-related harms, it is problematic that a person suffering from gambling problems must personally visit the casino for the blocking to take effect.

In Veikkaus Oy's view, with regard to specific game rooms, it is sufficient that mandatory identity verification enables players to self-exclude from all gambling, thereby eliminating the need for an entry ban initiated by the customer at the game rooms. Six bans were issued in 2022 and three by the end of September 2023.

2.5.5 Processing of personal data and identification of risk behaviour in Veikkaus Oy's operations

Section 51 of the Lotteries Act contains provisions on the processing of personal data in Veikkaus Oy's statutory tasks, for the implementation of which Veikkaus Oy may use personal data in accordance with Article 6(1)(c) of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), hereinafter *GDPR*. The section also contains a provision on the content of the data processed, on the basis of which Veikkaus Oy has the right and obligation to process gambling and player data in order to monitor gambling behaviour and enable measures related to harmful gambling. According to the explanatory memorandum to the provision, the results of automated processing could be utilised in customer encounters, for example, by selecting customers to be contacted on the basis of the risk indicated by the assessment.

According to Veikkaus Oy, contacting customers, i.e. targeted calls and messages, enables customers with a high risk probability to assess their gambling. Observations based on data show that customers react to contact and immediately after contact, for example, adjust their gambling limits or self-exclude. From Veikkaus Oy's point of view, personalised intervention in harmful gambling that utilises gaming data is a modern and effective solution.

The evaluation working group on the risk of gambling-related harms has examined Veikkaus Oy's modelling of harmful gambling and the methods used therein. The evaluation working group has also developed and studied problem gambling modelling and related methods. In the view of the evaluation working group, the current model should be developed with regard to both modelling and contact based on it, as well as other possible interventions. In the view of the evaluation working group, a model based solely on responsibility and self-regulation would not work in the transition to the licensing system. The model does not make it possible to determine the number of players likely to have gambling problems, which in itself indicates that modelling of problem gambling does not work as desired.

2.6 Location and self-monitoring of slot machines

Section 16 of the Lotteries Act provides for the location of slot machines and section 16a for their self-monitoring. Those provisions entered into force at the beginning of 2022. From the perspective of the supervision of gambling activities, the provision on the location of slot machines has proved to be very challenging in practice. From the perspective of the supervision of gambling activities, the provision has been interpreted, especially in relation to its preparatory work, as meaning that the purpose of the amendment was to enable daily use of services without exposure to gambling. For example, the Government Committee report on

the legislative amendment (HaVM 18/2021) states that the amendment to the section will make it possible for slot machines not to be placed in a visible location at the entrances to stores or other public places, and makes it possible to visit business premises without exposure to gambling. Slot machines would be located in such a way that persons visiting the business premises, including minors and people with gambling problems, would not be directly exposed to gambling by seeing slot machines or the gambling of other people. Accessible surveillance could also be implemented, for example, through camera surveillance and monitors. However, the objective described above is apparent only from the preparatory work for the law and no direct obligation can be inferred from the wording of the law, for example, to place machines out of sight.

In other words, there is a difference between the preparatory work and the wording of the law as regards the exact measures required for placement. Second, in connection with the legislative amendment, few concrete details were given as to the practical implementation of placement . This has led Veikkaus Oy to reduce the visibility and usability of the machines through other measures, such as moving machines away from products directed at children and introducing screensavers for gaming machines. Due to the ambiguity described above, the impact of the section can be considered to have been limited. In the view of the National Police Board, if the aim is to increase restrictions on the location of slot machines compared with the current situation and to make it possible to use services without being exposed to gambling, the matter should be provided for in an unambiguous manner.

Section 16a of the Lotteries Act provides for self-monitoring of slot machines. Based on its wording, the section applies only to slot machines, but in practice Veikkaus Oy has extended self-monitoring to its other gambling activities. The provision on self-monitoring also entered into force at the beginning of 2022, and Veikkaus Oy's statutory self-monitoring obligation has thus been in place for about two years. From the perspective of the supervision of gambling activities, the self-monitoring model has seemed promising during these two years. Under the self-monitoring provisions, Veikkaus Oy and its agents are obliged, among other things, to draw up a self-monitoring plan that imposes an obligation on the company to monitor the legality of its own operations and the adequacy of responsibility measures. The obligation aims to ensure that all operators have sufficient and correct information about the statutory obligations related to their operations and the risks associated with their practical implementation. Operating environments vary and risks need to be assessed taking into account the specific characteristics of each environment.

The benefits of the self-monitoring model have proven to be, for example, that self-monitoring offers gambling operators the opportunity to assess the risks related to their own operations and to create internal models that best suit their own operations and monitor the fulfilment of statutory obligations. Self-monitoring includes the obligation to report to the authority on the implementation of self-monitoring and the observations made in connection with self-monitoring. This enables the supervisory authority to react to shortcomings and challenges related to the operations of companies, for example by issuing guidelines in the form of recommendations or statements. Thus, the self-monitoring model provides an opportunity for a lighter administrative approach and early, and ex ante intervention in possible cases of non-compliance. In 2022 and 2023, for example, the National Police Board has monitored the implementation of Veikkaus Oy’s self-monitoring model in terms of how the agents’ self-monitoring plans have been collected and checked for their content and what measures have been taken as a result of any shortcomings identified. As part of this monitoring, the National Police Board has made several observations and issued statements on the adequacy of the measures. From the perspective of the supervision of gambling activities, the obligation to

carry out self-monitoring has thus supported the regulatory control carried out by the National Police Board and provided a low-threshold ex ante channel for addressing the identified shortcomings.

According to Veikkaus Oy, the current legislation has, from the company's perspective, further improved responsible gambling using slot machines and in the gambling venue network. According to Veikkaus Oy, it has implemented measures related to the protection of vulnerable persons and minors with regard to the location of slot machines. According to Veikkaus Oy, it has reduced the visibility and attractiveness of slot machines by removing game views and logos from machine displays and by changing the basic mode of the displays to identity verification options. Veikkaus Oy has made it possible for vulnerable people to carry out essential shopping in grocery stores without the option of gambling using slot machines at certain times of the day. Slot machines are open from 9.00 to 21.00, which corresponds to the time when sales of mild alcoholic beverages is permitted. Veikkaus Oy's self-monitoring plan defines the principles for the location of the company's slot machines, according to which, among other things, slot machines at retail stores must not be placed directly next to product groups that are aimed especially at minors. Online training is available for the gaming vendors in agent sales to address gambling problems, and Veikkaus Oy has ensured the operational reliability of age limit control with the agents. In addition, Veikkaus Oy carries out assessment and consideration of risks for each gambling outlet in accordance with the self-monitoring model.

Veikkaus Oy introduced self-monitoring at point of sale beyond what is required by the Lotteries Act, so that self-monitoring covers not only slot machines but also other gambling offered by Veikkaus Oy. Veikkaus Oy, in cooperation with the agents, ensures that self-monitoring plans are drawn up and implemented in practice, including, among other things, completion of responsibility training, the ability to supervise the location of the machines, and the verification of identity in accordance with the guidelines for age control. Self-monitoring plans are reviewed regularly in partner cooperation, for example, in connection with the change of the responsible person. All of Veikkaus Oy's agents have drawn up a self-monitoring plan, which has contributed to reducing the risks associated with slot machines.

According to Veikkaus Oy's observations, outlets where gambling offered by the company is sold also have non-money prize machines and so-called skill machines in addition to the company's slot machines, and their number has increase, according to Veikkaus Oy’s observations. These machines are often confused with Veikkaus Oy's slot machines. There is no age limit for gambling using non-money prize machines and skill machines, and they are not subject to the same controls as slot machines. According to Veikkaus Oy, non-money prize machines and skill machines may cause gambling problems, however.

According to the preliminary results of the qualitative grocery trade survey conducted by the Finnish Institute for Health and Welfare, self-monitoring was carried out in different ways in stores. In grocery stores, self-monitoring was understood as centrally managed supervision (the customer was asked for an identity document to verify age, and the event was recorded), and records were monitored at managerial level. In the S Group retail organisation, the self-monitoring plan was drawn up centrally, while K-retailers drew up self-monitoring plans themselves.

The study found a discrepancy between placing slot machines in less visible locations and the effectiveness of supervision. If, for example, the machines were located behind a corner or a pillar, it was not easy to get a direct line of sight to them, which has a direct practical impact

on monitoring. On the other hand, placing machines in less visible locations may prevent people suffering from gambling problems or who have overcome them from being tempted to gamble, and thus reduce the associated harms.

2.7 Supervision of gambling activities

The National Police Board is responsible for supervising the operation of gambling. In accordance with section 42 of the Lotteries Act, the operation of gambling is supervised in order to ensure the legal protection of players, prevent irregularities and crime, and prevent and reduce gambling-related harms. The reform of the Lotteries Act, which entered into force at the beginning of 2022, strengthened the supervision of gambling activities by, among other things, clarifying the powers of the National Police Board and amending the provisions on supervision to reflect the technical changes implemented in supervision activities.

The National Police Board's supervision of gambling activities is both ex ante and ex post. Supervision is carried out as regulatory oversight and IT monitoring using a monitoring system developed for the supervision of gambling offered by Veikkaus Oy. Regulatory oversight is the process by which the National Police Board ensures that the operation of gambling by Veikkaus Oy complies with section 13c of the Lotteries Act and the decrees issued pursuant to the Act by the Government and the Ministry of the Interior. Similarly, the National Police Board ensures the legal protection of players through the IT surveillance system it maintains and, on the other hand, prevents irregularities in the provision of gambling. The IT surveillance system ensures that the information stored in the control system and Veikkaus Oy's game system corresponds to each other, which is sufficient to ensure the correctness of the games without the approval of the official supervisor. The equivalence of data stored in the supervision and gambling system ensures that the gambling system data has been transferred to supervision as unchanged, intact and reliable. In addition, the implementation of the draws of several pools requires the involvement of the National Police Board's monitoring system, as ensuring the reliability of the randomness of the draw is based on the seed generated by the monitoring system. Section 43 of the Lotteries Act provides for the aforementioned regulatory oversight and IT monitoring.

Due to the increased importance of IT monitoring, the need for official supervisors appointed by the National Police Board has decreased, which is why the regulation concerning the duties of official supervisors has also been amended in the reform of the Lotteries Act that entered into force at the beginning of 2022. The official supervisor plays a key role in ensuring the mixing and correctness of the draws of certain lottery-type pools and additional draws of instant win lotteries sold before 1 January 2024. If necessary, an official supervisor could also be appointed for other purposes of gambling supervision. According to section 43 of the Lotteries Act, the National Police Board may appoint official supervisors for the supervision of gambling activities. The provisions on criminal liability while in public office shall apply to the official supervisor in the performance of the duties referred to in this Act. Provisions on liability for damages are laid down in the Tort Liability Act (412/1974).

In order to ensure that the objectives of supervision are achieved, the Lotteries Act also lays down provisions on the National Police Board's right of access to information. Under section 44 of the Lotteries Act, the National Police Board has the right to obtain from Veikkaus Oy, notwithstanding secrecy provisions and free of charge, the information necessary for performing its supervisory duties and for compiling statistics on lottery activities. The right of access to information shall also apply to essential personal data. The right of access covers, for example, the data contained in Veikkaus Oy's customer register and personal data processed

by Veikkaus Oy under section 51 of the Lotteries Act. The Lotteries Act also lays down provisions on the official supervisor's right of access to information.

The Lotteries Act also contains a provision on the inspection right of the National Police Board. For the purpose of supervising compliance with the Lotteries Act and the provisions issued under it, the National Police Board has the right to inspect Veikkaus Oy's premises, information systems and operations if the inspection is necessary for the performance of the supervisory task. The National Police Board's right of inspection covers premises used for gambling as well as other premises to the extent that the inspection is necessary for the performance of the supervisory task.

In order to ensure effective supervision of the operation of gambling, the Lotteries Act also lays down provisions on matters related to gambling offered in international cooperation. Pursuant to section 43, subsection 4 of the Lotteries Act, the Ministry of the Interior may grant Veikkaus Oy authorisation for the operation of gambling offered in international cooperation and approve the introduction of supervisory arrangements for such gambling. Such gambling includes Vikinglotto and Eurojackpot. Veikkaus Oy always acts as the gambling operator for Finnish participants. Section 42, subsection 5 of the Lotteries Act, on the other hand, provides for the approval of the introduction of supervisory arrangements by the National Police Board in respect of the operation of gambling the gambling systems of which are located in the EU or EEA. The provision allows Veikkaus Oy to locate gambling systems outside Finland with the prior approval of the Ministry of the Interior. The purpose of the provision is to ensure that the objective of supervision laid down in the Lotteries Act is not compromised.

Under section 62a, subsection 4 of the Lotteries Act, the National Police Board has the power to temporarily prohibit the operation of gambling if the legal protection of players is compromised and the possibility of abuse increases, or if the supervision of the operation of gambling is otherwise compromised. In the 2022 reform, a provision added to the Act gave the National Police Board sufficient powers to suspend the operation of gambling without delay if it finds that a situation referred to in the section arises in the operation of gambling, for example due to technical problems. The purpose of the provision is to ensure the implementation of supervision and the legal protection of players. The temporary right to impose a prohibition also applies to situations where Veikkaus Oy is at risk of irregularities. In addition, under section 62a, subsection 1, paragraph 3 of the Lotteries Act, the National Police Board has the power to prohibit the operation of gambling if the operation of gambling infringes the Lotteries Act or a decree issued under it in a manner other than that referred to in section 62b. Under subsection 2 of the section, the prohibition may be applied to all gambling operators, including Veikkaus Oy. The temporary prohibition referred to in subsection 4 of this section may be in force at any one time for a maximum of 30 days and the prohibition referred to in subsection 3 at any one time for a maximum of 12 months.

From the perspective of the supervision of gambling activities, the prohibitions referred to in section 62a of the Lotteries Act are, in addition to general guidance, advice, and recommendations, the only means of intervention by the authorities in situations where Veikkaus Oy would act in violation of the provisions of the Lotteries Act. Therefore, the range of tools available to the authorities under the current Lotteries Act is somewhat limited in situations involving maladministration on the part of an operator offering gambling under an exclusive right. In the case of Veikkaus Oy, there has been little reason to use the prohibition decision procedure, as Veikkaus Oy has, as a rule, followed the guidance that the National Police Board has set out for it in its statements and other opinions. Especially in the transition to the licensing system, it is justified from the perspective of effective supervision that the

authorities have a more flexible range of means at their disposal. Under the current provisions, the threshold for issuing a prohibition order is set high, as, based on the preparatory work for the Act, issuing a prohibition order requires a repeated or serious violation of the Act and, in the case of a temporary prohibition order, endangering the legal protection of players or the supervision of gambling activities or a risk of increased irregularities. In other words, the authority has at its disposal guidance and advice as a moderate first-instance control measure and, as a more stringent control measure enabling indirect administrative coercion, a prohibition order, the use of which is, however, common in practice.

The supervision of gambling activities also includes a recommended decision procedure referred to in section 48 of the Lotteries Act, according to which a player may request the National Police Board to issue a written recommendation for a decision on a dispute between Veikkaus Oy and the player concerning the payment of winnings. The recommended decision is free of charge for the player. The recommended decision is not the only possible measure in cases of disagreement between the player and Veikkaus Oy.

The reform of the Lotteries Act that entered into force at the beginning of 2022 also added provisions on restrictions on gambling by officials of the National Police Board. The purpose of the provisions is to ensure that the actions of officials responsible for the supervision of gambling do not jeopardise the reliability and credibility of Veikkaus Oy's gambling operations or their supervision. Under section 43 of the Lotteries Act, a public official may not participate in gambling the technical control of which they are responsible for if, in the course of their official duties, they may become aware of gambling transaction information that they can use in their own gambling. Decisions to restrict gambling are made by the National Police Board.

2.7.1 IT monitoring under current regulations

As part of the supervision of gambling activities, the National Police Board maintains a monitoring system the task of which is to enable the statutory supervision tasks. The monitoring system as a concept includes the following elements: server equipment, databases and their support services, communications and monitoring equipment and connections. The system is connected to the interfaces of Veikkaus Oy's gambling systems. Some of the gambling services offered by Veikkaus Oy, such as the lottery activities, depend on the functionalities of the monitoring system. As a result, IT monitoring requires 24-hour on-call availability.

Measures to remediate faults and incidents essential for the functioning of the monitoring system shall commence within a two-hour response time and be investigated on site at the location of the monitoring system or, where possible, at the National Police Board's office via remote control. IT monitoring has two physically separate main monitoring systems whose task is to act as an interface between monitoring and Veikkaus Oy. The systems are identical to each other, and their operation is based on the continuous availability of the service and preparedness for recovery from interruptions and problem situations. In terms of computational and execution capacity, each system alone is capable of maintaining the production of the entire monitoring system. In addition to the above, monitoring includes three lighter front-end services that transmit monitoring data from the interfaces of the gambling system at the shortest possible physical distance.

The central point for the monitoring system is located in the premises of the National Police Board in Riihimäki. Gambling control material is transferred to the central point, among other

things, for reporting purposes. The central point also functions as a centralised management centre and as a reserve storage space to enable the recovery of data. The facilities and activities related to the management of the system are strictly restricted to the experts using them, both physically and in terms of software to manage access to the systems. The monitoring system and the software it uses are regularly audited by a third party.

Reporting is used as a supervisory tool in the supervision of gambling activities and a separate reporting system forms part of the monitoring system. The reporting system reviews the collected data and, based on it, creates the predefined data needed for supervision. An example of the material created by the system is the actual payout percentage of different games.

For the supervision of gambling activities, customised monitoring software produced in joint projects with different gambling systems is needed. To carry out this task, the National Police Board has selected an external software company as its contractual partner. Every new gambling system implemented by Veikkaus Oy will be integrated into the monitoring software to be compatible with project work, testing processes and production exports.

2.7.2 Costs of supervision of gambling activities

According to section 46 of the Lotteries Act, Veikkaus Oy shall reimburse the State for the costs arising from the supervision of gambling activities. Provisions on the recovery of costs are laid down by decree of the Ministry of the Interior.

The costs of the supervision of gambling activities totalled approximately EUR 4.5 million in 2021. The personnel costs of gambling supervision amounted to approximately EUR 1.2 million and the costs of IT monitoring were approximately EUR 2.7 million. In addition to the costs mentioned above, expenses were incurred for stand-by allowances for IT monitoring and fees for official supervisors. In 2022, the total cost of supervision was approximately EUR 4.8 million, of which personnel costs were approximately EUR 1.3 million and IT monitoring costs were approximately EUR 2.7 million. Since 2023, personnel costs have increased by approximately EUR 660 000 per year due to the new duties assigned to the National Police Board in the 2022 reform of the Lotteries Act and the resulting need for additional resources. According to the 2022 framework decision, the entire lottery administration's person year framework for 2023 was 39.3 person years. Under the Lotteries Act, the National Police Board’s gambling and lotteries administration is also responsible for the national supervision of the operation of non-money prize lotteries and for the granting of certain non-money prize lottery licences and bingo licences, as well as for checking the accounts rendered relating to these licences. In addition, the gambling and lotteries administration is responsible for supervising compliance with the Money Collection Act and for tasks related to money collection licences.

2.8 Anti-money laundering and countering the financing of terrorism

Act on Preventing Money Laundering and Terrorist Financing (444/2017), hereinafter *Money Laundering Act*, applies to Veikkaus Oy and all gambling operated by it. Chapters 3 and 4 of the Money Laundering Act shall apply in full to the agents of Veikkaus Oy, as shall relevant sections of chapters 7 and 8. Veikkaus Oy is subject to the Money Laundering Act in its entirety and cannot be relieved of its obligations under the Act on the grounds that it uses agents to fulfil its obligations.

Under the Money Laundering Act, Veikkaus Oy and its agents are obliged, under certain conditions, to carry out customer due diligence, verify the identity of customers, monitor unusual transactions in their operations, and report suspicious transactions to the Financial Intelligence Unit of the Finnish National Bureau of Investigation. In addition, Veikkaus Oy is obliged, among other things, to prepare a risk assessment to identify and assess the risk of money laundering and terrorist financing.

The National Police Board monitors that Veikkaus Oy and its agents comply with the provisions of the Money Laundering Act that apply to them. The purpose of the National Police Board's monitoring of anti-money laundering and prevention of terrorist financing is to prevent irregularities. Supervision is carried out on a risk-based basis. The National Police Board uses various methods to monitor that Veikkaus Oy and traders and organisations which act as agents for participation registrations and participation fees for gambling offered by Veikkaus Oy, if Veikkaus Oy has assigned the task of customer identification and notification to another trader or organisation, fulfil their obligations under the Money Laundering Act. The National Police Board’s methods of supervision under the Money Laundering Act include e.g. conducting inspections, issuing prohibitions of execution and rectification orders, imposing and not imposing administrative sanctions, and issuing orders. The Money Laundering Act has been amended since its entry into force, and the amendments have had an impact on the supervisory duties of the National Police Board with regard to, for example, the regulation of restrictive measures and the organisation of compliance with the Act on the Freezing of Funds ´with a view to Combating Terrorism as part of customer due diligence (HE 323/2022 vp).

The supervision of anti-money laundering is intrinsically linked to the supervision of gambling activities laid down for the National Police Board in the Lotteries Act. Under section 46 of the Lotteries Act, Veikkaus Oy must also reimburse the State for the supervision costs arising from the monitoring of anti-money laundering and countering the financing of terrorism as part of the supervision costs of gambling activities.

The Financial Action Task Force (FATF), which operates under the auspices of the Organisation for Economic Co-operation and Development (OECD), stated in its 2023 monitoring report that Finland has procedures in place to prevent persons convicted of a criminal offence from being involved in the operational management of a casino. In the same report, the FATF expressed concerns that these persons are not prohibited by law from being involved in operational management.

The European Commission’s supranational risk assessment analyses current money laundering and terrorist financing risks and proposes comprehensive measures to address them (COM(2022) 554 final, SWD(2022) 344). Competent authorities should launch programmes to raise awareness among online gambling providers of new risk factors that may exacerbate the vulnerability of the sector. These risk factors include the use of anonymous e-money or virtual currencies and the emergence of illegal online gambling providers. Feedback from FIUs on the quality of suspicious transaction reports would improve the reporting procedure and the utilisation of the information received. In addition to training sessions, Member States should organise appropriate training for staff, officials responsible for compliance, and service providers, focusing on the risk assessment of relevant products and business models.

According to the 2021 national risk assessment of money laundering and terrorist financing, the overall risk level of money laundering related to gambling activities is 2, i.e. moderately significant. The most significant risk of money laundering is considered to be the use of foreign gambling companies and the related vulnerabilities, including the fragmentation of

supervision and the challenges of access to information. Betting where winnings are immediately paid once the outcome is determined and the aim is to ensure a certain payout percentage is also regarded as a significant risk. Decentralisation of gambling generally between mainland Finland and Åland is seen as a moderate risk. The risk of money laundering is also considered to be at a significant level in a situation where funds are transferred to a player account and then onward to a withdrawal account, but the input account and the withdrawal account differ from each other. A moderate risk of money laundering, on the other hand, is a situation in which money is cycled through a player account back to the same account from which the original transfer was made. The use of remote identity verification, where the person to be identified is not present during the identification process, is considered a moderate risk in connection with gambling. The overall risk level of terrorist financing associated with gambling activities is 2, i.e. moderately significant. There is a significant risk associated with gambling in foreign gambling companies and the related vulnerability due to the fragmentation of supervision. Supervision is distributed across several countries among various authorities. A moderate risk is considered to be gambling outside the monopoly system in general, especially through online gambling.

In January 2021, the National Police Board published a supervisor-specific risk assessment of the risks of money laundering and terrorist financing in gambling activities in mainland Finland. The risk assessment is the supervisory authority’s view of the factors and events that threaten gambling activities in terms of money laundering and the financing of terrorism. The risk assessment identified the most likely and significant money laundering risks related to gambling and presented ways to reduce them. In May 2024, the National Police Board published an updated supervisor-specific risk assessment.

According to the updated risk assessment of the National Police Board, the risks of money laundering in the case of agents and gambling locations, racetracks and specific game rooms can be considered to have decreased as a result of mandatory identity verification, as anonymous gambling no longer exists in practice. However, the risks have not completely disappeared, as abuse of identity verification tools is possible. In addition, a risk has been identified that the customer is not verified in situations involving amount limits referred to in the Money Laundering Act, i.e. when the amount invested or redeemed by the customer in a single transaction or a series of linked transactions is at least EUR 2 000. The risk that suspicious transactions are not identified or reported has also been identified.

In May 2024, the National Police Board also prepared a new risk assessment of sanctions and freezing decisions under the new Money Laundering Act. The most significant identified risks related to sanctions and freezing decisions in gambling activities are personnel risks, system risks and customer risks. The fact that only natural persons with a Finnish personal identity number and domiciled in Finland can be customers of Veikkaus Oy's gambling activities is considered to have a mitigating effect on the risk of restrictive measures, so the risk of restrictive measures in gambling activities is currently not regarded as very likely. However, the consequences can be significant when the risk materialises, as the materialisation of the risk may imply both the possibility of money laundering and terrorist financing.

Slot machines outside the casino, i.e. in gambling locations and specific game rooms, became subject to the Money Laundering Act from the beginning of 2022. The National Police Board has published its own risk assessment of the risks of money laundering and terrorist financing associated with gambling machines in mainland Finland, which should be examined together with the general section of the supervisor-specific risk assessment published at the same time. This risk assessment of slot machines addresses the most significant money laundering risks

typically associated with slot machine gambling, as highlighted based on a risk assessment conducted by the National Police Board's gambling and lotteries administration. According to the risk assessment, the money laundering risk of slot machines may be increased by factors such as possible shortcomings and inadequacies in customer identification and identity verification, features of slot machines allowing the introduction of new payment methods, and the location of the slot machines.

According to section 14 of the Lotteries Act, when providing online gambling, Veikkaus Oy shall open a player account for the player. When opening a player account, the company must verify the identity and domicile of the player in order to ascertain that the player is of legal age and that the territorial scope of the legislation of another state or region is honoured. Even after opening an online player account, gambling online requires players to verify their identity in order to gamble. From the beginning of 2022, the requirement to open a player account was extended to include gambling on slot machines in e.g. shops, petrol stations and kiosks, as the amendment to the Lotteries Act enacted in 2019 introduced mandatory identify verification for such slot machines. The regulations entered into force in 2022, but Veikkaus Oy brought forward the mandatory identity verification requirement, making it impossible to gamble on slot machines in e.g. shops, petrol stations and kiosks without identity verification since 12 January 2021. At the same time as the mandatory identify verification for slot machines in e.g. shops, petrol stations and kiosks entered into force, the amendments to the Lotteries Act adopted in 2021 concerning the further expansion of mandatory identify verification entered into force.

The Money Laundering Act requires that when a permanent customer relationship is established, customer due diligence is carried out and the customer's identity verified. According to the Money Laundering Act, the customer and his/her transactions must be monitored throughout the customer relationship. In practice, access to Veikkaus Oy’s casino always requires the company to identify the player. At the point of admission to the casino, players will be asked to present a document proving their identity and the casino customer card previously issued to them when registering as a customer. In addition, players must identify themselves separately by showing their casino customer card when participating in gambling taking place in the casino. Players do not need to prove their identity in connection with entry to specific game rooms, but when gambling using slot machines placed in the game rooms, players must verify their identify separately in accordance with the mandatory identity verification procedures approved by Veikkaus Oy.

Compulsory identification is also linked to combating money laundering and terrorist financing. Section 14a of the Lotteries Act contains a reference provision according to which customer due diligence related to the prevention and disclosure of money laundering and terrorist financing is laid down in the Money Laundering Act. Mandatory identity verification does not, however, refer to customer due diligence and related procedures as such laid down in the Money Laundering Act, but it can be used to support customer due diligence procedures under the Money Laundering Act. According to Chapter 1, Section 2 of the Money Laundering Act, the Act applies to the gambling operator referred to in Section 11 of the Lotteries Act, that is,Veikkaus Oy. Chapter 1, Section 3 of the Money Laundering Act states that the Act does not apply to slot machines available for use outside casinos. The Act shall, however, apply if identification for gambling is provided as set out in Section 14c of the Lotteries Act. The scope of the Money Laundering Act has been amended in connection with the amendments to legislation on compulsory identification for slot machine gambling in locations other than specific game rooms and casinos (HE 213/2018 vp).

Identification in gambling pursuant to the Lotteries Act does not convey the same meaning as customer identification and verification of identity set out in the Money Laundering Act, and the concept has a different meaning due to the objective of the regulation. The Money Laundering Act provides for know your customer compliance to prevent money laundering and terrorist financing. In the Money Laundering Act, verifying identity means checking the identity of the player on the basis of documents or information from a reliable and independent source. Meanwhile, the aim of the provisions concerning identification of the Lotteries Act is primarily to improve the prevention and reduction of gambling-related harms.

Veikkaus Oy's processes for anti-money laundering and countering the financing of terrorism are based on a risk assessment prepared in accordance with the Money Laundering Act, which covers Veikkaus Oy's various distribution channels, services, transactions, customers and other key stakeholders. In the preparation of the risk assessment, the risks associated with customer relationships, payment transactions and payment methods as well as products or games, in particular, are assessed. On the basis of the risk assessment, the company defines procedures and control measures aimed at reducing and effectively managing the risks of money laundering and terrorist financing faced by the company. The company’s control measures include know your customer procedures and procedures for payment transactions and payment methods, different products and games for each distribution channel. The procedures include, inter alia, proof of origin of customers’ assets and verification of identity, procedures for politically exposed persons, and reporting to the Financial Intelligence Unit. Veikkaus Oy also carries out supervision of agents to ensure that the agents fulfil Veikkaus Oy's obligations laid down in the Money Laundering Act, which agents may fulfil on behalf of the company pursuant to chapter 3, section 7 of the Money Laundering Act.

2.8.1 Verification of the customer's identity when the combined value of transactions reach set limits, especially in respect of gambling using a player account and for linked transactions

The wording of the Money Laundering Act is not unambiguous as regards the verification of the identity of a customer based on limits on the value of transactions and the detection and definition of linked transactions. In the view of the National Police Board, currently, gambling using a player account and the detection of linked transactions pose significant challenges in terms of anti-money laundering and countering the financing of terrorism. A particular challenge is verifying the customer's identity when the limits laid on the combined value of transactions laid down in the Money Laundering Act are exceeded, especially in respect of gambling using a player account and the detection and definition of linked transactions.

The Money Laundering Act requires verification of the customer's identity whenever the value of amounts invested or redeemed by a customer is EUR 2 000 or more in a single transaction or a series of linked transactions. The requirement is absolute and applies to all gambling, including player account-based gambling and different forms of gambling. In practice, however, the Money Laundering Act, the preparatory work for the Act, or the Anti-Money Laundering Directives do not take a position on when the limit on the combined value of transactions of EUR 2 000 is deemed to have been reached and how linked payments should be taken into account. The problem is accentuated in gambling across player accounts and forms of gambling.

Currently, one of the challenges is that the customer's identity cannot be verified based on limit on the combined value of transactions in connection with gambling using a player account or gambling involving slot machines. In addition, it is not possible to actually link transactions, particularly in respect of gambling across forms of gambling. One of the

supervisory challenges identified is that even small stakes and winnings can quickly accumulate to exceed the EUR 2 000 limit in gambling using player accounts and different forms of gambling, but identity verification still does not take place. The problem has also been identified in brick-and-mortar gambling, as the detection of linked transactions mainly depends on the gambling vendors and employees working for Veikkaus Oy's agents. Thus, it is possible that the limit on the value of combined transactions laid down in the Money Laundering Act is exceeded either in a single transaction or as a series linked transactions, but the identity of the customer is still not verified. Another challenge that has been identified is the lack of a definition in the Money Laundering Act, the preparatory work or the Anti-Money Laundering Directives of the temporal link between linked transactions, i.e. the period within which transactions must take place in order to be considered to be linked. Gambling by the same person during opening hours or within 24 hours has become a well-established practice in casinos and the brick-and-mortar market. Customer identification and verification of the customer's identity are the most effective means of preventing and combating money laundering.

2.8.2 Provisions of the Money Laundering Act concerning agents

The Money Laundering Act may be considered to contain a certain internal conflict concerning the duties of agents under the Money Laundering Act. Chapter 1, section 2 of the Money Laundering Act provides that the provisions of chapters 3 and 4 of the Money Laundering Act shall apply to agents of a gambling operator if the gambling operator has entrusted the task of identification and registration of customers to an agent. Chapters 7 and 8 of the Act shall apply to the supervision of agents to the extent provided for in the relevant chapters. However, chapter 3, section 7 of the Money Laundering Act provides that, with regard to gambling activities, the supervisory authority may consider that a gambling operator, as an obliged entity, satisfies the conditions laid down in that section if an agent acting on its behalf complies with the provisions of sections 1, 2 and 10 of that chapter on customer due diligence, and if the gambling operator receives from the agent, without delay, customer due diligence data and customer identity verification data. Gambling operators shall maintain information on the traders and entities referred to above, which shall be made available to the supervisory authority upon request. According to chapter 3, section 7 of the Money Laundering Act, the obligations of agents under the Money Laundering Act are considerably more limited than those laid down in chapter 1, section 2 of the Money Laundering Act.

2.8.3 Provisions on administrative sanctions

In the view of the National Police Board, the imposition of an administrative sanction on both the obliged entity and agents should be clarified. Currently, the Money Laundering Act only allows for the issuance of a public warning to an agent as an administrative sanction. An administrative fine and a penalty fee are excluded from the wording of the Money Laundering Act. However, the wording of the Act limits in practice the issuing of a public warning to an agent or other obliged entity.

Chapter 8, section 2 of the Money Laundering Act provides that the supervisory authority shall issue a public warning to an obliged entity referred to in chapter 7, section 1, subsection 1, if the obliged entity wilfully or negligently violates the provisions of the Money Laundering Act or the provisions or orders issued under it or the Transfer of Funds Regulation other than the provisions referred to in section 1, subsection 1 or 2 (scope of the administrative fine) or section 3, subsection 1 or 2 (scope of the penalty fee) of this chapter. Since the scopes of an administrative fine and a penalty fee are laid down exhaustively, there is in practice no

situation in which a public warning can be imposed on, for example, Veikkaus Oy, its agents, or the licence holder. It is possible to impose and administrative fine and a penalty fee on Veikkaus Oy, but it is not possible in practice to impose an administrative penalty on agents.

2.9 Preventing competition manipulation

There is no specific legislation in Finland on the manipulation of sports competitions or the prevention of such manipulation. Finland has signed the Council of Europe Convention on the Manipulation of Sports Competitions, but Finland has not ratified the Convention due to questions of competence related to EU law. A total of 31 states have signed the Convention. The Convention entered into force on 1 September 2019 and has been ratified by nine states. The purpose of the Convention is to achieve greater coherence between Member States regarding actions related to competition manipulation. The Treaty obliges the Parties to take various measures regarding the actions of betting regulatory authorities, sports betting operators, and the fight against illegal sports betting. Ratification of the Convention would allow Finland to participate fully in intergovernmental cooperation and would therefore be desirable. This presupposes, however, that questions relating to the competence of the European Union are clarified.

The concepts used for competition manipulation vary in part. The most commonly used concepts are match manipulation, result manipulation, competition manipulation and match-fixing. For the purposes of the Convention, manipulation of a sports competition is defined in Article 3(2) as an intentional arrangement, act or omission, aimed at an improperly alteration of the result or the course of a sports competition in order to remove all or part of the unpredictable nature of the aforementioned sports competition with a view to obtaining an undue advantage for oneself or for others.

Manipulation of competitions can be betting-based or sports-based. The aim of betting-based manipulation is to obtain a direct or indirect financial return through betting. Direct financial return refers to the amount of money gained from betting, and indirect financial return refers to the benefit gained from money laundering, for example. The aim of sports-based manipulation is to gain a competitive advantage through dishonest means. The aim can be, for example, to win or lose a particular meaningful match, to maintain a league position, or to rise to higher leagues.

In Finland, the fight against manipulation of competitions involves cooperation between the sports community, Veikkaus Oy, and the police and judicial authorities. A national cooperation group has been appointed in Finland, which acts as the national point of contact under the Convention. Under the leadership of the Secretariat of the Council of Europe, the national points of contact form an informal cooperation network.

The national cooperation group has drawn up recommendations for measures to combat competition manipulation and for drawing up a national action plan. Under the leadership of the Finnish Centre for Integrity in Sports (FINCIS), the cooperation group has also prepared a national situational analysis of competition manipulation in 2021. According to the situational analysis, the situation in Finland with regard to manipulation of competitions is calm and better than in several neighbouring countries. According to FINCIS, an updated situational analysis will be published in 2024, which is not as good. Competition manipulation has increased in Finland, and there are strong indications of involvement by organised crime. The situational analysis for 2021 was drawn up at a time when the current monopoly system for gambling was in force.

In Finland, most cases of manipulation of competitions have been handled through the provisions on bribery in business activities. It has not been considered appropriate to criminalise sports fraud or any other offence specifically related to the manipulation of competitions.

Veikkaus Oy actively participates in combating competition manipulation to prevent crime and fraud in the gambling industry both domestically and internationally. Measures aimed at preventing attempts to manipulate competitions play a key role in the fight against manipulation of competitions. Veikkaus Oy participates in combating competition manipulation by detecting and obtaining information about possible abuses, after which the company immediately forwards the information it receives to its partners. The detection and reporting of actual (successful and unsuccessful) manipulation attempts is also an integral part of the whole. Through efforts to combat manipulation of competitions and intelligence gathering, Veikkaus Oy assists FINCIS, sports federations and authorities in both preventing manipulation and uncovering actual manipulation attempts.

The cooperation with FINCIS and the sports federations is continuous. In the work on fraud prevention, FINCIS has central responsibility for training and information on manipulation of competitions. Veikkaus Oy has actively contributed to ensuring that different sports federations have been able to request training assistance from FINCIS in matters related to fraud prevention. All agreements between Veikkaus Oy and the various sports federations contain provisions on the manipulation of competitions and its prevention.

Veikkaus Oy immediately sends information on the suspected manipulation to FINCIS and the relevant sports federation, which are responsible for deciding on the necessary follow-up measures, such as a more detailed investigation of the matter. In the absence of legislation, Veikkaus Oy cannot disclose any customer and game data to FINCIS, which makes it difficult to investigate suspected cases.

In cases of suspected manipulation, Veikkaus Oy is very rarely an injured party. In most cases, betting on manipulated matches is directed at gambling services other than those offered by Veikkaus Oy's, i.e., in practice, at foreign entities. If Veikkaus Oy is in the position of injured party in a suspected case, i.e. abnormal betting on a suspected manipulated match has involved Veikkaus Oy, the company will submit a request for investigation of the case to the police.

Veikkaus Oy is a member of the national cooperation group (National Platform) under the EU Convention on the Manipulation of Sports Competitions. The Ministry of Education and Culture has appointed the current National Platform for 2023–2027. Under the leadership of FINCIS, the group updates and prepares, among other things, a national situational analysis and action plan combating competition manipulation.

2.9.1 Veikkaus Oy's betting markets selection and risk management

The purpose of careful selection of betting markets is to ensure that Veikkaus Oy does not under any circumstances offer its customers bets on manipulated matches or competitions. Veikkaus Oy's betting markets mainly target the same sports and league levels as other betting markets, excluding some series assessed as exposed to risk. As a rule, the same series and sports as for Pitkäveto fixed odds betting are eligible for live odds betting. Special bets are usually only offered on matches in the highest category series.

Veikkaus Oy monitors in real time and around the clock the game data and the development of gambling in both digital and physical channels for all of its fixed odds betting offerings. This can be used to identify situations where gambling acquires suspicious features or involves behaviour that suggests money laundering. Mainly, incoming stakes and the payout risk created by them are monitored. Monitoring is both automatic and manual.

Gambling monitoring employs various risk parameters, which differ depending on the professionalism of the sport and the league. Betting markets close when certain framework conditions are met. Once the market closes, the betting unit decides either to reopen the market with new odds and/or a new risk limit or to close the market. If there is reason to suspect manipulation, the bet type will no longer be reopened, and FINCIS will be informed of the suspicion.

The series-specific risk limits are at a fairly low level, and the smaller the audience following the series, the lower the risk limit is defined in principle. If something suspicious is happening, the limit will be reached and the target will be closed at least temporarily. There are also automatic alerts related to both Veikkaus Oy's and the international market's cash flows and odds movements.

There are no defined risk limits for parimutuel betting. This means that the monitoring is not as continuous. Most of the betting markets are fixed odds. Since virtually all manipulation of competitions takes place in fixed-odds betting, it is justified to focus mainly on this in monitoring, but gambling involving parimutuel betting is also constantly monitored.

2.9.2 United Lotteries for Integrity in Sports (ULIS) collaboration

Veikkaus Oy engages in continuous international cooperation in fraud prevention, especially with ULIS, whose members include Veikkaus Oy and other national gambling companies from different countries. ULIS facilitates the continuous and confidential exchange of information on betting markets and target matches between national gambling companies offering sports betting, thus assisting in the collection of information relating to the detection of manipulation attempts. ULIS detects and analyses the global betting markets, particularly radical fluctuations in odds, and actively reports its findings to its members.

ULIS delivers round-the-clock alerts at different levels for matches where abnormal betting behaviour is detected. In this way, Veikkaus Oy is always immediately informed if there are rapid and radical changes in the odds of a match (foreign, international or Finnish) in the global betting markets. ULIS oversees virtually all major sports leagues in different countries and virtually all major betting providers worldwide. Veikkaus Oy sends all ULIS observations concerning Finnish matches/teams to FINCIS for information, and also forwards information related to suspected manipulations of foreign and international sports from ULIS to FINCIS. Similarly, Veikkaus Oy is obliged to inform ULIS if it detects any activity indicating manipulation attempts in matches played in Finland or sports events held in Finland.

2.9.3 Veikkaus Oy's match monitoring system

During the Finnish football season, Veikkaus Oy offers its customers betting on matches in the Finnish Football Association's national leagues and competitions (Veikkausliiga, Ykkönen, Kakkonen, Suomen Cup, Liigacup, Ykköscup, Women's National League and Women's Finnish Cup). Veikkaus Oy has football assistants (match monitors) in Finland who regularly monitor the football teams in their local area and report on them to Veikkaus Oy

during the game season and training season as agreed. All Finnish teams playing in Veikkaus Oy's target leagues have been assigned a match monitor, who is responsible for following and observing the team in question. All home matches of the team in question are watched by the match observers in their capacity as Veikkaus Oy's match monitors. The information in the reports will be used confidentially only by Veikkaus Oy's betting unit. Only in possible cases of suspected fraud will information in the reports be transmitted confidentially from Veikkaus Oy to FINCIS and the relevant sports federation and, if necessary, to the authorities.

In matches, Veikkaus Oy's match monitors are instructed to closely monitor all events, both related and unrelated to the game, on and off the field, before, during, and after the match, and to report accurately and in detail to Veikkaus Oy any unusual, strange, or striking events they observe. Veikkaus Oy's betting unit then forwards all observations indicating match manipulation to FINCIS and thus assists in gathering information related to the detection of match manipulation attempts. In urgent cases, the match monitors have been instructed, in connection with the match event and at the latest immediately after the end of the match, to contact the official match delegate appointed by the Football Association for the match in question and to report their observations indicating possible match manipulation without delay.

In addition to Finnish football, Veikkaus Oy has similar match monitor activities in national baseball leagues and the Finnish ice hockey league. Other sports are also monitored in accordance with the above-mentioned national and international operating models.

2.9.4 Ethical principles in sports and physical activity

One of the objectives of the Act on the promotion of sports and physical activity (390/2015) is to promote the integrity and ethical principles of physical activity and top-level sports. The Ministry of Education and Culture promotes ethical principles, equality, and non-discrimination in sports and physical activity, for example, through discretionary government grants to sports organisations. The responsibility criteria used in the assessment of the amount of the grant are used to assess the quality and social impact of the activities of all organisations applying for the grant, the implementation of the objectives of the Sports Act, as well as the ethical principles of sports and physical activity, gender equality and non-discrimination. In the case of sports federations, the assessment takes into account the risk of match manipulation and how it is actively prevented. The organisation's compliance with international regulations binding on Finland is also assessed.

The key areas of ethical activity in sports are anti-doping work, the prevention of sports manipulation, and the fight against spectator violence. Cooperation between ministries, authorities, and the sports movement on ethical issues in sports has intensified in recent years. The advisory board on ethics in sports, established by the Ministry of Education and Culture in 2015, is a coordination and information exchange body whose task is to monitor and develop cooperation between the sports movement and the public authorities in ethical issues. The task of the advisory board is to act as a monitor and developer of cooperation between the sports movement and the public authorities on ethical issues in sport, to monitor international cooperation in solving ethical problems in sport, and to make proposals on ethical issues in sport to the parties concerned. The National Platform under the Convention against the Manipulation of Sports Competitions operates under the auspices of the advisory board. The Advisory Board acts as a coordination and cooperation body between different administrative branches and sports actors with the aim of promoting ethics in sport and the implementation of related international agreements.

2.9.5 Role and function of the supervisory authority

Since the manipulation of sports competitions may be motivated by securing gains through gambling, the supervision of gambling activities plays a significant role in preventing, investigating, and exposing irregularities related to the manipulation of competitions.

At the moment, the tasks laid down for the National Police Board do not specifically include preventing, combating and detecting manipulation of sports competitions. Instead, the National Police Board's lottery administration performs this function as part of the supervision of players' legal protection and the prevention of irregularities and crime as provided in the Lotteries Act. The National Police Board is also a member of the National Platform combating manipulation of sports competitions set up by the Ministry of Education and Culture. As the National Police Board has not been specifically assigned the task of supervising the prevention of manipulation of competitions, the National Police Board has not had wider supervisory means for the coordination and supervision of manipulation of competitions than it does as part of its current duties under the Lotteries Act. In its supervision, the National Police Board pays particular attention to the betting games offered by Veikkaus Oy from the perspective of preventing competition manipulation.

2.10 Combating the supply and marketing outside the exclusive rights system

In accordance with the Lotteries Act, only the exclusive operator Veikkaus Oy may provide and market gambling services in mainland Finland. Despite the unequivocal prohibition in the Lotteries Act, gambling companies outside the exclusive rights system have directed various marketing activities towards mainland Finland and its consumers. Technological advances, easy access to social media services, flexible implementation of marketing, and the ability to react quickly have increased the marketing of gambling not only by gambling companies but also by private individuals.

In order to improve the effectiveness of the fight against the marketing of gambling companies outside the exclusive rights system, the powers of the National Police Board were supplemented by the reform of the Lotteries Act that entered into force at the beginning of 2022.

A provision was added to the Lotteries Act regarding the National Police Board's ability to impose a prohibition relating to the marketing of gambling that contravenes the Lotteries Act on a natural person. According to section 62a of the Lotteries Act, the National Police Board may prohibit the operation of gambling if it is carried out by a party other than Veikkaus Oy, if the operation of gambling violates the prohibition laid down in section 62, subsections 1–4, or if the operation of gambling otherwise violates the Lotteries Act or a decree issued under it in a manner other than that referred to in section 62b. A prohibition may be imposed on a gambling operator or on a trader or entity which supplies participation entries or participation fees related to gambling, provides facilities for making slot machines available for use or markets gambling, or on a natural person who, for financial or other gain, markets gambling or otherwise promotes participation in gambling. The prohibition shall be in effect for a maximum period of 12 months. The National Police Board may extend the ban by a maximum of 12 months at a time if the way gambling services are provided has not been corrected. The National Police Board may impose a periodic penalty payment to enforce the prohibition.

Provisions on administrative penalties for marketing that violates the Lotteries Act were also added to the Lotteries Act. Under section 62d of the Lotteries Act, a penalty fee may be

imposed on the gambling operator, a trader or a natural person. The National Police Board has discretionary powers as to whether to propose that the Market Court impose a penalty fee in accordance with section 62h of the Lotteries Act. The penalty fee is intended for cases where the infringement shows a clear disregard for complying with the prohibition on the marketing of gambling other than that offered by Veikkaus Oy laid down in the Lotteries Act. According to section 62e, the amount of the penalty fee is based on an overall assessment.

In order to enhance the prevention of gambling-related harms and to support the operating conditions of the exclusivity system, provisions on blocks on payment transactions were also added to the Lotteries Act. The regulation includes a general prohibition under section 62l not to implement or initiate payment transactions and, in addition, provisions on the power of the National Police Board to issue a prohibition order against a payment service provider if that service provider does not comply with the general prohibition laid down in section 62m. Blocks on payment transactions are based on a list kept publicly available by the National Police Board of such gambling entities that market gambling in violation of the Lotteries Act in mainland Finland and whose operation of gambling has been prohibited by the National Police Board pursuant to section 62a. The prohibition applies to all forms of implementation and transmission of a payment transaction, such as credit transfers, payment cards or other payment instruments, as well as to all operators providing services in mainland Finland, such as credit institutions and payment institutions, regardless of whether they are established in Finland or abroad. The prohibition on initiating payment transactions also applies to virtual currency providers within the meaning of the Act on Virtual Currency Providers and the use of virtual currency as a means of exchange.

Payment transaction blocks apply to payment transactions directed from the player to the gambling operator, i.e., for example, to stakes wagered on games or transfers to a player account. The government proposal to reform the Lotteries Act included a proposal for blocking that would also have targeted payment transactions from gambling operators to the player, i.e. the payment of winnings from gambling. However, the Constitutional Law Committee considered that the winnings paid into a player account and the funds deposited in the account fall within the scope of the right to property guaranteed under section 15 of the Constitution of Finland and that the player has received any winnings legally (PeVL 46/2021 vp). In the view of the Constitutional Law Committee, the interference with the right to property constituted by the blocking could be considered significant, which is why the point in question had to be removed from the bill in order for the bill to be dealt with according to the ordinary legislative procedure.

The new powers laid down for the National Police Board have provided the supervisory authority with better opportunities to respond to the increase in illegal gambling activities and their marketing. However, the powers of the National Police Board have not been sufficient in all respects, taking into account the purpose of the Act and the objectives set for it.

A significant challenge is, for example, that the supervisory authority lacks statutory powers to monitor online gambling marketing by private individuals to the extent necessary and appropriate to effectively combat offerings and marketing outside the exclusive rights system. Supervision related only to open sources can not be considered sufficient, as the majority of gambling marketing takes place on social media platforms that require logging in to the service.

According to legal literature, an authority may, in principle, retrieve information related to a party from open sources for the processing of a case if there is a legal basis for the processing

of personal data, but it may not be possible for the authority to obtain information through login, in which case it also falls outside the obligation to investigate. If a public official has registered as a social media user as a private person, he or she cannot use the service to gather information for the purpose of supervision. In addition, the authority cannot use false or misleading information when registering for a social media service, unless this is expressly provided for by law.

The lack of adequate rights of access to information of the National Police Board has also posed challenges in supervision. The effective performance of the supervision task laid down in the Lotteries Act would require that the National Police Board be entitled to receive information from third parties and other authorities, notwithstanding secrecy provisions. For example, the assessment of the amount of a penalty payment or penalty fee is influenced by the taxed income of a natural person. Under the provisions in force, it is not possible to reliably assess a person's actual income solely on the basis of other information received. In addition, it is problematic from the point of view of the implementation of supervision relating to blocks on payment transactions that failure to comply with disclosure requirements has not been penalised. This may jeopardise the implementation of the right of access to information and thus the performance of the entire supervisory task. The lack of a right to make test purchases also makes it difficult to supervise blocks on payment transactions. The supervision of blocks on payment transactions by the National Police Board is dependent on information received from payment service providers, and the National Police Board is not able to independently ensure the functionality of blocks on payment transactions by opening a player account on the gambling website targeted by the blocks and transferring money to the player account through different payment service providers and payment intermediaries.

In the implementation of blocks on payment transactions it has emerged that active efforts are being made to circumvent the blocks by transferring gambling activities from one subsidiary of a group to another. Payment blocks apply only to the prohibited company and oblige a third party (payment service provider) to take action, so the scope of payment blocks could not be extended to a sister company of the prohibited company without a decision by the authority. A decision to extend the scope would require a consultation process in accordance with the Administrative Procedure Act (434/2003) and would thus be an administratively cumbersome

and slow procedure, whereas the actions of the subject of the procedure can be very quick. The circumvention of payment blocks has thus proved possible and the effectiveness of the current form of payment blocks is therefore questionable.

The National Police Board has discretion as to whether to submit a proposal for the imposition of a penalty fee to the Market Court for infringement of the provisions on gambling marketing. A penalty fee should be proposed for cases that are significantly different in quality and extent from normal marketing infringements.

A penalty fee may be proposed in cases that demonstrate clear intent or indifference. The National Police Board is obliged to investigate the infringement in accordance with section 31 of the Administrative Procedure Act and to prove it. A penalty fee may be imposed only where the infringement was committed intentionally. The National Police Board bears the burden of proof regarding the intentional nature of the infringement. The extent of the obligation to prove the intentional nature of the infringement has caused practical challenges in the application of the penalty fee provided for by law. The obligation to demonstrate intent in the marketing infringement viewed against the National Police Board's limited right of access to information may be considered incompatible with the provision on the powers of the National Police Board, according to which the running of lotteries is supervised in order to guarantee the legal protection of participants in lotteries, to prevent abuse and crime, and to prevent and reduce the economic, social, and health-related harms caused by lotteries.

The slowness of the administrative process, which makes it difficult for the authorities to react rapidly to changing marketing methods, can also be seen as an impediment to the application of supervisory measures. For example, the imposition of blocks on payment transactions is tied to a decision prohibiting the operation of gambling, making it a slow method of control that involves a process in accordance with the Administrative Procedure Act, including hearings of the party concerned and long appeal periods.

Marketing of gambling other than gambling offered by Veikkaus Oy is punishable as a gambling offence under chapter 17, section 16a of the Criminal Code.

2.11 Gambling market operators

2.11.1 Veikkaus Oy

Veikkaus Oy is a wholly state-owned special assignment company. Under the provisions of section 12 of the Lotteries Act, the company shall carry on gambling activities in such a manner as to ensure the legal protection of gambling participants, prevent irregularities and crime, and prevent and reduce gambling related economic, social and health harms.

The provisions on limited liability companies and the Act on State Shareholdings and Ownership Steering (1368/2007) shall apply to the company, unless otherwise provided in the Lotteries Act or elsewhere by law. The Prime Minister’s Office is responsible for Veikkaus Oy’s ownership steering. In its ownership steering, the Prime Minister's Office complies with the principles of good governance laid down in the Limited Liability Companies Act (624/2006), which define the responsibilities and roles of the owner and the company's Board of Directors and senior management. The Prime Minister's Office engages in continuous dialogue with the company's Board of Directors and monitors the activities of the Board and tthe company. If necessary, the Prime Minister's Office will also provide guidance to the Board of Directors of Veikkaus Oy, taking into account the limits of its own competence. The

State has exclusive competence at the General Meeting to appoint the Board of Directors and in all other matters to be decided at the General Meeting. The Prime Minister's Office represents the owner at Veikkaus Oy's general meetings.

The Lotteries Act provides for restrictions on the operations of Veikkaus Oy and its subsidiary. According to section 13b of the Lotteries Act, Veikkaus Oy may not run any lotteries other than gambling. Veikkaus Oy may not, without the permission of the Prime Minister’s Office, establish or acquire ownership of any companies other than those necessary for its gambling activities, or shares in such companies, nor may it transfer the shares of such companies to a new owner. Veikkaus Oy or its subsidiary may not, without the permission of the Prime Minister's Office, change its share capital or articles of association, grant loans or make investments other than the acquisitions of fixed assets required for its operations. Veikkaus Oy may not distribute dividends on its profits or from its unrestricted equity to its shareholders. Neither may Veikkaus Oy or its subsidiary distribute gratuitous benefits from its profits or surplus to its staff.

A subsidiary established by Veikkaus Oy with the permission of the Prime Minister’s Office as referred to in section 13b, subsection 2, may carry on activities other than gambling activities. These activities must be separated from Veikkaus Oy’s gambling activities in terms of accounting. The financial relationship between the subsidiary and Veikkaus Oy must be organised on market terms. On 19 January 2022, the Prime Minister's Office granted Veikkaus Oy permission to establish a subsidiary. Fennica Gaming Oy started its international business at the beginning of 2022 with the aim of commercialising the products and services developed by Veikkaus Oy to national gambling companies. Fennica Gaming aims to become a leading digital transformation partner for national gaming companies.

Fennica Gaming's operations were separated from Veikkaus Oy in accordance with the requirements of the regulations. In addition, the company's operations were organised in accordance with the conditions set by the licence granted by the Prime Minister's Office. The operating models in accordance with the separation and licence conditions were implemented in stages during the first year of operation in 2022 and in early 2023. The implementation of the market economy operator principle has been verified by an external assessor.

The Ownership Steering Department of the Prime Minister's Office regularly monitors the subsidiary's operations through continuous dialogue and reporting in accordance with the principles of good governance. In the view of the Prime Minister’s Office, no circumstances have emerged concerning the establishment and international business of the subsidiary that would have jeopardised the acceptability of the exclusivity system. Fennica Gaming operates in open international gaming development markets.

With the launch of Fennica Gaming Oy's business operations, Veikkaus Oy's prerequisites for developing its channelling capability have increased in the following ways:

1) It has been possible to develop and operate the capabilities of the shared service in a cost-effective manner and the company's know-how capital has been verified. The company is able to provide competitive and reliable technical services. In accordance with the objective, the company is able to operate technical services with very high usability and reliability.

2) Veikkaus Oy's advanced gambling offer, based on the ecosystem of responsible gambling, has proven to be competitive and to generate added value in other gambling markets too.

Veikkaus Oy is able to provide a gambling offer that meets the demand in digital gambling activities.

3) Strong cooperation with Veikkaus Oy's associated company LEIA AS and its shareholders has significantly deepened the international development of games and, for its part, enabled Veikkaus Oy to utilise the experiences and capabilities gained in its domestic business.

4) Veikkaus Group employs an increasing number of experts in the international gambling business and game development business, who bring valuable know-how capital and international networks to the current Veikkaus Oy organisation.

5) In addition, the development and innovation activities carried out by the subsidiary open up the possibility for Veikkaus Oy to utilise the experiences gained and apply them in domestic business.

According to section 12, subsection 3 of the Lotteries Act, Veikkaus Oy has a supervisory board. The supervisory board is responsible for monitoring and overseeing that Veikkaus Oy carries on gambling activities as provided in section 12, subsection 2, and for supporting cooperation between the company and its stakeholders.

2.11.2 PAF

In Åland, gambling is operated by Ålands Penningautomatförening (PAF), to which the Åland government has granted the exclusive right to make slot machines available for use, conduct casino activities, and organise betting games. PAF also provides gambling services on the Baltic Sea passenger ferries whose home port is in Åland.

In addition to Åland, PAF holds a gambling licence in Estonia, Latvia, Spain and Sweden. The Group's revenue in 2022 amounted to approximately EUR 170 million and it generated a profit of approximately EUR 45 million. Approximately 86 % of the Group's revenue came from online gambling, 13 % from gambling on board ships, and 1 % from physical gambling in Åland. The company employed approximately 300 people in 2022.[6]

2.11.3 Other gambling companies

Although there are no gambling companies operating in Finland other than Veikkaus Oy and PAF, Finns spend significant amounts of money on the games of other gambling companies as well. A significant part of this gambling is focused on the games of major international gambling groups. Examples of such companies include Betsson, ComeOn Group, Entain, Flutter, Kindred Group, LeoVegas, and William Hill, which is part of the 888 Holdings Group, all of which are part of the Gambling Industry Association Finland.

Betsson is based in Sweden and is listed on the Stockholm Stock Exchange. In addition to Betsson, the company's gaming brands include Betsafe, CasinoEuro and NordicBet. The Group companies have gambling licenses in 23 countries. The Group's revenue in 2023 was approximately EUR 950 million and it posted a profit of around EUR 170 million. The majority of the Group's revenue comes from various casino games. The company has reported that 21% of its revenue came from the Nordic countries in 2023. The Group employs more

[6] PAF (2023). PAF 2022 Annual report. Published in April 2023. Available at: https://aboutpaf.com/corporate/annual-reports/.

than 2 000 people.[7] LeoVegas is also domiciled in Sweden, but is now owned by the US-based MGM Resorts International, which, among other things, operates casinos in Las Vegas.[8] LeoVegas posted revenue of approximately EUR 400 million in 2022 and made a loss of approximately EUR 25 million. Approximately EUR 200 million of revenue came from the Nordic countries. The majority of revenue (approximately EUR 340 million) came from various casino games. At the time, the Group employed around 1 000 people.[9]

ComeOn, Flutter Entertainment plc, and Kindred Group plc, part of Co-Gaming Limited, have their registered offices in Malta. ComeOn's revenue is approximately EUR 300 million. Flutter's game brands include Betfair and Pokerstars. It recorded revenue of nearly USD 12 billion and a loss of more than USD 1 billion in 2023. In terms of geographic breakdown, the majority of the company's revenue come from the United States and the United Kingdom and, in terms of game types, from sports betting. The company employs more than 23 000 people.[10] Kindred is known in the Nordic countries especially for its Unibet brand. Its revenue in 2023 was around GBP 1.2 billion and it made a profit of almost GBP 50 million that year. Approximately 300 million of the revenue came from the Nordic countries. The majority of the Group's revenue came from various casino games. In 2023, the Group employed approximately 2 500 people.[11]

888 Holdings is registered in Gibraltar and Entain Group is registered in the Isle of Man. 888 Holdings includes companies and brands such as 888.com, Mr Green and William Hill. The Group holds a licence for the provision of gambling in, e.g the United Kingdom, Germany, Spain, Italy, Sweden, Denmark and several states in the United States. Its revenue in 2023 was approximately GBP 1.7 billion and it posted a loss of around GBP 60 million. The majority (68 %) of the company's revenue came from the United Kingdom. Approximately 70 % of the company's revenue comes from online gambling. In 2023, the Group employed approximately 11 000 people.[12] Entain Group is known for its Ladbrokes and Bwin brands. The Group's companies operate globally in dozens of countries. The Group's revenue in 2023 was approximately GBP 5 billion. Around GBP 2 billion came from the United Kingdom and some GBP 2 billion from the rest of Europe. Approximately three-quarters of revenue came from online games. In 2023, the Group employed more than 30 000 people.[13]

Other gaming companies used by Finns include the UK-based Hillside, known for the Bet365 brand, and the Estonia-based Coolbet. Finns also play games offered by companies registered

[7] Betsson (2024). Betsson Ab Annual and Sustainability Report 2023. Published on 5 April 2024. Available at: https://www.betssonab.com/sites/default/files/pr/202404035952-1.pdf.
[8] LeoVegas (2022). LeoVegas Becomes a Part of MGM Resorts. Accessed 3 May 2024. https://leovegasgroup.com/about-us/leovegas-becomes-a-part-of-mgm-resorts/.
[9] LeoVegas (2023). Annual report 2022. 27.4.2023. Available at: https://leovegasgroup.com/wp-content/uploads/e-leovegas-2022.pdf.
[10] Flutter (2024). Annual Report and Accounts 2023. Published on 26 April 2024. Available at: https://www.flutter.com/media/a0rj0ng5/flutter-entertainment-plc-annual-report-and-accounts-2023-10-k_updated.pdf.
[11] Kindred (2024). Annual and Sustainability Report and Accounts 2023. Available at: https://www.kindredgroup.com/globalassets/documents/investor-relations-related-documents/financial-reports/2023/asr/kindred-group-annual-and-sustainability-report-2023.pdf.
[12] 888 Holdings (2024). Annual Report and Accounts 2023. Published on 15 April 2024. Available at: https://corporate.888.com/application/files/8317/1371/0080/888_Annual_Report_2023.pdf.
[13] Entain (2024). Annual Report 2023. Published on 22 March 2023. Available at: https://www.entaingroup.com/media/v44m3ubp/entain-2023-annual-report-and-accounts.pdf.

in Curaçao, Kahnawake, and Anjouan, for example, but surveys show that the share of such companies in Finnish offshore gambling does not seem to be significant.

2.12 Veikkaus Oy’s proceeds

At the beginning of 2024, amendments to the Lotteries Act concerning the uses of Veikkaus Oy's proceeds entered into force. The non-profit uses of the proceeds laid down in the Lotteries Act of Veikkaus Oy were abandoned. Veikkaus Oy's revenue is entered as general revenue in the state budget to be used for expenditure in accordance with the budget. An appropriation corresponding to the profit shown in Veikkaus Oy's latest approved financial statements is entered in the budget annually. The profit for the financial year includes, in addition to the profit from gambling activities, any dividend income received from Fennica Gaming Oy, a subsidiary of Veikkaus Oy. Veikkaus Oy must account for the profit for the financial year as revenue to the State. Within one month of the adoption of the financial statements, Veikkaus Oy shall submit a report on the profits accounted for to the Ministry of Finance, the Prime Minister’s Office, the Ministry of the Interior and the National Police Board.

The profits of Veikkaus Oy and the gambling organisations that came before it have played a considerable role in society. However, the use of profits in the public interest does not justify the maintenance of a monopoly. According to the case-law of the Court of Justice, the revenue can only be a beneficial consequence of the monopoly.

The annual amount for the income depends on a number of factors. In addition to legislative measures, the revenue is affected, for example, by Veikkaus Oy’s own measures to prevent and reduce the harm from gambling, the provision of gambling activities outside the monopoly, the restructuring of the commercial sector affecting the number of gambling sites and, for example, changes in the gambling culture due to digitalisation. In 2020 and 2021, the coronavirus pandemic also had a negative impact on Veikkaus Oy's profits. The amount of profits accounted for was also affected by the temporary amendments to the Lottery Tax Act in force between 2021 and 2023, which reduced the tax rate.

After the merger of the gambling activities of Fintoto Oy, Raha-automaattiyhdistys (RAY, Slot Machine Association) and Veikkaus Oy, the company disbursed approximately EUR 1 021.3 million to the State as proceeds from 2017, i.e. the first year of operation of the new Veikkaus Oy. The corresponding figures for 2018 and 2019 were EUR 1 014.2 and around EUR 1 009 respectively. In 2020–2022, Veikkaus Oy's proceeds were approximately EUR 680 million.

Table 1. Development of gambling proceeds 2017–2023, million EUR.

Year	**Proceeds**
2017	1021
2018	1014
2019	1009

2020	680
2021	680
2022	680
2023	585

2.13 Taxation

Under the Lottery Tax Act (552/1992), lottery tax is paid to the State on lotteries run in Finland as referred to in section 2 of the Lottery Tax Act. The organiser of the lottery is liable for the tax.

The majority of the lottery activities carried out in Finland are conducted by Veikkaus Oy, which provides gambling services in mainland Finland on an exclusive right basis under the Lotteries Act, and Ålands Penningautomatförening (PAF), which operates in Åland on an exclusive right basis as described in section 2.11.1.

The taxation of lotteries is a matter for the national legislature (PeVL 9/1992 vp, see section 2.15 for more details), but under section 49 of the Act on the Autonomy of Åland (1144/1991), hereinafter referred to as the *Autonomy Act*, the amounts of lottery taxes paid in Åland shall be refunded annually to Åland from State funds.

Under section 4, subsection 1 of the Lottery Tax Act, the tax on lotteries operated on an exclusive basis is to be calculated on the basis of the proceeds of the lotteries. The tax rate was 12 % before its temporary reduction to 5.5 % for 2021, 3.4 % for 2022 and 5.0 % for 2023. Proceeds refers to the difference between the total amount of money wagered by players and the winnings paid out to players, i.e. so-called gross gaming revenue. Taxes are recorded on an accrual basis for the accrual month of gaming proceeds, but are accounted for to the Finnish Tax Administration in the second month following the month the taxes are recorded.

Total lottery tax revenue and Veikkaus Oy’s and PAF’s shares of accrued taxes are shown in the table below.

Table 2. Development of lottery tax 2017–2022 and estimate 2023–2024, amounts in million EUR.

Year	Total tax	Veikkaus	Veikkaus Oy's share	PAF	PAF's share
2024 Est.	137				
2023	56	49.4	88 %	4.9	9 %
2022	46	40.4	88 %	3.7	8 %
2021	81	73.3	90 %	6	7 %
2020	175	162.7	93 %	10.4	6 %
2019	221	206.6	93 %	12.4	6 %
2018	226	211.9	94 %	12.2	5 %
2017	227	212.8	94 %	12.7	6 %

In 2022, lottery operators other than Veikkaus Oy and PAF accounted for approximately 4.3 % of the tax revenue, or EUR 2.0 million. The significant decrease in tax revenue from 2019 is likely to be due essentially to the decrease in gambling caused by the Covid-19 pandemic, especially with regard to slot machine operations, as well as to the decrease in the number of Veikkaus Oy slot machines and the responsibility measures described in section 2.2. There may be other reasons behind it. In addition, the temporary reduction of the lottery tax rate has contributed to the decrease since 2021.

From the point of view of the tax system, the lottery tax is a substitute for the income tax payable by the entity making the profit. Accordingly, under section 85 of the Income Tax Act (1535/1992), winnings from lotteries referred to in section 2 of the Lottery Tax Act are not taxable income. The same applies to winnings from lotteries organised in a state of the European Economic Area in accordance with its legislation.

Winnings received in the EEA are not taxable, based on the ruling of the Court of Justice of the European Union concerning Finland (C-42/02), in which the Court found the Finnish legislation to be discriminatory. Under the previous legislation, winnings from lotteries organised in other Member States were treated as taxable income, unlike winnings from lotteries organised in Finland. The Income Tax Act was amended following the court case (HE 23/2005 vp.).

The tax liability of gambling operators with regard to income tax is governed by section 21c of the Income Tax Act. According to this section, Veikkaus Oy is liable to tax only on its income from gambling activities other than those carried out on the basis of the exclusive right under the Lotteries Act, and PAF only on its income from lotteries and gambling activities other than those carried out on the basis of the exclusive right under the Åland act on lotteries. Gambling is not subject to VAT.

In the transition to the licensing system, licensed gambling operators as well as lottery winners shall be treated in a non-discriminatory manner. This requires changes to the lottery taxation of gambling. Setting the tax rate at an appropriate level will be key to achieving the targets set for tax revenue and the desired channelling rate.

The exemption of gambling operators from income tax for forms of gambling that will be liberalised cannot be considered for reasons relating to EU competition law and state aid rules.

2.14 Monitoring, research and assessment of gambling-related harms and development of prevention and treatment

Under the Lotteries Act, the Ministry of Social Affairs and Health was tasked in 2002 with monitoring and investigating problems arising from the operation of gambling. Subsequently, the task was expanded to develop the prevention and treatment of gambling problems (HE 96/2008 vp), and later, following an international paradigm shift, the task was expanded to include gambling-related harms (HE 132/2016 vp). The amendments to the Lotteries Act that entered into force at the beginning of 2022 strengthened the legislative basis concerning the prevention and reduction of harms by confirming the role of the Finnish Institute for Health and Welfare as the statutory body responsible for carrying out the work and by reinforcing the assessment of the risks of gambling-related harms as a statutory part of the duties referred to in section 52 of the Lotteries Act. An operational review on the prevention and reduction of gambling-related harms in accordance with section 52 of the Lotteries Act for the years 2007–2020 was published in 2022 (Jaakkola ed.).

According to section 52 of the Lotteries Act, the Ministry of Social Affairs and Health is responsible for monitoring and researching the harm caused by gambling, assessing the harm related to the organisation of gambling and the development of prevention and treatment. The Finnish Institute for Health and Welfare carries out the duties referred to in Section 52 of the Lotteries Act, in accordance with a Ministry of Social Affairs and Health mandate. The implementation of the tasks referred to in the section also extends to an assessment of the risks and harm connected with gambling activities carried out in contact with the Ministry of Social Affairs and Health.

Under section 52 of the Lotteries Act, Veikkaus Oy must reimburse the State for the costs of the work relating to gambling-related harms referred to in the section. The Ministry of Social Affairs and Health shall charge the company a fee equal to the total costs incurred on these activities. Provisions on the payment of the fee are laid down in a decree of the Ministry of Social Affairs and Health (Decree of the Ministry of Social Affairs and Health on the payment of the fee collected from Veikkaus Oy 500/2017). An annual ceiling of EUR 5 million has been set for the costs of activities under this section for 2020–2023.

The amendments to the Lotteries Act which entered into force at the beginning of 2022 strengthened the prerequisites for the effective implementation of the work referred to in section 52, in particular by enabling the right of access to information on Veikkaus Oy’s gambling and player data. The use of Veikkaus Oy's gambling and player data in monitoring and research of gambling-related harms, as well as the overall package for the development of prevention and treatment, is an important part of achieving the goal of preventing harms caused by the gambling system. The right of the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare to receive information from Veikkaus Oy was improved as a result of the amendments to the Lotteries Act which entered into force at the beginning of 2022 (HE 135/2021 vp). Enabling the use of gambling and player data for evaluation work and for the Finnish Institute for Health and Welfare can be estimated to have significant potential in the development of measures to prevent and reduce harms. The development of data disclosure processes and the launch of operations following the entry into force of the established right of access to information have taken time. The use of data has increased. In the early stages, the data has been used, in particular, to assess gambling restrictions and, among other things, to assess the effects of the Covid-19 epidemic.

The overall package of measures referred to in section 52 of the Lotteries Act produces the knowledge base necessary to achieve the objectives of gambling policy and develops tools for preventing and reducing harms. The Finnish Institute for Health and Welfare (THL) monitors the adverse effects of gambling and the temporal changes in them by utilising several sources of information. Harms are monitored using two different population surveys. The Finnish Gambling population survey has been conducted every four years since 2003. The Healthy Finland survey provides information on gambling and its regional differences. In addition, data from national registers (e.g. the Finnish Institute for Health and Welfare's care notification register) are used in the examination of gambling-related harms and related phenomena, in the development of research methods, and in the evaluation of the reliability of the results. The Finnish Institute for Health and Welfare (THL) conducts research on Finnish gambling policy from a harms perspective. Research on gambling policy provides information and tools for evaluating policies aimed at reducing and preventing harms. The study provides information on the rationale, objectives, methods and impacts of gambling policy. The results of the study will be used, for example, in expert work and in the work of the authorities.

2.14.1 Measures to prevent and reduce gambling-related harms

The prevention of social, economic and health-related harms caused by gambling has been established in Finland as the most important guiding principle of gambling policy, so responsibility for gambling-related harms lies partly with all actors in the gambling system. The objectives of gambling policy concerning the prevention and reduction of harms are also linked to the more general objectives of promoting wellbeing, health and safety, preventive substance abuse work and the organisation of social and health services.

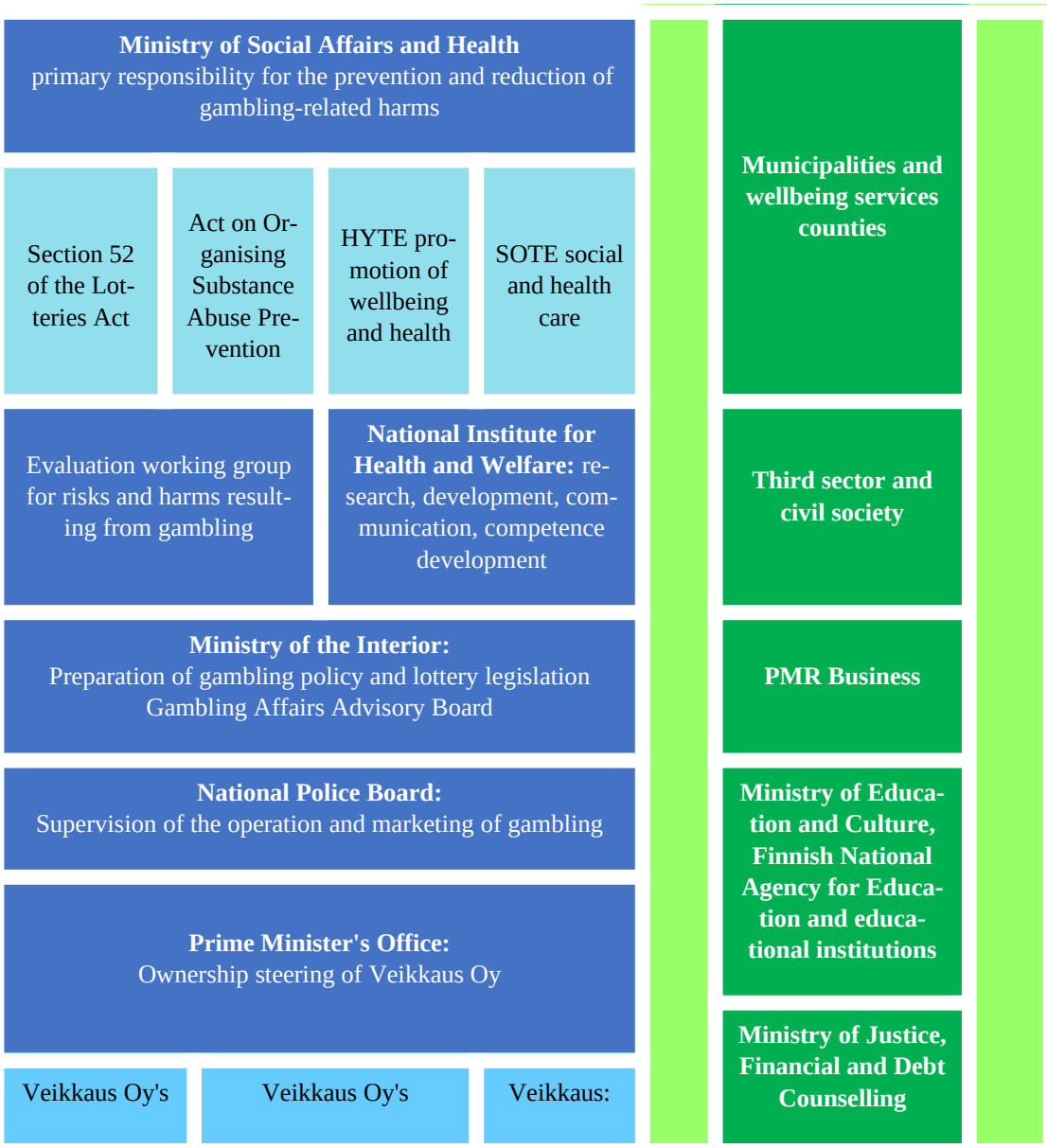


Figure 7. The overall package for the prevention and reduction of gambling-related harms (Gambling Policy Programme, Government Publications 2022:40).

The Ministry of Social Affairs and Health is primarily responsible for the prevention and reduction of gambling-related harms in Finland. It coordinates and develops at the government level the overall package consisting of gambling policy and social and health policy measures for the prevention and reduction of gambling-related harms. The Ministry of Social Affairs and Health coordinates measures to increase the wellbeing and social inclusion of the population, as well as health and functional capacity. The prevention and reduction of gambling-related harms and the coordination of work are guided by the Gambling Policy Programme, which is under the main responsibility of the Ministry of Social Affairs and Health. It defines guidelines for the prevention and reduction of gambling-related harms until 2030 and brings together the actors involved in the prevention and reduction of harms. The objectives of the programme are aimed at harmonising steering of the operation of gambling, ensuring a gambling system that prevents harms, promoting wellbeing, health and safety, and developing services. The programme pays particular attention to digitalisation. In addition, objectives will be defined for the development of a knowledge base and indicators to define the national level of ambition for the reduction of gambling-related harms. The general target levels defined in the implementation phase of the Gambling Policy Programme for the prevention and reduction of gambling-related harms are: a decline in the prevalence of gambling problems, a continued decrease in risk level gambling, and a decrease in gambling known to be most harmful. The aim is also to ensure that minors do not gamble, that crimes caused by gambling and/or gambling problems are prevented, and that no one becomes indebted or dies due to gambling.

In addition to the Lotteries Act, the prevention and reduction of gambling-related harms are governed by the Act on the Organisation of Substance Abuse Prevention (523/2015), a decision-in-principle on promoting wellbeing, health and safety, and legislation on health and social care. The Ministry of Social Affairs and Health manages and the Finnish Institute for Health and Welfare develops and steers the prevention of gambling-related harms as part of substance abuse prevention in cooperation with other authorities. Provisions on substance abuse prevention are laid down in the Act on the Organisation of Substance Abuse Prevention. Pursuant to sections 6 and 7 of the Act on the Organisation of Healthcare and Social Welfare (612/2021), the prevention of gambling-related harms as part of substance abuse prevention is part of the statutory promotion of health and wellbeing, and the planning and monitoring thereof, in municipalities and wellbeing services counties. Other actors in substance abuse prevention include the Regional State Administrative Agencies, the third sector, civil society, and business operators. For example, in substance abuse prevention work at the local level, the

business sector also plays an important role in harm prevention (Pakka operating model). Through the strategy on substance abuse and addiction and the Action Plan on Substance Abuse Prevention, the prevention of gambling-related harms is also part of other Government-level strategies and guidelines.

The social welfare and health care services of the wellbeing services counties are responsible for arranging support and treatment for gambling problems as part of substance abuse and addiction treatment in accordance with section 28 of the Health Care Act and substance abuse and addiction work in accordance with section 24 of the Social Welfare Act. In addition, the wellbeing services counties are responsible for organising the work carried out within the health and social services to prevent gambling-related harms. At the beginning of 2023, other addictive behaviour, which referred to gambling, was added to the legislation, clarifying and strengthening the responsibility of the wellbeing services counties to organise these services. In addition to treatment, problem gamblers or their loved ones may need other services, such as social services, health care, or financial and debt counselling. Rehabilitation is also supported by, for example, housing services or employment services. The gambling problem may also involve criminal convictions and possibly long-term debt enforcement.

It is appropriate to organise the prevention of gambling-related harms at regional level as part of other substance abuse prevention, and the treatment of gambling problems in clients' own wellbeing services areas as part of other social welfare and health care services. Public services and services provided by organisations form a comprehensive support system for recovery and rehabilitation from gambling problems. The Finnish Institute for Health and Welfare's work to prevent gambling-related harms as well as its service development activities include research and development activities that provide information and practices for preventing gambling-related harms and developing services, as well as enhancing the expertise of professionals. The development work is carried out in close cooperation with the content and networks of substance abuse prevention coordinated by the Finnish Institute for Health and Welfare, and more broadly, with the research and development activities of substance abuse and addiction services. The Finnish Institute for Health and Welfare (THL) carries out its task in cooperation with a wider field of actors and coordinates the entire package of measures.

In municipalities and wellbeing services counties, the prevention of gambling-related harms as part of substance abuse prevention and the provision of support and treatment services for gambling problems as part of substance abuse and addiction services are implemented operationally in the same entity as other substance abuse and addiction phenomena, often by the same professionals.

The primary means of achieving the gambling policy objective concerning prevention is gambling legislation, the preparation of which is the responsibility of the Ministry of the Interior. The aim of the Lotteries Act is, among other things, to prevent and reduce gambling-related harms. The Lotteries Act also lays down provisions on the tasks of ministries and authorities. Veikkaus Oy's special assignment is the main reason and justification for the company's existence, and the social goals related to the special assignment take precedence over the financial goals. Under the Lotteries Act, the Prime Minister's Office is responsible for the ownership steering of Veikkaus Oy and is therefore primarily responsible for ensuring that Veikkaus Oy operates in accordance with its special assignment.

In addition to the state, the duties of many other actors are related to the prevention and reduction of gambling-related harms. Municipalities and wellbeing services counties promote

wellbeing, health, and safety, conduct preventive substance abuse work, and organise social welfare and healthcare services. The administrative branch of the Ministry of Education and Culture and the Finnish National Agency for Education covers many areas important for the prevention and reduction of harms, such as youth work, sports organisations, the promotion of health, wellbeing and inclusion, and the prevention of harms in the curricula and pupil welfare activities of educational institutions, as well as the educational content of, for example, social welfare, health care and education workers. The administrative branch of the Ministry of Justice includes, for example, the implementation of the national strategy for promoting financial literacy, as well as legislation related to combating over-indebtedness and financial and debt counselling services, which are closely linked to gambling-related harms.

2.15 Åland

Under the Act on the Autonomy of Åland, the legislation on lotteries in Åland falls within the province's own legislative competence. In Åland, provisions on the running of lotteries are laid down in the province's own Lotteries Act (landskapslag om lotterier 1966:10). In Åland, PAF is responsible for the operation of gambling. Until the end of 2023, the Åland supervisory authority Lotteriinspektionen was responsible for the supervision of PAF's operations. Following the legislative amendments that entered into force at the beginning of 2024, the Government of Åland will act as the supervisory authority.

According to chapter 7, section 1 of the Money Laundering Act, the National Police Board monitors compliance with the Money Laundering Act and the provisions and regulations issued under it, including with regard to PAF. Since the provincial legislation lays down provisions on gambling activities and their supervision, the supervisory powers have been transferred to the provincial supervisory authority Lotteriinspektionen by means of the Decree of the President of the Republic on the Performance of Certain Duties under the Act on Preventing Money Laundering and Terrorist Financing in Åland (500/2018), which is an agreement decree referred to in section 32 of the Autonomy Act. The agreement decree also transferred the power to impose administrative penalties on PAF under the Money Laundering Act. As a result of the change in the competent supervisory authority, it is necessary to adopt a new agreement decree, transferring supervision from the National Police Board to the Government of Åland.

2.15.1 Legislative power, in particular with regard to lottery tax

Under section 27, paragraph 36 of the Autonomy Act, the State has legislative power in matters relating to taxes and charges, subject to the exceptions provided for in section 18, paragraph 5 of that Act. According to the latter provision, the province has legislative power in matters concerning additional tax on income and temporary surplus income tax, business and entertainment taxes, the basis for the fees to be levied on the province, and the tax to be levied on the province. Taxpayers in Åland therefore pay taxes falling within the legislative competence of the State to the State on the same basis as in mainland Finland.

The Constitutional Law Committee stated in its opinion (PeVL 9/1992 vp) on the Government proposal on the Lottery Tax Act (HE 15/1992 vp), when the previous Act on the Autonomy of Åland (670/1951) was in force, that the fiscal law nature of the tax is clear from the draft act included in the proposal, under which the winnings from lotteries are not taxable income for the recipient. Lottery tax is thus essentially a substitute tax for income tax for the recipient of the winnings, and the technical method of calculating the tax does not make it a business tax

on business income, the regulation of which would fall within the legislative competence of the province. The lottery tax could thus be regulated by national law to also apply the Åland.

In its opinion, the Constitutional Law Committee also drew the attention of the Finance Committee to whether, given the overall economic relations between the state and Åland, it would be justified to refund the taxes paid from Åland to the region. In this respect, a practice was adopted whereby an amount corresponding to the lottery taxes accrued by the province was returned to the provincial government through the budget. As of the beginning of 2021, the refund has been included in section 49 of the Autonomy Act concerning tax settlement.

2.15.2 Compensation and tax settlement for Åland

Under the Autonomy Act, funds are transferred from the State budget to the province to finance expenditure related to self-government. According to the Autonomy Act, this is done mainly through settlement, tax settlement and additional appropriations.

According to section 45 of the Autonomy Act, an amount is returned annually to Åland from state resources to cover the costs of self-government based on the settlement determined according to sections 46–48 of the Autonomy Act and the tax settlement under section 49 of the Autonomy Act. The Åland Delegation shall submit the settlement and tax settlement annually retrospectively for each year.

The settlement amount is calculated in such a way that the revenue for the year in question according to the final central government accounts, with the exception of taxes on earned income and capital income, broadcasting tax, withholding tax paid by persons with limited tax liability, corporation tax, tonnage tax, lottery tax and new central government loans (the base settlement) is multiplied by a certain ratio (basis for settlement). In addition, half of the change in the population of Åland in relation to the total population of Finland is taken into account in the settlement amount.

Provisions on the grounds for changing the basis for settlement are laid down in section 47 of the Autonomy Act. Under the current system, the basis for settlement must be amended after an assessment has been made of whether changes have been made to the final central government accounts that, under the provisions of the Autonomy Act, must be regarded as affecting the level of the basis for settlement. At the beginning of 2021, the basis for settlement was increased from 0.45 to the current 0.47.

Advances for the settlement amount and the tax settlement are paid annually and must be included in the state budget proposal. The Åland Delegation confirms the amount of the advance.

The 2024 state budget includes EUR 206.6 million for the Åland settlement payment (*Budget article 28.80.30*) to finance the 2024 advance. The final settlement for 2021 for Åland was confirmed on 16 February 2023 and amounted to EUR 194.8 million.

The amounts of state taxes on earned income and capital income, withholding tax paid by persons with limited tax liability, corporation tax and tonnage tax that have been paid in Åland each tax year are returned to Åland as tax settlement. The amounts of lottery tax paid annually in Åland are also refunded.

In the budget for 2024, EUR 109.3 million has been budgeted for the tax settlement for Åland (*Budget article 28.80.34*). Of this, EUR 12 million consists of the refund of lottery taxes paid in Åland. The final tax settlement for 2021 for Åland was confirmed on 16 February 2023 and amounted to EUR 90 850 million, of which EUR 5 093 million is based on refunds of lottery tax paid.

2.15.3 Issues related to the transition to the licensing system

In connection with the transition to the licensing system, it will be necessary to assess the legislative competence with regard to the taxation of gambling covered by the licensing system. From the point of view of the tax system, the lottery tax imposed on licence holders should continue to be regarded as a substitute for the income tax of the beneficiary. The Autonomy Act is also based on the premise that lottery tax accrues to the State because it provides for the refund to the province of the lottery tax paid in Åland. The final decision on legislative competence will be made in connection with the supervision of legislation provided for in section 19 of the Autonomy Act, after the Åland parliament has approved a possible Act of Åland on the matter.

On the other hand, the licence fees, as they are levied, for example, in Sweden, are clearly different in nature from the lottery tax. They would relate to the granting of a licence and not to the gross gaming revenue generated by gambling and would form part of a gambling licensing system based on lottery legislation. The level and purpose of the licence fee – whether the level of the fee is essentially based on cost recovery or whether the fees have a fiscal objective – may influence the assessment of legislative competence.

The abolition of the tax exemption for gambling operators in respect of the activities covered by the licensing system would result in PAF being liable for income tax in respect of those activities. According to section 49 of the Act on the Autonomy of Åland, the amount of corporation tax paid annually in Åland is also refunded to the Åland from state funds as a tax settlement. On the basis of the current legislation, the corporation tax paid by PAF would be refunded to the Province. In addition, on the basis of the current Autonomy Act, Åland would receive 0.47 % of any licence fees through the settlement provided for in section 47 of the Autonomy Act, assuming that these would be recognised as revenue in the state budget.

The reform will also assess, among other things, the collection of licence fees in Finland and Åland, the tax settlement linked to the change in lottery taxation, whether the reform would necessitate examining the basis for determining the appropriations received by Åland from the State budget (the basis for settlement), and the tax settlement for lottery tax paid in Åland but paid in mainland Finland on the basis of a licence granted in mainland Finland.

2.16 European Union law and international obligations binding on Finland

2.16.1 Gambling industry

Legislation covering the field of gambling has not been harmonised within the European Union. EU Member States may organise gambling as they wish, provided that they respect the fundamental freedoms of the EU internal market and other EU law in accordance with the Treaty on the Functioning of the European Union (TFEU) as interpreted by the Court of Justice in its case law.

The European Court of Justice has addressed gambling activities in numerous judgments. The EU Court of Justice assesses the compliance with EU law of the national system in accordance with the Treaties of the European Union. The Court has stated that the provision and use of cross-border gambling services constitute a special economic activity (inter alia Case C-275/92, Schindler, and subsequent case-law).

According to the EU Court of Justice, national rules maintaining an exclusive rights system (monopoly) restrict the freedom to provide services (Article 56 TFEU) and the freedom of establishment (Article 49 TFEU). However, given the specific nature of gambling and the different cultures and traditions of the Member States, for example, the EU Court of Justice considers that Member States should enjoy some discretion in regulating gambling. The Court has recognised that legislation on gambling is one of those areas in which there are significant differences between the Member States regarding moral, religious and cultural views. Since this sector is not harmonised within the Union, each Member State must assess, with reference to its own value judgements, which requirements must be imposed in order to protect the interests in question. The Member States are therefore free to set the objectives of their policy on betting and gambling and, where appropriate, to define in detail the level of protection sought, as long as they satisfy the conditions laid down in the case-law of the Court (inter alia, Case C-42/07, Liga Portuguesa, and Case C-156/13, Digibet Ltd et al.).

According to the Court, the Member States may seek the protection of these interests also by granting exclusive rights. A system of exclusive rights under the strict control of public authorities can be an effective means of managing the risks associated with gambling. The Court has also held that the freedom to provide services does not constitute an obstacle to the rules of a Member State under which exclusive rights to organise and promote games of chance are conferred on a single operator, and which prohibits any other operator, including an operator established in another Member State, from offering via the internet services within the scope of that regime in the territory of the first Member State (see Case C-203/08, Sporting Exchange, paragraph 37).

The above-mentioned restrictions on freedom to provide services and freedom of establishment may, according to the EU Court of Justice, be permitted if they can be justified on the grounds of Article 52 TFEU (public policy, public security or public health) or for an overriding reason of general interest. In the case of gambling, the justifications recognised are in particular the protection of consumers, the prevention of problem gambling, the protection of minors and the fight against crime and fraud (e.g. Case C-463/13 Stanley International Betting et al.). The Court has recognised that the provision of gambling on the internet has certain specific features since there is no direct connection between the consumer and the service provider. The risks which may affect consumers as regards possible fraudulent practices are of a different and more serious nature compared with the traditional markets for such games (see Case C-42/07 Liga Portuguesa, paragraphs 63 and 79). The Court has also taken the view that a Member State cannot be denied the right to extend to the internet the application of the unilateral restrictive rules which it adopts for legitimate purposes in the public interest simply because that technological medium has a character that is in essence transnational (Joined Cases C-316/07, C-358/07–C-360/07, C-409/07 and C-410/07 Stoss et al., paragraph 86).

However, national restrictions must be non-discriminatory and proportionate. They must serve to guarantee the achievement of the intended objective and not go beyond that which is necessary in order to achieve them (inter alia, Case C-124/97, Läärä, Case C-258/08, Ladbrokes, and Case C-156/13, Digibet Ltd et al.). The Court has not required Member States

to prove that no other conceivable measure could enable that objective to be achieved under the same conditions (see Cases C-157/94 Commission v Netherlands, paragraph 58 and C-110/05 Commission v Italy, paragraph 66). The objectives set must be responded to in a way that is consistent and systematic. The EU Court of Justice has not ruled out the policy of controlled growth in the gambling sector, even if the aim of the national system is to limit gambling opportunities. Such a policy may be entirely consistent with the objective of drawing players away from clandestine betting and gaming – and as such, activities which are prohibited – to activities which are authorised and regulated (so-called channelling). In order to achieve this objective, authorised operators must form a reliable but at the same time attractive alternative to prohibited activities, which in itself can mean offering a wide range of games, a certain level of advertising and recourse to new distribution techniques. However, if a Member State pursues a policy of strong expansion of gambling by excessive incitement and encouragement of consumers to take part in gambling, the gambling activity cannot be regarded as being practised in a consistent and systematic way (inter alia, Joined Cases C-338/04, C-359/04 and C-360/04, Placanica andOthers., and Joined Cases C-316/07, C-358/07-C-360/07, C-409/07 and C-410/07, Stoss and Others.). A policy of controlled growth can be regarded as consistent only if, at the time of the facts, criminal and fraudulent behaviour in relation to gambling, on the one hand, and addiction to gambling, on the other, may have been a problem in the Member State concerned and, by increasing authorised and regulated activities, such a problem could be alleviated (see, inter alia, Case C-3/17 Sporting Odds). The Court has stated that advertising cannot aim to encourage consumers' natural propensity to gamble by stimulating their active participation in it, such as by trivialising gambling or giving it a positive image due to the fact that revenues derived from it are used for activities in the public interest, or by increasing the attractiveness of gambling by means of enticing advertising messages depicting major winnings in glowing colours (Joined Cases C-316/07, C-358/07–C-360/07, C-409/07 and C-410/07, Stoss and Others, paragraph 103).

According to the EU Court of Justice, the use of gambling revenues to finance activities of general interest or public interest cannot be a reason for a restrictive policy, but may be a beneficial ancillary effect (e.g. Case C-275/92 Schindler, and Case C-67/98 Zenatti). In other words, the collection of funds must not be the primary purpose of a restrictive policy (inter alia, Joined Cases C-338/04, C-359/04 and C-360/04, Placanica et al., and Joined Cases C-316/07, C-358/07-C-360/07, C-409/07 and C-410/07, Stoss et al.).

The Court of Justice has repeatedly ruled that the freedom to provide services cannot be restricted solely on the basis of the objective of maximising state revenue. However, the fact that a restriction on gambling activities incidentally benefits the budget of the Member State concerned does not prevent that restriction from being justified in so far as it actually pursues objectives relating to overriding reasons in the public interest (inter alia, Case C- 347/09 Dickinger and Ömer, Case C-390/12 Pfleger and Others and Case C-98/14 Berlington Hungary).

If the measure implemented by the Member State involves the granting to a single undertaking of an exclusive right to make games available, according to case-law, it must be accompanied by a legislative framework suitable for ensuring that the holder of the said monopoly will in fact be able to pursue, in a consistent and systematic manner, such an objective by means of a supply that is quantitatively measured and qualitatively planned by reference to the said objective and subject to strict control by the public authorities (inter alia, Joined Cases C-316/07, C-358/07–C-360/07, C-409/07 and C-410/07, Stoss and Others., Case C-212/08, Zeturf, and Joined Cases C-186/11 and C-209/11, Stanleybet International Ltd and Others.). It is not only national legislation on gambling that matters, but also the practice that is actually

being followed in this field. The Court of Justice has held in several judgments that it is the duty of the national court to ensure that national laws actually satisfy those requirements.

The Court has held that national legislation cannot be regarded as discriminatory in a situation where games with different characteristics are restricted in different ways and it is not disputed that different types of gambling may be significantly different. According to the Court, the fact that different legal regimes apply to different forms of gambling does not in itself mean that a limited public monopoly applicable to a particular form of gambling cannot guarantee the attainment of the objective for which that monopoly was established, even if another type of gambling is subject to a licensing system (Cases C-275/92, Schindler, C-46/08, Carmen Media).

The Court has assessed the permissibility of a partial licensing system and has held that the fact that certain types of games of chance are subject to a public monopoly, while other types of games are subject to a licensing system for private operators, cannot in itself mean that measures which, like a public monopoly, appear prima facie to be the most restrictive and effective, are not justified by the legitimate objectives pursued. According to the Court, the diversity of legal systems cannot, as such, affect the ability of a public monopoly to achieve its underlying objective of combating gambling addiction and preventing citizens from being tempted to squander money on gambling activities. However, the Court held that a dual system of organisation of the market in games of chance could prove to be contrary to Article 56 TFEU if it were established that the competent authorities pursued a policy of encouraging participation in games of chance other than those covered by the State monopoly, rather than restricting gaming opportunities and activities in that sector in a consistent and systematic manner, with the result that the objective underlying the monopoly, namely to combat addiction to gambling and to prevent citizens from being tempted to squander money on gambling activities, could no longer be effectively pursued by the monopoly. According to the Court, Article 56 TFEU must be interpreted as not precluding, in principle, the organisation of the market in games of chance by means of a dual system, in which certain types of games of chance fall within the State monopoly and others within the system of concessions and licences for the organisation of games of chance, provided that the legislation restricting the freedom to provide services actually pursues, in a consistent and systematic manner, the objectives stated by the Member State concerned (see, inter alia, Case C-3/17 Sporting Odds).

As regards the licensing system, the Court has held that licensing authorities must comply in general with the fundamental provisions of the TFEU, such as the principles of equal treatment and non-discrimination on grounds of nationality, as well as the obligation of transparency arising therefrom. According to the Court, in order to be justified despite derogating from a fundamental freedom, a system of prior administrative authorisation must be based on objective criteria which are non-discriminatory and known in advance (e.g. Cases C-203/08, Sporting Exchange, C-49/16, Unibet International Ltd., C-336/14, Ince).

The Court has held that the obligation of transparency does not necessarily require a call for tenders, but requires the awarding authority to ensure, in the interests of all potential concessionaires, sufficient publicity to enable service concessions to be opened up to competition and the impartiality of the award procedures to be reviewed (e.g. Cases C-203/08, Sporting Exchange, C-49/16, Unibet International Ltd., C-336/14, Ince). The main purpose of the principle of transparency is to ensure that all interested operators can decide to submit a tender in the context of a call for tenders on the basis of all relevant information and to ensure that the contracting authority does not favour anyone or act arbitrarily. It requires that all the terms and conditions of the award procedure be set out in a clear, precise and unequivocal

manner, in such a way as, first, to enable all reasonably well-informed and normally diligent tenderers to understand their exact meaning and to interpret them in the same way and, second, to place sufficient limits on the discretion of the awarding authority and to enable it to verify whether the tenderers' tenders comply with the criteria governing the procedure in question (see, inter alia, Cases C-203/08 Sporting Exchange, C-336/14, Ince).

The Court has also held that any person who is the subject of a measure restricting the freedom to provide services on the basis of such a derogation must have access to a judicial remedy (see, inter alia, Cases C-203/08, Sporting Exchange, C-336/14, Ince).

2.16.2 Antitrust and State aid

According to Article 102 TFEU, any abuse of a dominant position by one or more undertakings in the internal market or in a substantial part of them is prohibited if it is liable to affect trade between Member States. Abuse of a dominant position may include, but is not limited to, excessive pricing, predatory pricing, discrimination, or favouring one's own company or group's business activities. Article 106 TFEU seeks to prevent measures taken by a Member State which would be incompatible with the provisions of the Treaties. This Article does not apply alone, but only in conjunction with another provision of the Treaty, such as the prohibition of abuse of a dominant position under Article 102 TFEU.

In connection with Article 102 TFEU it may therefore be necessary to assess Article 106 TFEU, which aims to prevent measures taken by a Member State in respect of public undertakings or undertakings to which Member States grant special or exclusive rights, which would be incompatible with the provisions of the Treaty. A Member State shall infringe the prohibitions contained in those two provisions if it obtains by law, regulation or administrative measures a situation in which a public undertaking or undertaking to which it has granted special or exclusive rights inevitably abuses its dominant position solely by exercising the privileges conferred on it, or where those rights are liable to lead the undertaking to abuse its position in such a way. Thus, these provisions are infringed if a Member State's measure creates a risk of abuse of a dominant position. It is not required that the position is in fact abused. It is sufficient to identify the potential or actual anti-competitive consequence that is liable to result from the State measure at issue (Case C-553/12 P DEI). In the light of the case-law, it is not possible to define exactly what the "liable to" criterion means.

The mere creation of a dominant position by granting an undertaking an exclusive right is not contrary to Article 106(1) TFEU. On the other hand, there is a measure contrary to Articles 102 and 106(1) TFEU where the exclusive right has been created in such a way that the undertaking enjoying the exclusive right cannot avoid abusing its dominant position or the regulatory approach creates an incentive for it to abuse its dominant position (see, for example, Case C-179/90, Porto di Genova). According to the case-law (Case C-553/12 P DEI), a Member State is already guilty of an infringement of Articles 102 and 106(1) TFEU where State intervention affects the structure of the market by creating unequal conditions of competition between undertakings and by enabling a public undertaking or an undertaking to which special or exclusive rights have been granted to maintain, strengthen or extend its dominant position on another market, thereby restricting competition.

Measures subject to EU State aid rules which meet all four State aid criteria as defined in Article 107(1) TFEU: 1) public resources are channelled to public or private undertakings, (2) the advantage is selective, i.e. only certain undertakings, (3) the measure distorts or threatens to distort competition by favouring the beneficiary and (4) the measure affects trade between

Member States. If the proposed measure fulfils all of the above criteria, the Authority shall, prior to the implementation of the aid, determine which State aid rules the eligibility of the aid scheme is based on and, if necessary, follow the notification procedure appropriate to the measure. The aid may not, in principle, be implemented before the Commission's approval (Article 108(3) TFEU). For example, when a concession is granted otherwise than on the basis of open and non-discriminatory competition, there may be an advantage that constitutes State aid. If the review of State aid rules is ongoing or depends on elements that are not appropriate to fully describe and assess, compliance with State aid rules will be ensured at a later stage. As the measures have not yet been assessed, it is necessary to ensure that the legislation does not enter into force before that report.

If one of the above criteria in Article 107(1) TFEU is not met, the measure will not be subject to State aid rules and the Commission's prior authorisation of the measure is not required. Market-based measures which do not confer an economic advantage on the undertaking do not fall under State aid rules. In order to assess market conditions, the case-law of the Court of Justice has developed a market-economy test, which compares the behaviour of public corporations with a hypothetical private investor in a similar situation. Similarly, for different types of economic transactions, the courts have developed specific market economy operator tests (market economy investor principle, market economy debt principle) to identify conformity with market conditions in different situations. The assessment of market-terms is always carried out before the transaction takes place and does not take into account social policy justifications (e.g. employment). It is crucial whether a private investor would have acted in a similar manner in the same situation.

In practice, the conformity of a transaction's market conditions can be determined directly on the basis of transaction-specific market data or, for example, by comparing the terms of the transaction with the terms of the corresponding market transactions. It is a question of assessing whether private companies have undertaken similar transactions (e.g. capitalisation, sale of services or goods) in a similar situation.

The appropriate assessment method typically depends on the type of transaction. For example, the market-terms of a capital injection can be determined not only by benchmarking but also by means of different standardised assessment methods (e.g. the method of calculating the internal interest rate). In the case of the sale of goods and services, market conditions can be ensured by means of an open and non-discriminatory tendering procedure. If it is not possible to assess a transaction directly or, for example, by means of benchmarking, it is essential for the assessment of what a hypothetical private investor would do in a similar situation.

According to the Commission Notice on the notion of State aid, a State measure is considered to distort or threaten to distort competition if it is liable to improve the competitive position of the beneficiary in comparison with other undertakings with which it is in competition. In practice, a distortion of competition within the meaning of Article 107(1) TFEU is generally considered to exist where the State grants an economic advantage to an undertaking in a liberalised sector in which competition exists or could exist. However, according to the Notice on the notion of State Aid, possible distortions of competition can be ruled out if the following cumulative conditions are met: (1) a given service is subject to a legal monopoly (established in accordance with Union law); 2) a legal monopoly excludes both competition in the market and access to the market, so that all possible competition is excluded from the market and the service provider becomes the sole provider of the service in question; 3) the service does not compete with other services; and (4) if the service provider is active in another market (geographical or product market) that is open to competition, cross-subsidisation must be

excluded. This requires that separate accounts are used, that costs and revenues are properly allocated, and that public funding provided for a service subject to a legal monopoly cannot benefit other activities (2016/C 262/01).

2.16.3 EU legislation on anti-money laundering and countering the financing of terrorism

The reform of the gambling system must take into account EU legislation on the fight against money laundering and terrorist financing. In July 2021, the European Commission adopted four legislative proposals, the anti-money laundering and countering the financing of terrorism (AML/CFT) legislative package, which aims to strengthen the fight against money laundering and terrorist financing. The aim is to strengthen regulation, harmonise supervisory practices, improve coordination in the fight against illicit flows, and establish a new supervisory and coordination authority. The international dimension of EU policy will also be strengthened. The legislative package includes a regulation establishing an EU anti-money laundering authority, a regulation on anti-money laundering obligations for the private sector, a directive on anti-money laundering mechanisms, and a revision of the regulation on transfers of funds. The Council and the European Parliament reached a provisional agreement on the anti-money laundering package in January 2024. The new AML/CFT regulation harmonises and clarifies EU-wide rules. It aims to ensure more consistent application and better enforcement of the rules. The regulation contains, inter alia, more detailed provisions on customer due diligence and beneficial ownership, as well as on the powers of national supervisory authorities and FIUs. The anti-money laundering regulation and the directive on anti-money laundering mechanisms are part of a single rulebook on anti-money laundering and countering the financing of terrorism, which is intended to replace the 5th AML/CFT Directive adopted in 2018.

Under EU law, providers of gambling services are, as a rule, considered obliged entities. Member States shall have the possibility to exempt, in full or in part, providers of gambling services from the scope of the requirements set out in the regulation on the basis of a proven low risk posed by the nature and, where appropriate, the scale of operations of such services.

The international recommendations of the Financial Action Task Force (FATF) also play a significant role in underpinning national legislation and EU law. The FATF develops and promotes anti-money laundering and counter-terrorism financing policies.

2.16.4 Protection of personal data

As far as the processing of personal data is concerned, there is an EU regulation that must be taken into account in gambling. The General Data Protection Regulation (GDPR) is a nationally directly applicable act that lays down the framework conditions for the processing of personal data. The data controller may process personal data directly pursuant to the General Data Protection Regulation, for example when the data subject’s consent, contract or the legitimate interest of the data controller is the legal basis for the processing.

However, in some cases, the General Data Protection Regulation leaves Member States scope for national manoeuvre. The basis for national manoeuvre lies in Article 6 of the General Data Protection Regulation, which allows Member States to lay down a legal basis for the processing of personal data at national level where the processing of personal data is necessary to comply with the legal obligation of the data controller (Article 6(1)(c)) or to perform a public interest task or exercise public authority vested in the data controller (Article 6(1)(e). In these cases, according to Article 6(3) of the GDPR, processing must be based on

Union law or the law of a Member State. In addition, Article 6(2) of the GDPR allows more detailed provisions to be adopted to adapt the provisions of the Regulation where the processing of personal data is necessary to comply with the legal obligation of the data controller, to perform a task of public interest or to exercise the public authority vested in the controller. Where data are processed for purposes other than their initial collection, regulatory assessment shall be carried out in accordance with Article 6(4) against the principle of purpose limitation.

In the case of sensitive data, account must also be taken of Article 9 of the GDPR, which provides for the processing of specific categories of personal data that are considered sensitive. Paragraph 1 of this Article prohibits the processing of data belonging to specific categories of personal data. Paragraph 2 of the Article provides for exceptions to the prohibition of treatment. According to paragraph 2(g), data belonging to specific categories of personal data may be processed where such processing is necessary for reasons of public interest under Union law or the law of a Member State.

3 Objectives

The Government Programme includes the objective of reforming the gambling system and opening it up to competition by means of licensing. The aim is also to enable the separation of Veikkaus Oy's exclusive operations and its operations in competitive markets into different companies within the same group. The proposal implements the reform of the gambling system in accordance with the Government Programme.

In accordance with the Government Programme, the aim of the reform is to prevent and reduce the health, economic and social harms associated with gambling and to improve the channelling rate of the gambling system. The channelling rate describes the proportion of gambling that is targeted at the provision of gambling services regulated by national legislation and supervised by a national authority. The aim of the Gambling Act is also to prevent irregularities and crime related to gambling. In accordance with the Government Programme, the aim of the proposal is to enable consumers to self-exclude from all licensed gambling by means of a single platform. The aim of the proposed Gambling Act is also to ensure, by means of provisions on the marketing of gambling, that marketing does not promote harmful gambling and that minors are not directly targeted by the marketing of gambling.

4 Proposals and their impacts

4.1 Main proposals

Basic framework for gambling activities

It is proposed to enact a new Gambling Act. The operation of gambling would be allowed only under the conditions laid down in the Gambling Act. The operation of gambling would require applying for either an exclusive licence or a gambling licence and obtaining a licence for the gambling activities specified in the licence. The supply of gambling software used in the operation of gambling would require applying for and obtaining a gambling software licence. Holders of an exclusive licence and a gambling licence should exclusively use gambling software provided by the holders of a gambling software licence for the gambling services they offer. Holders of a gambling software licence should not supply gambling software to gambling operators that operate or market gambling unlawfully without a licence.

The receipt of payments or the transmission of winnings in connection with gambling operated by a holder of an exclusive licence or a gambling licence, or making facilities available for the use of slot machines or for the use of lottery equipment, would not require a licence.

An exclusive licence could be granted for the operation of lotteries and pools, as well as slot machines and casino games. For its part, a gambling licence could be granted for the provision of fixed-odds betting, parimutuel betting, online casino games, online bingo and online slot machines. Gambling licence holders would operate in a competitive gambling market.

Licensing procedure

Provisions on the conditions for granting an exclusive licence, a gambling licence and a gambling software licence, and on the associated application procedure, would be included in the Act. An exclusive licence could be granted to a limited liability company controlled under the State Accounting Act (1197/1336), chapter 1, section 5, whose activity is the operation of gambling. The Act would lay down provisions on the requirement to separate the activities of an exclusive licence holder and a legal person belonging to the same group.

A gambling licence and a gambling software licence could be granted to a natural or legal person referred to in section 2, subsection 1, or section 3, subsections 1 or 2 of the Enterprise Act (565/2023). Applicants for a gambling licence or gambling software licence established outside the European Economic Area should have a representative domiciled in Finland.

The granting of an exclusive licence and a gambling licence would require that the applicant is reliable and suitable for operation of gambling referred to in this Act. The gambling software provider shall be reliable and suitable to manufacture, supply, install, or adapt the gambling software used in the provision of gambling services. Representatives of applicants for a gambling licence and a gambling software licence shall meet the same conditions of integrity and suitability as the licence applicants. If the applicant for a licence is a legal person, the requirement of reliability and suitability would also apply to the applicant’s significant owners and senior management. The Act would lay down provisions on the reports that the applicant should attach to the licence application.

The Act would lay down provisions on the content and duration of the licence. An exclusive licence would be valid for ten years, and a gambling licence and a gambling software licence for not more than five years. The operation of gambling and the supply of gambling software may commence immediately after the licence has been granted, unless otherwise dictated by the validity of the licence. The licence holder would be obliged to notify the supervisory authority of any material changes in its operations.

The Act would lay down provisions on the obligation of the holder of an exclusive licence to pay compensation to the State for the exclusive licence. The Act would also lay down provisions on the criteria for determining compensation and the procedure for paying compensation. A decision made by the Government on the amount of compensation and the payment schedule could be appealed to the Supreme Administrative Court. The appeal should be dealt with as a matter of urgency.

Provisions on the application fees to be paid by licence applicants would be laid down in a decree of the Ministry of the Interior issued under the Act on Criteria for Charges Payable to the State (150/1992) during the transitional period, when the National Police Board would be

the competent authority for granting licences. After the task is transferred to the Licensing and Supervisory Authority, provisions on application fees will be laid down by government decree in accordance with the proposed provision on powers to issue decrees in the new Act on the Licensing and Supervisory Authority.

Operation of gambling

In order to prevent and reduce gambling-related harms, to prevent abuses and to ensure the legal protection and consumer protection of players, the Gambling Act would lay down provisions on, among other things, the age limit for gambling, the registration and verification of the identity of players, gambling via a player account and other forms of identity verification for gambling, as well as on self-exclusion and restrictions on gambling. The age limit for gambling would be 18 years. All gambling would require mandatory identity verification of players. It is proposed to include in the Act provisions on the centralised self-exclusion register referred to in the Government Programme, through which players could self-exclude from gambling offered by all licence holders.

The Act would also lay down provisions on the obligation of the holders of an exclusive licence or a gambling licence to protect players from gambling-related harms and on the obligation to inform players in connection with gambling. The Act would also lay down provisions on the licence holder's right to process the personal data of its customers.

The operation of gambling by an exclusive licence holder would be subject to more detailed regulation than the gambling offered by gambling licence holders. For example, in line with the regulations in force, the bill proposes that the rules of play of gambling offered by the holder of an exclusive licence be issued by decree of the Ministry of the Interior. According to the proposal, with regard to the holder of an exclusive licence, provisions on the amount of gambling fees that must be paid to players in the form of winnings, the rounding of gambling winnings, the maximum number of slot machines and casino games in gambling locations, game rooms and casinos, the maximum number of game rooms and the number, location and opening hours of casinos shall be issued by government decree.

Marketing and sponsorship

The Act would contain provisions on marketing, prohibited marketing methods, information to be provided in connection with marketing, sponsorship, and direct marketing bans. Only the marketing of licence holders who legally operate gambling in mainland Finland and the marketing of gambling that is legally operated would be permissible. The Act would lay down provisions on gambling the marketing of which would be permissible subject to content restrictions laid down in the Act. In accordance with the objectives of the Government Programme, the premise of permissible gambling marketing would be the channelling of demand for gambling to the provision of gambling services regulated by law.

Marketing should also be moderate in quantity, scope, visibility, and repetition. In order to protect minors and other vulnerable persons from gambling-related harms, the Act would prohibit the targeting of marketing at these groups of people. The protection of minors from gambling-related harms is also taken into account in the provisions on sponsorship. Holders of an exclusive licence or a gambling licence would be obliged to report annually to the supervisory authority on the marketing of gambling, the development of gambling activities, revenue and the planned activities and budget for the following year.

Supervisory authority and supervision of gambling, licensing and supervision register and authorities' right of access to information

The Licensing and Supervisory Authority would act as the supervisory authority under the Gambling Act that would be responsible for the licensing and supervisory tasks under the said Act. The participation of the employees of the supervisory authority in gambling activities would be restricted in order to safeguard the performance of supervisory tasks. In addition, employees of the supervisory authority would be required to carry out investigations concerning, among other things, gambling and holdings in companies conducting gambling activities.

In line with the Government Programme's objective of improving the effectiveness of supervision, the draft Act proposes a wide range of powers and other means of supervision for the supervisory authority. A key means of supervising the operation of gambling would be technical control of gambling transactions and gambling account transactions, which would make it possible, for example, to monitor compliance with player self-exclusion and loss and money transfer limits. Holders of an exclusive licence or a gambling licence must also ensure that the gambling systems, lottery equipment and lottery methods used in the operation of gambling are reliable and that the lottery results are random. The reliability and randomness of the draw results would be ensured by an audit carried out by an external inspection body approved by the supervisory authority. In addition, in order to carry out its supervisory task, the supervisory authority could, among other things, carry out inspections of the licence holder's premises and information systems. In addition, the Act would lay down provisions on the competence of the authority to issue an order for the removal of illegal online content. The supervisory authority would act as the data controller of the licensing and supervision register for the purpose of carrying out its legal duties. The Act would lay down provisions on the supervisory authority's right of access to information concerning licence applicants and licence holders, other authorities and fines and criminal records, and on the supervisory authority's right to disclose information to another authority.

The Act would lay down provisions on the annual supervisory fee to be paid by licence holders to cover the costs of supervision and the criteria for determining the fee. Holder of an exclusive licence, a gambling licence and a gambling software licence shall pay a supervisory fee determined for each calendar year. In exceptional cases, the supervisory fee could be determined through estimation if the authority does not have access to the information necessary to calculate the amount of the supervisory fee.

Sanctions

In order to address illegal activities, the Act would also provide for administrative penalties, which would include a ban on the operation and marketing of gambling, the revocation of a licence and penalty fines to enforce certain decisions by the authorities. It is also proposed to lay down provisions on punitive administrative penalties. An administrative fine could be imposed for minor infringements and a penalty fee for more serious infringements and negligence.

In order to ensure the legal protection of licence applicants and licence holders, the Act would lay down provisions on the means of redress. As a rule, this would involve appeals to an administrative court. A marketing ban or a penalty payment imposed to enforce it could be brought before the Market Court. It would be possible to apply for rectification of the supervisory fee from the supervisory authority.

At the same time, it is proposed that the provisions of the Criminal Code concerning lottery and gambling offences be amended as a result of the proposed Gambling Act. The Gambling Act, on the other hand, proposes that a breach of the provisions relating to the operation of gambling be punished as a gambling violation. The proposal also suggests amending the Money Laundering Act.

Means to counter gambling offers and marketing outside the exclusivity system

The Act would provide for the restriction of supply and marketing outside the licensing system in order to prevent gambling-related harms and to steer demand towards activities regulated by the proposed Act. In addition to administrative penalties against supply outside the licensing system, it is proposed to provide for the right of the supervisory authority to order the removal of illegal online content relating to the operation and marketing of gambling or the removal of a domain name containing such content.

Monitoring, research and assessment of gambling-related harms and development of prevention and treatment

The Act would lay down provisions on the duty of the Ministry of Social Affairs and Health to monitor, research and assess gambling and the harms caused by it. The Finnish Institute for Health and Welfare would carry out these tasks on behalf of the Ministry of Social Affairs and Health. Discretionary government grants could be awarded for the prevention and reduction of gambling-related harms. The Finnish Institute for Health and Welfare would act as the state aid authority.

The Act would lay down provisions on a gambling harms register, the data controller of which would be the Finnish Institute for Health and Welfare. The Act would also lay down provisions on the right of the Finnish Institute for Health and Welfare and the Ministry of Social Affairs and Health to access information and the right to process personal data. The Act would also include a provision on the right of gambling operators and the Finnish Institute for Health and Welfare to disclose information on the customers of gambling operators and their gambling for the purposes of scientific research.

Taxation

As a result of the transition to the licensing system, the Lottery Tax Act and the Income Tax Act would be amended.

One of the basic principles of the licensing system is that gambling offered from another country to Finland on the basis of a licence should also be subject to lottery tax in Finland. In accordance with the principles of lottery taxation, the taxable entity would be the gambling operator and the tax would be calculated on the proceeds, i.e. the difference between the stakes wagered and the winnings paid to the players, the gross gaming revenue, as is the case with gambling today. The proposed lottery tax rate is 22 % of the proceeds. The starting point for determining the tax rate is to achieve a high channelling rate while safeguarding a high level of tax revenue.

Opening up gambling to competition requires that licence holders established in Finland are subject to the same taxation principles for income taxation as companies in other sectors. This also applies to the gambling activities of a licence holder belonging to Veikkaus Oy and the PAF Group.

Opening up gambling to competition and the transition to a licensing system also calls for a reassessment of the principle of taxation of winnings from gambling. It is proposed that the provision of the Income Tax Act concerning the exemption from tax on lottery winnings be amended so that the exemption does not apply to winnings from gambling offered in Finland without a licence or an exclusive right laid down by law. This would apply equally to winnings from gambling services offered by foreign operators and those of operators established in Finland. The measure is likely to steer gambling towards gambling offered by licence holders and, as described in more detail in the detailed explanation of the specific provisions, cannot be regarded as restricting the free movement of services in the light of the case-law of the Court of Justice of the European Union.

Other legislative proposals

It is also proposed that the Lotteries Act, the Criminal Code, the Money Laundering Act and certain other acts be amended as a result of the transition to the licensing system.

In the future, the Lotteries Act would only regulate the running and supervision of lotteries, which is why it is proposed that sections of the Lotteries Act that only concern gambling be repealed.

All gambling, including non-casino slot machines, would remain within the scope of the Money Laundering Act.

4.2 Assessment of the proposals from the perspective of EU law

Competitive licensing market and gambling covered by Veikkaus Oy's exclusive right

The proposal proposes that the exclusivity system be partially abolished and that the gambling system be reformed so that some gambling activities would be opened up to competition on the market. Under the conditions laid down by the Act, it would be possible to obtain a licence for the operation of such gambling. The proposal would therefore contribute to the free movement of services in the internal market. The objectives of the new Gambling Act concerning the prevention of gambling-related harms and crime and the protection of consumers are acceptable reasons for a national gambling monopoly in the case-law of the Court of Justice of the European Union. Various measures to prevent and reduce gambling related harms aim to protect players' wellbeing, health and safety. The proposal also aims to channel demand for gambling to the supply regulated by the new Gambling Act, which can be considered an acceptable objective in accordance with the case-law of the Court of Justice of the European Union.

In line with case-law, the national gambling system must ensure that the objectives set are achieved in a coherent and systematic manner. The Court of Justice has also required that national measures aimed at achieving this objective comply with the principle of proportionality. The measures must be such as to ensure that this objective is achieved. The measures must also be proportionate and not go beyond that which is necessary in order to achieve the objective. However, the principle of proportionality does not require a Member State to find, among all possible options, the one with the least impact on the exercise of fundamental freedoms. Section 2.16.1 describes in more detail the Court's case-law in respect of the gambling sector.

Member States have national discretion when deciding on the organisation and regulation of gambling activities on their territory. For example, EU legislation does not take a position on whether the national gambling market should be organised on the basis of exclusive rights granted to a public or private operator (monopoly), licences granted to all operators meeting certain general requirements (licensing system) or a combination of these options. The principle of proportionality plays a key role in assessing the legal admissibility of restrictions on the freedoms of the internal market resulting from national legislation of the Member States.

Regulation under EU internal market law does not constitute a fundamental obstacle to national legislation which leaves certain forms of gambling to the exclusive right of the State operator, while certain forms of gambling are subject to competition under the licensing system. In that regard, it is a matter for the discretion of the Member State to determine, inter alia, the level of protection which the Member State wishes to ensure with regard to gambling and the concrete means by which the Member State considers that it can most effectively achieve that objective. Similar regulatory solutions combining exclusivity and a competitive licensing market have also been implemented in several European countries.

For example, the report (SOU 2017:30) that preceded the Swedish gambling legislation reform that entered into force in 2019 stated that the gambling system that preceded the reform had already been deemed to be based on the public interest by the Court of Justice of the EU. The report recognised that an overriding reason in the public interest alone was not sufficient to justify maintaining restrictions on the freedom of establishment and the free movement of services in Sweden. The report concluded that EU legislation could not be seen as forcing Sweden to open up all forms of gambling to competition. However, according to EU legislation, reregulation had to be systematic and consistent in all its aspects. The regulation could not therefore lead to only Swedish operators entering the gambling market or to infringements of competition rules or State aid rules. The report also addressed the question of which forms of gambling should not be opened up to competition. Referring to the case-law of the European Court of Justice, the report noted that the use of exclusive rights has also been recognised as a means of controlling and restricting problem gambling. The report further considered that this conclusion was not affected by the fact that different solutions were applied to different forms of gambling, as long as all these solutions pursued a legitimate objective. Various regulatory solutions, such as the exclusivity of the state-owned company, the restriction of the operation of gambling to non-profit charitable organisations and the licensing system, were considered to be acceptable restrictions on fundamental freedoms under EU law.

The proposed regulation would partially open the gambling market to competition in accordance with the Finnish Government Programme. Betting and online casino and slot machine games would be opened to competition. In these gambling activities, a large part of the consumption is directed outside the gambling system. In addition, online bingo would be opened up to competition, which could be offered by operators outside the exclusive rights system. For example, in Sweden and Denmark too, online bingo is part of a competitive licensing market.

The new Gambling Act would provide for a special type of licence covering certain forms of gambling, which could only be granted to a limited liability company controlled by the Finnish State and which would give its holder the exclusive right to operate the forms of gambling covered by the licence in the national territory, i.e. in practice in mainland Finland. Åland, which has a self-governing status, has a separate gambling system and legislation.

Gambling operators other than the holder of an exclusive licence would not be permitted to offer the forms of gambling covered by the exclusive right, nor would they be able to obtain a licence entitling them to do so. The proposed exclusivity system therefore constitutes a significant restriction on the freedoms of the internal market, in particular the free movement of services.

In principle, an exclusive gambling system has been considered a good way to prevent and reduce gambling-related harms. The exclusivity system reduces the incentive for the exclusivity operator to use different means of competition, such as marketing and promotional campaigns or the provision of more attractive games. This can be estimated to have the effect of preventing and reducing gambling and thus also the economic, social and health-related harms caused by gambling. The use of competitive means may also be restricted by regulation.

However, the switch to online gambling reduces the effectiveness of the exclusivity system in preventing and reducing gambling-related harms, as people are easily able to gamble online using gambling services other than those offered by the exclusive operator. In such gambling, consumers are also effectively exposed to the use of different competitive means by gambling operators, which is likely to have the effect of increasing gambling and gambling-related harms. Legislation cannot effectively address this type of gambling or the harms it causes, as the provision of gambling outside the exclusive rights system cannot be regulated in terms of content. However, national legislation may aim to impose restrictions on and barriers to supply and marketing.

Thus, in those forms of gambling where it is easy for consumers to switch to gambling outside the exclusive rights system, an exclusivity system may not be the most effective means of preventing and reducing gambling-related harms. From the point of view of combating gambling-related harms, it may be better to seek to increase competition in gambling within the system and thereby make intra-system gambling more attractive. This makes it possible to entice a larger share of gambling into the system, where it is possible to regulate gambling and the gambling activities offered. It can be estimated that, from the point of view of combating gambling-related harms, it is preferable for gambling to take place in a regulated rather than an unregulated environment, even if this means a possible increase in the use of competitive means within the system.

Comparison of the forms of gambling is difficult. Section 5.1.2 assesses the options at system level and their impacts. An exclusivity system can be assessed as the most effective way of combating gambling harms in those forms of gambling where gambling outside the exclusive rights system is not a viable option for consumers, for example due to a lack of supply outside the exclusive rights system. If gambling is already taking place within the system, there is no need to increase the attractiveness of gambling within the system. Increasing competition in such forms of gambling is likely to increase gambling and gambling-related harms.

When assessing the forms of gambling to be included in the scope of the exclusive rights market and the competitive market, the nature of the various forms of gambling has been taken into account, as have the partially different risks of harm resulting from them, as well as the possibilities to regulate and steer gambling activities towards different channels. Consistency with the objectives of the system of exclusive rights has been assessed, on the one hand, for each component of the proposal, and on the other hand, for the proposed regulation as a whole. This is also the case with regard to the assessment of the principle of proportionality.

In the case of betting games, games operated in a physical channel are in essence the same games as those offered online. From the point of view of EU internal market and competition law regulation, it may be difficult to find acceptable objective justifications for keeping physical-channel betting within the scope of exclusivity. A monopoly operator could obtain an advantage over other competitors in the licensing market if it could offer the same gambling services in both an online and a physical channel, but the operators in the competitive licensing market could only offer online gambling services.

For example, a situation in which the national regulations applicable to a competitive licensing system would be aimed at increasing gambling and the State revenues received from it, and would not also impose restrictions on the operation of gambling in a competitive market that are justified in order to prevent and reduce the social, economic and health harms caused by gambling, could be problematic from the point of view of the admissibility of exclusive rights under internal market law. Such a situation would entail the risk that the exclusive right would no longer be regarded as capable of achieving those public interest objectives which previously justified the exclusive right and the ensuing restriction of the freedoms of the internal market. The remaining exclusive right to offer gambling and its admissibility under internal market law must therefore be considered as part of the overall national regulation of gambling activities, including restrictions on the operation of gambling in a competitive licensing system.

Each Member State defines, based on its own situation, the objectives of its gambling policy and the level of protection sought, taking into account the framework conditions set by the case-law of the Court of Justice of the European Union. The partial retention of an exclusive rights system is estimated to be the most effective way to combat gambling-related harms and prevent irregularities. EU legal assessment of the new gambling system combining exclusivity and a competitive licensing market has also taken into account very similar solutions in several other Member States with regard to gambling subject to an exclusive right and in a competitive licensing market, as well as to licensing procedures.

Licensing procedure

The proposed system of ex ante licences would be based on predictable, precise and objective criteria. If the conditions for granting a licence are met, the authority should always grant a licence. In that regard, the authority’s discretionary power would be circumscribed. The Act would lay down provisions on the factors on the basis of which the applicant’s reliability and suitability for conducting gambling activities would be assessed. This would be necessary in order to achieve the objectives of the legislation, for example to ensure that applicants who are guilty of irregularities or crimes that jeopardise the reliability of gambling activities would not be granted a licence. The predictability and objectivity of the licensing procedure would also be supported by provisions on the content of the information required in an application for a licence, which would be determined on the basis of what information would be necessary to assess the conditions for granting the licence. The provisions on the licensing procedure would also be non-discriminatory, as the granting of a licence would not be restricted as regards the legal nature of the applicant or the country of establishment. A licence holder established in a third country should have a representative in the EEA. Furthermore, the proposal would not contain any provisions on the quantitative limitation of licences in a competitive gambling market. For the reasons set out above, the rules governing the licensing procedure are also considered to be proportionate. It would also be possible to appeal against licensing decisions before a court of law.

Exclusive right based on a licence

The proposed regulation on licence-based exclusivity would essentially pursue similar public interest objectives as the regulation on Veikkaus Oy's legal exclusive right under the current Lotteries Act. Those objectives have consistently been considered to constitute a legitimate justification for restricting the freedoms of the internal market. In the proposed regulation, these objectives would be reflected, among other things, in the fact that both the holder of an exclusive licence and the holder of a gambling licence should provide gambling services in such a way as to ensure the legal protection of participants in gambling, to prevent irregularities and crime related to gambling and to minimise gambling-related harms. Provisions on the operation of gambling by the holder of an exclusive licence would also be laid down by government decree. In a manner similar to the current legislation, the regulation would include provisions on so-called payout percentages, the maximum number of slot machines and the number, location and opening hours of casinos. In addition, a decree of the Ministry of the Interior would lay down the rules of play of the gambling offered by the holder of an exclusive licence.

In addition, under the proposed regulatory model, exclusive rights would only be granted to a limited liability company controlled in accordance with the State Accounting Act. Control of the holder of the exclusive right would enable the State to intervene, by means provided for in the Limited Liability Companies Act, in any maladministration in the gambling activities of the holder of the exclusive right, including through the control brought about by ownership. The holder of an exclusive right would thus be subject to effective and continuous State control, as required by the case-law of the Court of Justice of the European Union.

For the purposes of assessing exclusivity under internal market law, it is not considered essential that the exclusivity in the proposed regulation is no longer based on law, but on time-limited licences. It is considered essential that the proposed regulation contains objective criteria for determining the type of operator that can be granted an exclusive licence under the new legislation. In this respect, the proposed regulation is fundamentally different from the situation that existed before the entry into force of the 2012 amendment to the Lotteries Act, when there was a parallel exclusive right for three different gambling entities in Finland, but where clear and objective criteria for granting an exclusive right were not included in the legislation at the time. The case-law of the Court of Justice of the European Union has accepted national regulatory solutions in which the exclusive right to provide gambling services can only be granted to a public operator. However, it is essential to ensure that the holder of the exclusive right is subject to strict, consistent and systematic State control. Since an exclusive licence could only be granted to a company controlled by the State, this would give the State right of access to information in accordance with the enhanced control of the holder of the exclusive right under the Limited Liability Companies Act and, if necessary, to intervene in any maladministration in its operations in accordance with the Limited Liability Companies Act. The proposed regulatory solution on exclusivity can therefore be considered to meet the requirements of EU law for an acceptable restriction of the freedoms of the internal market.

Regulation on the operation and marketing of gambling and its supervision

In order to prevent and reduce gambling-related harms and to ensure the legal protection and consumer protection of players, chapter 3 of the Act would lay down provisions on, among other things, the age limit for gambling, the registration of players, identity verification for gambling, as well self-exclusion and restrictions on gambling. In accordance with the current

legislation, the new Gambling Act would also provide for mandatory identity verification for all gambling. This would enable a centralised self-exclusion register, as well as other restrictions on gambling and means of controlling gambling. In accordance with the objectives of the new Gambling Act, the Act would also lay down provisions on the licence holders' obligation to operate gambling in such a way that the player's legal protection would be guaranteed, irregularities and crime related to gambling could be prevented and gambling-related harms would be minimised. In addition, the objectives of the new gambling system to prevent harm and irregularities would be pursued by laying down provisions on, inter alia, the duty of care of holders of exclusive licences and gambling licences, the reliability of gambling systems, lottery equipment and lottery methods, and procedures for detecting, preventing and reporting irregularities.

The proposed regulation of chapter 3 of the Gambling Act concerning the operation of gambling would also have taken into account the policy of controlled growth approved by the Court of Justice of the European Union in its case-law, which has been considered to enable licence holders to form a reliable but at the same time attractive alternative to offers outside the gambling system. However, regulation and regulatory oversight of licence holders aim to ensure that consumers are not encouraged to gamble excessively.

Utilising gambling and player data would improve and broaden the knowledge base for monitoring and assessing the risk of gambling-related harms and thus improve the prevention and reduction of harms. Provisions under current legislation on the right of licence holders to process personal data and on the obligation to disclose them to the authorities may be considered necessary to achieve the objectives of gambling policy. A detailed study to prepare the necessary harm prevention and reduction measures and to monitor and evaluate the measures taken requires the use of individual-level data. During the preparation of the regulations, the obligations set out in the EU GDPR have been carefully assessed and taken into account.

Chapter 4 of the Act would contain provisions on marketing, means and methods deemed prohibited in marketing, information to be provided in connection with marketing, sponsorship and the prohibition of direct marketing. In accordance with the Government Programme, marketing should be moderate in volume, scope, visibility and frequency. The content of the marketing provisions takes particular account of the case-law of the Court of Justice of the European Union. For example, the proposed prohibited marketing practices would largely be based on principles that the Court of Justice of the European Union has found to be incompatible with a gambling system aimed at preventing and reducing gambling-related harms. Such principles include, for example, inciting gambling, making gambling more commonplace and highlighting the potential for big wins. In accordance with the Government Programme, the proposed provisions on marketing would also take into account the protection of minors and otherwise vulnerable persons from exposure to the marketing of gambling. On the other hand, the proposed marketing regulation would also take into account the need to direct demand to regulated and supervised gambling activities, which has been recognised in the case-law of the European Court of Justice as part of the policy of controlled growth in the gambling sector. The Government Programme also states that the reform will ensure that consumption can be directed to authorised supply, for example by means of marketing. Reinforcing the steering of existing gambling demand in these respects can be considered justified in order to achieve the objectives of the proposed new gambling system.

In order to ensure compliance with the operation and marketing of gambling and the existence of the conditions for a licence, the new Gambling Act would lay down provisions on the

diverse powers of the supervisory authority and other means of supervision. With regard to the operation of gambling, a key means of control would be technical control of gambling transactions and player account transactions, which would make it possible, for example, to monitor compliance with player self-exclusion and loss and money transfer limits. In addition, the reliability of gambling systems, lottery equipment and lottery methods and the randomness of lottery results would be ensured by an audit carried out by an external inspection body approved by the supervisory authority. The supervisory authority could also, among other things, carry out inspections of the licence holder's premises and information systems. The supervisory authority would have extensive rights to obtain the information necessary for supervision from licence holders. Extensive notification and reporting obligations for exclusive licence holders and gambling licence holders would also be a key part of supervision to ensure that the objectives of the Act are met. Requiring the reporting of reports and documents would, for its part, enable the authorities to monitor the operation and marketing of gambling in the national territory and to assess whether the conditions for granting a licence exist.

Gambling operated by the holder of an exclusive licence would be subject to more detailed regulation than gambling operated by holders of a gambling licence and thus also to stricter IT and other controls. The regulation of exclusive operations would contribute to ensuring that the holder of an exclusive licence would be able to pursue the objectives of the new gambling legislation in a consistent and systematic manner.

Veikkaus Group, competition law and state aid

The regulation concerning Veikkaus Oy has been prepared on the basis of the Government Programme, according to which Veikkaus Oy's exclusive activities and activities in competitive markets will be separated into different companies within the same group. It has been identified in the preparation of the Act that Veikkaus Oy's operations in competitive markets and those under an exclusive right being located in the same group increases the risk of distorting competition in a competitive market. It is therefore essential to examine the draft provisions concerning the Veikkaus Group from the perspective of, for example, Articles 102 and 106(1) TFEU. A Member State infringes the prohibitions contained in those two provisions, inter alia, where, by regulatory or administrative measures, it creates a situation in which the public undertaking enjoying an exclusive right necessarily commits an abuse of its dominant position solely by exercising the prerogatives granted to it or where those prerogatives are liable to lead to an abuse of a dominant position. In the light of the case-law, an infringement of Articles 102 and 106(1) TFEU is already committed by a Member State where State intervention affects the structure of the market by creating unequal conditions of competition between undertakings and by enabling the public undertaking enjoying an exclusive right to maintain, strengthen or extend its dominant position on another market, thereby restricting competition.

The former monopoly company which will continue to operate on the market may have exclusivity advantages which the new companies entering the market could not and will not achieve in the future. It is therefore essential to examine, in particular, whether Veikkaus Oy

derives any advantage from the exclusive right granted to it that would distort competition in the forms of operation of gambling belonging to a competitive licensing market. Such advantages could include, for example, the use of monopoly profits from the exclusivity market to support the operations in a competitive market, the use of common resources in a way that distorts competition, the use of customer data and accounts from the exclusivity market in a competitive market, and joint marketing and branding. In the future, the exclusive operations and the operations in the competitive market would belong to the same Veikkaus Group as referred to in the Government Programme, which in principle makes it possible to engage in the practices distorting competition described above.

The proposal would include legislative proposals aimed at preventing the risk of abuse of a dominant market position by the holder of an exclusive right. These would include the obligation to separate the possible operation of gambling in a competitive market from the holder of the exclusive right into a separate legal entity and to apply normal market conditions in all transactions between the holder of the exclusive right and companies belonging to the same group, as well as in situations where a company operating in a competitive market may use the joint resources of the exclusive company or group, such as the brand. The conformity to market conditions of financial relationships should be documented and the documentation provided to the authority upon request. The separation obligation also includes a prohibition of cross-subsidisation. The obligation to have separate gambling websites, player accounts and customer registers for the separated activities also reduces the risk of distortion of competition.

When operating in the Group structure, there is a risk that accumulated surplus proceeds will be used to finance other operations of the Veikkaus Group. The bill contains provisions on the compensation payable to the State for the exclusive right. The possibility of distortion of competition would be prevented by the fact that, if the compensation is successfully quantified, the holder of the exclusive right would not be left with any surplus profit resulting from the exclusive right once the compensation has been paid. However, the amount of compensation would be subject to considerable uncertainty and the possibility of surplus profit cannot be entirely ruled out. The proposed provisions also take into account a situation

where the compensation for the exclusive licence could be increased when the estimated and actual gross gaming revenue differ.

The methodology used to determine the compensation payable to the State for the exclusive licence is currently being reviewed with the European Commission to ensure that it eliminates any excess profit from the exclusive licence in the way required by State aid rules.

Combating supply outside the licensing system and marketing

Availability is a key factor in gambling and gambling-related harms, and restricting access, especially in high-risk gambling, is known to be the most effective way of preventing gambling-related harms. Within the gambling system, the offer can be regulated, for example, in terms of game features and gambling restrictions. It is not possible to target these measures at the offer of gambling outside the gambling system and the risks of harm of this offer are higher. With the digitalisation of gambling, gambling has moved to a market outside the system. Measures aimed at preventing harms will be partly ineffective without measures to limit the supply outside the system. As there are no fully effective means of restriction, it is necessary to use those that are feasible and the combined effect of which is to restrict availability and accessibility. The order in the proposal concerning the removal of online

content and the use of a domain name can be considered acceptable under EU law, taking into account that the removal order would be liable to ensure the achievement of the objectives of the gambling system and would not go beyond what is necessary to achieve those objectives.

4.3 Principal impacts[14]

4.3.1 General effects of the proposal

4.3.1.1 Impact mechanisms

The proposal will have direct and indirect effects especially on gambling operators and gamblers, who are the main target group of the regulation. The proposal will also have an impact on people close to gamblers and on people with a gambling problem. In addition, the proposal will have an impact on central government finances, the authority supervising gambling activities, and the monitoring, assessment and prevention of gambling-related harms. The proposal is expected to have both short-term and long term effects. The impact assessment is based, in particular, on consultations with ministries, authorities and other stakeholders, as well as on information obtained from international comparisons. In the international comparison, experience from other Nordic countries has been utilised in particular. Research data has also been used in the assessment to the extent that it is available on the subject.

The proposal includes a number of measures that can be estimated to have an impact on people's gambling and thereby on, among other things, the income earned by gambling companies and the state from the gambling market, as well as the harms caused by gambling to individuals and the costs of harms to society. The key impact mechanisms that the proposal is expected to involve are briefly described below.

From the point of view of the objectives of the proposal, the key issue is the extent to which gambling takes place within and outside the gambling system and, on the other hand, how gambling is regulated within the system. Harms can be prevented and reduced by limiting the supply of gambling. Changes in supply affect both existing demand and future gambling and gambling harms. The regulation of gambling within the system and the gambling offer has an impact on the incentives to play and offer gambling within the system. Similarly, strict regulation can be an incentive to opt out of the system. Incentives are also influenced by the type of restrictions imposed on gambling outside the system and how the offer outside the system and its marketing can be restricted. Finding an appropriate level of regulation is essential for combating gambling-related harms. The same applies to the economic impact. If gambling and the gambling offer within the system are not adequately regulated or taxed, they are virtually no different from gambling outside the system from the point of view of safety or income from gambling.

Thus, regulating the gambling market is a challenging balancing act between the attractiveness of gambling and the gambling offer inside the system and measures that increase gambling-related harms and affect government revenues. It is not sensible to make every effort to raise the channelling rate, because after a certain point, the measures aimed at raising the rate will start to increase gambling-related harms and reduce the revenue from gambling. Raising the channelling rate above a certain point is therefore likely to generate more costs for society than benefits. However, overly restrictive regulation may have a similar effect, especially in

[14] The impact assessment will be updated in further national preparation for the Finnish Council of Regulatory Impact Analysis and Parliament.

combination with a weak measures to counter the gambling offer outside the system. In this case, gambling is more likely to move outside the system.

The channelling rate, gambling-related harms and revenues from the gambling market are primarily influenced by the regulatory framework as a whole, rather than by a single regulatory measure. For example, when taking a decision on establishment, companies assess whether it is possible for them to achieve a higher income by obtaining a licence or by opting out of the market, taking into account the cost of establishment and the increase in demand targeted at the company compared with remaining outside the system. The costs to be taken into account include, for example, taxes and fees collected from companies. The estimated income, in turn, is affected, for example, by the opportunities to market services and how well the company expects to succeed in the competition.

When choosing their gambling company, players will also consider which provider has the best overall offer matching their preferences. Indications of factors influencing the choices made by players can be found, for example, in surveys asking for reasons to gamble outside the system. The main reasons given by Finnish players are good odds and payout percentages for gambling outside the system, larger winnings, a wider and more interesting selection of games, a willingness to experiment, and bonuses and free spins (FCCA 2023, p. 38). In Denmark, the main reasons for gambling outside the system have been, among other things, games that are not offered by licensed companies, as well as better payout percentages and bonuses. Some of those who have gambled outside the system also explained that their own actions have blocked them from gambling within the system and that they can gamble outside the system even if they are minors (Spillemyndigheden 2023[15], p. 18).

On the other hand, the channelling rate can be influenced not by increasing the internal attractiveness of the gambling system, but by making the offer outside the system less attractive, for example by informing players about the lack of legal protection when gambling using providers outside the system or by taxing winnings from operators outside the system. The channelling rate is to a large extent influenced by the attractiveness of the offer outside the system, irrespective of the internal regulation of the system. Combined with strict measures to combat offers outside the system, a strict internal regulation of the system is likely to achieve the best ratio of channelling rate to gambling-related harms.

Although the effects of the proposal consist of the proposed regulatory package, the independent effects of individual measures should be considered separately so that their contribution to the overall impact can be assessed. The key measure in the proposal is the introduction of a licensing system. The transition from an exclusivity system to a competitive licensing system will increase competition between companies. Increased competition, in turn, will change the incentives for companies and thus the use of competitive means. Thus, a system change can, for example, improve the payout percentages and odds of gambling, expand the selection of games and increase the marketing of companies. These changes, in turn, may increase the demand for gambling and thus the harms caused by gambling, but may also increase government revenues from the gambling market. On the other hand, the changes are expected to make in-system gambling more attractive and thus increase the channelling rate. In this case, the channelling rate and the gambling-related harms are likely to have a positive connection, i.e. the increase in the channelling rate will also increase the harms. On the other hand, an increase in the channelling rate may also have the effect of reducing the

[15] Spillemyndigheden (2023). Online gambling in Denmark. Survey of Danes' gambling habits on web-sites with and without a gambling licence. Published in December 2023. Available at: https://www.spillemyndigheden.dk/uploads/2024-01/Online%20gambling%20in%20Denmark.pdf.

harms caused by gambling and increasing government revenue in certain circumstances. The increase in competition can therefore be estimated to have divergent effects, especially in terms of gambling-related harms, and the overall impact of the measure on gambling-related harms and the state's revenue is unclear. Competition can also reduce the companies' gross gaming revenue and, as a result, the state's revenue from the market through higher payout percentages. State revenue may also decrease if Veikkaus Oy's market share decreases significantly while the size of the gambling market (measured by total losses) remains unchanged.

The regulation of the marketing of gambling may have an impact on the amount of gambling and thus, for example, on the harms caused by gambling and the state's revenue from gambling. However, based on literature reviews on the subject[16], there is little research evidence on the (causal) effects of gambling marketing or its regulation. However, based on literature reviews, a positive relationship is typically found between exposure to advertising and the amount of gambling and the prevalence of problem gambling. He and Klein (2022[17]) have been able to show that sales of lottery games increases markedly immediately after an advertisement is displayed. Their results suggest that advertising increases overall sales, not just brings it forward in time. It is therefore quite probable that gambling advertising will increase gambling, and that the regulation of advertising can reduce gambling and the harms caused by gambling.

Consumption limits on gambling may have different effects from the point of view of the objectives of the project. Loss limits can be a good way to reduce gambling-related harms if gambling does not continue outside the system when the limit is reached. On the other hand, strict limits may reduce the channelling rate because they reduce the size of the market and thus the amount of money that companies can expect to receive from the market if companies can easily offer gambling from outside the system. In turn, meeting the limit set in the system may incentivise players to gamble outside the system. Auer, Reiestad and Griffiths (2018[18]) have asked Norsk Tipping's customers how the mandatory monthly loss limit (up to around EUR 2 000) has affected their gambling. According to the survey, 10 % of those who hit the set loss limit had continued to gamble using the services of another gambling company. For players with the highest risk of gambling-related harms, the corresponding figure was 16 %. According to a survey carried out by Spillemyndigheden (2023, p. 18), around 7 % of players who gamble outside the system say that the reason for this gambling is that their self-determined deposit limit for the licensed company had been reached. However, the studies do not reveal, for example, how large a proportion of overall gambling in terms of monetary

[16] See, for example, Bouguettaya, A., Lynott, D., Carter, A., Zerhouni, O., Meyer, S., Ladegaard, I., Gardner, J. & O'Brien, K. (2020). The relationship between gambling advertising and gambling attitudes, intentions and behaviours: A critical and meta-analytic review. Current Opinion in Behavioral Sciences 31, pp. 89-101, https://doi.org/10.1016/j.cobeha.2020.02.010; House of Lords Library (2022). Gambling advertising and harm caused by gambling. 2.2.2022, https://lordslibrary.parliament.uk/gambling-advertising-and-harm-caused-by-gambling/; McGrane, E., Wardle, H. Clowes, M., Blank, L., Pryce, R., Field, M., Sharpe, C. & Goyder, E. (2023). What is the evidence that advertising policies could have an impact on gambling-related harms? A systematic umbrella review of the literature. Public Health 215, pp. 124-130, https://doi.org/10.1016/j.puhe.2022.11.019.

[17] He, C. & Klein, T. (2022) Advertising as a Reminder: Evidence from the Dutch State Lottery. Marketing Science 42(5), pp. 892-909, https://doi.org/10.1287/mksc.2022.1405.

[18] Auer, M., Reiestad, S. and Griffiths, M. (2018). Global Limit Setting as a Responsible Gambling Tool: What Do Players Think? International Journal of Mental Health and Addiction 18, pp. 14–26; https://doi.org/10.1007/s11469-018-9892-x.

value comes from those who continue to gamble, or for how long gambling had been reduced after the consumption limit had been met. It is therefore difficult to assess the impact on the channelling rate or on gambling-related harms on the basis of research evidence.

It can be assumed that there is some inverse link between the level of the lottery tax and the channelling rate. The level of taxation inevitably has an impact on how profitable gambling companies perceive the acquisition of a licence in Finland to be, although this is only one factor influencing the decision on establishment. Presumably, a lower tax rate lowers barriers to entry and increases incentives to participate in the regulated system, increasing the channelling rate. On the other hand, very high taxation is likely to reduce the channelling rate by raising costs for companies and reducing incentives to obtain a licence. Some estimates have been made of the link between the channelling rate and the lottery tax rate. For example, the Swedish Ministry of Finance (2023[19]) has estimated, when assessing the impact of an increase in lottery tax, that a tax increase of one per cent will reduce the tax base by 0.5 per cent. Marionneau et al (unpublished[20]) examined the link between channelling rates and tax rates in 25 European countries (the EU, Norway and the United Kingdom) using regression analysis and found no statistically significant link between them. The consulting company Copenhagen Economics (2016[21]) has carried out a similar examination of the impact of the channelling rate and the lottery tax rate in the United Kingdom, Denmark, Italy, Portugal, Spain and France and has found a clear inverse link between them. The channelling rate is influenced not only by taxation but also by all other regulation of gambling, as well as by the social status of gambling and the culture and attitudes associated with it, so the statistically significant link found between the tax rate and the channelling rate, or the lack thereof, does not yet in itself indicate whether there is a genuine (causal) relationship between these issues, let alone how great this effect may be.

4.3.1.2 Experiences from other Nordic countries of market development after the transition to a licensing system

A partial licensing system was introduced in the Danish gambling market in 2012 and a similar change was introduced in Sweden in 2019. The experiences of these countries can be used to assess the impact that the transition to a partial licensing system could have on the Finnish gambling market. However, it should be noted in the assessment that the starting point and gambling in both countries differ significantly from the current situation in Finland. For example, in Sweden, the national gambling company Svenska Spel did not have any online

[19] Finansdepartementet (2023). Höjd spelskatt. Fi2023/02665. October 2023 https://www.regeringen.se/contentassets/9d250a08bd584ff6ad4df45d311165db/hojd-spelskatt.pdf

[20] Marionneau, Selin, Nikkinen & Matteucci (unpublished). A case of regulatory resistance? The taxation of licensed online gambling and its effects on channelling rates in Europe.

[21] Copenhagen Economics (2016). Licensing system for online gambling. Which tax-rate yields both high channelization and high tax revenues? Prepared for the Association of Online Gambling Operators (BOS). https://www.copenhageneconomics.com/dyn/resources/Publication/publicationPDF/8/368/1478078895/copenhagen-economics-2016-licensing-system-for-online-gambling.pdf.

casino offerings apart from poker before the change to a licensing system, while in Finland, Raha-automaattiyhdistys (RAY, Slot Machine Association) opened a domestic online casino and poker already at the end of 2010.

In both Denmark and Sweden, the number of gambling operators has increased significantly since the introduction of the licensing system. In Denmark, the number of licences for betting or the provision of online casino games rose to 60 in the first year after the introduction of the licensing system and has since remained stable at around 50-70 licences.[22] There are currently 61 licences in force. Of these, 24 entitle to offer betting games and 37 to offer online casino games. However, some of those licences are held by the same company. At the time of writing, there are 43 licence holders.[23] In Sweden, there are thousands of licences valid for the provision of gambling, if, e.g. all non-profit organisations entitled to organise lotteries are included.[24] As far as Finland is concerned, it makes sense to look at licences for commercial betting or the provision of commercial online casino games. At the time of writing, 63 companies had such licences. Based on data from the Swedish Gambling Authority, 52 of these companies are registered in Malta, six in Sweden, two in Gibraltar, one in Estonia and one in the United Kingdom. [25] The number of companies operating in the Swedish gambling market can also be assessed on the basis of the number of companies that have paid lottery tax, excluding exempt non-profit organisations. According to Skatteverket (Swedish Tax Agency), there were 100 such companies in 2019. In 2023, the corresponding figure was 96.[26]

However, the number of licences does not give a fully accurate picture of how many different companies operate in the Danish and Swedish markets. For example, some of the licences have been granted to different subsidiaries of the same group, so in reality there are not as many independent companies operating on the market as the number of licences would suggest. In Denmark, around 40 groups or independent companies can be identified from the background of the holders of a licence to provide gambling services. In Sweden, the corresponding figure is about 50. In both countries, about 20–30 % of the companies active in the gambling market are large, listed international companies. In addition, the registered office indicated in the gambling authority's data does not necessarily give a true picture of the companies' home country, as a subsidiary with a licence may be registered in a different country than the group itself. For example, the seat of the subsidiaries of the Åland-based PAF is listed as Malta in the data of the Swedish Gambling Authority. In Denmark, around 40 % of the groups or independent companies operating in the gambling market come from Denmark and a third come from Malta. Individual companies come from Sweden, the UK, Estonia, Austria, the Isle of Man and Gibraltar. Nearly 60 % of the operators in the Swedish market come from Malta and just under 20 % from Sweden. The remaining companies come from the UK, Gibraltar, Estonia, Finland (PAF), Austria, the Isle of Man and Curaçao. Approximately

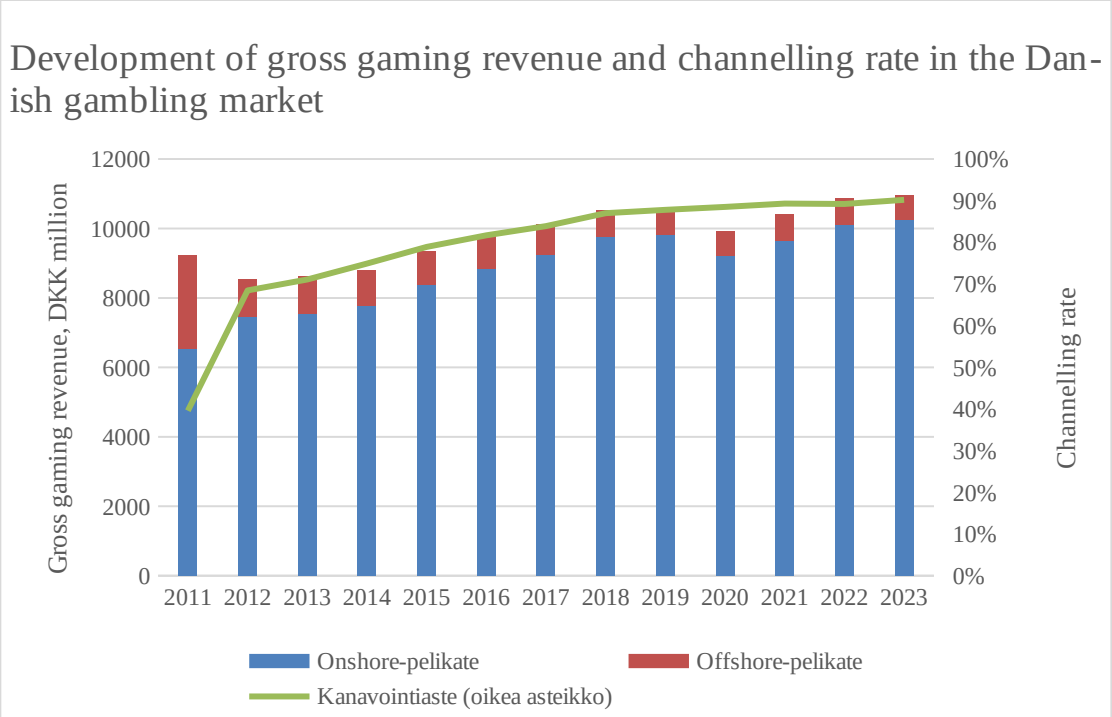
[22] Spillemyndigheden (2022). 10 years with a liberalised market: Danes' gambling spend has increased. September 2022. Available at: https://www.spillemyndigheden.dk/uploads/2022-09/10%20years%20with%20a%20liberalised%20market%20-%20Danes%20gambling%20spend%20increased.pdf.
[23] Spillemyndigheden (2024a). Tilladelsesindehavere. Accessed 3 May 2024. https://www.spillemyndigheden.dk/tilladelsesindehavere/print.
[24] See e.g. Spelinspektionen (2024). Årsredovisning 2023. Published on 15 February 2024. Available at: https://www.spelinspektionen.se/globalassets/dokument/overgripande-dokument/arsredovisningar/ar-sredovisning-2023.pdf.
[25] Spelinspektionen (2024). Aktiva spellicenser & tillstånd. Accessed 3 May 2024. https://www.spelinspektionen.se/sok-licens/
[26] Skatteverket (2024). Redovisade punktskatter. Accessed 5 May 2024. Available at Skatteverket's statistical service.

one-third of the groups or independent companies operating in the Swedish market are also active in Denmark.

In the light of the experiences of Sweden and Denmark, it is also possible to make rough estimates of how the changeover to the licensing system will affect the size and channelling rate of the gambling market. However, it is challenging to provide such estimates because it is difficult to obtain reliable data on the amount of so-called offshore gambling. Thus, both estimates of the size of the overall gambling market and the channelling rate are inevitably uncertain. In addition, a reliable assessment of the impact of the transition to the licensing system would require the use of a reference group or some other reliable way of assessing how the market would have developed without the reform. The development of the Swedish and Danish gambling markets before and after the transition to the licensing system is described below, but in the absence of a comparison group, the development after the transition to the licensing system cannot be interpreted in a straightforward manner as the effect of the licensing system.

There is little precise information available on development in the Danish gambling market prior to the reform. In 2015, the Danish Gambling Authority reported that the size of the Danish regulated gambling market (the so-called onshore market) was approximately DKK 6.5 billion in 2011.[27] In a report published in 2024, it reported an online gambling channelling rate of around 40 % in 2011, based on data from the consultancy company H2GC.[28] However, the market share of online gambling in 2011 is not known, so the size of the entire gambling market cannot be deduced from this information. However, if it is estimated that the share of online gambling would have developed from 2011 to 2012 in the same way as in the following years, i.e. an increase of around four percentage points per year, it can be concluded that the total gambling market in Denmark was approximately DKK 9.2 billion. Since the introduction of the licensing system in 2012, the size of the onshore market has been reported to be approximately DKK 7.5 billion.[29] The Danish Gambling Authority reported an increase in the channelling rate of online gambling to 69 % in 2012.[30] This would have reduced the size of the gambling market to around DKK 8.5 billion and the size of the offshore market to around DKK 1.1 billion.[31] The Danish Gambling Authority has estimated that both the size of the market and the channelling rate have gradually increased in the years following the reform. The development of the Danish gambling market and gross gaming revenue between 2011 and 2023 is illustrated in the graph below.

[27] Spillemyndigheden (2015). Årsberetning 2014. Published in March 2015. Available at: https://www.spillemyndigheden.dk/uploads/2018-12/The%20Danish%20Gambling%20Authority%27s%20annual%20report%202014_0.pdf. The size of the regulated gaming market is described on page 13.
[28] Spillemyndigheden (2024b). The Gambling Market in Numbers 2023. Released April 2024. Available at: https://www.spillemyndigheden.dk/uploads/2024-04/The%20Gambling%20Market%20in%20Numbers%202023.pdf. The development of the channelling rate is described on page 12.
[29] Spillemyndigheden (2024c). The samlede spilmarked 2012-2023. Accessed 5 May 2024. https://app.powerbi.com/view?r=eyJrIjoiYzgxYTdmYzItZjRlMC00NjdmLWI1NGEtNGNkMDI5NTNjMDdhIiwidCI6IjJlOTNmMGVkLWZmMzYtNDZkNC05Y2U2LWUwZDkwMjA1MGNmNSIsImMiOjh9.
[30] Spillemyndigheden (2024b), p. 12.
[31] Spillemyndigheden has reported online gambling's share of the onshore market since 2012. In 2012, it was 31 %. Spillemyndigheden (2024b), p. 9.

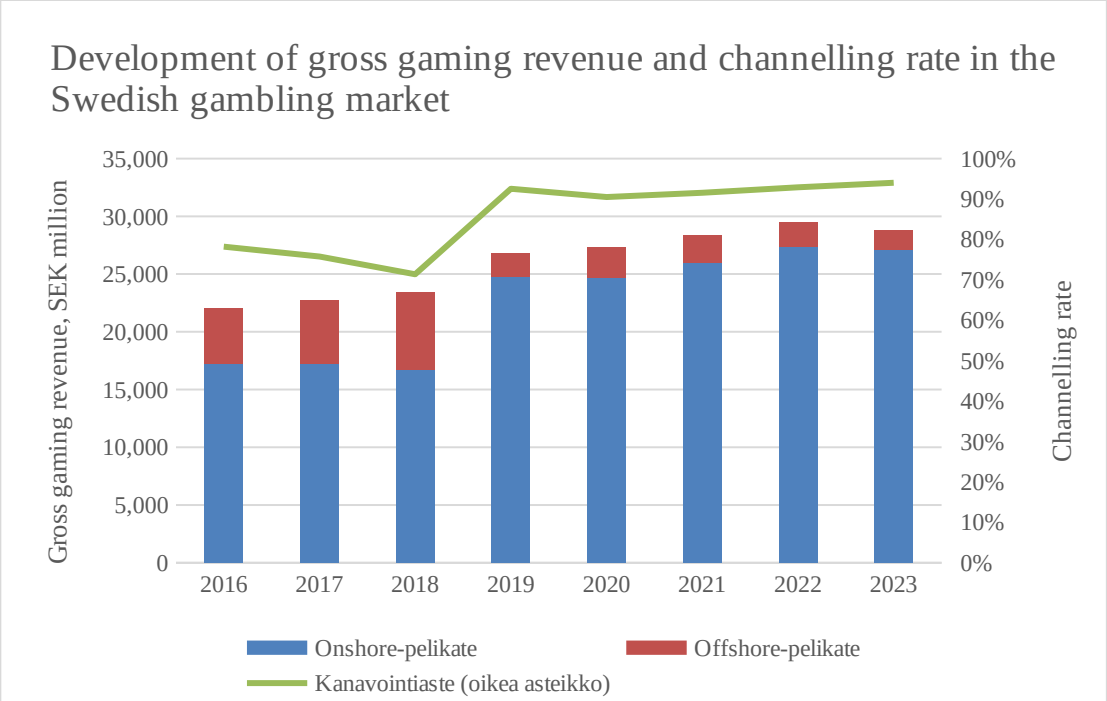


Onshore-pelikate	Onshore gross gaming revenue
Offshore-pelikate	Offshore gross gaming revenue
Kanavointiaste (oikea asteikko)	Channelling rate (scale on the right)

Figure 8. Development of gross gaming revenue and channelling rate in the Danish gambling market between 2011 and 2023. Source: Spillemyndigheden (2014), Spillemyndigheden (2024b), Spillemyndigheden (2024c) and FCCA calculations.

The Swedish Gambling Authority has estimated that the gambling market grew from approximately SEK 3.4 billion in 2018 to approximately SEK 26.8 billion in 2019. Onshore gambling accounted for around SEK 16.7 billion of gambling in 2018, rising to around SEK 24.8 billion in 2019. In the same period, offshore gambling decreased from SEK 6.7 billion to approximately SEK 2 billion, according to an estimate by the Swedish Gambling Authority.[32] From the above figures, it can be concluded that the channelling rate increased from 71 % to 93 %. The Swedish Gambling Authority's estimates are based on those of the consulting company H2GC. The development of gross gaming revenue and channelling rate in the Swedish gambling market between 2016 and 2023 is illustrated in the chart below.

[32] The Swedish Gambling Authority's estimates are compiled on the website of the Public Health Agency of Sweden (Folkhälsomyndigheten): The Public Health Agency of Sweden (2024). Omsättning på spelmarknaden. Updated on 19 March 2023. Accessed 5 May 2024. https://www.folkhalsomyndigheten.se/spelprevention/statistik/omsattning/. The figures reported by the Public Health Agency of Sweden can also be found in the statistics published by the Swedish Gambling Authority: Spelinspektionen (2024). Statistik. Accessed 5 May 2024. https://www.spelinspektionen.se/om-oss/statistik/.



Onshore-pelikate	Onshore gross gaming revenue
Offshore-pelikate	Offshore gross gaming revenue
Kanavointiaste (oikea asteikko)	Channelling rate (scale on the right)

Figure 9. Development of gross gaming revenue and channelling rate in the Swedish gambling market in 2016–2023. Source: Public Health Agency of Sweden (2024) and FCCA calculations.

The experiences of Denmark and Sweden may also provide an indication of what the position of the former monopoly companies will look like in a competitive market. Danske Spil's market share, based on[33] data published in its annual reports and market size data reported by the Danish Gambling Authority,[34] has declined in the years following the introduction of the licensing system. In 2012, Danske Spil's market share in betting and online casino games was about 59 % and in the market as a whole about 55 %. Both market shares have gradually declined. In 2023, the corresponding figures were only around 31 % and 49 % respectively.[35] The combined market share of Sport & Casino, a subsidiary of Svenska Spel in the licensed market in Sweden, and ATG, formerly an exclusive operator in the market for horse racing betting, in the licensed games market in the years following the introduction of the licensing system has been in the order of 40–50 %. Svenska Spel and ATG have together accounted for about half of all onshore gambling in recent years.[36] However, despite the decline in market

[33] Danske Spil's annual reports available at: https://danskespil.dk/om/koncern/rapporter-og-udgivelser.
[34] Spillemyndigheden (2024c).
[35] FCCA calculations. The market share estimates do not include estimates of the size of the offshore market.

share, the gross gaming revenue of the former monopolies has remained relatively stable in the years following the reform.

In Denmark, population surveys on the prevalence of gambling problems have been conducted very rarely. According to Fridberg and Birkelund (2016[37], p. 67), between 2005 and 2016 the share of the population with at least some gambling problems (NODS score:[38] > 0) increased from about 2.5 % to about 3.2 %. Meanwhile, according to Ramboll (2022[39], p. 18), the number of people with gambling problems doubled between 2016 and 2021. According to population surveys, there has been no material change in the number of people playing at a problem level or at a risk level in Sweden between 2018 and 2021.[40] In the light of the latest population surveys, it appears that the proportion of the population whose gambling is at least at low risk level is clearly lower in Sweden than in Denmark, Norway[41] or Finland[42]. Denmark does not differ materially from Norway and Finland in this respect.

Revenues received by the Danish State from the gambling market appear to have increased to some extent since the introduction of the licensing system. Swedish State Treasury (2022[43]) has estimated that the total revenue received by the State from gambling activities amounted to approximately SEK 7.4 billion in 2021. This is more than in the years preceding the introduction of the licensing system, when revenues amounted to just over SEK 6 billion. The difference is mainly due to Svenska Spel's exceptionally high dividend in 2021. Excluding the dividend, the state's revenue from gambling has been roughly at the same level both before and after the introduction of a licensed market.

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[36] FCCA calculations. The calculations are based on market size figures reported by the Public Health Agency of Sweden (2024) as well as Svenska Spel's and ATG's gross gaming revenue data from the companies' annual reports, which are available at: https://om.svenskaspel.se/bolagsstyrning/finansiell-information/#toggle-id-14 and https://omatg.se/finansiella-rapporter/. In addition, it has been necessary to make assumptions about the fact that gambling is divided into physical games and online games.

[37] Fridberg, T. & Birkelund, J. (2016). Pengespil og spilleproblemer i Danmark 2005-2016. SFI – Det Nationale Forskningscenter for Velfærd 16:23. Available at: https://www.vive.dk/media/pure/4z6p17xq/525483.

[38] National Opinion Research Center DSM Screen for Gambling Problems.

[39] Ramboll (2022). Prævalensundersøgelse af pengespil og pengespilsproblemer i Danmark 2021. May 2022 Available at: https://www.spillemyndigheden.dk/uploads/2022-05/Pr%C3%A6valensunders%C3%B8gelse%20af%20pengespil%20og%20ludomani%20i%20Danmark%202021.pdf.

[40] The Public Health Agency of Sweden (2022). Resultat från regeringsuppdrag att genomföra en befolkningsstudie om spel om pengar. Published on 28 February 2022. Available at: https://www.-folkhalsomyndigheten.se/contentassets/58e8320a52944ef8bd2b013e068e2c5e/resultat-fran-regering-suppdrag-att-genomfora-en-befolkningsstudie-om-spel.pdf.

[41] Pallesen, S., Mentzoni, R., Syvertsen, A., Kristensen, J., Erevik, E. & Morken, A. (2023). Omfang av penge- og dataspillproblemer i Norge 2022. Universitetet i Bergen, May 2023. Available at: https://lottstift.no/content/uploads/2023/06/Omfang-av-Penge-og-dataspillproblemer-i-Norge-2022.pdf.

[42] Grönroos, T., Salonen, A., Latvala, T., Kontto, J. & Hagfors, H. (2024). Finnish Gambling 2023 : Gambling has decreased, gambling problems have become more common and attitudes towards gambling have changed. THL Statistical report 15/2024. Published on 16 April 2024. Available at: https://urn.fi/URN:NBN:fi-fe2024040414663.

[43] Statskontoret (2022). Utvärdering av omregleringen av spelmarknaden. Slutrapport (2022:5). Published on 21 March 2022. Available at: https://www.statskontoret.se/siteassets/rapporter-pdf/2022/2022_5---utskriftsversion.pdf.

In conclusion, in the light of experiences in Denmark and Sweden, it can be noted that the number of companies in the market will increase significantly as a result of the introduction of the licensing system. In addition, it seems that the transition to the licensing system has slightly increased gambling as a whole. Above all, the change to the licensing system seems to have increased the channelling rate of gambling. The prevalence of gambling harms does not seem to have increased as a result of the introduction of the licensing system. Revenues received by the state from the gambling market increased slightly in Denmark and did not change substantially in Sweden.

However, when looking at developments since the reforms in Denmark and Sweden, it should be borne in mind that it is not possible to know how the market would have developed without the reform. It is not possible to reliably assess the impact of the reforms unless, for example, there is a comparison group whose development can be estimated to illustrate how the Danish and Swedish markets would have developed without the changes. Studies that could reliably assess the effects of the Danish and Swedish reforms have not been published. In addition, Denmark and Sweden underwent a number of different regulatory changes at the same time, making it impossible to assess the impact of the different elements of the reform. For this reason too, the experiences of Denmark and Sweden cannot be applied directly to an overall reform that differs from that of those countries.

4.3.2 Economic effects

4.3.2.1 Central government finances

The proposal would have a direct impact on central government finances. In the current gambling system, the revenue received by the State from gambling activities consists of the lottery tax paid by Veikkaus Oy and the profit recorded in the latest approved financial statements, which Veikkaus Oy accounts for as revenue to the State pursuant to section 17 of the Lotteries Act. At the moment, the supervision duties carried out by the authorities does not involve any expenditure on the part of the State, because Veikkaus Oy is obliged to reimburse the State for the costs of supervision under section 46 of the Lotteries Act. Under section 52 of the Lotteries Act, Veikkaus Oy is also obliged to reimburse the State for the costs of monitoring, researching and assessing, as well as developing prevention and treatment of, gambling-related harms.

In the General Government Fiscal Plan, Veikkaus Oy's gambling revenue is estimated to be EUR 550 million per year during the planning period. Lottery tax revenue is estimated to amount to EUR 156 million per year.

	2026	**2027**	**2028**	**2029**
Estimated proceeds from lottery tax Central Government Fiscal Plan 2025–2028 (The figures also include PAF's share of the tax)	156	156	156	156
Veikkaus Oy's proceeds Central Government Fiscal Plan 2025–2028	550	550	550	550
Total government revenue	**706**	**706**	**706**	**706**

In the new gambling system, the revenue from the State's gambling activities would consist of a dividend paid by Veikkaus Oy to the State and compensation paid to the State for the licence, as well as lottery tax paid by the licence holders. The State would incur expenditure on licensing and supervision activities and on measures relating to gambling-related harms. In addition, gambling harms entail costs for society.

Dividend paid by Veikkaus Oy and compensation paid to the State for the operating licence

According to the proposal, Veikkaus Oy would carry on gambling activities on an exclusive right basis under the Lotteries Act until the start of gambling activities under the new Gambling Act. In accordance with section 17 of the Lotteries Act, Veikkaus Oy would account for the proceeds from its exclusive activities to the State in accordance with the profit shown in the financial statements.

Under the new gambling system, the dividends paid by the Veikkaus Group to shareholders would consist of the distribution of profits by the parent company and its subsidiaries. As a shareholder of the company, the State could still decide on the payment of Veikkaus Oy's profit as dividend. Therefore, the new regulatory model does not mean that the dividend income received by the State from gambling activities would decrease, provided the State remains the sole shareholder of Veikkaus Oy. However, Veikkaus Oy's market share is estimated to decrease, which will reduce dividend yield. The dividend yield would also be affected by the compensation paid to the State for the exclusive right and the interest costs of the debt capital needed to finance it. The dividend paid by Veikkaus Oy to the State is estimated to be approximately EUR 200–250 million in 2027 and EUR 150–200 million in 2028 and 2029. If the State later decided to sell part of its shareholding in Veikkaus Oy, the State's share of the dividends would decrease in the future, but it would in turn receive the purchase price from the sale of the shares.

Under the proposed regulation, the State would also receive revenue in the form of the compensation payable for the licence by the holder of the exclusive right, the amount of which would correspond to the estimated net gaming revenue from the operation of gambling under the exclusive right less a reasonable profit for the holder of the exclusive right. The reasonable profit should cover the operating and capital costs necessary for the operation of the gambling activities under a licence, as well as a reasonable profit for carrying on the activities. In addition, the compensation payable for the licence would include an annual payment, the amount of which would be determined on the basis of the exclusive right holder's realised gaming revenue. In practice, this would mean that the income received by the State from gambling activities carried out under the exclusive right directly under the legislation would decrease compared to the current situation, in which Veikkaus Oy is obliged by the Lotteries Act to pay the profit shown in its financial statements to the State.

According to the current estimate, the basic compensation for the licence to be paid by Veikkaus Oy would be approximately EUR 900–1,400 million, based on an estimate of the cash flows generated by the exclusive right business during the licence period. The estimate is based on an economic analysis prepared by an external expert, taking into account the industry's market forecasts and Veikkaus Oy's own financial forecasts. The amount of the basic compensation and the payment schedule would be set out in a proposal by the Prime Minister's Office and confirmed by a government plenary session. The compensation paid for the exclusive licence would be of a fiscal nature. In addition, Veikkaus Oy would pay a fee for the processing of licence applications to the licensing authority for granting an exclusive

licence. The processing fee covers the costs of the licensing activities, so it does not, in principle, have any impact on central government finances.

The basic compensation is proposed to be spread over several years. When the Government decides on the compensation payable for the exclusive licence, it would also decide on the amortisation of the basic compensation. The Prime Minister's Office has estimated that the basic compensation could be amortised over the first five years, for example. If the basic compensation were to be amortised over five years, it would amount to between EUR 180 million and EUR 280 million per year over the period 2026–2030. If the the basic compensation were to be amortised over ten years, it would amount to between EUR 90 million and EUR 140 million per year over the period 2026 2035. The basic compensation could also be spread out so that in 2026 approximately 50 % of the total amount of the basic compensation would be recognised in the government budget and in the following four years Veikkaus Oy would pay 12.5 % of the total amount of the basic compensation. Veikkaus Oy would finance the basic compensation for the licence mainly by means of debt capital. The use of debt capital would increase the company's interest expenses and contribute to reducing the company's distributable assets.

In addition, according to the current estimate, the proportional compensation included in the exclusivity model, determined separately by the Government when deciding on the licence fee, would amount to approximately EUR 30–60 million per year. The proportional compensation would be based on the previous year's realised gross gaming revenue, i.e. it would be paid for the first time in the year following the commencement of the gambling activities carried on under the exclusive licence. The estimate of the amount of the proportional compensation is based on an economic analysis prepared by an external expert, taking into account the market forecasts of the industry and Veikkaus Oy's own financial forecasts.

From the point of view of the development of state revenues from gambling activities, the introduction of a new licensing system will have a greater impact than the legal implementation method used for the exclusive right. The system is estimated to result in approximately 25–35 % of all gambling currently operated by Veikkaus Oy on an exclusive basis, measured in terms of gross gaming revenue, taking place in a competitive licensed market in the future. The effects of this transition on the state's revenue from gambling activities will largely depend on the development of the volume of gambling, Veikkaus Oy's market share, the taxation applicable to the licensing system and the fees applicable to the operations, as well as on the development of the Veikkaus Group's business operations in the licensed market in the new system, which in turn will impact the development of the annual dividend payable by Veikkaus Group to the state.

In the longer term, it is likely that revenues from gambling activities under an exclusive licence will decrease rather than increase compared with the current situation. Recently, an increasing share of gambling has been focused on online gambling and it is likely that this trend will continue in the future. If this anticipated development were to materialise, it would also have an impact on the development of the licence compensation fee paid to the state by the holder of the exclusive right, on Veikkaus Group's ability to pay dividends and on the development of Veikkaus Oy's shareholder value. However, a reduction in profits from gambling activities carried on under an exclusive licence as a result of a possible increase in the popularity of online gambling would not, as such, be the result of the regulatory reform.

Lottery tax

The proposal would have an impact on lottery tax revenue. As the lottery tax rate rises from the current 12 % to 22 %, and the channelling rate possibly increases from the current one, the revenue from the tax will increase significantly. The tax revenue would also be affected by changes in the volume of gambling.

If the size of the entire Finnish gambling market were estimated to be approximately EUR 1.5 billion at the current level, measured in gross gaming revenue, and the reform would not significantly affect the level, the revenue raised from the lottery tax would be approximately EUR 300 million in 2027 with a channelling rate of 80 % in the competitive market and approximately EUR 310 million with a channelling rate of 90 %. The estimates can be supplemented by making the assumption that the size of the competitive market, measured in terms of gross gaming revenue, will increase or decrease by, for example, 10 % when the reform enters into force. The proceeds of the lottery tax would then be between EUR 280 million and EUR 330 million. The Ministry of Finance's current estimate of lottery tax revenue for 2027 is approximately EUR 150 million. The proceeds of the lottery tax would thus increase by around EUR 130–180 million depending on the size of the market and the channelling rate to be achieved.

It should be noted in the estimates that a significant part of the growth will come from the lottery tax paid by Veikkaus Oy, i.e. both from the operation of gambling on an exclusivity basis and from operations in a competitive licensed market. In the case of Veikkaus Oy, the increased taxation of lotteries could mean a corresponding reduction in the profits, licence compensation or licence fees to be credited to the State. In this case, the increase in lottery tax revenue will not increase central government revenue by a corresponding amount. With regard to the lottery tax, it should also be noted that the amount of lottery tax paid in Åland, i.e. in practice the amount of lottery tax paid by PAF, is refunded annually to Åland as tax settlement.

Costs of licensing and supervision

According to the Government Programme, the supervision of the gambling industry will be enhanced and sufficient resources for supervision will be secured during the transition to the licensing system. The total costs of licensing and supervision activities are mainly influenced by the number of licence applicants and the number of licences to be granted, as well as the supply outside the licensing system. In addition to personnel costs (salary and social security costs, other personnel-related costs), the total costs of licensing and supervision activities include premises and ICT costs. ICT system costs comprise the costs of both general, industry-independent systems and industry-specific information systems.

It is not possible to precisely predict the number of person years required for future licence applicants and holders, as well as for licensing and supervision activities. However, some guidelines can be obtained from Sweden and Denmark, which have a similar gambling system in place. The total market for gambling in Denmark is close to Finland in terms of size. Meanwhile, the total market in Sweden is currently larger than in Finland. There are approximately 40 licence holders in Denmark and nearly 70 in Sweden. In 2022, the licensing and supervisory authority employed 130 persons (110 person-years) in Denmark and nearly 66 in Sweden, as well as eight inspectors supervising gambling activities. In 2022, the costs of Spelinspektionen in Sweden and Spillemyndigheden in Denmark totalled approximately EUR 6.8 million and EUR 11.4 million respectively. A large number of licence applicants are likely to be gambling companies established abroad, which is estimated to have an impact on the nature of licensing and supervision tasks and thus also on resource needs. A preliminary

study published in spring 2023 estimated that the transition to the licensing system would require significant additional resources to be allocated to the supervision of gambling activities and even a moderate estimate suggested that the expenditure on supervision activities would increase to approximately EUR 30 million annually. Although it is not yet possible to make precise estimates of staffing needs, it is estimated that they will multiply from the current level.

It is also very difficult to estimate the development of the costs of anti-money laundering supervision, but it is expected that these costs will increase. Currently, four person-years are allocated to the supervision of money laundering in the National Police Board's lottery administration. The National Police Board's lottery administration currently focuses its supervision of money laundering on Veikkaus Oy and its network of agents. As the number of supervised entities will increase significantly as a result of new licence holders, the authority's need for resources will also increase. The development of resources is also affected by whether entities other than Veikkaus Oy would also be involved in betting activities in the physical sales channel. A gambling licence could be granted for both online betting and betting via a physical sales channel.

The human resources needs for IT control for the new systems have been estimated to require 1–2 person years during the planning and construction phase of the reform (2024–2025). At the start of the implementation and maintenance phase of the new gambling system, it is currently estimated that the need for resources would be 8 person years, whereas the supervisory authority's IT supervision currently comprises 7 person years.

In addition to the new control system already in place, the preliminary rough estimate of the necessary planning and establishment costs of the licence administration, self-exclusion and software licensing systems to be built is approximately EUR 6–14 million. As a result of the transition to the new system, the costs of implementing, finalising and maintaining the information systems are estimated to be EUR 0.8–1.2 million per year.

The purpose of the separate implementation project set up by the Ministry of Finance in October 2024 is, among other things, to examine and make a proposal on the competency and human resources requirements for the organisation of the new licensing and supervision operations, to prepare appropriation estimates for recruitment and procurement carried out during the project, to specify the costs of the new licensing and supervision operations, and to draw up budget proposals for these. In addition, the task of the project is to prepare functions and information systems compatible with the new Licensing and Supervisory Authority and related procurements.

The aim is that the costs of licensing and supervision activities would in future be covered by the licence and supervision fees collected from Veikkaus Oy and licence holders. Since licence and supervision fees will not yet be available on commencement of the operations, budget funding will be needed in the first years before operations become firmly established and possibly also in subsequent years, taking into account, among other things, the difficulty of anticipating fees.

Expenditure on monitoring, research and assessment as well as development of prevention and treatment of gambling-related harms

The proposal proposes that the administrative branch of the Ministry of Social Affairs and Health would be responsible for the monitoring, research and assessment of gambling-related

harms in a manner similar to the Lotteries Act. In addition, the administrative branch would be responsible for developing measures for the prevention and treatment of gambling-related harms.

According to the Government Programme, sufficient resources for the prevention of gambling-related harms will be ensured in the public sector and the non-governmental sector. The Ministry of Social Affairs and Health's preliminary estimate of the future need for resources for statutory work and discretionary government grants in the administrative branch of the Ministry of Social Affairs and Health is approximately EUR 6 million annually. This corresponds to the current level of funding. In the past, the financing of similar activities has reduced the profit that Veikkaus Oy has recognised as revenue to the State, so the arrangement would not have a detrimental effect on public finances compared with the current situation. Under the current system, the Ministry of Social Affairs and Health charges Veikkaus Oy a fee equal to the total costs of the work of the administrative branch of the Ministry of Social Affairs and Health. During the implementation period of the gambling policy programme in 2024–2027, the Ministry of Social Affairs and Health has specified a maximum annual amount of EUR 5 million for these costs. The costs of electronic anonymous services included in the discretionary government grant package are currently approximately EUR 1 million, and they have been financed directly by Veikkaus Oy under the conditions of the exclusive right system, and to a small extent with assistance from the Funding Centre for Social Welfare and Health Organisations (STEA). The reform would not have any impact on the costs of grants provided by STEA to organisations. However, an increase in gambling-related harms would have indirect effects, increasing the need for work related to gambling-related harms. More detailed estimates of changes in gambling-related harms and changing costs can only be made in connection with the monitoring of the effects of the planned changes in legislation.

Costs to society of gambling-related harms

Gambling-related harms entail significant economic costs for society. It is not possible to precisely estimate the overall costs of gambling-related harms because, among other things, records and statistics of gambling-related harms in the service system are still inadequate and it is difficult to quantify the burden on services and productivity losses. Internationally, there are no commonly accepted and commonly used methods for calculating the social costs of gambling. Estimates of the costs of gambling per capita vary widely between countries and are largely due to the chosen method. Uncertainty about causal relationships also increases the uncertainty of calculations. In international studies, the annual costs of harms have been estimated to be between 0.12 and 1.22 times gross gaming revenue, but the estimates are subject to considerable uncertainty. In Sweden, the social costs of gambling-related harms are estimated to have increased between 2018 and 2021. Sweden changed to a licensing system at the beginning of 2019.

The proposal can be considered to also have an economic impact on public finances through its effects on gambling-related harms. Gambling and gambling-related harms involve a wide range of costs that can be reduced by reducing the extent of gambling-related harms and, correspondingly, costs increase as gambling-related harms increase. Measures affecting gambling-related harms can be considered to have a wide range of cost-related effects. Problems are also found in non-problematic gamblers. At the population level, the majority of those experiencing harms are non-problematic gamblers, due to the smaller size of the latter group. On the other hand, the harms in the latter are the most serious in nature. Reducing and preventing gambling-related harms at the population level requires measures that also affect people who gamble in moderation, not just problem gamblers.

The effects of the transition to the licensing system on gambling-related harms and the costs arising from gambling-related harms will be significantly affected by how these issues are resolved in practice as part of the reform. Harms and the costs of harms will be particularly affected by the implementation of the reform in terms of factors affecting the marketing and availability of gambling. The move to a licensing system is likely to increase the marketing and availability of gambling, which will lead to an increase in the consumption of gambling and direct government revenue, but also an increase in the costs resulting from harms. The reform is likely to shift gambling from gambling outside the-system to gambling within the system, which will, in principle, have the effect of reducing gambling-related harms. However, because the measures aimed at prevention of gambling-related harms for gambling within the system are reduced, the potential increase in the channelling rate is unlikely to be sufficient to compensate for the increase in gambling-related harms from gambling within the system. The negative impact on harms and the costs arising from harms will become more marked, given that the regulatory changes in the reform will particularly affect involving a high risk of harm and will increase the visibility and accessibility of such gambling. The overall increase in the visibility, availability and accessibility of high-risk gambling can be estimated to increase gambling-related harms and, consequently, the costs of gambling harms to society.

Summary of the impact on central government finances[44]

The table below is a summary of the above-described estimates of the effects of the proposal on central government finances. Veikkaus Oy would carry on its exclusive right operations under the Lotteries Act in 2026 and would also pay the first instalment of compensation for the exclusive right under the new Gambling Act. The timing of the entry into force of the new Gambling Act could change some income items in respect of time.

The table does not include estimates of the costs of person years and information system reform arising from licensing and supervisory activities, as these are one-off items required for the transition to the new gambling system. In addition, with regard to lottery tax, it should be noted that the amount of lottery tax paid in Åland is refunded annually to Åland as tax settlement.

	2026	**2027**	**2028**	**2029**
Estimated lottery tax revenue (The figures also include PAF's share of the tax)	156	280–330	280–330	280–330
Estimated corporation tax revenue	0	35–55	35–55	35–55
Estimated proceeds from Veikkaus Oy (Dividend revenue in the new gambling system)	550	200–250	150–200	150–200
Veikkaus Oy's *basic compensation* for the exclusive licence	90–140	90–140	90–140	90–140

[44] The table below and other impact assessments will be updated in further national preparation for the Finnish Council of Regulatory Impact Analysis and Parliament.

	2026	2027	2028	2029
(single payment for the licence period, i.e. 10 years, spread over several years)				
Veikkaus Oy's *annual compensation* for the exclusive licence	0	0	30–60	30–60
Funding for gambling-related harms	0	-5	-5	-5
Total government revenue	**796–846**	**600–770**	**580–780**	**580–780**

4.3.2.2 Businesses

Gambling market

Opening up the gambling market to competition will allow new undertakings to enter the market and is likely to lead to a significant increase in the number of operators on the market. By looking at Sweden and Denmark, it can be considered likely that several dozen gambling companies will apply for a licence in Finland. Based on the experiences of Sweden and Denmark, it is expected that both large, international listed companies and smaller, local operators will enter the market. Smaller operators, such as those established in Malta, are also likely to apply for a licence in Finland. The companies applying for a licence are likely to be largely the same as those currently operating in the Swedish and Danish markets. This assumption is supported by the fact that a significant portion of gambling outside the system in Finland is currently directed at operators licensed in Sweden and/or Denmark.

The significant increase in the number of undertakings operating in the expected market as described above is estimated to have an impact on competition between undertakings and on the functioning of the market. Presumably, the biggest impact will be on a part of the gambling market where Veikkaus Oy does not currently face much competition. In particular, with regard to certain online gambling, Veikkaus Oy already faces competition from operators outside the system. However, there are presumably categories of customers who, for example, for reasons of principle, do not want to play games from providers outside the system or prefer betting offered at physical points of sale. With the transition to a licensing system, competition for such customer groups will inevitably increase. This, in turn, is likely to have an impact primarily on Veikkaus Oy's operations. Veikkaus Oy is likely to have to adapt the use of its competitive means to the changed market situation if it wishes to maintain a high market share. For example, it may need to increase its marketing aimed at certain categories of customers and increase the prize pools and payout percentages of the forms of games currently protected from competition in order to remain an attractive option for customers. Other operators entering the Finnish market, on the other hand, already operate mainly in an environment of open competition, so moving to the licensing system is unlikely to have a similar effect on their operations. However, switching to a licensing system opens up new opportunities for them to use different methods of competition. For example, they will have increased opportunities to market their services to Finnish consumers. On the other hand, they will also be subject to regulations restricting the use of competitive methods. In general, it can be stated that the regulatory package will level the playing field with regard to the use of

companies' competitive means, as some of the competitive methods currently available only to Veikkaus Oy will be released for use by others, and on the other hand, other companies will have to comply with regulations restricting the use of competitive methods that are currently already directed at Veikkaus Oy. A more balanced use of competitive means can be estimated to improve the functioning of competition in those areas of the gambling market opened up to competition.

Especially in the light of Swedish experience, it is possible that the introduction of the licensing market may to some extent increase the size and channelling rate of the gambling market. The Swedish Gambling Authority has estimated that the total market grew by about 15 % and the channelling rate by 22 percentage points in the year following the introduction of the licensing system. On the other hand, the overall market for gambling in Denmark did not appear to have grown with the introduction of the licensing system. However, the channelling rate of online gambling was estimated to have increased by almost 30 percentage points. However, there is a high degree of uncertainty about the size of the overall market prior to the Danish licensing system. It can therefore be assumed that other regulation of the gambling market will have a significant impact on how the size of the gambling market develops. If the introduction of the licensing system increases the size of the gambling market, it is expected to have positive effects on gambling companies operating in Finland. However, the impact will depend on their current position on the market and how it will change with the introduction of the system.

Veikkaus Oy

The proposal would have significant impacts on Veikkaus Oy. Today, Veikkaus Oy operates in some respects protected from competition, which affects, for example, the use of its competitive tools and profitability.

The economic effects of the reform on Veikkaus Oy is difficult to assess, as it is difficult to know in advance what kind of position it will be able to maintain in the market opened up to competition. In the light of the experiences of Sweden and Denmark, it can be considered likely that Veikkaus Oy will be able to maintain a strong position in the market despite the opening up to competition, although its market share is likely to decrease from the current level. In Sweden and Denmark, the former monopolies have achieved a market share of around 30-40 % of the competitive market. The impact of the reform on Veikkaus Oy's gross gaming revenue will depend not only on market share development but also on how the size of the market develops. Thus, Veikkaus Oy's gross gaming revenue may even increase, even if its market share decreases. The impact of the reform on Veikkaus Oy's profitability depends not only on the development of gross gaming revenue, but also on the effects of the reform on the winnings paid and payout percentages, as well as on costs. If Veikkaus Oy's gross gaming revenue decreases, it is likely to have a negative impact on its profitability. In the gambling market, a significant part of the costs are fixed, i.e. they cannot be adjusted as the gross gaming revenue decreases. Competition may also force Veikkaus Oy to increase payout percentages in those forms of gambling services where it will face more competition than before (especially betting). This would have a negative impact on its gross gaming revenue and profitability. Veikkaus Oy may also need to spend more money on marketing and customer acquisition if it wants to maintain a strong position in the market.

The regulation would also mean that Veikkaus Oy would have to apply for and obtain the necessary licences from the competent supervisory authority after the entry into force of the proposed legislation in order to continue the operation of gambling covered by the exclusive

right. This would result in increased administrative work and costs for Veikkaus Oy compared to the current situation where Veikkaus Oy's exclusive right is based on the Lotteries Act. However, because Veikkaus Oy will have to apply for licences also for its operations covered by the licensing system under the new system, the additional work caused to the company by applying for exclusive licences is not estimated to be significant.

As the proposed regulation would not allow the holder of an exclusive right to be granted a licence for the operation of gambling on the competitive market based on licensing, Veikkaus Oy would, as a result of the proposed regulation, be required to separate the operation of gambling on the licensing market into a separate company from the holder of the exclusive right. Veikkaus Oy would have a group structure in which the current Veikkaus Oy would continue as the parent company, and it would wholly and directly own four subsidiaries, one of which exists (Fennica Gaming Oy) and the other three (Veikkaus Monopoli Oy, Veikkaus Lisenssi Oy and Veikkaus Tech Oy) of which would be established in connection with the arrangement and would be created as business transfers according to the current plan of the Prime Minister's Office. Other arrangements would also be possible. The establishment of subsidiaries is described in more detail in section 9. In 2024, Veikkaus Oy, as part of its preparations for the upcoming system change, has already renewed its organisational structure and divided its domestic business operations to correspond to the company's current estimate of product distribution in the new gambling system. In addition, the company has several ongoing technical and business development projects.

In principle, the new legislation would not limit the decision-making concerning Veikkaus Oy's future group structure, because under the proposed regulation, control over the holder of the State's exclusive right could also be exercised indirectly. The exclusive right holder and the subsidiary of the Veikkaus Group operating in the license-based market could also, within the framework of the proposed regulation, make use of some of the group's common resources in their business, provided that the resulting costs are properly allocated, that any intra-group services are remunerated at arm's length, and that the procedure is allowed under both the new gambling legislation and competition law.

Since the grant of an exclusive licence would be based on an administrative decision taken by a gambling authority, the new regulation would also entail a risk, in principle, that the decision in question would be challenged before the competent court. Any appeal proceedings against the authorities' decisions to grant an exclusive licence may therefore pose a risk to the continuity of the gambling activities carried out by Veikkaus Oy under the exclusive right in a situation where, following an appeal brought before it, the appellate court considers that the decision to grant the licence was unlawful in some respect and annuls that decision. However, when the conditions for granting a licence are specified in legislation and when only a company controlled by the state, i.e. in practice a company belonging to the Veikkaus Group, could be granted an exclusive licence by law, the risks associated with such appeal processes appear to be minor in ex ante assessment, also taking into account the provisions on the right to appeal laid down in section 7 of the Administrative Judicial Procedure Act (808/2019).

The compensation to be paid to the State for the licence in respect of the exclusive licences included in the proposed regulation would mean that most of the proceeds from gambling carried out by Veikkaus Oy on the basis of the exclusive right would be channelled to the State. If the amount of compensation payable for the licence is set successfully, Veikkaus Oy would only be left with a reasonable return from the operation of the gambling services in question, determined in accordance with the proposed regulation. Veikkaus Oy would finance the basic compensation for the licence mainly using debt capital. The Prime Minister's Office

has estimated that amortising the basic compensation for the first five years of the licence period, for example, would best safeguard the company's operating conditions. Contrary to the current regulation, it is not proposed to provide for the use of Veikkaus Oy's reasonable profit in the new legislation. The shareholders of Veikkaus Oy would decide on the use of the profit shown in the company's financial statements in the usual order specified in the Limited Liability Companies Act. So far, the state is the sole shareholder. In addition to the licence compensation, Veikkaus Oy would pay lottery tax, which is discussed in more detail in section 4.3.2.1. In the future, Veikkaus Oy would also pay corporation tax.

Other undertakings engaged in gambling activities and other operators

The effects of the introduction of the licensing system on other gambling operators is difficult to assess accurately in advance. The effects will primarily depend on the impact of the reform on the size and channelling rate of the market and the position Veikkaus Oy will gain in the market. In principle, however, it can be estimated that the reform will benefit a number of gambling companies.

When making a decision on establishment, companies assess whether it is possible for them to achieve a higher income by obtaining a licence or by opting out of the market, taking into account the costs of establishment (including taxes levied) and the extent to which the demand towards the company increases compared to opting out. Prohibitions and penalties directed at activities outside the system, as well as the related financial and reputational risks that the company would face if it offered gambling outside the system to Finland, also contribute to the overall assessment. The estimated revenues, in turn, are influenced by regulation (e.g. how unrestricted marketing is and what other regulation would apply to the gambling offered), estimates of the size of the future market and how well the company expects to perform in competition (i.e. market share). Companies entering the market estimate the benefits of obtaining a licence to outweigh its costs.

Entering the Finnish market will incur certain costs related to purely Finnish operations, such as marketing targeted at Finland, administrative fees and taxes, but since a significant part of the costs in the gambling market are fixed, a large part of the companies' Finnish gross gaming revenue could be retained by the companies as profit. The majority of the companies entering the Finnish market are likely to already have gambling activities, and they will not incur any significant costs due to the fact that similar gambling services will also be offered to Finnish customers in the future. In addition, some companies are already effectively targeting their offer and marketing at Finland.

The licensing procedure and the supervision of the operation of gambling would entail some administrative costs for licence applicants and licence holders. The licensing procedure requires applicants to submit statements and register extracts. In terms of supervision, administrative costs arise from, among other things, the production and provision of information by licence holders to the authorities on their activities, as required by the proposed regulation. The administrative costs are not estimated to be significant, taking into account, inter alia, that the applicant entities can be expected to have in many respects pre-existing administrative procedures, as similar statements and reports are also required in many other countries where several potential applicant companies operate.

Compliance with legal obligations concerning the marketing of gambling is not expected to have a major financial impact on companies applying for a licence. The proposed marketing provisions cannot be seen to have a major impact on compliance costs for businesses. The

resources used to prepare marketing reports and notifications to the supervisory authority may represent an administrative burden for businesses. These are one-off costs, mainly related to the company's labour costs. The administrative burden is proportionately higher the smaller the company.

Network operators and other similar service providers

The proposal includes a draft provision on the authority’s power to issue an order to remove illegal content. The service providers referred to in the provision could include, inter alia, hosting, internet and platform service providers, as well as telecommunications operators. It is proposed that the threshold for the exercise of powers be set at a relatively high level. It is not possible to estimate in advance how often the authority would use this power. The need to issue removal orders would depend on the extent to which illegal content within the meaning of the provision might exist and the extent to which the supervisory authority could effectively influence the removal of illegal content by other means. The proposal is not expected to result in significant costs for service providers.

Media sector

According to the Government Programme, the Government will promote fair competition in the media field and in the digital advertising market, taking into account the position of international platform giants.

With the opening of the gambling system, the marketing of gambling is expected to increase significantly. This can be estimated to have a significant impact on the marketing revenues of media companies. In addition to traditional advertising sales, revenue from marketing could also come from display advertising.

Impact on sporting activities

With the introduction of the new gambling system, it can be estimated that there will be a significant increase in sports sponsorship by gambling companies. In Sweden and Denmark, for example, when the gambling market was liberalised, sponsorship focused particularly on nationally significant and internationally significant sports and individual athlethes. The benefits did not apply to all sports nor to teams in the lower leagues. It can be estimated that similarly, the most visible team sports in Finland, individual athletes and possibly individual clubs with an international profile would be the main targets of sports sponsorship by gambling companies. Therefore, it can be estimated that the proposal will have significant effects on the financial position of some sports operators. Presumably, the proceeds from sponsorship do not orientate evenly between different sports, but based on international examples, the proceeds are estimated to be directed towards certain sports as well as the most successful teams and athletes.

4.3.2.3 Situation of households

The proposal can be estimated to have both direct and indirect effects on households.

Economic difficulties and indebtedness are typical gambling related harms. The economic impact of the gambling problem on households is considerable. Typically, a player who is in trouble finances gambling and the resulting shortfall in their finances with several high-interest loans.

The marketing of gambling has a direct link with attitudes, interest and behaviour related to gambling. The liberalisation of the marketing of gambling is estimated to have an impact on the demand for gambling and may potentially increase the demand for gambling, which is declining. For example, experience from system reforms in Denmark and Sweden suggests that gambling consumption could increase as a result of the transition to the licensing system. The increase in demand can be seen to have both direct and indirect effects on the situation of households. Increasing gambling consumption would have a negative impact on households' purchasing power. The increase in the marketing of gambling is likely to have a direct impact on household behaviour and thus may indirectly have significant economic effects. It can be estimated that the proposal will have a significant impact on the financial position of persons suffering from gambling addiction and their loved ones in particular. The effects can be significant, even if they affect only a limited number of people. Loss of money in gambling affects the wellbeing and purchasing power of households both in the case of less severe harms and gambling addiction, and the effects are linked to household income and wealth. Gambling problems and the related indebtedness and possible crimes, such as embezzlement or fraud, can have a negative effect on, for example, studies, employment, housing or the establishment of a family, and the effects can be long-lasting. Close relatives of people experiencing a gambling problem, such as spouses, parents or children, may be financially linked to the gambling problem, for example through loan guarantees, in which case the effects may spread widely.

4.3.3 Other effects on people and society

4.3.3.1 Authorities

Licensing and supervisory authority

According to the proposal, the licensing and supervisory authority under the new Gambling Act would be the Licensing and Supervisory Authority. During the transitional period, the National Police Board would handle the tasks of the authority. As a result of the proposal, the duties of the authorities will change significantly. The reform involve a completely new gambling system and a new set of tasks. There would also be completely new tasks for the authority. The increase in the number of companies entering the market would have a significant impact on the number of tasks of the authority. Tasks are expected to increase significantly. New administrative tasks would include, in particular, tasks related to the processing of licence applications and several supervisory tasks.

A large number of licence applicants are likely to be gambling companies established abroad, which is estimated to have an impact on the nature of licensing and supervision tasks. The fact that Veikkaus Oy's exclusive right would be based on a licence would increase the workload of the competent authority to some extent compared to the situation where the exclusive right is be statutory, as under the current Lotteries Act. As a result of the proposal, the tasks of the supervisory authority would also change as regards IT monitoring. The IT monitoring of licensed gambling activities would be different in nature from the supervision of Veikkaus Oy's exclusive rights activities currently carried out under the Lotteries Act.

The supervisory authority should have sufficient resources to supervise licence holders and operators outside the licensing system. Supervision of the above-mentioned operators would require continuous monitoring.

The number of official tasks related to marketing can be estimated to increase significantly, because the volume of marketing and the number of entities to be supervised can reasonably be expected to increase. The authorities' operations will also be affected by the establishment of companies abroad and related challenges, such as contacting supervised entities. It is expected that the increase in the number of supervised entities will lead to an increase in administrative court proceedings, as has been the case, for example, in Sweden.

In the new gambling system, the Licensing and Supervisory Authority would also be responsible for monitoring compliance with the Money Laundering Act with regard to holders of exclusive licences and gambling licences.

The new tasks of the Licensing and Supervisory Authority would require additional staff as described in section 4.3.2.1. In addition, the training of staff should be ensured as a result of the new tasks. The new gambling system, the increase in supervisory tasks and the tasks related to the proposed new provisions may have an impact on the increase in the supervisory authority’s communication tasks, for example through increased contacts from the media and citizens. Information and advice to licence holders can also be expected to increase considerably from the current level.

The objective of the separate implementation project, set up by the Ministry of Finance in October 2024, is to ensure and implement the orderly transfer of licensing and supervision tasks, the personnel responsible for them and information systems from the National Police Board to the new licensing and supervision authority to be established. One of the tasks of the project is to draw up a more detailed project plan for the organisation and transfer of licensing and supervisory tasks to the competent authority, to plan and submit, in addition to a temporary operating model, a proposal for the organisational structure of the operating unit for licensing and supervisory activities, and to draw up a plan for the location of the function in the receiving organisation. In addition, the task of the project is to prepare functions and information systems compatible with the new Licensing and Supervisory Authority and related procurements. New information systems would be developed for the National Police Board. As the ownership of the systems will be transferred to the new Licensing and Supervisory Authority after the transitional period, the framework conditions related to the enterprise architecture of the new agency will be taken into account in the implementation.

The police

After the proposed transitional period, the National Police Board would no longer be the authority supervising gambling activities. The objective of the separate implementation project is to prepare the implementation of the licence and supervision function so that the National Police Board will have the best possible operational capacity from 1 January 2026 to carry out the new licence tasks under the new Gambling Act, taking into account also the supervisory tasks based on the current provisions of the Lotteries Act. The objective of the project is that, from the beginning of 2026, the National Police Board will have the necessary information systems and a sufficient number of staff as well as other capabilities required for operations so that it can begin to receive and process licence applications. The aim of the project is also to ensure and implement the orderly transfer of licence and supervision tasks as well as the personnel responsible for them and information systems from the National Police Board to the Licensing and Supervisory Authority.

Veikkaus Oy would be responsible for reimbursing the costs incurred by the National Police Board in carrying out supervision duties under the current Lotteries Act. During the

transitional period, the costs arising from official duties under the new Gambling Act falling within the competence of the National Police Board would be covered by budget funds. The resources for the police would be decided in the budget for 2026.

As the supervision of gambling activities moves away from the National Police Board after the transitional period, the police would be involved in ensuring the functionality and reliability of the gambling system, for example by investigating possible offences related to gambling activities. It is therefore proposed that a provision be included in the new Gambling Act, according to which the supervisory authority should report an act or omission referred to in chapter 17, section 16a and section 16b, subsection 1, paragraphs 7 and 8 of the Criminal Code to the police for the purpose of criminal investigation. The notification could be waived in the situations referred to in the provision.

Ministry of the Interior

The Ministry of the Interior is currently responsible for the preparation of gambling legislation. In addition to the preparation of amendments to the Lotteries Act, the Ministry of the Interior has been responsible for the preparation of Government decrees referred to in the Lotteries Act, as well as for the preparation of the Ministry of the Interior's decrees and the adoption of decisions by the Ministry of the Interior. The legislative package concerning gambling activities would change somewhat as a result of the proposal, but there would continue to be a need to prepare regulation at the level of decrees. The Act would no longer include the adoption of administrative decisions on gambling activities by the Ministry of the Interior.

It can be estimated that the nature of the Ministry's tasks will change considerably, as in the future the subject of regulation would be numerous licence holders instead of a single monopoly operator. The proposal is also expected to have an impact on the number of tasks, especially in the early stages of the transition to the new gambling system. Based on the experience of Sweden, for example, the need to monitor the functioning of the new regulation can be estimated to increase in the initial stages. The development of legislation in Sweden has been continuous since 2019, and a number of studies and legislative reforms have been carried out there. However, the increase in the number of tasks is difficult to predict. A number of extensive and significant reforms of the existing Lotteries Act have also been prepared in recent years, as described in section 2.1. In addition, the Ministry of the Interior has prepared a significant number of decree-level regulations and has also issued several administrative decisions concerning gambling activities.

The nature of the Ministry's tasks would also change with regard to the steering of the licensing and supervisory authority, taking into account that the licensing and supervisory activities would be located in the new Licensing and Supervisory Authority. There will also be a number of new tasks for the authority in the future, and the number of tasks of the authority is expected to increase significantly. The Ministry of Finance would be responsible for the general administrative steering of the Licensing and Supervisory Authority. According to the draft government proposal on the establishment of the agency, general administrative steering would concern, for example, the administration of the agency and the normative steering concerning its organisation. The general administrative supervisor would be responsible for the preparation of regulations concerning the cross-sectional organisation and administration of the agency and its activities. The agency would also be steered in their respective sectors by the Ministry of Justice, the Ministry of the Interior, the Ministry of Finance, the Ministry of Education and Culture, the Ministry of Agriculture and Forestry, the Ministry of Economic

Affairs and Employment, the Ministry of Social Affairs and Health and the Ministry of the Environment. Each ministry steering a sector would be responsible, among other things, for preparing the regulations of its sector in accordance with the Government's rules of procedure. In addition, each ministry steering their respective sector would have the power to assign tasks to the agency in matters falling within its own sector and within certain framework conditions. Sector steering would not be the steering of the agency's internal operational activities. There would often be a link between general administrative guidance and sectoral guidance and the related actions would need to be prepared together. Digitalisation and information system projects are an example of activities that would be implemented in practice at the interface between general administrative and sector steering. Provisions on the coordination of the agency's steering would also be laid down in the Act on the Licensing and Supervisory Authority.

Prime Minister's Office

The Prime Minister's Office would be responsible for the ownership steering of Veikkaus Oy. The determination of the licence compensation will increase the workload of the Prime Minister's Office, although the model used to determine the fee is already being reviewed in connection with the preparation of legislation with the European Commission, in which case, by default, the workload required to determine the fee will remain moderate after the legislation enters into force.

Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare

The proposal would ensure that the scope, continuity and resources of the statutory duties of the administrative branch of the Ministry of Social Affairs and Health would correspond to the current level. The funding would be transferred from the current model based on charging costs from Veikkaus Oy to the state budget and part of the General Government Fiscal Plan. The transfer of funding to the state budget may have an impact on the level and permanence of funding. The proposal would also ensure the continuity of anonymous online support services for gambling-related harms by transferring the funding of the service from Veikkaus Oy's direct funding into a system of measures to counter gambling-related harms that is guaranteed by gambling legislation. This is estimated to support the reliability of the service from the customers' point of view and it would function as part of the national cooperation network for gambling harms that supports the wellbeing services counties. This is expected to contribute to supporting the wellbeing services counties in their statutory task of arranging treatment for gambling problems.

The reform would safeguard the possibilities of the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare (THL) to obtain the information necessary for statutory work on gambling-related harms in the same way as under the legislation in force. The reform would not have an impact on the tasks of the administrative branch of the Ministry of Social Affairs and Health. Right of access to information would apply to more operators than under the exclusive system when switching to the licensing model. In the future, the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare would be able to obtain the information necessary for statutory work not only from Veikkaus Oy but also from other gambling operators and the supervisory authority from the register of the authorities. In the future, the transfer of data to the statutory work on gambling-related harms could mainly take place from the register of the authorities if a single common information system were to built for the processing of data from the licensing and supervision register and the register of gambling-related harms. This would reduce the administrative burden on

Veikkaus Oy and licence holders, and also increase the usability of the data, as it would be possible to carry out comprehensive analyses of gambling within the entire gambling system, not just the data of individual gambling operators. The exchange of information between the authorities would be secured, which responds to the need identified in the gambling policy programme to increase cooperation between the authorities in the prevention and reduction of gambling-related harms and to harmonise the knowledge base.

The reform would not affect the relationship of competences between the authorities, but would increase cooperation and promote the exchange of information between the authorities involved in the steering, monitoring and evaluation of the gambling system. The reform would not have an impact on the total costs of the work on gambling harms under the Lotteries Act. The Ministry of Social Affairs and Health currently evaluates the operational framework on a four-year basis. The gambling policy programme guides the work. For the period 2024-2027, the Ministry of Social Affairs and Health has determined the priorities and costs of operations to amount to a maximum of EUR 5 million annually. Funding for the helpline would be transferred from Veikkaus Oy's funding to budget funding. The cost of the service is currently approximately EUR 1 million and, in the future, it is estimateto be EUR 1–1.5 million, due to, among other things, the increased number of customers. This would not have a negative impact on the economy of the state as a whole, as the financing of the service has, in the current model, reduced the amount of money payable to the state by Veikkaus Oy. As regards the current statutory work of the authorities, the costs would, as proposed, be transferred to the general budget resources of the state and would not cause any additional burden on the central government finances as a whole.

In accordance with the current Act, the Ministry of Social Affairs and Health, the Finnish Institute for Health and Welfare (THL) and the supervisory authority form separate data management bodies referred to in the Act on Information Management in Public Administration (906/2019), hereinafter referred to as the '*Information Management Act*'. Data management units have an obligation to organise their own data management in accordance with the law. The obligations include the descriptive obligations of the data management environment laid down in the Act. The Ministry of Social Affairs and Health is responsible for the general planning, steering and supervision of information management in its sector.

The Ministry updates annually the development paths for national information management and steers their implementation. The Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare would continue to process personal data as laid down in the Gambling Act in the implementation of statutory work on gambling-related harms and as laid down in the sections on the disclosure of data and the exchange of information between authorities, data could also be exchanged between them and between the supervisory authority, the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare in order to carry out statutory tasks.

In addition to confidential personal data, the rights to access and exchange of information cover information on the confidential business information of the monopoly Veikkaus Oy and licence operators. According to the legislation in force, the right of access of the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare extends to information covered by Veikkaus Oy's business secrets. The processing of confidential data in assessment work carried out in connection with the Ministry of Social Affairs and Health is restricted only to those individuals who carry out the assessment work. The persons processing the data are familiar with the law and practices in force.

A centralised register of gambling-related harms would make the statutory tasks of the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare related to gambling harms more efficient compared to the current situation. Direct access to game and player data would improve the understanding of the content of the datasets and help to better map out different possibilities, in which case the datasets are likely to be better able to support work on harms. The current practice is that Veikkaus Oy prepares materials for researchers upon request. This efficiency-enhancing effect is further emphasised in the new system considering it may involve possibly dozens of different companies and data sources instead of one operator.

Consumer Disputes Board

It has been estimated in the preparation that the existing recommended decision procedure of the Consumer Disputes Board could be utilised in the handling of individual disputes between players and gambling operators. The Consumer Disputes Board is an out-of-court alternative dispute resolution body operating in the administrative branch of the Ministry of Justice. The Consumer Disputes Board is headed by a full-time chairman. Decision proposals are prepared by the Board's employees and the lawyers' rapporteurs. Cases are decided by sections whose members are part-time and represent consumers and businesses equally. The main disputes are dealt with in plenary sessions. There are 14 sections and three plenary sessions. Their members are appointed by the Ministry of Justice for a term of five years.

Consumer ombudsman

The consumer ombudsman has extensive general powers as guardian of the Consumer Protection Act. In this respect, the consumer ombudsman also supervises the marketing of gambling. The general powers of the Consumer Ombudsman make it possible, if necessary, to intervene in unfair commercial practices and, at national level, also in cases contrary to good practice. Contrary to the current Lotteries Act, the authority supervising gambling activities would no longer be responsible for supervising that the marketing of gambling complies not only with the Gambling Act but also with the provisions of the Consumer Protection Act. Instead of parallel powers, compliance with the provisions of the Consumer Protection Act concerning marketing would in future be monitored only by the Consumer Ombudsman in accordance with the Consumer Protection Act. It is possible that contacts with the Consumer Ombudsman would increase as a result of the entry into the market of a number of new operators engaged in gambling activities and marketing. However, the proposal does not propose that new duties be laid down for the Consumer Ombudsman, nor is the proposal otherwise considered to have significant effects on the activities of the Consumer Ombudsman.

Finnish Competition and Consumer Authority

The proposal does not propose any new tasks for the Finnish Competition and Consumer Authority, but the impact of the proposal is likely to lead to an assessment of competition supervision cases related to the gambling market, such as competition neutrality cases.

Finnish Transport and Communications Agency

The proposal proposes that the supervisory authority could, under section 78 of the Gambling Act, order the administrator or registrar of the domain name register to remove a domain name from the domain name register. According to section 164 of the Act on Electronic

Communications Services (917/2014), the Finnish Transport and Communications Agency maintains a register of domain names ending in a fi-country code and a database of technical information on domain names for the purpose of control of internet traffic. With regard to the domain names in question, the Finnish Transport and Communications Agency would, if necessary, deactivate the domain name by removing it from the domain name register and the fi-root. The exercise of that power would be of last resort and would be appropriate in the absence of other effective means. In other respects, it can also be estimated that the number of removal orders to the Transport and Communications Agency referred to in section 78, subsection 1, paragraph 2 would not be large and, due to the nature of the matter, the proposal is not expected to have any special effects on the workload of the Transport and Communications Agency in this regard.

The technical amendment to section 32 of the Act on Electronic Communications Services proposed in the proposal is not expected to have any impact on the Finnish Transport and Communications Agency. Under this section, the Finnish Transport and Communications Agency may revoke a software licence if the software licence holder has repeatedly and seriously violated the prohibition on the marketing of gambling services offered without a licence required by the Gambling Act.

The Finnish Transport and Communications Agency supervises network operators that are proposed as part of the obligations to remove illegal online content directed at service providers referred to in section 79 of the Gambling Act. These legislative obligations may cause some additional work for the Finnish Transport and Communications Agency, for example in the form of enquiries. However, the Finnish Transport and Communications Agency would not be responsible for supervising the regulation concerning removal orders, which is why the proposal is not expected to have any special effect on the agency.

Administrative Court

Some of the decisions of the licensing and supervisory authority referred to in the Gambling Act could be subject to appeals to the Administrative Court. Such decisions would include decisions on the grant, refusal and revocation of a licence. In addition, a decision made by the supervisory authority on a request for rectification of the supervisory fee could be the subject of a request for review to the Administrative Court. Complaints concerning licences for gambling activities would be a new task for the Administrative Court, as the current Lotteries Act does not contain similar provisions. It is not possible to estimate the number of possible appeal cases in advance. The nature of appeal cases is not considered to be different from other similar cases pending before the Administrative Court.

Supreme Administrative Court

A decision of the Government on compensation payable to the State by the holder of an exclusive licence referred to in section 19 of the Gambling Act could be appealed to the Supreme Administrative Court. According to the proposal, the appeal should be dealt with as a matter of urgency. An exclusive rights operator could be granted two separate licences and would be required to pay compensation per licence. Decisions on compensation would be taken before the entry into force of the exclusive licence. An appeal against three different decisions of the Government could therefore be brought before the Supreme Administrative Court. It would be a new task. The number of cases received by the Supreme Administrative Court in 2023 was around 3 500 and the Supreme Administrative Court resolved around 3 800 cases. At the end of 2023, around 1 800 cases were pending before the Supreme

Administrative Court. While, as regards compensation for an exclusive licence referred to in section 19, appeals could be directed against only three decisions, the handling of appeals and the fact that appeals should be dealt with urgently are not considered to have a material impact on the workload of the Supreme Administrative Court.

In accordance with the current Lotteries Act, it is proposed that the decision of the Market Court on the penalty fee be appealed to the Supreme Administrative Court. An appeal against the decision of the Market Court on a penalty fee would not require leave to appeal. It is not possible to predict the number of appeals to the Supreme Administrative Court, but the total number of appeals is not estimated to be significant, given that the fine is intended to be one of the last-resort means of intervening in illegal activities.

Market Court

The Lotteries Act lays down tasks for the Market Court concerning the imposition of a periodic penalty payment, the imposition of a penalty fee and the handling of a marketing ban. It is proposed that these tasks should continue to be carried out by the Market Court. In addition, the proposal would also introduce some new tasks for the Market Court. The Market Court would impose a penalty fee on a proposal from the supervisory authority and would impose a penalty payment to enforce the prohibition on the operation and marketing of gambling. According to the proposed section 78, a person subject to a decision on removal of unlawful online content and domain names could bring the decision before the Market Court. According to section 104, a prohibition on marketing and operation could also be referred to the Market Court.

With regard to the penalty fee, the supervisory authority would have discretion whether to propose that the Market Court impose a penalty fee. The penalty fee should only be used in cases where the conduct in breach of the Gambling Act shows negligence or intent. It can be estimated that the annual number of proposal to the Market Court would not be significant. However, it is not possible to make precise estimates when the amount depends on, among other things, what kind of preventive effects the provisions included in the proposal would have on marketing in violation of the Gambling Act and how necessary the proposals for imposing a penalty fee would become in practice in the supervisory activities. The Market Court currently handles several different types of penalty fee cases in the order of the Administrative Judicial Procedure Act, which may differ significantly in terms of content and effects on resources.

The resource implications for the Market Court will depend not only on the number of cases to be dealt with, but also on the nature of the cases. It is not possible to assess in advance how things would turn out, as this would be new gambling legislation and partly new tasks. Under the Gambling Act, matters relating to penalty fee proposals should be differentiated from other financial penalty cases in the Market Court and dealt with in different procedural order, which would make the handling of cases more burdensome.

Overall, the number of cases brought before the Market Court under the current Lotteries Act has been low. The number of cases can be expected to increase to some extent as a result of the transition to an licence-based exclusive rights regime. However, the proposal is not expected to have significant resource implications for the Market Court.

Legal Register Centre

The Legal Register Centre would be responsible for the enforcement of both administrative fines and penalty fees. As far as the administrative fine is concerned, this would be a new task. According to the current Lotteries Act, the Legal Register Centre is responsible for the enforcement of the penalty fee. It is not possible to estimate the amount of administrative fines and penalty fees in advance. However, it can be estimated that the penalty fee would not result in such a larger number of tasks for the Legal Register Centre that additional resources would be required.

In connection with the reform of the Lotteries Act which entered into force at the beginning of 2022, several new administrative penalties have been proposed for implementation by the Legal Register Centre in recent years. The Legal Register Centre has about 30 different administrative penalties or infringement fees to be enforced. Regardless of the method of enforcement, each new financial penalty increases the need for personnel work at the Legal Register Centre. In discussions with the Ministry of Justice, it has been agreed that, in connection with each new type of penalty, the amount of additional personnel work resulting from its implementation will be assessed even if the amount of additional personnel work per new type of penalty is limited. When new types of penalties are constantly increasing, it is necessary to assess the need for additional staff work at the Legal Register Centre over a longer period in the performance management process of the Office.

4.3.3.2 Wellbeing and health

Effects on gambling-related harms

It is estimated that the proposal will have various different effects on the harms. The effects on harms can be examined separately in terms of changes targeted at the regulated gambling market and changes targeted at non-regulated offerings and gaming. Key issues in terms of the effects on gambling-related harms are the gambling services offering as a whole and the kind of measures included in packages aimed at preventing and reducing harms.

The link between gambling-related harms and the channelling rate is not unambiguous. The link between them is essentially influenced by the regulatory framework and, in particular, what kind of change in supply and gaming results in changes in the channelling rate. If gambling within the system increases without any reduction in out-of-system gambling, such an improvement in channelling rates cannot be seen to have a positive impact on harms, but rather the opposite. A high channelling rate is only useful from a harm-prevention point of view if the supply within the system is essentially less harmful than supply outside the system and if the amount of gambling within the system remains at a moderate level. Measures to increase the supply of gambling and gambling do not prevent or reduce harms.

The level of harms may be very different with the same channelling rate, depending on other system features and background factors, or the direction of the link may even change. This is particularly likely in the case of a very high channelling rate. The availability of gambling, i.e. the ease with which gambling is accessible, its nature and its playability (accessibility), is crucial in terms of its impact on gambling-related harms. Accessibility includes the visibility and marketing of gambling, exposure to gambling and the elements that make gambling attractive. Age limits, quantitative and temporal restrictions on gambling consumption and the extent to which access is restricted in such a way that gambling requires initiative or activity on the part of the individual also impact access to gambling In online games, accessibility materialises differently than in a physical channel, but the harmful mechanisms are the same. Accessibility also includes social and psychological aspects. Social accessibility refers to the

social acceptability of gambling. Psychological accessibility refers to perceptions of the benefits and harms of gambling. These are formed by the influence of culture and the marketing of the gambling industry. The main gambling variables related to harms and accessibility are the prevalence of gambling (at population level) and the size of the gambling market (measured by gross gaming revenue), and in particular the structure of gambling (which games are played and how gambling consumption is distributed).

If, as a result of the regulatory reform, there is an increasing focus on online gambling in the future and demand is increasingly directed towards fast-paced games with a higher risk of harm, this will almost inevitably lead to an increase in harms, regardless of the channelling rate. Although the prevalence of gambling and the size of the gambling market (measured in terms of gross gaming revenue) has decreased, the harms in Finland have actually increased due to the growth of the most harmful kind of gambling. Gambling consumption has also become more and more concentrated, and players who play a lot and suffer from harms are contributing a larger share of the total gross gaming revenue than before. The proposed changes are estimated to shift gambling to the online channel and higher-risk gambling.

The supply and marketing of gambling can be assessed in the context of the growing licensing system within the gambling system, and the change is mainly targeted at gambling with a high risk of harm. This can be estimated to have an increasing impact on social, health and economic harms. This effect is somewhat reduced by the centralised self-exclusion option and measures to reduce the supply and marketing of gambling outside the regulated system.

With regard to the changes in regulated gambling activities, the change that will negatively affect gambling-related harms compared with the current situation is the removal of restrictions on gambling that cover the entire regulated market, which are currently used in Veikkaus Oy's gambling services. In the future, it will not be obligatory or possible for players to set spending or money transfer limits, or otherwise monitor their gambling behaviour to support the management of gambling so that they cover the entire regulated market. This change is compensated to some extent by the fact that the proposed changes would result in a more comprehensive possibility for players to self-exclude from gambling. As the channelling rate increases, the coverage of self-exclusion by players will increase from the current level. However, self-exclusion and time out cannot be estimated to have the same level of control over gambling and thus the same level of preventive effect on gambling-related harms as consumption limits. Measures aimed at the general population and gamblers to prevent gambling-related harms are the most important tools in the long term. Measures to limit the accessibility, consumption and visibility of gambling can prevent gambling harms from arising. Policy measures are more difficult and less effective in influencing existing harms. Gambling outside the system is known to be largely harmful gambling. In particular, the most effective means of influencing serious gambling harms can be found in corrective work and in the treatment of the gambling problem. The proposed changes can be estimated to increase the need for services for gambling-related harms.

4.3.3.3 Safety

Gambling is a specific economic activity involving very significant amounts of money. Gambling activities and gambling can involve a variety of irregularities and crimes. Crime and gambling can be linked, either directly or indirectly. For example, gambling can be illegally operated and marketed. It is also possible that gambling activities carried out under the Act are in breach of the legislation in different ways. On the other hand, legal gambling offers can be exploited for criminal purposes, such as money laundering, or legal games can

be manipulated: winnings have been sought, for example, by influencing the outcome of betting markets in matches , by hacking gambling sites or by looking for vulnerabilities in gaming machines. On the one hand, a gambling problem can serve as a key motive for crime, for example, by attempting to offset losses caused by problem gambling by property crimes, or property crimes are committed to enable gambling.

The transition to a licensing system and the fact that gambling activities are often carried out by new licence holders can be estimated to have an impact on crime and crime prevention. Certain gambling products are considered to be particularly exposed to the risk of money laundering. Online gambling entails large risks as it involves a very high volume of transactions and does not involve any personal interaction. The use of betting services for money laundering has also been recognised as a significant risk both internationally and nationally. Gambling using crypto-assets can also be considered to involve risks in terms of money laundering. So-called crypto casino activities can also be problematic from the point of view of the legal protection of players. According to the 2023 partial update of the National Risk Assessment of Money Laundering and Terrorist Financing (Ministry of Finance publications 2024:8), the overall risk level of money laundering is significant for the cryptocurrency sector. The use of crypto-assets in gambling is not proposed to be allowed under the new Gambling Act.

The most significant identified risks related to sanctions and freezing decisions in gambling activities are personnel risks, system risks and customer risks. The fact that only natural persons with a Finnish personal identity code and domiciled in mainland Finland can be considered as gambling customers of exclusive licence holders and gambling licence holders in an online channel can be considered to have a mitigating effect on the risk of restrictive measures, so the risk of restrictive measures in gambling activities is not considered very likely at the moment. However, the consequences can be significant when the risk materialises, as the materialisation of the risk may imply both the possibility of money laundering and terrorist financing.

According to the national situational picture of manipulation of competitions prepared under the leadership of FINCIS, the situation with regard to manipulation of competitions in Finland is calm and better than in several neighbouring countries. The reform of the gambling system may entail a risk of increased manipulation of competitions as a result of the increase in the number of betting services operators. Increased supply could also attract organised crime to carry out competition manipulation.

The proposal includes several legislative proposals to detect, prevent and address possible irregularities related to gambling. These include, for example, technical and other supervision of the operation of gambling, auditing the gambling systems, draw equipment and draw procedures used in the operation of gambling, restricting betting markets by legislation, notification and reporting obligations imposed on licence holders, and the obligation to establish procedures for detecting irregularities and enabling the reporting of irregularities. In addition, the proposal contains provisions on the auditor’s duty to notify. The proposal also proposes administrative and criminal sanctions for an unlawful act or omission. Sanctions can be assessed as having both a general deterrent and a specific deterrent effect. All gambling activities would fall within the scope of the Money Laundering Act and the holders of an exclusive licence and a gambling licence would be obliged entities under the Money Laundering Act. The proposal also proposes that possible crypto casino activities taking place in mainland Finland or directed to mainland Finland could be addressed by the authorities.

4.3.3.4 Fundamental rights and human rights

The objectives of the proposal to prevent and reduce gambling-related harms and the measures proposed to achieve the objectives are related to the promotion of rights guaranteed by human rights treaties concerning the economic, social and cultural rights of citizens, such as the right to health, and thus the proposal can be considered to have positive effects on the realisation of these rights. The protection of children and young people from gambling-related harms, in particular, will also have a positive impact on the realisation of children's rights.

In order to achieve the objectives of the proposal, licence holders and authorities would also process sensitive personal data, the processing of which touches on the core of the protection of personal data inherent in private life. When personal data are processed as proposed in the proposal to comply with the regulatory obligation of an authority, the data subject has only limited possibilities to influence the processing of his or her personal data. However, the data subject has the opportunity to exercise his or her rights guaranteed by data protection legislation in order to verify the legality of the processing.

4.3.3.5 Groups of people

As a whole, the proposed changes are estimated to expose the population to the expanding supply and visibility of gambling. In addition, the changes can be estimated to have an accelerating effect on the shift of gambling towards high-risk gambling in the online channel, which in turn is estimated to inevitably increase gambling-related harms.

It can be estimated that the proposed changes will have an increasing impact on gambling-related harms, which would be particularly targeted at young adults, who are known to be a special risk group in terms of the harm caused by gambling, based on research literature. The higher risk of gambling-related harms among young adults can also be seen in the support services. It can also be estimated that gambling-related harms are concentrated in men and in persons in lower socio-economic groups. According to the guarantee decision data produced by the Guarantee Foundation in spring 2024, gambling is more common in younger age groups and especially among men under the age of 30. Gamblers place particular emphasis on unsecured loans, such as consumer credit and payday loans. Indeed, the debts related to these loans are clearly higher for gamblers than for other customers on average. Financial difficulties are common among younger age groups, as they have the opportunity to take out consumer credit and payday loans after the age of 18. Taking out these high-interest loans with short repayment terms can lead to serious financial problems, which can lead to a default entry for young adults.

Young adults between the ages of 18 and 24 are more vulnerable than other age groups to the economic, social and health-related harms caused by gambling. According to studies, regular gambling that started in early adolescence increases the risk of developing gambling problems and substance addictions in adulthood. Online gambling is particularly pronounced for those seeking services that help with gambling problems. 18-24 year-olds are of age, but they are only learning to live independently, sometimes making the wrong choices and thus being particularly vulnerable to gambling-related harms.

The availability and increased supply of fast-paced, high-risk online gambling without adequate harm-preventing restrictions may increase the risk of gambling-related harms, especially among young adults. The proposal does not propose to limit the amount of money spent or lost on gambling for the youngest players or to introduce common spending limits.

Sufficiently low deposit limits or loss limits have been shown to reduce gambling among young adults. It is also known from brain research that the functions regulating the control of emotions, decision-making and risk assessment in the brain are estimated to continue to develop until the age of 25. Measures increasing the supply of gambling services and gambling aimed at maximising the channelling rate will not prevent or reduce the harmful effects of gambling on young people and young adults.

The expanding marketing of gambling and gambling companies, as well as the possibility to sponsor sports clubs, will increase the visibility of gambling and gambling companies both in physical and online environments. Exposure of minors to gambling advertising increases young people's interest in gambling.

The increase in gambling-related harms also has a negative impact on children who are minors and young people as close relatives, as children who are minors and young people experience gambling-related harms through the gambling of their family members and close relatives. According to the Finnish Gambling population urvey 2023, about one fifth of the respondents (approximately 733 000 persons) said that one or more close relatives had been affected by problem gambling. The proportion of respondents with a father, mother or grandparent whose gambling amounted to problem gambling increased compared to 2019.

4.3.3.6 Development of democracy and the rule of law

The proposal does not include proposals on, for example, the right of non-profit organisations to implement small-scale gambling in order to support their activities tax-free or, for example, with a lower licence and supervision fee, in line with Swedish gambling legislation. In this respect, the situation would be in line with the legislation in force, which does not include the right to operate gambling. The proposed Act makes it possible to apply for a gambling licence for a Finnish entity referred to in the Enterprise Act, which also includes non-governmental organisations in the form of associations and foundations. As a result, organisations may also apply for a licence for the operation of gambling in the same way and under the same conditions as other forms of entities. The proposed Act would not contain any provisions on the basis of which, in particular, the operation of gambling by non-governmental organisations could be regarded as activities in the public interest. Under the Lotteries Act, non-profit organisations may organise non-money lotteries and fundraising under the Money Collection Act.

The proposal would enable the marketing of gambling under the conditions laid down by the Act. During the preparation, representatives of the media sector have pointed out that the revenue from gambling marketing supports the operating conditions of domestic media and domestic content production.

4.3.3.7 Åland

As stated in section 2.15, the legislation on lotteries in Åland falls within the legislative competence of the Act on the Autonomy of Åland. Therefore, the proposed new Gambling Act would not be applicable in the region. However, it can be estimated that the Gambling Act is relevant for the region, as the introduction of the licensing system would allow PAF, which is established in the region to apply for a licence in the national territory. Due to the existence of separate gambling systems, PAF does not currently have the right to operate or market gambling in the national territory. The Gambling Act would apply to an operator in Åland that is granted a licence under the Gambling Act.

The Money Laundering Act, on the other hand, is applied in the region. However, the amendments to the Money Laundering Act would not have any impact on Åland, as the proposed technical amendments to the Act would apply to gambling activities in the national territory. However, in connection with the supervision of the Money Laundering Act, a new agreement decree would be issued, as described in section 7.4, because the authority's competence would be transferred from the National Police Board to the Licensing and Supervisory Authority after the transitional period.

Under section 49 of the Act on the Autonomy of Åland, the amount of lottery taxes paid in Åland is refunded annually to the Åland as a tax settlement from state funds. Correspondingly, corporation tax falls within the scope of national legislation, and the amounts of corporation tax levied in Åland are refunded as tax settlement. The tax settlement is carried out annually retrospectively for each tax year. An advance payment is made for the tax settlement amount on a monthly basis, and the advance amount is calculated on the basis of actual taxation in prior years and forecasts. The above-mentioned characteristics would be maintained in the reform.

In the current situation, the amounts of lottery taxes paid in Åland refer to the amounts of lottery taxes paid by PAF in Åland. In practice, lottery taxes paid in Åland have been paid on lotteries operated in Åland on the basis of PAF's exclusive right.

In the reform, gambling services and other lotteries operated on the basis of exclusive rights in Åland would remain in the lottery tax base in the same way as at present. The lottery proceeds on which the lottery tax is based are fairly stable, amounting to approximately EUR 100 million over several years, with the exception of the temporary decrease due to the Covid-19 pandemic. With the current level of lottery proceeds, the amounts of lottery taxes payable in Åland, calculated at the current 12 % lottery tax rate, would be approximately EUR 12 million and at the proposed 22 % tax rate would be approximately EUR 22 million.

As a result of the reform, it would be possible to offer gambling services subject to lottery tax from Åland to be played in the national licence system. In accordance with section 49 of the Act on Autonomy, lottery taxes paid in Åland may also consist of lottery taxes paid under the national licence system. In practice, the issue could be the payment of lottery taxes by licence holders established in Åland who would offer gambling services from Åland to the national territory to be played under the licensing scheme.

Similarly, as a result of the repeal of the tax exemption for gaming companies referred to in section 21c of the Income Tax Act, the corporation tax levied on PAF would be refunded to Åland. In practice, the corporation tax levied is refunded in full to Åland because PAF is exempt from paying municipal tax in Åland under the Municipal Tax Act of Åland (2011:119). Thus, there is no apportionment share to be paid to municipalities in the corporation tax.

PAF remits its profits to Åland for distribution for various non-profit purposes. In general terms, the increase in the rate of the lottery tax and the repeal of the exemption from corporation tax mean that the income remitted by PAF would be reduced by the amounts corresponding to the increased taxes. From the perspective of Åland, the effects of the proposed changes are budget neutral in static examination, as the corresponding amounts would be returned to Åland as a tax settlement.

The amounts of lottery taxes and corporation taxes to be refunded to Åland depend essentially on the gross gaming revenue and profit of the gambling operators (now in practice PAF) who, after the reform, will pay lottery tax in Åland and who are subject to corporation tax in Åland. For Åland, opening up gambling to a competitive market creates new business opportunities for PAF in the national gambling market under the licensing system. Currently, the tax settlement in practice concerns the lottery tax paid by PAF on gambling and other lotteries that PAF runs in Åland on the basis of an exclusive right under regional legislation. However, the future development of the tax base depends significantly on business and commercial factors independent of the reform, and it is not possible to reliably assess the development of the tax base.

According to the Government Programme, the effects of the licence model on Åland and on the funding for the autonomy of Åland will be ensured in collaboration with the Government of Åland.

The relationship between the proposal and the autonomy of Åland is also assessed in section 12.9.

4.3.3.8 Municipalities and wellbeing services counties

The estimated impacts of the proposal that increase the harm caused by gambling would increase the need for gambling harms services and increase the need to invest in the prevention of harms as part of substance abuse prevention. If the gambling involving high-risk gambling and the related harms increase, the need for social and health care services and preventive work in municipalities and wellbeing services counties is also likely to increase. Municipalities and wellbeing services counties are responsible for the prevention of gambling-related harms as part of the statutory duties of substance abuse prevention. Wellbeing services counties are responsible for the support and treatment of gambling problems.

People who have experienced a gambling problem and their loved ones need support and treatment of the gambling problem, and often also other healthcare and social services, due to the harms caused by the gambling problem. In social welfare and health care services there is still insufficient awareness of the gambling problem behind service needs, and there are people using the services due to gambling problems or the harms caused by problem gambling, without the gambling problems being identified as the reason behind the need for the services. Thus, if, in particular, the deeper and more serious gambling harms related to indebtedness increase, i.e. those that are likely to cause diverse needs for social and health care services, the use of services may increase due to, for example, financial problems, mental health problems, challenges for families with children or housing-related issues, in addition to the need for more support and treatment for the gambling problem. As the gambling problem is currently under-identified in the services, any increase in the need for support and treatment would directly target the service system of the wellbeing services counties. Gambling problems can also be part of accumulated problems, such as substance abuse and mental health problems, unemployment or low income, in which case service needs are also very multidimensional.

The prevalence of the gambling problem in Finland is associated with significant regional variation. Gambling problems and the increase in gambling-related harms are likely to burden the service system in different ways in different areas. There are differences between wellbeing services counties in how accessible support and treatment services for gambling problems are and how they are organised. There are also differences between wellbeing

services counties s in terms of overall morbidity and, for example, the age structure of the population, as well as in the ways in which gambling problems occur in the wellbeing services counties. In other words, the gambling problem can burden different wellbeing services counties in different ways, and the welllbeing services counties also have varying resources and investments to promote the identification of the gambling problem in basic services and, on the other hand, to develop services for the treatment of the gambling problem. Wellbeing services counties will continue to need national support for the development of needs-based services.

4.3.3.9 Cross-border effects

The proposal proposes that the exclusivity system be partially abolished and that the gambling system be reformed so that some gambling activities would be opened up to competition on the market. Under the conditions laid down by the Act, it would be possible to obtain a licence for the operation of such gambling. A licence could also be granted to operators established abroad. Based on the experience of Sweden and Denmark, applicants for a licence would presumably be both large international listed companies and smaller local operators. The companies would probably be largely the same as those currently operating in the Swedish and Danish markets. The proposal would promote the free movement of services in the internal market.

5 Other options for implementation

5.1 The options and their impacts

5.1.1 General

In accordance with the Government Programme and the mandate of the project, the premise for the preparation has been the reform of the gambling system to be based on a licence, in which part of the gambling operations would remain the exclusive right of Veikkaus Oy. In this presentation, various models for organising gambling and the related regulatory and steering instruments are assessed on a general level. Due to the premise of the reform set out in the Government Programme, the proposal does not include a more detailed assessment of the development of the exclusivity system or a comprehensive competitive licensing market as a means of achieving the objectives set out in the Government Programme on combating gambling-related harms and improving the channelling rate.

Efforts have been made to assess the implementation options and their impacts with regard to the package of measures included in the project mandate. However, the assessment of the solution options has been influenced by the entries concerning the content of the reform included in the Government Programme. In addition, the target schedule set for the reform in the Government Programme has had an impact on the possibilities to assess the solution options or their impacts. For these reasons, the proposal has not been able to fully justify, on the basis of the estimated impacts of the solution options, why the objectives are not considered to be achieved equally well by the alternatives as by the proposed option.

Below, the aim is to describe alternative regulatory packages on a general level, particularly from the perspective of the system reform and the objectives of the Government Programme. The outcomes included in the review are the amount of gambling-related harms and the channelling rate of the system. Channelling rate refers to the proportion of all gambling consumption in Finland that is targeted within the system. Only indicative estimates can be

made of the amount of gambling outside the system in terms of the amount in euro. The effects of the outcomes will be assessed compared to the current situation and the reform objectives presented in the Government Programme, i.e. preventing and reducing gambling-related harms and improving the channelling rate. The regulatory areas included in the assessments are marketing, operation, combating external supply, and taxes and licence fees.

For the sake of simplicity, the underlying assumption of the estimates is equal weight for both the impact and the outcome of each regulatory area. This is unlikely to fully reflect the reality, at least in terms of the impact of regulatory elements, but will provide sufficient precision on the impact of different regulatory options and their combinations in relation to the objectives pursued. It is not sensible or even possible to take into account in detail the internal details of the different entities in the analyses described (for example, the details of the regulation of operation, such as alternative upper limits for consumption limits and different restrictions on the characteristics of gambling services or marketing). However, the assessments have sought to take into account the interrelationships between the different areas; the impact of different regulatory factors on outcomes also depends on the level of regulation of other elements of the package.

The following sections describe and explain in more detail the main impact mechanisms used in the assessments, as well as the methods used to measure effectts, regulatory levels and outcomes.

Regulatory areas and levels (3 categories):

- Marketing: permissive (more liberal marketing than currently), moderate(current restrictions), restrictive (more restricted marketing)

- Operation: permissive (fewer restrictions than the current system), moderate (current restrictions), restrictive (similar restrictions as at present and consumption limits, time out and self-exclusion for all licence holders collectively, centralised gambling management register)

- Combating the supply outside the regulated gambling system: weak (with few blocking measures), moderate (with existing blocking measures), effective (with existing blocking measures and website traffic blocking and warning texts)

- Taxation and licence fees: low (e.g. <20 % of gross gaming revenue), moderate (20–30 %), high (>30 %)

Expected links in the impact assessments of regulatory sub-areas:

Direct links:

- *Marketing – harms:* More permissive marketing increases gambling (population share and consumption) and thus harms. In the case of those who have already experienced gambling-related harms, the harms may be further exacerbated, especially in the case of an increase in the visibility and gambling involving the gambling services known to be most harmful.

- *Marketing – channelling rate:* More permissive marketing increases the benefits of the licence (visibility) and thus increases the incentives to obtain a licence. This, in

turn, increases the channelling rate, not only by moving gambling to within the system, but also by creating new demand and increasing gambling overall.

- *Operation – harms:* More permissible operation will increase gambling and thus harms.

- *Operation – channelling:* Permissible operation increases the benefits of the licence (possible profits) and thus increases the incentives to obtain a licence. This, in turn, increases the channelling rate, not only by moving gambling to within the system, but also by creating new demand and increasing gambling.

- *Combating supply outside the gambling system – harms:* Preventing supply from outside the system reduces the accessibility of gambling and prevents and reduces gambling-related harms (percentage of those who experience harm higher among players outside the system).

- *Combating supply outside the gambling system – channelling rate:* Effectively tackling supply outside the system directly improves the channelling rate, either by eliminating this supply altogether or by moving it within the system.

- *Taxation – harms:* Taxation does not have a significant or clear direct impact on gambling-related harms.

- *Taxation – channelling rate:* Lower levels of taxation and the level of licence fees increase the benefits (revenues) for companies to obtain a licence and thus increase the incentives to obtain a licence, which in turn improves the channelling rate.

Indirect links:

- *Combating supply outside the gambling system and other regulatory means:* The main factor influencing the effectiveness of other regulatory packages is the fight against external supply. If efforts are not made to combat supply outside the system, this will reduce the effectiveness of other regulatory means, and the objectives of the Government Programme and the system reform are unlikely to be achieved. If the system as a whole is very permissive and only restricts gambling activities to a minimal degree, then the prevention of external supply will have little impact on the channelling rate or the harms, as the companies are in any case prepared to participate in the licensing system. This will inevitably lead to an increase in gambling-related harms.

- *Marketing – operation:* The impact of marketing regulation on the channelling rate and harms depends on the regulation of operation, and vice versa. In the short term, stricter regulation of operation is likely to have a more significant impact than regulation of marketing. On the other hand, even if operation is strictly regulated, the increase in marketing and visibility is likely to have a major impact on the gambling culture and the acceptability of gambling in the longer term (‘normalise’ gambling). If the regulation of both is strict, it will have the most significant preventive and decreasing effect on gambling. However, that effect also depends, in part, on the effectiveness of the fight against gambling offers outside the regulated system. The fight against gambling-related harms cannot be seen as effective if gambling moves

outside the system towards unregulated offerings. In this case, the harms and the channelling rate can be seen to be negatively linked.

Methods for measuring the strength of the links used in the assessment:

Link between regulation and individual outcome (number of harms, channelling rate):

= significant improvement compared to the current situation

= improvement compared to the current situation

= no effect on the current situation

= deterioration compared to the current situation

= significant deterioration compared to the current situation

Finally, a weighted average is formed of these effects of the different sub-areas (the calculations now assume equal weightings for all entities, but alternatively different weightings can also be used).

Different regulatory packages and their impact assessments:

Package 1.

	Marketing	**Operation**	**Combating external supply**	**Taxation and licence fees**	**Overall impact**
Regula-tory level	Permissible	Permissible	Weak	Low	
Effects on chan-nelling					
Effects on harms					

The total gambling of Finns will increase significantly compared to the current situation, gambling will increase within the system and probably also in the market outside the system. This option is likely to significantly increase gambling-related harms and associated costs. The effect on channelling may be slightly positive. Of the examined packages, the option is

the worst in terms of gambling-related harms. This option reflects the fact that it cannot be assumed that there is a direct link between the channelling rate and harms.

Package 2.

	Marketing	Operation	Combating external supply	Taxation and licence fees	Overall impact
Regulatory level	Permissible	Permissible	Effective	Low	
Effects on channelling					
Effects on harms					

The total amount of gambling in Finland, especially within the gambling system, will grow significantly. Gambling outside the system will decrease drastically from the current level. Combating external supply has little effect on harms, because the system is otherwise very permissive and gambling within the system increases a lot as a proportion. In addition, the system involves low costs for companies, which increases incentives to obtain a licence. The option is the best in terms of channelling rate, but one of the worst in terms of gambling-related harms. From the point of view of gambling-related harms, this option would be a clear deterioration compared to the current situation.

Package 3.

	Marketing	Operation	Combating external supply	Taxation and licence fees	Overall impact
Regulatory level	Permissible	Permissible	Effective	High	

Effects on channelling					
Effects on harms					

High taxation can hardly be expected to have any impact on the channelling rate if other regulations are permissive and the fight against external supply is effective. The total amount of gambling in Finland within the gambling system will increase significantly and the amount of gambling outside the system will decrease clearly from the current level in this regulatory model, but the harms resulting from gambling and related costs will increase compared to the current situation.

Package 4.

	Marketing	**Operation**	**Combating external supply**	**Taxation and licence fees**	**Overall impact**
Regulatory level	Restrictive	Restrictive	Effective	High	
Effects on channelling					
Effects on harms					

Other regulatory packages will have less impact on channelling if the fight against gambling supply outside the system is effective. In this case, is not as easy and free to offer gambling services from outside the system to the Finnish market. In this case, it is less profitable for gambling companies to remain outside the system. High taxation is likely to have a slightly negative impact on channelling, reducing incentives for companies to participate in the licensing system in addition to the strict internal regulation of the system. This option is likely to be very positive in terms of gambling-related harms. The option is also likely to represent an improvement in the channelling rate compared to the current situation. Of all the options presented, this package is likely to be the best one for achieving the objectives of the reform.

Package 5.

	Marketing	Operation	Combating external supply	Taxation and licence fees	Overall impact
Regula-tory level	Restrictive	Restrictive	Weak	High	
Effects on chan-nelling					
Effects on harms					

Under this option, the fight against gambling offers outside the system is not effective, so high taxation also has a greater negative impact on channelling and gambling-related harms compared to an effective fight against the gambling offer outside the system. In this case, strict and restrictive regulation within the system may also increase gambling-related harms as gambling moves more outside the system. This is the worst of all the options presented in terms of the objectives of society and system reform. This is the result of an even more liberalised and less well-governed market outside the system that is likely to emerge under this alternative, rendering other regulatory instruments of the system less effective and, to some extent, turning the effects into negative ones in terms of objectives.

Package 6.

	Marketing	Operation	Combating external supply	Taxation and licence fees	Overall impact
Regula-tory level	Permissible	Restrictive	Effective	Low	
Effects on chan-nelling					

Effects on harms					

This option allows for more marketing, but imposes the strictest restrictions on operation. In this case, marketing does not have as much impact on harms as in the case of more permissive operation. These two divergent effects are also likely to offset the effects on channelling and government revenues. Another key element of this option is the fight against gambling outside the system, which is now assumed to be effective, i.e. there would be no significant gambling outside the system in this model. The channelling effect is also supported by the fact that effective prevention of gambling outside the system is combined with low taxation. Gambling as a whole will decrease somewhat compared to the current situation and will be oriented relatively more inside the system, improving the channelling rate.

Package 7.

	Marketing	**Operation**	**Combating external supply**	**Taxation and licence fees**	**Overall impact**
Regula-tory level	Permissible	Restrictive	Effective	Moderate	
Effects on chan-nelling					
Effects on harms					

This option is almost identical to the previous package 6, but now assumes a moderate level of taxation. Combating the supply outside the gambling system is assumed to be at a high level, so if companies want to offer their gambling to Finns, they must accept higher taxation. This difference is expected to have no impact on gambling-related harms, but it may slightly reduce the channelling rate. Government revenue, which has not been assessed here, is likely to have a slightly positive impact.

Summary of the regulatory package options:

When comparing the various regulatory options, combating gambling offers outside the system is the key issue, the effective implementation of which can support both the prevention

and reduction of gambling-related harms and the improvement of the channelling rate. Tackling supply outside the system is an effective and cost-effective way to improve the channelling rate. From the point of view of harm prevention, more restrictive regulation of marketing and operation within the system, combined with effective prevention of supply outside the system, offers the best result from the point of view of the objectives.

The introduction of the licensing system itself already has some effect on improving the channelling rate, which has not been taken into account here. As a result, the effects may be more positive in all options than described here. From the point of view of gambling-related harms, moving to a licensing system does not in itself improve the situation and reduce harms, and improving the prevention and reduction of harms from the current level would also require measures to reduce problem gambling within the system.

It should also be noted that these estimates contain certain uncertainties, the magnitude of which cannot be accurately estimated, as for example no precise (causal) research evidence on the different regulatory measures or their combined effect is available. This also applies to the link between the channelling rate and gambling-related harms. The opportunities to make careful assessments have also been affected by the target schedule set for the reform in the Government Programme.

5.1.2 System-level options and their effects

The regulation of gambling activities focuses, on the one hand, on the general method of organising gambling, i.e. on the system level, and, on the other hand, on gambling activities in more detail. Some of the regulatory and steering instruments for gambling activities that pursue the objectives of gambling policy are linked to the level of the gambling system, while others are available regardless of the model of the system. A gambling system may be based on an exclusive right, a licence or a combination of the two, in which part of the gambling activity is subject to a licence and part of the activity is organised under an exclusive model. The exclusive model may be implemented either on a statutory basis by enacting an act on an operator operating gambling activities on an exclusive basis or on a licence basis by granting a fixed-term licence to operate gambling activities on an exclusive basis. The systems also differ in terms of whether the state is involved in gambling activities in the role of owner and owner-manager, or whether gambling activities are private business, or organised in some other way (for example, non-profit organisations as organisers of gambling activities).

The organisational model affects the means by which it is possible to pursue the objectives set for gambling policy. In Finland, the main objective of gambling policy has been to prevent and reduce the social, economic and health-related harma caused by gambling. In addition, the protection and legal protection of consumers and the fight against crime and other abuses are key objectives. In accordance with the case-law of the Court of Justice of the European Union, on the other hand, revenues accruing to the state from gambling activities have only been regarded as a favourable ancillary consequence of policy. The channelling rate of the gambling system can also be seen as an objective of gambling policy. However, the channelling rate does not in itself determine the ability of the system to counter harms or bring revenue to the state.

More relevant from the perspective of harm prevention and reduction than the system is how gambling activities are managed and regulated in society as a whole in order to achieve the objectives and how systemic issues are taken into account in the practical implementation of gambling policy. Gambling-related harms in society are also related to a larger entity than the

direct regulation of gambling supply and the system model. Prevention of gambling-related harms is, for example, part of work on substance abuse prevention, and gambling-related harms are reduced as part of the service system. The climate in terms of of attitudes and the normalisation of gambling also affect the prevalence of gambling-related harms. In the light of current knowledge, regulation of supply is the most effective way to prevent gambling-related harms. The offer includes offers both inside and outside the gambling system. The provision of gambling services outside the system is a challenge for licence-based and exclusivity systems alike.

Comparing gambling systems is hampered by significant differences in the operation of gambling systems, including between seemingly similar systems and societies. The digitalisation of gambling and changing gambling cultures make comparison more difficult, because the appropriate means for achieving the goals change as the surrounding reality changes. With the advent of digitalisation, for example, supply outside the system is increasingly present and must be taken into account in regulatory solutions.

Changes in the operating environment will also change the appropriate range of means, system-level opportunities and challenges when pursuing a gambling policy that is in line with the objectives. This makes it difficult to compare and study at system level, and there is little research data available to allow for an up-to-date comparison at system level. A systematic literature review published in 2021 attempted to compare the different systems with regard to harms (Marionneau, V., Egerer, M., & Nikkinen, J. (2021): How do state gambling monopolies affect levels of gambling harm? Current Addiction Reports, https://doi.org/10.1007/s40429-021-00370-y) According to the review, in practice there are no significant differences between an exclusive right system and a licensing system in terms of the prevalence of harms. In exclusivity regimes, the level of problem gambling and overall consumption appeared to be slightly lower than in licensing regimes, while in licensing regimes social conflicts of interest appeared to be less common.

The main difference between licensing systems and exclusivity-based systems is related to the kind of steering instruments that can be used for gambling activities in the system. According to the case-law of the Court of Justice of the European Union, an exclusivity system under the strict control of the public authorities can be an effective means of controlling the risks associated with gambling. In addition to legislative steering, the possibility of strict supervision covers regulation in a broad sense, including, in the Finnish context, ownership steering, regulatory supervision and other official steering of a state-owned special assignment company. A Finnish study (THL) shows that this potential has been utilised in recent years, which has strengthened the public health perspective in gambling policy. In the light of research data, society's dependence on gambling revenue has been one of the reasons why there has been no desire to take advantage of the possibilities of the exclusivity system to restrict, for example, the availability of gambling.

A comparison can be seen in alcohol policy research, where earlier research evidence on the effects of the monopoly model can also be found (Room 2020). In terms of alcohol policy, the study has estimated that the Nordic countries have been able to make effective use of the exclusivity system's ability to strictly control access in order to prevent harms. The study also found that an exclusive right can only function as a public health instrument if harm prevention objectives take precedence over return objectives in practical policy. However, the study on alcohol policy and the conclusions drawn from it are not directly applicable as such when assessing which system would be most effective in achieving gambling policy objectives. Due to the popularity of online gambling, the effective maintenance of exclusivity

is considerably more difficult or requires at least a very different range of means than in the retail sale of alcohol.

When comparing the systems and their practical implementation, it must be taken into account that the opportunities related to the prevention of harms are not realised automatically, but require active utilisation in practical implementation. The same applies to the risks of harms. In the transition to the licensing system, legislative steering will play an increasingly important role in the steering of gambling activities. This means a smaller selection of steering methods and, in part, a slower chance of change. If the proposed changes would also lead to changes in Veikkaus Oy's ownership, these changes in influence would also extend to the activities that remain under the exclusive right and to the steering of Veikkaus Oy.

In addition to the possibilities for restricting competition and access, one of the advantages of the exclusivity model in countering harms is the limited number of supervised and steered entities. Under the current model of exclusivity, there is only one supervised entity, which enables the above-mentioned strict control powers to be exercised in a cost-effective manner.

The gambling organisation model also has an impact on the risks related to gambling harms. The study has shown that conflicts of interest may endanger the implementation of the system from the point of view of harm prevention, especially in monopoly systems, and linking the use of Veikkaus Oy's proceeds to certain uses defined in the Lotteries Act has been seen in the Finnish model as a challenge for preventing and reducing harms caused by gambling (V. Marionneau & J. Nikkinen: Stakeholder Interests in Gambling Revenue: an obstacle to public health interventions? Public Health 184, pp. 102-106. In Finland, efforts have been made to reduce this risk in the exclusive rights system by abandoning the statutory uses of Veikkaus Oy's proceeds and transferring the proceeds to the general state budget with effect from the beginning of 2024.

The advantage of licence-based schemes is that it is in principle easier for the share of all gambling consumption within the scheme, i.e. the so-called channelling rate, to achieve at a high level, since operators interested in the market have the possibility to apply for a licence if they fulfil the conditions for the grant of a licence. However, there is supply outside the system in all gambling systems. The proportion of gambling within the system of all gambling does not necessarily reflect the system's ability to counteract harms. A very high channelling rate in the licensing system can be achieved by reducing regulation restricting gambling activities to a minimum and by making it as attractive as possible for operators to obtain a licence through, for example, light taxation, supervision and guidance. However, such policies have a strong effect of increasing the risks of harms. Effective prevention of gambling-related harms requires sufficiently strict regulation of gambling activities, which inevitably has an impact on the attractiveness of the market for potential licence operators and, consequently, a weakening effect on the channelling rate.

The channelling rate may also decrease due to a decrease in the prevalence of gambling and the amount of money consumed at the population level. Cultural change, which reduces gambling, may target a larger number of occasional gamblers more strongly than a smaller group of active gamblers and gamblers whose gambling outside the system is more frequent than the average. In this case, the share of the regulated market of the total market may decrease. A reduction in the channelling rate through such a mechanism will not have a negative impact on gambling-related harms.

From the point of view of harm prevention, it is advantageous for regulation to cover as much of the market as possible, but this requires regulation to be sufficiently restrictive. If the aim is to achieve a high channelling rate by increasing the overall availability of gambling, the harms will increase. In terms of harm prevention, the key is the availability and accessibility of gambling, not the channelling rate. Combining a high channelling rate with effective harm prevention requires that the gambling system sufficiently limits access to gambling, both within and outside the system. This need is emphasised especially in the case of high-risk gambling and the digitalisation of the market, as offerings outside the system are mainly present in the digital market.

New information on the development of the Norwegian exclusivity system challenges the familiar understanding of the superiority of the licensing system from the perspective of the channelling of gambling. The Norwegian examples are recent, but show that it is possible to increase the channelling rate by limiting the availability of gambling both within and outside the system at the same time, and that this is also possible under the exclusivity system. However, the Norwegian channelling rate is, according to the Norwegian Gambling Authority[45] and the consultancy company H2GC, at a significantly lower level than in Sweden and Denmark, which have switched to the licensing system. The number of gambling problems and gambling at risk level is estimated to have decreased in Norway[46] in recent years. The number of gambling problems is estimated to have halved between 2019 and 2023. The proportion of the population with gambling problems has now returned to around the level of 2015[47]. However, it is not known for sure whether the reduction in gambling harms can be explained by the gambling policy implemented in Norway in recent years.

In Finland, the exclusivity system has been developed in line with the Norwegian model in previous amendments to the Lotteries Act. In order to limit the availability of gambling outside the system, blocking of payment transactions was introduced in Finland at the beginning of 2023. The measure is not system-specific, nor are other measures directly targeted at restricting gambling outside the system. In connection with the decision of the Helsinki Administrative Court of 19 February 2024 (967/2024), in which it rejected BML Group Ltd's appeal against the National Police Board's ban on the marketing of gambling and the EUR 2.4 million penalty payment imposed to enforce the ban, the National Police Board considered that the decision confirmed the view that illegal activities could be effectively addressed in the current system. As stated above, Veikkaus Oy's market share in the digital channel has increased slightly (three percentage points) since the changes, which may be partly related to this. An appeal against the decision of the Administrative Court has been lodged with the Supreme Administrative Court, which on 28 March 2024 prohibited the enforcement of the decisions of the National Police Board and the Administrative Court. As regards the effectiveness of regulation on blocking payment transactions, the supervisory work has in practice shown that attempts have been made to circumvent blocking through mergers and acquisitions, which means that the blocking measures cannot be implemented in

[45] Lotteri- og stiftelestilsynet (2024). Ansvarlegheit og kanalisering hos Norsk Tipping og Norsk Rikstoto. Lotteritilsynets rapport, March 2024. Available at: https://lottstift.no/content/uploads/2024/04/Rapport_Kulturdepartementet_mars_2023_UUweb_v2.pdf.

[46] Pallesen, S., Mentzoni, R., Syvertsen, A., Kristensen, J., Erevik, E. & Morken, A. (2023). Omfang av penge- og dataspillproblemer i Norge 2022. Universitetet i Bergen, May 2023. Available at: https://lottstift.no/content/uploads/2023/06/Omfang-av-Penge-og-dataspillproblemer-i-Norge-2022.pdf.

[47] see Pallesen, S., Molde, H., Mentzoni, R., Hanss, D. & Morken, A. (2016). Omfang av penge- og dataspillproblemer i Norge 2015. Universitetet i Bergen, April 2016. Available at: https://lottstift.no/content/uploads/2021/05/WEB-Rapport_befolkningsundersokelsen.pdf.

practice. The operating model in which a gambling company transfers its operations from a blocked company to a sister company or subsidiary of the company in question has proved to be particularly problematic.

The most recent reports on the development of gambling policy have not yet been able to make use of even preliminary assessments of the current situation in the system following the amendments made to the Lotteries Act in recent years. The preliminary study published in spring 2023 and the FCCA's report both emphasise the need to develop the gambling system, but at the same time identify risks related to gambling harms in the transition to the licensing system or partial licensing system. The risks identified relate in particular to the increased availability of high-risk games and, through marketing, to the increased visibility of these games. According to expert estimates by the Finnish Institute for Health and Welfare (THL), the system change would probably speed up the transition from low-risk games to high-risk games, and if the number of players of high-risk games increases, it is possible that the number of people experiencing serious gambling problems and in need of support and care would also increase.

A wide range of views have been expressed in Finland on the need to develop the existing gambling system. On the other hand, there has been no consensus on how to achieve this, and views on appropriate means have varied, particularly with regard to the effects associated with gambling-related harms. On the other hand, it has also been seen that a number of measures have already been taken to develop the gambling system, the effects of which should be assessed and taken into account before a decision can be reached on the possible new development measures needed to achieve the objectives of gambling policy. The Finnish Gambling population survey published by the Finnish Institute for Health and Welfare in April 2024 sheds light on the current situation. According to the study, fewer and fewer people are gamblers, but at the same time gambling problems have increased and the percentage of players who gamble a lot is high and seems to be on the rise. Gambling involving foreign online gambling services has not become more common in recent years, but is now significantly more common than, for example, in the early 2010s. According to the preliminary results, the change in harms is not reduced to the supply outside the system, but the results highlight that there are several factors behind the change.

The change in the harmful effects of gambling observed in the population survey is related in time to the change in the availability of high-risk gambling. This is partly reflected in gambling consumption. Individual gamblers do not necessarily switch to an electronic channel in large numbers as offers are concentrated online, but gambling consumption is increasingly taking place in an electronic channel that increases the risk of harms and involving gambling products with a higher risk of harm for those who, despite cultural change, continue to gamble. It is likely that these factors contribute to explaining that while the total number of gamblers at the population level is decreasing, gambling-related harms have increased. One of the determinants of the effects of the system reform on harms is the extent to which the system reform may accelerate this development. It appears that the system change would strengthen the supply and availability of high-risk gambling services in the online channel.

The preliminary study prepared in support of the government discussions estimated that the licensing system is better equipped than the exclusivity system to prevent the harms caused by online gambling and to achieve a higher channelling rate than the current system or the option based on its development. On the other hand, the preliminary study estimated that in the licensing system the supply of high-risk online gambling services would increase, and serious

gambling-related harms and indebtedness could increase, which in turn would, for example, burden the social welfare and health care service system.

The FCCA's report, on the other hand, estimated that there is a need to develop regulation compared with the current situation. However, the report concluded that the analysis presented in the report does not allow any conclusions to be drawn on how the system and regulation should be developed. The report estimates that switching to a licensing system could, for example, bring a larger share of internet gambling within the scope of national regulation, but that this can also be achieved through measures to strengthen the exclusivity system. (Karjalainen et al.: Research Reports of the Finnish Competition and Consumer Authority 3/2023).

From the point of view of the so-called favourable ancillary effect of the current gambling system, i.e. state revenue, the differences at the system level from the point of view of direct revenue are significant. In Finland's current gambling system, Veikkaus Oy is a wholly state-owned company and, in addition to the lottery tax, it remits its entire income to the State. As regards the licensed market, the State’s revenue recognition would be based on taxation, dividends paid by Veikkaus Oy to the State and compensation paid to the State for the exclusive right. For the central government, the share of recognised revenue depends on the level of these, but the share in relation to gross gaming revenue is significantly smaller compared to the current exclusivity model. In addition, the system maintenance costs in the market based on licensing are significantly higher. An alternative implementation method based on the development of the channelling capacity of the exclusive right model would probably be the most advantageous option from the point of view of revenue to the state from gambling activities, if it could be implemented efficiently. From the point of view of revenue recognition, the option of not making any changes would probably be roughly as good a solution compared to the transition to the licensing system. According to Veikkaus Oy's annual and sustainability report for 2023, its market share in the digital gambling market increased by three percentage points in 2023. It is estimated that the changes made to the Lotteries Act during the previous government term, which were intended to combat the availability of gambling outside the system, will contribute to the change. The activity of unauthorised gambling providers in the market depends on the implementation of these changes. The above-mentioned Helsinki Administrative Court decision of 19 February 2024, in which it rejected the appeal against the National Police Board’s prohibition decision, is considered to have had an effective effect. An appeal against the decision of the Administrative Court has been lodged with the Supreme Administrative Court. According to Veikkaus Oy's interim report for 2024, the company's share of the entire Finnish digital gambling market decreased by two percentage points during the review period.

From the point of view of central government revenue, the proposed operating model based on a gambling licence system is estimated to have a positive effect in relation to the alternative implementation options presented if the size of the gambling market would increase significantly and the channelling rate would be high. Section 4.1.2 discusses the budgetary implications of the reform. A significant increase in the size of the gambling market would have detrimental effects on gambling-related harms at the population level and would increase the risk of serious gambling-related harms. Given the downward trend in the share of the population that gambles, a significant increase in the size of the gambling market would be unlikely without enabling the operation of gambling to promote gambling. In addition, when assessing the impact on central government revenue, the likely alternative is that Veikkaus Oy's market share will decrease in the online gambling market as a result of the entry of several legal operators into the market. These estimates do not take into account the possibility

that Veikkaus Oy would not be a fully state-owned limited liability company in the future. In a short-term perspective, the proceeds from the sale of Veikkaus Oy's ownership would have the effect of increasing central government revenue, but this in turn would reduce the central government's dividend income from Veikkaus Oy in the longer term.

5.1.3 Forms of gambling services to be included in the licence system and Veikkaus Oy's exclusive right

The comprehensiveness of the licence system has been assessed in the preparation. According to the Government Programme, the licensing system would in principle cover online casino games and online betting services. The Government Programme does not include an entry on which gambling services would continue to be operated by Veikkaus Oy under an exclusive right. Similarly, the wording of the Government Programme on the principles of which gambling services are to be covered by the licensing system left matters to be assessed in the preparation, such as whether to include pools in gambling services offered under an exclusive right or in gambling services offered under a licence, and which system of operation of gambling would apply to online money bingo services. The status of virtual betting based on draws illustrated by animation in the new gambling system has also been assessed in the preparation. In addition, the preparation has assessed whether the licensing system allows betting services to be offered not only in an electronic sales channel but also in a physical sales channel by means of the licence holder's own sites or through agent sales. In addition, legislative implementation options for the forms of gambling services that remain exclusive to Veikkaus Oy have been assessed in the preparation.

The question of whether to include pools in gambling services offered on an exclusive basis or in the system based on licensing has been assessed from the perspective of the objectives set for the reform and taking into account the entry on ensuring the operating conditions of horse management in the Government Programme. According to the Suomen Hippos organisation for trotting and horse breeding, the inclusion of pools in the competitive licensing system could ensure, over a long period of time, an increase in the attractiveness of horse racing and the positive development of international horse racing and sports. In 2022, Veikkaus Oy's total pools gross gaming revenue decreased by about nine per cent, and the relative share of pools of Veikkaus Oy's total gambling fell to about five per cent. Gambling involving pools is expected to decrease in the exclusivity system. In the new gambling system, it would be somewhat inconsistent to distinguish horse-based betting from other forms of betting. On the other hand, it can be noted that the channelling rate for pools services offered by Veikkaus Oy under an exclusive right is currently very high and the level of gambling involving pools services on sites outside the system is low. The opening up of pools to a competitive market could thus mean an increase in the marketing of pools, so that Finns would find new offerings and operators. From the point of view of combating gambling-related harms, it is not, in principle, appropriate to increase competition where it does not already exist. On the other hand, when looking at the overall impact of the reform of the gambling system, the inclusion of pools in a competitive licensing market as part of other forms of betting is not considered to pose a particular risk from the point of view of combating the harmful effects of gambling. During the preparation, however, it has been considered that the proposed gambling services involving horse racing based on a gambling licence, the possibility of international cooperation in the operation of gambling, as well as marketing and sponsorship would support the competitiveness of horse racing and increase the attractiveness of horse racing. The proposal would enable operators in the equestrian sector to finance their own gambling activities and the equestrian sector with the proceeds from gambling activities as part of other overall funding for the equestrian sector, including racetrack and competition activities.

In the preparation of online money bingo services, the position of this gambling service in the new gambling system has been assessed from the perspective of the objectives of the reform. From the point of view of gambling-related harms, it might not be appropriate to increase competition for gambling products where there is little competition. On the other hand, including online bingo services within the scope of the licensing system would reduce its supply in markets outside the system, but could at the same time increase its marketing to Finns. From the point of view of the objectives and consistency of the Act, the evaluation has concluded that it is justified to include online money bingo in the licensing system. Leaving this gambling service within the exclusive system can be considered incompatible with the aim of channelling, as it is a widely offered and competitive form of gambling. In Sweden and Denmark, online bingo is subject to a licensing system and non-exclusive operators offer this type of gambling. Swedish legislation contains a definition of online bingo games. In Denmark, the game has been incorporated in legislation into the form of online casino games. The inclusion of the game in the competitive licensing system has required a definition of the game.

In the preparation of virtual betting, the gaming features of virtual betting have been examined. Unlike real-world betting, in virtual betting, the skill and knowledge of the player is not relevant to the outcome of the game, but the determination of the win is based on a draw. In virtual betting, the betting results of the markets are visualised to the player in the form of animation or video clips, or a combination of both. However, these are not relevant for determining the outcome of the game, although depending on the method of implementation, real data from completed matches can also be used for the events of the competition. In the reference countries, virtual betting is included in the licence granted for betting. It has been estimated in the preparation that the inclusion of virtual betting in the competitive licensing market is justified on the basis of the features of the game. The inclusion of the game in the competitive licensing system has required a definition of the game.

The question of the permissibility of the operation of betting services in a physical sales channel has been assessed from the perspective of gambling-related harms and the channelling objective, taking also into account legal aspects. From the point of view of the channelling objective, it has not been considered necessary to allow a physical sales channel for betting, since there is no competition in this regard. Allowing licence holders to have a physical sales channel has been estimated to increase the visibility of gambling, which is problematic from the perspective of gambling harms, and to significantly increase the need for resources to supervise the physical channel. In addition, the provisions impose a number of obligations in gambling operators that are directly visible in the activities of agents. This has been estimated to significantly increase the administrative burden for both supervision and operators. However, it has been assessed in the preparatory work that it would not be appropriate to limit the competitive licensing market to online betting services only, since the games in question and those offered at physical points of sale are the same games, the difference between which relates solely to the channel through which the games are sold. Based on an international comparison, it is common for a physical sales channel to be included in a competitive licensing market.

In order to raise funds for non-profit activities, non-profit operators have proposed, similar to the Swedish model, a right to the operation of small-scale gambling in such a way that the activities would be tax-free and the fees for processing licence applications would be lower. The Government Programme does not include any entries concerning the opening up the right to the operation of gambling to non-profit organisations. From the point of view of harms, the

package includes risks of increasing the availability, visibility and acceptability of gambling, which could be emphasised especially in the case of children and young people (e.g. gambling activities of sports clubs) and otherwise in the case of gambling harms in the case of players belonging to the risk group.

Opening up the right to operation of gambling to non-profit operators would be a major change and a question of principle. In Finland, the right to operate gambling is provided for by law exclusively to Veikkaus Oy. According to the law, Veikkaus Oy may not operate lotteries other than gambling. Non-profit organisations, on the other hand, have a statutory monopoly on the organisation of fundraising by organising non-money prize lotteries and fundraising as referred to in the Money Collection Act (863/2019). Lotteries and fundraisers may not, with certain exceptions provided for in the Money Collection Act (so-called small-scale fundraisers), be organised to support business activities or to accumulate the wealth of a private or legal person, but the funds collected from the above-mentioned forms of fundraising must be used for purposes of public interest. If non-profit organisations were to be given the opportunity to operate gambling, the question could also arise as to whether the basic principle of the law concerning the exclusive right of non-profit organisations to raise funds through non-money lotteries and fundraising should be changed by amending the legislation on these forms of fundraising (the Lotteries Act and the Money Collection Act), and whether this activity should also be made possible for earning purposes and as a form of business activity for parties other than non-profit operators.

Allowing small-scale gambling operated by non-profit organisations would also require careful consideration as regards the definition of small-scale gambling, the conditions attached to the licence, such as the differentiation of assets from other gambling licences, supervision and sanctions. Games that combine the characteristics of non-cash lotteries and gambling will also be considered. The games may combine cash and merchandise prizes, unless otherwise provided. If non-profit entities were allowed to operate small-scale gambling in the future, it is possible that non-profit entities would be supervised by two different authorities (depending on the location of the gambling supervisory authority). This is not a desirable situation either from the point of view of the arrangements for supervision or from the point of view of the supervised entities.

If operators in the public interest were allowed to operate small-scale gambling with a possibly lower application processing fee and a reduced or zero tax rate, this would also need to be assessed in more detail from the point of view of state aid rules. The assessment should cover, inter alia, whether the gambling activities of the public benefit purpose entity are economic in nature and whether the fee relief to non-profit entities would constitute a selective advantage for the economic activity. If the state aid criteria are met, the compatibility of the scheme with the internal market should be verified before the scheme is approved.

The timetable for the preparation of the project has not made it possible to determine the framework conditions under which it could be possible to provide for a separate gambling licence for non-profit operators and the effects that the solution would have on society. After the entry into force of the Gambling Act, it would be possible to examine the preconditions for enacting a small-scale gambling licence for non-profit operators and to assess the social impacts of the change. The possible study should at least examine the impact of the proposal on the prevalence of gambling-related harms, especially among children and young people, and the potential impact of the proposal on the income of the exclusive operator. In addition, the impact of the tax exemption for non-profit gambling activities on central government revenue should be assessed, as well as the relationship between the proposal and the

fundamental principles of other legislation, i.e. the exclusive right of non-profit organisations to raise funds through non-money lotteries and fundraising.

5.1.4 The implementation model of Veikkaus Oy's exclusive right, the duration of the licence and the licence fee

Exclusivity implementation model

In addition to the statutory exclusive right of Veikkaus Oy under the current Lotteries Act, an alternative has been considered whereby Veikkaus Oy would also be granted a licence to operate gambling falling under its exclusive right in a similar way as in Sweden and Denmark, for example. The Government Programme does not include any entry in this regard.

The exclusive right of Veikkaus Oy could be implemented by enacting the exclusive right of Veikkaus Oy in the same way as in the valid Lotteries Act. The advantage of that option may be considered to be that it does not entail the legal risk inherent in the licence-based model of appeals against decisions of the authorities granting the licence. In addition, the statutory exclusivity would not include an increase in the administrative workload of the gambling authority resulting from the processing of licence applications by the holder of the exclusive right, as in the case of the licence-based model. Legal exclusivity would also be simpler to implement from a legislative point of view than the licence-based model, as it would allow regulation of the exclusive right to gambling activities and its holder to be largely based on existing regulation. However, according to the Prime Minister’s Office’s assessment, the statutory monopoly corresponding to the current legislation and the requirement contained therein for Veikkaus Oy as a company wholly owned by the State would not increase the State’s room for manoeuvre in the ownership policy decision-making concerning Veikkaus Oy and, if necessary, enable it to react to the development of the State’s shareholder value in a manner that safeguards the financial interests of the State. According to the Prime Minister’s Office, this regulatory model does not meet the objectives of the proposal.

As an alternative regulatory model to the proposed licence-based exclusive right, a solution may also be considered in which Veikkaus Oy's exclusive right to offer certain forms of gambling would continue to be based on law, but where the requirement in the current Lotteries Act that Veikkaus Oy be 100 % owned by the State would be replaced by a requirement that the State exercise control over Veikkaus Oy. In this case, the provisions on exclusive rights would, in principle, enable the State to relinquish part of the shares in Veikkaus Oy without transferring to an exclusive right based on a licence. However, according to the Prime Minister’s Office’s assessment, this model would significantly complicate the valuation of the exclusive right. If the exclusive right of Veikkaus Oy were based on a law of indefinite duration, it would be difficult to determine the economic value of the exclusive right.

According to the Prime Minister’s Office’s assessment, the licence-based exclusive right would fulfil the objectives of the proposal while maintaining Veikkaus Oy’s exclusive right to offer gambling services other than those covered by the licence system and at the same time allowing the State more room for manoeuvre than at present with regard to possible future decisions concerning the ownership of Veikkaus Oy.

The Government Programme is based on the premise that Veikkaus Oy retains the exclusive right to operate gambling services other than those covered by the competitive licensing market. The proposal has therefore not assessed an alternative model for the implementation

of an exclusive right, which would include the possibility of granting an exclusive right to gambling to an operator other than a company controlled by the State, i.e. of selecting the holder of the exclusive right through a public tendering procedure in which private operators could participate in addition to Veikkaus Oy.

Duration of the exclusive licence

With regard to the duration of the licences to be granted to the applicant for an exclusive licence, the main options identified are either to provide for the duration of the exclusive licence in the same way as in the case of licences granted under a gambling licence scheme in a competitive market, or to provide for a longer duration than other types of licences for an exclusive licence, in which case the licence could be valid for a period of 10 years. In assessing these options, it should be noted that the purpose of granting exclusive licences would differ from those granted under the licensing system. Whereas the purpose of the rules applicable to licences granted under the licensing system is to enable all operators wishing to operate gambling on the Finnish market and meeting the general conditions laid down therein, the exclusive licences would restrict the right to operate certain forms of gambling to only one operator, since it is considered that this would be the most effective way of achieving the general interest objectives (including preventing and reducing gambling-related harms) that guide the regulation of the operation of gambling. A licence system will be introduced for those forms of gambling services in which these objectives are best achieved within the framework of that system.

Since an exclusive licence could only be granted to a company controlled by the State, in whose activities the State would have the possibility, if necessary, to intervene through its control, a reassessment of the conditions for granting an exclusive licence every five years would not be necessary in the same way as when operating in a competitive licensing system in order to ensure the attainment of the above-mentioned public interest objectives. A longer licence period than that applicable in the competitive licensing system would also enable the holder of an exclusive right to plan and develop its gambling activities in a long-term manner that supports the achievement of the above-mentioned public interest objectives.

In view of the above, a longer duration (10 years) for exclusive licences than that granted under the licensing system can be considered as the preferred option. However, should significant changes occur during the licence period, for example in the operation of the gambling market or technological development, it would also be possible to amend the terms of the exclusive licences under similar conditions as for licences granted under the licence system.

Compensation to the State for an exclusive licence

In order to prevent possible incompatible state aid to the exclusive right holder resulting from the grant of an exclusive right, a number of alternative regulatory approaches and options are available. In connection with the preparation, the following alternative models have been identified:

- Model (i) requiring the holder of an exclusive right to pay to the State a licence compensation of a fiscal nature governed by public law, the purpose of which is to ensure that the holder of an exclusive right retains only a reasonable profit from the gambling operated by it.

- Model (ii) in which a separate private-law contract is concluded between the holder of the exclusive right and the State, which provides for remuneration of the State at arm's length by the holder of the exclusive right and seeks to ensure that the holder of the exclusive right retains only a reasonable profit from the gambling operated by it.

- Model (iii) which obliges the holder of an exclusive right by law to pay to the State the full amount of the proceeds from the gambling activity carried out on the basis of the exclusive right (similar to the current section 17 of the Lotteries Act).

- A model (iv) in which the legislation limits the economic activity allowed to the holder of an exclusive right to the operation of gambling on the basis of an exclusive right, but in which the processing of the proceeds of the gambling activity in question would not be subject to specific provisions, in which case the proceeds of the gambling activity of the holder of an exclusive right would be paid to the State in accordance with the ordinary rules of company law (i.e. the holder of an exclusive right would pay the profits to the State in the form of dividends).

Model (i) effectively prevents the formation of state aid as a result of the exclusive right granted to the holder of the exclusive right, if the quantification of the parafiscal charge is successful. However, the weakness of the model is its regulatory technical complexity, as the model requires, among other things, the definition of at least the key factors for determining the licence fee at the level of the law, without it being possible to directly rely on existing regulatory solutions, for example, from other regulated sectors. Another key weakness of the model is that the licence fee is based on an estimate of future net gaming revenue. Future net gaming revenue are very difficult to predict in advance and it is therefore possible that the holder of the exclusive right will be left with a significant amount of surplus to be considered as state aid. It is possible that the licence fee paid by the holder of the exclusive right would be comparable to a tax under constitutional law, in which case the regulation of the grounds for its amount would also have to meet the legal requirements arising from Article 81 of the Constitution. In addition, the model requires a decision by the Government on the amount of licence compensation to be paid, which will result in increased administrative work. Since the model is partly based on an estimate of future net gaming revenues, it is particularly important for the model to be carefully examined in advance with the European Commission so that, in the view of the Commission, it also eliminates the economic advantage as required by state aid rules.

In principle, model (ii) can also be considered a viable alternative for achieving the objectives of the proposal. Since the compensation paid by Veikkaus Oy to the State in the model would be determined on a contractual basis, the advantage of the model can also be considered to be its flexibility compared to model (i) (licence compensation under public law). At the same time, it is also a weakness, as it leaves ample room for manoeuvre to agree on compensation that does not entirely reduce the excess profit that constitutes State aid. Another problem with this model is the uncertainty about future net gaming revenues and, as a result, the risk that the holder of the exclusive right will be left with a significant amount of surplus to be considered as state aid in the event of a failure to calibrate the licence compensation. The problem of contractual compensation can be considered to be the definition of the content of the contract to be concluded between the State and the holder of the exclusive right. An agreement between the State and the holder of the exclusive right would, in essence, consist of the payment by the holder of the exclusive right to the State of consideration for the right granted to it to operate the gambling activities covered by the exclusive right. In such a case, it would probably also be necessary for the contract to specify, in a legally binding manner, which

gambling services the holder of the exclusive right is obliged to operate and to what extent during the term of the contract. This would mean a significant departure from the premise on which the regulation of gambling activities in Finland has previously been based, in addition to which the possible applicability of the EU procurement directives to the contract in question would be assessed separately.

Model (iii) would also be effective in preventing potential state aid to the exclusive right holder. The model would also be simple to implement from a regulatory technical point of view as it essentially corresponds to the regulation on the processing of Veikkaus Oy's proceeds under the valid Lotteries Act. However, the model is, in principle, contrary to the regulatory objectives described in point 1, since it could de facto prevent the State from reducing its ownership of the holder of the exclusive right at a later stage. That is because, if, under the new legislation, the holder of the exclusive right were required to pay the entire profit from its gambling activities to the State, the shares held by the holder of the exclusive right would, in principle, have no economic value based on the expectation of a return for any future private minority owner, since the private minority owner would bear only the economic risk associated with the ownership without any possibility of a return.

The central question for the assessment of the model (iv) under State aid law is whether the exclusive right granted to the holder of the exclusive right and the selective economic advantage contained therein can be regarded as distorting competition on the market, even if the business activity of the holder of the exclusive right is limited, as described above, to the operation of gambling on an exclusive basis. In addition, the risk of prohibited State aid in the model in question would, in principle, be higher than in the other models examined, especially in a situation where the State would, at a later stage, relinquish part of its ownership in the holder of the exclusive right.

Based on an overall assessment of the models described above, the proposed regulation is based on model (i) (licence fee under public law). Despite the weaknesses described above in the model in question (in particular the regulatory complexity, the effect of increasing the administrative burden and the uncertainties related to the scaling of the licence fee), it can, on the basis of an overall assessment, be considered as an option that may be possible under State aid law and allow for the subsequent sale of part of Veikkaus Oy. The model would allow the State more room for manoeuvre in future decision-making concerning the ownership of Veikkaus Oy, while ensuring that a significant share of the proceeds from gambling activities carried out under the exclusive right is credited to the State as licence fees, regardless of any subsequent ownership arrangements concerning the holder of the exclusive right.

5.1.5 Group structure of Veikkaus Oy

With regard to the future group structure of Veikkaus Oy, the main identified options are 1) a proposed model in which the gambling activities covered by the exclusive right and the gambling activities taking place on the licensing market could be carried out in separate companies within the same group and 2) a model in which the gambling activities of Veikkaus Oy taking place on the licensing market would be separated into a separate company, which would be directly owned by the State. In other words, under the latter model, a company operating on the licensing market would no longer be part of the Veikkaus Group. As regards the assessment of alternative group structures, the manner in which the exclusive right is legally exercised is not, in principle, decisive; the alternatives to Veikkaus Oy’s group structure and their estimated effects are essentially the same in both statutory and licence-based exclusive rights.

The Prime Minister's Office, which is responsible for the ownership steering of Veikkaus Oy, estimates that the group structure under option 1 best meets the objectives of the proposal, as it enables centralised group-level steering of Veikkaus Oy's various businesses and the utilisation of Veikkaus Group's shared resources in differentiated businesses. A prerequisite for this, however, is that normal market conditions are applied in intra-group transactions and that the use of intra-group resources also otherwise takes into account the separation requirements contained in legislation and the framework conditions set by competition law.

The Prime Minister's Office estimates that the group structure under option 2 will lead to a broadly similar result. In the current situation, Veikkaus Oy's gambling activities in the licensing market in the future will make significant use of the same factors of production as the gambling activities carried out on the basis of exclusive rights. In the future, restrictions arising from competition law and restrictions arising from legislation will reduce the opportunities to utilise common resources in both models. Even if a company operating on the licensing market that is separate from the Veikkaus Group could, in principle, use the factors of production belonging to the Veikkaus Group on the basis of agreements to be concluded with Veikkaus Oy, at least temporarily, also for the purpose of separating business operations into separate groups, such a solution cannot be regarded as a commercially sustainable alternative in the long term. The likely consequence of such a far-reaching separation would then be that Veikkaus Oy's competitiveness in the licensing market would be levelled out in relation to its competitors. In such a case, Veikkaus Oy would have to carry out similar new investments serving gambling only on the licensing market, as other companies would have to do. Many of Veikkaus Oy's competitors in the licensing market will be large international gambling groups, which can also take advantage of the scope of the group's operations in the operation of gambling in Finland. Such an alternative group structure is therefore likely to have a negative impact on the dividend payment capacity of Veikkaus, which operates in the licensing market, and on the development of the state's shareholder value, but it would be desirable from the point of view of a fair competitive position.

Taking into account the requirement of separation of functions into separate companies, the requirement of market-conformity of transactions and the conditions of separation of functions to be included in legislation, the Prime Minister's Office considers group structures under both options as low-risk options from the point of view of Article 106(1) TFEU.

In 2020, the Swedish Government assessed the transition to the licensing system from the perspective of competition law. Report SOU 2020:77 deals, among other things, with the separation of Svenska Spel's activities in the exclusive market and those in the competitive market. In addition to the separation of business areas and legal structure, each company will have separate customer databases, player accounts, websites and IT systems, internal organisation, as well as its own partners and transaction flows after the regulatory reform. The report also highlights the marketing rules that have been put in place to avoid cross-marketing. Svenska Spel's customers therefore need two different accounts and game wallets in order to be able to use the entire group's game portfolio. However, the Group-wide brand is still used in signage outside shops. The report states that, according to Svenska Spel, all these measures have been taken to ensure a clear division of the group's activities and that no unauthorised cross-subsidisation takes place. At that time, the Swedish Government considered that there was no need for further measures as regards separation at that time, as the effects of the regulatory reform on competition may take time. However, the report concludes that it is necessary to continue to monitor the development of the gaming market and the competitive

situation.[48]Measures have also been taken in Denmark to ensure that Danske Spil does not benefit from its exclusive activities on the licensing market. The licence of Danske Lotteri Spil A/S is therefore subject to, inter alia, the following conditions:

1. Danske Lotteri Spil A/S may only market games covered by the exclusive right.

2. When gambling on the app, it must be clear to the player whether they are playing an exclusive or licensed game.

3. Danske Lotteri Spil A/S's player accounts may only hold funds related to games on the monopoly market. Funds may not be transferred between accounts.

4. Transactions between Danske Spil A/S subsidiaries must be at arm's length. The purpose of the condition is to prevent cross-subsidisation. All agreements and transactions between subsidiaries must be documented.[49]

5.1.6 Implementing provisions

During the preparation process, the regulatory needs concerning the operation of gambling have been assessed, in particular on the basis of the current Lotteries Act and international comparisons. Under the Lotteries Act, the operation of gambling is regulated by the Government Decree on the operation of gambling by Veikkaus Oy and the Decree of the Ministry of the Interior on the rules of play of gambling offered by Veikkaus Oy.

The regulation of the operation of gambling is linked to the objectives set out in the Government Programme for the reform of combating the harmful effects of gambling and improving the channelling rate of the gambling system. The whole must also be assessed from the perspective of consumer protection, players' legal protection, personal data protection and data security, for example. Legal and technical issues related to the package also include regulation of gambling features, registration and identity verification of players as well as a player account, international cooperation and technical and other requirements relating to operation. The current Lotteries Act and the decrees issued under it lay down provisions on these matters with regard to the gambling activities carried out by Veikkaus Oy. The package also has a fixed connection to the centralised self-exclusion system and other gambling management tools referred to in the Government Programme.

As regards the definition of the various forms of gambling, no specific assessment has been made of the implementation options, but the starting point has been to refine the definitions contained in the existing legislation where necessary. Definition is necessary in order to clearly distinguish between gambling under the competitive licensing system and gambling that remains under Veikkaus Oy's exclusive right. Moreover, the distinction between gambling services is relevant because of the different regulations that may be imposed on different

[48] Statens Offentliga Utredningar (2020). Ökat skydd och stärkt reglering på den omreglerade spelmarknaden. SOU 2020/77. Available at: https://www.regeringen.se/contentassets/4942818c09e14ab280d360ed3f1bbc64/okat-skydd-och-starkt-reglering-pa-den-omreglerade-spelmark-naden-sou-202077.pdf.

[49] The licence granted to Danske Lotteri Spil A/S in 2023 is available at: https://www.spillemyndighe-den.dk/uploads/2023-03/Tilladelse%20til%20udbud%20af%20lotteri%20af%2015.%20marts%202023_0.pdf. The licence of Danske Lotteri Spil A/S has been subject to similar conditions since 2017.

gambling services. The legislation currently in force, for example, regulates the permissibility of marketing differently for different forms of gambling services. In addition, there are many other regulations, the content of which depends on the gambling service that is regulated. There are regulations on, for example, payout percentages and maximum stakes and winnings.

During the preparation process, an assessment has been made of the regulatory structure in accordance with the legislation in force, which, as described above, consists of regulation at the level of legislation and decrees, and its functioning in the new gambling system. Considering that the regulation of the operation of gambling is partly very detailed or technical, it is necessary to regulate the operation of gambling at the level of decrees even in the new gambling system. In addition, with regard to the operation of gambling, it has been considered necessary for the Act to empower the authority to adopt legal rules on certain technical and minor details involving only a limited exercise of discretion.

According to the current law, all gambling requires a player to register and play at a casino, with the exception of opening an account. This means that player identification is required for both online and physical sales channels. The removal of the requirement for mandatory identity verification has not been assessed in the preparation, but the requirement will continue to be justified, especially due to the prevention of harms caused by gambling and also due to the obligations imposed by, for example, money laundering legislation. Mandatory identify verification enables, among other things, the introduction of restrictions and other tools related to the management of gambling, as well as the monitoring of gambling. In addition, identity verification for gambling enables the development of external evaluation based on gaming behaviour and related interventions.

According to the Lotteries Act, the age limit for gambling is 18 years. In other European countries, gambling may have different age limits depending on the type of gambling and whether it is offered via a physical sales channel or on the internet. Taking into account the research evidence, it may be considered necessary to protect young adults from gambling-related harms by various means. A significant proportion of adults whose gambling is at risk level and who have a gambling problem have started gambling as a teenager (aged 15–19). 18-24 year+olds are more vulnerable to gambling than older age groups. The higher risk of gambling problems among young adults and the financial problems caused by gambling are reflected in the support services. Financial difficulties are common among younger age groups. A study among young adults showed that problem gambling is linked to consumer indebtedness and debt problems. Previous studies have shown that the risk of debt enforcement increases after the age of 18 and is relatively common in people aged 18-25.[50] Since 2019, the share of severely indebted people of total indebtedness has increased, especially among 18-24 year-olds. In the Guarantee Fund's guarantee decisions relating to gambling, younger age groups and men are over-represented in relation to all Guarantee Fund's loan guarantee decisions. Young men in particular form a distinctly different group. Also, based on contacts with the Guarantee Fund, gambling as the reason behind debt problems is more common among people under the age of 30 and among men (including all age groups). Gamblers place particular emphasis on unsecured loans (such as consumer loans). Indeed, the debts related to these loans are clearly higher for gamblers than for other customers on average. In order to prevent the risk of harm and gambling problems associated with gambling among young adults, one option could be to raise the age limit for online fast-paced gambling that is easy to play a involves a high risk of harm. Due to the target schedule

[50] Oksanen, A., Savolainen, I., Sirola, A. & Kaakinen, M. (2018). Problem gambling and psychological distress: a cross-national perspective on the mediating effect of consumer debt and debt problems among emerging adults. Harm Reduction Journal 15:45.

for the reform set in the Government Programme, the project has not assessed the need to change the age limit.

In connection with the project, a report on the transfer of slot machines to separate supervised premises has been prepared in accordance with the entry in the Government Programme. The study was carried out by an evaluation working group of the Ministry of Social Affairs and Health in cooperation with researchers from the Finnish Institute for Health and Welfare. The report presents the options for distributing slot machines when reforming the gambling system. The report assesses the impacts of the alternatives, especially from the perspective of gambling harms. As a result of the investigation, no measures have been taken at this stage to move the slot machines to separate supervised premises. The proposal proposes that, in accordance with the Lotteries Act, the Gambling Act would lay down provisions on, for example, the placement of slot machines and self-monitoring of slot machines. In addition, the maximum number of slot machines would be laid down by government decree in accordance with the current Act.

Duty of care, modelling of gambling problems and identification of risk behaviour

Based on international regulatory and operating models, the preparation has assessed the so-called duty of care imposed on gambling companies and its enactment, especially on the basis of an international comparison. The duty of care is closely linked to the modelling of gambling problems and the identification of risk behaviour. The evaluation working group on the risk of harms and gambling-related harms has carried out a preliminary study of the different options for modelling gambling problems and their functionality. Modelling of gambling problems could be done by both gambling companies and the authorities. In the evaluation working group's view, the transfer of the duty of care to the authorities would eliminate conflicts of interest related to the preventive measures currently under the responsibility and taken by companies and the modelling of problem gambling, and would significantly improve the prevention of harm compared to current practice, as well as to other countries that have introduced a licensing system.

Researchers from the Finnish Institute for Health and Welfare (THL) and the University of Helsinki have collected qualitative research data by interviewing experts from different administrative areas where a gambling licensing system has been introduced. The aim of the study was to find out how experts in different areas view the fulfilment of the duty of care and any problems related to it in their own gambling system. Gambling companies differ significantly in how they carry out their duty of care. One expectation is that gambling companies will intervene in seemingly harmful behaviour. Gambling companies are expected to develop their own system to identify harmful gambling behaviour. There are no clear criteria for companies on what constitutes harmful or uncontrolled gambling behaviour, and what indicators there are for this and what should be monitored. The lack of criteria gives gambling companies considerable room for interpretation. There were different views on the functioning of the interventions in the interviews. For some gambling companies, the key problem with this intervention is also that they do not necessarily monitor customers' gambling behaviour in the evenings and at weekends. Players will not be contacted until the next business day. This means that monitoring is not necessarily real-time at all, and contacts do not come when they would be useful.

In Veikkaus Oy's current care model and customer contacts, the responsibility ultimately rests with the players themselves. In the Netherlands, for example, there is a staggered approach to care-related contact, which allows for more comprehensive measures to address clearly

harmful gambling. In addition, no assessment has yet been made of the longer-term effects of the care measures on gambling and the risk of harm, at least to the knowledge of the Finnish Institute for Health and Welfare. A person with gambling problems is characterised by impulsive behaviour and a lack of self-control. International studies have found that, on average, players' short-term reactions do not give a true picture of the effectiveness of interventions, but that, for example, players who have self-excluded after contact are likely to return to playing at the same level as before (Hopfgartner et al., 2023).

Experience in the Netherlands has shown that contacts have been useful in addressing harms. Prior to the statutory duty of care, players had not been contacted despite harmful gambling behaviour. In Sweden, on the other hand, more critical views have been expressed on the usefulness of contacts and it has been considered that interventions take place too late from the point of view of harms. According to a Swedish harm organisation, players often don't want to talk about their gambling problems, so contacting them isn't helpful.

The lack of criteria and a definition of harmful or uncontrolled gambling behaviour has been highlighted as a practical challenge in addressing harm.

In the Netherlands, a step-by-step intervention model is in place, which assumes that the previous step has been taken for the next measure. In the Netherlands, the problem is that a person does not read the email they receive for one reason or another. In this case, it is considered that the intervention of the first step has not taken place, and the gambling company cannot move to the next step. It is therefore not possible to set a self-exclusion if it has not been possible to take advantage of less stringent measures. Other means of intervention, such as lowering gambling limits, are often unwilling to be introduced, as companies may fear that players will switch to another gambling company.

Although the duty of care is imposed directly on gambling companies in several gambling systems, the supervisory authority may also have responsibility for the matter. In the Netherlands, for example, an authority has carried out a survey on the implementation of the duty of care. The report highlighted shortcomings in the practical implementation of the duty of care, but did not provide company-specific development proposals or highlight existing good practices. In the supervision related to the duty of care of the authorities, game data received from gaming companies has been estimated to play a key role, and in the Netherlands, for example, gaming companies transfer all data, including game events and interventions, to the supervisory authority's system.

The findings of the international comparison on the implementation of the duty of care imposed on companies and the related problems show that in practice it is very difficult to monitor and evaluate the implementation of such an obligation and its effectiveness in a system in which numerous companies operate, and it requires considerable resources and effort from the authorities. One of the strengths of the authority-based approach is that both the perspective of harm prevention and the need for public resources in licensing systems have been assessed in the comparison, as it may reduce the need for equal and uniform supervision of the responsibility measures of licence holders and their effectiveness.

5.1.7 Self-exclusion and other gambling management tools

According to the objective of the Government Programme, consumers will be enabled to obtain gambling blocking tools from a single platform for all licensed gambling (centralised self-exclusion register) and other necessary measures to control gambling-related harms will

be ensured. Based on the legislation in force and international comparisons, various measures to control gambling-related harms, such as different consumption limits, have been assessed in the preparation.

It is possible to try to curb the harm caused by gambling by limiting the amount of money a player can spend on gambling. Limiting the amount of money deposited into a player account or used for gambling is likely to prevent over-indebtedness and may reduce the amount of time spent gambling. Depending on the technical implementation, the spending limits could be either maximum deposit limits (money transfers between the player's bank account and the player account) or maximum limits on the amounts that the player could lose over a certain period of time (day, month, year). The limits could be either maximum limits set by players themselves, maximum limits set by the authorities, or both. The legislation currently in force includes such regulations regarding the gambling offerings of Veikkaus Oy.

In practice, attempts can be made to address the amount of gambling either through company-specific consumption limits or through common consumption limits for all gambling. In the licensing system, company-specific restrictions can be assessed to be to some extent ineffective in preventing gambling harms, as a player can play games from several gambling companies and gambling companies also offer the same games they have purchased from international suppliers. In the case of company-specific spending limits, it is still possible for the player to play with considerable sums, as the combined limits of the companies quickly form a very large sum, unless the company-specific limit is set at a very low level.

During the preparation process, the model of common consumption limits for all gambling providers has been examined, in which the amount of money lost to the licensed company reduces the possibility of consumption also in the gambling offerings of other companies. Harms experts have considered that an increase in the harmful effects of gambling can be predicted from the current knowledge base if the model of common consumption limits is not implemented and this is combined with an increase in the availability and marketing of games with a particular risk of harm in the reform of the gambling system. The purpose of the centralised model in the licensing system is precisely to limit harmful gambling. Technically, the implementation of consumption limits could be monitored through a centralised register of authorities, which would also include the possibility to apply for a self-exclusion. The register would also enable data-based official work on combating gambling-related harms laid down in the Act (monitoring, research and assessment of gambling-related harms and development of prevention and treatment). Consumption limits, like marketing regulations, affect the attractiveness of gambling companies to invest in the Finnish market. Tight spending limits may lead to some potential gambling companies entering the market opting out of the Finnish system.

The evaluation working group on the risks and harms of gambling has examined the effectiveness of consumption limits and the options for their technical implementation. The options differ in terms of technical requirements and costs, but according to the IT industry, there are several feasible options to implement comprehensive restrictions. Building a technically centralised model does not seem to differ substantially from the solutions already in use.

In order to prevent harm and gambling problems associated with gambling among young adults, it could be justified to consider setting lower centralised maximum spending limits (day, month, year) for young adults. Annual consumption limits per age group are already in use, for example, at PAF. Effective consumption limits should include both longer-term and

shorter-term limits. This is particularly the case for young adults, given their higher risk-taking capacity.

Instead of spending limits that apply to all licence holders collectively, an individual licence holder must ask the player to set a limit on the maximum total amount of money that the player can transfer from their bank account to their player account per day and month. In addition, maximum loss limits per day, month and year could be laid down at the level of regulations for gambling involving a high risk of gambling harm. In the solution, the focus has been on the Government Programme's objective of improving the channelling rate of the gambling system.

5.1.8 Regulation on the marketing of gambling

According to the Government Programme, the reform will ensure that consumption can be directed to licensed supply, for example, by means of marketing. Channelling will be carried out in such a way that marketing does not promote harmful gambling and so that marketing of gambling is not directly targeted at minors. Marketing must be moderate and responsible in terms of content, scope, visibility, and repetition. Individually targeted marketing of games without the express consent of the individual will be prohibited. Various regulatory implementation options have been assessed in order to achieve the objectives of the Government Programme concerning the prevention of gambling-related harm and the improvement of the channelling rate.

As a regulatory option, banning all gambling marketing would not be an attractive option for gambling companies to enter regulated markets and would not support the Government Programme's objective of channelling demand into the licensing system. Without the possibility of direct marketing to consumers, gambling companies would not have the opportunity to compete on the market and Veikkaus Oy would have a disproportionate advantage as an already established operator. As a regulatory option, allowing all marketing without restrictions on the content of marketing can be estimated to lead to a significant risk of increased gambling harm, and especially minors and vulnerable people would be targeted by marketing. This cannot be regarded as an appropriate regulatory option from the point of view of combating the harmful effects of gambling. The regulatory option would not be in line with the objectives of the Act, which is why it could not be considered justified to allow all marketing.

As a regulatory option, media self-regulation is the least resource-intensive option for the supervisory authority. There are several self-regulatory mechanisms in Finland, such as the Council for Mass Media and the Council for Ethics in Advertising. Self-regulatory standards are usually more detailed than legislation, complementing legislation and allowing to address harmful phenomena in the field that are not addressed by laws. From the perspective of gambling marketing, self-regulation of the media would promote the adoption of responsible marketing practices. However, not all media actors participate in self-regulation and this cannot therefore be regarded as a sufficient means of regulating marketing. In addition, self-regulation does not enable the necessary sanctions; instead, decisions mainly cause reputational damage to operators. The decisions are also not subject to appeal, as self-regulatory actors are not public authorities.

As a regulatory alternative, a ban on the marketing of the most harmful gambling would be justified from the point of view of the harm caused by gambling and would mean maintaining the current situation in which Veikkaus Oy is only allowed to market games with a lower risk

of harm. However, it has been assessed that this is inconsistent from the perspective of the channelling objective included in the Government Programme, as the gambling services to be opened for the licensing system are among the gambling services with the highest risk of gambling-related harms, in which case a ban on their marketing would reduce the objective of improving the system's channelling capacity.

As a regulatory option, it has been estimated that the restrictions on the content of marketing correspond to a large extent to the legislation in force. From the point of view of combating gambling-related harms, it has been considered appropriate to regulate the content of marketing in the same way as section 14b of the Lotteries Act and, in particular, to avoid experiential marketing that encourages gambling.

As a regulatory option, quantitative restrictions on marketing, such as limiting the number of advertisements over a certain period of time or limiting the duration of the advertisement, have been estimated to have a direct impact on the gambling-related harms caused by marketing. Marketing reports submitted by licence holders could effectively be used to monitor the marketing activities carried out and, if necessary, impose sanctions if the quantitative restrictions on marketing were exceeded. However, when considering quantitative restrictions, account should be taken of the fact that they should not be too strict, influencing the willingness of gambling operators to enter the market. The benefit of quantitative restrictions can be estimated to be their positive impact on the prevention of gambling-related harms, but the challenge can be estimated to be measuring the amount of marketing. The amount could be measured as the money spent on marketing, but the costs of marketing channels and their reach are quite different from each other, for example targeted programmatic display advertising compared to television advertising, so simply tracking the money spent cannot be estimated to give a true picture of the extent of marketing or its harmfulness.

Channel-specific restrictions on marketing can be estimated to facilitate the monitoring of marketing and to facilitate the targeting of gambling marketing to adults and persons with a lower risk of gambling harm. Television and radio advertising are traditional channels for advertising and especially popular with large operators due to their high costs and reachability. In particular, the challenge arises in terms of reach, which also means weaker targeting, in which case advertising also reaches minors and vulnerable people. Due to the characteristics of television and radio advertising (moving image, sound), television and radio advertising is practically always experiential and experiential marketing has previously been considered prohibited in gambling with a high risk of harm. As a regulatory option, it can be estimated that imposing temporal restrictions on television and radio advertising will minimise the above-mentioned risks inherent in television and radio advertising. For example, alcohol legislation only allows alcohol advertising between 10 p.m. and 7 a.m.

As a regulatory option, a total ban on television and radio advertising would be the most effective way to prevent harms caused by television and radio marketing. The challenge to a total ban is broadcasts from other EU countries, where the legal status of gambling marketing during advertising breaks can currently be considered unclear. In this case, there is a risk that certain television channels might nevertheless show the marketing of gambling, but this could involve advertisements from operators outside the system. On the other hand, a total ban on television advertising would mean a clear distinction between licence holders and unlicensed gambling companies, which would avoid unclear interpretation situations in the supervision of marketing. If marketing appeared in television broadcasts, it would always be prohibited and subject to sanctions. The same challenge would apply to stations operating with a short-term

radio licence, where gambling marketing has been observed. Prohibitions may be imposed on such activities, but the prohibition decision does not prevent the operator from obtaining a new radio licence.

However, it has been considered in the preparation that imposing temporal restrictions on television and radio advertising and a total ban on marketing would have a detrimental effect on the channelling capacity of the system. On the other hand, the proposal seeks to reduce the impact of marketing on gambling by means of provisions on the content of marketing.

The internet and social media have been the main avenues of illegal gambling marketing for a long time. Therefore, in view of the objective of improving the channelling capacity of the Act, the permitting of marketing on these routes has been assessed in the preparatory work, but with clear boundary conditions. Due to the nature of social media, the marketing carried out there may be poorly controlled by the gambling company, and influencer marketing is easily targeted also at minors. For this reason, it has been considered in the preparation that social media marketing should be limited to the gambling company's own account. The use of third parties in marketing has been assessed in the preparation from the perspective of the risk of aggressive marketing practices. Internet marketing should take into account the targeting of advertising, and the targeting should not target minors or vulnerable persons, and advertising should not be targeted at, for example, a gambler. Furthermore, advertising should be carried out in such a way that it is not interactive with the consumer.

As a regulatory option, a total ban on marketing on social media and the internet would in part mean the continuation of the current situation. However, due to the licensing system, consumers would be at greater risk of assuming that the marketer is operating legally, which would weaken consumer protection. In terms of channelling, banning internet advertising would put licence holders in a challenging position. Banning marketing on social media and the internet could also lead to conscious irregularities. Prohibition of marketing could also mean a disproportionate competitive advantage for operators operating illegally, which would be contrary to the objective of steering demand for gambling from the point of view of the operators covered by the licence.

Marketing regulations concerning printed media and outdoor advertising have been assessed in the preparation. Print media has lost its importance as a medium of advertising. However, for gambling companies, it can prove to be an attractive means, due to the variety of magazines in a narrow specialist field. In this case, advertising could be effectively targeted at a certain type of readership and at a reasonable cost, because low-distribution magazines sell advertising space at a low cost. In particular, there would be a risk of marketing on the pages of various sports-related association operators and hobby magazines. With regard to foreign advertising, marketing should have restrictions related to size and content. Outdoor advertising targets all passers-by, so advertising should not be carried out, for example, near schools or in places where vulnerable groups of people are exposed to gambling advertising and the size or appearance of marketing material should not be particularly striking. An example of such outdoor advertising may be a large banner on the wall of a building in a central area. The restrictions on outdoor advertising should also apply to the brick-and-mortar shops of gambling operators and their appearance. In order to achieve the channelling objective included in the Government Programme, it has not been decided to propose a ban on outdoor advertising, but outdoor advertising would only be allowed for the market of competition with regard to the licence holder’s brand marketing. This has been considered to be justified, as the forms of gambling services included in a competitive gambling market involve a high risk of gambling-related harms.

The regulation of sponsorship has been assessed in the preparation. A total ban on sponsorship would be the most effective way to prevent gambling-related harms. A ban on sponsorship could, in particular, prevent minors from being exposed to the marketing of gambling, as a large proportion of users of material produced by, for example, gaming shirts and sports teams are minors. On the other hand, a ban on sponsorship would leave sports operators without a single source of income and could lead to a weakening of our international competitive position in top-level sports. Finnish sports rely to a large extent on various forms of financial support, so prohibiting sponsorship from licence holders would require greater financial investment from other parties. It has been estimated that banning sponsorship may also lead to an increase in illegal marketing. The permissibility of sponsorship would promote the financial position of sports operators, but the revenue would be concentrated on a small number of operators, such as the largest sports teams and the most successful and well-known athletes. Sponsorship could also be seen in sports games and thus broaden the scope of marketing. The framework conditions for sponsorship should be clear and exclude the most harmful and visible forms of sponsorship. The prohibition of main sponsorship has also been assessed in the preparation. Extensive sponsorship is not necessary to channel betting demand. Betting companies have many ways to continue to market their brand and products, even if they cannot act as the main sponsor of a sporting event, team, series or event arena, i.e. in locations with maximum visibility. A general European trend is towards stricter sponsorship regulation, such as in the UK, Spain, the Netherlands, Italy and Belgium. In Belgium, sponsorship is completely prohibited after a transitional period in professional sports and in the UK, the Premier League has explicitly restricted the operation of main sponsorship. In Italy, sponsorship by gambling companies in sport was banned in 2019 and in Spain in 2020. In the Netherlands, sponsorship of sports organisations by gambling companies will end by summer 2025 at the latest. Despite the ban on main sponsorship, the proposed regulation would have made it possible to continue to act as a sponsor as a whole and thus to support Finnish sports by minimising the harms. In order to achieve the channelling objective included in the Government Programme, it has not been decided to ban sponsorship, but special attention has been paid to the protection of minors from gambling, which is reflected, among other things, in the proposed provisions on sponsorship as a prohibition on entering into sponsorship agreements with minors or concerning events and competitions for minors, as well as a prohibition on targeting sponsorship on products or services specifically intended for use by persons under the age of 18.

5.1.9 Competent licensing and supervisory authority and financing of activities

Various options for establishing a licensing and supervisory authority have been examined in the preparation. According to the Government Programme, the supervision of the gambling industry will be intensified during the transition to the licensing system, sufficient resources will be secured for the supervision and money laundering and competition manipulation will be effectively prevented, among other things. In addition, the Government Programme states that the consumer will be enabled to obtain a self-exclusion from a single platform for all licensed services and to other necessary means of controlling gambling harms will be ensured. The Government Programme does not comment on which authority would act as the licensing and supervisory authority in the new gambling system. The organisation of licensing and supervisory activities in the new gambling system is also accompanied by an entry in the Government Programme according to which police duties or areas of responsibility that do not need to belong to the police are examined and transferred from the police. The Government Programme also includes provisions on, for example, the use of new technologies and digitalisation in public administration activities and the primacy of digital services.

In the exclusivity system, the National Police Board acts as the supervisory authority. The project assessed how the licensing and supervision activities could be organised in the new gambling system. The alternatives to be compared have been the National Police Board, the FCCA, a new national licensing and supervisory agency under preparation (the Licensing and Supervisory Authority, LVV) and a new separate gambling agency.

The National Police Board's role as the competent authority in the new gambling system would be supported, among other things, by the fact that the National Police Board is an existing organisation with special expertise related to the task. However, the tasks related to the control of gambling are not part of the core tasks of the police, and they are not considered necessary for the police in the future. Supervision of gambling activities is a task requiring special expertise of its own, and it does not require the powers of the police alone. The supervision of gambling activities is also not estimated to produce added value that can be utilised in other police activities. As the supervision of gambling activities may move away from the police administration, the police would be involved in ensuring the reliability of the gambling system, for example by investigating possible offences related to the system.

The FCCA is a general authority whose competence covers the entire national economy. Sector-specific regulation is poorly compatible with the FCCA's other tasks, and it is generally not appropriate to centralise sector-specific regulation to the general authority. Sector-specific regulation and its objectives may from time to time conflict with competition and consumer policy. The tasks of the gambling authority may emphasise, for example, the promotion of public health and safety, while the monitoring tasks of the Competition and Consumer Protection Act focus on the functioning of the market and the economic interests of consumers. It is not possible to confuse the two from the point of view of the independence of the administrative authorities or the judicial protection of undertakings, since, in the context of competition supervision and the enforcement of the Consumer Protection Act, the authority must treat all undertakings subject to supervision in a uniform manner, irrespective of any other supervisory issues or processes relating to their activities. The mixing of the tasks of the sector authority and the general authority, or the combination of the two types of supervision, is not expected to produce synergies that would make their placement in the FCCA meaningful or even possible.

A new separate and independent gambling agency would be a solution in line with the model adopted in the Nordic countries. In the preliminary study preceding the reform, it was also considered that the new official duties resulting from the introduction of the licensing system would create a need for the establishment of a completely new independent agency, which would have overall responsibility for the supervision of gambling activities in Finland. When setting up a new agency, administrative costs could be incurred compared to the situation where the licensing and control function would be organised in an existing agency. However, depending on the size of the activity, these additional costs would not necessarily be significant from the point of view of the overall costs of the activity as a whole.

In the preparation process, the most justifiable option has been to locate licensing and supervision activities in the Licensing and Supervisory Authority, where other similar licence and supervision tasks are being centralised as part of the reform of the state's regional administration. The tasks of the current Regional State Administrative Agencies and the National Supervisory Authority for Welfare and Health, as well as those falling within the area of responsibility of the Centre for Economic Development, Transport and the Environment for the environment and natural resources, would be brought together in the agency. In the social welfare and health care sector, the duties would consist of the licensing,

registration, steering, supervision and financing of social welfare and health care, health protection, alcohol and tobacco administration and adoption administration, as well as certain appeal authority duties. The new agency is expected to become operational by 1 January 2026 at the latest.

According to the Government Programme, sufficient resources for supervision will be secured during the transition to the licensing system. Central government agencies fall within the scope of central government on-budget finances, and the financing of their activities is budgeted in the central government budget. The main funding channels for the agencies' activities are the annual budget appropriation allocated to the agency in the budget and the revenue from the fees received by the agency from its customers (public law and business fees). During the preparation process, it has been estimated that the funding structure of the licensing and supervisory authority would consist of 1) fees charged to licence applicants for processing applications, 2) annual supervisory fees charged to licence holders, and 3) appropriations allocated to supervision in the state budget. The Financial Supervisory Authority, for example, has a similar financial structure.

During the preparation process, it has been considered that not all supervisory activities are such that the costs could be allocated to individual supervised entities, and therefore a supervisory fee for all supervised entities would be a legitimate alternative to processing fees for individual supervisory measures. With regard to supervisory fees, the preparation has assessed whether the supervisory fee would be independent of, for example, the scope of gambling activities or the size of the licence holder, and whether the fees would consist of a fixed basic component and, in addition, an additional component determined on the basis of, for example, gross gaming revenue. The criteria for determining the supervisory fee and the assessment of its amount are made more difficult by the fact that this is a completely new gambling legislation, which will change the nature of the supervisory tasks of the authority and increase from the current one. However, it has been considered that the supervisory fee system in place in Sweden, for example, where the supervisory fee is determined according to the type of licence and in some licence types is scaled according to the scope of the activity, would be a clear solution.

5.1.10 Licensing procedure

The Government Programme does not contain any explicit provisions on the licensing procedure. With regard to the procedure, the Government Programme's entries on digital and efficient public administration should be taken into account.

Types of licences

The preparation has assessed whether the gambling licence granted under the new system would cover all licensed gambling services or whether a gambling operator should apply for a separate licence for different types of gambling services, such as in Sweden. The simplest solution would seem to be to provide for a single gambling licence covering one or more forms of gambling services covered by the licensing system, depending on the scope of the licence application submitted. In principle, it is difficult to see how the general requirements imposed on operators would differ to such an extent depending on the form of gambling that this would require the introduction of differentiated licences. On the other hand, the possible divergent regulatory needs of different types of gambling services could be addressed, for example, in the regulation of the operation of gambling.

Gambling software licence

The Government Programme does not include any entries on which activities would be subject to a licence in the new gambling system. As part of the fight against the supply of software outside the licensing system, for example, the licensing of a gambling software supplier under Swedish legislation has been examined. In Sweden, the licence requirement for a software supplier was introduced into the legislation after the changeover to the licensing system, along with other legislative changes aimed at combating unlicensed gambling services. According to the government proposal for a legislative reform, the licensing requirement for gambling software makes it more difficult to offer illegal gambling on the Swedish gaming market and gives the authority more opportunities to intervene in and combat illegal activities. According to the explanatory memorandum, the licence requirement was also estimated to increase the authority's ability to supervise game software suppliers. Similar regulations exist in the UK, for example. Representatives of the Gambling Commission have pointed out that this licensing system has been effective in combating non-licensed gambling. Based on international experience, the software licence has been considered an important means of achieving the objectives of the Government Programme. It is proposed that the proposed Gambling Act include provisions on the licensing of the provision of gambling software so that the new gambling system can more effectively address the supply of illegal gambling in the new market.

Potential licence for agents

In the preparation, it has been assessed whether a licence would be required to act as an agent for an operator of gambling services. At this stage of the preparation, the proposal that no registration should be required for agents differs from the solution under Swedish law. However, it is proposed that the regulation include an obligation for licence applicants and licence holders to notify the supervisory authority of the agents they use. Since betting in a physical sales channel would also be included in the competitive licensing system, in practice there could also be agency activities for gambling other than that offered by Veikkaus Oy. Agents' duty to notify would be particularly important from the perspective of money laundering legislation.

Licence also for a natural person

The preparation has assessed whether the granting of a licence should be restricted to legal persons only. In Sweden and Denmark, a licence to operate gambling services can be granted to both a natural person and a legal person. Section 2 of the Enterprise Act contains a basic provision on who has the right to engage in business activities in Finland. Business activities may be carried out by 1) a natural person residing in the European Economic Area; 2) a Finnish corporation or foundation; and 3) a foreign corporation or foundation established under the law of a State belonging to the European Economic Area and having its registered office, central administration or principal place of business in a State belonging to the European Economic Area. In addition, according to section 3 of the Act, business activities may be carried out with a permit granted by the Finnish Patent and Registration Office by 1) a natural person residing outside the European Economic Area and 2) a foreign corporation or foundation other than those referred to in section 2, subsection 1, paragraph 3 that establishes a branch in Finland. Business activities may be carried out on a professional basis by a natural person (*sole trader*), who has reached the age of majority, is not bankrupt and whose capacity to act is not limited. Different forms of business should generally be treated equally. The Swedish and Danish legislation has been taken as a starting point in the preparation. A licence

could be granted to a person who fulfils the conditions laid down by law, regardless of the legal form.

Period of validity of the licence

An open-ended licence could be a justified solution in terms of the administrative burden and the number of tasks of the authority. For example, a fundraising licence granted under the Money Collection Act that entered into force in 2020 is granted for an indefinite period. The Act lays down provisions on the licence holder's obligation to inform the authority of a change in circumstances and on the obligation to submit an annual plan and notification to the authority. A licence valid for an indefinite period may be revoked under the conditions laid down by the law. The licence holder may also be given a written warning.

In addition to the ongoing regulatory supervision of the operations, the fulfilment of the conditions for granting a gambling licence should, however, be reassessed at regular intervals. The licence should therefore, in principle, be valid for a limited period of time. However, from the point of view of both the administrative resources required for the processing of licence applications and the sufficiently predictable operating environment required by licence holders, the period of validity of a gambling licence should be sufficiently long, for example five years. In international comparison, five years is the general duration of the licence. Legislation should, however, enable the authorities, if necessary, to grant gambling licences also for a shorter period, if there are compelling grounds for doing so. Among other things, ambiguities in the operator's previous operations and the limited experience of the operator or its representatives in business activities may be considered as weighty grounds.

With regard to the period of validity of licences granted to the holder of an exclusive right, the main options identified are to provide for the duration of the licence, as in the case of licences granted under a competitive licensing system, or to provide for a longer duration than other types of licences, in which case the licence could be valid, for example, for a period of 10 years. The purpose of granting exclusive licences would be different from those granted under a competitive licensing system. The purpose of the rules applicable to the latter licences is to enable all operators wishing to operate gambling on the Finnish market and meeting the general conditions laid down to be able to offer gambling on the Finnish market. Exclusive licences, on the other hand, would limit the right to operate certain gambling services to a single operator, since it is considered that this is the most effective way of achieving the public interest objectives that govern the regulation of the operation of gambling. Since an exclusive licence could only be granted to a company controlled by the State, a reassessment of the conditions for granting an exclusive licence every five years would not be necessary to ensure the attainment of the public interest objectives referred to above in the same way as in a competitive licensing system. In the view of the Prime Minister's Office, the longer licence period applied in the competitive licensing system would also enable the holder of the exclusive right to plan and develop its gambling activities in a long-term manner that supports the achievement of the above-mentioned general interest objectives.

In view of the above, a longer duration (ten years) than that granted under a competitive licensing system for exclusive licences can be considered as the preferred option.

5.1.11 Powers of the supervisory authority

According to the Government Programme, in the transition to the licensing system, the supervision of the gambling sector will be intensified, sufficient resources for supervision will

be secured and, among other things, money laundering and profit manipulation will be effectively prevented. Supervision is an essential part of effective regulation of the gambling industry. Based on the powers of the supervisory authorities included in the current legislation, the preparation has assessed the strengthening of supervision, taking into account the change in the operating environment from a monopoly of one state-owned company to a licensing system in which gambling activities are carried out by several international gambling companies. Also on the basis of international experience, effective implementation and supervision of regulation must be ensured, and sanctions for activities that do not comply with legislation, regulations or licence conditions, for example, must be sufficient and the authority's scope for action must be comprehensive in order to ensure that supervision and sanctions have the desired effects. Different means should be available to address infringements of different nature. In order to achieve the regulatory objectives, supervision must target both licence holders and operators outside the licensing system effectively. The review of the authority's powers has included examining, in addition to the current Lotteries Act, the regulation of the financial sector, alcohol legislation and the Swedish regulation of gambling activities.

Measures included in the current legislation, such as decisions prohibiting gambling activities and marketing by means of penalty payments, administrative fines, and provisions on violations and criminal offences, have been examined in the preparation as means to intervene in illegal activities. In the preparation, new means examined are an administrative fine and the publication of sanctions, which are included in the legislation on the financial sector.

As all gambling activities would in future be subject to a licence, it has been considered necessary to include provisions on the revocation of the licence in the legislation. Although the revocation of a licence is not a punitive sanction, even if the acts on which it is based are the result of intentional conduct on the part of the licence holder or may have constituted an offence (see, for example, KHO:2013:172, KHO:2014:96 and KHO:2017:84), it can be seen as the most significant means of intervening in order to prevent unlawful conduct.

In its report in Sweden, Statskontoret has considered it important, among other things, that the Government monitors that the supervisory authorities have sufficient resources for active supervision. Spelinspektionen has highlighted the challenge of authorities finding supervisory tools and practices that would suit a wide range of operators in the gambling market. In addition, the challenge has been raised that, in principle, all decisions on penalties imposed on licence holders are subject to appeal. According to the report, Spelinspektionen has drawn attention to the risk of judicial processes undermining the ability of public authorities to exercise adequate supervision.

Recommended decision procedure

In order to ensure the legal protection of players, the recommended decision procedure included in the current Lotteries Act and the requirement for a procedure to be created for gambling operators to handle disputes, in accordance with the Swedish and Danish models, have been assessed in the preparatory work. The project also assessed whether, in addition to this, players should have access to an official procedure and whether the supervisory authority would be responsible for issuing recommended decisions.

The recommended decision procedure under the Lotteries Act is nowadays the player's main legal remedy, even though the recommended decision is not binding on Veikkaus Oy. The recommended decision sets out the authority's reasoned view on how the law should be

applied in a particular dispute. In the recommended decisions under the Lotteries Act, the parties have generally satisfied themselves with the decisions of the National Police Board and, as a result, the recommended decision procedure has reduced the number of disputes to be dealt with in court. Moving to the licensing system would presumably increase the number of disputes as the number of gambling operators increases, which would also increase the authority's resource needs if the current authority-based recommended decision procedure were in place. In addition, it is important to take into account how the rules of play of gambling would be regulated in the future when the recommended decision procedure is laid down. Today, Veikkaus Oy has its own rules of play for the gambling it offers, which are issued by decree of the Ministry of the Interior. These rules of play are generally applied in the recommended decision, as, as a rule, there are no detailed legal guidelines in higher level regulations for resolving disputes concerning the payment of winnings in individual games.

It has been estimated in the preparation that the use of the resources of the authority supervising gambling activities should primarily be directed at matters other than the handling of individual disputes between players and gambling operators. For these situations, the existing recommended decision procedure of the Consumer Disputes Board could be used. According to the Act on the Consumer Disputes Board (8/2007), the Consumer Disputes Board is an independent and impartial body for the judicial protection of consumer disputes. Section 2 of the Act lays down the powers of the Board. The Board's task is to issue recommendations for resolution of individual disputes concerning, for example, consumer product contracts between businesses and consumers or other matters related to the purchase of a consumer product that consumers submit to the Board for consideration. The Act lays down certain restrictions on the competence of the Board. Resolution shall be sought in the preparation of the matter and, if necessary, a proposal shall be made to promote it. In the preparation of a matter, a proposal may also be made to the applicant to discontinue the consideration of the matter if it is evident from the applicable legislation, case-law or the Board's decision-making practice that the outcome of the matter would be detrimental to the applicant. The Act also provides for the case to be left unresolved or unaddressed. The decision of the Consumer Disputes Board is not enforceable and does not produce the legal effects of a judgment. The decision may not be appealed. Proceedings before the Board shall not prevent the case from being brought before a general court. No fees are charged for the investigation and consideration of the matter by the Board.

Test purchases and the authority's right to use a fake identity

In order to achieve the objective set out in the Government Programme to enhance the supervision of the gambling sector, the right of the authorities to make test purchases and to use a fake identity has also been assessed. The national legislation contains some provisions on the possibility for the authority to make test purchases and to use a fake identity. For example, according to section 10 of the Act on Certain Powers of Consumer Authorities (566/2020), the competent authority has the right to make test purchases if this is necessary for the performance of a supervisory task falling within the scope of the Cooperation Regulation. When making a test purchase, the competent authority has the right to impersonate a consumer, i.e. to use a false identity, if this is necessary to prevent the discovery of the test purchase. In particular, the test purchase monitors whether the company complies with the legislation during and after the purchase transaction. The Consumer Ombudsman can make test purchases both at the entrepreneur's premises and online. According to section 10a of the Act on the Market Surveillance of Certain Products (1137/2016), the market surveillance authority has the right to acquire products for examination under a false identity if this is necessary for monitoring the conformity of the

product. Similar provisions exist, for example, in the Construction Act (751/2023) and the Medical Devices Act (2021/719). The use of test purchases in the supervision of gambling activities by the authorities differs to some extent from the other sectors mentioned above, because all gambling is identified and registration as a customer requires verification of identity. Proposed provisions on test purchases have not been included in the proposal.

5.1.12 Anti-money laundering, terrorist financing and manipulation of competition

According to the Government Programme, the transition to the licensing system will effectively prevent money laundering, among other things. Due to the target schedule for the reform set in the Government Programme and the fact that the reform of EU legislation has led to the launch of a comprehensive reform of the Act on Money Laundering and Terrorist Financing, various implementation options and impacts in terms of preventing money laundering and terrorist financing have not been comprehensively assessed in the preparation. In order to prevent money laundering and terrorist financing, the proposal includes draft provisions on taking into account the obligations imposed by money laundering legislation in the licence application and on the revocation of a licence due to violations of the Money Laundering Act. In addition, the necessary technical amendments to the Money Laundering Act required by the new gambling system will be proposed.

The preparation has assessed allowing the use of crypto-assets in gambling. Section 2.2.3 reviews the development of EU regulation of crypto-asset markets and its link to money laundering risk and consumer protection. The EU regulation on crypto-assets entered into force in 2024, and the impact of the regulation on money laundering risk, consumer protection and the development of the crypto-asset market has therefore not yet been able to gather experience. As a result, the new Gambling Act does not propose to allow the use of crypto-assets in gambling. However, the development of the crypto-asset market and the impact of regulation must be monitored. At a later stage, it will be possible, if necessary, to explore the possibility of allowing the use of crypto-assets in gambling, taking into account possible regulatory models in other EU countries. Any clarification should include an assessment of at least which crypto-assets could be allowed to be used, the type of custodial wallet from which crypto-assets could be transferred to the gambling company and the type of custodial wallet to which the winnings should be paid. The investigation should pay particular attention to money laundering offences and the legal protection of players.

According to the Government Programme, the transition to the licensing system will effectively prevent, among other things, results manipulation. In order to achieve this objective, the project has carried out a preliminary assessment of the criminalisation of sports fraud or any other act specifically related to manipulation of competitions. So far, criminalisation has not been considered appropriate in Finland.

The Council of Europe Convention against the Manipulation of Sports Competitions requires Member States to take legislative measures aimed at preventing the manipulation of sports competitions. The Convention therefore requires States to ensure a framework for the effective investigation and judicial review of cases of manipulation that constitute a criminal offence. Internationally, manipulation of competitions is seen as a form of corruption related to sport. Sporting events are manipulated for either economic or sporting reasons. Europol estimates that organised crime often targets manipulation at lower-level competition events. In fact, there have also been cases of manipulation of competitions at higher levels, such as international matches. Betting-based manipulation may constitute or lead to money laundering and other corruption offences. According to the national situational picture of competition

manipulation in 2021, Finnish sport is not currently under significant threat from international organised crime related to competition manipulation. In addition, Finnish sport has no serious links to criminal activity. The increased risk as a result of international betting is in only a few sports, football, ice hockey and cricket. For sports federations, the main threat to the fight against manipulation of competitions is the lack of supervision of rules, regulations and policies.

In the investigation and conviction of manipulation offences, it has mainly been possible to use only the taking or giving of a bribe in the course of business and not, for example, fraud, because the object of the deception (gambling company) is usually unknown. The problem is that the applicable legislation is not intended for cases of manipulation. The current legislation does not provide the police with sufficient investigative powers, for example for interception of telecommunications of investigative importance and for the investigation of the contents of telecommunications. The provisions on bribery in business, on the other hand, do not apply to lower league matches, as these are considered non-business activities in legislation. The explicit criminalisation of sports fraud would enhance the fight against manipulation of competitions and strengthen the police's means of investigating these crimes.

Due to the target schedule set for the reform in the Government Programme, it has not been possible to investigate in more detail the possible need to criminalise sports fraud or any other act that specifically concerns manipulation of competitions, and the proposal does not contain any proposals in this regard. Also, due to the project schedule, it has not been possible to clarify all other measures against manipulation of competitions that were raised during the preparation. During this government term, Finland intends to ratify the Council of Europe Convention on the Manipulation of Sports Competitions, which entered into force in 2019. The Convention obliges the State Party to take various measures with regard to betting regulators, sports betting operators and the prevention of illegal sports betting. The ratification of the Agreement will be accompanied by an examination of the legislative changes required by the Agreement.

5.1.13 Combating activities and marketing outside the system

The Government Programme does not include any provisions on combating the provision and marketing of gambling outside the licensing system. In order to achieve the objectives of the Government Programme concerning the prevention of gambling-related harms and channelling, the introduction of various measures restricting the supply of gambling outside the licensing system has been assessed in the preparation. Influencing the gambling offering is a key aspect of preventing gambling-related harms and channelling gambling into the system. Influencing available gambling and the availability and accessibility of gambling can be effective in preventing harms. Since the characteristics of gambling services, the conditions of gambling or the provision of gambling by entities outside the scheme cannot otherwise be regulated by the Gambling Act, the harms caused by gambling could be prevented by restricting their accessibility. During the preparation process, it has been considered that several different means would be needed to combat the operation and marketing of gambling outside the system. Effective prevention measures can be estimated both to improve the channelling rate and combat gambling-related harms.

On the basis of an international comparison, the preparation has assessed, in particular, blocks on payment transactions included in the current Lotteries Act, website traffic blocks (e.g. IP or DNS blocking) and so-called warning pages. In addition to these so-called technical blocking measures, the project has also assessed other means of combating activities outside the

licensing system, such as licensing of software suppliers, orders to remove illegal marketing or other content, administrative fines included in the valid Lotteries Act, and other sanctions. Due to the timetable of the project, it has not been possible to thoroughly assess the effectiveness of the various measures, for example on the basis of the experiences of other countries.

The preliminary study published in spring 2023 proposed a number of different ways of managing gambling and measures that, in the view of the preliminary study group, would be necessary from the perspective of preventing and reducing the harm caused by gambling if a decision were made to move to the licensing system. With regard to the measures restricting out-of-system gambling, the rapporteurs proposed a landing page displayed when gambling online using gambling services offered outside the system, indicating that the site is not licensed and that any winnings would be subject to the relevant taxes. In addition, the rapporteurs proposed blocking the supply of non-licensed gambling companies with dns and payment transfer blocks. In addition to payment barriers, the Ministry of the Interior's preliminary study published in spring 2019 has also examined other technical means of limiting gambling, i.e. blocking website traffic, warning notices attached to the website of gambling entities outside the system of exclusive rights and various voluntary payment blocking systems.

In spring 2023, a study was published to find out how effective the various blocking measures used to block access or money transfers to unregulated online gambling sites are.[51] The study was an exploratory literature review. The results showed that there is little empirical research on the effectiveness of blocking measures. Limited evidence suggests that the effectiveness of blocking measures depends on implementation. Preventive measures without proper implementation may be insufficient and disproportionate. In particular, the effectiveness of the blocking measures is limited by the continued need to update the technology and the blocking list.

According to a study commissioned by the Commission, the detection of illegal, targeted and behavioural online advertising can be difficult for public authorities. The distinction between non-commercial user-generated content and commercial content that promotes the sale of products and services is also problematic. With regard to marketing on social media, it is also difficult to protect minors and vulnerable persons. According to the report, it would appear that the authorities have not yet fully adapted their activities in relation to the marketing changes in question. There are several challenges in the implementation of regulation in the field of social media, such as competence issues and the slowness of measures. On the other hand, effective regulatory enforcement is challenging and, for example, an ad removal order is a slow measure, given the immediacy of advertising on social media.

Blocks on payment transactions, blocking website traffic and warning pages

As regards the blocking of payments in accordance with the current Act, which was introduced at the beginning of 2023, it can be noted that the supervisory authority has used them as part of a toolkit to intervene in activities outside the system. As a result, for example, a few gambling companies have ceased their operations targeting Finland. The current payment transaction blocks are to some extent prone to circumvention of the blocks, as the

[51] Michael Egerer & Virve Marionneau (16 Mar 2023): Blocking measures against offshore online gambling: a scoping review, International Gambling Studies https://doi.org/10.1080/14459795.2023.2190372.

blocks are based on a marketing ban and only target payment transactions from the player to the gambling company. Efforts have been made to circumvent the bans by, for example, changing the operator of the gambling site to a company other than the company subject to the ban. Payment transaction blocks, in particular if they could also be targeted at withdrawals of winnings in derogation from the law in force, can be assessed as limiting the availability of gambling in an effective and meaningful manner. When assessing the options for implementing payment transaction blocks, the autonomy of Åland must be taken into account.

Blocking website traffic could be considered as boosting channelling towards the system. By blocking access to websites containing illegal gambling offers, consumption can be directed to licence holders. At the same time, blocks are used to protect the player from gambling harms by directing consumption to the licensing system and thus also to the restrictions on gambling. In other countries, attempts have been made to block website traffic by opening new identical web pages due to the fact that DNS blocks do not block access to the web page's domain address and the underlying site itself is accessible. The accessibility of the page as a whole could be blocked with ip address blocking, but as a measure, DNS blocking is simpler and faster to implement. Due to the possibility of blocking, it would be important for the supervising authority to be able to add sites to the blocking list in a quick and effective manner.

A preliminary study published by the Ministry of the Interior in spring 2019 found that different ways of implementing website traffic blocks differ in terms of, for example, the technical resources and costs they require. In addition, the implementation methods differ in terms of their effectiveness in blocking access to the website and the ease with which they can be circumvented by either the player or the gambling company. A 2019 study commissioned by the Commission highlights the weakness of blocking website traffic that allows players and gambling operators to evade blocking. The Commission's report states that, in addition to the various technical means of implementation, the effectiveness of website traffic barriers is also affected by the blocking order procedure.

The legislative and technical implementation of blocking website traffic must take into account the autonomy of Åland. As Åland has its own gambling legislation, technically the system for blocking website traffic should be created in such a way that it would not prevent people living or staying in Åland from gambling online.

With the help of the so-called warning pages, it would be possible to direct demand to regulated and supervised gambling activities. The warning pages could also be deployed without actual blocking of website traffic. On the other hand, according to a 2019 study commissioned by the Commission, the authorities of the Member States that have introduced blocking of website traffic have also created a warning page showing, inter alia, that the website to which the player seeks access does not have the necessary authorisation for its activities in that Member State. According to the report, the role of the warning page in informing consumers is considered important, as not all players may know what constitutes illegal or unauthorised gambling activities in the Member State concerned. The warning page is also important from the point of view of consumer protection and player's legal protection. The warning page would inform the player that when playing outside the system, he or she does not have the same legal remedies as when playing for a licensed company.

The targeting of payment transaction blocks and network traffic blocks on all gambling without a licence can be estimated to be effective as a channelling method if the blocks could be targeted to a sufficient extent and sufficient resources would be available for the

implementation and enforcement of the blocks. Effective and extensive blocking would also encourage gambling companies to apply for a licence. From the point of view of supervision, blocking only operators that target their activities in the national territory would require additional work, in which case the functionality of the blocks and their supervision would, in principle, be weaker than blocking all activities outside the system. Blocking of some operators would require some kind of list of the objects of the blocking from the supervisory authority, for example in the case of payment transactions blocking, while blocking of all activities outside the system would only require a list of authorised gambling operators. This would be simpler in terms of supervision and could mainly target payment service providers.

In order to effectively prevent and reduce harms, a number of simultaneous and mutually supportive measures are needed. Research has been carried out which shows that the goal should be to shift the overall focus of preventive and remedial actions towards preventive actions. The entity created by website and payment transaction blocks and warning pages could be considered to have significant effects on channelling, the access of gambling operators to the system and the legal protection of players. Strict, clear and enforceable blocks would be essential to channel the demand for and supply of gambling into the system. The most effective way to channel demand for gambling into the system would be to fully implement all proposed blocks. However, this would require sufficient resources and the smooth use of supervisory tools.

The proposal does not include any draft provisions on payment transaction blocks included in the Lotteries Act or on network traffic blocks and a warning page that have been investigated during the preparations. After the entry into force of the Gambling Act, the operation of the new gambling market would be monitored and the need to provide for payment transaction and network traffic barriers would be assessed, taking into account, among other things, the technical feasibility and more precise cost implications for banks and internet operators.

Tackling illegal online content and removal orders

A preliminary study published in 2019 reviewed legislation related to various blocking measures in other sectors. As regards consumer protection law, Regulation (EU) 2017/2394 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation 2006/2004 (the so-called CPC Regulation) was adopted in December 2017. The Regulation became applicable on 17 January 2020. The CPC Regulation gave the authorities the right, in the context of cross-border supervisory cooperation, to order the blocking of websites that cheat consumers, to impose penalties and to use financial flows to trace those behind the scams. In addition, cooperation between supervisory authorities within the European Union will be strengthened through the Regulation. Section 12 of the Act on Certain Powers of Consumer Protection Authorities lays down the powers related to online interfaces and domain names. Where an infringement falling within the scope of the Cooperation Regulation may cause serious harm to the general interest of consumers, the competent authority may, where necessary to bring the infringement to an end, (1) order the provider to remove content, provide consumers with a clear warning when accessing the online interface, block or restrict access to the online interface, or remove the online interface, and (2) order the domain name registrar or registrar to deactivate the domain name or to mark the domain name in the name of the competent authority.

The preliminary study also highlighted the so-called EU regulation on the control of the food chain ((EU) 2017/625), Article 138 of which provides for measures related to non-

compliance. The competent authority shall take appropriate action, examples of which are given in Article 138(2). One of the measures referred to in paragraph 2 of this Article is to order the blocking of websites operated or used by an operator for the necessary period of time.

Prohibition of gambling outside the system

During the preparation, it has been pointed out that gambling outside the licensing system could be prohibited. This would be particularly relevant for the justification of the various means of prevention. In connection with the reform of the Lotteries Act 2022 (PeVL 46/2021), the Constitutional Law Committee has considered it relevant when assessing the right to property that restrictions apply to business activities instead of players and that participation in gambling organised by parties other than Veikkaus Oy is not prohibited by law. Gambling outside the system has not been prohibited or punishable in Finland, because it has previously been considered that prohibitions and sanctions should be directed at those who unlawfully implement or market gambling. Due to the target schedule for the reform set in the Government Programme, it has not been possible in the preparations to assess whether it would be possible or necessary to ban gaming outside the system.

Taxation of profits outside the system

The taxation of profits outside the system can be expected to be an effective way of channelling gambling into the system. At present, winnings from betting and betting organised outside the EU/EEA area are taxable earned income (sections 29, subsection 1 and section 61, subsection 1 of the Income Tax Act). If the lottery operator's domicile is registered outside the EU/EEA area and the gaming licence has been granted by a country outside the EU/EEA area, the lottery shall not be deemed to have been implemented in an EU/EEA country in accordance with its legislation, and the tax exemption provision of section 85 of the Income Tax Act shall not apply to the taxation of lottery winnings.

Gambling winnings outside the EU/EEA are taxable regardless of whether they are paid into a Finnish or a foreign bank account. Profits are also taxable income if the taxpayer can withdraw them, transfer them from the player account to a bank account or convert them into cash and the profits are taxable even if the taxpayer does not withdraw the profits but uses them for a new game. The taxation of winnings cannot therefore be postponed by leaving the funds in the player account. A bet on an individual winning bet or stakes in pools may be deducted as expenses for the acquisition of income from the game in question on the basis of section 29 of the Income Tax Act, whereas bets on loss-making bets or stakes in pools may not be deducted as expenses for the acquisition of income, unless the activity in question is an income-producing activity within the meaning of section 85 of the Income Tax Act.

Gambling winnings outside the EU/EEA are therefore taxable income and the non-deductibility of loss-making gambling makes regulation quite strict. Extending similar regulation to all gambling outside the system would be likely to channel consumption to the regulated market.

5.1.14 Assessment, monitoring and research of gambling-related harms

An alternative to the statutory work of the authorities to finance the prevention and reduction of gambling-related harms would be to finance the activity in whole or in part through fees charged to gambling operators. However, this could create conflicts of interest which have

been explicitly systematically identified as necessary to resolve. The transfer of Veikkaus Oy's profits to the general budget of the State are aimed precisely at this.

At the moment, Peluuri, which operates nationwide, offers phone- and online-based support for the harms of gambling for players, their loved ones and those facing harms in their work. The services are available to users free of charge and anonymously. Peluuri's operations are funded by Veikkaus Oy. The reorganisation of the financing of online anonymous services has been deemed necessary even before the decision to implement the system change was made. Direct funding from the gambling company has appeared to be problematic, especially from the point of view of the users of the services, even though the quality of the service itself has not revealed any challenges related to the funding base. Veikkaus Oy does not participate in the operational activities, communications or decision-making of the service. In customer work, however, funding and its criticism have come up regularly, and in these situations the employees have to work harder to gain the customer's trust. It is not known how many people don't contact the service because of the funding. Financing all or part of the activities with the contributions collected from gambling companies to the state would be an option, but would not necessarily completely eliminate the challenges identified in the current funding base related to the link between funding and gambling activities. A funding base directly or indirectly linked to the gambling industry may weaken the reliability of the service in the eyes of customers, which poses a risk to the effectiveness of customer work, and some people in need of assistance may be excluded from the service. In connection with the reform of health and social services, consideration has also been given to the possibility of transferring the service and its funding into the public service system, but separate funding has been deemed necessary in order to safeguard the quality of the service as part of the change. There is inequality in the organisation of the treatment of gambling problems between different wellbeing services counties. Thus, it does not seem likely that, in the current situation, the wellbeing services counties would be able to arrange and pay for anonymous online services. Online anonymous services remain an important part of the service system and its separate funding guarantees the availability and quality of these services. As part of the new gambling system, the organiser of anonymous online services is also in a natural position, based on their own professional skills, to promote the implementation of the gambling companies' duty of care when they observe problem gambling.

In the future, a closer connection with the substance abuse and addiction services of the wellbeing services counties will, on the other hand, promote customer assistance, improve the quality of care and enable, for example, the joint development of a helpline and the wellbeing services counties with regard to electronic services. The challenge with helpline services has been long queues for the telephone and online therapy programme, as well as the fact that customers cannot find services in their own wellbeing services area. There is no connection between online services and public social welfare and health care services due to the anonymous nature of the service. In the services of the wellbeing services counties, the challenge is, for example, the concentration of competence among individual employees and the poor visibility and accessibility of the services, and there have been hardly any separate development projects for the treatment of gambling problems. Cooperation between online anonymous services and wellbeing services counties could improve the availability, accessibility and quality of both electronic services and services in wellbeing services counties, thus ensuring that customers who have experienced gaming problems receive the best possible assistance in the future.

5.2 Foreign legislation and other remedies abroad

[Section deleted from this draft to be notified]

6 Feedback from consultations

6.1 Consultations with experts during the drafting phase

On 28 November 2023, the Ministry of the Interior organised an extensive stakeholder consultation. A total of about 60 participants from different stakeholders participated in the event. The participants included, among other things, experts in the prevention and treatment of gambling-related harms, representatives of gambling companies, authorities, representatives of the media sector, representatives of sports organisations, and representatives of various associations and companies. The proposals and written statements submitted to the Ministry of the Interior for the event have been published on the project page SM053:00/2023. Other statements published for the preparation of the project have also been published on the project page.

In several speeches at the hearing, it was also pointed out that the timetable set in the Government Programme for implementing the reform is too tight, which jeopardises the careful investigation required by the Government Programme and does not contribute to the development of the best possible model for the prevention of harm, among other things.

With regard to the prevention and combating of gambling-related harms, it was stated that the prevention and combating of gambling-related harms should be the objective of the new Act, as stated in the Government Programme. The speakers pointed out that the forms of gambling planned to be transferred to the licensing system are the most harmful and addictive forms of gambling, and therefore the strict regulation of these forms is at the heart of the prevention of gambling-related harms. It is essential that the harmfulness, accessibility and visibility of gambling be reduced. It was also pointed out that efforts are needed to raise awareness of the harms. High-quality and accessible support and care services and their resourcing must also be ensured. It was pointed out that gambling companies are also responsible for the prevention of gambling-related harms, and that they should be given clearer and more comprehensive responsibility for their customers, and for ensuring that gambling activities are responsible and prevent gambling-related harms. In addition, the raising of the minimum age for gambling from the current 18 years to 20 or 21 years was raised in the speeches.

At the hearing, views were expressed on which forms of gambling services should be included in a competitive licensing market. At the hearing, it was pointed out, among other things, that the distinction between gambling that is transferred to the licensing system and gambling that remains under the exclusivity system should, as a rule, be made on a product-based basis. There are a number of borderline cases within forms of gambling services such as online casino games and online betting services, the distribution of which between licensed and exclusivity activities should be carefully weighed up. The starting point for this balancing exercise must be the objective characteristics and features of the games, and not, for example, the existing division of the exclusive operator. The distribution of products on a channel-by-channel basis is likely to cause not only legal but also practical problems. As regards gambling involving horse racing, it was pointed out that a possible multi-licensing system should cover the right to offer horse racing gambling on both digital and physical sales channels.

With regard to the supervision of gambling activities, it was pointed out that there should be one entity with sufficient resources, powers and means for the tasks of supervision. It was noted that control resources should be significantly increased from the current level. It was pointed out in the speeches that the supervision should focus on gambling activities inside and outside the system. In the absence of supervision of the provision of gambling services outside the system, this may reduce the channelling capacity, as the interest of gambling operators in obtaining a licence and operating under the rules of the official system would be reduced. It was also pointed out in the speeches that significant sanctions must be imposed for breaching the licence conditions, which would in part guide gambling operators to act responsibly. The activities of gambling operators and compliance with the rules should be actively monitored.

Marketing was found to be an important tool for directing consumers to a regulated market and marketing should in principle be allowed to licence holders. At the same time, however, marketing should be regulated to combat gambling problems. The consultation pointed out that a marketing ban would have a significant negative impact on the attractiveness of the Finnish market from the point of view of international gambling operators, and that a marketing ban would lead to a low channelling rate and a failure of the reform.

The consultation highlighted that the marketing of gambling in its various forms increases gambling harm and is particularly harmful to children, young adults (aged 18-24) and various vulnerable groups, such as those experiencing and recovering from gambling harm. It was pointed out in the speeches that the most harmful forms of gambling are now possibly coming within the scope of marketing, which will most likely increase the harm caused by gambling. The system change will also rapidly increase the number of legal operators on the market and thus significantly increase and diversify marketing and thus the visibility of gambling. It was pointed out at the event that strict restrictions must therefore be imposed on marketing and advertising. The restrictions should apply to the content, channels, time and place of marketing. Marketing should be strictly regulated, paying particular attention to protecting children and young adults (aged 18-24) from marketing in all channels and environments. Advertising should not target minors, young adults or vulnerable persons, such as problem gamblers and the elderly.

In the contributions from representatives of the media sector, it was emphasised that advertising in domestic media is responsible and moderate, and that advertising still has self-regulatory structures. Advertising should be allowed in domestic media, regardless of medium. Setting time limits for advertising was considered to be contrary to fair competition, and it was also seen as an ineffective means of preventing marketing targeting children and young people, as most of the media consumption of children and young people is directed to various large international platforms, where algorithmic advertising was found to be used. In addition, it was pointed out in the speeches by the media sector that the subject of regulation should be gambling itself and the provision of gambling, not marketing.

With regard to sponsorship, it was pointed out during the hearing that limiting sponsorship in part or in full does not support the objectives of the reform, but that sponsorship is relevant to achieving a high channelling rate. On the other hand, from a harm prevention perspective, the hearing concluded that sponsorship should not be allowed.

With regard to consumption limits and the self-exclusion register, the new system should include a centralised game data register and a gambling restriction package in order to prevent gambling-related harms. There should be a common deposit limit for all gambling providers and a self-exclusion register. On the other hand, the common deposit and loss limits were

found to reduce the return of the system and to have a detrimental effect on the channelling rate, and the objective of preventing gambling-related harms would turn against itself.

With regard to possible means of preventing supply outside the licensing system, the Federation of Finnish Financial Services proposed that payment transaction barriers should be abolished in connection with the introduction of the licensing model as ineffective. In its proposal, the Federation of Finnish Financial Services stated that the banks have not received any blockable payment orders in accordance with the blocking list maintained by the National Police Board. In addition, the Federation of Finnish Financial Services stated that the maintenance of the blocking function entails costs for banks and authorities.

As regards the fight against manipulation of competitions, the hearing highlighted that the increase in the number of betting companies and online betting may increase the risk of increased manipulation of competitions. It was also pointed out that an increase in supply may also induce organised crime to engage in manipulation. As a means of combating manipulation of competitions, the new system highlighted, among other things, the commitment of gambling companies entering the market to take measures against manipulation of competitions so that, for example, an obligation to report abnormal gambling to the national contact point is included in licence conditions, regulations or legislation. The reform should also define the role of the national action group in the legislation or regulation. At the hearing, it was also proposed that sports fraud should be regulated by law. It was also stated that Finland should ratify the Council of Europe Convention against Manipulation of Sports Competitions (Macolin Convention) and implement the measures required by the Convention. It was also pointed out that the supervisory authority should have sufficient powers to obtain the necessary information from licence holders for the investigation and prosecution of sports fraud offences and that the role of the Finnish Centre for Ethics in Sport should be defined by law or regulation. FINCIS should also have the right to receive accurate betting information from all companies and the right to receive and distribute official information nationally and internationally.

The parties representing Veikkaus Oy's agents pointed out that the system of locations for slot machines must be maintained at its current level. Identity verification for gambling and new self-monitoring tools are an effective means of combating the harm caused by gambling. It was pointed out that the gambling revenue from slot machines is particularly important for the operating conditions of shops and small shops, especially in sparsely populated areas, and if the profitability of the store is already weak, the decrease in gaming revenue may lead to the closure of operations. If the slot machines were moved to separate supervised premises, this would in practice mean that the slot machines would no longer be used. Placing slot machines behind screens or the like would cause the profits from slot machines to collapse and the entrepreneur would no longer keep slot machines on his premises. It would also be impossible to carry out effective control of gambling. It was also pointed out that entrepreneurs may not have the opportunity to build separate game spaces. It was pointed out that no changes should be made to the provisions on the placement of slot machines, as the placement of slot machines in separate supervised premises would also mean the end of the decentralisation system. On the other hand, with regard to slot machines, it emerged that there is a significant amount of research data on the harmfulness of slot machines dispersed in everyday environments and, among other things, on their effect on normalising gambling, and that actual measures to move the slot machines to separate supervised premises should be taken as soon as possible.

At the hearing, it was also proposed that small-scale gambling activities be made available to non-profit organisations in order to finance non-profit activities. This would make it easier for organisations to raise funds on their own and strengthen their vitality. It was pointed out at the hearing that a similar model exists in Sweden. These would be lower-risk gambling products, the implementation of which could safeguard the operating conditions of non-profit operators in the long term and also support channelling. In addition, it was pointed out that the Lotteries Act should be reformed with regard to the provisions on non-cash lotteries in line with the present, and that non-cash lotteries are still an important opportunity, especially for smaller operators, to raise funding. The development proposals included extending the maximum length of licences, increasing the total sales price of small lotteries, removing the requirement for a physical bingo hall and adding the current mention of online bingo to the law. It was also highlighted that online gambling should be more clearly included in non-cash lotteries and bingo games.

6.2 Consultation

The opinions issued during the consultation round pointed out that the proposed legislative package would very likely achieve the Government Programme's objective of improving the channelling rate, but that the proposed legislative package would conflict with the Government Programme's objective of preventing and reducing harm. According to the comments, the proposal is likely to increase the harm caused by gambling in society. The supply, demand and overall consumption of games with a particular risk of harm are likely to increase and the proposed regulatory approach would not provide sufficient tools to manage harm to games.

The definitions of the forms of gambling services in chapter 1 of the Gambling Act have been clarified and it has been proposed that a definition of virtual betting be included in the Act. In addition, the separate definition of pool betting has been deleted. Horse racing could be the subject of both fixed odds betting and parimutuel betting.

The draft provisions contained in chapter 2 of the Gambling Act on the general conditions for the validity of an exclusive licence have been specified with regard to the separation of exclusive activities and other economic activities. The provisions on the licensing procedure have been specified with regard to the conditions for granting a licence and the application for a licence. In addition, the provisions concerning the representative of a licence applicant established in a third country have been clarified so that the representative should be domiciled in the EEA instead of in Finland. The provisions on compensation to the State for the exclusive right and the reasons for them have been clarified. In addition, the provisions on the exclusive licence have been amended so that pool betting would not be covered by the exclusive right, but a gambling licence could be granted for betting on horse racing.

The provisions of chapter 3 on the operation of gambling have been amended and specified. The provision on the residence requirement for a player has been clarified to apply only to the place of domicile rather than to the place of habitual residence. The provision on a player account adds an obligation for the licence holder to provide the player with a view to information on his or her gambling consumption and gambling transactions and an obligation to provide the player with a function concerning gambling behaviour. A section has been added on the provision of other goods in connection with marketing and on the permitted gambling bonus money to be given to the customer. The section on restrictions on enforcement has been clarified by adding a violation of the rules of the sport or a penalty resulting from a violation of the rules of the sport as an object of a prohibited betting game

and by specifying the elections that were the object of a prohibited betting markets to be elections referred to in the Electoral Act. In addition, the section has been amended by adding pool betting onr an event or result in a competition where the majority of participants are under the age of 18 years and in a competition the outcome of which may involve a significant risk of abuse to prohibited forms of gambling services. The provision on maximum loss limits to be issued by government decree contained in the section on the operation of gambling by the holder of an exclusive licence has been clarified with regard to the fast-paced online betting games covered by the provision by deleting the time limit concerning the maximum interval between draws. The provision on maximum loss limits to be issued by government decree contained in the section on the operation of gambling activities of the holder of a gambling licence has been specified by including virtual betting as the subject of the provision. The section on the duty of care has been amended by transferring the subsection previously included in the section on the processing of personal data concerning the assessment of risks to players by means of automated processing of personal data, the definition of contact procedures and the documentation of contacts. The section on the self-monitoring plan has been specified by including the agents of licence holders within the scope of those obliged to draw up the plan. In addition, a subsection has been added on the obligation to submit a self-monitoring plan to the supervisory authority upon request. The section on the licence holder's right to process personal data has been amended by including self-exclusion in the permitted personal data processed. The section on information to be provided in connection with the operation of gambling has been amended by including information on the possibility of self-exclusion in the information to be provided. The section on slot machines has been amended by adding subsections on the information to be included in the plan and on the obligation to submit plans to the supervisory authority upon request. The section on the payment monitoring device for slot machines has been specified with regard to the title, and the section has been amended by reducing the provisions on the monitoring device to the obligation of the holder of an exclusive licence to reliably record information on the fees and winnings accrued from the use of a slot machine and to include functionality in slot machines in order to ensure the correctness of the money, if cash can be used to play the machine. The section on the prohibition of self-service terminals has been specified with regard to the equipment referred to therein to cover technical or electronic equipment intended for gambling. The title of the section on restrictions on gambling in casinos and game rooms has been clarified and the provisions have been amended in respect of game rooms in such a way that they do not require persons with a gambling ban to be prevented from entering. The section on international cooperation has been amended by removing the requirement for a partner to operate in another Member State of the European Union or the European Economic Area. In addition, subsections on the licence holder’s obligation to ensure the player’s legal protection and the prevention of irregularities and crimes have been added to the section, as well as on the licensing and authorisation of international cooperation to the Ministry of the Interior to issue a decree on the conditions for international cooperation and the reliability of the systems, equipment and draw methods used in it. The section on the licence holder’s gambling systems, draw equipment and draw procedures has been specified and an accreditation requirement for acting as an inspection body has been added to it. In addition, the authority of the supervisory authority to issue orders contained in the section has been amended by extending it to inspections and inspection bodies. A new section on technical supervision of gambling and player account transactions has been added. The section on the personnel of the holder of an exclusive licence and a gambling licence adds an obligation for the licence holder to present, on request, the rules referred to in the provision to the supervisory authority. The procedural rule on the detection and prevention of irregularities has been amended by adding an obligation for the licence holder to suspend betting and to notify the supervisory authority of irregular or suspicious

betting. The section on the processing of player contacts has been amended by adding the licence holder's obligation to present the procedures referred to in the section to the supervisory authority upon request. The section on the redemption of winnings has been amended by deleting, in the case of money lotteries and pools, the confirmation of the result of the draw and the outcome at the starting point of the period for the redemption of winnings and replacing it with the achievement of the result of the draw in the case of lotteries. For slot machines and casino games, as well as for online slot machines and casino games, the starting point of the payout period has been added to achieve a winning outcome of the game and for combination games to achieve a winning outcome of the game. The section has been amended by adding virtual betting to subsection 3 of the section. In addition, the section has been amended with regard to its subsection 5 on powers to issue decrees.

The provisions on the marketing of gambling in chapter 4 have been amended and specified in further preparation with regard to the provisions on the regulation of marketing, prohibited marketing methods and practices, information to be provided in connection with marketing and sponsorship. The section on the regulation of marketing has been amended as a result of other changes made to the marketing regulations by deleting the provision on marketing carried out by the licence holder himself. The requirement of the necessity of marketing in order to direct the demand for gambling to gambling activities in accordance with the Act has also been removed from the section. The provision on permitted marketing in printed and electronic media has been specified to cover electronic publications corresponding to printed media and printed media. In addition, the section has been amended by merging the permitted marketing channels for different forms of gambling services into the same subsection. In addition, a separate subsection on external marketing has been added to the section. The section on prohibited marketing methods and methods has been amended with regard to the absolute prohibition of free games, discounts, combined offers and the provision of gambling money by adding a reference to the section on permitted customer bonuses added to the section on the operation of gambling. A similar amendment has been made to the provision on the absolute prohibition of the provision of other goods, which has also been amended to prohibit the use, in the context of the marketing of gambling, of an identifier identifying the consumer’s online traffic by providing, at the same time, direct or indirect guidance to the gambling website. The section on information to be provided in connection with marketing has been amended by reducing the amount of information that must always be included in marketing in radio advertising. The provision on sponsorship has been amended by adding a new subsection on the licence holder’s obligation to ensure that sponsorship does not highlight the licence holder’s gambling. The provision has also been amended to include an obligation for the licence holder to ensure compliance with the prohibition in sponsorship agreements.

In the further preparation of chapter 5, the regulation concerning the authority’s powers has been amended so that the proposed provisions on test purchases and official supervisors have been removed. A draft provision on the supervisory authority’s duty to notify in order to prosecute has been added to the proposal. Provisions concerning the supervisory authority’s rights of access to information and right of inspection and the disclosure of information have been specified. In addition, the reporting obligation for licence holders has been extended, for example, in order to strengthen the fight against manipulation of competitions. The proposed provisions on the prohibition of gambling and gambling marketing have also been clarified.

The regulation on the supervisory fee in chapter 6 has been supplemented by provisions on the reduction of the supervisory fee and the provisions on the amount of the supervisory fee have been clarified. A section proposal has been added to the figure to reduce the supervisory fee if it is probable that the supervisory fee would exceed 5 %. In addition, in the draft provisions on

the supervisory fee for the holder of an exclusive licence, the reference to the supervisory fee for the licence for pool betting has been deleted, as pool betting would not be covered by the exclusive right.

After the consultation round, the proposed provisions on blocking payment transactions and blocking network traffic have been removed from chapter 7. After the entry into force of the Gambling Act, the operation of the new gambling market would be monitored and the need to provide for blocking of payment transactions and blocking of network traffic would be assessed, taking into account, among other things, the technical feasibility and more precise cost implications for banks and internet operators.

After the consultation round, the rules on administrative and criminal sanctions have been clarified in order to avoid these overlaps. In addition, the provisions on revocation of a licence have been supplemented. The proposal does not include a proposal for a gambling violation that was circulated for comments.

Provisions concerning the rights of access to information of the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare have been specified. The proposal for a regulation on the disclosure of data from the register of gambling-related harms has been removed from the proposal.

7 Detailed explanation of the specific provisions

7.1 Gambling Act

Chapter 1. General provisions.

Section 1. *Scope and purpose of the Act.* Under subsection 1 of the section, the Act would lay down provisions on gambling activities and their supervision. Gambling activities would be defined in section 4 of the Act, according to which gambling activities would include the operation and marketing of gambling and the manufacture, supply, installation or adaptation of gambling software. According to subsection 2 of the section, the purpose of the Act would be to ensure the legal protection of participants in gambling, to prevent irregularities and crime related to gambling, and to prevent and reduce the harms caused by gambling.

Subsection 3 of the section would lay down provisions on the territorial application of the Act. The Act would apply not only to gambling activities carried out within the national territory, but also to gambling activities directed towards the national territory. The Act would apply to licensed gambling operators whose games could be played by persons residing in the national territory, but whose gambling systems could also be located outside the national territory. Under the Act on the Autonomy of Åland, the legislation on lotteries comes under the province's own legislative competence.

Subsection 4 of the section would provide for certain exceptions to the scope of application of the Act, even if gambling could physically take place in the national territory. Gambling which meets the definition laid down in the Act but which does not involve the operation of gambling for commercial purposes but gambling of a private nature in social situations would also be excluded from the application of the Act. For example, gambling within the privacy of the home, between private individuals and within one's own social circle, such as between friends, relatives and other personally known persons, would be excluded from the scope of the Act. A typical example of this type of gambling could be considered a poker game played

at home with acquaintances. A further requirement would be the reasonableness of stakes and the potential loss. In practice, playing would involve small, mainly symbolic amounts.

Under subsection 5 of the section, the Gambling Act would not apply to random benefits offered in marketing, if the only requirement for receiving the benefit is the purchase of a good or making a purchase offer. This would be considered to be a marketing lottery. A similar provision on the scope of the Act is included in the Lotteries Act. If no other payment is required, the legality of marketing lotteries would be assessed on the basis of the provisions of the Consumer Protection Act and the Unfair Business Practices Act (1061/1978).

Subsection 6 of the section would contain a reference provision to the Lotteries Act in respect of non-money lotteries. In non-money lotteries prizes are not paid in the form of money, and provisions on running these lotteries are laid down in the Lotteries Act.

Section 2. *General provisions on gambling activities.* The section would lay down a key basic principle according to which the operation of gambling shall be subject to a licence. Under subsection 1 of the section, the operation of gambling may only be carried out by a legal or natural person who has been granted an exclusive licence or a gambling licence. Subsection 2 of the section would lay down provisions on the licensing of gambling software used in the provision of gambling services. After a transitional period, the provisions on the licensing of gambling software would apply from the beginning of 2028. Provisions on the entry into force of the provisions would be laid down in section 106.

Subsection 3 of the section would contain an exception to the licensing requirement for gambling activities. The activities of agents of licence holders, i.e. the receipt of payments related to gambling or the transmission of gambling winnings, would be regarded as operation of gambling, but would not require a licence. The provision of facilities within the course of business for making slot machines available for use would also be subject to an exception and the activity would therefore be exempt from the requirement for a licence. In addition, the provision of facilities for the use of lottery draw equipment would not be subject to licensing. For example, television production companies store the Lotto national lottery's lottery equipment on their premises, and keeping such lottery equipment would continue to be exempt from the licence requirement in the future.

Section 3. *Definitions of games, forms of gambling services and gambling venues* The section would include definitions of games of chance and the different forms of gambling services. Definitions are necessary for the implementation of regulation of gambling activities. As is the case under the law in force, the operation of gambling could only be carried out in the manner prescribed by law. For these reasons, games of chance and the forms of gambling services must be defined in the law in an exact and precise manner. The section would define exhaustively the various forms of gambling services and gambling could only be operated in the manner specified in the section. The proposed section 75 would prohibit the operation of gambling in a manner other than that referred to in section 3. Some of the definitions contained in this subsection are included in the current Lotteries Act as such or are specified compared with the current Act, but some of the definitions would be completely new.

The definition of games of chance in paragraph 1 of the section would correspond to the definition contained in the Lotteries Act in force with some clarifications. Like the current law, the definition of games of chance would consist of constituent elements, all of which would have to be fulfilled in order for a game to be considered games of chance as defined by law. According to the definition, the main characteristics of games of chance would be the

requirement to wager a stake of monetary value in order to participate, the possibility of winning a prize based in full or in part on chance and a prize of money or money's worth. For poker tournaments, the definition of games of chance would also be met in so-called satellite tournaments, where a player can win a ticket to the next tournament instead of money, provided that the tournament has a predetermined tournament chart. If a player wins a ticket, they can claim a seat in the next section of the tournament chart and the final prize is a cash prize from the final according to the tournament chart. On the other hand, optional satellite tournaments without a predetermined tournament chart do not form an overall tournament, so such tournaments would not constitute games of chance within the meaning of the definition. The definition of games of chance would also be met in the case of games in which a player uses the bonus game money referred to in the proposed section 26 as payment for gambling involving games offered by the licence holder.

Paragraph 2 provides a definition of gambling. The definition of a money lottery in paragraph 3 would correspond to the definition in the current law. The definitions of instant win games and online instant win games in paragraphs 4 and 5 of the section would be new. In the past, the definition of instant win games has been considered to have been included in the definition of money lottery, but providing definitions of money lottery, instant win games and online instant win games in the Act is justified because of the differences in their characteristics and the draw procedure and thus by the different regulatory requirements to which they are subject. In practice, Veikkaus Oy has not run money lotteries and money lotteries have only been operated as instant win games. In the physical sales channel, the form of operation of instant win games has involved the sale of instant win scratchcards. In a money lottery the draw takes place after the sale of tickets and in instant win games, the draw is performed before the start of the sale of tickets. The instant win games offered in Veikkaus Oy's online channels are instant win scratchcards. In online scratchcards, the draw can also take place at the time of purchase. Due to different sales channels, the technical implementation of instant win games differs for each channel.

Paragraphs 6 and 7 would contain definitions of betting. Betting is proposed to be divided into fixed odds betting and parimutuel betting. The definition of fixed odds betting in paragraph 6 would correspond, with some clarifications, to the definition of betting in the current Act. Betting operated by Veikkaus Oy that involves sports or other competitions would in future be operated as parimutuel betting. Horse racing could also be the subject of parimutuel betting. It is proposed that both fixed odds betting and parimutuel betting be operated under a gambling licence in the future.

The features of fixed odds betting and parimutuel betting would also include the possibility to claim all or part of the winnings before the event has ended. The forms of betting include so-called cash-outs and partial cash-outs, in which the player has the opportunity to claim a payout at a cash-out value determined by the betting operator before all the markets included in the bet have a result. As far as betting is concerned, the features of the game include that the player would not be able to cash out the bet until one of the event matches or races included in the bet had begun.

Parimutuel betting referred to in paragraph 7 of the Lotteries Act would have a more narrow meaning than the definition of pools in section 3, subsection 2, paragraph 3 of the Lotteries Act, in which players have the opportunity to participate in the distribution of winnings on the basis of guesses concerning events or the results of sports or other competitions. The events and results of horse races could also be the subject of parimutuel betting.

Fantasy Sports games would also be included in the definition of fixed odds betting and parimutuel betting. In Fantasy Sports games, players build fictional teams based on players in real-world teams. Fictional teams are scored according to the performance of real players. In Fantasy Sports games, the chance of success in the game is partly based on expertise, but unforeseen events, such as the results of sports competitions or injuries to competitors, have a bearing on the randomness of the game and thus on the outcome of the game.

Paragraph 8 provides a definition of virtual betting. It is proposed that in future, virtual betting be operated under a gambling licence. Unlike real-world betting, in virtual betting, the skill and knowledge of the player is not relevant to the outcome of the game and the win is determined based on a draw. The betting results of the markets are visualised to the player in the form of animation or video clips, or a combination of both. However, these do not affect the outcome of the game. Virtual betting can be seen to have features, e.g. the focus on a draw, of various online casino games, such as online slot machines.

Paragraph 9 would contain a definition of pools, which in a more narrow definition than the current Lotteries Act, would refer to games of chance in which a player has the opportunity to participate in the distribution of winnings based on a draw of numbers, symbols or other markings. In practice, pools include number pools currently operated by Veikkaus Oy such as Lotto, Vikinglotto, Eurojackpot and Keno. It is proposed that in future, pools be operated on the basis of an exclusive licence.

Paragraph 10 of the subsection would contain a definition of online bingo, the operation of which would in future be subject to a gambling licence, according to the proposal. Section 3a of the current Lotteries Act contains a definition of bingo operated as non-money prize lottery which is not proposed to be amended. Under the Lotteries Act, a bingo licence may be granted to non-profit organisations in the form of a non-money prize lottery that can also be accessed in the online channel. The definition of casino games in paragraph 11 would correspond to the definition in the current Lotteries Act.

Paragraph 12 of the proposed section would include the definition of slot machine. Section 3, subsection 2, paragraph 4 of the Lotteries Act contains a definition of slot machine. Compared to the current Act, the definition of a gaming machine or gaming equipment referred to in the paragraph would be amended with regard to the title of the form of operation of gambling. In everyday language, the Finnish term for slot machine may be perceived as misleading (cf. ATM) and the title of the form of operation would be changed to better correspond to the expression used in ordinary language. Modern slot machines are typically touch-screen devices that can include a wide range of games of chance. The machines may also have mechanical elements, such as draw wheels or buttons. In modern slot machines, the draw is based on a draw carried out by a microchip in the machine or by an external server at the time of gaming, in which case the draw is based on a statistical algorithm. The draw can also be based on a draw carried out by a mechanical draw device. Slot machines are characterised by the fact that they are played using relatively low stakes, with the exception of slot machines in the casino, and can be used to win relatively small cash prizes. In line with current practice, a player could receive a paper payout voucher instead of cash as a win from a slot machine. The slot machine can also be combined with jackpot wins, which operate from a separate server. Automated table games form their own group of slot machine games and they automated applications of table games in which players play either against the game organiser or against each other. In these games, the player participates in games using a slot machine and is able to monitor the progress of the game from the display panel of the device or a mechanical draw device.

In addition, the definition would be clarified to the effect that a slot machine would refer to a gaming machine or device permanently located in a specific location by means of fixed installation and specifically intended for gambling and by playing on which, players can win a cash prize. The clarification of the definition aims at a clearer distinction between slot machines for gambling and machines for gaming based on skill. Another reason to clarify the definition would be the restrictions on slot machines in e.g. shops, petrol stations and kiosks. Since it is proposed that physical slot machines should be included in the operation of gambling under an exclusive licence, holders of a gambling licence would not be entitled to offer gambling through physical slot machines. This restriction should not be circumvented, for example, by placing gaming monitors or other similar devices that are different from traditional slot machines in places where slot machines should not be placed due to exclusivity, the restriction on the maximum number of slot machines, location or other restriction. In section 40 below, it is proposed to lay down a prohibition on self-service terminals. Fixed installation in a location would also include, for example, making a mobile device, such as a tablet or computer, available temporarily in a specific physical location. Consequently, it would also not be possible to circumvent the restrictions on gaming machines by placing mobile terminals in certain physical locations.

The definitions of online casino and online slot machine games in paragraphs 13 and 14 would be new. It is proposed that the operation of online casino games and online slot machines be subject to a gambling licence in future. In online slot machine games, the outcome of the game is based on chance. In some games, the outcome of the game may also be partly based on the player's knowledge and skill. A slot machine game can consist of one or more parts, each of which can contain one or more draws. In a slot machine game, the draw can be carried out using a physical reel, a digital algorithm-based random number generator, or a combination of both. The outcome of each part of the slot machine game and the outcome of the entire game round will be shown to the player as patterned reels, a deck of cards, a wheel of fortune or by other means. The slot machine game can also include jackpot wins. In addition, an online slot machine game can be played by one or more players at a time, such as in so-called live casino games.

Paragraph 15 would include the definition of a combination game. Composite games would refer to games of chance which could have combined features of the forms of gambling referred to in paragraphs 3 to 14. Sections 5 and 6 below propose that the holder of an exclusive licence and holders of a gambling licence would have the right to operate those games of chance for which they have been granted a licence also in the form of combination games.

Paragraphs 16 and 18 of the section on the definitions of casino and gambling location would correspond to the current law. Paragraph 17 would include the definition of a game room. Under section 4, paragraph 6 of the Lotteries Act, the term ‘specific game room’ means a space reserved exclusively or mainly for gambling or an online gambling site on which gambling requires registration as a player. The definition of a game room in paragraph 17 would be clarified by deleting the reference to an online gambling site. At the same time, the word 'specific' would be removed from the definition of 'game room' as unnecessary. It is proposed below that provisions on the maximum number of slot machines in gambling locations, casino games and game rooms be laid down by government decree.

Section 4. *Other definitions.* The section would gather together other definitions necessary for the implementation of the regulation. Paragraph 1 would define gambling activities, which in addition to the operation of gambling would also cover marketing of gambling and the

manufacture, supply, installation or adaptation of gambling software necessary for the operation of gambling. Paragraphs 2 and 3 would contain definitions of the operation of gambling. According to the definitions, the operation of gambling would mean the sale, supply or provision of gambling products for gambling in a physical or online environment, and the operation of gambling in the national territory would mean the sale, supply or provision of gambling products for gambling in a physical or online environment, in such a way that activities related to the operation and marketing of gambling are aimed at enabling and promoting participation in gambling, especially in the national territory. The definition would not include the supply of gambling software. Paragraph 11 would define an agent whose activity would involve the operation of gambling. However, under the proposed section 2, subsection 3, the activities carried out by an agent would not require a licence. Paragraph 4 of the section would define the gambling operator. Paragraph 5 would contain the definition of a licence holder. Paragraph 6 would provide a definition of player account. In chapter 3 below, it is proposed to include provisions on, inter alia, the obligation of the holder of an exclusive licence and the holder of a gambling licence to open a personal player account for a registered player, as well as provisions on the closure of a player account. Paragraph 7 would contain a definition of marketing and paragraph 8 a definition of marketing targeted at the national territory. A definition of marketing targeted at the national territory would be included in the Act in order to clarify the legislation to make it easier to intervene in illegal marketing. The paragraph would not contain an exhaustive list of the marketing methods targeted at the national territory, but the definition would reflect known ways of targeting marketing towards the national territory and the consumers of the national territory. Marketing in Swedish and English could also be considered to be targeted at the national territory, as both languages are widely known in Finland. However, this would require marketing to include some of the elements referred to in the definition, such as content of particular interest to consumers in the national territory.

Paragraph 9 would provide for a definition of sponsorship. Paragraph 10 would contain a definition of gambling-related harms. Paragraph 11 would contain a definition of agent. Paragraph 12 would include a definition of gambling system. A gambling system would be different from gambling software as defined in paragraph 13. Gambling software would be software designed to be used in the operation of gambling and intended for use by gambling operators or which are used by gambling operators to provide their gambling services. Gambling software would include all applications and software used in the operation of gambling, such as betting software, random number generators and software that approves and records gambling transactions, determines the outcome or calculates and pays out winnings to the customer's account. Paragraphs 14 and 15 of this section would include definitions of a gambling transaction and player account transaction.

Chapter 2. Exclusive licence, gambling licence and gambling software licence

Section 5. *Exclusive licence.* The proposed section would lay down provisions on the forms of gambling services that could be granted an exclusive licence.

Detailed definitions of the forms of gambling services that would continue to be covered by exclusive rights under a licence would be included in section 3 of the proposed Act. In practice, these forms of gambling services would cover those gambling services operated by Veikkaus Oy on the basis of the current statutory exclusive right that would not be included in the new licensed gambling system.

For each of the forms of gambling services referred to in subsection 1, paragraphs 1 and 2, a separate licence would be granted to the applicant for an exclusive right in such a way that separate licences would be granted for the operation of money lotteries and pools and for physical channel slot machines and casino games. This means a maximum of two exclusive licences, one for each of the above forms of gambling services, could be granted.

An exclusive rights operator would have the right to operate the forms of gambling services referred to in subsection 1 as combination games. This would mean combining the characteristics of different forms of gambling services in the same game. In order for the licence holder to be able to combine games of chance belonging to different forms of gambling services, the licence holder would be required to have a licence for both forms of gambling services. A licence granted would also entitle the licence holder to operate combination games that combine features of the forms of gambling services covered by that licence.

According to subsection 4 of the section, an exclusive licence could not be granted to the holder of a gambling licence referred to in section 6. In practice, this would mean that the same company could not be the holder of an exclusive licence and a gambling licence at the same time.

Section 6. *Gambling licence.* The section would lay down provisions on the forms of gambling services that could be granted a gambling licence. The provision would create the conditions for a regulated competitive gambling market based on licences in the national territory with regard to the forms of gambling services specified in the section.

A gambling licence could be granted for the operation of fixed odds betting and parimutuel betting, virtual betting, online casino games, online bingo and online slot machines. With regard to betting, a licence could be granted both for online and physical channel betting. Fixed odds betting and parimutuel betting could also include horse racing.

The licence granted would also entitle the licence holder to operate combination games combining the characteristics of the gambling services covered by that licence. A gambling licence could be granted to cover all or some of the forms of gambling services referred to in the proposed section.

In the same way as would be provided for the holder of an exclusive licence, the holder of a gambling licence would have the right to offer games of chance in the form of combination games. The right of the holder of a gambling licence to operate combination games would be limited to the characteristics of the forms of gambling services referred to in section 6, subsection 1. The licence of the holder of a gambling licence should cover all forms of gambling services the features of which would be combined in combination games.

Under subsection 3 of the section, a gambling licence could not be granted to a holder of an exclusive licence. Section 8 below proposes to lay down the general conditions for the granting and validity of an exclusive licence. This would constitute a specific restriction on the holder of an exclusive licence. The purpose of the restriction would be to contribute to ensuring that the exclusive right granted to the holder of an exclusive licence does not distort competition in the market for games of chance covered by a gambling licence regime or in the market for other services provided on a competitive market. The proposed restriction is justified in order to prevent the holder of an exclusive right from cross-subsidising gambling activities in a competitive licence-based market with the proceeds of the gambling activities

covered by the exclusive right. However, the proposed restriction would not prevent the granting of a licence to operate games of chance covered by the licensing system to a separate legal entity belonging to the same group as the holder of the exclusive right.

Section 7. *Gambling software license.* Under the section, the manufacture, supply, installation and adaptation of gambling software used in the operation of gambling by licence holders referred to in sections 5 and 6 would be subject to licence. According to section 4, gambling software would refer to software used in the operation of gambling. Examples of software that fall under the definition include betting software, random number generators, software used to display gambling results that contain game data, gambling transaction streaming solutions used in live casino operations and gambling transaction monitoring software, software that performs calculations in a games of chance, software that accepts and records gambling transactions, software that determines the outcome of a game of chance, and software used to calculate winnings from gambling and to transfer winnings to a player account.

Section 33 of the Act would prohibit the use of gambling software provided by others than the holders of a gambling software licence in the operation of gambling under a licence. The same section would prohibit the manufacture, making available, installation or adaptation of gambling software to an operator that does not have a licence required by the Gambling Act for the operation of gambling. A condition for obtaining a gambling software licence and to supply gambling software to the holder of an exclusive licence or to the holder of a gambling licence, would thus be to refrain from supplying software to operators that operate gambling or direct their gambling offer to the national territory without the licence required by the proposal. However, a gambling software licence would not be required for software that is only used in the gambling operator's ancillary activities, such as performance analysis, marketing, customer relationship management or the operator's financial, human resources and other administration.

In practice, the manufacture, supply, installation and adaptation of gambling software can take the form of cooperation involving a number of operators, one of whom ultimately provides software for use in the operation of gambling. In this case, the practical challenge may be to draw a line as to which operators need a gambling software licence. The decisive factor would then be which operator controls the content and outcome of the gambling software and which operator owns the gambling software used in the operation of gambling. For example, a third party used by a gambling software developer as a subcontractor to perform a limited task in the development of gambling software would not need a gambling software licence.

Like a gambling licence, the gambling software licence requirement would constitute a certain restriction on the freedom to conduct a business and may create a barrier to access to the market, especially for small enterprises. However, the gambling software licence procedure is very light compared to the exclusive licence and gambling licence, both in terms of the application procedure and the financial burden on the applicant. The reports to be attached to the application for a gambling software licence are likely to ensure the reliability and suitability of the applicant in accordance with the proposed regulation. However, in the proposed section 11, the obligations relating to reports imposed on the applicant for a gambling software licence are significantly lighter than those imposed on applicants for an exclusive licence and a gambling licence. The legislative proposal would also not result in a regular reporting obligation for the gambling software licence holder or an obligation to audit its software and methods, as would be the case for licence holders of other licence types.

Even if the licensing procedure were streamlined, it would be important, above all, to prevent and combat supply outside the system and to safeguard the system's channel capability. A similar licensing procedure is in place in Sweden, for example. Licensing would increase the possibilities for active supervision by the supervisory authority. In accordance with the Swedish model, the licence requirement would also apply to the activities of the holder of an exclusive licence and a gambling licence, even if the manufacture, supply, installation and adaptation of gambling software were carried out for the purpose of its own gambling activities.

A transitional period is proposed for the provisions on gambling software licences, so that the obligation to use only gambling software provided by a holder of a gambling software licence would apply from the beginning of 2028. However, a gambling software licence could be applied for at the beginning of 2027.

Section 8. *General conditions for the grant and validity of an exclusive licence.* Unlike a gambling licence, an exclusive licence could only be granted to a limited liability company controlled by the Finnish State under chapter 1, section 5 of the Accounting Act. In addition, an applicant for an exclusive licence would be required to fulfil the other conditions mentioned in the proposed section when applying for a licence and during the licence period. Provisions on the requirements concerning the reliability and suitability of the applicant and the applicant's significant owners and management are proposed to be laid down in section 10.

As distinct from the current situation, a partial monopoly on the operation of gambling in the gambling system would be implemented by providing for a special type of licence, which can only be granted to a limited liability company controlled by the State under the Accounting Act, whose activity is the provision of gambling services. The proposed regulation would give the state owner more room for manoeuvre than at present in possible future decisions concerning the ownership of Veikkaus Oy. Within the framework of the proposed regulation, the State would thus have the possibility to relinquish part of its ownership in Veikkaus Oy, if this is considered justified in the future from the perspective of the development of the State's shareholder value. At the same time, the proposed regulation would ensure that the State would in all circumstances retain control of Veikkaus Oy and thus also have a de facto possibility to guide and strictly control the operation of gambling on the basis of the exclusive right.

The concept of control relating to the legal form of an applicant for an exclusive licence would refer to the concept of control used in chapter 1, section 5, subsection 1 of the Accounting Act. The Finnish State would thus be deemed to have control over the licence applicant if (1) the State holds more than half of the votes attached to all the shares or holdings of the licence applicant and this majority of the votes is based on ownership, membership, articles of association, partnership agreement or comparable rules or other agreement, (2) the State has the right to appoint or remove a majority of the members of the applicant's board of directors or comparable body or body having this right, and the right is based on the same matters as the majority of votes referred to in paragraph 1, or (3) the State otherwise effectively exercises control over the licence applicant. In the assessment of the conditions for granting a licence, the condition of control could also be met indirectly by the State exercising control over the parent company of the group. In such a case, the licence referred to in the section could, upon application, be granted not only to the parent company of a group controlled by the State, but also to the subsidiary controlled by it.

Subsection 2 of the proposed section would lay down an obligation on the holder of an exclusive right to separate any other economic activities of the holder of an exclusive right from gambling activities carried out under an exclusive licence. That requirement is intended to prevent possible distortions of competition resulting from the exclusive right in the competitive market for other services. The requirement that the other activities of the holder of the exclusive right be separated could, in principle, also be satisfied by separating the other business from the holder of the exclusive right into a separate group company. The separation obligation also includes a prohibition on cross-subsidisation, i.e. a prohibition on allocating items belonging to different businesses in a way that would lead to cross-subsidisation. This requirement would contribute to ensuring compliance with EU state aid rules. Upon request, the licence holder should describe to the supervisory authority the measures it will take to comply with its separation obligation.

The proposed subsection 3 would also require that all financial links between the holder of an exclusive right and companies belonging to the same group should be organised according to the arm's length principle. Any intra-group business relationships should be priced at arm's length. Assets transferred or licensed to another company within the same group should be remunerated at arm's length. Arm's length transfer pricing would apply to all transactions between the companies, including remuneration for the use of intangible assets. Arm's length transfer pricing should be followed, for example, in the transfer of intellectual property rights to games and gaming platforms, as well as in the use by a subsidiary of the support services of another group company.

The holder of an exclusive licence should document the arm's length nature of the financial links and the documentation provided to the supervisory authority or other authority upon request, if the information is necessary for the performance of the task assigned to that authority. Such other authority could be the FCCA, for example. The purpose of the documentation obligation would be to improve the supervisory authority's possibilities for ex-post regulatory control to determine whether a transaction was at arm's length or whether a subsidiary belonging to the same group operating in a competitive licence-based market could have obtained an advantage that could distort competition. If necessary, the documentation should be available to the authorities.

Gambling sites, customer registers and player accounts relating to gambling operated under an exclusive licence and other gambling business activities within the same group should also be kept separate in accordance with the proposed subsection 4. For example, Svenska Spel of Sweden and Denmark's Danske Spil have a common homepage, but separate gambling sites, for companies operating under exclusive rights and companies operating in a competitive gambling market. According to the proposed subsection, gambling services operated under a gambling licence and an exclusive licence by holders belonging to the same group should be provided on separate gambling websites. This provision would not prevent a possible common homepage for operators of the same group. The provision would require that the customer registers of separated operators should be kept separate. In other words, customer data accumulated or accumulating in activities subject to an exclusive licence should not be used in activities subject to a gambling licence. The customer base accumulated under Veikkaus Oy's exclusive activities carried out under the current Lotteries Act could be utilised in the gambling activities of the holder of a gambling licence operating in a competitive market only in so far as it concerns the customer base formed by players of games of chance covered by the gambling licence. The subsection would also lay down provisions on the separation of player accounts. Player accounts relating to games subject to an exclusive licence should only

hold funds relating to those games and it would not be permissible to transfer the funds to player accounts relating to games subject to a gambling licence.

The proposed regulation is not intended to change the competence of the FCCA to assess the operations of the holder of an exclusive licence and companies belonging to the same group within the framework of the competition neutrality regulation under chapter 4a of the Competition Act.

Section 12 of the current Lotteries Act lays down provisions on Veikkaus Oy's tasks and supervisory board. The section also contains a provision according to which the provisions on limited liability companies and the Act on State Shareholdings and Ownership Steering shall apply to the company, unless otherwise provided in the Lotteries Act or elsewhere in law. In addition, section 13b of the Lotteries Act lays down restrictions on the activities of the company, including prohibitions on establishing or acquiring companies other than those necessary for its gambling activities, establishing funds, altering its share capital or articles of association, or granting loans without the permission of the Prime Minister's Office, which acts as owner-director. The new Gambling Act would not contain similar provisions.

Section 9. *General conditions for the grant and validity of a gambling licence and a gambling software licence.* A gambling licence and a gambling software licence should be granted to a natural or legal person referred to in section 2, subsection 1 or section 3, subsections 1 or 2 of the Business Act who meets the conditions mentioned in the proposed section. Provisions on the conditions for the reliability and suitability of the applicant and its owners and management to carry on gambling activities are proposed in section 10. According to subsection 2 of the section, the granting of a licence to a natural person would require that the applicant is of the age of majority, his or her capacity is not restricted under section 18 of the Guardianship Act (442/1999), and he or she has not been appointed a guardian under section 8, subsection 1 of the said Act. The proposed provision would not limit the number of licence holders.

Section 10. *Reliability and suitability of the applicant*. The proposed section 10 would lay down the conditions that the supervisory authority should examine when assessing the applicant's reliability and suitability at the licence granting stage. In addition to the general conditions laid down in sections 8 and 9 above, a prerequisite for granting a licence would be that the applicant is reliable and suitable to act as a gambling operator or as a gambling software provider. The criteria for reliability and suitability set out in the proposed section would apply to applicants who are natural persons, legal persons and significant owners and management of legal persons. However, subsection 2, paragraph 2 of the proposed section would only apply to a natural person.

All applicants for the different licence types, i.e. an exclusive licence, a gambling licence and a gambling software licence, should meet the same conditions of reliability and suitability. However, subsection 1 of the proposed section would specify how reliability and suitability would be assessed for different licence applicants. An applicant for an exclusive licence and a gambling licence should be reliable and suitable for the operation of gambling referred to in this Act. For its part, applicants for a gambling software licence should be reliable and suitable for the manufacture, supply, installation or adaptation of gambling software used in the provision of gambling services. Therefore, the supervisory authority should always assess the reliability and suitability requirements listed in subsection 2 in relation to the activities carried out, as the operation of gambling and the supply of gambling software are different business entities. Gambling activities focus on operations at the customer interface, the reliable

organisation of financial transactions, such as the payment of winnings, and the objective of preventing gambling-related harms.

Subsection 2 of the section would list all the prerequisites for reliability and suitability concerning the applicant that should be assessed in the licensing process.

The proposed subsection 2, paragraph 1 would lay down conditions concerning the applicant's criminal background and offences committed by a legal person for which a corporate fine would be imposed. The condition would apply to all applicants, whether they are a natural person, legal person or the significant owners and management of the legal person. Chapter 9 of the Criminal Code provides for the imposition of a corporate fine. A corporate fine is imposed on a legal person whose member of a statutory body or other management or a person with effective decision-making power in the legal person has been involved in the offence or has allowed the offence to be committed, or whose activities have not been carried out with the required diligence and prudence to prevent the offence. A corporate fine may also be imposed even if the offender is not identified. Criminal liability of a legal person is particularly relevant for business and money laundering offences, which can be considered essential for assessing the reliability and suitability of a legal person.

According to the proposed provision, a person who has committed a criminal offence which may be considered to indicate that they are manifestly inappropriate for the operation of gambling or for the manufacture, supply, installation or adaptation of gambling software used in the provision of gambling services could not be regarded as reliable and suitable. The applicant's criminal background would be taken into account for a period of five years if it was a prison sentence or if the act had been punished by a corporate fine. Fines would be taken into account for a period of three years, calculated from the time of the supervisory authority's assessment. Provisions on the organisation of an illegal game of chance, gambling offences and lottery offences are laid down in chapter 17, sections 16, 16a and 16b of the Criminal Code. In addition, financial and property offences in particular should be regarded as offences that could be considered to compromise the applicant's reliability and suitability. The impact of criminal background on non-compliance with obligations has been studied, for example, in a report by the Finnish Tax Administration. The study shows that the criminal background of the responsible person has a clear, risk-increasing effect on the disruptions observed in the company's compliance with tax obligations. The company's compliance was measured across three dimensions: timely filing, correct content and timely payment. Criminal convictions of the persons behind the company increased the risk of inadequate compliance in all three dimensions. Based on the study, the clearest prediction of shortcomings in compliance with obligations is the serious dishonesty of a debtor among the persons behind the company. This is followed by a number of other, seemingly logical financial violations: serious fraud, fraud and aggravated money laundering. These various financial crimes are often directly linked to the business activities of the person behind the company, so it makes sense that the company of the person convicted of these offences more often fails to comply with tax obligations than others. (Influence of criminal background information on non-compliance with obligations, Finnish Tax Administration Report 2/2022).

However, it cannot be ruled out that various violent offences and other offences could also endanger the reliability and suitability of the applicant referred to in the proposed section 10. In its yearbook ruling (KHO:2024:50), the Supreme Administrative Court has assessed how a criminal conviction for a violent crime and a drug use offence can be taken into account when assessing an applicant's reliability and, consequently, their suitability to act as an insurance intermediary. In its decision, the Supreme Administrative Court found that the applicant's

conditional imprisonment for four months as a first-time offender showed the seriousness of the act. In addition, the assault had targeted an unknown person and had been accompanied by violence against a person lying on the ground. The Supreme Administrative Court considered that the assault that began with the victim's shouting had been able to show to some extent the applicant's reaction to a situation where they felt they had been provoked and to cast doubt on the applicant's ability to remain professional in difficult situations at work. The offence of drug use had involved both incidental use and possession of narcotics. The Supreme Administrative Court noted that the use of narcotics can lead to various side effects, such as indebtedness and lack of control over one's life, which may affect the performance of the tasks related to providing insurance.

Paragraphs 2 and 3 of the proposed subsection 2 would lay down provisions on the requirements for reliability and suitability related to the applicant's financial conditions. According to the proposed paragraph 2, the claimant must not be bankrupt and should be able, on the basis of their assets, to carry out their activities and meet their legal obligations. According to the proposed paragraph 3, an applicant would also not be considered reliable or suitable if the applicant has debts that exceed their ability to pay to be recovered by enforcement proceedings or debts that have been returned from enforcement proceedings with certificates of lack of means. The purpose of the proposed provisions would be to allow the authority to consider, first, whether the applicant is at risk of going out of business due to financial difficulties or of becoming insolvent. The insolvency of an operator also increases the risk of abuse and failure to comply with obligations and is therefore a decisive factor with regard to financial reliability. Business activities in financial difficulties can easily be accompanied by indifference to compliance with the Gambling Act.

When assessing the adequacy of the applicant's assets, the supervisory authority should take into account the fact that the operation of gambling may require the applicant to have a different level of assets than that which may be required for providers of gambling software, for example. For example, the cessation of business activity and insolvency of a gambling operator may compromise the legal protection of players in a situation where the licence holder would not have sufficient funds to repay the players the funds they have transferred to their player account or pay the winnings they have won. The assessment of financial conditions would be tied to the conditions at the time of the assessment, meaning that the assessment of the applicant's reliability and suitability would not take into account the applicant's previous bankruptcies or previous deterioration in financial conditions.

Paragraph 4 of the proposed section 2 would provide for failure to fulfil obligations relating to taxes or statutory payments. An applicant could not be considered reliable and suitable if: the applicant were to have or have had in the current year or in the previous three calendar years, repeated or significant failures to fulfil their obligations relating to taxes or statutory payments. When assessing the reliability and suitability of an operator, attention should be paid to repeated failures and the amounts in monetary terms, if this is measurable. The proposed provision would therefore require an overall assessment by the supervisory authority as to whether the applicant's conduct has been repetitive or whether the breaches have been of a significant nature. An application for a licence could therefore not be rejected on the sole ground, for example, that the applicant's previous activities revealed an individual failure to pay taxes, and an additional condition would be that the activity demonstrates that the applicant is unsuitable for the operation of gambling orto manufacture, supply, install or adapt gambling software used in the provision of gambling services;.

Paragraph 5 of the proposed subsection 2 would lay down a condition according to which the applicant could not be considered reliable and suitable if the applicant has been subject to a disqualification or a temporary disqualification. In accordance with the Act on Business Prohibitions (1059/1985), the grounds for disqualification always improper and harmful business activities. The disqualification also in practice prevents engaging in business activity in Finland.

According to paragraph 6 of the proposed subsection 2, the applicant could also not be considered reliable and suitable if a licence under the Gambling Act has been revoked for the applicant for a reason other than the applicant's own request within the preceding three years. Provisions on the revocation of a licence and the conditions for revocation are laid down in section 79 of the proposed Act.

According to paragraph 7 of the proposed subsection 2, a prohibition order or a penalty fee imposed on the applicant for the operation or marketing of gambling in breach of the Gambling Act without the licence required by the Act would also be considered an obstacle to reliability and suitability. These would be situations in which a non-licensed operator who did not hold a gambling licence or an exclusive licence would have unlawfully operated or marketed gambling and would have been subject to a prohibition order or penalty fee in respect of the act in question. Paragraph 1 would provide for the assessment of the reliability and suitability of offences.

Paragraph 8 of the subsection would lay down provisions on violations of the provisions of the Lotteries Act in force that are considered an obstacle to reliability and suitability. 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.

According to the proposed subsection 2, paragraph 8, an applicant who has been guilty of materially false or misleading statements when notifying the supervisory authority of the information referred to in this chapter, or has neglected to provide the required information, could not be considered reliable and suitable. According to paragraph 9 of the subsection, an applicant could not be considered reliable and suitable if the applicant is directly or indirectly subject to restrictive measures on the basis of sanctions regulation or national freezing orders.

Section 10, subsection 3 would lay down provisions on the assessment of the reliability and suitability of significant owners and management of applicants who are a legal person. If the applicant were a legal person, the requirement of reliability and suitability would apply not only to the applicant that is a legal person but also a member of the applicant's board of directors, a deputy member and a member of senior management, as well as to a person who directly or indirectly holds at least 25 % of the shares in a limited liability company or of the voting rights conferred by the shares or, in the case of an entity other than a limited liability company, the corresponding ownership or control. In addition to the board of directors and its deputy members, the senior management would include the CEO and his or her deputy, a member and deputy member of the supervisory board or comparable body, a general partner and other members of the senior management.

Subsection 4 of the section would provide for the possibility of taking into account compliance with obligations of companies and entities directly or indirectly linked to the applicant and its responsible persons in the assessment of reliability and suitability. The subsection contains a reference to section 3 of the Business Information Act, which lists the companies and organisations to be registered in accordance with that Act. The article would also include a parallel between companies and entities referred to in section 3 of the Business Information Act and corresponding entities registered outside Finland. This would be due to the fact that licence applicants may also be companies and entities other than those registered in Finland.

An enterprise or entity directly linked to an enterprise or an entity refers, for example, a limited liability company which has a partial or full ownership of an undertaking or entity, or a limited liability company which is a partner in a general partnership. An enterprise or entity linked indirectly to an enterprise or an entity refers to enterprises and entities linked, for example, to the enterprise or entity through their manager or through another enterprise or entity. An enterprise or entity indirectly linked to a limited liability company is, for example, another limited liability company owned by a member of its Board of Directors or an affiliated company owned by the parent company. An enterprise or entity directly linked to a natural person refers to an enterprise or entity in which the person acts or has acted as a responsible person. An enterprise or entity indirectly linked to a natural person refers to any enterprise or entity directly or indirectly linked to the natural person's direct connection to an enterprise or entity, such as a parent company of a subsidiary in which the natural person is a member of the Board of Directors.

Determining the reliability and suitability of the other business activities of the responsible persons of applicants who are a legal person would be discretionary and would not require that there is reason to doubt the reliability of the operator. In particular, an investigation would be necessary where it would not be possible to form a sufficient picture for assessing reliability solely on the basis of the information of the operator or their responsible persons. For example, in a situation where an operator is a newly created limited liability company or where there have been significant changes in the responsible persons of the company, it might be necessary, in order to assess its reliability, to examine the possible other or previous business activities of the responsible persons and owners. Verification of reliability and suitability in the manner described in subsection 4 would normally not be necessary if the activities of the operator and its responsible persons have been established for several years and there is no other reason to doubt their reliability and suitability.

Under subsection 5 of the section, the supervisory authority may, in order to determine the applicant's reliability and suitability, request from the Grey Economy Information Unit a compliance report referred to in section 5 of the Act on the Grey Economy Information Unit (1207/2010).

Section 11. *Licence application.* Provisions on applying for a licence would be laid down in the section. Applications for all the different licence types, i.e. an exclusive licence, a gambling licence and a gambling software licence, should be made in writing to the supervisory authority. According to section 9 of the Act on Electronic Services and Communication in the Public Sector (13/2003), in the lodging and consideration of a matter, the required written form is also met by an electronic document delivered to the authorities.

According to subsection 2 of the section, in order for the authority to consider whether the conditions for granting a licence have been met, the application should be accompanied by

adequate reports on the applicant and the ownership, management and financial conditions of the application, if these are not already available to the authority. This would include information on the applicant's identity, legal form, purpose of activity, ownership and governance, and financial conditions.

The section would contain provisions on information that is largely available from Finnish official registers. In the case of applicants registered in Finland, information available from the registers includes the legal form of the applicant, criminal record and enforcement register information, and information on disqualification. This information could be checked by the authorities in the official registers and it would not be necessary for the applicant to provide separate reports on this information in connection with the application. However, licence applicants would also include applicants registered abroad, for whom information in Finnish official registers may not be available in the procedure. With regard to foreign applicants, applicants would be requested to provide the authorities with the necessary reports and appendices necessary for the assessment of the conditions for obtaining a licence laid down in section 10.

Subsection 3 of the section would lay down provisions on the information and reports to be submitted as an appendix to an application for an exclusive licence and a gambling licence. This would be information essential for assessing how the applicant would, upon obtaining a licence, operate and market gambling and comply with the legal obligations imposed on the licence holder. On the basis of the information and explanations provided in the application, the supervisory authority could also assess the focus of the supervisory measures. The applicant should include information or a report on, for example, the forms of gambling services the applicant plans to provide, i.e. all the different forms of gambling services that would be included in the applicant's activities.

The application should also include, among other things, an account of where and how the games of chance are to be marketed, information on the applicant’s possible agent referred to in section 4, subsection 11 of the Act or the representative of an applicant established outside the European Economic Area referred to in section 12. The application should also include an explanation of planned anti-competition manipulation and anti-money laundering and countering the financing of terrorism, as well as other procedures for dealing with disputes and complaints concerning gambling. Manipulation of competitions means any intentional arrangement, act or omission aimed at improperly altering the result or the course of a sports competition or the course of events in order to remove all or part of the predictable nature of that sports competition with a view to obtaining an undue advantage for oneself or for others. Measures to combat manipulation of competitions could be related to, for example, betting market selection, risk management methods and national and international cooperation in the fight against manipulation. With regard to money laundering and terrorist financing, the report should describe how the applicant intends to meet the obligations laid down in the Money Laundering Act on customer due diligence, know your customer and duty to notify with regard to the risk assessment and risk management methods of the obliged entity under the Money Laundering Act.

In order to ensure that the licence procedure is sufficiently thorough, subsection 4 would lay down provisions on the applicant’s obligation to provide the authority with the additional information necessary to resolve the licence matter. In addition, the applicant should inform the authority of any issues and changes affecting the accuracy of the information already provided.

Subsection 5 of the section would lay down provisions on the supervisory authority's right to disregard a clearly incomplete or late report or other document. Subsection 6 of the section would lay down provisions on the supervisory authority's right to issue more detailed regulations on the content, form and annexes of the licence application.

Section 12. *Representative of a gambling licence holder established in a third country*. The proposed section would lay down provisions on the representative of the holder of a gambling licence established outside the European Economic Area. The licence holder's representative should be established or domiciled in a Member State of the European Economic Area. The representative should meet the requirements concerning the reliability and suitability of licence applicants laid down in section 10. In connection with applications for a licence by the applicant, the representative should also provide the supervisory authority with the information on the representative referred to in section 11, subsection 2 above. As provided in subsection 2 of the proposed section, the licence holder should grant the necessary authorisation to represent the licence holder.

Section 13. *Content of the licence.* The section would provide for the content of the licence. Subsection 1 of the section would contain a provision on the information to be stated in the exclusive licence and the gambling licence. According to paragraph 1 of the subsection, firstly, the licence should specify the licence holder's unique licence number. Provisions on the obligation to provide information on the licence number in connection with the operation of gambling are proposed to be laid down in section 37. The licence number would enable the licence holder to demonstrate to players and the general public that the gambling services are provided by an entity that has been granted the licence required by law. A licence number would be one of the factors contributing to the reliability of the operation of gambling.

According to paragraph 2 of the subsection, the licence should specify the permissible forms of gambling services. The forms of gambling services would be defined in section 3 of the Act. The supervisory authority's premise for stating the permissible forms of gambling services on the licence would be the information provided by the applicant in the licence application, in addition to the proposed licence-specific permissible forms of gambling services referred to in sections 5 and 6. Not all applicants for a gambling licence would necessarily apply for a licence for all forms of gambling services referred to in section 6, but might plan to offer only some of them. Separate exclusive licences would always be granted for the provision of the forms of gambling services referred to in section 5 above. Each licence should specify which forms of gambling services would be covered by the licence.

Paragraph 3 would lay down the condition that the licence must specify the period of validity of the licence. An exclusive licence would always be granted for a limited period of time of ten years, but the authority would have more discretion in determining the validity period of a gambling licence and a gambling software licence. Provisions on the period of validity of the licence would be laid down in section 14 and on the permissible date of commencement of operations in section 15.

According to subsection 2 of the section, the gambling software licence should mention the licence holder's unique licence number and the period of validity of the licence.

The content of a decision on a licence should also take into account section 44 of the Administrative Procedure Act, according to which a written decision must clearly indicate the authority that made the decision and the time at which the decision was made, the parties directly affected by the decision, the grounds for the decision and specific information on

what the party is entitled or obliged to do or how the matter has otherwise been resolved, as well as the name and contact details of the person from whom the party may request additional information on the decision, if necessary.

The section would not provide for the authority's power to include conditions or restrictions in the licence.

Section 14. *Period of validity of licence.* The proposed section would lay down provisions on the validity periods of the different licences.

According to subsection 1 of the section, an exclusive licence would be valid for ten years from the granting of the licence, in derogation from the licences granted under the licensing system. However, it would be a condition that the licence holder continuously meets the conditions laid down in the Act for the activities. Provisions on the special conditions for the validity of an exclusive licence would be laid down in section 8. The possibility of granting an exclusive licence for a longer period than that granted under the licensing system is justified by the fact that the holder of the exclusive right would, unlike companies providing gambling services under the licensing system, be under the control of the State, which would enable the State to monitor the company’s operations and to intervene in any maladministration in the operation of gambling by the holder of the exclusive right during the licence period, also ultimately using the means provided for in the Limited Liability Companies Act. Strict supervision would, however, be carried out primarily by the supervisory authority within the scope of its legal powers.

Subsection 2 of the section would lay down the general rule concerning the period of validity of gambling licences and gambling software licences, according to which licences would be granted for a period of up to five years. Under subsection 3, a gambling licence and a gambling software licence could be granted for a shorter period of five years in cases where the applicant would have applied for a shorter-fixed-term licence. By way of derogation from the general rule, the licence could also be granted for a shorter period for short-term activities.

Section 15. *Commencement and continuation of activities.* The section will provide for the commencement of operations. Under subsection 1 of the section, activities subject to a licence may commence immediately after the licence has been granted, unless otherwise specified in the period of validity of the licence. The period of validity of the licence should be notified to the licence holder in the licence in accordance with the provisions of section 13 above. The obligation of the holders of an exclusive licence and a gambling licence laid down in section 44 to submit the inspection body’s report on and approval of the gambling systems, lottery draw equipment and lottery procedures used by the licence holder to the supervisory authority before the commencement of the operation of gambling would affect the commencement of the activities subject to a licence.

Subsection 2 of the section would lay down provisions on the licence holder’s right to continue its activities subject to a licence without interruption in a situation where the licence holder applies for a new licence and the authority is unable to process the new licence application within the prescribed time limit. According to the provision, the licence holder could continue to operate until the matter concerning the new licence has been processed, if the licence holder applied for a new licence no later than six months before the expiry of the valid licence. In practice, the provision would impose an obligation on the supervisory authority to process the application for a licence submitted during the period of validity of the previous licence within six months, otherwise the period of validity of the licence would be

automatically extended until the authority had processed the new application and the applicant had received a decision on the application. The subsection would not provide for a general processing time for applications, but would apply to a situation where the licence holder is applying for a new licence.

Section 16. *Obligation to provide supplementary information.* The section would lay down provisions on the obligation of the holder of an exclusive licence and the holder of a gambling licence to provide the supervisory authority with information on the licence holder's business identity code retrospectively. Foreign gambling companies offering gambling services under a licence would be obliged to declare the lottery tax in accordance with the Act on the procedure for taxation of self-assessed taxes. A foreign corporation that operates a lottery in Finland must have a business identity code to file a tax return for self-assessed taxes. Registering a licence applicant in Finland would not be a prerequisite for obtaining a licence, and this would be a matter of notifying the supervisory authority of compliance with an obligation arising from other legislation. The submitted business identity code would enable the supervisory authority to identify the licence holder more reliably than on the basis of the name of the company alone, and submitting the business identity code would also enable the authority to order a compliance report from a foreign gambling company. Information on the business identity code would also support cooperation between authorities, as the supervisory authority could disclose information on the business identity codes of licence holders to, for example, the Finnish Tax Administration.

Section 17. *Prohibition of transfer and assignment of licence.* The section would contain provisions on the prohibition to sell or otherwise transfer a licence for the operation of gambling or a gambling software licence and the rights contained therein, in full or in part, to another party. The licence is always granted to the applicant on the basis of the applicant's activities and information on reliability and suitability based on the applicant, its significant owners and management. Consequently, conducting the activities subject to a licence would always be tied to the licence applicant and the applicant's activities, and it is not possible to transfer the rights arising from the licence to another party.

Section 18. *The licence holder's duty to notify changes and amendments to the licence.* The section would lay down provisions on the licence holder's duty to inform the supervisory authority of any material changes concerning the licence holder, its operations, ownership, management and financial conditions. Changes should always be notified in writing.

In order for the authority to be able to effectively supervise gambling operators and, for example, compliance with conditions for a licence, the section would lay down provisions on the duty to notify. The authorisation holder should notify the supervisory authority in writing of any material change in its activities within two weeks of the change. It is proposed that section 80, subsection 1, paragraph 2 of the proposed Act lay down provisions on the powers of the authority to impose an administrative fine on the licence holder if the licence holder intentionally or due to negligence fails to comply with or violates the duty to notify referred to in section 18. An administrative fine may also be imposed if the information referred to in section 18 is provided in a clearly incomplete manner, after a given deadline or in a form that does not correspond in substance to the information requested by the supervisory authority or to the matter being processed.

Subsection 2 of the section would lay down provisions on the duty of a legal person as the licence holder to notify the supervisory authority of a transfer of control by virtue of ownership, contract or other arrangement. The notification should be made in writing within

two weeks of the transfer of control. The purpose of the obligation would be to ensure that the supervisory authority has up-to-date information on the essential aspects relating to the licence holder, in particular in order to assess whether the licence holder meets the conditions laid down in the proposed Act for the operation of gambling throughout the licence period. Subsection 3 of the section would provide for amending the exclusive licence and the gambling licence in respect of the permissible forms of gambling services specified in the licence, when the licence holder themselves applies for an amendment during the licence period. When considering the change applied for by the licence holder, the supervisory authority should, in particular, assess whether the conditions for granting the licence are met with regard to the forms of gambling services that are the subject of the change.

Under subsection 4 of the proposed section, the licence holder would be obliged to apply for an amendment to the licence if the licence holder decided to change its operations substantially and the licence already granted would no longer cover the changed operations or the conditions for granting the licence would no longer be met. In such a case, the licence holder should apply for an amendment to the licence without delay and refrain from taking any action to implement the change until the supervisory authority has made a decision on the amendment to the licence.

Section 19. *Compensation payable to the State by the holder of an exclusive licence.* The proposed section would lay down provisions on the obligation of the holder of an exclusive licence to pay the State compensation according to the arm's length principle for the right to offer the forms of gambling under an exclusive licence referred to in section 5. The purpose of providing for specific compensation is to ensure that the exclusive right holder does not obtain an economic advantage distorting competition under EU state aid rules as a result of the exclusive right granted to it. The section would lay down provisions on the grounds for determining the compensation to be paid, the payment schedule for the compensation, changes to the amount of compensation and appeals against decisions on compensation.

The proposed compensation referred to in section 19 would be a separate matter from the fee payable for the processing of the licence. The exclusive licence, as well as the gambling licence and the gambling software licence, would be subject to a fee. However, the collection of the processing fee for a licence application is based on the Act on Criteria for Charges Payable to the State and an annual decree issued under it, and the proposed Act would not, for this reason, provide for the processing fee. In accordance with the Act on Criteria for Charges Payable to the State, the size of the charge made by the State for a performance shall correspond to the average total costs incurred by the State from producing the performance. Therefore, the amount of the processing fee would be affected by the time taken to process the application, the personnel costs used to process the case, the information system and development costs, as well as the share of the supervisory authority's overheads, such as premises.

According to subsection 1 of the proposed section, the compensation payable by the exclusive operator would always be specific to the licence. This would mean that licences entitling holders to operate lotteries and pools, as well as physical casino games and slot machines, would each give rise to the requirement to pay compensation on the basis of the gross gaming revenue of the forms of gambling services offered under the licences. The same subsection 1 would stipulate that the payment of compensation would be a condition for the validity of the licence. According to section 79, subsection 1, paragraph 3 of the proposed Act, the supervisory authority could revoke the licence if the holder of an exclusive licence failed to pay compensation.

Subsection 2 of the proposed section would lay down provisions on the criteria for determining the amount of compensation and on the procedure for paying compensation. The compensation would consist of two parts: a basic compensation and annual proportional compensation.

The first part of the compensation, the basic compensation, would be based on an estimate, made before the licence entered into force, of the gross gaming revenue of the gambling services offered under the licence and of the profit deemed reasonable from the gambling activities for the entire licence period. The estimated gross gaming revenue for the gambling services provided under the licence for the entire duration of the licence would be reduced by the profit deemed reasonable from the gambling activities carried out under that licence.

An estimate of the annual compensation to be paid under subsection 2, paragraph 2 should be taken into account when determining the reasonable profit. Assessment of the reasonable profit shall take account, in particular, of the fact that it should cover the operating and capital costs of gambling activities carried out by the licence holder under the licence as well as a reasonable profit from the gambling activities.

A reasonable profit would be the profit retained by the licence holder from the provision of the licensed games of chance, which would be an appropriate reflection of the risk of conducting business under the licence during the licence period. A number of different methods are available for the calculation of reasonable profit, the most appropriate of which is currently estimated to be based on estimated cash flows during the licence period (DCF). The discounted cash flow would be used to determine the net present value (NPV) of the exclusive right, which would form the basis for the assessment of a reasonable profit. The assessment of the risk of the licensed and thus the capital return requirement could be based on the estimated average cost of capital (WACC). The operational risk assessment should be based above all on the operational risk of other undertakings carrying out exclusive business activities in the gambling market. The level of risk associated with the activities of gambling companies operating in a competitive market cannot be used as a benchmark. After payment of the fees related to the exclusive licence, i.e. the basic compensation and the proportional compensation, the estimated effective interest rate (IRR) of the licence holder for the licensed business should correspond to a reasonable profit.

Since the amount of the basic compensation in euro is determined before the start of the licence period, the operating profit of the licence holder may be either higher or lower than the estimate, i.e. the licence holder also bears the risk of the profitability of its business during the licence period. Because the amount of the proportional compensation in euro is calculated based on the annual gross gaming revenue, the proportional compensation would mitigate both the negative and the positive effects on the licence holder of a deviation in the actual gross gaming revenue from the estimate.

The methodology for determining the compensation to be paid to the State for the exclusive licence is currently being reviewed with the European Commission to ensure that it eliminates any excess profit from the exclusive licence as required by state aid rules.

The amount of the basic compensation and its payment schedule would be decided by the Government. The purpose of the basic compensation to be decided in advance is to ensure that the State receives appropriate compensation for the right granted to the holder of the exclusive right to operate the games of chance covered by the licence, irrespective of the actual results of the holder’s gambling activities. However, if the holder of an exclusive licence were

obliged to pay, as a one-off compensation, an amount corresponding to the amount of the gross gaming revenue of the games of chance offered on the basis of the exclusive right at the beginning of the licence period, this could constitute an unreasonably high compensation in relation to the holder's current ability to pay.

The Act does not specify in detail the calculation model to be applied for the calculation of compensation, but lays down general principles within which the Government could adopt more detailed provisions on the determination of compensation and the assessment of the correctness of the level of compensation. The approach is similar to, for example, the pricing of electricity and natural gas networks, where the legislation defines the general principle of reasonable pricing and in addition the Energy Authority has been given the opportunity to decide on more detailed pricing control methods. The Energy Authority confirms in advance, for a period of eight years, the methods on the basis of which monitoring is carried out for electricity and natural gas network operators and monitors the pricing of network operators as a whole over four-year periods. The control methods set out, inter alia, the principles for determining the capital employed, the reasonable rate of return, and the operating income and costs.

Since the basic compensation determined in accordance with subsection 2, paragraph 1 would be based on an estimate made before the licence entered into force of the future gross gaming revenue of the gambling activities carried out under the licence for a period of 10 years, also taking into account the annual compensation based on gross gaming revenue of subsection 2, paragraph 2, the actual profits of the gambling activities carried out under the licence may differ materially from the estimated gross gaming revenue on which the payment under subsection 2, paragraph 1 is based. The amount of the fee referred to in paragraph 1 would be determined by decision of the Government.

Subsection 2, paragraph 2 of the section would lay down provisions on the second part of the compensation paid by the holder of an exclusive licence, which would be a proportional compensation determined annually on the basis of the realised gross gaming revenue. The Act would not stipulate the amount of the proportional share, but the Government would make a decision on the proportional share (percentage of the annual gross gaming revenue) for the entire licence period at the same time as the Government determines the amount of the basic compensation. The basis for determining the proportional compensation would be the realised gross gaming revenue of the gambling activities carried out under the exclusive right in the previous calendar year multiplied by the percentage determined by the Government as described above. By decision of the Government, the amount in euro of compensation referred to in paragraph 2 shall be fixed annually. The holder of an exclusive licence should pay proportional compensation to the State for the first time in the calendar year immediately following the entry into force of the licence, i.e. in 2028, and for the last time in the calendar year immediately following the expiry of the licence, i.e. in 2037.

Subsection 3 of the section would lay down provisions on the procedure for determining the amount of compensation referred to in subsection 2, paragraph 1 and the payment schedule. The Government would confirm the amount of the compensation referred to in paragraph 1 and the estimated net gaming proceeds from the gambling services provided on the basis of an exclusive right, as well as a reasonable return, as the basis for its determination, by a decision made before the licence entered into force. That decision would also set out a precise timetable for the payment of the lump sum compensation, including a possible breakdown of the lump sum into instalments. However, the compensation should be paid to the State in full before the end of the licence period.

Subsection 4 of the section would provide for the possibility of derogating from the amount of compensation referred to in subsection 2, paragraph 2 above. The proposed provision is based on the premise that the reasonable profit from the activity should be sufficient to cover the operating and capital costs necessary for the gambling activities carried out by the licence holder under the licence. Reasonable profit could also include, at most, a reasonable profit from gambling activities in that calendar year. If it transpires during the licence period that, because of the compensations to be paid, the provision of games would not become profitable, for example, due to a reduction in gaming faster than estimated, it would be possible for the Government, upon application by the licence holder, to determine a lower proportion on the basis of which the annual compensation is determined. However, the proportional share should not fall below zero. Determining the lower compensation would be discretionary for the Government, and such a solution should only be used in exceptional circumstances. That would be the case, in essence, if it would otherwise be more profitable for the licence holder to cease providing the services covered by that licence because of the proportional compensation. In its application, the licence holder should provide a detailed justification of why a reasonable profit is not achievable and what measures the company has taken to achieve a reasonable profit. However, the possibility to deviate from the amount of compensation should apply only in very exceptional circumstances and is not intended to enable a reasonable profit to be achieved, for example, in a situation where market developments could reasonably have been foreseen by the company and where the company has not taken appropriate measures, for example, to reduce costs or increase the efficiency of its operations.

Since it is not inconceivable that the gross gaming revenue of the licence holder’s business in accordance with the licence will be higher than estimated when the licence was granted, it is also justified to enable an increase in the compensation referred to in subsection 2, paragraph 2 above. An increase in the compensation would only be possible if there was a difference between the estimated and the actual gross gaming revenue. The increase in compensation would take place on presentation by the Prime Minister’s Office by a government decision, however, in such a way that the Government should consult the licence holder before making such a decision.

Provisions on appeal against a decision made by the Government under section 19, subsection 2 would be laid down in subsection 5. The Supreme Administrative Court would act as the appeal authority in decisions concerning the licence compensation of the Government. According to section 11 of the Rules of Procedure of the Supreme Administrative Court (136/2024), matters that by law must be dealt with as a matter of urgency or that, due to their nature, require urgent consideration must be dealt with urgently. Since the compensations paid by the exclusive rights operator are estimated to be significant and their payment has significant effects on the licence holder's financial position, provision should be made for the Supreme Administrative Court to deal with the appeals as a matter of urgency. The initiation of an appeal would not prevent the enforcement of the Government’s decision on compensation unless the Supreme Administrative Court, acting as the appellate authority, issues an order on the enforcement of the decision under section 123 of the Administrative Judicial Procedure Act. In other respects, appeals against decisions made by the Government under subsection 2 would be governed by the provisions of the Administrative Judicial Procedure Act, in which case, for example, the right to appeal against a decision of the Government would be determined in accordance with section 7 of the said Act.

The initiation of an appeal against a Government decision or, for example, any order by the appellate authority prohibiting the enforcement of the decision or any other order would have

no effect on the validity of the licence and thus would not constitute grounds for the supervisory authority to revoke the licence granted. However, since, according to the proposed subsection 5, the appeal would not prevent the enforcement of the Government decision, the licence holder should, despite the appeal, pay the compensation referred to in paragraph 1 or 2 of the proposed subsection 2 within the timeframe specified in the contested decision or, if the enforcement of the contested decision would be prohibited by an order of the appeal authority, immediately after the expiry of that prohibition on enforcement, if the payment obligations under the contested decision have fallen due during the period of validity of the prohibition on enforcement. If the Government's decision on compensation were to be annulled as a result of an appeal, the licence holder's payment obligations would instead be determined in accordance with a new Government decision issued after the annulment or, if the Supreme Administrative Court were to amend the contested Government decision, in accordance with that amended decision.

The proposed section 19, subsection 6 would provide for the possibility for the Government to issue more detailed provisions by decree on the determination of the compensation referred to in section 19, subsection 2. More detailed provisions could apply, for example, to assessment of capital employed, reasonable rate of return, and the income and costs of operations.

Chapter 3. Operation of gambling.

Section 20. *Player registration and verification of identity.* Provisions on the registration of players and the verification of the player's identity are laid down in section 14 of the Lotteries Act. The current provision obliges Veikkaus Oy, which operates gambling under an exclusive right, to register the player when establishing the customer relationship and to verify the player's identity in order to verify the player's age of majority. The obligation to register a player would apply to all those who would operate gambling in the national territory under an exclusive licence or a gambling licence . Identity verification would mean verifying the player's identity on the basis of documents or information from a reliable and independent source. Such documents would include at least a passport and an identity card. Identity could also be verified through strong electronic identification. Subsection 4 of the section contains provisions on the power to issue decrees to issue further provisions on the verification of a player's identity by government decree. Subsection 5 contains a reference provision to the Money Laundering Act and the customer due diligence obligation laid down therein.

Section 21. *Residence requirement.* With regard to online gambling, the section would lay down an obligation to register as players only natural persons who are permanently resident in the national territory. In practice, the national territory refers to mainland Finland in contrast to Åland, which has its own gambling system and legislation. The purpose of the provision is to respect the territorial scope of the legislation of another State or region in such a way that the operation of online gambling provided for by law would not conflict with the legislation of another State or region. Gambling activities in other countries may be based on an exclusive right or licence provided for by law. For example, the Swedish gambling legislation contains a similar provision on the place of residence of a player, according to which only a natural person domiciled or permanently residing in Sweden can be registered as a player for online gambling.

The obligation to verify the place of residence is included in the Lotteries Act in force and it has been imposed on Veikkaus Oy as an exclusive operator. The new Gambling Act would specify the regulation with an explicit requirement for a natural person to reside in the national territory in respect of online gambling. The provision would not prevent licence holders from

offering other than online gambling services to players permanently residing outside the national territory during their stay in the national territory.

In accordance with the Lotteries Act, the proposed obligation to verify the player's place of residence on a regular basis also during the customer relationship has been part of Veikkaus Oy's obligations laid down by law. The provisions would apply to anyone who, on the basis of an exclusive licence or a gambling licence, would carry on gambling activities in the national territory. Compliance with the provisions in practice would be based on searches made in the Population Information System of the Digital and Population Data Services Agency and automatic checks made using the Population Information System. For players subject to non-disclosure of data for personal safety reasons, the verification would require specific measures. The law would not set any specific timeframe for regular checks. However, the checks should be carried out frequently enough to ensure that the objective of the provision is achieved. Veikkaus Oy, for example, currently carries out regular verification of the place of residence by checking the player's place of residence in the Population Information System on a weekly basis. In the case of players subject to non-disclosure of data for personal safety reasons and, if for other reasons, the verification of the player's place of residence is not carried out automatically, Veikkaus Oy will ask the player annually to provide an account of the player's place of residence.

If the licence holder finds, on the basis of a check or other information, that the player is permanently resident outside the national territory, the licence holder should, in accordance with subsection 3, prevent the player from playing online games of chance. Subsection 4 of the section would include a provision on the power to issue decrees under which further provisions on the verification of a player’s place of residence can be issued by decree of the Ministry of the Interior.

Section 22. *Player account.* Section 4 of the proposed Act would include the definition of a player account. Section 14 of the Lotteries Act lays down provisions obliging Veikkaus Oy to open a player account, to limit the number of player accounts to a single personal player account and Veikkaus Oy’s obligation to provide the player with information on the funds in the player account, transfers of funds, gambling transactions and restrictions on gambling. Similar obligations would apply to all those who, on the basis of an exclusive licence or a gambling licence obtained, carry on gambling activities in the national territory. Like the current Lotteries Act, gambling at a casino would constitute an exception to the obligations laid down in the regulation of player accounts. At the moment, Veikkaus Oy's casino has its own customer register.

According to subsection 3 of the section, the licence holder should enable the player to view the funds in the player's account, transfers of funds, gambling transactions and restrictions on gambling. The information should be available to view for at least the past year. The new regulation would be an obligation for the holder of an exclusive licence and a gambling licence to provide players with a tool enabling them to assess their gambling behaviour on a monthly and annual basis. Sweden has a similar tool in place to identify potential problem gambling. The aim of the regulation is to promote the management of gambling and prevent the occurrence of gambling-related harms, as well as to prevent the indebtedness of gamblers in accordance with the objectives of the Government Programme. Many gambling companies already have such tools for monitoring and evaluating gambling.

As a new regulation concerning the player account, subsection 4 would lay down provisions on the licence holder’s obligation to keep the player’s funds in the player account separate

from the licence holder's own funds. In addition, the licence holder would be obliged to inform the player how the funds in the player account are protected if the licence holder becomes financially insolvent. In accordance with the subsection, this information should be given to the player at the latest at the time of opening the account. Subsection 5 of the section would contain a provision on the power to issue decrees, under which more detailed provisions on player accounts can be issued by decree of the Ministry of the Interior.

Section 23. *Closure of a player account.* The section would lay down provisions on the procedure that the holder of an exclusive licence and the holder of a gambling licence should follow when the player account is closed. A player account shall be closed, inter alia, in the situation referred to in section 21 above, if the licence holder finds that the player resides permanently outside the national territory and that the player should be prevented from gambling. When a player account is closed, the licence holder should pay the funds in the player account to the player without delay and no fee should be charged for the closure of the player account in accordance with subsection 2 of the section.

When closing a player account, the player should not, as a rule, have any unfinished games of chance, such as fixed-term gambling or unfinished online games of chance, the potential winnings of which have not been paid into the player account or their winnings have not been claimed. If there were to be any unfinished games of chance, any gambling winnings should be credited to the player or the player's estate, or at least the licence holder should keep such winnings for a minimum period of time.

Section 24. *Age limit for gambling.* In order to protect minors from gambling-related harms, the section would lay down a general minimum age for gambling, which would be 18 years. The provision would correspond to the age limit for gambling laid down in the current Lotteries Act. The obligation to comply with the age limit would apply to holders of exclusive licences and gambling licences and agents who sell games of chance on behalf of the licence holders and to those who provide facilities for making slot machines available for use.

Section 25. *Prohibition on credit, free games and discounts*. Like the current Lotteries Act, the section proposes that it would not be possible to participate in gambling on credit or against security. Offering gambling services on credit means that the player does not pay the charge required for participation in the game but runs up a debt. In accordance with the proposed section, gambling services could also not be provided in such a way that it would be possible to participate using a credit card, even if the debt relationship in this case does not arise between the gambling operator and the player, but between the player and the credit company. Gambling could also not be carried out in such a way that the player would pay for gambling with a deferred payment debit card, in which the amount accrued from purchases made with the card must be paid no later than on the due date agreed between the cardholder and the card issuer.

Gambling studies have found that gambling on credit is closely related to problem gambling, and gambling on credit and serious gambling-related harms in particular are closely linked. Gambling on credit is in itself perceived as harmful gambling behaviour, and paying on credit is considered to involve more risk of harms than gambling using own money. Paying with credit would allow the player to continue playing in a situation where the funds available to him have been exhausted and would therefore constitute a risk of indebtedness and related health and social harms. It is otherwise not appropriate or even possible for the law to regulate in detail the different payment methods, taking into account, among other things, that payment methods change and evolve rapidly. The provision would not create obstacles to the use of

different payment applications to pay for gambling or to the introduction of new payment methods based on debit payment, in which case the payment will be debited from the account linked to the payment card. If the licence holder could not ensure that the payment for gambling does not come from credit, new payment methods could not be used to pay for gambling. Licence holders shall also take care of their obligations laid down in the Money Laundering Act. These include, inter alia, the obligation to establish, where appropriate, the origin of the funds involved in the transaction. In the subsection, security would refer to all assets of value provided as security for a debt.

Subsection 2 of the section would contain provisions prohibiting the transfer of money based on credit to gambling. As stated in the explanations to subsection 1, studies show that, in particular, gambling on credit and serious gambling-related harms are closely linked. The purpose of this provision is to prevent gambling operators from also acting as credit intermediaries.

Subsection 3 of the section would lay down a key principle according to which the holder of an exclusive licence or a gambling licence should not offer a player money for gambling or offer gambling for free or at a reduced price or with combined offers. An exception would be the possibility, proposed in section 26, for the licence holder to offer gambling bonus money to its existing customers under certain conditions. For example, bonuses, loyalty programmes and other similar benefits offered by the licence holder to players other than its customers and features that encourage customers to gamble more or reward the amount of gambling or the amount of deposits, would be prohibited. The grounds for the ban would be, in particular, the prevention of gambling-related harms and the promotion of the responsible operation of gambling.

Section 26. *Offering other goods and gambling bonus money to customers.* The section would provide for the offer of other goods in the marketing of gambling at a reduced price or free of charge and for the offer of gambling bonus money to customers of the holder of an exclusive licence or gambling licence.

Subsection 1 of the section would stipulate that offering other goods would be allowed for holders of an exclusive licence or a gambling licence during the customer relationship and in order to maintain it. Benefits offered to customers within the meaning of the draft provision would include, for example, reduced or free tickets to events or a service or good. The customer benefit offered should not be contrary to good practice and should be of moderate value. In order to prevent gambling-related harms and to discourage incitement to excessive gambling, the amount of money spent on gambling or the absence of gambling should not affect the basis for the offer of the customer benefit or the value of the customer benefit.

According to subsection 2 of the section, the offer of a moderate amount of gambling bonus money during an established customer relationship on equal terms between the customers of the holder of an exclusive licence and a gambling licence would be allowed. Receiving gambling bonus money should not be based on the time spent gambling or be in proportion to the amount of money spent on gambling. Before providing gambling bonus money, the licence holder should ensure that the offer of customer bonuses does not jeopardise the licence holder's obligation to protect players from excessive gambling referred to in the proposed section 34.

The terms and conditions for receiving and using gambling bonus money should be transparent, available to customers and easy to understand. Gambling bonus money could not

be directly exchanged for cash and gambling bonus money could be subject to a wagering requirement of a maximum of five times.

Section 27. *Restrictions on the operation of betting.* In order to prevent gambling-related harms and to prevent various forms of abuse, the section would lay down restrictions on gambling activities subject to a gambling licence. The restrictions would be related to betting. Betting shall not be offered, for example, on the event or outcome of games of chance offered under an exclusive right. Betting shall not be offered on the event or result in a competition where the majority of participants are under the age of 18. In addition, betting shall not involve any markets whose outcome could involve a significant risk of abuse. This could include, for example, markets related to small-scale voting or other competitions where the outcome is not decided as a result of a sporting outcome. That principle is reflected in the fact that a licence holder should not be allowed to offer betting, the market of which is a breach or the penalty for a breach of the rules of a competition, tournament or sport. Betting markets should therefore not be offered on penalties for irregularities, such as a red or yellow card, a game penalty or a warning. Sweden, for example, has similar regulations in place to combat manipulation of competitions.

According to the definitions in the proposed section 3, betting markets are the events or results of a sports or other competition. It is proposed that a clarifying provision be included in the Act, according to which the betting markets could also not include elections referred to in section 1, subsection 1 of the Election Act (714/1998), i.e. parliamentary elections, presidential elections, regional elections, municipal elections and elections to the European Parliament. Although the financial markets are not sports or other competitions within the meaning of the definitions, it is proposed that a provision be included in the Act, according to which bets should also not be placed on the financial markets. The aim of the provisions on elections and financial markets would be to prevent possible abuse.

Section 28. *Identity verification for gambling.* The section would provide for mandatory identity verification. Under the Lotteries Act, mandatory identity verification is laid down for all gambling services offered by Veikkaus Oy. Identity verification would continue to be a prerequisite for gambling and would apply to all holders of exclusive licences and gambling licences. Mandatory identify verification allows the introduction of restrictions and other measures to control gambling and the implementation of other tools in gambling. Without mandatory identity verification for all gambling, it will not be possible to create effective gambling management tools, for example. Compulsory identification also makes it possible to monitor gambling. In addition to setting and monitoring restrictions, this will also facilitate the development of external evaluation based on gambling behaviour and related interventions. In online gambling, gambling always requires identity verification, but the obligation for identity verification would also apply to gambling involving games of chance, slot machine gaming and casino games offered by the licence holders or their agents.

Like the Lotteries Act, identity verification for gamblin in the Gambling Act would not mean the identification and verification of identity of a player referred to in the Money Laundering Act, and the concept has a different meaning due to the objective of the regulation. The Money Laundering Act provides for know your customer compliance to prevent money laundering and terrorist financing. In the Money Laundering Act, verifying identity means checking the identity of the player on the basis of documents or information from a reliable and independent source. Correspondingly, it is proposed that provisions on the verification of a player's identity when registering a player and establishing a customer relationship be laid down in section 20 above. The aim of the provisions on identity verification for gambling in

the Gambling Act, on the other hand, would be primarily to enhance the prevention and reduction of gambling-related harms. Identity verification for gambling would be linked to the customer relationship between the licence holder and the player. In accordance with the proposed section, identity verification for gambling must take place in such a way that the player is identified as a registered customer of the licence holder. In practice, this could mean, for example, entering a user name and password created during registration when logging in to a player account.

Subsection 2 of the section would contain a provision on the power to issue decrees, under which more detailed provisions could be issued by decree of the Ministry of the Interior on the procedure for ensuring identity verification for gambling as a registered player.

Section 29. *Gambling blocking measures.* The section would lay down provisions on time out and self-exclusion. In order to support the channelling capacity of the gambling system, it should be possible to self-exclude in a versatile manner and on a licence holder-specific, game-specific and gambling service-specific basis, without the only possibility of self-exclusion being to prevent all gambling. For this reason, the section would stipulate that blocking measures would consist of self-exclusion enabled by a centralised self-exclusion system that would enable players to self-exclude from all gambling involving games of chance offered by all licence holders, as well of an obligation specific to each licence holder, at the player's request, to block players from gambling involving all or some of the games of chance offered by the licence holder. The self-exclusion would be valid for a fixed period or indefinitely. In addition, licence holders would be obliged, similarly to the legislation in force, to offer players the possibility of immediately blocking gambling until the end of the following day.

Subsection 1 of the section would lay down provisions on the possibility for a player to self-exclude by submitting a notification to the supervisory authority. This refers to the ability to self-exclude from gambling using a single platform for all licensed services referred to in the Government Programme, i.e. a so-called centralised self-exclusion register. Through a centralised self-exclusion register, gamblers could self-exclude from gambling services offered by all licence holders. A centralised self-exclusion register could not be used to set partial self-exclusion on, for example, certain forms of gambling services or on the games of chance offered by a particular licence holder, and such self-exclusion should be set through the holder of an exclusive licence or gambling licence. Subsection 2 of the section would lay down provisions on the licence holder's obligation to enable self-exclusion on a game-by-game basis or by form of gambling service.

The law would not provide for the required form of the notification to the authority. The practical possibilities of self-exclusion depend in part on the technical implementation of the self-exclusion register. However, since all gambling would involve identity verification, people would be required to verify their identity in a reliable manner in order to self-exclude, to ensure that the self-exclusion would be targeted at the right person. In connection with the notification to the Spelpaus self-exclusion register maintained by the Swedish supervisory authority, a person is identified by means of electronic identification.

The proposed section 28 lays down an obligation to require identity verification for gambling. For this reason, it should be possible to self-exclude and check the validity of self-exclusion in or close to real time. The website of the Swedish Spelpaus self-exclusion register instructs persons who have imposed a self-exclusion to log out of gambling websites and mobile applications in order for the self-exclusion to take effect immediately. A self-exclusion

website maintained by the supervisory authority could provide information to the person who imposed the self-exclusion on, for example, gambling-related harms and their identification, as well as on the available support and care services related to harms, including over-indebtedness, for example in connection with a website message confirming the registration of the self-exclusion.

Subsection 2 of the section would lay down provisions on the licence holder's obligation to enable players to self-exclude from gambling offered by the licence holder on a game-by-game basis or by forms of gambling. The purpose of the provision in the subsection is to offer more diverse ways of self-exclusion than self-exclusion from all gambling offers referred to in subsection 1. Subsection 3 of the section would lay down an obligation for the licence holder to prevent a player from playing the games of chance from which they have self-excluded.

Subsection 4 of the section would provide for the possibility of imposing a block for an indefinite or fixed period of time as well as for the minimum duration of an indefinite self-exclusion and the procedure for ending it. The provisions would apply both to the centralised self-exclusion register maintained by the supervisory authority and to blocking measures offered by licence holders. In line with the Swedish model, the centralised self-exclusion register could offer a choice of self-exclusion periods. In the Swedish Spelpaus self-exclusion register, the duration of temporary self-exclusion is one, three or six months. According to the proposed subsection, a player could end an indefinite self-exclusion after a minimum period of one year. However, the cancellation procedure would be accompanied by a three-month standstill period, after which the self-exclusion would be lifted.

Subsection 5 of the section would, like subsection 2, lay down provisions on the licence holder's obligation to offer players the opportunity to prevent gambling immediately until the end of the next day in order to diversify the possibilities of blocking. The immediacy referred to in the provision would mean that blocking gambling should be made as easy as possible for the player. For example, a player could block gambling by using the 'block gambling' feature that is always visible when gambling.

It is proposed that the means of self-exclusion presented in this section be included in the information proposed in section 37 below relating to the operation of gambling. Information on self-exclusion in an online channel should always be available, easy to find and contain a direct link or otherwise be in a form that allows for the immediate setting of self-exclusion. In accordance with, inter alia, the Swedish model, it is proposed in section 54 below that setting a self-exclusion would simultaneously prohibit the direct marketing of the gambling services covered by the self-exclusion. As part of the reporting on compliance with the duty of care referred to in the proposed section 68, the licence holder should annually submit information on self-exclusion directed at it and on the blocks imposed on the player by the licence holder itself, which would improve the supervisory authority's ability to carry out the task proposed in section 57, subsection 4 on the monitoring and reporting on the development of the gambling market.

It is not proposed to include in the Gambling Act provisions on the blocking of gambling by players initiated by licence holders themselves, with the exception of the provisions of section 41 proposed below on the right of the holder of an exclusive licence to remove a person from a casino or a game room under the conditions specified in the section. However, the licence holder may also need to prevent gambling on their own initiative, for example in cases of abuse or in order to prevent and reduce gambling-related harms in accordance with the

proposed Act. In practice, the licence holder could make it possible to prevent gambling at its own initiative in certain acceptable cases, for example through their contractual terms.

Section 30. *Licence holder-specific money transfer limit.* The section would provide for the transfer limits set by the player. The money transfer limits would be specific to the licence holder, i.e. the player would set the limit separately for each licence holder. The money transfer limit would mean a maximum limit set by the players themselves on the amount of money that players can deposit into their player account. The limits would apply to all forms of gambling, with the exception of casino gambling. In line with current practice, the casino would have its own customer register and gambling management tools in place. Subsections 2 and 3 of the section would contain provisions on setting money transfer limits and amending them. The downward changes in the transfer limits would take effect immediately. Upward changes would take effect on the following day in the case of a daily money transfer limit and from the beginning of the following month in the case of a monthly money transfer limit.

Section 31. *Operation of gambling by holders of an exclusive licence.* Subsection 1 of the section would lay down provisions on the obligation of the holder of an exclusive licence to provide gambling services in a way that guarantees the legal protection of players, prevents abuse and crime related to gambling and keeps gambling-related harms to a minimum. A similar provision describing the objectives of the legislation is also included in the Lotteries Act. The section would contain the necessary provisions on the power to issue decrees in order to guarantee the legal protection of players and to adopt the necessary provisions to prevent and reduce gambling-related harms. The section would apply to the operation of gambling by the holder of an exclusive licence. It is proposed that subsections 2 to 5 of the section provide for the power to issue decrees of the Government and subsection 6 of the Ministry of the Interior to issue the provisions necessary to achieve the objectives laid down in subsection 1. The corresponding provisions on the power to issue decrees concerning the operation of gambling by Veikkaus Oy are contained in section 13c of the valid Lotteries Act. The Government Decree on the operation of gambling by Veikkaus Oy and the Decree of the Ministry of the Interior on the rules of play of the gambling offered by Veikkaus Oy have been issued under this section.

Paragraphs 1 and 2 of subsection 2 of this section would authorise the Government to issue provisions on the proportion of gambling fees paid to players as winnings and a provision on the rounding of winnings. Paragraphs 3 to 5 of the subsection would authorise the Government to issue provisions on the scope of gambling activities with regard to the number of slot machines, casino games and gambling venues. Subsection 3 of the section would authorise the Government to issue provisions on the procedures concerning the excess funds accruing from gambling to the holder of an exclusive licence. The current Government decree on the operation of gambling by Veikkaus Oy contains, among other things, provisions on situations in which, exceptionally, in one of the gambling services operated by Veikkaus Oy, winnings of less than the amount that must be paid out has been paid out during the calendar year. Funds accrued in such situations, funds accrued from rounding of winnings and unclaimed winnings shall be treated as unpaid gambling assets and, in accordance with the decree, shall be used to pay out winnings in different gambling services at the latest during the following calendar year. In addition, in accordance with subsection 4 of the section, provisions on permitted sales periods for gambling could be laid down by government decree.

The current Decree of the Ministry of the Interior on the rules of play of the gambling offered by Veikkaus Oy contains, among other things, provisions on transfer and maximum loss limits as part of the gambling management package laid down in the Decree. In the future, it is

proposed that provisions on money transfer limits be laid down directly at the level of the Act in section 30. With regard to loss limits, subsection 5 would give the Government the power, if necessary, to lay down by decree maximum loss limits per day, month and year. Loss limits would be limited to gambling involving a high risk of gambling-related harms. In the subsection, fast-paced online pools would refer to pools offered by the holder of an exclusive licence in an online gambling service in which several draws would be carried out per hour. Paragraph 6 below would provide for the power of the Ministry of the Interior to issue a decree on the rules of play of gambling, which, among other things, would provide for the permissible intervals between draws necessary to prevent and reduce gambling-related harms in respect of online pools. In the current Decree of the Ministry of the Interior, pools in which the interval between consecutive rounds has been seven minutes have been considered fast-paced pools.

Subsection 6 of the section would provide for the power for the Ministry of the Interior to issue rules of play for gambling by decree. In addition to the provisions referred to in the subsection to be included in the decree, the rules of play of gamblings could, in accordance with subsection 7 of the section, also contain other necessary provisions to prevent and reduce gambling-related harms. The regulatory needs concerning game characteristics and quantitative and temporal restrictions are discussed in more detail in the explanations to section 32 below. In addition, in accordance with subsection 8, the holder of an exclusive licence should, if necessary, impose quantitative and temporal restrictions on gambling by form of gambling service, game and player, and offer players the opportunity to set the aforementioned restrictions themselves. The decrees would lay down minimum restrictions and the provisions on the power to issue decrees and the provisions issued under them would not restrict the proposed obligation of holders of an exclusive licence to impose restrictions or to offer players the opportunity to impose such restrictions in order to provide responsible gambling which aims to counter gambling-related harms.

Section 32. *Operation of gambling by holders of a gambling licence.* Subsection 1 of the section would lay down provisions on the obligation of the holder of a gambling licence to provide gambling services in a way that guarantees the legal protection of players, prevents abuse and crime related to gambling and keeps gambling-related harms to a minimum. A similar provision describing the objectives of the legislation is also included in the Lotteries Act. The section would also include the necessary powers to issue decrees concerning the operation of gambling by the holder of a gambling licence. Subsection 2 of the section would also include the power to issue decrees on the maximum loss limits by licence holder by government decree, if necessary. Loss limits would be limited to gambling involving a high risk of gambling-related harms. As games of chance based partly on skill, betting and online poker would be excluded from the provisions on loss limits to be given by decree.

Subsection 3 of the section would include the power of the Ministry of the Interior to issue a decree on necessary provisions on the characteristics of gambling offered by holders of a gambling licence in order to prevent and reduce gambling-related harms. Of the gambling services offered by holders of a gambling licence, the characteristics of fast-paced online casino games and slot machine games, in particular, means these gambling services involve a high risk of gambling-related harms. The online gambling environment increases the risks of harms and highlights the need to regulate the characteristics of gambling services. In particular, in the case of slot machine games, the key regulatory needs relating to features of gambling focus on maximum stakes and winnings, the possibilities for wagering additional stakes within a game round, the speed of rounds, the automated start of game rounds (autoplay feature) and artificially created near miss situations. Restrictions on the above characteristics

would make it possible to reduce gambling-related harms without unnecessarily impairing the player's gaming experience. The setting of restrictions would be necessary in order to achieve the objectives laid down in the section. An example of the quantitative and temporal restrictions referred to in paragraph 3 is the requirement to remind players of the time spent gambling (time reminder) and to limit the duration of the game, where the gambling system would require at least a short compulsory break after a long period of continuous gambling.

In accordance with subsection 4, the holder of a gambling licence should also, if necessary, in addition to the restrictions laid down by decree, set quantitative and temporal restrictions on gambling by form of gambling service, game and player, and offer players the opportunity to set the aforementioned restrictions themselves. The decrees would lay down minimum restrictions and the provisions on the power to issue decrees and the provisions issued under them would not restrict the proposed obligation of holders of a gambling licence to impose restrictions or to offer players the opportunity to impose such restrictions in order to provide responsible gambling which aims to counter gambling-related harms.

Section 33. *Gambling software used by exclusive licence holders and gambling licence holders.* The section would lay down a condition for the operation of gambling under a licence by holders of an exclusive licence and a gambling licence, according to which only gambling software manufactured, supplied, installed or adapted by the licence holders referred to in the proposed section 7 may be used in the operation of gambling. It would also be prohibited to manufacture, supply, install or adapt gambling software to anyone who operates gambling in the national territory or directs gambling offers to the national territory and who does not have the licence required by this Act for the operation of gambling. It is proposed that section 84, subsection 1, paragraph 12 of the proposed Act lay down provisions on the authority to impose a penalty fee on the licence holder if the licence holder intentionally or negligently violates or neglects the prohibitions laid down in section 33.

This provision would include a transitional period. The obligation to use only gambling software supplied by a gambling software licencee holder would apply only from the beginning of 2028.

Section 34. *Duty of care.* The section would lay down provisions on the obligation of the holder of an exclusive licence and a gambling licence to ensure that social and health considerations are observed in gambling in order to protect players from excessive gambling and to help them reduce their gambling where appropriate. The duty of care would include the prevention of excessive gambling through the continuous monitoring and evaluation of the gambling behaviour of players by the gambling company. Holders of an exclusive licence and gambling licence should report annually to the supervisory authority, in accordance with section 68, on the measures that the licence holder has taken within the framework of the duty of care to prevent and reduce the harms caused by gambling. A similar obligation on the licence holder to monitor players' gambling behaviour and report it to the authorities is also included in the Swedish gambling legislation.

Subsection 2 of the section would lay down provisions on the licence holder’s obligation, as part of its duty of care, to assess the risk of harm caused to customers by gambling through the automated processing of gambling and player data. The licence holder should also take measures to prevent and mitigate risks where necessary. Similar obligations were included in the Lotteries Act at the beginning of 2022 (HE 135/2021 vp). Measures should be taken, for example, if an assessment of the risk of harm indicates that the player’s gambling behaviour has become clearly more harmful. For example, variables describing the stability, regularity

and planning of customer behaviour as well as the amount of time and money spent on gambling could be used in the construction of the harms assessment model.

The results of the automated processing referred to in the subsection could be utilised, for example, in the automation of the content of the licence holder's online gambling service. Based on the evaluation, one could select product information offered, restrict digital marketing and influence the presentation of various gaming management tools in the game service. In addition, the results could also be utilised in customer-specific situations, for example, by means of a selection of customers who would be contacted on the basis of the risk indicated by the assessment.

The above assessment should not be used, for example, to automatically impose a gambling ban, to deny access to physical game rooms or to disable the content of the licence holder's online gambling service. The evaluation should not be used for the purpose of promoting gambling.

In order to assess the risk of harm through automated processing of personal data, it would be profiling within the meaning of Article 4(4) of the GDPR, which must comply with the general requirements of the Regulation, such as data minimisation, transparency and data subjects' rights. The information used for profiling must also be correct and up-to-date. However, on the basis of the information generated by profiling, it would not be permissible to make individual decisions that are, in principle, prohibited by Article 22 of the GDPR. Thus, it would not be possible, for example, to impose a ban or other restrictions on each player on the basis of automated processing of personal data, but imposing individual restrictions would always require an assessment made by a natural person.

Subsection 3 would specify the content of the duty of care. First, the licence holder should define the procedures for communicating with players in situations where the licence holder identifies or suspects that a player's gambling constitutes harmful gambling. The licence holder should at least specify in which situations the suspicion of harmful gambling would be exceeded and which contact channels would be used to contact the players. According to subsection 4 of the section, the licence holder should document all the licence holder's contacts with players referred to in subsection 3.

Section 35. *Self-monitoring plan*. It is proposed that a provision on the preparation of and compliance with the self-monitoring plan be added to the Act. Self-monitoring refers to an arrangement that would ensure that gambling activities would be carried out in accordance with the law. The section would oblige all holders of an exclusive licence and a gambling licence and their agents to draw up a written plan for the implementation of self-monitoring. Licence holders and agents would thus be obliged to draw up a self-monitoring plan that would impose an obligation to monitor the legality of their own operations and the sufficiency of responsibility measures. Agents should also address in their plan the instructions concerning agents given by the licence holder in their own plan. The purpose of the obligation concerning the self-monitoring plan would be to ensure that all operators have sufficient and correct information on the statutory obligations related to their activities and the risks related to their practical implementation. Operating environments vary and risks need to be assessed taking into account the specific characteristics of each environment. The key elements of self-monitoring would include, at least, the identification of risks related to each gambling environment, the identification and awareness of the responsibilities and obligations of the personnel, and the documentation of self-monitoring measures and associated reporting to the supervisory authority. Licence holders should ensure that the personnel involved in self-

monitoring are aware of their obligations laid down in this Act and in the plan. The obligation would also extend to the staff involved in the agents' self-monitoring. Holders of an exclusive licence and gambling licence should include in the self-monitoring plan a report on compliance with the duty of care laid down in section 34.

The self-monitoring obligation was added to the Lotteries Act by an amendment to the Lotteries Act that entered into force at the beginning of 2022 (HE 135/2021 vp). The self-monitoring regulations imposed an obligation only in respect of self-monitoring involving slot machines located at gambling locations, but in practice Veikkaus Oy has at its own initiative extended self-monitoring to all gambling activities. The benefits of the self-monitoring model have proven to be, for example, that self-monitoring offers gambling operators the opportunity to assess the risks related to their own operations and to create internal models that best suit their own operations and are used to monitor compliance with statutory obligations. Self-monitoring includes the obligation to report to the authority on the implementation of self-monitoring and the observations made in connection with self-monitoring. This enables the supervisory authority to react to shortcomings and challenges related to the operations of companies, for example by issuing guidelines in the form of recommendations or statements. Thus, the self-monitoring model provides an opportunity for a lighter administrative approach and early, and ex ante intervention in possible cases of non-compliance.

One reason for switching to a partial licensing system was considered in the Government Programme to be that companies operating in the onlinel gambling market outside the exclusive rights system receive their profits without licence fees, taxes or responsibility for gambling problems caused by their operations. The aim is to enhance the supervision of the gambling industry in connection with the transition to the licensing system. From the perspective of the supervision of gambling activities, the self-monitoring obligation would support the supervision by the authorities and provide a lower threshold for ex ante intervention, as in the future licence holders could also be required to have a self-monitoring model describing how the implementation of the obligations laid down in the Act would be monitored and supervised and how possible shortcomings would be addressed. The self-monitoring model would also emphasise the obligation of personnel involved in the sale of gambling products to know and be aware of the content of the obligations laid down by law.

According to subsection 2 of the section, agents should submit a self-monitoring plan to the supervisory authority upon request. The holder of an exclusive licence and a gambling licence should report annually on the self-monitoring plan and compliance with the duty of care in accordance with the reporting obligation laid down in the proposed section 68.

Subsection 3 of the section would contain a reference provision to section 38, which would provide for self-monitoring relating to slot machines.

Section 36. *Licence holder's right to process personal data.* The section would lay down provisions on the right of the holder of an exclusive licence and the holder of a gambling licence to process personal data. Subsection 1 would describe the purposes for which the licence holder would be allowed to use personal data as referred to in Article 6(1)(c) of the GDPR in order to comply with its legal obligation, as well as the content of the data processed. The provisions would largely correspond to section 51 of the current Lotteries Act. The holder of an exclusive licence and a gambling licence would be obliged to comply with the provisions of sections 20, 34 and 42 of the proposed Gambling Act on the registration and identification of players, the duty of care and the technical surveillance of casinos and game rooms. The provisions of sections 47–49 of the proposed Act on the licence holder's

employees, procedures for detecting and preventing irregularities and the handling of contacts with players would also require the processing of players' personal data.

Under sections 31 and 32 of the Act, the holder of an exclusive licence and the holder of a gambling licence must operate gambling in such a way that the player's legal protection is guaranteed, irregularities and crime related to gambling can be prevented and gambling-related harms are minimised. Section 48 of the Act lays down provisions on the obligation of the holder of an exclusive licence and the holder of a gambling licence to monitor irregularities in gambling. The permissible purposes of processing personal data would therefore also include investigating irregularities that have occurred. Irregularities are investigated, for example, in order to ensure the correctness of gambling activities.

In accordance with the risk-based approach highlighted in the Data Protection Regulation and the Constitutional Law Committee's opinion practice, the content of the personal data processed would be regulated in detail and in a precise manner, particularly as regards data belonging to specific categories of personal data or otherwise sensitive data, the processing of which can be assessed as presenting risks to the data subject's rights. The personal data processed would include, according to subsection 1, paragraph 1, the customer's nationality and the identity documents of foreign customers. The processing of the data referred to in this paragraph may be considered to pose risks in terms of the rights of the data subject, inter alia, because it allows conclusions to be drawn on racial or ethnic origin belonging to special categories of personal data. In accordance with the introductory paragraph, the processing of data would only be possible if it is necessary for the processing purposes required under the licence holder's legal duties.

Paragraph 2 of the proposed subsection 1 would apply to the holder of an exclusive licence as a data processor, as the proposed paragraph would concern gambling services operated on an exclusive basis (casino games and slot machines). Paragraph 2 of this subsection would provide for the processing of the customer's image and technical surveillance data. It is proposed that section 42 of the Act provide for the right of the holder of an exclusive licence to monitor gambling activities by viewing and filming using technical equipment at the entrance and in the customer areas of a casino and game room and in the areas for employees. The processing of technical surveillance data and customer images has been considered to require additional regulation to the General Data Protection Regulation, inter alia, because the technical surveillance data may include biometric data belonging to the special categories of personal data referred to in Article 9 of the GDPR. It is not proposed to lay down provisions on the processing of personnel data collected through technical surveillance, as camera surveillance at the workplace is governed by the Act on the Protection of Privacy in Working Life (759/2004).

Paragraphs 3 to 5 of the subsection would lay down provisions on the processing of data on disruptive behaviour, suspected or established gambling fraud, as well as on the prevention, prohibition and restriction of gambling. The processing of information concerning suspected or proven gambling fraud may be considered to be at least partially concerned with the processing of personal data relating to criminal convictions and offences or related security measures within the meaning of Article 10 of the GDPR. The licence holder may process data concerning gambling fraud, for example, to prevent irregularities and crime and to investigate irregularities that have occurred. In addition to sanctions related to the use of services and the payment of winnings from gambling, investigating irregularities may lead, for example, to the recovery of debts and to civil or criminal proceedings before a court. Data on disruptive behaviour, self-exclusion, bans on entry and restrictions on gambling are also estimated to be

of such significance for the protection of privacy and personal data that the processing of the data requires detailed and precise regulation.

According to paragraph 6 of the subsection, the licence holder could also process information on the suspicion of harmful gambling. Data concerning suspected harm cannot be regarded as data directly concerning health or otherwise falling within the special categories of personal data referred to in Article 9 of the General Data Protection Regulation, but it is possible to draw conclusions on problems related to the health of the customer on the basis of the data concerning suspected harm. The gambling company's duty of care, which would include continuous monitoring and assessment of players' gambling behaviour, would be laid down in the proposed section 34. The formation of information on suspected harm, e.g. by means of automated processing of personal data referred to in subsection 2, may also require the processing of data belonging to special categories of personal data or otherwise sensitive data. In accordance with the risk-based approach, it would therefore be necessary to provide explicitly for the processing of information on suspected harm.

Paragraph 7 of the subsection would lay down provisions on the processing of customer identification data, data on gambling transactions and other data in the licence holder's customer register for the purposes referred to in the subsection. This would be personal data related to the customer relationships of the holder of an exclusive licence and the holder of a gambling licence, which are typically stored in the customer register on the basis of, for example, the consent of the data subject, a contract or the legitimate interest of the data controller. The processing of this data for the purposes of the licence holder's statutory duties referred to in subsection would also be possible only when it is necessary for the purpose of the processing. This provision would not only allow the processing of identification data and game events, but also other essential customer register data. However, for the sake of clarity, it would specify that it would not allow other data belonging to specific categories of personal data to be processed. Explicit provision should be made for the processing of personal data belonging to specific categories of personal data or otherwise sensitive.

The personal data referred to in this section shall be stored in the licence holder's personal data register. Subsection 2 of the section proposes that provisions be laid down on the maximum period during which the licence holder may process personal data for the processing purposes referred to in subsection 1. A maximum period of five years is proposed. As a general rule, the processing time would depend on the time of the data storage. The length of the processing period should take into account the one-year limitation period for the collection of profits, the interruption of the limitation period and the limitation period for prosecution relevant to suspected irregularities that may lead to criminal proceedings. However, the authorised processing period for gambling bans and marketing bans would depend on the date of expiry of the prohibition. In accordance with the proposed section 41, a ban on gambling may also be imposed for an indefinite period of time in respect of a casino and a game room. Personal data concerning gaming and marketing bans should be kept for a sufficient period of time after the prohibition has expired for the purpose of processing.

In addition, the principle of limitation of retention as referred to in Article 5(1)(e), according to which personal data must be kept in a form from which the data subject can be identifiable only for so long as is necessary for the purposes of the processing of data, should be respected. Processing of data for the purposes of subsection 1 should be discontinued in accordance with the requirements of the GDPR when the data are no longer necessary for the purpose of processing. Other aspects of the processing of personal data referred to in the section should also take into account the principles set out in Article 5(1) of the GDPR.

The legal basis for the processing of personal data referred to in this section would be Article 6(1)(c) of the GDPR, because the processing is necessary for compliance with the legal obligation of the licence holder acting as data controller. For data belonging to specific categories of personal data, the processing would be based on Article 9(2)(g), which allows processing where this is necessary for an important public interest reason under Union law or the law of a Member State. The proposed regulation would be based on national manoeuvre under Article 6(3) of the General Data Protection Regulation.

In accordance with Article 9(2)(g) of the GDPR, the legislation governing the processing of data belonging to special categories of personal data requires suitable and specific measures to safeguard the fundamental rights and interests of the data subject. The processing of personal data relating to criminal convictions and offences, as referred to in Article 10, also requires appropriate safeguards to protect the rights and freedoms of the data subject. With regard to the processing of personal data proposed in the section, the safeguards would include limiting the processing of personal data to what is necessary due to the licence holder's statutory duties, providing for a maximum processing period, and the proposed sections on disclosure conditions. Provisions on the safeguards required for processing are also laid down in the Data Protection Act, which is applicable to the processing of personal data as a general law.

In addition to the processing of personal data referred to in this section, the licence holder may process player data directly in its operations under the General Data Protection Regulation. In such cases, the legal basis for the processing is, for example, the consent of the data subject, the agreement or the legitimate interest of the controller. In this respect, the GDPR does not allow for complementary national regulation. The processing of the data in the licence holder's customer register for purposes other than those referred to in the proposed section 36 is based on the GDPR. The customer register data shall be processed directly in accordance with the requirements of the applicable GDPR in accordance with the principle of minimisation, for example.

In addition, the licence holder processes personal data on the basis of other special legislation. For example, for processing purposes under the Money Laundering Act, the same personal data is processed partly as for the purposes laid down in the Lotteries Act. In this respect, the Money Laundering Act, which provides for the registration and processing of customer knowledge information, applies to the processing of personal data.

Section 37. *Information to be provided in connection with the operation of gambling.* The section would lay down provisions on the information to be provided in connection with gambling. The section would lay down provisions on the obligation of the holder of an exclusive licence and the holder of a gambling licence to keep available to players information on the gambling services they provide. The purpose of requiring the licence holder to provide information on the gambling services it provides would be to provide the consumer with sufficient information about the gambling services, the risks involved and to make an informed decision on whether or not to gamble. By providing for the necessary uniform information to be provided to players, it would also be possible for consumers to compare different licence holders in a competitive gambling market. In addition to the rules, instructions and price of the gambling services, the information should also include information on the probability of winning, an estimate of the rate of the draw, and an estimate of the risk of harm associated with the gambling service. Other relevant information on gambling services should also be provided. It is proposed that section 31, subsection 6 above provide for the power of the Ministry of the Interior to issue a decree on the rules of play of the gambling services offered by the holder of an exclusive licence. Similar provisions would

not apply to gambling operated under a gambling licence, for which the licence holders themselves would be responsible for drawing up the gambling rules. Subsection 2 of the section would stipulate, in accordance with section 60 of the Lotteries Act, that information on the operation of the money lottery, the operator and the number, value and type of prizes must be indicated on the lottery ticket or in the notification provided free of charge in connection with the sale of the ticket.

According to subsection 3 of the proposed section, licence holders should mention that they have a valid licence granted by the supervisory authority for the operation of gambling. The information provided should also include the licence holder's unique licence number, information on the supervisory authority and the age limit for gambling, as well as information on gambling management tools and service providers providing support for gambling problems. In addition, licence holders should inform the player of the possibility of self-exclusion. It is proposed that provisions on self-exclusion be laid down in section 29 above. According to the proposed section 29, a player could, by submitting a notification to the supervisory authority, self-exclude from all gambling that requires registration. In addition, the licence holder should enable the setting of self-exclusion on a game-by-game basis or by form of gambling service and enable immediate time out from gambling until the end of the next day. Information on self-exclusion in an online channel should always be available, easy to find and contain a direct link or otherwise be in a form that allows for the immediate setting of self-exclusion.
In accordance with subsection 4 of the section, all information referred to in the section should be in Finnish and Swedish.

Section 38. *Provisions on slot machines*. Subsection 1 of the section would contain provisions on the location of slot machines corresponding to the current Lotteries Act (HE 135/2021 vp). The purpose of the provisions is to ensure that the staff at the site where the slot machine is located can monitor gambling using slot machines in such a way that, if necessary, the gambling can be prevented or stopped.

Subsection 2 of the section would lay down provisions on the obligation to plan the placement of slot machines at gambling locations and the principles for keeping them available for use at gambling locations in such a way that harms caused by gambling would be minimised. In addition, placement and making available for use should take particular account of the harms of gambling to minors and vulnerable persons. The provision would correspond to section 16 of the Lotteries Act. In practice, the principles concerning the making available for use and placement of slot machines could mean, for example, principles concerning the maximum number of slot machines per location, keeping slot machines closed at certain times of the day and taking into account the visibility of slot machines at their locations in such a way that it would be possible to visit the business premises without visual contact with slot machines and exposure to slot machine gambling, however, in such a way that gambling can be monitored as referred to in subsection 1.

In accordance with section 16a of the Lotteries Act (HE 135/2021 vp), subsection 3 of the section would lay down provisions on the self-monitoring of gambling machines by the holder of an exclusive licence in order to ensure the achievement of the objectives set out in subsections 1 and 2. The holder of an exclusive licence should draw up a written plan for the general implementation of monitoring and planning, and keep records of the location of slot machines and the general and specific instructions it has issued for their monitoring. The proposed section 35 would lay down provisions on a self-monitoring plan for other forms of gambling.

It is proposed that a provision corresponding to section 16a of the Lotteries Act on self-monitoring by the owner of a gambling location be included in subsection 4 of this section. The purpose of the provision would be to ensure that this person has sufficient and correct information about the statutory obligations related to their activities and the risks related to their practical implementation. Operating environments vary and risks need to be assessed taking into account the specific characteristics of each environment. The owner of a slot machine gambling location should draw up a written plan to ensure the legality of its operations and compliance with the plan drawn up by the holder of an exclusive licence referred to in subsection 3, comply with it and keep a record of its implementation. The plan should be kept up to date and the owner of the gambling location should ensure that the staff involved in the monitoring are aware of their obligations as laid down in this Act and specified in the plan.

Subsection 5 of the section would provide, in line with the current Lotteries Act, that the plans referred to in subsections 3 and 4 should describe the obligations laid down in the Act, the risks associated with their practical implementation, how compliance with the obligations will be monitored and how the deficiencies identified will be rectified.

Subsection 6 of the section would impose an obligation on the holder of an exclusive licence to submit to the supervisory authority, on request, the plan, the records concerning the location of gambling machines and the instructions issued by the exclusive licence holder. Subsection 7 of the section would lay down provisions on the obligation of the owner of a gambling location, i.e. the licence holder's agent, to present, at the request of the supervisory authority, the plan referred to in subsection 4 and the records concerning the implementation of the plan.

Subsection 8 of the section would stipulate that a notice indicating the holder of the exclusive licence, their contact details and business identity code should be displayed in a prominent position on the slot machines.

Section 39. *Slot machine payment monitoring.* The section would lay down provisions on the obligation of the holder of an exclusive licence to reliably store information on the fees and winnings accrued from the use of a slot machine. If cash can be used to play a slot machine, the slot machine should have a functionality that verifies the correctness of the money. Sections 57–59 of the Lotteries Act contain provisions on payment monitoring devices, the authorisation of an inspection body and the inspection body's obligation to disclose information, as well as on reports and documentation. The current provisions have been justified in the Government proposal that led to the adoption of the Lotteries Act (HE 197/1999 vp), among other things, by the fact that they have ensured correct information on the fees accrued for keeping the device available for use for tax purposes. However, the provisions have become obsolete as a result of technological advances.

In the future, the reliability of financial transactions could be ensured by primarily auditing the operation of the slot machine and the back-end system as a whole. This would allow better account to be taken of the current and ongoing developments in the field of slot machines with regard to the monitoring of financial transactions. In this way, the audit would move away from the monitoring of financial transactions carried out independently by a single slot machine towards the entire system comprising the slot machine and the back-end system. The provisions of section 44 of the proposed Act on the gambling systems, draw equipment and draw procedures of the holders of an exclusive licence or gambling licence would be applied to the assessment of the reliability of slot machines and their back-end systems. The reliability of financial transactions would therefore be verified through audits and certifications. The

supervisory authority would have the possibility to intervene in auditing activities if the reliability of financial transactions could not be verified by the measures taken. The current provision focuses on verifying the reliability of the operation of payment monitoring devices (calculators) that include mechanical functionality. In these cases, the calculator values have been read directly from the devices. Modern calculator functions are digital and their values are transmitted to the back-end systems, where their storage life is also ensured by verifications. Different payment arrangements have become more common in slot machine gambling, but cash is still used in slot machine gambling. Therefore, in order to be able to reliably verify the correctness of the money fed into a slot machine, the slot machine should still have a functionality that verifies the authenticity and correctness of the money if the slot machine can be played using cash. The provisions on the monitoring of financial transactions in slot machines would be simplified and updated in a way that would also take into account the possibility of gambling using cash.

Section 40. *Prohibition of self-service terminals.* It is proposed that a ban on self-service terminals be included in the Act in order to avoid offering gambling using different terminals in different physical environments. In practice, a ban would mean, for example, that betting terminals should not be placed in physical environments. However, the ban on self-service terminals would not apply to gambling in casinos or slot machines or to horse-race betting at racetracks. The Swedish legislation contains a similar restriction on self-service terminals in respect of online gambling and betting in a competitive licensing market, as well as in respect of gambling services subject to a state monopoly, with the exception of slot machines and casinos.

In addition to the considerations relating to the prevention of gambling-related harms underlying the provision, the purpose of the provision is to clarify the distinction between a competitive market based on licensing and an exclusive rights market. Since it is proposed that physical slot machines should be part of gambling operated under an exclusive licence, gambling licence holders would not be entitled to offer gambling services through physical slot machines, and this restriction should not be circumvented, for example by placing gambling display screens or other similar devices, which are different from traditional slot machines, in places where it is not permissible to place slot machines due to the exclusive right, the maximum limit on the number of slot machines, the location or other restriction.

According to the proposed section, it would not be allowed for player themselves to wager a stake using a technical or online device for gambling provided by the licence holder or their agent.

Gambling equipment under the proposed provision would not refer to self-service tills in shops. However, account should be taken of the obligation imposed on the licence holder and the agent selling gambling services in the proposed section 24 to prevent gambling by a person under the age of 18 and the obligation imposed on the licence holder in the proposed section 28 to ensure that a player can only gamble using gambling services if they have verified their identity as a registered player of the licence holder. In the case of self-service tills, the implementation of age control and mandatory identity verification should therefore be ensured.

Section 41. *Restrictions on gambling in casinos and game rooms.* The provisions of the section would correspond, with certain clarifications, to the provisions of section 15 of the Lotteries Act on the prevention and prohibition of gambling in a casino and a specific game room. Compared with the current law, there would be no requirement to prevent entry to game

rooms for persons who have self-excluded from gambling. Because all gambling requires identity verification for gambling, it is possible for a person to prevent their own gambling in game rooms as referred to in the proposed section 29. Situations under subsections 1 and 2 of the proposed section would not involve discretion in preventing entry to and removing a person from a casino. Subsection 3 would also include the obligation to remove a person who is under the age of 18 or who is clearly under the influence of alcohol or other intoxicating or narcotic substances from game rooms. Subsection 4 of the section would contain discretionary provisions on the right to prohibit a person from entering a casino or game room and to remove a person or restrict their gambling in cases of gambling fraud, disruptive behaviour and the protection of the player from economic, social or health harms. In accordance with subsection 5, the prohibition referred to in the section could be imposed for a fixed period or indefinitely. Subsection 6 of the section would provide for the lifting of a prohibition or restriction imposed until further notice.

Section 42. *Technical surveillance of a casino and game room.* The provision would correspond to the current Lotteries Act. Veikkaus Oy, as the holder of an exclusive licence, would have the right, upon prior notification, to monitor gambling operations by viewing and filming using technical equipment in the entrance and customer areas of the casino and in the workspaces of the casino staff. The technical surveillance right does not apply to staff break areas or changing rooms. The section would also contain a reference provision to the Act on the Protection of Privacy in Working Life, sections 16 and 17 of which provide for camera surveillance of employees. The regulations should be taken into account when arranging the technical surveillance of a casino and specific game room. As a general rule, technical surveillance could not be used, for example, in employees' changing areas or in offices reserved for personal use. According to section 12, subsection 1, paragraph 3 of the Act on Co-operation within Undertakings (1333/2021), the employer and the employee representative shall conduct a regular dialogue on, among other things, the purpose, implementation and methods of camera surveillance and other surveillance carried out by technical means directed at employees.

Section 43. *International collaboration.* The section would lay down provisions on international collaboration on the operation of gambling. According to section 62, subsection 5 of the current Lotteries Act, gambling services operated abroad, in which Veikkaus Oy participates as an operator, are not considered overseas lotteries. The purpose of the provision of the Lotteries Act was to enable Veikkaus Oy to participate in lotteries organised in international cooperation between different gambling companies. Such gambling services operated by Veikkaus Oy in cooperation with foreign gambling companies include Vikinglotto and Eurojackpot, which are operated by Veikkaus Oy in cooperation with several national gambling companies, and an online poker game operated by Veikkaus Oy in cooperation with an Austrian gambling company. Under section 43, subsection 4 of the Lotteries Act, the Ministry of the Interior may authorise the operation of gambling services referred to in section 62, subsection 5 and approve the deployment of supervision arrangements in respect of such gambling services. The proposed section would enable the operation of gambling in international collaboration, which could mean, for example, the formation of common prize categories or prize pools for gambling from which the distribution of winnings would be made. The section would lay down certain restrictions on international collaboration. According to the proposed subsection 1, the prerequisite for collaboration would be that the licence holder's partner would have a licence for the operation of similar gambling services and would also have the right to engage in international cooperation. In addition, it would be required that the partner would not operate or market gambling to the national territory without a licence.

According to subsection 2 of the proposed section, the licence holder should ensure that in gambling operated in international collaboration, the legal protection of players is guaranteed and that irregularities and crimed related to gambling can be prevented. Under subsection 3 of the section, the supervisory authority could, upon application, grant permission to the licence holder for international cooperation. International cooperation should not start until the authority has authorised the requested cooperation. The proposed regulation would enable the authority to obtain information from the gambling company on the intended partner, the gambling operations carried out by it and, among other things, the country in which the partner would be entitled to provide gambling services. Subsection 4 of the section would include the power to issue decrees to the Ministry of the Interior to issue more detailed provisions on the conditions for international collaboration and the reliability of the systems, equipment and draw methods used in it.

Section 44. *Gambling systems, draw equipment and draw procedures of the exclusive licence holder and gambling licence holder.* The section would stipulate that the holder of an exclusive licence and the holder of a gambling licence should ensure that the gambling systems, draw equipment and draw procedures used in the operation of gambling are reliable and the draw results are random. In the proposed section, gambling systems, draw equipment and draw procedures would refer to all such equipment, software, methods and procedures used in the operation of gambling that are essential to guarantee the reliability of the operation and the randomness of the results. They would therefore cover a wide range of very different activities, such as software used in the operation of gambling, computerised procedures for randomisation of draws and physical draw equipment for the national lottery Lotto and Eurojackpot gambling services. Contrary to previous regulations, official supervisors appointed by the authorities would not be used to ensure the reliability and randomness of draws carried out using physical draw equipment. Instead, the draw procedure, including the qualifications and duties of the persons supervising its correctness and randomness, would be included in the investigation and approval procedure of the inspection body approved by the authority proposed in the section.

Subsection 2 of the section would lay down provisions on the obligation of the holder of an exclusive licence and the holder of a gambling licence to submit to the supervisory authority the report and approval of the inspection body on the gambling systems, draw equipment and draw procedures used during the licence period in order to ensure their reliability and randomness as referred to in subsection 1. As proposed in the section, the inspection body would assess the licence holder’s gambling systems, draw equipment or draw procedures from the point of view of the requirement of reliability and randomness referred to in subsection 1, and the inspection body should not grant approval in the event of doubt as to reliability or randomness. Furthermore, on the basis of the investigation carried out, approval should not be given for a gambling system, draw device or draw procedure that is contrary to what is proposed in section 46 on the location of gambling systems or otherwise clearly contrary to this Act or a provision or regulation issued under it. The investigation by the inspection body and approval of the systems, equipment and draw procedures used would be a prerequisite for the commencement of gambling activities. For this reason, the report and approval should be submitted to the supervisory authority prior to the commencement of gambling activities. A similar audit requirement for gambling systems, draw equipment and draw procedures is also in place in the Swedish and Danish gambling systems.

Subsection 3 of the section proposes that the investigation and approval could only be carried out by an inspection body approved by an authority, which should be accredited as referred to in Regulation (EC) No 765/2008 of the European Parliament and of the Council setting out the

requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93. A similar condition exists, for example, in the Swedish gambling legislation in force. The licence holder should bear the costs arising from the use of the inspection body.

According to subsection 5 of the proposed section, the supervisory authority may, at any time during the licence period, require an account of the operation and technical characteristics of the gambling systems, draw equipment and draw procedures used in the operation of gambling under the licence. The supervisory authority could also, at the licence holder's expense, require the inspection body to carry out an audit, inspection or approval of gambling systems, draw equipment and draw procedures.

The draft section contains a mandate for the supervisory authority to issue regulations concerning the technical requirements for the operation of gambling. The proposed regulation aims to ensure the reliability of the gambling systems, draw equipment and draw procedures used in the operation of gambling, as well as the randomness of the draw results, which can be considered one of the key factors in ensuring the legal protection of players and preventing irregularities and crime. The supervisory authority could, by means of an order, require licence holders to follow uniform procedures to ensure that those objectives are achieved. In this respect, the procedure would be in line with the Swedish gambling legislation, which allows the competent authority to issue detailed regulations and instructions concerning the technical requirements to be followed in the operation of gambling. The supervisory authority could issue more detailed regulations on the reliability of the gambling systems, draw equipment and draw procedures used in the operation of gambling and on the technical requirements for ensuring the randomness of draw results, the more detailed form and content of the inspection body's investigation and approval, and on the conditions that the inspection body must meet in order to be approved by the authority. The regulations would concern, among other things, acceptable inspection bodies and their accreditation, system testing, industry-specific standards and certification procedures, data security and protection, storage of gambling system data, data transfer, ensuring the randomness and retrospective verification of lottery results, and managing risks and vulnerabilities in the operation of gambling.

Section 45. *IT monitoring of gambling transactions and player account transactions.* The section would lay down provisions on the obligation of the holder of an exclusive licence and a gambling licence to store gambling transactions and player account transactions in the gambling services they provide, as well as information on the supervision of these transactions. Gambling transaction data and player account transaction data would make it possible to monitor, for example, compliance with player self-exclusion and the implementation of the regulation of money transfer limits and loss limits in the gambling companies' activities. A similar supervisory solution is in place in e.g. Denmark.

According to the proposed subsection 1, the data should be stored for at least five years. In addition, the holder of an exclusive licence and a gambling licence should ensure that the data on gambling transactions and the data on player account transactions remain unchanged and should use a certificate specified by the authority for this purpose. In Denmark, the authority uses a certificate system called TamperToken, which allows the gambling company to ensure that the gambling data provided remains unchanged while the gambling company retains the data before submitting it to the supervisory authority. In Denmark, gambling companies have to integrate the TamperToken certificate system defined by the authorities into their own gambling system.

The holder of an exclusive licence and the holder of a gambling licence should make the gambling transactions and player account transactions of the gambling they operate available to the supervisory authority in a form determined by the supervisory authority, which would enable the efficient use of data, for example by means of automation, in the operations of the supervisory authority. The information should be available to the authorities within a reasonable time after the gambling has ended. A reasonable period of time could be considered to be about two weeks.

According to the proposed section, the holder of an exclusive licence and the holder of a gambling licence should ensure that they make the information referred to in subsection 1 available to the supervisory authority using the interface of the supervisory authority's supervision system.

Subsection 4 of the section would lay down provisions on the supervisory authority's power to issue regulations. The provisions would concern the technical characteristics of the certificate used to ensure that gambling transactions and player account transactions remain unchanged, the technical format for the transmission of gambling transactions and player account transactions, and the technical requirements for connecting to the interface of the supervisory authority's supervision system.

Section 46. *Location of gambling systems and draw equipment.* The section would lay down provisions on the licence holder's general obligation to locate gambling systems in Finland. The purpose of the provision is, for its part, to ensure that the gambling systems used in the operation of gambling comply with the technical requirements set for them and that the legal protection of players is not compromised and there are no risks of irregularities.

The current Lotteries Act enables Veikkaus Oy, with the approval of the Ministry of the Interior, to utilise data centre and cloud services located outside mainland Finland in the operation and location of gambling systems. Swedish and Danish legislation also allows gambling systems to be located abroad if certain conditions are met.

Subsection 2 of the section proposes that it should be possible to derogate from the general rule in subsection 1 in two situations. According to subsection 1, the gambling system would not need to be located in Finland if the licence holder has a licence in another country where the authority supervises the operation of its gambling activities and that authority has concluded an agreement with the supervisory authority on the supervision of the gambling activities carried out by the licence holder in Finland. Furthermore, the gambling systems would not need to be located in Finland if the licence holder allows the supervisory authority to verify the reliability of the gambling system remotely or by other similar means. The purpose of the provisions is to ensure that, in the case of gambling systems, their reliable operation and the randomness of draws can be ensured regardless of the location of the gambling systems.

Section 47. *Specific provisions concerning the employees of exclusive licence holders and gambling licence holders.* The section would lay down provisions on the obligations related to the licence holder's employees. According to the proposed subsection 1, the holder of an exclusive licence and the holder of a gambling licence should have rules on which employees may not participate in gambling organised by the licence holder. The holder of an exclusive licence and the holder of a gambling licence should, on request, present the rules to the supervisory authority. The licence holder should also ensure that these specified persons do

not participate in such gambling services. The purpose of this provision is to prevent possible irregularities.

Subsection 2 of the section would provide, in a manner similar to the Lotteries Act, that an employee of a casino may not participate in the gambling services offered in the casino. Casino operations are a special type of gambling services. The operations of casino games requires special expertise and skill from game managers. Casino games, especially table games, involve large sums of money. The restriction of the gambling activities of the persons employed by the casino may be regarded as necessary in order to guarantee the reliability of the gambling activity.

According to subsection 3 of the section, the licence holder should ensure that the personnel are aware of their legal obligations. Exclusive licence holders and gambling licence holder should keep records of the training and skills of the persons working at the site and, on request, present the information to the supervisory authority.

Section 48. *Procedures for detecting and preventing irregularities and duty to report* In order to ensure the consumer protection and legal protection of players and to prevent possible irregularities in connection with gambling, such as manipulation of competitions, the section would lay down provisions on the special monitoring obligation of the holder of an exclusive licence and the holder of a gambling licence and the related obligation to establish procedures for detecting and preventing possible irregularities in gambling activities.

According to subsection 1 of the section, exclusive licence holders and gambling licence holders should have procedures for detecting and preventing infringements of the provisions on the operation of gambling, the terms and conditions of the contract concluded between the licence holder and the player and the gambling instructions and manipulation of competitions. Provisions on the operation of gambling would be laid down in the proposed Gambling Act and the decrees issued under it. An agreement is made between the licence holder and the player that regulates their relationship when the player plays games in the gambling services offered by the licence holder. In addition, gambling guidelines will be drawn up, which will include instructions on the games hat specify the legislation.

Manipulation of competitions can be betting or sports-based. The aim of betting-based manipulation is to obtain a direct or indirect financial return through betting. Direct financial return refers to the amount of money gained from betting, and indirect financial return refers to the benefit gained from money laundering, for example. The aim of sports-based manipulation is to gain a competitive advantage through dishonest means. In the transition to a licence-based gambling system, the number of gambling companies offering betting will increase, which may increase the risk of competition manipulation becoming more common. Measures aimed at preventing attempts to manipulate competitions play a key role in the fight against manipulation of competitions. It would therefore be necessary for licence holders to establish adequate procedures to detect and prevent manipulation of competitions. Already when applying for an exclusive licence and a gambling licence, applicants should, in accordance with section 11, include an account of the procedures referred to in section 48 and other measures planned by the applicant to detect and prevent manipulation of competitions as an appendix to the application.

Under subsection 2 of the section, the licence holder should also ensure that players have the opportunity to notify the licence holder immediately of the matters referred to in subsection 1.

Licence holders should provide players with an easily visible and clear procedure for reporting irregularities.

According to subsection 3, the licence holder should, at the request of the supervisory authority, present the procedures referred to in subsections 1 and 2 to the authority.
Subsection 4 of the section would lay down provisions on the obligation of the holder of a gambling licence to stop betting without delay and to notify the supervisory authority if it detects irregular or suspicious betting. Irregular betting refers to betting that conflicts with the usual characteristics of betting or is otherwise characteristic of the market in question, or that is related to a sporting competition the course of which is unusual in nature. Suspicious betting, on the other hand, refers to sports betting which, on the basis of reliable and consistent evidence, appears to be linked to the manipulation of the sporting event to which the bet relates. The supervisory authority should be informed of such bets, for example, if other licence holders had the same markets in their range.

The licence holder should also inform the supervisory authority of any other deficiences or infringements detected, as this could be an unlawful act leading to sanctions or a situation that otherwise requires action by the supervisory authority.

Section 49. *Handling contacts with players.* The section would lay down provisions on the duty of the gambling operator to provide a procedure for disputes, complaints and other similar issues and to ensure that it has a sufficient number of personnel for this purpose. The holder of an exclusive licence and the holder of a gambling licence should, on request, present the procedures to the supervisory authority.

The player should first approach the gambling company. The company should respond to contacts from players within a reasonable time and provide a written response at the player's request. The company should process and give its opinion on a claim for a payout of winnings that is included in the contact by the player. The opinion should include the grounds for the payout of winnings or, alternatively, the grounds for refusing the payout.

Should there still be disagreement between the player and the company after this process, the player would have the opportunity to apply for a recommended decision from the Consumer Disputes Board. In order to manage the number of applications for recommended decisions, it is important that licence holders try to resolve any disputes themselves, together with the player, before submitting the actual recommended decision application. The Act would require the gambling operator to respond to the player within a reasonable time. The response should also be provided in writing at the player's request.

In order to ensure the legal protection of players, players should be informed of the existence of the Consumer Disputes Board’s recommended decision procedure in an efficient and clear manner. According to the Act on the Consumer Disputes Board (8/2007), the Consumer Disputes Board is an independent and impartial legal protection body for the consideration of consumer disputes. The Board's task is to issue recommendations for resolution of individual disputes concerning, for example, consumer product contracts between traders and consumers or other matters related to the purchase of a consumer product that consumers submit to the Board for consideration. The matter shall be brought before the Board by means of a written or online application. Settlement shall be sought in the preparation of the matter and, if necessary, a proposal shall be made to promote it. The recommendation for a decision, together with the grounds on which it is based, shall be given in writing no later than 90 days after all the documentation necessary for the resolution of the matter has been made available

to the Board. In highly complex disputes, the Board may, at its discretion, extend the 90-day period. The decision of the Consumer Disputes Board is not enforceable and does not have the legal effect of a court judgment. The decision may not be appealed. Proceedings before the Board shall not prevent the case from being brought before a general court.

No fees are charged for the investigation and consideration of the matter by the Board.

Section 50. *Claiming winnings.* Section 47 of the Lotteries Act lays down the player's obligation to collect the winnings from gambling. The section would contain provisions on the redemption of winnings and on the deadlines for the redemption of winnings, as in the current Act. The provision can still be considered necessary, although the amount of unclaimed winnings can be estimated to be negligible when all gambling is subject to identity verification and the payout of winnings is automated. Despite the identification requirement, Veikkaus Oy does not have information available on whether the instant win scratchcards currently offered by Veikkaus Oy and purchased by players entitle to a prize. For instant win scratchcards, winning therefore requires an action by the player to return the scratchcard containing the prize and claim the winnings. Moreover, in the case of other forms of gambling services, it cannot be ruled out that, in order to obtain a prize, the player must take steps to claim winnings. From the point of view of the player's legal protection, it would be appropriate for players to continue to have a statutory time limit for claiming the winnings. The time limit is also appropriate from the point of view of the licence holders, so that they do not have to keep unclaimed profits for an inappropriate period of time.

The section would specify the start of the period for claiming winnings for different forms of gambling services. In relation to the current Act, the start of the period for claiming winnings would not be tied to the confirmation of the draw result in respect of money lotteries and pools in subsections 1 and 2 of the section, as the new Gambling Act does not contain a corresponding confirmation procedure laid down in the Act. In accordance with section 43 of the Lotteries Act in force, the result of a money lottery has been confirmed by the National Police Board or a notary public and, in pools, by the National Police Board or an official supervisor. In a money lottery, the confirmation of the draw result would be replaced by the achievement of the final result at the time of the start of the redemption period. Achieving the final result at the time of the start of the redemption period would best correspond to the confirmation of the results of the draw as laid down in the Lotteries Act. From the player's point of view, it is often also the clearest moment, on the basis of which the redemption period could begin.

Subsection 3 of the section would lay down provisions on the time of redemption of winnings from betting. Winnings from fixed odds betting and parimutuel betting as well as virtual betting services should be claimed within three months of the outcome of the game. Compared to the current Act, virtual betting services would be added to subsection 3. It is proposed that the definition of game be included in section 3 of the Act.

With regard to the current Act, it is proposed in subsection 4 that the starting point of the period for the redemption of winnings from slot machines and casino games as well as online slot machines and casino games be added as the time of purchase of the game. In those gambling services, the period for claiming the prize could therefore begin either at the time of purchase of the gambling service or at the time of achieving the result giving entitlement to the prize. In addition, it is proposed to reduce the redemption period for these gambling services from one year to three months. The change cannot be considered to have a significant weakening effect on the legal protection of players, as the period starting from the time of

purchase would still be long enough to claim the winnings. In relation to the current Act, a period for the redemption of winnings would also be added to the subsection concerning online bingo services operated under a gambling licence. It is proposed that the definition of game be included in section 3 of the Act.

In subsection 5 of the section, the redemption period for the winnings of combination games would start from the achievement of the outcome of the game, from the time of purchase of the game or from the achievement of a result that entitles the player to the winnings of the gambling service. In the case of combination games, it should be possible to implement the decision on the redemption of winnings in all the ways permitted by law, since the combination game may include the operation of several forms of gambling services for which the licence holder has a licence.

According to the proposed subsection 6, a decree of the Ministry of the Interior would lay down provisions on the start of the time limit for the redemption of winnings from money lotteries, slot machines and casino games, online slot machines and casino games, online bingo and combination games. In the case of money lotteries, the decree would determine whether the deadline for the redemption of winnings would start at the end of the sale period of the ticket or at the time of purchase of the ticket. In the case of slot machines and casino games, as well as online slot machines and casino games, the decree would determine whether the time limit for claiming the winnings would start to run from the time of purchase of the gambling service or the achievement of a result giving entitlement to the winnings of the gambling service. In the case of combination games, the decree would determine whether the time limit for claiming the winnings would start to run from the moment the outcome of the gambling service is achieved, the time the gambling service is purchased or when the result giving entitlement to the winnings of the gambling service is reached.

Chapter 4. Marketing of gambling.

Section 51. *Regulation of marketing.* Provisions on permitted marketing would be laid down in the section. The purpose of the restrictions on the marketing of gambling would be, in accordance with the objectives of the Act, not only to prevent gambling-related harms caused by marketing, but also to improve the channelling rate of the gambling system. Subsection 1 of the section would lay down certain general principles concerning permitted marketing. Marketing should be carried out or produced by the licence holder themselves, and the distribution of marketing should always be based on a contractual relationship with the licence holder. The licence holder should manage the volume and coverage of marketing to ensure the moderation of marketing, which can be achieved in marketing carried out through its own channels and media.

Subsection 2 of the section would lay down provisions on the moderation of marketing. Marketing should be moderate in volume, scope, visibility and repetition. The assessment of moderation in supervisory activities would concern, in particular, the assessment of the moderation in the marketing of individual licence holders in a gambling system with several licence holders. If the marketing of the licence holder were limited, for example, to a specific event in a limited area and for a limited period of time, the marketing could almost always be considered to be moderate. If , on the other hand, the licence holder fills all television marketing spots with their own advertising, the marketing would clearly conflict with the condition of moderation referred to in the subsection.

Subsection 3 of the section would lay down provisions on the channels permitted in marketing. The licence holder could implement marketing in a variety of different marketing channels. The section would not set any obstacles to the possible joint marketing of their brand marketing by licence holders.

According to subsection 1, gambling and the licence holder implementing it could be marketed on the licence holder's own website and social media accounts in such a way that the marketing would not be interactive with the consumer. The goal of interactive marketing is to engage the consumer in active activities and thus strengthen the customer relationship and ultimately increase the consumption of the product being marketed. Interaction in this context would mean, for example, two-way discussion on social media and responding to users' comments, including through emojis. Young people in particular are receptive to interactive marketing. The licence holder should ensure that its marketing publications on websites or social media accounts do not include opportunities for discussion or comment. In addition, the licence holder should ensure that there is no possibility for a third party to distribute or resend publications. However, the possibility to react to the publication would be allowed due to the technical characteristics of websites and social media. The proposed provision under subsection 3, paragraph 1 would prohibit the use of so-called influencer marketing as a marketing tool by restricting the permitted marketing to the licence holder’s own websites and social media accounts. Influencer marketing can be estimated to significantly increase the visibility, volume and penetration of gambling marketing, which would not be compatible with the objective of preventing gambling-related harms.

Under subsection 3, paragraph 2 of the section, marketing would be permitted in television and radio broadcasting in accordance with the Act on Electronic Communications Services (917/2014). According to paragraph 3 of the subsection, the marketing of gambling services and the licence holder would be allowed at sporting events and other public events. In other words, it would be possible to market both gambling services and the brand of the company that operates them at the venues during the events. The proposed section 56 on sponsorship would allow the licence holder acting as a sponsor to also act as the main sponsor of a sports arena, for example. In this case, the venues could also have brand marketing for the licence holder outside the event time. Under section 51, the marketing of gambling at venues would be limited to the time of the event. In practice, gambling advertising during an event should therefore be placed at the venues so that it can be removed without delay after the event has ended. The provision on the marketing of gambling would not apply to private events. This should be a closed opportunity that is not intended to promote the consumption of gambling. A private event could be, for example, an event organised by the licence holder for its partners, for which tickets could not be won, for example, by drawing lots. Furthermore, marketing material could not be distributed or disseminated outside the private event, for example with visible advertisements outside the event venue or on social media.

According to paragraph 4 of the subsection, marketing would be allowed in printed media and in electronic publications corresponding to printed media. Print media would refer in particular to commercial newspapers and periodicals selling advertising space for commercial communications. Marketing would also be allowed in their electronic channel publications. According to paragraph 5 of the subsection, marketing would be allowed at gambling locations, for gambling services that are available at that gambling location.

Subsection 4 of the section would lay down provisions on outdoor advertising. Outdoor advertising would be permitted subject to the restrictions laid down in the subsection. Outdoor advertising would be allowed in respect of a holder of an exclusive licence and the betting,

pools, instant win scratchcards and online instant win scratchcards if offers, as well as in respect of a holder of a gambling licence. The outdoor advertising of the holder of a gambling licence should not be placed in the vicinity of the place where early childhood education and care is provided, the place where pre-primary or basic education is provided, an upper secondary school, a pharmacy, a health care unit or a substance abuse care unit. The purpose of the provision is to reduce the exposure of minors, young people and vulnerable groups to the marketing of gambling with a particular risk of gambling-related harms. Like the current law, subsection 5 of the section would stipulate that slot machines and casino games in the physical channel and the places where these gambling services are located should not be marketed. However, the marketing of those gambling services would be permitted in the game rooms and casinos in which those gambling services are located. According to the provision, gambling locations where slot machines are located would not be allowed to be market the slot machines. It would, however, be permissible to provide information on the gambling venues in question, as is the case under the law in force. In the case of gambling venues, information could be provided, for example, on their location and opening hours. It would mainly be about providing information on the location of a certain type of gambling service.

Section 52. *Prohibited marketing methods and practices*. The provision would mainly correspond to the current section 14b of the Lotteries Act on restrictions related to the content and methods of permitted marketing (HE 135/2021 vp). Like the current law, the section would contain a list of marketing methods and practices that can be considered to promote gambling that causes gambling-related harms and therefore would not be permitted marketing. However, it is not possible to exhaustively regulate the prohibited means and methods of marketing, as it is not possible to identify all forms of marketing that may promote harmful gambling. For this reason, paragraph 15 of the section would stipulate that marketing should not promote gambling that results in gambling-related harms by any means similar to those referred to in paragraphs 1–14 of the subsection.

Marketing should also comply with the provisions of the Consumer Protection Act on marketing. Marketing must therefore not be contrary to good practice or inappropriate. The marketing must be clearly identifiable as commercial communication and indicate who it is on behalf of. Furthermore, marketing must not be aggressive, i.e. harassment, coercion and any other kind of pressure on the consumer which are likely to lead the consumer to make a purchase decision or any other decision relating to a consumer product which he would not have taken without such pressure must not be used. Marketing must not contain claims or create images that are not based on facts or knowledge. On the other hand, consumers must be informed of what is relevant to the purchase of gambling. Contrary to the current Lotteries Act, the supervisory authority would no longer be responsible for supervising that the marketing of gambling complies not only with the Gambling Act but also with the provisions of the Consumer Protection Act. Instead of parallel powers, compliance with the provisions of the Consumer Protection Act concerning marketing would in future be monitored only by the Consumer Ombudsman in accordance with the Consumer Protection Act.

The proposed section would contain marketing principles that the Court of Justice of the European Union has held to be incompatible with a gambling system aimed at preventing and reducing the harms caused by gambling. Such principles include, for example, incitement to gamble as referred to in paragraph 1, treating gambling as mundane as referred to in paragraph 3, emphasising the potential for large winnings as referred to in paragraph 6 and encouragement to gamble as referred to in paragraph 12 in order to finance activities in the public interest. The protection of consumers against inappropriate and harmful gambling marketing has been taken into account in several points of the list, such as the prohibition

under point 4 of presenting gambling as a means of improving their financial situation or as an alternative to employment, the prohibition under point 5 of gambling as a means of promoting a person's social success or acceptance, and the prohibition under point 7 of using gambling-related ignorance, inexperience or credulity in marketing.

Paragraph 8 of the proposed section would prohibit the use of different offers and the offering of free games in marketing, with the exception of the exemption provided for in section 26 above, which provides for the granting of gambling bonus money to customers subject to certain restrictions. The use of bonus rounds and gambling bonus money in marketing is a very common form of marketing in the gambling industry, especially when acquiring new customers. Without limitation, such marketing may give the impression that gambling involving bonus rounds and bonus money would be risk-free. However, the purpose of the offers is to attract the consumer to gambling goods and they can be perceived as attractive, especially in high-risk groups.

The current Lotteries Act prohibits the offering of gambling services for purchase or selection in connection with the purchase of a gambling service or other good or the selection of a gambling service or the collection of a prize. According to the explanatory memorandum of the Act, in connection with the purchase of a good other than games of chance, a person should not be offered to buy games of chance unless the person has expressed an interest in buying games of chance. With regard to the purchase or selection of gambling services or collection of winnings from gambling, the explanatory memorandum to the Act states that, contrary to its wording, the provision also applies to situations in which it is proposed the consumer purchase the same game as the one their transaction concerns. The National Police Board has consistently interpreted the provision in accordance with their explanatory memorandum. However, according to its wording, the proposed provision in paragraph 9 would not prohibit offering the same game of chance in connection with the purchase or selection of a game of chance or collection of a prize from that game. The proposed ban is also not intended to prohibit the provision of an ancillary game in connection with the purchase of a related Lotto, Vikinglotto or Eurojackpot game. Currently, a decree issued by the Ministry of the Interior on the rules of play of the gambling services offered by Veikkaus Oy stipulates that the Joker and Lomatonni gambling services can be played as ancillary games to Lotto, Vikinglotto and Eurojackpot. In gambling involving ancillary games, players cannot choose the numbers themselves. Section 31 above proposes that, in future, provisions on the rules of play of the gambling offered by the holder of an exclusive licence would be laid down by decree of the Ministry of the Interior.

Paragraph 11 would prohibit combining the marketing of instant loans or other similar financial instruments with marketing. Instant loans typically refers to, for example, instantly available consumer credit of a small amount of a duration of less than three months granted to individuals on the basis of a loan application made by SMS or on the internet and for which no collateral is required. Chapter 7, section 13 of the Consumer Protection Act provides that the creditor must act responsibly when granting credit and that, in particular, it is required that, when marketing the credit, the creditor does not combine the use of the credit with gambling services or direct the marketing to consumers who can be expected to use the credit for gambling services.

Paragraph 13 would prohibit the offering of other goods free of charge or at a reduced price in connection with the marketing of gambling services in a manner other than that referred to in the proposed section 26. Prohibited practices would include the non-compliance with good

practice of the customer benefit, the exceptionally significant monetary value of the benefit, or linking the provision of the benefit to the amount of gambling or the absence of gambling.

Paragraph 14 of the section would prohibit the use of affiliate marketing in the marketing of gambling, which would be based on directing website traffic to a gambling website. The use of the affiliate marketing referred to in the provision as a marketing tool could cause irregularities with regard to the information to be provided in connection with marketing proposed in the proposed section 52 and blur the distinction between licence holders and illegal operators. Affiliate marketing is a common method of customer acquisition in the gambling industry, and it can manifest itself to the consumer in very different forms. In the current system, the usual ways are different thematic websites, such as websites comparing the characteristics of online casinos or sports and hobby related current affairs websites. The common denominator for these sites is often their seemingly informative nature and the fact that when directing online traffic to the gambling operator's sites, they contain a unique link, discount code or other similar identifier to the theme site, which makes the gambling operator aware of the site redirecting the potential customer. Affiliate marketing can also be characterised by directing players to gaming sites with the help of various offers. Players typically find affiliate sites based on searches made on search engines such as Google. Typically, affiliate cooperation is based on paying a commission based on the traffic directed to the site administrators. The reward can be based either on directed website traffic, on new customer relationships registered on the basis of it, on a proportional share of the money lost by registered customers, or on a combination of all the above.

Section 53. *Prohibition on targeting marketing at minors and vulnerable persons*. The protection of minors from gambling-related harms has been an important part of the current Lotteries Act. The Government Programme contains a substantive entry on the reform of the gambling system, according to which the marketing of gambling should not directly targeted minors. Similarly to the provisions laid down in section 14b of the Lotteries Act, it is proposed that provision be made for a prohibition on targeting marketing at minors and vulnerable persons. Minors should not be targeted with any form of gambling marketing in any channel, event or content targeted at them. Compared to the current Act, it is proposed that a provision be added in subsection 4 prohibiting the marketing of gambling at sports events or other public events aimed at minors. Publications, events and advertisements aimed at minors would be considered to be those whose target group would mainly consist of children and young people or their primary target group would be children and young people. With regard to sporting events, those aimed at minors would mean, for example, sporting competitions for children and young people, but not adult sports which are also watched by minors.

Section 54. *Prohibition of direct marketing*. The section would lay down provisions on direct marketing targeted at a natural person. The proposal is based on the Government Programme, which prohibits the personal marketing of gambling without the person's explicit consent. According to subsection 1 of the section, consent for direct marketing should be given explicitly. This wording of the provision would better prevent situations where, for example, consent would be hidden in other contexts and linked to the acceptance of contractual terms unrelated to the direct marketing of gambling. Therefore, the customer relationship of a gambling operator should not automatically include consent to direct marketing. In this context, direct marketing refers to marketing communications that are targeted directly at the recipient, for example, by phone, SMS, email, mail or, for example, via a private message sent on social media.

Subsection 2 of the section would provide that direct marketing by telephone would be prohibited due to the difficulty of avoiding it and, in particular, in order to protect vulnerable persons from gambling-related harms. Due to the change of telephone numbers, telephone marketing may also expose minors to marketing. A ban on direct marketing by telephone would specifically mean marketing by telephone calls, as opposed to marketing by SMS. Thus, direct marketing by telephone would not be possible even with the express consent of a natural person.

Subsection 3 of the section would stipulate that the prohibition on marketing targeted at customers who have self-excluded from gambling would cover all targeted advertising. Marketing should not be directed at a person who has self-excluded from all gambling or whose gambling in the previous two years has not involved the gambling services offered by the licence holder. Targeted display advertising should be blocked if the person's cookie information contains information about the self-exclusion, or the information about the self-exclusion could be used immediately in other ways. Stopping direct marketing should be simple and accessible for the consumer.

Section 55. *Information to be provided in the context of marketing.* Like the current Lotteries Act, the section would lay down provisions on the obligation to include in the marketing of gambling information on the age limit for gambling and information on how to manage problems caused by gambling. In addition, the section would stipulate that the marketing should include information on the licence granted and on the supervisory authority. It should be clear from marketing that the licence holder is acting on the basis of the licence granted to it. Marketing should therefore display the identifier of the licence granted to the licence holder and the identifier of the authority that granted the licence. The information should be clearly visible and displayed long enough and be large enough for the consumer to read it without significant effort. Information on the licence and the supervisory authority should be included in all marketing. This would be particularly important for television marketing, since, due to the AVMS Directive, the marketing of games of chance by operators outside the system may occur in broadcasts from abroad, and without information on the licence, the consumer would not be able to distinguish the marketing of gambling activities carried out under a licence from the marketing of gambling activities carried out without a licence. The information would not need to be included in material intended for internal use by licence holders or cooperation partners, such as pens, mugs and clothing. In accordance with subsection 2 of this section, it would not be necessary to include information on the licence granted and the supervisory authority in a radio advertisement.

Section 56. *Sponsorships.* Provisions on sponsorship would be laid down in the section. The current Lotteries Act does not contain a specific provision on sponsorship. Sponsorship has been a permitted form of marketing for Veikkaus Oy, subject to the restrictions on other marketing laid down by law. According to subsection 1 of the section, the licence holder should ensure that sponsorship does not mention the gambling services offered by the licence holder. It is characteristic of sponsorship and cooperation involving it that communication takes place through a sponsor-supported entity. Taking into account the special features of sponsorship, a sponsored entity could, for example, highlight its sponsors in its accessories, social media and website. Thus, publications containing the name and logo of the licence holder acting as sponsor could be made, for example, on the websites or social media pages of the sponsored league, team or individually sponsored athlete. The licence holder acting as a sponsor could also act as the main sponsor of a sports arena, for example, in which case the sponsored sports arena could be named after the name of the sponsor and the name and logo of the sponsor could be displayed in the sports arena and its structures. According to the

proposed section 51, subsection 3, paragraph 3, it would also be possible to market gambling services at the venues during the events, in addition to the brand of the gambling operator. Under section 51, the marketing of gambling at venues would be limited to the time of the event.

It is proposed that provisions be laid down in section 53 above prohibiting the targeting of marketing at minors and vulnerable persons. In the new marketing regulations, it is important to take into account the dimensions of the licensing system in prohibiting the targeting of marketing at minors, including with regard to sponsorship. The purpose of the provision in subsection 2 of the section would be to prevent the use of persons under the age of 18 in advertisements supporting gambling and the promotion of gambling, and to prevent the advertising of gambling in events where the participants and the public would be mainly minors.

The purpose of subsection 3 is to prevent, for example, the use of logos and names required by the sponsorship agreement of the representative teams in the accessories of the junior teams of the same club and in the accessories of the juniors playing in the representative team. When concluding sponsorship agreements, the licence holder should ensure that its logos or the names of game products or services appear only on products or services used or intended for use by adults.

The purpose of subsection 4 of the section would be to prevent young persons from being appealed to through the persons they admire and follow. Under the current law, problems with illegal marketing have been caused by public figures marketing gambling on social media, a large proportion of whose followers are minors. This provision would make it possible to intervene in this type of illegal marketing. Sponsorship agreements could be made with adults and regarding events, competitions, series or similar events for adults.

The purpose of subsection 5 is to specify the prohibition of marketing directed at minors. Sponsorship should only be targeted at products or services intended for use by adults

Chapter 5. Supervision.

Section 57. *Supervisory authority.* The section would lay down provisions on the competent supervisory authority and its tasks. The supervisory authority would be the Licensing and Supervisory Authority. However, the National Police Board would be responsible for licence activities temporarily during the transitional period in 2026 to the extent that the new Gambling Act would apply to licence applications.

Gambling activities would be supervised to prevent and reduce gambling-related harms, to ensure the legal protection of players, and to prevent abuse and crime. The authority would supervise that the operation and marketing of gambling complies with the Gambling Act and the provisions and regulations issued under it. In particular, in order to carry out effective supervision of marketing, the supervisory authority could actively monitor open sources of information, including posts on social media accounts, which require logging in to the social media services concerned or joining the open groups on those services.

The supervisory authority would also supervise that the holder of an exclusive licence, the holder of a gambling licence and the agents comply with the relevant provisions and regulations on anti-money laundering and countering the financing of terrorism.

The authority would also be responsible for monitoring and reporting on an annual basis on developments in the gambling market. The authority would report, for example, the general indicators of the sector, such as the number of licences granted and the gross gaming revenues of licence holders, marketing measures, penalties imposed by law on licence holders and other operators, and other similar factors describing the development of the gambling market. The authority's reporting would be based, in particular, on the information collected in connection with supervisory measures and on information obtained from licence holders pursuant to the reporting obligations laid down by law.

Section 58. *Licensing and control register.* The section would lay down provisions on the licence and supervision register kept by the supervisory authority, the data controller of which would be the supervisory authority. The supervisory authority would keep a register of applications for an exclusive licence, a gambling licence and a gambling software licence, the processing of licences, revocation of a licence, licence applicants and licence holders, notifications, notifying parties, the operation and marketing of gambling, players, self-exclusion, money transfer limits and loss limits, agents, inspection measures and measures relating to prohibitions, removal orders, penalty payments, penalty fees and administrative fines.

The competence of the data controller to process personal data in the register would be based on the provisions on the competence of the supervisory authority. The purpose of processing the data collected in the register would be the licensing and supervision tasks of the supervisory authority, which would be laid down in section 57 of the Act. Provisions on the supervisory authority's right of access to information would be laid down in sections 63 and 64 of the Act.

The notifications referred to in the proposed subsection 1 would refer to notifications under section 18 of the Act on material changes to the licence holder, its operations, ownership, management and financial capacity. In addition, notification would refer to notices under section 60 of the Act for the purpose of bringing charges and notifications made by an auditor under section 69.

Subsection 2 of the section would lay down provisions on the supervisory authority's right to process personal data in the licence and supervision register if this would be necessary for the performance of its duties under this Act and the provisions and regulations issued under it. In its opinion (PeVL 7/2019 vp), the Constitutional Law Committee stated that the processing of personal data always requires a separate mandate.

The proposed Act would not separately lay down provisions on the information systems used by the supervisory authority and their technical requirements. Personal data legislation should not provide for technical solutions, but for rules and principles concerning the processing of personal data that guide the technical solutions that enable and support the processing. Since the purpose-orientation of the GDPR obliges the processing of personal data to be directly applicable in any event, tying the processing of personal data to a specific platform would be irrelevant from the perspective of data processing.

Section 99 of the proposed Act would contain separate provisions on the gambling harms register, the data controller of which would be the Finnish Institute for Health and Welfare. The register of gambling-related harms would keep and process partially the same data as the licence and supervision register. Since the proposed licence and supervision register would not be bound by any specific technical implementation or information system by law, the

technical implementation of the licence and supervision register and the register of gambling-related harms could be carried out in several different ways. The data in the registers could be stored in the same information system, or alternatively, the implementation could be to build separate information systems for both registers.

Regardless of the technical means of processing, the processing of personal data in the context of registers should be carried out in accordance with the rules on the protection of personal data. In particular, if the data in the registers were processed in the same information system, it should be ensured that the principles governing the processing of personal data pursuant to Article 5 of the GDPR, such as the principle of purpose limitation pursuant to Article 5(1)(b) of the GDPR, are fulfilled.

Section 59. *List of licence holders.* The section would lay down provisions on the supervisory authority's obligation to keep a list of the natural and legal persons who are granted a licence. The list should be kept by the supervisory authority in a public data network and should be in a machine-readable format. The list would include the identification data of licence holders obtained by the authority in the context of the application for a licence. At a minimum the licence holder's name and registration number would be published in the list. The purpose of this provision would be to make information on existing licences and their holders easily accessible to the public. For example, the Swedish and Danish supervisory authorities publish information on the licences granted on their websites.

Section 60. *Notice to prosecute* According to the section, the supervisory authority should notify the police of a detected unlawful act or omission for the purpose of criminal investigation. However, the supervisory authority could refrain from notifying if the act must be considered minor in the light of the circumstances and the public interest must not be considered to require prosecution. The notification should also not be made if the supervisory authority has initiated proceedings for the imposition of a fine in the matter. It would be possible to initiate penalty proceedings for acts referred to in section 75, subsection 2, paragraphs 1 and 3 of the proposed Act or, alternatively, to report the matter to the police for criminal investigation. When a breach arises, the supervisory authority should consider which procedure it would initiate. In accordance with section 86 of the proposed Gambling Act, as a penalty of a punitive nature, a penalty should not be imposed on a person who is suspected of the same offence in a criminal investigation, who is under consideration for prosecution of the same offence, or who is a defendant in a criminal case concerning the same offence, or who has been convicted of the same offence in a criminal case. The supervisory authority should sufficiently clarify the facts of the case so that the criminal investigation can be carried out without great difficulty. The police could also request clarifications from the supervisory authority during the criminal investigation.

Section 61. *Prohibition of participation in gambling by employees of the supervisory authority.* The Act would restrict the participation in gambling of the supervisory authority. Under section 43, subsection 3 of the current Lotteries Act, public officials of the National Police Board may not participate in gambling the technical monitoring of which they are responsible for if, in the course of they official duties, they may obtain information on game events that they can use in their own gambling. The decision to restrict gambling would be taken by the supervisory authority. Subsection 2 of the section also introduces a new, more specific provision prohibiting gambling in a casino by officials of the supervisory authority who supervise gambling in a casino.

Section 62. *Duty of the supervisory authority's staff to investigate.* The purpose of the proposed Gambling Act is to open up part of the Finnish gambling market to competition. A significant share of the gambling market would remain with a state-controlled company holding an exclusive licence, but the number of licence holders would not be restricted by legislation. Thus, after the legislative reform, there could be up to several dozen operators with a gambling licence in a competitive market. The section would lay down provisions on the duty to notify of persons appointed to a post at the supervisory authority in order to ensure the independence of the authority and its officials. Public officials of the supervisory authority should be independent of the applicant for a licence, the supervised entity and its economic activities. The section would supplement the provisions on disqualification laid down in the Administrative Procedure Act for public officials by sector and take into account the provisions of the Constitution, the Act on Public Servants in Central Government (750/1994) and the Non-Discrimination Act (1325/2014) relating to the appointment and assignment to public office.

In the new operating environment, the proposed section would safeguard the implementation of the legal principles of administration that are binding on the authorities, in particular the principles of non-discrimination and purpose limitation, and would aim to effectively prevent the misuse of confidential information, such as trade secret information. The proposed regulation would also aim to protect public officials performing licensing and supervisory tasks from undue influence in advance and to reduce situations of disqualification in the work of the authorities.

The general criteria for appointment are laid down in the Constitution. According to section 11, subsection 1 of the Non-Discrimination Act, a difference in treatment does not constitute discrimination if the treatment is based on law and otherwise has an acceptable objective and the means to achieve the objective are proportionate. Under section 12 of that law, different treatment in employment relationships and service relationships under public-law and when employing or engaging into service is justified if the treatment is based on genuine and determining requirements as to the nature of the duties and the performance of those duties and the treatment is proportionate to achieving the legitimate objective pursued.

Subsection 1 of the proposed section would lay down provisions on the information that the person appointed to the post should provide by means of a report. The information to be provided would concern the appointee's ownership in gambling companies, the amount of money held in gambling companies' player accounts, the winnings paid by gambling companies and withdrawals made from gambling accounts during the last 12 months, secondary occupation related to gambling activities, and other potentially significant interests from the perspective of the licensing and supervision function. Secondary occupation would mean public office and paid work and duties, which a public official has the right to refuse, as well as a profession, trade or business.

The purpose of the proposed section would be, above all, to ensure in practice that the authority's obligation laid down in section 8c, subsection 1 of the Act on Public Officials in Central Government is to ensure that the person to be appointed would not have any interests that would jeopardise the proper performance of the duties of the post and that they are also in other respects able to perform their duties independently and otherwise reliably. According to Section 6c of the Act on Public Officials in Central Government, the applicant for a post must enclose the necessary reports with the application. In accordance with the provisions of section 18 of the Act on Public Officials in Central Government, public officials may not become disqualified in their duties due to a secondary occupation, and the secondary

occupation may not endanger confidence in impartiality in the performance of the duties or otherwise hinder the proper performance of the duties or, as a competing activity, apparently harm the employer. Under section 8c of the Act on Public Officials in Central Government, when assessing a person's appointment, the authority must take into account the nature of the post or position to be filled.

The proposed section would not violate the property rights or privacy of the person appointed to the post, nor would it disproportionately restrict their freedom to engage in other economic activities outside the scope of their official duties. However, subsection 5 of the section would prohibit public officials carrying out licensing and supervisory duties under the proposed Act from acquiring shares in licence holders and other gambling companies or related derivatives. The prohibition would also apply to collective investment undertakings whose main purpose (more than 50 % of the fund's assets) is to invest in the shares of gambling companies. The information to be provided would, above all, be relevant to the authority's assessment of the conditions for appointment to the post to perform the duties of the post to be filled.

According to section 8a of the Act on Public Officials in Central Government, information on a person's financial position provided to an authority is confidential.

Section 63. *The supervisory authority's right of access to information from licence applicants and licence holders.* In order for supervision to be effective and comprehensive, the supervisory authority must have comprehensive rights of access to information from the supervised entities. The holder of an exclusive licence and the holders of a gambling licence operating on the market must be able to be supervised effectively so that the objective of preventing and reducing the harmful effects of gambling laid down in the Government Programme can be realised. Effective supervision is also the first step towards improving the channelling rate of the gambling system. The right of the supervisory authority to information vis-à-vis market participants is a key element in the organisation of effective supervision. In addition to the supervisory task, the authority's comprehensive access rights are also necessary to ensure that the authority receives the information required for the grant of a licence.

According to the proposed section, the supervisory authority would have the right to obtain from the licence applicant and the licence holder, notwithstanding secrecy provisions and free of charge, the necessary information exhaustively specified in the provision, in order to carry out its licence and supervisory duties laid down in this Act and to compile statistics on gambling activities. In accordance with the Constitutional Law Committee's statement practice, the right of access to information would be limited to the information exhaustively listed in the Act for the purpose of performing the supervisory task and the information necessary for monitoring and reporting on the gambling market. The right of access to information would apply to holders of an exclusive licence, a gambling licence and a gambling software licence. The supervisory and reporting functions of the supervisory authority are closely linked.

First, the information necessary for the authorities to carry out their licensing and supervision tasks would be the information necessary for the grant of an exclusive licence, a gambling licence and a gambling software licence. This information would constitute information within the meaning of section 11 of the proposed Act. Once the licence has been granted, the authority would monitor the existence of the conditions for the licences and, for this purpose, the supervisory authority could ask the licence holder again for the information necessary for granting the licence. The right to information would also apply to the information necessary

for the setting of the supervisory fee and to the money transfer limits and loss limits set by the players. The authority should also be made aware of player self-exclusion, gambling transactions and player account transactions. Provisions on the submission of gambling transactions and player account transactions to the supervisory authority via the interface of the supervisory authority's supervision system would be laid down in section 45 of the proposed Act.

The performance of supervisory tasks would also require obtaining information on the marketing of gambling and the operation of gambling, as well as information on the identifying information of the registered player. In practice, the data on registered players would mean the customer register data of the holder of an exclusive licence and the holder of a gambling licence. The necessary information concerning marketing would be, for example, the information concerning the marketing of the licence holder for the preceding year referred to in section 68 on the reporting obligation. The information on the operation of gambling would, in turn, include at least the information referred to in section 68 on the development of gambling activities and the measures taken by the licence holder to prevent economic, social and health-related harms caused by gambling. The necessary information concerning operation of gambling would also include the information contained in the self-monitoring plan provided for in the proposed section 35. The performance of supervisory tasks would also require information from licence holders on gambling consumption at product level, regionally, per channel and per point of sale, as well as information on the location of points of sale and slot machines. The data on regional gambling consumption would be based on the players' place of residence. The above information may also include personal data, such as players' personal identity codes.

Section 64. *The supervisory authority's right of access to information from public authorities and other entities undertaking public administrative duties.* The section would lay down provisions on the supervisory authority's right to obtain information from authorities and other entities performing public administrative duties. Effective supervision of gambling activities and the prevention and investigation of irregularities require cooperation between the authorities. Therefore, the supervisory authority is proposed to have the right to obtain, notwithstanding secrecy provisions and free of charge, from another authority and other entities performing public administrative duties information necessary to assess the conditions for granting a licence and to monitor compliance with this Act and the provisions and regulations issued under it. The information could include personal data.

The authorities to which the right of access would apply would be, for example, the police, criminal records, enforcement, tax and population register authorities. The information required to be disclosed from the Finnish Tax Administration would include, for example, information that the applicant has or has had failures to fulfil their tax-related obligations. In order to obtain information on the performance of pension, accident and unemployment insurance obligations, the section must state that the supervisory authority would also be entitled to receive information from another entity performing public duties. Information received from another authority and from another party performing a public administrative task would be subject to the same confidentiality obligation as information received by the supervisory authority in carrying out the tasks referred to in the Gambling Act.

Section 65. *The right of the supervisory authority to disclose information to other authorities.* According to section 26, subsection 1, paragraph 1 of the Act on the Openness of Government Activities, an authority may disclose a confidential official document if the disclosure of the information or the right of access to the information is expressly provided for in the Act.

Section 65 of the Gambling Act would lay down provisions on the supervisory authority's right, notwithstanding secrecy provisions, to disclose information to another authority on request and also on its own initiative in two different situations. According to subsection 1 of the proposed section, the supervisory authority may disclose to another authority information obtained in the performance of its licensing and supervisory tasks if the information would be necessary for the supervisory authority's performance of its own licensing and supervisory tasks.

According to subsection 2 of the section, the disclosure of information would be possible upon request and at the authority's own initiative when the information received during the performance of a licensing and supervision task would be necessary for the performance of a task assigned to another authority. Information obtained by the supervisory authority concerning the activities of the licence holder, the licence holder or its significant owners and management may also be necessary for the performance of the duties of other authorities. A general requirement for the grant of a licence would not be that the applicant has been registered in the Finnish Tax Administration's register. In this respect, it would suffice for the Finnish Tax Administration to be informed of the grant of the licence and for the exchange of information between the Finnish Tax Administration and the supervisory authority to be effective. It would be necessary for the Finnish Tax Administration to receive from the supervisory authority the information necessary for tax supervision, for example on a monthly basis.

Section 66. *Right to information on fines and criminal records*. The section would lay down provisions on the supervisory authority's right to obtain information on fines and criminal records. In order for the supervisory authority to be able to assess the reliability and suitability of applicants which are natural persons and the significant owners and management of applicants which are legal persons and the applicant's representative in accordance with the proposed section 10, the supervisory authority should have the right to obtain the necessary information for this purpose from the register of fines referred to in section 46 of the Act on the Enforcement of a Fine (672/2002). Criminal records data may be disclosed to the supervisory authority pursuant to section 4a of the Criminal Records Act (770/1993) in order to determine the reliability and suitability of the licence applicant.

Section 67. *Right of inspection*. The section proposes that provisions be laid down on the supervisory authority's right to carry out inspections in order to carry out supervision of the Act and the provisions issued under it. The authority could inspect the premises, information systems and operations of the holder of an exclusive licence, the holder of a gambling licence and the holder of a gambling software licence if the inspection is necessary for the performance of the supervisory task.

The supervisory authority could ask the police for executive assistance in carrying out an inspection, for example, in a situation where the supervisory authority is prevented from performing an official duty. Chapter 9, section 1 of the Police Act (872/2011) lays down provisions on executive assistance provided by the police, decision-making by the police related to the provision of such assistance and the charging of fees for executive assistance. According to subsection 1 of the said section, the police shall, upon request, provide executive assistance to another authority, if so separately provided. The police must also provide executive assistance to other authorities in order to fulfil the supervision obligation laid down by law if the authority requesting executive assistance is prevented from carrying out its official duties.

Section 68. *Reporting obligation of the holder of an exclusive licence and the holder of a gambling licence*. The section would lay down provisions on the reporting obligation of the holder of an exclusive licence and the holder of a gambling licence to the supervisory authority. Some of the reports and documents should also be submitted to the ministries mentioned in the section.

The reporting obligation would be an essential part of the ex-post supervision of the activities of licence holders. Requiring reports and documents would, for its part, enable the authorities to monitor the operation and marketing of gambling in the national territory and to assess whether the conditions for granting a licence exist. The reports and documents referred to in this section would also be necessary for the monitoring and reporting task of the supervisory authority on the development of the gambling market proposed to be laid down in section 57.

According to paragraphs 1 to 5 of the proposed subsection 1, the annual reporting obligation would cover the action plan for the following year, the budget for the following year, the financial statements for the previous year, a report on the marketing of gambling services in the previous year and a report on the development of gambling activities in the previous year. The current Lotteries Act contains similar provisions.

In the action plan referred to in subsection 1, paragraph 1 of this section, the licence holder would describe their plans for activities in the coming year. The action plan should cover the principal plans for the activities of the licence holder, such as changes relating to reorganisation of a business, marketing plans, changes in the range of gambling services and changes in the activities of agents. As the planned actions may change over time, it would be possible that the measures described in the action plan would differ to some extent from the measures implemented in the next year’s reporting.

In addition, according to subsection 1, paragraph 6, the reporting obligation would include the submission of the self-monitoring plan referred to in section 35. The plan would also include the measures taken by the licence holder to implement the duty of care laid down in section 34. The licence holder should report annually on the measures it has taken as part of its duty of care to prevent and reduce gambling-related harms. This would involve e.g. information on how the holder of an exclusive licence and the holder of a gambling licence would have used game and player data and what kind of measures they had taken on the basis of the assessment. Licence holders should report at least contacts with players, self-exclusion by players and the blocking measures taken by the company. In annual reporting to the supervisory authority, the measures taken to prevent and reduce harm would be reported on a more general level, such as, for example, the number and forms of contacts with players and other measures, as well as the development of the number of different types of blocking measures. Therefore, reporting to the authority would not be at the level of individual players.

The holder of an exclusive licence and the holder of a gambling licence should also submit an annual report on irregular or suspicious betting on the licence holder's betting sites, suspected and confirmed cases of manipulation of competitions and measures to combat manipulation of competitions. The reporting obligation relates, in particular, to the obligation imposed on licence holders in section 48 to have procedures for detecting and preventing irregularities.

According to subsection 2, the authority could issue more detailed regulations on the deadlines for the submission of reports and the content of reports. The adoption of regulations could be necessary to harmonise the reports and to ensure that the supervisory authority

receives the information and reports necessary to carry out its own monitoring and reporting task within an appropriate timeframe.

According to the proposed subsection 3, the documents referred to in subsection 1 of the section should also be submitted to the Ministry of the Interior, as the Ministry of the Interior is responsible for the preparation of gambling legislation and gambling policy. The nature of the tasks of the Ministry of the Interior requires that these documents be received, for example, as regards how the licence holders have implemented and marketed gambling and what measures have been taken to prevent and reduce gambling-related harms. The documents referred to in subsection 1 should also be submitted to the Ministry of Social Affairs and Health. The Ministry of Social Affairs and Health would continue to be responsible for monitoring, research and assessment of gambling-related harms and development of prevention and treatment. For example, the action plans referred to in subsection 1, paragraph 1 and the reports referred to in paragraph 6 would enable the Ministry to assess and monitor the harms caused by gambling and how the prevention of harms could be developed.

Failure to comply with the reporting obligation under this section could be subject to an administrative fine under section 80.

Section 69. *Auditor's duty to notify.* As a new supervisory measure compared to the current Lotteries Act, the Act would lay down provisions on the auditor’s duty to notify. Similar provisions exist in the Swedish gambling legislation and, for example, in the Act on the Financial Supervisory Authority. The licence holder's auditor should inform the supervisory authority without delay of any fact or decision concerning the licence holder which he or she has become aware of in the course of his or her duties and which may be considered, for example, to be a material violation of the licence conditions or the provisions concerning implementation or regulations issued under them or to jeopardise the continuation of the licence holder's operations. The same reporting obligation would apply if the auditor becomes aware of such a fact or decision in an entity belonging to the same group or group as the licence holder or in an entity that has significant links to the licence holder.

Chapter 6. Supervisory fee.

Section 70. *Supervisory fee.* The section would lay down provisions on the supervisory fee levied on the holder of an exclusive licence, the holder of a gambling licence and the holder of a gambling software licence. This would be a parafiscal charge that would not be directly based on the costs of supervision activities. The rationale behind the regulation is that large supervised entities will partly subsidise the supervisory fees of smaller supervised entities with their contribution and pay proportionately more for the infrastructure needed for supervisory work. A similar tax-like supervisory fee is levied on the supervised entities of the Financial Supervisory Authority. Under subsection 1 of the section, the supervisory fee would be determined as a fixed fee in euro for each calendar year. The maximum amount of supervisory fees that can be collected by the authority is estimated at EUR 10 million. The amounts of the supervisory fees have been calculated on the basis of an estimate that an average of 40 operators of different sizes would apply to the licensing system. The maximum permissible amount of the supervisory fees to be levied takes into account the resources allocated to supervision by the supervisory authority in the medium term and aims to ensure that supervision will continue to be effective in the future. It is estimated that the costs of supervision will be around EUR xx million in the first years of the new gambling system. However, the authority would collect annual supervisory fees only up to the amount of the budgeted expenditure for the current year.

Subsection 2 of the section would lay down provisions on the supervisory fee to be charged to the holder of an exclusive licence. There are some differences in the nature of the gambling activities carried out under the two exclusive licences and the forms of gambling services covered by the licences, as well as in their supervision, with the result that separate and different supervisory fees would be charged for the licences granted for the exclusive activities. With regard to licences for the operation of land-based slot machines and land-based casino games, the supervisory fee would be higher because the supervisory measures required for such activities are different from other gambling activities carried out under an exclusive right.

Subsection 3 of the section would lay down provisions on the supervisory fee to be imposed on the holder of a gambling licence. The amount of the supervisory fee would be scaled according to gross gaming revenue. Gross gaming revenue refers to the difference between the total amount of stakes wagered in gambling services provided under a gambling licence in accordance with the Gambling Act and the winnings paid to players. The minimum supervisory fee of EUR 4 000 would apply to gambling activities with a gross gaming revenue of less than EUR 100 000. The maximum supervisory fee for a gambling licence would be EUR 434 000. The supervisory fee would be charged if the gross gaming revenue was more than EUR 50 million. Under section 71, subsection 4, the licence holder would be obliged to submit to the supervisory authority, for the purpose of imposing the supervisory fee, the gross gaming revenue data on which the supervisory fee is based.

Subsection 5 of the section would lay down provisions on the grounds for determining the supervisory fee in cases where the licence holder would not have had a gambling licence during the previous year. This would mean virtually all gambling licence holders who would start gambling activities for the first time in mainland Finland. The amount of the supervisory fee for the first year would consist of two separate instalments. The first instalment would consist of a basic fee of the same amount for all licence holders. The supervisory authority would determine the amount of the second instalment of the supervisory fee on the basis of the amount of the realised gross gaming revenue reported in the approved financial statements of the licence holder for the first year of operation. If the supervisory fee for the first year would fall below the amount of the supervisory fee calculated on the basis of the licence holder's realised gross gaming revenue, the licence holder should pay the difference between the two in connection with the supervisory fee for the following year. If the supervisory fee for the first year was higher than the imputed supervisory fee, the authority should return the difference to the licence holder. The difference could be taken into account by deducting or adding the amount of the difference to the licence holder’s imputed supervisory fee for the following year if the licence holder’s licence would be valid for more than one year.

Subsection 6 of the section would lay down provisions on the supervisory fee to be charged to the holder of a gambling software licence, which would be the same amount for all holders of a gambling software licence. According to subsection 7 of the section, a separate supervisory fee would be charged for each licence if the licence holder has more than one licence.

Section 71. *Setting the supervisory fee.* The supervisory authority would set the supervisory fee to be paid. In its decision, the Authority would set a due date for the payment, which may not be earlier than the last day of June of the year in which the payment was made. The fee could be paid in several instalments if the supervisory authority so decides. The payment decision would be sent to the party liable for payment no later than 30 days before the due date. Information on the amount of the supervisory fee would be public on the basis of the Act on the Openness of Government Activities.

According to the proposed subsection 2, if the payment obligation started in the middle of the calendar year, i.e. the licence would start in the middle of the year, the supervisory fee would be determined according to the number of calendar months for which the licence would be valid.

Subsection 3 of the section would lay down provisions on the setting of the supervisory fee if the obligation to pay the fee ends in the middle of the calendar year. Upon application by the licence holder, the supervisory fee would be refunded for as many twelfths of months as there are full calendar months remaining in the calendar year in question.

According to subsection 4, the holder of a gambling licence should submit to the supervisory authority, for the purpose of setting the supervisory fee, the gross gaming revenue data of the previous calendar year for the period of validity of the licence. The data should be submitted no later than by the end of February of the year following the realisation of the gross gaming revenue. The intention is that the information would be available to the supervisory authority in sufficient time for the fee to be imposed in accordance with this section. The authority would check the actual gross gaming revenue on which the amount of the supervisory fee is based retrospectively based on the licence holder's last approved financial statements when the licence holder submits it in accordance with the reporting obligation proposed in section 68.

According to the proposed subsection 5, the supervisory authority could impose a periodic penalty payment to enforce the obligation to provide information.

Subsection 6 of the section would lay down provisions on the supervisory authority's power to issue more detailed regulations on the payment procedure, the payment of the fee in more than one instalment and the manner in which the information necessary for the imposition of the supervisory fee is to be provided.

Section 72. *Setting the supervisory fee by means of an assessment*. The section would lay down provisions on the supervisory authority's right to set a supervisory fee by assessment if the licence holder has not provided the information necessary for the supervisory authority to set a supervisory fee in accordance with section 71, subsection 4, or the information is manifestly incorrect or incomplete for the purpose of setting a supervisory fee.

According to subsection 2, when assessing the amount of the fee, the authority should take into account the size and market position of the licence holder, the information reported by the licence holder in previous years, comparative information on other licence holders engaged in similar activities and other comparable factors affecting the basis for determining the fee. The supervisory authority should endeavour to assess the basis for the payment in accordance with the actual situation.

Under subsection 3 of the section, the supervisory authority should send an invitation to the entity liable for paying the fee to provide the necessary information, failing which the fee will be determined by assessment, unless the information is provided within a reasonable period of time set by the authority. The request should include information on the amount of the estimated payment.

According to subsection 4, the supervisory authority could adjust the assessed payment within one year from the beginning of the calendar year following the assessed payment. The authority could make the correction on its own initiative. The authority could make a

correction in favour of the supervised entity if the supervisory fee has been set too high due to an error. The authority may also make a correction to the detriment of the licence holder if, due to an error, part or all of the supervisory fee has not been imposed. In practice, however, the correction would be limited to the correction of clear or obvious errors. The correction could concern factual, clerical, calculation and other errors in the supervisory fee decision. A situation in which the supervisory fee has been based on an incorrect or incomplete statement or in which a new statement has emerged that could have significantly influenced the decision in the matter is also considered to be an error. The adjustment should be made within one year of the start of the calendar year following the assessed payment. The purpose of the rectification provision is to enable the correct supervisory fee to be set in situations where an error is discovered after the supervisory fee has been set. The authority could apply the provision, inter alia, if it becomes aware of any new information that would have significantly affected the setting of the supervisory fee. Such significant information may include, for example, subsequent financial statements.

Section 73. *Reduction of the supervisory fee*. Subsection 1 of the section would lay down provisions on the supervisory authority's right to collect, in the form of supervisory fees and other income, a total amount that covers the amount of the costs of supervising gambling activities set out in the supervisory authority's budget. Other income include a surplus or deficit in the amount of supervisory fees collected in previous years.

Subsection 2 of the section would lay down provisions on the supervisory authority's right to collect supervisory fees and other income in excess of the limit specified in subsection 1. However, the surplus should not exceed an amount corresponding to 5 % of the costs established in the authority's budget. This would be a so-called buffer. The subsection would also state that the surplus could only be collected to cover situations involving a possible deficit, i.e. a situation where the amount to be collected in the form of supervisory fees and other income is below the amount specified in subsection 1.

Subsection 3 of the section would provide that the supervisory fee should be imposed at a reduced rate if it is likely that the surplus referred to in subsection 2 would accrue by more than 5 % of the costs confirmed in the supervisory authority's budget. The reduction would apply to the holder of an exclusive licence and the holder of a gambling licence in respect of the fees proposed for them in section 70. When calculating the reduction, the surplus from previous calendar years should also be taken into account as an increase in revenue, and the deficit from previous calendar years should be taken into account as a reduction in revenue. The reduction would not apply to the supervisory fee for a gambling software licence, which would be at a fixed price and significantly lower than the other supervisory fees.

Section 74. *Late payment interest and enforcement of the supervisory fee*. The section would contain provisions on interest for late payment of the supervisory fee and the collection of the fee by means of enforcement measures. Under subsection 1 of the section, interest for late payment should be paid in accordance with section 4, subsection 1 of the Interest Act (633/1982) if the supervisory fee is not paid by the due date. Subsection 2 of the section would lay down provisions on the collection of the supervisory fee by means of enforcement measures. Under the proposal, the supervisory fee, together with interest, would be directly enforceable. Provisions on the collection of the supervisory fee would be laid down in the Act on the Enforcement of Taxes and Public Payments (706/2007).

Chapter 7. Prohibition of gambling activities and marketing.

Section 75. *Prohibitions on gambling activities*. Prohibitions on gambling activities would be included in the Act. The content of the prohibitions would essentially correspond to the prohibitions laid down in section 62 of the valid Lotteries Act. The proposed section would include a list of prohibitions related to the operation of gambling. The acts referred to in this section would also constitute a lottery offence under subsection 1 and a gambling offence under subsection 2 of the Criminal Code.

Under subsection 1 of the section, the operation of gambling in a manner other than that referred to in section 3, paragraphs 3–15 would be prohibited. Section 3 of the Act would define exhaustively the forms of gambling services and no other form of gambling would be permissible.

Under subsection 2 of the section, the operation of gambling without a licence required by law, the sale, supply and marketing of gambling services operated without a licence required by law, as well as the sale, supply or marketing of gambling services abroad, would be prohibited, unless permitted under the legislation of the country or region in which the gambling services are sold, supplied or marketed. In addition, the section would prohibit the sale, supply, receiving of stakes and distribution of winnings of gambling operated by a licence holder without the licence holder's permission, as well as the provision of facilities for the making available for use of slot machines and casino games without a licence laid down in this Act.

Subsection 3 of the section would provide that game in which crypto-assets can be used for participation or distributed as winnings would be treated as games of chance. The aim of the provision would be to enable the prohibition under this section, if necessary, of e.g. the marketing of crypto casino activities taking place in or directed to the national territory. Therefore, the use of crypto-assets would not be allowed in gambling. Gambling using crypto-assets has been assessed to be associated with an increased risk of money laundering, and gambling using crypto-assets can also be considered problematic from the point of view of consumer protection and ensuring the legal protection of gamblers. Developments in the regulation of crypto-assets and the risk of money laundering related to the crypto-asset market and issues related to the legal protection of consumers are further assessed in sections 4.3.3.3 and 5.1.12.

Subsection 4 of the section would contain a provision corresponding to section 62, subsection 5 of the Lotteries Act, according to which gambling services provided abroad the operation of which the licence holder participate in, are not considered to be gambling.

Section 76. *Prohibition of the operation and marketing of gambling*. Under the section, the supervisory authority could prohibit both operators outside the gambling system and licence holders from engaging in illegal gambling activities and marketing. Similar provisions are contained in the Lotteries Act.

An authority could prohibit the operation and marketing of games of chance if the operation or marketing of games of chance infringes the prohibition laid down in section 75 or if the marketing of games of chance infringes the provisions of sections 51–56. A prohibition decision could also be issued in situations where the provisions of sections 20–30, 33–34, section 35, subsection 1, sections 37–46 or 47–49 are violated in the operation of gambling. Operation and marketing could also be prohibited if the provisions of sections 31 or 32 and the decrees issued under them are violated in the operation of gambling. Under subsection 1, paragraph 5 of the proposed section, the operation and marketing of gambling could also be

prohibited if the operation or marketing of gambling otherwise violates the Gambling Act or decrees issued under the Act.

Prohibition could be imposed on the licence holder and other gambling operator, on a trader or an entity that acts as an agent for participation entries or participation fees related to gambling, provides facilities for the making available for use of slot machines or markets gambling, and on a natural person who, for financial or other gain, markets gambling or otherwise promotes participation in gambling.

Subsection 3 of the section would lay down provisions on the maximum duration of the prohibition. The prohibition would be valid for a maximum period of 12 months. The authority could extend the ban for a maximum of 12 months at a time if the conduct has not been remedied at the time of initiation and execution of the payment transaction. A period of 12 months would not be considered to affect the rights of the operator subject to the prohibition more than necessary, as the operator may avoid the imposition of a penalty payment in order to enforce the prohibition decision by complying with the decision of the supervisory authority.

In order to ensure the legal protection of participants in gambling, the authority would be empowered to temporarily prohibit the operation of gambling if the legal protection of consumers or the supervision carried out to ensure it is compromised.

The aim of the proposed provisions is to secure an effective and rapid means of supervision intervention in a more precise manner than the existing regulations. References to specific legal provisions in the section would provide unambiguous grounds for prohibiting the operation and marketing, which would also clarify the application and interpretation of the law. Prohibiting operation of gambling would be applicable to a wide range of activities that do not comply with the operation of gambling and violate the regulations referred to in the provision, and there should not be a particularly high threshold for its use by an authority. A key aspect of the prohibition order procedure is the possibility for the operator to remedy his or her wrongful conduct before the prohibition order is issued. During the prohibition order procedure, the authority applying the law shall also take into account the possibility of using other administrative sanctions set out in this Act and, if necessary, switch to more lenient or stricter control measures.

In exceptional circumstances, a prohibition decision could be issued without a hearing. The provision is also supported by section 34, subsection 2, paragraph 4 of the Administrative Procedure Act. According to that provision, a decision may be made without hearing the party concerned if the hearing may jeopardise the achievement of the purpose of the decision or if the delay to the consideration of the matter as a result of the hearing causes significant harm to human health, public safety or the environment.

According to subsection 5 of the section, the supervisory authority should keep available in the public information network a list of those gambling operators that do not have a licence referred to in this Act and whose operation or marketing of gambling has been prohibited by the supervisory authority under the proposed section 76. The list would provide information on the activities of the authority and inform consumers about operators that have operated or marketed gambling without a licence. According to subsection 5, the list should contain information identifying the operators and be in machine-readable format in order to ensure the usability of the list in payment service operations.

According to subsection 6, the supervisory authority could impose a penalty payment to enforce the prohibition order. The supervisory authority would order the payment of a penalty imposed in order to enforce the prohibition on operation. The Market Court, on the other hand, would order the penalty payment imposed to enforce the marketing ban to be paid on application by the supervisory authority. Provisions on the penalty payment procedure are laid down in the Act on a Conditional Fine (1113/1990).

Provisions on request for review of a prohibition order would be laid down in chapter 12. A decision prohibiting operation of gambling would be appealed to the Administrative Court on the basis of section 103. The prohibition would remain in force until the administrative court orders a decision on the prohibition and this decision becomes final or when a natural or legal person operating without a licence is granted the right referred to in this Act to operate gambling on the basis of an exclusive licence or a gambling licence. Under section 104, a decision on a marketing ban could be brought before the Market Court.

Section 77. *Imposition of penalty payment in the event of a change of gambling operator.* A penalty payment imposed to enforce the prohibition referred to in section 76 above could be imposed on a party other than the executor mentioned in the prohibition if the gambling operator were to change after the prohibition was imposed. A penalty payment could be imposed not on the operator referred to in the prohibition, but on a party whose activities result in the penalty payment being imposed and who is comparable to the gambling operator. In addition, a party to whom the activity that violated the prohibition referred to in section 76 and was prohibited by the supervisory authority has been transferred, if the transferee knew or should have known of the prohibition on gambling imposed by the supervisory authority when receiving the activity. When assessing the assimilation referred to in subsection 1, subsection 2 of this section, the control exercised by the party and the economic relations with the operator of the gambling referred to in the prohibition shall be taken into account.

Section 78. *Removal order.* The section would lay down provisions on the supervisory authority's power to issue a removal order in the event of infringement of provisions falling within the scope of the Act. In the provision, service providers refer to, among other things, hosting, internet and platform service providers as well as telecommunications operators or other actors responsible for the publication, transmission or display of information on the network. The principle of the provision is that the decision of the competent authority may be directed at those who have effective access to the means referred to in the provision, so that it is not appropriate to define exhaustively the service providers concerned. Similar powers exist, for example, in the regulation of consumer authorities and certain other market surveillance authorities.

It is proposed that the threshold for the exercise of powers be set at a relatively high level. In the first place, the exercise of the powers referred to in that subsection would be subject to the condition that the matter concerns an infringement of the rules. Under subsection 1, paragraph 1 of the section, the supervisory authority could, if it were necessary to stop the infringement or illegal activity provided for in this Act, order the service provider to remove content in the digital environment relating to the operation or marketing of gambling. The exercise of this power should be necessary and subject to the absence of other effective means. The exercise of powers could thus be considered in situations where the operator does not act in accordance with the obligations primarily imposed by the supervisory authority, such as the prohibition laid down in the proposed section 76. The authority should aim to target the decision to the entity that actually manages the content. In order to ensure the opportunity to react quickly

and ensure the effectiveness of control measures, it is proposed that the issuing of a removal order would not require a court decision, but that the authority would exercise its powers.

Under point 2 of the same paragraph, the supervisory authority could, under the same conditions as in paragraph 1, order the domain name registry administrator or registrar to remove the domain name from the domain name registry. According to section 164 of the Act on Electronic Communications Services, the Finnish Transport and Communications Agency maintains a register of domain names ending in the fi-country code (domain name register) and a database of technical information on domain names for controlling internet traffic (fi-root). With regard to the domain names in question, the Finnish Transport and Communications Agency will, if necessary, deactivate the domain name by removing it from the domain name register and the fi-root. The supervisory authority may issue an order to deactivate a domain name also for other domain name extensions, targeting the entity managing the domain name extensions or the domain name registrar. This section thus covers domain names currently in use at national (ccTLD), generic (gTLD) and any other domain extensions.

After the domain name has been removed, the domain name will be released after a one-month protection period for anyone to register. In other words, a domain user loses their domain name. Such a decision shall not be issued on an interim basis.

However, the supervisory authority could also issue a decision under subsection 1, paragraph 1 as an interim decision, in which case the decision would remain in force until the matter has been finally resolved. The supervisory authority should resolve the matter as a matter of urgency. The section would lay down provisions on the authority's obligation to give the recipient of the decision and the operator concerned an opportunity to be heard before the decision is issued. An exception to the hearing could be made when an interim order is issued if the hearing cannot be conducted as quickly as the urgency of the matter necessarily requires.

The supervisory authority could impose a penalty payment to enforce compliance with the decision referred to in the section. Provisions on the imposition and sentencing of a penalty payment are laid down in the Act on a Conditional Fine. This would mean that the authority could order a penalty payment to be paid under section 10 of the Act on a Conditional Fine if the main obligation has not been complied with and there are no valid reasons for non-compliance.

Subsection 5 of the section would provide for a request for review of a decision made by the supervisory authority. The decision would not be subject to appeal to an administrative court. The person to whom the decision referred to in this section is addressed and the natural or legal person who has violated the provisions may, other than in respect of an interim decision, bring a case before the Market Court by means of application. This should be done within 30 days of being served. Otherwise, the decision would be final. The decision should be complied with unless otherwise ordered by the Market Court. The proposed subsection 6 would refer to the Market Court Proceedings Act (100/2013).

Chapter 8. Sanctions

Section 79. *Revocation of a licence*. The section would lay down the conditions for the revocation of a licence. The conditions for revocation would be partly mandatory and partly discretionary.

The supervisory authority's discretion with regard to the revocation of a licence would be bound in three different situations. First, the authority should always revoke the licence at the request of the licence holder. The licence should also be revoked if the licence holder no longer meets the conditions laid down in sections 8–10 for the licence holder. Section 8 of the Act lays down the general conditions for the grant and validity of an exclusive licence, section 9 lays down the general conditions for the grant and validity of a gambling licence and a gambling software licence, and section 10 lays down the reliability and suitability of the applicant and its significant owners and management. The objective of the provisions is to ensure, inter alia, that licence holders operate gambling activities meet the financial and other prerequisites necessary for the operation of gambling activities and that licence holders can be considered reliable and suitable for such activities. If these conditions are no longer met, the authority should revoke the licence. The existence of the conditions for granting a licence would be examined as part of the supervision of the sector, for example, by means of the licence holder's disclosure and reporting obligations laid down by law.

The supervisory authority would also have an absolute obligation to revoke the licence if the holder of an exclusive licence has not paid the compensation referred to in section 19 in accordance with the payment schedule decided by the Government. With regard to the holder of an exclusive licence, payment of the compensation under the licence according to the payment schedule confirmed by a government decision would be a prerequisite for the validity of the licence, in which case failure to comply with the payment obligation imposed by a final decision would oblige the supervisory authority to revoke the licence granted to the holder of an exclusive licence.

The licence could be revoked on a discretionary basis in four different situations. Under subsection 2, paragraph 1 of the section, the supervisory authority could revoke the licence if the licence holder has repeatedly or seriously violated this Act or the provisions and regulations issued under it. The threshold for the revocation of a licence would be high in the proposed provision, i.e. mere non-compliance would not be sufficient grounds for the revocation of a licence, but should be repetitive or serious. When applying the provision, it should always be assessed whether the continuing conduct or individual violation of the provisions is so serious that it endangers the operation of gambling activities in accordance with the conditions laid down in the Act.

Under subsection 2, paragraph 2 of the section, the supervisory authority could also revoke the licence if the licence holder has provided the supervisory authority with false or misleading information on a matter that was likely to have a material effect on the granting of the licence or has concealed such a circumstance. A precondition for the revocation of a licence would be that the provision of false or misleading information would have been likely to have a material effect on the grant of the licence. Therefore, the provision of any false or misleading information to the licensing authority could not lead to the revocation of a licence, but the provision or concealment of the information should have contributed to the granting of the licence to the applicant. Under subsection 2, paragraph 3, a discretionary revocation could also be made in a situation where the licence holder fails to pay the supervisory fee referred to in section 70.

Under subsection 2, paragraph 4 of the section, the supervisory authority would have a discretionary right to withdraw the licence also in a situation where the licence holder has repeatedly or seriously violated the provisions on anti-money laundering and countering the financing of terrorism during the licence period and an administrative penalty has been

imposed on the licence holder for the violation, or the licence holder has been sentenced to a fine or imprisonment for the violation.

Revocation of a licence would be a last-resort means of intervening in conduct contrary to the Act. This would be reflected in the proposed paragraph 3, according to which the licence could be revoked only if the conduct continues intentionally after the imposition of a fine or a prohibition order. This provision would therefore require the authority to use other administrative penalties before considering revocation of a licence. The condition would apply in the situations referred to in subsection 2 above, in which the revocation of the licence would be discretionary. In the situations referred to in subsection 1 of this section, the revocation of the licence would not require the use of other administrative penalties first, as these would be mandatory grounds for the revocation of a licence.

The last-resort nature of the revocation of a licence would also be reflected in subsection 4, according to which the licence holder should be given a reasonable period of time to rectify any deficiencies observed in the operation before a decision on the revocation of a licence is made. However, the licence could be revoked without such a time limit if it was necessary to ensure the legal protection of participants in gambling and to reduce the harm caused by gambling.

Section 80. *Administrative fine*. It is proposed that provisions on administrative fines be included in the Act. The current Lotteries Act does not contain any similar provisions. Administrative fines as administrative penalties are often provided for in cases of omission or violation of an obligation, such as omission or violation of the disclosure obligation. The possibility of imposing an administrative penalty is considered to be justified in such situations, where the nature of the offence would not require the use of the criminal justice system, but, for example, the means of administrative guidance would not be sufficient. The fine would target minor, well-identified infringements and the amount in euro would be lower than for a penalty fee. The omission or violation penalised by the fine would concern offences other than those referred to in sections 16a and 16b of the Criminal Code, in which case the ne bis in idem effect of double jeopardy would not arise. Omissions or violations sanctioned by an administrative fine would also differ from the acts regulated in section 84 of the Gambling Act, on the basis of which the supervisory authority could impose a penalty fee on the person who has committed the omission or infringement. Moreover, the prohibition of double jeopardy would not prevent the imposition of an administrative sanction in addition to other administrative penalties, such as the revocation of a licence and a periodic penalty payment. The proposed provisions on administrative fines can be considered to include a scale and assessment based on the reprehensibility of the offence, so that the nature of the offence and the assessment of intent would be duly taken into account in the imposition and calculation of the penalty.

Under subsection 1 of the section, an administrative fine would be imposed on licence holders or traders due to omissions and violations of the obligations relating to disclosure, reporting, response and notification laid down in the Act, as well as the information to be displayed on a slot machine.

Under subsection 1, paragraphs 1 and 2, an administrative fine would be imposed if the licence holder fails to comply with or violates the disclosure obligation concerning the corporate identity code laid down in section 16 or the duty laid down in section 18, subsection 1 or 2 to notify the supervisory authority of material changes and changes in the ownership, agreement or other arrangement of a legal person. Subsection 1, paragraph 3 would apply to

the reprehensible conduct of the licence holder's agent. Under this paragraph, an administrative fine would be imposed if the licence holder or trader fails to comply with or violates the obligation laid down in section 35, subsection 2 for the agent to submit a self-monitoring plan to the supervisory authority. Provisions on the licence holder's obligation to submit a self-monitoring plan in connection with annual reporting would be laid down in section 68 of the Act. Violation or omission of the licence holder's reporting obligation would also be penalised by an administrative fine, and provision on this would be laid down in paragraph 13 of the proposed section 80, subsection 1.

Subsections 4–6 of subsection 1 of this section would apply to the conduct of holders of an exclusive licence and a gambling licence. An administrative fine would be imposed if the licence holder fails to comply with or violates the obligation laid down in section 38, subsection 6 to present to the supervisory authority the plan referred to in section 38, subsection 3, entries concerning the location of slot machines and the regulations issued, the obligation laid down in section 38, subsection 7 to present to the supervisory authority the plan referred to in section 38, subsection 4 and the records concerning the implementation of the plan, or the obligation laid down in section 38, subsection 8 to display in a prominent position on slot machines an indication of the holder of an exclusive licence and their details and business identity code.

Subsections 7–12 of subsection 1 of this section would apply to the conduct of holders of an exclusive licence and a gambling licence. Those paragraphs would lay down provisions on the violation or omission of the obligation to submit the procedures and rules for the gambling services laid down in chapter 3 of the Act that are the responsibility of gambling companies in connection with the operation of gambling. An administrative fine would be imposed on the basis of paragraphs 7 and 8 if the licence holder fails to comply with or violates the obligation laid down in section 47, subsection 1 or 3 on request to present to the supervisory authority rules on which employees may not participate in gambling organised by the licence holder or information on the training and skills of the persons working at the site, or if the licence holder fails to comply with or violates the obligation laid down in section 48, subsection 3 on request to present to the supervisory authority the procedures for detecting and preventing violations of the provisions on the operation of gambling, the terms of the agreement concluded between the licence holder and the player and the game instructions and manipulation of competitions.

An administrative fine would be imposed on the basis of subsection 9 and 11 if the licence holder fails to comply with or violates the obligation laid down in section 48, subsection 3 on request to present to the supervisory authority procedures that allow players to immediately notify the licence holder of the matters referred to in section 48, subsection 1, or fails to comply with or violates the obligation laid down in section 49, subsection 1 to present to the supervisory authority procedures for the handling of disputes, complaints and other issues concerning the gambling services they provide. Paragraph 10 of the subsection would concern the reporting of observations concerning irregular or suspicious betting or other irregularities referred to in section 48, and paragraph 12 would concern responding to contacts from a player.

Under subsection 13, an administrative fine should also be imposed if the licence holder does not comply with the reporting obligation laid down in section 68. According to that section, the licence holder must submit to the supervisory authority annually, for example, an action plan, a budget, financial statement documents, a self-monitoring plan and a report on the measures that the licence holder has taken to prevent and reduce gambling-related harms

during the previous year. In accordance with paragraph 14, an administrative fine should also be imposed in a situation where the licence holder violates or fails to comply with the obligation under section 71, subsection 4 to provide the supervisory authority with information for the purpose of imposing a supervisory fee. Under paragraph 15, an administrative fine should be imposed if the licence holder or the trader submits the information referred to in section 16, section 18, subsections 1 or 2, section 38, subsections 6–8, section 47, subsection 1 or 3, section 48, subsection 3 or 4, section 49, subsection 1 or 2, section 68, section 71, subsection 4 in a clearly incomplete manner, after a given deadline or in a form that does not correspond in substance to the information requested by the supervisory authority or to the matter being processed.

Under subsection 2, an administrative fine could also be imposed on the licence holder's auditor if they intentionally or negligently omit or violate their duty to notify laid down in section 69. That section lays down provisions on the obligation of the licence holder's auditor to without delay report any facts of which they have become aware in the performance of their duties and which may be considered to materially violate the conditions for granting a licence or the provisions on the pursuit of activities, jeopardising the continuation of the licence holder's activities or leading to the presentation in the auditor's report of a statement other than the standard statement referred to in the Auditing Act (1141/2015) or a remark referred to in chapter 3, section 5, paragraph 5 of the Auditing Act in an auditor's report.

According to subsection 3, the amount of the administrative fine would be based on an overall assessment. When assessing the amount of the administrative fine, the nature, extent and duration of the conduct should be taken into account. The nature of the conduct refers, for example, to the content and reprehensibility of the act or omission and the significance of the obligation breached. Extent refers, for example, to the financial damage caused by the infringement or the estimated benefit to be achieved. When assessing the duration of the conduct, account should be taken not only of the duration of the individual act or omission, but also of their possible recurrence. The administrative fine to be imposed would be a minimum of EUR 1 000 and a maximum of EUR 100 000.

Under subsection 4 of the section, an administrative fine would be payable to the State. According to the subsection, a decision on the imposition of an administrative fine should not be enforced until the decision has become final. The provisions of the Administrative Judicial Procedure Act would thus be complied with as regards the enforceability of sanctions imposed under the proposed Act.

Section 81. *Waiving imposition of an administrative fine.* The section would lay down provisions on the supervisory authority's discretion not to impose an administrative fine. According to the proposed section, the authority could refrain from imposing an administrative fine, first, if the licence holder who acted incorrectly has taken sufficient measures at their own initiative to rectify the error immediately after discovering the error and the error or omission is not serious or repeated. In addition, an administrative fine could be waived if the conduct were to be regarded as minor. The possible minor aspect of the act or omission would be assessed on a case-by-case basis, taking into account, inter alia, the nature, extent and duration of the act. This would involve an act or omission which, having regard to its harmfulness or the guilt of its perpetrator as a whole, should be regarded as negligible. Such a case may arise, for example, where the report, information or notification to the authority takes place only slightly later than the prescribed deadline or where the error is due to human error rather than negligence. An administrative fine could also be waived if the administrative fine would otherwise have to be considered manifestly unreasonable. In doing

so, account should be taken of the circumstances of the case as a whole, including the causes and consequences of the misconduct and the individual circumstances of the perpetrator.

Section 82. *Limitation of the right to impose an administrative fine.* An administrative fine should not be imposed if no decision to impose it has been taken within five years from the date on which the infringement or omission occurred or, in the case of a continuous infringement or omission, within five years from the date on which the infringement or omission ceased.

Section 83. *Enforcement and expiration of an administrative fine.* The enforcement of the administrative fine would be carried out by the Legal Register Centre. An administrative fine and a penalty fee would be enforced in the order laid down in the Act on the Enforcement of a Fine.

According to the section, the administrative fine is time-barred after five years from the date of the final decision on the administrative fine. The proposed limitation period would correspond to the limitation period laid down for the fine. Under the proposed subsection 2, an administrative fine imposed on a natural person would lapse upon the death of the person liable to pay the fine. Similar provisions on limitation and expiration of payment would also be included in the proposed regulation on penalty fees.

Section 84. *Penalty fee.* It is proposed that provisions on administrative penalties be included in the Act. The penalty fee is an administrative penalty, which is also included in the current regulation of the Lotteries Act as one of the supervisory means of the authorities (HE 135/2021 vp). In contrast to the provisions of the Lotteries Act, the proposal extends the scope of the penalty fee The grounds for imposing a penalty fee would be a violation other than-minor violation of the Gambling Act. The provisions on marketing and operation contained in the Gambling Act and the provisions on the removal order are essential for achieving the objectives of the Gambling Act.

Under the current Lotteries Act, the imposition of a penalty fee is conditional on the intentional nature of the act. This has been found to be problematic in supervisory practice in situations where there is a clear case of negligence and recklessness. The provisions proposed in the Gambling Act would therefore be based on intent or negligence. A similar assessment threshold for the imposition of a penalty is included, among other things, in the Act on Certain Powers of Consumer Protection Authorities and the Act on the Supervision of Online Intermediation Services (18/2024). The premise for the assessment of negligence would be the external assessment of negligence. The question is whether the conduct is objectively different from the obligation imposed. In addition, negligence would require a subjective assessment. The question would be whether the operator who violated or omitted the regulations understood that their actions involved a risk of violating the obligation and took such a risk, or whether the operator should have understood the risk of violating the obligation. In practice, the assessment of subjective diligence is concerned with whether the operator’s conduct has been sufficiently diligent to comply with the provisions of the Act.

In view of the presumption of innocence, the general premise for the imposition of a fine is that the competent authority is responsible for the adequate and appropriate investigation of the infringement and its proof. Provisions on the authority’s responsibility to investigate are laid down in section 31 of the Administrative Procedure Act, according to which the authority must ensure that the matter is adequately and appropriately investigated by obtaining the information and clarifications necessary to resolve the matter. According to the proposal, the

penalty fee would be the most severe administrative penalty. A penalty fee would be imposed on anyone who intentionally or negligently fails to comply with or violates the provisions referred to in the provision. These would be highly reprehensible acts, which in some cases could even constitute an offence under the Criminal Code for breaching the relevant provision. The acts referred to in section 74, subsection 2, paragraphs 1 and 3 of the proposed Act would meet both the constituent elements of a violation and omission as grounds for a penalty fee and the constituent elements of a gambling offence referred to in section 16a, paragraphs 1 and 2 of the Criminal Code. If an act or omission could be considered to fulfil the constituent elements of an offence laid down in the Criminal Code, but the act or omission would, taken into account its harmfulness, the guilt of the perpetrator resulting from it, as well as the benefit derived from it and other factors related to the act taken as a whole, be minor, the supervisory authority could impose a penalty fee and refrain from reporting the matter to the criminal investigation authority.

The violations referred to in the proposed section 74, subsection 2, paragraphs 1 and 3 would be the only acts that would fulfil both the description of an act on which the imposition of an administrative penalty is based and the constituent elements of the offence laid down in the Criminal Code. With regard to the other omissions and violations sanctioned by a penalty fee in section 84, there would be no corresponding overlap with the depictions of a gambling offence under section 16a of the Criminal Code or a lottery offence under section 16b. The acts on which the penalty fee is based would also differ from violations and omissions punishable by an administrative fine. Consequently, the double jeopardy effect would not arise.

Under subsection 1 of the section, a penalty payment could be imposed on the licence holder, trader or natural person who intentionally or negligently violates or fails to comply with the provisions on the operation and marketing of gambling referred to in the subsection. Paragraphs 1–32 of subsection 1 would apply to violations and omissions related to the operation of gambling and would mainly apply to violations and omissions committed by holders of an exclusive licence and holders of a gambling licence. Under paragraphs 1 to 6, a penalty payment could be imposed, first, on a licence holder who infringes or fails to comply with the provisions on the registration and verification of the player's identity, the player's residency requirement, the player account, the closure of a player account, the prohibition on the offer of credit, free games and discounts, or the provision of goods and gambling bonus money. Under paragraphs 7 to 10, a penalty fee could also be imposed in cases where the licence holder violates or fails to comply with the provisions on restrictions on operation of gambling, identity verification for gambling, gambling blocking measures or the licence holder-specific money transfer limit. Under paragraphs 11 and 12, violations and omissions relating to operation of gambling punishable by a penalty fee would also be violations of the provisions of section 31 or 32 of the Gambling Act and the decrees issued under them, as well as infringements of the provisions on gambling software used by holders of an exclusive licence and holders of a gambling software licence. Paragraphs 13 and 14 would concern breaches of the duty of care and non-compliance with the self-monitoring plan. Under section 13, a penalty fee could be imposed on a licence holder who violates or fails to comply with the provisions on duty of care. Under paragraph 14, a penalty fee could be imposed on an agent of a licence holder who violates or fails to comply with the provisions on the preparation, compliance and documentation of the implementation of the self-monitoring plan.

Under paragraphs 15 to 18, a penalty payment could be imposed on a licence holder who violates or fail to comply with the provisions of section 37 on the information to be provided in connection with the operation of gambling, section 38, subsection 1 on the location of slot

machines, section 39 on the slot machine payment monitoring, or section 40 on the prohibition of self-service terminals. Paragraphs 19 to 21 would apply to the holder of an exclusive licence and, in part, to its staff. Under paragraphs 19 to 21, a penalty fee could be imposed in situations where the licence holder, a trader or an individual violates or fails to comply with the provisions of section 41, subsections 1 and 3 on the removal of a person under the age of 18 from a casino or game room, the provisions of section 41, subsection 1 on preventing entry to and removal from a casino of a person clearly under the influence of alcohol or other intoxicating or narcotic substances, or the provisions of section 41, subsections 2–3 or 5–6 on restrictions on gambling in a casino and gambling venue. Under point 22 of subsection 1 of the section, a penalty fee could be imposed on the holder of an exclusive licence who violates or fails to comply with the provisions of section 42, subsection 1 on the technical surveillance of casinos and game rooms.

Paragraphs 23–26 of subsection 1 would apply to exclusive licence holders and gambling licence holders. A penalty payment could be imposed on a licence holder who violates or fails to comply with the provisions of section 43 on international cooperation, section 44 on the gambling systems, draw equipment and draw procedures of exclusive licence holders and gambling licence holders, section 45, paragraphs 1–2 on IT monitoring of gambling transactions and player account transactions, or section 46 on the location of gambling systems and draw equipment.

Paragraphs 27–31 of subsection 1 would apply to violations and omissions committed by holders of an exclusive licence and a gambling licence in connection with the licence holders' obligation to draw up and maintain various rules and procedures relating to the operation of gambling. Under subsection 1, paragraph 27, a penalty payment could be imposed if the licence holder violates or fails to comply with the provisions of section 47, subsection 1 on the licence holder's obligation to have rules on the employees' right to participate in the gamling services offered by the licence holder. Under paragraphs 28 and 29 of subsection 1 of the section, a penalty fee could be imposed if the licence holder violates of fails to comply with the provision of section 47, subsection 2 on the participation of a person employed by a casino in gambling services offered by a casino or the provisions of section 47, subsection 3 on the licence holder's obligation to ensure that its employees are aware of their obligations laid down in this Act and to keep records of the training and competence of the persons working at the site. Paragraphs 30 and 31 of subsection 1 enable the imposition of a penalty fee on the holder of an exclusive licence or gambling licence in a situation where the licence holder infringes or fails to comply with the provisions of section 48, subsection 1 on the obligation to maintain procedures for detecting and preventing infringements of the provisions on the operation of gambling, the terms and conditions of the agreement concluded between the licence holder and the player, the game instructions and manipulation of competitions, or with the provisions of section 48, subsection 2 on the obligation to maintain procedures enabling players to immediately notify the licence holder of the matters referred to in section 48, subsection 1. Under section 32, a penalty fee could also be imposed for violation and neglect of the provisions of section 49, subsection 1. According to section 49, subsection 1 of the Gambling Act, the licence holder should have procedures and the necessary number of trained personnel to handle disputes, complaints and other issues related to the gambling services offered.

Paragraphs 33–35 of subsection 1 would apply to violations and omissions related to the marketing of gambling. On the basis of section 51, subsection 1, paragraph 33, the supervisory authority could impose a penalty fee on the licence holder, business operator or natural person who violates or fails to comply with the provision of section 51, subsection 7 with regard to

section 51, subsections 3-5. The proposed section 51 would lay down provisions on, among other things, the moderation of marketing, the framework conditions for outdoor advertising and marketing restrictions concerning slot machines and casinos. Under paragraphs 34–35, a penalty fee could also be imposed on a licence holder, trader or natural person who violates or neglects the provisions of section 54 on the prohibition of direct marketing or the provisions of section 55 on information to be provided in the context of marketing.

Under subsection 1, paragraph 36, a penalty fees could be imposed on anyone who violates or fails to comply with the provisions of section 71 concerning the payment of the supervisory fee. Paragraph 37 of subsection 1 of this section would enable the imposition of a penalty fee on anyone who violates or fails to comply with the prohibitions in section 75, subsection 2, paragraph 1 or 3 on the operation or marketing of gambling without the licence required by this Act.

Section 85. *Amount of the financial penalty.* The amount of the penalty fee would always be based on an overall assessment. Subsection 1 of the section would lay down provisions on the factors to be taken into account when imposing a penalty fee. When assessing the amount of the penalty fee, the nature, extent, reprehensibility and duration of the infringemenshould be taken into account in accordance with subsection 1 above. When assessing the amount of the penalty fee, the benefit gained from the infringement would be taken into account if this information is available to the authority. However, determining the benefits would not be a prerequisite for the imposition of a financial penalty. According to subsection 3, when assessing the extent of the infringement, the actions taken by the party subject to the penalty fee to mitigate or repair the damage should also be taken into account, and according to subsection 4, any previous infringements related to the provisions of the Gambling Act should be taken into account.

The section would contain separate provisions on the amount of the fine for legal persons and natural persons. The amount of the fine to be imposed for infringement of the provisions must be sufficiently high to achieve a specific and generalised deterrent effect.

Under subsection 2 of the section, the fine imposed on a legal person should not exceed 4 % of the turnover of the gambling operator or trader in the year preceding the end of the infringement in question, but shall not be more than EUR 5 million. However, the penalty fee should not be less than EUR 10 000. In situations where the financial statements would not have been completed at the time of the imposition of the financial penalty, or where the business would have only just started and no financial statements would be available as a result, turnover could be estimated on the basis of other available information.

According to section 3, the fine imposed on a natural person should not exceed 4 % of the person's income according to the tax records filed in the year preceding the end of the infringement, but shall not exceed EUR 40 000. However, the penalty fee should not be less than EUR 3 000. If the income cannot be reliably established, it could be estimated on the basis of other available information, according to the subsection. In the current Lotteries Act, the minimum penalty fee is EUR 500, which in practice has been found to be insufficient by the supervisory authority from the point of view of the benefit gained from the infringement and the objective of the penalty fee.

According to subsection 4 of the section, turnover would mean the turnover referred to in chapter 4, section 1 of the Accounting Act or the corresponding turnover.

The minimum and maximum amounts of the penalty fee would correspond to the provisions of the current Lotteries Act, with the exception of the minimum amount of the penalty fee to be imposed on a natural person. The amount of the penalty fee would always be based on an overall assessment taking into account the circumstances referred to in the section. In addition, it is proposed that section 87 lays down provisions on the decision not to impose a penalty payment.

Section 86. *Relationship between the penalty fee and criminal law*. The section would provide for double jeopardy. Subsection 1 states that a financial penalty may not be imposed on a person suspected of the same offence in a criminal investigation, in respect of which prosecution of the same offence is being considered or who is the defendant before a court in a criminal case relating to the same infringement. Nor should a penalty be imposed on a person convicted of the same offence in criminal proceedings.

Subsection 2 would provide for the impact on the criminal procedure of pending proceedings concerning the imposition of a financial penalty . If a matter concerning the imposition of a penalty for the same offence is pending or has been resolved, under subsection 2, criminal charges should not be brought nor judgement given in a criminal case. Pending legal action ,'lis pendens', in a case concerning the imposition of a penalty fee would mean pending legal case in the Market Court. On the other hand, pending legal action in a case concerning the imposition of a penalty fee would not mean a stage where the supervisory authority was only preparing to bring the case before the Market Court.

Section 87. *Imposition of a financial penalty.* Under subsection 1 of the section, a penalty fee would be imposed by the Market Court on the basis of a proposal from the supervisory authority. According to the section, a penalty fee should not be imposed if the authority has not made a proposal to impose it to the Market Court within five years from the date on which the infringement ended.

It is proposed that a reference provision be included in subsection 2 of this section, according to which provisions on the handling of the matter in the Market Court are laid down in the Market Court Proceedings Act. Under chapter 2, section 1, subsection 1 of that Act, provisions on the holding of a preparatory session and an oral hearing in competition and supervision cases are laid down in chapter 4, sections 10, 11 and 14. Under subsection 2 of the same section, competition and supervision cases are otherwise considered by the Market Court as provided in the Administrative Judicial Procedure Act, unless otherwise provided in the acts referred to in chapter 1, section 2.

Section 88. *Non-imposition of a financial penalty*. The section would contain provisions on the grounds on which an authority could decide not to propose the imposition of a penalty fee or the penalty fee could be waived by the Market Court. According to paragraph 1 of this subsection, the penalty fee would not be proposed or imposed in the case of minor infringements. An infringement could be considered to be minor, for example, if the gambling operator, trader or natural person has, on their own initiative and immediately after discovering their infringement, taken corrective measures to remedy the effects of their conduct and the final effects have thus remained minor. Similarly, an infringement may be minor if it is a one-off infringement and the infringement could not otherwise be considered serious as a whole.

According to paragraph 2 of the proposed subsection 1, the imposition of a penalty fee would not be proposed, nor would it be imposed, if the imposition of a fine would be considered

manifestly unreasonable. This would be an overall assessment which could take into account, for example, the reasons and consequences of the erroneous conduct and the individual circumstances of the perpetrator.

According to subsection 2, a penalty fee could be waived or not imposed if the gambling operator, trader or natural person has taken sufficient steps to rectify the infringement immediately after its detection and the infringement is not serious or repeated. Thus, even if the infringement is not minor, the penalty fee need not be proposed or imposed if the conditions laid down in this paragraph are met.

A periodic penalty payment imposed to enforce a prohibition order and a penalty fee could be proposed or imposed as a result of the same infringement of the Gambling Act. The nature and purpose of the penalty payment and the penalty fee are different, as the penalty payment imposed in order to enforce a prohibition order relating to conduct contrary to the Gambling Act is directed at the future. The imposition of a penalty payment is conditional in nature and depends on the future activity of the entity subject to the sanction. A periodic penalty payment is imposed in order to prevent the continuation of conduct contrary to the Gambling Act after the prohibition, whereas a penalty fee is by its nature a direct financial penalty for earlier unlawful conduct that has already taken place. The supervisory authority could therefore, on the basis of the same infringement of the Gambling Act, propose both the imposition of a penalty payment to enforce the prohibition and the imposition of a penalty fee.

Section 89. *Adjournments of proceedings*. Under the proposed Section, a court may adjourn proceedings on a financial penalty if another case concerning the same activity is pending in another case which may have an impact on the decision in the case of the financial penalty. The provision on discretionary adjournment may be considered necessary, because a decision prohibiting operation issued under section 76 of the Gambling Act may be appealed to an administrative court and the decision on appeal may also be legally relevant to the imposition of a penalty fee imposed as a sanction. On the other hand, a marketing ban decision issued under section 76 of the Gambling Act may have been referred to the Market Court in accordance with section 104 of the Act, and a proposal for the imposition of a penalty fee may also have been submitted to the Market Court on a matter concerning essentially the same activity.

Section 90. *Enforcement and expiry of a financial penalty.* Under subsection 1 of the proposed section, the Legal Register Centre would be responsible for the enforcement of the penalty fee. The section would contain an informative reference provision to the Act on the Enforcement of a Fine with regard to legislation that should be adhered to in enforcement. According to the Section, the financial penalty expires five years after the date of the final decision on the penalty. The proposed limitation period would correspond to the limitation period laid down for the fine.

According to subsection 2 of this section, the penalty fee would be ordered to be payable to the State. According to the subsection, a decision imposing a penalty fee should not be enforced until the decision has become final. The provisions of the Administrative Judicial Procedure Act would thus be complied with as regards the enforceability of sanctions imposed under the proposed Act.

Under the proposed subsection 3, a penalty fee imposed on a natural person would lapse upon the death of the person liable for payment.

Section 91. *Imposition of an administrative penalty in the event of corporate restructuring*. A provision would be added to the Act on the effect of various corporate reorganisation situations, such as the sale of business operations or mergers, on the imposition of an administrative penalty fee. According to the proposed section, an administrative fine or a penalty fee could also be imposed on a trader to whom the business activity in which the omission or infringement occurred has been transferred as a result of a acquisition or other corporate reorganisation. A similar provision is included in the Act on the Financial Supervisory Authority.

Section 92. *Publication of an administrative penalty and other decisions.* The supervisory authority should publish the decision on imposing an administrative fine and penalty fee, the decision on revocation of a licence, and the decision prohibiting the operation or marketing of gambling referred to in section 76. Section 43 of the Act on the Financial Supervisory Authority contains similar provisions on the publication of administrative penalties and other decisions. For example, Spelinspektionen, which monitors gambling activities in Sweden, also publishes its decisions on illegal activities on its website.

According to the proposed subsection 1, the decision should be made public without delay after notification of the decision to the natural or legal person to which it relates. With regard to the penalty fee, the decision should be made public after the Market Court has imposed the penalty on the basis of a proposal by the supervisory authority. The publication should indicate the nature and type of the infringement and the identity of the person responsible for the infringement. In addition, it should be indicated whether the decision is a final decision. Information on sanctions and decisions should remain on the supervisory authority's website for a period of five years. The five-year period would start with the publication of the sanction on the supervisory authority's website.

According to the proposed subsection 2, the supervisory authority could postpone the publication, publish the sanction without the name of the person subject to the sanction or refrain from publishing the decision on the sanction if the disclosure of the identity of the natural or legal person subject to the sanction would be unreasonable or if the publication of the sanction would jeopardise an ongoing investigation by the authorities. In each individual case, the authority should assess the consequences of publication and the different options for disclosure set out in the provision. This would be a derogating provision to be interpreted restrictively. If, in the opinion of the authority, the publication of the name of the person subject to the sanction would be unreasonable, the authority should initially publish the decision on the sanction without the name of the person subject to the sanction. Not publishing the sanction at all would only be possible in situations where even anonymous publication of the sanction would be unreasonable, taking into account the minor nature of the act or omission. The assessment of an act or omission should be based on an overall assessment on a case-by-case basis. The assessment should take into account, inter alia, the harmfulness of the act or omission and the degree of guilt of the perpetrator resulting therefrom.

Section 93. *Reference to the Criminal Code.* Like the Lotteries Act, it is proposed that a provision on an informative reference to the Criminal Code be added to the Act. The bill proposes to amend chapter 17, sections 16a and 16b of the Criminal Code, which would contain provisions on gambling offences and lottery offences. It is proposed that these sections be amended as a result of the proposed new Gambling Act. In addition, the section would refer to chapter 17, section 16 of the Criminal Code, which lays down provisions on organising an illegal game of chance.

Chapter 9. Discretionary government grants for the prevention and reduction of gambling-related harms.

Section 94. *Grant-financed activities* Discretionary government grants could be granted within the limits of an appropriation entered in the state budget for activities aimed at preventing and reducing gambling-related harms. The Memorandum of Understanding on a new funding model for non-profit activities funded by gambling proceeds, prepared in parliamentary cooperation (8.2.2022), proposed the creation of a new appropriation item to ensure the adequacy of investments in the prevention and reduction of gambling-related harms and to improve the transparency and verifiability of the measures. The establishment of the appropriation item was outlined in the Gambling Policy Programme (Government Publications 2022:40).

Discretionary government grants would support the objectives and measures of the Strategy on Substance Abuse and Addiction and the Gambling Policy Programme and the objective set in them to integrate the treatment of the harms caused by digital gaming and gambling. The characteristic motive of digital gaming is not to win money but the gaming itself, but digital gaming can involve the use of money and even large financial stakes. Gambling and digital gaming converge as phenomena in many ways, which is reflected in harms caused by gaming and gambling. The WHO has added gaming disorder as part of the upcoming ICD-11 classification, and the diagnostic criteria for digital gaming addiction are largely similar to those for gambling addiction.

The Government Programme of Prime Minister Petteri Orpo's Government ('Strong and caring Finland', Government publications 2023:58, published on 20 June 2023) outlines that gambling-related harms will be addressed at an early stage and that access to treatment for gambling addicts will be ensured, including remote services. The grants referred to in this section would support the implementation of these objectives. The proposal would also support the implementation of the Government Programme entries on substance abuse and mental health services, in accordance with which the low-threshold activities of substance abuse and mental health services as a whole will be promoted and the availability of chat services, self-care programmes and online therapies will be increased.

Discretionary government grants for the prevention and reduction of gambling-related harms could be granted for three different support packages: the operation of online, anonymous gambling-related harms services supplementing statutory services (grant package for online services), the development of regional work to reduce gambling-related harms (grant package for regional work), and scientific research to support the prevention and reduction of gambling-related harms (grant package for scientific research).

The grant package for online services concerns the financing of online, anonymous harms support services for gambling and digital gaming. These services complement the statutory social welfare and health care services that are the responsibility of the wellbeing services counties. The purpose of the grant package is to replace the current agreement and funding concerning the organisation of Peluuri's services. Peluuri offers phone-based and web-based support for players, their loved ones and those facing gambling problems in their work. The services are available to users free of charge and anonymously. The package also includes the Restart service for digital gaming problems, which was launched in 2019 with the support of the Funding Centre for Social Welfare and Health Organisations (STEA) as part of the activities of Peluuri and the Sininauhaliitto organisation. Peluuri is a well-established function and it is undoubtedly an important part of the gambling harms services as a whole. By

securing online services, it is possible to reduce the additional burden on statutory services caused by the estimated increase in the harm caused by gambling as the need for help and contacts with services increase. The reform would also strengthen cooperation between e-services and wellbeing services counties. Ensuring the continuity of e-services is central to the Government Programme's entry on securing remote services. In accordance with the Government Programme, remote gambling addiction treatment and support services will be secured.

In the future, the operation of similar remote services would be transferred from Veikkaus Oy's funding to a discretionary government grant package in accordance with the proposed section 94. The cooperation agreement between Veikkaus Oy, the Ministry of Social Affairs and Health and the service providers under the current model, the Sininauhaliitto association and the A-Clinic Foundation, on the organisation of the service will be valid until the end of 2024. Veikkaus Oy has put out to tender the procurement of similar electronic services in autumn 2024. The procurement will be prepared for a period of 12 months starting on 1 January 2025, including a 12-month option. In practice, this means that funding for electronic services will cease no later than 1 January 2027.

The package of online anonymous services would continue to cover both gambling and digital gaming harms. The Strategy on Substance Abuse and Addiction and the Gambling Policy Programme have stated that the treatment of gambling and digital gaming harms must be integrated in an appropriate manner. The service could continue to be implemented by organisations. The change would make the service more closely part of the work on gambling-related harms coordinated by the Finnish Institute for Health and Welfare (THL), and it would work as part of the national cooperation network for gambling harms that supports the wellbeing services counties. and is coordinated by the Finnish Institute for Health and Welfare (THL). Cooperation between online, anonymous support services for gambling and digital gaming harms and the statutory care services of the wellbeing services counties (as part of other substance abuse and addiction services) would promote the availability, accessibility and quality of gambling problem support and treatment services. The model could promote the availability, accessibility and quality of both e-services and services in wellbeing services counties, and the coordination of the work carried out by the organisations with regard to gambling problems, so that sufficient help is available for gambling problems and participation is strengthened.

The regional work grant package would support wellbeing services counties in developing statutory services. The package would support the achievement of the Government Programme's objective of ensuring the availability of treatment for gambling addiction and early intervention by integrating statutory services as an appropriate part of the service system, providing high-quality services and making them easily accessible.

In addition to electronic services, the grant package for regional work could reduce the overall additional burden of the proposed legislative changes on wellbeing services counties by helping wellbeing services counties to develop the availability and quality of statutory services. The regional work grant package would support wellbeing services counties in the implementation of development projects for substance abuse and addiction services and in strengthening competence in the field of gambling harms, in the same way that appropriations for the promotion of health are used to support preventive substance abuse work. Social and health organisations could act as partners in supporting the development work of the wellbeing services counties.

Responsibility for arranging treatment of gambling addiction and other services for gambling problems would continue to lie with the wellbeing services counties, the City of Helsinki and other public services (e.g. financial and debt counselling). The discretionary government grant package would complement the services of the wellbeing services counties and support their development work in a situation where the workload caused by gambling problems in the wellbeing services counties is estimated to increase. The package would support the organisation of e-services in accordance with the Government Programme also in wellbeing services counties, as expertise in work on gambling-related harms between e-services and wellbeing services counties would be shared more effectively than before.

The scientific research grant package supporting the prevention and reduction of gambling-related harms would support the objectives of preventing and reducing gambling-related harms as well as knowledge-based management. The grants would support the knowledge-based development of preventive and corrective work with regard to the harms caused by gambling and digital gaming.

The purpose of the subsidies is not to replace the organisation subsidies granted by the Funding Centre for Social Welfare and Health Organisations (STEA), which are also used to reach people with gambling problems themselves or in their work. In connection with the reform of the funding model for activities funded by the proceeds of gambling activities (VNK045:00/2021), it was decided that the work carried out by organisations to prevent and reduce gambling-related harms is most natural to be included as part of STEA's general grant package, and it was not deemed necessary to separate it from other work on substance abuse and mental health. However, some of the discretionary government grants referred to in section 94 could be allocated to organisations. The monitoring, research and assessment of gambling-related harms and the development of prevention and treatment are carried out in cooperation with non-profit organisations. The service structure of the wellbeing services counties, both in preventive and corrective work on gambling-related harms, also includes significant work done by social welfare and health care organisations.

Cooperation in the broader field of actors in the prevention and reduction of gambling-related harms will be maintained in various networks and strengthened as part of the implementation of the Gambling Policy Programme, in which organisations and other actors will be invited to participate.

Further provisions on the support activities could be laid down by government decree.

Section 95. *Government grant authority.* The Finnish Institute for Health and Welfare would act as the government grant authority. The Finnish Institute for Health and Welfare would be responsible for the tasks of the government grant authority described in the Act on Discretionary Government Grants, such as the implementation of supervision of grants.

Section 96. *Plan for the use of appropriations.* By the end of May each year, the Ministry of Social Affairs and Health would provide the Finnish Institute for Health and Welfare with guidelines for the preparation of the appropriation utilisation plan and a preliminary appropriation framework for the following year. The indicative appropriations would be set annually in the budget.

Section 97. *Application of the Act on Discretionary Government Grants.* In addition to the provisions of chapter 9 of the Gambling Act, the Act on Discretionary Government Grants would be applied to discretionary government grants as a general act.

Chapter 10. Tasks of the administrative branch of the Ministry of Social Affairs and Health in the prevention and reduction of gambling-related harms.

Section 98. *Monitoring, research and assessment of gambling-related harms and development of prevention and treatment.* The Ministry of Social Affairs and Health would be responsible, in line with the provisions of section 52 of the current Lotteries Act, for monitoring, research and assessment of gambling-related harms and the development of prevention and treatment of gambling-related harms. The Finnish Institute for Health and Welfare would carry out the task in accordance with the mandate of the Ministry of Social Affairs and Health.

Under section 52 of the current Lotteries Act, Veikkaus Oy is obliged to reimburse the State for the costs incurred in carrying out the tasks referred to in the section. The Ministry of Social Affairs and Health invoices Veikkaus Oy for the costs arising from the operations, and the payment of the fee is regulated by a decree of the Ministry of Social Affairs and Health (Decree of the Ministry of Social Affairs and Health on the payment of the fee collected from Veikkaus Oy). In the reform, the funding for the work on gambling-related harms would become budget-funded. The new subsection on gambling-related harms to be established in the main section of the Ministry of Social Affairs and Health would finance discretionary government grants under section 94 for the prevention and reduction of gambling-related harms, the costs incurred by the Finnish Institute for Health and Welfare for the administration of discretionary government grants, and the costs incurred by the Ministry of Social Affairs and Health for tasks referred to in section 98. The costs incurred by the Finnish Institute for Health and Welfare in carrying out the tasks referred to in section 98 would be covered by the operating expenditure item of the Finnish Institute for Health and Welfare, on which an entry would be made of the appropriation reserved for this purpose. The solution would support maintaining the necessary special expertise in a situation where both the service system and the gambling system are in a state of change.

In order to carry out the tasks referred to in subsection 1, the Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare shall process data concerning which it is proposed that provisions on the right of access be laid down in sections 100 and 101. According to Article 6(1)(c) of the GDPR, the processing of personal data is lawful if it is necessary to comply with the controller's legal obligation. According to point (e) of that paragraph, processing is lawful when it is necessary for the performance of a task of public interest or for the exercise of the public authority vested in the controller. In both cases, according to paragraph 3 of that Article, the basis for the proceedings must be laid down by Union law or by the law of a Member State. This means that the role and powers of the authority must be described in legislation in such a way that the legal basis and purpose of the processing of personal data can reasonably be derived from it, taking into account the objective of the operation (see final report of the EU General Data Protection Regulation implementation working group (TATTI), Reports and Opinions of the Ministry of Justice 8/2018, p. 33 and PeVL 14/2018 vp, p. 16). Thus, from the perspective of the processing of personal data, it is also justified to specify the regulations concerning the tasks of the Ministry of Social Affairs and Health and the National Institute for Health and Welfare.

Activities under this section would continue to include the evaluation of the harms and the risks of harms resulting from gambling carried out in under the Ministry of Social Affairs and Health. The evaluation work was launched in 2016 and is described in more detail in the Government proposal on the merger of the gambling operators (HE 132/2016 vp). The evaluation became statutory in connection with the amendments to the Lotteries Act that entered into force at the beginning of 2022 (HE 135/2021 vp). In the future, the evaluation

would cover not only the implementation of Veikkaus Oy's gambling operations, but also the operation of gambling by licensed operators. Correspondingly, the evaluation would examine the characteristics and features of gambling, gambling restrictions and means of managing gambling, the availability and marketing of gambling from the perspective of the social, economic and health harms caused by gambling. The data on gambling transactions and player account transactions would continue to be used in the evaluation in accordance with the provisions laid down in sections 100 and 101. The evaluation would continue to focus mainly on regulated gambling activities, but in order to provide appropriate assessments and recommendations, it would also continue to monitor the provision of services outside the system. Evaluation work would continue to be advisory expert work. The evaluation would produce statements and take a stand on the operation, regulation and steering of gambling in order to prevent and reduce the social, economic and health-related harms caused by gambling. In addition, the evaluation work would use game and player data to develop the assessment of the formation of gambling-related harms, as well as recommendations for interventions based on predictions of the formation of harms. Information used in the assessment work could be published if, for example, the grounds for confidentiality based on the protection of confidential business information have not been demonstrated and the protection of personal data is not compromised. The Ministry of Social Affairs and Health and the Finnish Institute for Health and Welfare would be responsible for assessing the grounds for the confidentiality of the information in their possession.

It is appropriate to continue to organise the prevention of gambling-related harms as part of statutory preventive substance abuse work. The Ministry of Social Affairs and Health has overall control over the prevention of the harm from gambling and the Finnish Institute for Health and Welfare develops and supervises the prevention of that harm as part of preventive substance abuse work throughout the country in cooperation with other authorities. Municipalities and wellbeing services counties are responsible for the prevention of gambling-related harms as part of the statutory duties of substance abuse prevention. The duties of the wellbeing services counties also include supporting municipalities in their work to prevent substance abuse. The wellbeing services counties support the municipalities in their area in preventing gambling-related harms as part of the implementation and development of preventive substance abuse work, coordinating the work carried out at the regional level. In addition, wellbeing services counties handle the prevention of gambling-related harms as part of substance abuse prevention work in social welfare and health care services. The Regional State Administrative Agencies steer the prevention of gambling-related harms in their area as part of preventive substance abuse work, plan and develop it in cooperation with other authorities and communities, and support the municipalities and wellbeing services counties in their area in preventing gambling-related harms as part of the implementation and development of preventive substance abuse work.

It is appropriate to organise the national development, monitoring and research of the prevention of gambling-related harms and the organisation of services at the Finnish Institute for Health and Welfare together with other preventive substance abuse work and the development, monitoring and research of substance abuse and addiction services. The Finnish Institute for Health and Welfare’s work to prevent gambling-related harms as well as its service development activities include research and development activities that provide information and practices for preventing gambling-related harms and developing services, as well as enhancing the expertise of professionals. The development work is carried out in close cooperation with the content and networks of substance abuse prevention coordinated by the Finnish Institute for Health and Welfare, and more broadly, with the research and development activities of substance abuse and addiction services. The Finnish Institute for

Health and Welfare (THL) carries out its task in cooperation with a wider field of actors and coordinates the entire package of measures. The Finnish Institute for Health and Welfare monitors, assesses and supports substance abuse and addiction services and compiles national information on the organisation of services, for example through various registers. Because the gambling problem often involves indebtedness and thus various service needs, it is important to examine the service system nationwide, in addition to care, extensively in order to reduce the over-indebtedness associated with the gambling problem. Responsibility for care and social and financial support and advice lies with public services (welfare districts, Kela, financial and debt counselling, etc.).

Section 99. *Register of gambling-related harms.* According to the proposed section 97, the Finnish Institute for Health and Welfare should, under the responsibility of the Ministry of Social Affairs and Health, implement the monitoring and research of harms, the assessment of harms related to the operation of gambling, and the development of their prevention and treatment in accordance with the mandate of the Ministry of Social Affairs and Health. In order to carry out this task, the Finnish Institute for Health and Welfare would act as the data controller of the gambling harms register. The gambling harms register would process largely the same data as the proposed licence and supervision register. More detailed explanations for the licence and supervision register and the gambling harms register can be found in the explanatory memorandum for the proposed section 58.

Section 100. *Right of access to data of the Finnish Institute for Health and Welfare*. Notwithstanding secrecy provisions, the Finnish Institute for Health and Welfare would have the right to receive information free of charge from the licence applicant and the licence holder and, with regard to the information required for the grant of a licence, also from the supervisory authority.

Subsection 1 of the proposed section would list exhaustively the information that the Finnish Institute for Health and Welfare would be entitled to receive. The information required would include at least the information provided by the applicant for a licence. However, the Finnish Institute for Health and Welfare would not be able to obtain criminal record data or fine record data from the supervisory authority concerning the licence applicant, the licence holder or their owners or management, and this data should be requested directly from the criminal record and fine register. Necessary information for the performance of the statutory task of the Finnish Institute for Health and Welfare would also include information provided by the licence holder for the purpose of imposing the supervision fee, the limits set by the player for losses and deposits, self-exclusion from gambling, gambling transactions, player account transactions, information on the marketing of gambling and other information on the operation of gambling, and the identification data of the registered player. Other necessary information for the performance of the proposed task referred to in section 97 would include information on gambling consumption at product level, regionally, per channel and per sales outlet, information on the location of points of sale and slot machines, information on the number of visitors to gambling sites and the supervision of minors, as well as information related to the business planning and strategy of the holder of an exclusive licence and the holder of a gambling licence, and information on gambling and the gambling market obtained through international cooperation. The data on regional gambling consumption would be based on the players' place of residence. The right to information would apply, for example, to confidential business information. Necessary information would also include the care measures taken by exclusive licence holders and gambling licence holders towards its customers. Subsection 2 of the section would separately lay down provisions on the Finnish Institute for Health and Welfare’s right of access to information in relation to the supervisory authority with regard to

the information necessary for granting the licence applicant's licence. The supervisory authority may directly search the authorities' registers for information necessary for licence processing, such as information on a business ban. The right of access under the proposed subsection 2 would also ensure the Finnish Institute for Health and Welfare's right of access to information necessary for the grant of a licence that the licence applicant would not itself provide to the supervisory authority. However, the Finnish Institute for Health and Welfare would not be able to obtain criminal or fine records from the supervisory authority concerning the licence applicant, the licence holder or their owners and management. The information referred to in the proposed subsections 1 and 2 could also include personal data.

The Finnish Institute for Health and Welfare would evaluate the confidentiality of information disclosed to it and in its possession according to the Act on the Openness of Government Activities (621/1999), hereinafter *Act on the Openness of Government Activities*. The decision to keep individual data confidential would always be taken by an authority.

The Finnish Institute for Health and Welfare would have the right to obtain personally identifiable personal data necessary for its task. Identifying data would be used to combine the research data with register data from other administrative registers, the data contained in which the Finnish Institute for Health and Welfare would have the right to obtain don the basis of its data access rights laid down elsewhere or when combining the data with other identifiable data in the Finnish Institute for Health and Welfare's possession, such as survey data. It is not possible to combine data without customer identification data. The aggregation of data should be justified in order to carry out the tasks laid down in section 97.

Game and player data does not contain all the information necessary for research, monitoring and evaluation. Understanding the backgrounds of groups of players is necessary when determining the cause-effect relationships of harm, which requires combining data with other register data. Therefore, gambling and player data must be enriched by utilising administrative registers collected by the central government. In addition to the Finnish Institute for Health and Welfare, the parties maintaining the merged registers include Statistics Finland, the Social Insurance Institution of Finland, the Digital and Population Data Services Agency, the Finnish Centre for Pensions, the Finnish Tax Administration and the Ministry of Economic Affairs and Employment. The data to be combined with game and player data from the registers would be demographic data, household-dwelling unit data, data on the place of residence, pension, rehabilitation and employment relationship data, data on employment and employment measures, and income data. The Finnish Tax Administration discloses tax information and income register data to Statistics Finland, which has the right to disclose confidential data for statistical purposes to another statistical authority, such as the Finnish Institute for Health and Welfare under section 2, subsection 2, paragraph 1 of the Statistics Act. In addition, data on criminal convictions, social assistance register data, social welfare care notification data, health care notification data (Hilmo and AvoHilmo), enforcement register data, positive credit register data and cause of death data could be combined with the research data. The National Institute for Health and Welfare also processes similar data for the performance of its statutory basic tasks and maintains industry files and registers. The tasks of the National Institute for Health and Welfare are laid down in the Act on the National Institute for Health and Welfare (668/2008). The National Institute for Health and Welfare also acts as a statistical authority within the meaning of section 2, subsection 2 of the Statistics Act (280/2004).

In the case of the National Institute for Health and Welfare, the processing of personal data is based on the performance of a task of public interest in accordance with Article 6(1)(e) of the

GDPR (scientific study provided for in the Act). For specific categories of personal data, Article 9(2)(j) of the GDPR provides that processing is permitted where necessary for archiving purposes of public interest, scientific and historical research or statistical purposes in accordance with Article 89(1) under Union law or the law of a Member State.

The Finnish Institute for Health and Welfare would be responsible for pseudonymising personal data obtained as identifiable prior to their transmission for analysis. All direct identifying data of a person are removed from the research material before it is handed over to the researchers of the Finnish Institute for Health and Welfare analysing the material. The research is never about individual players or their identities, but analyses are always carried out at group level and the results are reported at group level and anonymised. The Finnish Institute for Health and Welfare would be the data controller of the material it receives. The Finnish Institute for Health and Welfare would be responsible for the correct implementation of the data subject's rights and for other obligations under general data protection legislation, including for pseudonymised material. Data subjects are informed in accordance with Articles 12-14 of the General Data Protection Regulation. The information is provided by publishing a privacy notice on the public website of the Finnish Institute for Health and Welfare. In addition, as the data controller, the Finnish Institute for Health and Welfare keeps a record of the processing of personal data in accordance with Article 30. For example, the principle of transparency referred to in Article 5(1)(a) of the GDPR is taken into account in the processing of personal data. Article 12 of the GDPR provides for transparent information, communication and detailed rules for the exercise of the rights of the data subject. A comprehensive obligation is imposed on the controller to provide data about the processing of personal data to the data subject and to inform the data subject of how he can exercise his or her rights. Exceptions to the data subject's information and rights can be made only in special situations under the conditions laid down in the Data Protection Regulation and the National Data Protection Act.

As stated in the explanatory memorandum to section 58 on the licence and supervision register, one possible technical implementation of the licence and supervision register and the register of gambling-related harms would be to store the data of both registers in the same information system. Alternatively, the implementation could be to build separate information systems for both registers. The shared information system would enable the Finnish Institute for Health and Welfare (THL) to retrieve the necessary information referred to in the proposed section 100 and specified for the performance of the task laid down in section 97 directly from the information system without a separate request for information to licence holders or the supervisory authority, reducing the administrative burden for both licence holders and the supervisory authority. The processing of personal data by the Finnish Institute for Health and Welfare would also be limited to the purpose for which they were disclosed and for statistical purposes. Thus, the data could only be used for the purposes of tasks and statistics under section 97. For the sake of clarity, it would also be expressly provided in connection with the Finnish Institute for Health and Welfare's right of access that the secondary use legislation would not be applied to the processing of the data referred to in the section.

Section 101. *Right of access to data of the Ministry of Social Affairs and Health.* The section proposes that provisions be laid down on the right of the Ministry of Social Affairs and Health to obtain, notwithstanding secrecy provisions and free of charge, information on the tasks laid down in section 97, i.e. the monitoring, research and assessment of gambling and the harms caused by it, and the development of prevention and treatment. Information could be obtained from the Finnish Institute for Health and Welfare.

The right of access would be limited to the information necessary for the purpose of processing laid down in the proposed section 97 and the information would be listed exhaustively in the provision. As the recipient of the data, the Ministry of Social Affairs and Health should assess the necessity of the requested data for the processing purpose and justify its request on a case-by-case basis.

The information requested on the basis of the right of access could also include personal data. At the Ministry of Social Affairs and Health, the processing of this data is particularly necessary in the work of the risks and harms evaluation working group for gambling activities operating under the Ministry of Social Affairs and Health. The evaluation working group monitors and assesses the harms and risks of harm arising from the operation of gambling and prepares statements. The evaluation group needs game and player data at short notice and at regular intervals to support their work. Continuous monitoring of the implementation of gambling is an integral part of the evaluation process. The work is estimating and monitoring by nature.

The data needed for evaluation and research work consists of several entities, including individual customer register data on customers and their gambling. This includes, for example, the following information: customer demographics and customer-related data, customer profiling and personalisation data, information on the assessment of the risk of gambling problems, information on identity verification for gambling, information on customer measures and communications and customer surveys, information on the use of gambling services, money transfers and the use of gambling management tools, as well as information on the locations of different sales outlets and the gambling taking place there.

The legal basis for the processing of personal data obtained on the basis of the Ministry of Social Affairs and Health's right of access would be Article 6(1)(c) of the General Data Protection Regulation, in line with current legislation, because the processing is necessary for compliance with a statutory obligation of the Ministry. In the case of data belonging to specific categories of personal data, the processing would be based on Article 9(2)(g), according to which processing is permitted where it is necessary for an important public interest reason under Union law or the law of a Member State. According to the proposed section 97, the Ministry of Social Affairs and Health would be responsible for the monitoring, research and assessment of gambling-related harms and the development of the prevention and treatment of gambling-related harms. The content of the evaluation work is described in more detail in the explanatory memorandum to the proposed section 97.

The transmission of information should be carried out on the basis of ad hoc requests for information. Information could be provided, for example, by encrypted e-mail or secure e-mail.

The statutory duties of the Ministry of Social Affairs and Health do not require the processing of personal data in such a way that the Ministry of Social Affairs and Health would need to identify an individual person from the data to be disclosed. The information to be disclosed should therefore not include direct identifiers. The Finnish Institute for Health and Welfare should pseudonymise the personal data referred to in this section before disclosing them. According to the definition of Article 4(5) of the GDPR, anonymisation refers to the processing of personal data in such a way that they can no longer be linked to a particular data subject without the use of additional information, provided that such additional information is kept separately and subject to technical and organisational measures to ensure that the association of personal data with an identified or identifiable natural person does not occur.

The application of anonymisation to personal data reduces the risks of processing, but anonymised data must continue to be treated as personal data in accordance with data protection legislation.

The processing of personal data would be restricted to the purpose for which they were disclosed and for statistical purposes. Thus, the data disclosed to the Ministry of Social Affairs and Health could only be used for the tasks and compilation of statistics of the Ministry referred to in section 97. The information disclosed in accordance with the proposed section 100 is not data referred to in the Act on the Secondary Use of Health and Social Data (552/2019), hereinafter *'Secondary Use Act'*. However, for the sake of clarity, the subsection would expressly provide that the secondary use legislation would not be applied to the processing of the data referred to in the section. A similar provision is included in sections 54 and 55 of the current Lotteries Act, and it is proposed that a similar provision be included in section 100 of the Finnish Institute for Health and Welfare.

When moving to the licensing system, the proposed amendments would ensure comprehensive access to information on gambling within the system. The proposal is based on safeguarding the right to information at the same level as in the current system. The Register of gambling-related harms would ensure the assessment and research of harms and the monitoring of the gambling market in accordance with section 97.

Chapter 11. Appeals.

Section 102. *Request for a review of the supervisory fee*. The section would provide for a request for a review of the supervisory fee. According to subsection 1 of the section, a person dissatisfied with a decision should first submit a request for review to the supervisory authority. The Administrative Procedure Act provides for requests for review.

The proposed section 103 would provide for a request for review to an administrative court. The provision would also apply to an appeal against a request for review.

Section 103. *Appeals to the Administrative Court*. As a rule, the decisions of the authorities referred to in the Gambling Act could be appealed to the Administrative Court. Subsection 1 of this section states that provisions on appeals to an administrative court are laid down in the Administrative Judicial Procedure Act. The decision of the authority shall be appealed to the Administrative Court. An administrative decision may be appealed by the person against whom the decision is made or whose right, obligation or interests are directly affected by the decision.

Section 102 of the Act would lay down provisions on request for a review of supervisory fees. According to section 7 of the Administrative Judicial Procedure Act, an appeal against a decision on a request for review may be lodged only by the person who lodged the request for review. The right to appeal in this regard would therefore apply only to a decision of the supervisory authority on a request for review, and such an appeal could be lodged with the Administrative Court. Appeals to an administrative court are governed by the Administrative Judicial Procedure Act. The competent administrative court would be determined in accordance with section 10 of the Act. If the authority that made the decision has jurisdiction over the entire country, the administrative court in whose jurisdiction the applicant is domiciled has jurisdiction. If there is no competent administrative court on the basis of section 10, subsections 1–4, the competent administrative court is the Helsinki Administrative Court.

The decision prohibiting the operation of gambling referred to in section 76 and the decision on revocation of a licence referred to in section 79 should be complied with regardless of appeal, unless the appellate authority orders otherwise.

Some of the supervisory authority's decisions could be referred to the Market Court. These would include a decision to remove illegal online content and a domain name referred to in section 78 and a marketing ban referred to in section 76 and a penalty payment attached to it.

Section 104. *Bringing a prohibition on marketing before a Market Court* A decision of the supervisory authority referred to in section 76 prohibiting the marketing of gambling could be brought before the Market Court. The proposed provision corresponds to section 66 of the current Lotteries Act. The Market Court deals with matters that fall within its jurisdiction under various laws, such as the Consumer Protection Act, the Alcohol Act (1102/2017) and the Tobacco Act (549/2016).

Subsection 2 of the section would stipulate, in a manner similar to the current Act, that cases for which the prohibition on appeal laid down in subsection 1 applies could be referred to the Market Court for consideration by means of an application. Subsection 3 of the section would contain a reference to the Market Court Proceedings Act with regard to the handling of the case and appeal before the Market Court.

Section 105. *Appeal against a decision of the Market Court on a penalty fee*. The section would provide for an appeal against the Market Court's decision on a penalty fee. According to subsection 1 of this section, an appeal against the decision of the Market Court on a penalty fee would be brought before the Supreme Administrative Court. Since the Market Court would decide on the penalty fee as a first step in decision making, the provisions on the right to appeal would not apply to an appeal concerning the imposition of a penalty. It would therefore not be necessary to appeal against a decision imposing a financial penalty in the Market Court. Section (2) provides that an appeal against a decision of the Market Court may be made by the person on whom the Market Court has imposed a financial penalty. Under subsection 3 of the section, the supervisory authority may appeal against a decision of the Market Court by which the Market Court has rejected the authority's proposal in whole or in part.

Chapter 12. Entry into force and transitional provisions

Section 106. *Entry into force.* The new Gambling Act is proposed to enter into force for the most part on 1 July 2026 at the earliest, but no later than 1 January 2027, when gambling activities subject to a licence could commence to the extent that licences had been granted and would have entered into force by then. The Gambling Act and other legislative proposals would include transitional provisions. The date of entry into force would primarily depend on whether the appropriations required for the practical implementation of licensing and supervision activities, such as human resources and the construction of information systems, would be granted in full in the 2025 budget.

The provisions of chapter 2 of the Act on licences and the provisions of sections 63 and 64 on the authority's right of access to information from licence applicants and other authorities related to the licence procedure would enter into force already on 1 January 2026 so that the authority could begin to receive and process licence applications at that time. During the transitional period, the National Police Board would act as the competent licensing authority

under section 57 of the new Gambling Act, after which the licensing and supervision activities would be carried out by the Licensing and Supervisory Authority.

The provisions of chapter 2 on gambling software licences would only apply from the beginning of 2027, which would allow applications for gambling software licences to be made in 2027. The proposed obligation in section 33 of the Gambling Act to use only gambling software supplied by the holder of a gambling software licence would only apply after a transitional period from the beginning of 2028. This would mean that the transition to a new gambling system would not require that the gambling software used in the operation of gambling should only be provided by the holder of a gambling software licence.

Section 19 of chapter 2 of the Act provides for compensation to be paid to the State by the holder of an exclusive licence. Section 19 would also enter into force already on 1 January 2026, because the Government should decide on the amount and payment schedule of the compensation in question and the holder of an exclusive licence should pay the first instalment of the basic compensation before the entry into force of the exclusive licence. Under the proposed section 19, subsection 1, the payment of compensation is a prerequisite for the validity of the licence. Chapter 9 of the Gambling Act would also enter into force on 1 January 2026. The chapter contains provisions on discretionary government grants for the prevention and reduction of gambling-related harms. The earlier entry into force would be necessary, in particular, because the activities referred to in section 93, subsection 2, paragraph 1, of online and anonymous gambling harm services supplementing statutory services could be granted discretionary government grants so that those services could be in operation when gambling activities under the new Gambling Act commence. The current funding for e-services will expire on 1 January 2027 at the latest.

7.2 Lotteries Act

The proposal proposes that a new Gambling Act be enacted, which would lay down provisions on the operation of gambling. In the future, the Lotteries Act would only lay down provisions on the operation and supervision of lotteries. It is proposed to amend the sections of the Lotteries Act that apply to both gambling and non-money lotteries. The proposed Gambling Act would lay down provisions on the operation of gambling, which is why it is proposed that sections of the Lotteries Act that only concern gambling be repealed. As a general rule, no changes are proposed to the provisions on non-money prize lotteries.

Section 1. *Scope and purpose of the Act.* The scope of the Act would be amended so that it would in future apply only to non-money lotteries. In subsection 1 of the section, references to Veikkaus Oy's operations, its restrictions and Veikkaus Oy's profits would be deleted.

For the sake of clarity, a reference provision would be added to subsection 4 of the section, according to which the Gambling Act lays down provisions on gambling activities and their supervision.

Section 2. *Definition of lottery* The section contains provisions on the definition of lottery and, supplementing section 1, on the activities to which the Lotteries Act shall apply. Subsection 1 of the section would be clarified by excluding prizes of monetary value from the definition of a lottery. In subsection 2, the references to the operation of casinos and to making casino games and slot machines available for public use would be deleted. In other respects, no changes would be made to the section.

Section 3. *Definitions of gambling and forms of gambling services* This section would be repealed because it only applies to gambling. The proposed Gambling Act would lay down provisions on the definitions of the forms of gambling services.

Section 3a *Definitions of the forms of running lotteries.* The section contains definitions of lotteries other than forms of gambling services, i.e. non-money lotteries. Since the Lotteries Act would in future contain only definitions of non-money lotteries, the title of the section would be amended to remove the word ‘other’ from it.

Section 4. *Other definitions.* Paragraphs 2 to 7, that is to say, the definitions relating to gambling activities, would be repealed. The definitions relating to non-money lotteries in paragraphs 1 and 8 to 10 would correspond to the law in force.

Section 5. *Right to run a lottery* Subsection 2 of the section contains a reference provision according to which the exclusive right to operate gambling is provided for in section 11. For the sake of clarity, it is proposed that the reference provision be retained, but amended so that the subsection would refer to the proposed new Gambling Act.

Section 8. *Revocation of a licence* The section lays down provisions on the revocation of a licence granted for the operation of lotteries. It is proposed that a new subsection 2 be added to the section, according to which the licence granted for the operation of lotteries referred to in section 3a, paragraphs 3–4, i.e. bingo games and non-money prize gaming machines would be revoked if the licence holder so requests. The new subsection 3 would provide that the licence could be revoked at the licence holder’s request in respect of lotteries referred to in section 3a, paragraphs 1 to 2, i.e. non-money lotteries and guessing games, if the sale of tickets has not begun. The proposed provision is based on the duty of the authority to guarantee the legal protection of those who have purchased lottery tickets. Buying a lottery ticket entitles to participation in a lottery where it is possible to win and collect a prize as notified to the buyer of the lottery ticket in connection with the sale of the tickets. This is an amendment clarifying the grounds for revocation of a licence, which would also be consistent with the regulations on rendering accounts.

Chapter 3. Chapter 3 of the Lotteries Act on gambling activities, i.e. sections 11–13, 13a–c, 14, 14a–c, 15, 16 and 16a of the Lotteries Act, would be repealed. The sections in question lay down provisions on the exclusive right of Veikkaus Oy, Veikkaus Oy and the restrictions on its activities,running gambling games, player registration, player identification while gambling, age limit for gambling games, marketing of gambling games, prevention and prohibition gambling, restrictions on gambling, as well as on slot machines and their self-monitoring. The new Gambling Act would include the necessary provisions on gambling activities. The proposed Gambling Act would not include the provisions of the current section 12 on the supervisory board of Veikkaus Oy or the provisions on restrictions on the company's activities in accordance with section 13b.

The government decree on the operation of gambling by Veikkaus Oy, issued on the basis of section 13 c of the Lotteries Act, would be repealed as a result of the repeal of the provision on the powe to issue decrees. However, the decree would apply during a transitional period during which Veikkaus Oy would operate gambling under an exclusive right in accordance with the Lotteries Act.

Chapter 4. Chapter 4 of the Lotteries Act on the Veikkaus Oy's proceeds, i.e. section 17 of the Lotteries Act, would be repealed. The new Gambling Act would, where necessary, lay down provisions on the state-owned Veikkaus Oy.

Section 42. *Supervising lotteries* The section lays down provisions on the objective of the supervision of lotteries and the competent supervisory authorities. The section would be amended as necessary due to the enactment of the new Gambling Act. The references to the supervision of Veikkaus Oy and its agents under the money laundering legislation would be deleted from subsection 2 of this section. In addition, the amended section would no longer contain subsections 4 and 5 concerning the electronic monitoring systems used in the running of gambling games and the approval of the deployment of supervision arrangements to gambling games the gambling systems of which are located in a Member State of the European Union or the European Economic Area.

The objective of supervising non-money lotteries would remain in line with the current Act, i.e. the running of these lotteries would be supervised in order to guarantee the legal protection of the lottery participants, to prevent misuse and crime, and to prevent and reduce the economic, social and health-related harm resulting from lotteries. The National Police Board would continue to be the national authority for the supervision and compilation of statistics on non-money lotteries. The police departments, on the other hand, would supervise the non-money lottery prize draws in their area.

Section 42a. *Advisory Board on Gambling* The section lays down provisions on the Advisory Board on Gambling, appointed by the Government, and operating under the Ministry of the Interior. The section would be repealed. It is not proposed to include provisions on the Advisory Board on Gambling or a similar body in the new Gambling Act.

Section 42b. *Register for supervision of lotteries* The section lays down provisions on the register maintained by the police for the purpose of performing the licence and supervisory duties laid down in the Lotteries Act. In subsection 1, the reference to measures related to conditional fines, which concerns gambling activities, would be deleted.

Section 43. *Supervision of gambling and official supervisors.* The section lays down provisions on the supervision of gambling and official supervisors used in the supervision of gambling. The section would be repealed. Provisions on the supervision of gambling would be laid down in the new Gambling Act.

Section 44. *Right to information of the National Police Board and the police departments.* The section lays down provisions on the right of the National Police Board, the police departments and the official supervisor to obtain the information necessary to perform their supervisory duty, free of charge, and notwithstanding secrecy provisions. In accordance with the statement practice of the Constitutional Law Committee, the right of access to information is limited only to the information necessary for the performance of the supervisory task. The right of access to information also applies to necessary personal data.

In subsection 1, the reference to Veikkaus Oy would be deleted. In other respects, the right to information of the National Police Board and the police departments supervising the running of non-money lotteries would be in line with the current Act.

Subsection 3 of the section, which provides for the right of official supervisors to receive information, would no longer be necessary in the Lotteries Act, because official inspectors are

not involved in the supervision of non-money lotteries. The current subsection 4 would be repealed as a technical amendment. The data subject to the right of access to information could be further disclosed by means of a technical interface or otherwise electronically.

Section 45. *Right to inspect and prohibit.* The section lays down provisions on the right to inspect and prohibit of the National Police Board, a police department and the inspection body referred to in section 58 of the Lotteries Act. Subsection 3 of the section would be repealed because it concerns the right to inspect gambling activities.

Section 46. *Reimbursement for the costs of monitoring and supervising gambling services.* The section lays down provisions on Veikkaus Oy's obligation to reimburse the State for the costs incurred in the monitoring and supervision of gambling services. The section would be repealed. The new Gambling Act would lay down provisions on the supervisory fees to be charged to supervised entities. The Act does not contain a similar provision on non-money lotteries. The fees for supervising non-money lotteries are based on the Decree of the Ministry of the Interior on chargeable police services, according to which the police collect a fee for supervising the drawing of non-money lotteries and the mixing of tickets and for supervising the announcement of the winner of guessing competitions.

Section 47. *Collection of winnings and prizes.* The section lays down the time limits for collecting winnings from gambling services and non-money lotteries. Paragraphs 1 to 4 and 7 concerning gambling would be repealed. There would be no changes to the time limits for collecting prizes from bingo games, non-money lotteries and guessing games. The Gambling Act would include the necessary provisions on the redemption of winnings from gambling.

Section 48. *Recommended decision.* The section on the recommended decision procedure applicable to gambling activities would be repealed. The Government Decree on the operation of gambling by Veikkaus Oy, issued on the basis of subsection 3 of this section, would be repealed by the repeal of the enabling provision. However, during the transitional period, the Decree would apply to gambling operated by Veikkaus Oy under the Lotteries Act.

Section 49. *Restriction on gambling in a casino* The section on gambling in a casino where gambling games are run would be repealed. Similar provisions are proposed to be included in the Gambling Act.

Section 50. *Technical monitoring of a casino and specific game room.* The section on technical monitoring of a casino and game room where gambling games are run would be repealed. Similar provisions are proposed to be included in the Gambling Act.

Section 51. *Veikkaus Oy's right to process personal data.* The section on Veikkaus Oy's right to process personal data would be repealed. Similar provisions are proposed to be included in the Gambling Act.

Section 52. *Monitoring and researching the harm resulting from the running of lotteries, assessment and development of prevention and treatment.* According to the section, the Ministry of Social Affairs and Health is responsible for the monitoring and research of the harm caused by the running of lotteries, assessment of harm related to the running of gambling games and the development of their prevention and treatment. The Finnish Institute for Health and Welfare implements this task in accordance with the mandate of the Ministry of Social Affairs and Health. The section also lays down provisions on Veikkaus Oy's obligation to reimburse the State for the costs arising from this task.

In accordance with its wording, the section applies not only to gambling but also to non-money lotteries. In practice, however, the activities referred to in the section have focused on the harms caused by gambling. The section is therefore proposed to be repealed. In the case of non-money prize lotteries, the Act would therefore no longer lay down provisions on the Ministry of Social Affairs and Health's obligation to monitor and investigate the harm caused by them.

Section 53. *Disclosure of Veikkaus Oy's data.* The section lays down provisions on Veikkaus Oy's obligation to disclose information to the authorities. In addition, the section contains provisions on the disclosure of information concerning the company's customers and their gambling for the purpose of scientific research. It is proposed that the section be repealed. The Gambling Act would include the necessary provisions on the obligation of licence holders to disclose information.

Section 54. *Right to information of the Ministry of Social Affairs and Health.* The section lays down provisions on the right of the Ministry of Social Affairs and Health to obtain, notwithstanding secrecy provisions and free of charge, information from Veikkaus Oy and the Finnish Institute for Health and Welfare for the tasks laid down in section 52 of the Ministry. Since the section concerns gambling activities, it is proposed that it be repealed. Similar provisions would be included in the Gambling Act.

Section 55. *Right to information of the Finnish Institute for Health and Welfare.* The section lays down provisions on the right of the Finnish Institute for Health and Welfare to obtain information from Veikkaus Oy and the Ministry of Social Affairs and Health in order to carry out its duties under section 52. Since the section concerns gambling activities, it is proposed that it be repealed. Similar provisions would be included in the Gambling Act.

Section 57. *Payment-monitoring device.* The section lays down provisions on the payment-monitoring device that must be in the machines and gaming equipment referred to in the section if the charge is collected by means of a slot. The device shall reliably record information on the payments accumulated from use of the equipment. The reference to a slot machine would be removed from the section. In other respects, no changes would be made to the section.

Section 59. *Documentation.* The section lays down provisions on the obligation to prepare documentation on the use of slot machines and other machines and gaming equipment referred to in the section. The mention of a slot machine would be removed from the section. In other respects, no changes would be made to the section.

Section 60. *Information displayed on machines or gaming equipment and shown on tickets.* The section lays down provisions on information that shall be displayed on slot machines and other machines, gaming equipment and lottery tickets. The reference to a slot machine would be removed from the section. In other respects, no changes would be made to the section.

Section 62. *Prohibitions on running a lottery* The section lays down prohibitions on the running of lotteries. The section contains prohibitions on the operation of both gambling and non-money lotteries. Subsection 1 of the section contains a prohibition on running a lottery in a manner other than that specified in the Act, and subsection 2 lists the prohibited procedures related to the running of lotteries. The section would be amended to remove references to gambling. In other respects, no changes would be made to the section.

Section 62a *Prohibition on providing gambling* The section lays down provisions on the powers of the National Police Board to prohibit the running of gambling games. The section does not apply to non-money lotteries and it is therefore proposed that it be repealed. Similar provisions would be included in the Gambling Act.

Section 62b. *Banning the marketing of gambling.* The section lays down provisions on the powers of the National Police Board to prohibit the marketing of gambling games. The section does not apply to non-money lotteries and it is therefore proposed that it be repealed. Similar provisions would be included in the Gambling Act.

Section 62c *Conditional fine.* The section lays down provisions on a conditional fine to be imposed in order to reinforce the prohibitions on the operation, marketing and payment transactions of gambling. The section does not apply to non-money lotteries and it is therefore proposed that it be repealed. Similar provisions would be included in the Gambling Act.

Sections 62d–62k. Sections 62d to 62k of the current Lotteries Act provide for a penalty payment to be imposed for violations of the provisions on the marketing of gambling. The sections do not apply to non-money lotteries and are therefore proposed to be repealed. Similar provisions would be included in the Gambling Act.

Sections 62l–62n. Sections 62 l to 62n of the Act lay down provisions on prohibitions of payment transactions that may be imposed as a result of marketing in violation of the Lotteries Act. The sections do not apply to non-money lotteries and are therefore proposed to be repealed.

Section 63. *References to the Criminal Code* The section would be amended to refer only to chapter 17, section 16b of the Criminal Code, which contains penal provisions concerning non-money lotteries.

Section 64. *Lottery violation.* The section lays down provisions on certain acts contrary to the Lotteries Act that may be punishable by a fine for a lottery violation. The section contains provisions on both gambling and non-money lotteries. Paragraphs 2 and 3 on gambling would be repealed. In addition, the reference to section 16, subsection 1, which provides for the location of slot machines, would be deleted from paragraph 7.

Section 66. *Request for review.* The section lays down the process for a request for review. Subsection 1 of this section states that provisions on requests for a judicial review by an administrative court are laid down in the Administrative Judicial Procedure Act. This section applies to both gambling and non-money lotteries. Subsection 2 of the section would remove references related to gambling from the prohibition on the running of gambling games and the prohibition on the implementation or initiation of a payment transaction. In other respects, the section would correspond to the law in force.

Section 66a *Referring a prohibition on marketing to the Market Court* The section provides for referring prohibitions on marketing gambling games to the Market Court. The provisions do not apply to non-money lotteries and the section would therefore be repealed.

Section 67. *Further provisions.* The section includes a power to issue decrees, according to which provisions on the matters listed in the section are laid down by government decree. This section applies to both gambling and non-money lotteries. As regards gambling, the

provisions are contained in the Government Decree on the operation of gambling by Veikkaus Oy (1414/2016) and, as regards lotteries, in the Government Decree on lotteries (2001/1345).

In paragraph 1, the reference to money lotteries would be deleted. Pursuant to this paragraph, the Government Decree on the operation of gambling by Veikkaus Oy contains provisions on the information to be marked on tickets for money lotteries. That regulation would be repealed as the powers under which it was adopted would be repealed or amended.

In addition, paragraph 6 is proposed to be repealed because section 52 of the Lotteries Act, which lays down provisions on the monitoring of the harm caused by the running of lotteries, research and the assessment of the harmfulness of gambling, is also proposed to be repealed. It would therefore not be necessary to provide for the provision of information by government decree.

The proposed amendments to the Lotteries Act would enter into force when gambling activities subject to a licence under the proposed new Gambling Act would commence. The provisions of the Lotteries Act on entering Veikkaus Oy's proceeds in the state budget and rendering accounts of the proceeds would apply to gambling services organised by Veikkaus Oy prior to the entry into force of the amendments to the Act. This would mean that Veikkaus Oy would have to pay the entire proceeds from its exclusive right activities under the Lotteries Act to the State in accordance with the profit shown in the latest approved financial statements.

The provisions of section 47 on the collection of winnings and the provisions of section 48 and the regulations on a recommended decision issued under it would apply to gambling operated before the amendments to the Lotteries Act enter into force. In practice, this would mean, for example, that the player would have the time specified in section 47 to collect the winnings from gambling services and to apply for a recommended decision within the relevant time limits.

According to subsection 3 of the transitional provisions, Veikkaus Oy should, in accordance with section 17, subsection 3, submit a report on the rendered proceeds to the Ministry of Finance, the Prime Minister's Office, the Ministry of the Interior and the National Police Board within one month of the approval of the financial statements. In addition, Veikkaus Oy should submit the financial statements for the year 2026 immediately after their completion to the Ministry of Finance, the Ministry of the Interior, the Ministry of Social Affairs and Health and the National Police Board in accordance with section 53, subsection 1.

7.3 Act on the Processing of Personal Data by the Police

It is proposed that section 12, subsection 2 and section 38, subsection 2, paragraph 6 of the Act on the Processing of Personal Data by the Police be repealed. Section 12, subsection 2 of the Act lays down provisions on the right of the police to process the personal data of Veikkaus Oy and its agents for the purpose of supervision under the Money Laundering Act and for the purpose of supervision and compilation of statistics under the Lotteries Act. It is proposed that the subsection be repealed because the National Police Board would no longer have the duties referred to in this section after the transitional period.

According to the proposal, Veikkaus Oy would continue to offer gambling services on an exclusive right basis in accordance with the Lotteries Act until the commencement of licensed gambling services in accordance with the new Gambling Act. Until then, the National Police

Board would supervise the gambling operations of Veikkaus Oy under the Lotteries Act. The National Police Board would not supervise licence holders under the Gambling Act, as the responsibility for licensing and supervision activities would be transferred to the Licensing and Supervisory Authority after the transitional period.

Section 38, subsection 2, paragraph 6 of the Act provides for the erasure of the personal data of the customers of Veikkaus Oy and its agents processed for the purpose of supervision of the Lotteries Act and the Money Laundering Act. The data must be deleted as soon as their storage is no longer necessary for the performance of the supervisory task. It is proposed to delete the paragraph.

The repeal would take effect when the Licensing and Supervisory Authority would start as a licensing and supervisory authority under the Gambling Act. During the transitional period, the National Police Board would act as the licensing authority in accordance with the Gambling Act. This would not require an amendment to the Act on the Processing of Personal Data by the Police, as the National Police Board may, in accordance with section 11 of the Act, also process personal data for the performance of tasks related to permit administration. Section 12 of the Act lays down provisions on the content of personal data processed.

7.4 Money Laundering Act

Chapter 1. General provisions.

Section 2. *Scope of application*. Under subsection 1 ,paragraph 9 of the current section, the Money Laundering Act applies to gambling operators referred to in section 11 of the Lotteries Act, i.e. Veikkaus Oy. Due to the introduction of the licensing system, the section would be amended so that the Money Laundering Act would apply to the licence holders referred to in sections 5 and 6 of the Gambling Act, i.e. the gambling licence holders providing gambling services in the competitive licence-based market and the exclusive licence holders. The holders of these licences would therefore fall within the scope of the Money Laundering Act. The Money Laundering Act would not apply to the holder of a gambling software licence.

Subsection 2 of the section is proposed to be amended as required by the new Gambling Act. The current subsection provides for the application of the Money Laundering Act to traders and corporate entities supplying registration and charges for participation in gambling provided by the gambling operators referred to in the Money Laundering Act, i.e. to the agents of gambling operators. The subsection would refer to licence holders referred to in subsection 1, paragraph 1 of the Gambling Act and, in accordance with the Act in force, to gambling operators referred to in the regional legislation of Åland referred to in paragraph 10. In addition, a technical amendment would be made to the subsection. The scope provision requires the supply of both registrations for participation and charges for participation. The subsection would be amended so that the word 'and' would be replaced by the word 'or', i.e. the scope of application of the Money Laundering Act would not separately require the supply of both registrations for participation and charges for participation by agents.

No changes are proposed to the content of the scope, i.e. the provisions of chapters 3 and 4 under the current law would apply to agents. In addition, chapters 7 and 8 would apply to the supervision of agents as provided for in the relevant chapters.

Section 3. *Restrictions on the scope of application.* According to the restrictions on the scope of application contained in chapter 1, section 3, subsection 4 of the Money Laundering Act,

the Act does not apply to the making available for use of slot machines outside a casino. However, the Act shall apply when the gambling takes place when identified as a registered player within the meaning of section 14 of the Lotteries Act. Since mandatory identify verification has been introduced in all gambling in the national territory, the provision of the current Act means in practice that all slot machine gambling in the national territory also falls within the scope of the Money Laundering Act, despite the limitation of the scope of the first sentence of the subsection. The provision refers to the national territory Lotteries Act, so the provision does not apply to slot machine gambling in Åland.

It is proposed that a technical amendment be made to the section, whereby the reference to the national territory Lotteries Act would be changed to a reference to the new Gambling Act and its section 20. All gambling, including slot machines outside casinos, would remain within the scope of the Money Laundering Act as far as the national territory is concerned.

In practice, the restriction of the scope of subsection 4 applies only to Åland. No changes are proposed to the content of the provision, i.e. in Åland, the Money Laundering Act would not apply to slot machines made available for use outside a casino. With regard to the national territory Gambling Act, it is proposed that the definition of slot machine in Finnish be changed to better correspond to the common expression used for such machines. The Åland lottery legislation uses the Swedish term ‘penningautomat’, and this term would also be used in the Money Laundering Act instead of the Finnish term proposed to be used in national territory.

Chapter 3. Customer due diligence.

Section 7. *Fulfilment of customer due diligence obligations on behalf of obliged entities.* Subsection 6 of the section provides for the possibility for agents of gambling operators to fulfil customer due diligence obligations on behalf of the gambling operator. It is proposed to make the necessary amendments to the subsection required by the new Gambling Act. The current subsection refers to gambling operator. The subsection would refer to licence holders referred to in subsection 1, paragraph 1 of the Gambling Act and, in accordance with the Act in force, to gambling operators referred to in the regional legislation of Åland referred to in paragraph 10. In addition, a technical amendment would be made to the subsection so that the expression ‘registrations for participation and charges for participation’ would be changed to ‘registrations for participation or charges for participation‘.

Chapter 7. Supervision.

Section 1. *Supervisory authorities and reports to the Financial Intelligence Unit.* Under subsection 1, paragraph 2 of the section, the National Police Board supervises Veikkaus Oy and PAF, the gambling operator referred to in the regional legislation of Åland. The National Police Board also supervises the agents of Veikkaus Oy. As regards PAF and its agents, the supervisory powers were transferred to Lotterinspektionen by means of an agreement decree. Lotterinspektionen has been abolished since the adoption of the agreement decree and supervision is now under the competence of the Government of Åland. A new agreement decree on supervisory powers is to be adopted.

The proposed amendments to the Money Laundering Act would enter into force at the same time as the new Gambling Act would mainly enter into force and gambling activities subject to a licence under the new Gambling Act would commence. In the new gambling system, the supervisory authority would be the Licensing and Supervision Authority. The National Police

Board would act as the supervisory authority during the period when Veikkaus Oy would still carry out exclusive right activities under the Lotteries Act. The transfer of supervisory powers to the Licensing and Supervisory Authority would require the adoption of a new agreement decree. The new agreement decree would transfer the power to supervise PAF from the Licensing and Supervisory Authority to the Government of Åland.

7.5 Lottery Tax Act

Section 1. *Scope.* The section would be amended as a result of the transition to the licensing system under the new Gambling Act. In subsection 1, lotteries subject to lottery tax would be divided into three paragraphs.

Paragraph 1 would refer to gambling services and other lotteries covered by the exclusive right. The provision would apply to gambling services remaining under exclusive rights under the proposed Gambling Act, i.e. gambling services covered by an exclusive licence referred to in section 5 of the Act, as well as gambling services and other lotteries provided for in legislation falling under the legislative jurisdiction of Åland.

Paragraph 2 of the subsection would lay down provisions on the scope of the lottery tax to include gambling services offered for gambling in Finland under a licence granted in Finland. This entails a fundamental change in the territorial scope of the Lottery Tax Act and, in the case of licensed gambling, a shift from the current country-of-sale principle to the country-of-consumption principle. The tax would be levied in the state in which the gambling takes place, irrespective of the state from which the gambling services are offered. Provisions on the licence would be laid down in the Gambling Act. In Åland, gambling legislation falls within the legislative competence of Åland. The provision applies to gambling activities carried out both from Finland, including Åland, and from the territory of another state.

The Gambling Act requires that the gambling operator must register players and that only persons domiciled or permanently resident in the national territory may be registered for online gambling. As a result, the tax would be levied on gambling services offered in the national territory to the extent that the players are domiciled or permanently resident in the national territory. The tax would apply to online gambling regardless of whether it is offered from Finland, including Åland, or from abroad.

Participation in gambling other than online gambling ttakes place in the territory of Finland.

In both cases, the lottery tax is levied on gambling in Finland in accordance with the country-of-consumption principle. There is no need to take into account, either technically or practically, situations in which a registered player may participate in online gambling during a temporary stay in the territory of another country. The lottery tax would thus apply comprehensively to gambling services offered under a licence granted in Finland.

According to paragraph 3 of the subsection, the lottery tax would cover other lotteries that are operated in Finland and that also fall within the scope of the tax according to the law in force. These include, first, lotteries other than gambling services within the meaning of the Lotteries Act, within the meaning of sectoin 2, subsection 1, paragraph 1 of the Lottery Tax Act, and the making available for use of slot machines and gaming equipment within the meaning of section 56 of the Lottery Tax Act. Section 2, subsection 1, paragraph 2 of the Lottery Tax Act also covers public lotteries, guesses, betting and similar procedures based in full or in part on

chance, other than those referred to in the legislation on lotteries. These include, for example, various prize draws organised for marketing purposes.

The second subsection proposed to be added to the section would exclude from the scope of application of the Lottery Tax Act, for the sake of consistent application of the country-of-consumption principle and in order to respect the right to tax of another state, gambling services offered for gambling in another state by a gambling operator established in Finland.

The current subsection 2 of the section would become subsection 3.

The reform does not require changes to the procedural standards of lottery taxation. Under section 1a of the Lottery Tax Act, provisions on the taxation procedure and appeals relating to lottery tax are laid down in the Act on the taxation procedure for self-assessed taxes (768/2016; OVML) and on tax collection in the Tax Collection Act (11/2018).

Lottery tax is a self-assessed tax, i.e. a tax that the taxpayer calculates and pays at their own initiative. Foreign gambling companies offering gambling services under a licence would be obliged to declare the lottery tax in accordance with the Act on the taxation procedure for self-assessed taxes. A foreign corporation that operates a lottery in Finland must have a business identity code to file a tax return for self-assessed taxes.

According to section 16, subsection 2 of the Act on the taxation procedure for self-assessed taxes, the Finnish Tax Administration will issue more detailed regulations on the information to be provided. Currently, the tax return for self-assessed taxes is used to report the amount of lottery tax payable for the tax period in respect of the lottery tax. Under the Act on the taxation procedure for self-assessed taxes, the lottery operator must organise its accounts or keep notes in such a way as to be able to obtain the information necessary for the assessment of the lottery tax.

Section 2. *Definitions*. Subsection 1 on the definition of a lottery would be clarified so that gambling services would be defined by repeating the definition of gambling services in accordance with the Gambling Act instead of referring to the provisions of the Lotteries Act.

In addition, for the sake of clarity, the subsection would be divided into three different paragraphs without otherwise changing the substance of the definition.

Section 4. *Tax base and tax rate*. Subsection 1 on the tax rate applicable to lotteries operated under an exclusive right would be amended so that the tax rate laid down therein would apply not only to gambling services and lotteries referred to in the scope of application in section 1, subsection 1, paragraph 1 of the Act, but also to gambling services provided under a licence referred to in subsection 1, paragraph 2. Under the proposal, the tax rate on lotteries currently operated under an exclusive right would be 22 % instead of 12 %.

It is proposed to align the tax rate on gambling services offered under an exclusive right with that on gambling services requiring a licence. As such, there is no compelling obstacle to a lower rate of tax on gambling services provided under an exclusive right than for those operated under a licence. However, the uniform tax rate clarifies taxation, ensures the consistency of the gambling regulation as a whole, and can also be implemented in a budget-neutral manner from the point of view of both the the national territory and Åland. The reform of the Swedish gambling system also decided on a uniform tax rate. Opening up gambling to competition requires that licence holders established in Finland are subject to the same

taxation principles for income taxation as companies in other sectors. This also applies to the gambling activities of a licence holder belonging to Veikkaus Oy and the PAF Group.

The provision in subsection 3 of the section on the tax rate applicable to bingo games would be revised so that the tax base referred to in the provision would apply only to non-money prize bingo games. According to the proposed Gambling Act, under a gambling licence bingo games could also be offered as gambling services in which money can be won, in which case the tax would be determined in accordance with subsection 1. It is not proposed to change the tax rate, which would be 5 % of the total value of the distributed winnings, excluding winnings qualifying for a new game.

Subsection 2 of the section is not proposed to be amended, i.e. in the case of non-cash lotteries, guessing competitions and non-money prize gaming machines, the lottery tax is 1.5 % of the proceeds of lotteries.

7.6 Income Tax Act

Section 21c. *Tax liability of gambling operators.* The section would be repealed. Veikkaus Oy and PAF would also be subject to normal corporation tax in respect of lotteries and gambling activities carried out by them on the basis of exclusive rights.

Opening up gambling to competition requires that licence holders established in Finland are subject to the same taxation principles for income taxation as companies in other sectors. This also applies to the gambling activities of a licence holder belonging to Veikkaus Oy and the PAF Group.

It would not as such be necessary to change the tax status of gambling services offered under exclusive rights by Veikkaus Oy and PAF as a result of the reform. However, the justification for harmonising the income tax treatment of gambling services offered under an exclusive right and gambling services covered by the licensing system is the same as for a uniform lottery tax rate. In addition, the uniform tax treatment promotes the implementation of the arm's length principle in transactions between group companies, since a deviation from arm's length would not achieve a tax advantage at the level of the group as a whole. It is proposed that the provision of the Income Tax Act concerning the tax exemption of gambling companies be repealed.

In accordance with the Act on Tax Settlement (532/1998), a proportion of the income tax paid by corporations, 22.96 % in 2026, will be paid to municipalities and the rest to the State. Removing the tax exemption for gambling companies would increase the amount of corporate tax revenue to be paid to municipalities. According to the Government Programme, the municipalities will be compensated for the tax revenue impact of changes made by the Government to tax criteria, and this is intended to be implemented in both directions. The compensation and the municipalities' apportionment share will be examined later together with other changes in corporation tax revenue, which is why the proposal does not now propose an amendment to the Act on Tax Settlement.

Section 85. *Lottery winnings* The section on the exemption of lottery winnings would be amended as a result of the transition to a licensing system. A key change is the imposition of taxes on winnings from gambling services offered without a licence in Finland.

Under the current section, winnings from lotteries referred to in section 2 of the Lottery Tax Act or from lotteries run in a State belonging to the European Economic Area in accordance with its legislation are not taxable income. Under the provision on scope of the Lottery Tax Act, lottery tax must be paid on lotteries run in Finland. There are no separate provisions on when lotteries are deemed to be run in Finland. When the Act came into force in 1992, online gambling did not yet exist.

In case-law on lottery legislation (KKO 2005:27), in order for Finland to be regarded as the place of operation for lotteries offered as online gambling services from outside Finland, it has been considered necessary to target lotteries at Finland. Such targeting includes, among other things, the active marketing of gambling services in Finland, the creation of a Finnish-language website for gambling, the registration of players and the implementation of arrangements that made it possible to manage financial transactions between the player's bank account in a Finnish bank and the player account opened with the gambling operator.

Opening up gambling to competition and the transition to a licensing system also calls for a reassessment of the principle of taxation of winnings from gambling. From the point of view of the tax system, it has traditionally been assumed that the lottery tax is a substitute tax for income tax paid by the winner on the winnings. Accordingly, winnings from lotteries subject to tax in Finland was previously tax-exempt income for income tax purposes. With regard to winnings from the EEA, the principle had to be abandoned after the Court of Justice of the European Union ruled in its decision in Case C-42/02, Lindman that it was contrary to Article 49 of the EC Treaty (now Article 56 TFEU) on the freedom to provide services to treat as income of the winner chargeable to income tax winnings from games of chance organised in another Member State, whereas winnings from games of chance conducted in Finland are exempt from income tax.

In view of the increasing shift to licensing regimes for online gambling and the views expressed by the Commission and the European Court of Justice on licensing regimes, it seems obvious that the Lindman case is no longer as relevant as it was in the past when assessing the taxation of winnings from lotteries and gambling services in cross-border situations from the point of view of EU law.

In the Lindman case, the Finnish, Belgian, Danish and Norwegian Governments took the view that the taxation of gambling services is only one specific aspect of the general regulation of gambling, in which the Member States enjoy a wide discretion and that any restrictions are justified by overriding reasons in the public interest relating to the prevention of the harmful consequences of gambling, since the exemption from taxation of winnings from foreign lotteries would encourage the public to participate in such lotteries.

The Finnish Government also pointed out that it is impossible to tax foreign companies that offer gambling services from abroad. If winnings received in another country were tax-exempt, persons liable to tax in Finland and gambling operators would enjoy the same tax advantage, irrespective of whether the proceeds of the gambling services in question are intended to meet the public interest objectives of the State of origin or whether the legislation of that State attempts to take account of the objectives of consumer protection and the prevention of social harm.

The Court held that the taxation of lottery operators established in Finland does not affect the conclusion that the Finnish legislation is manifestly discriminatory, since the lottery tax does not correspond to the income tax levied on winnings from lotteries organised in other Member

States. The case relied on overriding reasons in the public interest as justifications, namely the prevention of irregularities and crime, the fight against the harmful consequences of gambling addiction and the reduction of the social harm caused by gambling, the financing of activities in the public interest or the safeguarding of legal certainty. In that regard, the Court stated that the justifications which may be invoked by a Member State must be supported by an analysis of the appropriateness and proportionality of the restrictive measure adopted by that Member State. However, there is nothing in the file to suggest that the risks associated with lottery activities are serious or, a fortiori, that there is a specific link between those risks and the participation of nationals of the Member State concerned in lotteries organised in other Member States.

The existence and seriousness of gambling-related risks, which are now highlighted in the decision, are generally recognised. The accepted method of risk reduction has been the transition to licensing systems containing elements and mechanisms reducing the risks and harms associated with gambling, which also explicitly aim to reduce the risks associated with gambling offered from another Member State. Despite their inherent restrictive effect on the freedom to provide services, such systems have been considered acceptable in judicial practice.

In its judgment in Case C-3/17 Sporting Odds, the Court of Justice of the European Union held that a policy to liberalise certain types of games of chance, which may form part of a policy of controlled expansion of games of chance, may be consistent both with the objective of preventing the use of gambling activities for criminal or fraudulent purposes and with the objective of preventing incitement to squander money on gambling and of combating addiction to gambling, by directing consumers towards the offer emanating from licensed operators, which is deemed to be protected from criminal elements and better suited to safeguard consumers against squandering of money and addiction to gambling. In order to achieve the objective of channelling into controlled forms of gambling, it is clear, according to the Court, that authorised operators must be a reliable but at the same time attractive alternative to prohibited activities, which may necessitate, inter alia, the use of new distribution technologies.

One of the means available to make licensed gambling an attractive alternative to prohibited activities, which the Court considered to be necessary in the latter decision in order to achieve the desired channelling effect, is to treat winnings from gambling services offered without a license chargeable to tax. In addition, from the point of view of combating the harmful effects of gambling, this involves a completely harmless means of improving attractiveness compared, for example, with the extension of marketing freedoms in order to increase attractiveness.

In the *Swedish reform*, it was stipulated that winnings from gambling services offered without a licence but requiring a licence, i.e. directed at the Swedish market (*som riktas till den svenska marknaden*), are chargeable to tax. In the explanatory memorandum to the bill, the regulation was found to be neutral because it does not differentiate between domestic or foreign gambling companies or with regard to where the gambling service is offered. The explanatory memorandum goes on to state that, if the difference in tax treatment between winnings from licensed gambling and winnings from non-licensed gambling were to be regarded as an obstacle to the free movement of services, it would be justified by the objective of the regulation, which includes, inter alia, the protection of public health and the channelling of games to undertakings offering licensed gambling. According to the explanatory memorandum, the tax rules cannot be regarded as going beyond what is necessary to achieve

that objective, so that the taxation of winnings from games of chance cannot be regarded as contrary to the freedom to provide services.

It is worth concurring with the assessment made in Sweden.

From a legislative technical point of view, the regulatory objective would be achieved, as it is currently the case, by defining what are lotteries and gambling services the winnings from which do not constitute taxable income. Subsection 1, paragraph 1 of the section would refer to lotteries as referred to in paragraph 1, section 1 on scope of the Lottery Tax Act, i.e. gambling services and lotteries offered under an exclusive licence in Finland, as well as gambling services offered in Finland under a licence granted in Finland, and other lotteries operated in Finland, which are not considered to be gambling services offered elsewhere from Finland as referred to in subsection 2 of the scope provision. As a result of the proposal, the tax exemption would be extended to winnings from gambling services provided under a Finnish licence by operators established in countries outside the EEA, which are taxable under the current provision.

Paragraph 2 of the subsection would apply to lotteries other than gambling services operated in another EEA State in accordance with its legislation. The proposal is in line with the current situation as regards other than gambling services. Paragraph 3 would apply to gambling services offered in another EEA State in accordance with its legislation. Thus, as is currently the case, winnings from gambling services offered in the EEA would be tax-exempt when they are not offered in Finland.

On the other hand, winnings from gambling services offered without a licence in Finland and requiring a licence in Finland would be subject to tax, regardless of the country from which they are offered to be played in Finland. Winnings from lotteries and gambling services carried out outside the EEA would remain taxable in so far as they do not concern activities carried out under a licence granted in Finland.

The tax exemption of winnings is not affected by whether they accrue from occasional gambling or income-generating gambling, such as professional poker.

There is no intention to change the tax status of winnings in respect of lotteries other than gambling services.

A gambling operator established in another country could be considered to offer gambling services in Finland, for example, when online gambling services are offered on the website of the operator in Finnish, the gambling services are marketed in Finland or to Finns, or the gambling operator accepts residents of Finland for registration as its customers. In practice, the possibility to offer gambling services from abroad to Finland only applies to online gambling. Gambling services provided in such a way that a player's physical presence in another country, such as participation in a poker tournament on site, is required for gambling cannot be considered to have been offered in Finland, nor does the operation of such gambling require a Finnish licence.

Subsection 2 of the section would include the second sentence of the current section, which sets out that winnings that are to be regarded as reasonable consideration for a service or as pay shall be taxable.

Winnings from gambling services which are not tax-exempt under section 85 of the Income Tax Act, are taxable earned income for the recipient. There are no special provisions in the Income Tax Act on the taxation of winnings from gambling or other lotteries, so the winnings and associated expenses are treated for tax purposes in accordance with the general provisions of the Income Tax Act.

Under section 29, subsection 1 of Income Tax Act, a taxpayer is entitled to deduct from their income expenditure incurred in the production or maintenance of the income, so-called 'natural deductions'. According to section 31, subsection 4 of the Act, for the calculation of net income, deductible expenses are not expenses incurred on the production of tax-exempt income nor the taxpayer's living expenses.

As a rule, losses resulting from gambling are not deductible as living expenses. The allocation of deductible expenses depends on the nature of the gambling service.

In taxation practice, income from betting and pools, which is partly based on chance, and related expenditure, are considered by bet or wager. In tax practice, it has been considered that an individual winning bet or a wager in pools can be deducted as a cost of earning income from the gambling service in question on the basis of section 29 of the Income Tax Act. Other expenses relating to an individual winning bet or wager, such as travel expenses for the match event to which the bet relates, are considered deductible if the taxpayer demonstrates a link between the expenditure in question and the winning bet or wager.

By stakes relating to loss-making bets or wagers have been regarded as non-deductible subsistence expenses within the meaning of section 31, subsection 4 of the Income Tax Act, which cannot be allocated to income generated by profit-making bets and wagers. The Income Tax Act does not contain a provision on the deductibility of losses, with the result that stakes wagered on loss-making bets cannot also not be deducted as losses.

In tax practice, it has been held that no expensed for the generation of income can be deducted from the winnings received from slot machines, since gambling based on pure chance is not considered to be production of income but the use of income.

The taxable income from playing poker is calculated on a tax year-by-tax year basis by deducting the expenses incurred during the tax year from the taxable income from playing poker during the tax year. For tax purposes, playing poker may be regarded as an income-generating activity if it is carried out for income-generating purposes. A person who plays poker for the purpose of earning income is entitled to deduct from their earned income the expenses incurred in obtaining taxable income from poker, even to the extent that the expenses exceed the income from playing poker in the tax year. If, on the other hand, poker cannot be regarded as an income-generating activity, any loss constitutes a non-deductible living expense within the meaning of section 31, subsection 4 of the Income Tax Act.

7.7 Act on the Public Disclosure and Confidentiality of Tax Information

Section 20. *Disclosure of information to other authorities.* Necessary amendments would be made to the Act as a result of the new Gambling Act. Notwithstanding the confidentiality obligation, the Tax Administration may, upon request, for the purpose of processing a licence application on the operation of gambling in accordance with the Gambling Act, disclose to the authorities information on gambling services and any lottery taxes paid on them, including identifying information on the taxable entity.

7.8 Criminal Code

Chapter 17. Offences against public order

Section 16a *Gambling offence.* Chapter 17, section 16a of the Criminal Code currently in force lays down provisions on gambling offences. As a result of the proposed new Gambling Act, the section would be amended to refer to the relevant provisions of the Gambling Act. Acts that are essential from the perspective of preventing illegal gambling activities, such as providing gambling services without a licence required by the Gambling Act, would be punishable as a gambling offence. In addition, the sale, supply and marketing of gambling services provided without the licence required by the Gambling Act would be a punishable offence, as would the sale or supply of gambling services, receiving stakes or distributing winnings connected with gambling services provided by a licence holder referred to in the Gambling Act without the licence holder's permission. It would also be punishable to provide premises for the making available for use of a slot machine or casino game other than those made available by the licence holder under the Gambling Act.

No changes to the scale of penalties would be proposed. A gambling offence could be punishable by a fine or imprisonment for up to two years. The provisions on the criminal liability of legal persons apply to gambling offences.

Section 16b *Lottery offence.* Chapter 17, section 16b of the Criminal Code currently in force lays down provisions on lottery offences. The section contains paragraphs on violations of the provisions on gambling services and non-money lotteries. The paragraphs on gambling services would be amended as a result of the new Gambling Act. Acts that are essential from the perspective of preventing illegal gambling activities, such as violation of the provisions of the Gambling Act on age limits, and violation of essential provisions on the marketing of gambling services, would be punishable as a lottery offence. The scope of criminalisation of marketing regulation would be reduced compared to the provisions on lottery offences in the Criminal Code currently in force. The offences proposed to be punishable under the Criminal Code would target, in particular, infringements of the provisions of the Gambling Act on operation and marketing proposed for the protection of minors.

First, a lottery offence would cover a violation of the 18-year age limit for gambling laid down in section 24 of the Gambling Act. In addition, a lottery offence would cover a violation of the provision of section 41, subsection 1 of the Gambling Act on the obligation of an exclusive licence holder to prevent a person under the age of 18 from entering a casino.

In addition, a person who infringes the provisions on the marketing of gambling services laid down in section 51, subsection 2, sections 52 to 53 or section 56 of the Gambling Act could be sentenced for a lottery offence. Those sections govern the permissible marketing of gambling services and the licence holder. They also provide for prohibited marketing methods and practices, prohibition of marketing and sponsorship targeted at minors and vulnerable persons and sponsorships. Providing gambling services in breach of the prohibition laid down in section 75, subsection 1 of the Gambling Act, according to which it is prohibited to provide gambling services other than as provided for in section 3, paragraphs 3–15 of the Gambling Act. The provision would correspond to the prohibition laid down in section 62, subsection 1 of the Lotteries Act.

These would constitute infringements of the regulation on the operation of gambling, but it would not be appropriate to make them punishable as a gambling offence.

No changes to the scale of penalties would be proposed. A lottery offence could be punishable by a fine or imprisonment for up to six months. The provisions on the criminal liability of legal persons apply to lottery offences.

7.9 Act on the Enforcement of a Fine

Section 1. *Scope of application.* It is proposed to include in the Gambling Act provisions on the imposition of an administrative fine and a penalty feet for activities that do not comply with certain provisions of the Gambling Act. According to the proposal, the Legal Register Centre would be responsible for the enforcement of the financial penalty. Enforcement would be carried out in accordance with the Act on the Enforcement of a Fine. It is proposed that section 1, subsection 1, paragraph 17 of the Act be amended so that instead of the Lotteries Act, it would refer to the Gambling Act and the administrative fine referred to therein and the penalty fee imposed by the Market Court.

7.10 Market Court Proceedings Act

Chapter 1. General provisions

Section 2. *Competition and supervision cases.* According to chapter 1, section 2, subsection 2 of the Market Court Proceedings Act, the Market Court considers as competition and supervision cases those assigned to its jurisdiction. The Market Court considers as such cases matters relating to the imposition of a penalty fee laid down elsewhere in legislation. In accordance with chapter 2, section 1, subsection 2 of the Market Court Proceedings Act, the case is considered as provided in the Administrative Procedure Act. However, chapter 4, sections 10 and 11 of the Market Court Proceedings Act contain provisions on the organisation of a preparatory session and an oral hearing in competition and supervision cases.

The draft Act proposes that a penalty fee could be imposed for the infringement of certain provisions of the Gambling Act. The penalty fee would be imposed by the Market Court on a proposal from the supervisory authority. It is therefore proposed that chapter 1, section 2, subsection 2, paragraph 7 of the Market Court Proceedings Act be amended. Instead of the Lotteries Act, the paragraph would refer to the Gambling Act and the penalty fee proposed by the Licensing and Supervisory Authority to the Market Court referred to in that Act.

Section 6. *Market law cases* The Market Court would consider competition and supervision cases and market law cases related to the Gambling Act. The Market Court currently considers as market law cases cases other than the imposition of a penalty fee as referred to in the Lotteries Act. Subsection 2, paragraph 6 of the section is proposed to be amended to refer to the new Gambling Act, under which cases other than the imposition of a penalty fee referred to therein would be considered by the Market Court as market law cases. Such cases would include decisions prohibiting the operation and marketing of gambling as referred to in section 76 of the Gambling Act, the imposition of a penalty payment to enforce the prohibition, and decisions on a removal order as referred to in section 78.

It is proposed that a transitional provision be included in the Act, according to which the National Police Board could also submit a proposal to the Market Court during the transitional period when the National Police Board would act as the authority supervising Veikkaus Oy's exclusive activities.

7.11 Consumer Protection Act

It is proposed that the provisions of chapter 2, section 8a, subsection 2, paragraph 10, chapter 5a, section 2, subsection 1, paragraph 2 and chapter 6, section 2, paragraph 8 of the Consumer Protection Act, which refer to the Lotteries Act, be amended. According to the current Consumer Protection Act, the provisions of the Consumer Protection Act on information to be provided prior to concluding a contract do not apply to a contract for a service under the scope of the Lotteries Act. Chapter 5a of the Consumer Protection Act, which concerns contracts for digital content and digital services, and chapter 6, which concerns off-premises selling and distance sales, also do not apply to a service falling within the scope of the Lotteries Act. The reference provisions would include a reference to the proposed new Gambling Act, with the above-mentioned provisions of the Consumer Protection Act not being applied to services within the scope of the Gambling Act.

In addition to the provisions of the Gambling Act, the marketing of gambling should also comply with the provisions of the Consumer Protection Act. Contrary to the current Lotteries Act, the authority supervising gambling activities would no longer be responsible for supervising that the marketing of gambling complies not only with the Gambling Act but also with the provisions of the Consumer Protection Act. Instead of parallel powers, compliance with the provisions of the Consumer Protection Act concerning marketing would in future be monitored only by the Consumer Ombudsman in accordance with the Consumer Protection Act.

7.12 Act on Electronic Communications Services

Section 32. *Cancelling of a programming licence* Chapter 4 of the Act on Electronic Communications Services lays down provisions on programming licences for digital television and radio broadcasting. Section 32, subsection 1, paragraph 1 of the Act lays down the grounds for the cancellation of such programming licences. The licensing authority may revoke the licence in part or in full if the licence holder has repeatedly and seriously infringed section 62, subsection 2, paragraph 1 of the Lotteries Act, which lays down a prohibition on the marketing of gambling services other than those operated by Veikkaus Oy. It is proposed that a technical amendment be made to the section due to the new Gambling Act. In the future, the grounds for cancelling the licence would continue to be the violation of the prohibition on marketing targeted at the national territory of illegally operated gambling services, which would be laid down in section 75, subsection 2, paragraph 3 of the Gambling Act. In practice, the national territory refers to mainland Finland in contrast to Åland, which has its own gambling system and legislation.

Section 173. *Restrictions on the scope.* The current section lays down restrictions on the application of chapter 22 of the Act on the provision of information society services. The chapter does not apply to lottery activities in which a charge is made for participation. It is proposed that a technical amendment be made to the section, as a result of which the chapter would not apply to gambling and lottery activities in which there is a charge for participation.

7.13 Horse Racing Act

Section 2. *Relationship to other legislation.* According to the current section, the provisions of the Lotteries Act apply instead of the Horse Racing Act (796/1993), if the Lotteries Act contains provisions that deviate from the Horse Racing Act. However, the Lotteries Act no

longer contains provisions on the raising of funds for the promotion of horse breeding and the support of equestrian sports, which is why the section would be repealed as superfluous.

7.14 Act on the Taxation of Business Income

Section 8. It is proposed that a new paragraph 23 be added to the list of deductible expenses in this section on the compensation payable under section 19 of the new Gambling Act for a licence to operate gambling. In paragraph 22 of the list of examples, the full stop would be changed to a semicolon.

The compensation is the compensation payable by the exclusive rights operator to the State for the licence, which is a prerequisite for the operation of the gambling services covered by the exclusive licence and for the validity of the exclusive licence. The compensation shall consist of a one-time basic compensation and annual proportional compensation. By its nature, the compensation would be an expense incurred in the production or maintenance of income in the course of trade. The addition to the list of examples is made for the sake of clarity.

The amortisation provisions of the Act on the Taxation of Business Income apply to the amortisation of compensation. Under the general provision of section 22 of the Act on the Taxation of Business Income relating to accrual-based amortisation, the expense relates to the tax year in which the obligation to pay the compensation arose, unless otherwise provided below. The obligation to pay must be deemed to arise in the tax year in which the compensation is confirmed by a decision of the Government. The one-time basic compensation referred to in section 19, subsection 2, paragraph 1 of the Gambling Act would be amortised, provided the conditions laid down in section 24 of the Act on the Taxation of Business Income are met, in equal annual instalments during its probable period of effect, but not more than ten tax years.

7.15 Act on the Grey Economy Information Unit

Section 6. *Purpose of the compliance audit report.* A new section 38 would be added to section 6, subsection 1 of the Act on the Grey Economy Information Unit, according to which a compliance audit report would be prepared to support the investigation of the reliability and suitability of the licence applicant proposed to be laid down in section 10 of the Gambling Act.

8 Secondary legislation

Power to issue decrees

The proposed new Gambling Act would include both discretionary and mandatory provisions on the power to issue decrees. The Government, the Ministry of the Interior and the Ministry of Social Affairs and Health would be given the power to issue decrees. The Government would be given the power to issue decrees in more significant matters, such as matters concerning the permitted hours for selling gambling products. The power to issue decrees would be conferred on the Ministry of the Interior in matters of less significant social and political importance, and clearly in matters of technical nature and regarding implementation.

The proposed Gambling Act would also include powers to issue regulations granted to the supervisory authority with regard to the regulation of technical and minor details. Such

regulations would include, for example, regulations on the form of the application and the deadlines for the submission of reports, the technical requirements relating to the procedures and equipment used in the operation of gambling, the inspection body referred to in section 44 and its report and approval, as well as more detailed technical requirements and formats for the submission of information to the supervisory authority in order to enable the technical supervision of gambling transactions and player account transactions.

The new Gambling Act proposes that two binding powers to issue decree be laid down for the Government.

According to section 31, subsection 2 of the proposed Act, provisions would be issued by government decree on the proportion of gambling fees accruing in the operation of gambling that are to be paid to players in the form of winnings, how winnings are to be rounded and how uncollected winnings are to be distributed. In addition, the regulation to be adopted under the power to issue regulations would lay down the maximum number of slot machines and casino games in gambling locations, game rooms and casinos, the maximum number of game rooms and the number, locations and opening hours of casinos. According to the proposed section 31, subsection 3, the government decree would stipulate, with regard to the holder of an exclusive licence, how unclaimed winnings, funds accrued from rounding of winnings and funds accruing from gambling fees are to be distributed in a situation where, due to the randomness of the lottery results, players have exceptionally been paid less in winnings than must be paid in winnings.

The proposed Act would include a number of discretionary powers to issue decrees addressed to the Government.

According to section 19, subsection 6 of the proposed Act, more detailed provisions could be issued by government decree on the determination of the compensation payable by the holder of an exclusive licence referred to in subsection 2 of the proposed section, as well as on the assessment of the capital tied to gambling activities, the reasonable rate of return and the income and costs of the activities related to the determination of the compensation.

The proposed section 20, subsection 4 is proposed to contain a provision on the power to issue further provisions by government decree on the verification of the player’s identity. According to section 31, subsection 4 of the proposed Act, provisions could be laid down by government decree to prevent and reduce the economic, social and health-related harms caused by gambling as regards the permitted hours of sale of gambling services by the holder of an exclusive licence.

According to section 31, subsection 5 of the proposed Act, provisions on maximum loss limits per day, month and year may be issued by government decree for holders of an exclusive licence for gambling by players involving slot machine games, online instant win scratchcards and fast-paced online pools.

According to section 32, subsection 2 of the proposed Act, provisions on maximum daily, monthly and annual loss limits specific to each licence holder could be laid down by government decree for holders of a gambling licence concerning gambling by players involving online slot machines, online bingo, virtual betting games and online casino games, with the exception of online poker games.

The proposed section 94, subsection 3 would include a provision on the power to issue further provisions by government decree on the support activities referred to in the section. Under the proposed section 96, subsection 2, more detailed provisions on the approval of the Finnish Institute for Health and Welfare's plan for the use of appropriations could be laid down by government decree.

The proposed Gambling Act would include two binding powers to issue decrees conferred on the Ministry of the Interior. According to section 31, subsection 6 of the proposed Act, the rules of play for the gambling offered by the holder of an exclusive licence would be laid down by decree of the Ministry of the Interior. The powers to issue decrees contain an exhaustive list of the matters that must be included in the rules of play. In addition, according to the authorisation to issue decrees, the rules of play to be laid down by decree could include provisions on the pace and other characteristics of the gambling offered by the holder of an exclusive licence, as well as quantitative and temporal restrictions, in order to prevent and reduce gambling-related harms. According to the proposed section 50, subsection 6, a decree of the Ministry of the Interior would lay down provisions on the start of the period for collecting winnings from gambling referred to in section 50, subsections 1, 4 and 5.

The proposed Act would include a number of discretionary powers to the Ministry of the Interior to issue decrees.

According to section 21, subsection 4 of the proposed Act, more detailed provisions on the verification of the player's place of residence could be issued by decree of the Ministry of the Interior. According to section 22, subsection 5 of the proposed Act, more detailed provisions on player accounts may be issued by decree of the Ministry of the Interior. Under section 28, subsection 2 of the proposed Act, provides for the power for further provisions to be issued by decree of the Ministry of the Interior on the procedure for ensuring identity verification for gambling. According to section 32, subsection 3 of the proposed Act, provisions may be laid down by decree of the Ministry of the Interior on the maximum permitted stakes and winnings, the pace and other characteristics of games by form of gambling service or game, as well as quantitative and temporal limits per form of gambling service, game and player for gambling offered by the holder of a gambling licence.

According to the proposed section 43, subsection 4, more detailed provisions on the conditions for international collaboration and the reliability of the systems, equipment and draw methods used in such collaboration could be issued by decree of the Ministry of the Interior.

It is proposed that five powers to the supervisory authority to issue regulations be included in the Gambling Act. According to section 11, subsection 6 of the proposed Act, the supervisory authority may issue further regulations on the content, form and appendices of the licence application.

According to the proposed section 44, subsection 6, the supervisory authority may issue more detailed regulations on the reliability of the gambling systems, draw equipment and draw methods used in the operation of gambling and on the technical requirements for ensuring randomness of draw results, on the more detailed form and content of the inspection body's investigation and approval, and on the conditions that the inspection body must meet in order to be approved by the authority. According to the proposed section 45, subsection 4, the supervisory authority may issue more detailed regulations on the certificate to be used to ensure that gambling transactions and player account transactions remain unchanged, on the

technical format for the delivery of gambling transactions and player account transactions, and on the technical requirements for connection to the interface of the supervisory authority's supervision system.

According to section 68, subsection 2 of the proposed Act, the supervisory authority may issue further regulations on the deadlines for submitting the reports referred to in subsection 1 of the same section and on the content of the reports. According to section 71, subsection 6 of the proposed Act, the supervisory authority may issue more detailed regulations on the payment procedure, the payment of the fee in more than one instalment and the manner in which the information necessary for the setting of the supervisory fee is to be provided.

Regulations to be repealed

It is proposed that sections 13c and 48 of the current Lotteries Act be repealed and that section 67, paragraph 1 be amended, which would also repeal the Decree of the Ministry of the Interior on the rules of play of Veikkaus Oy (VN/19874/2023) and the Government Decree on the operation of gambling of Veikkaus Oy (1414/2016) issued under the power to issue decrees contained within those sections. The decrees would apply during the transitional period during which Veikkaus Oy would have exclusive right to the operation of gambling under the Lotteries Act.

9 Entry into force

According to the Government Programme, the Government will reform the Finnish gambling system by opening it to competition using a licence model no later than 1 January 2026. Accordingly, the proposal proposes that the provisions of the Gambling Act concerning the application for a licence and the conditions for the grant of a licence, the authorities' right of access to information related to the licence procedure and the compensation payable to the State for an exclusive licence enter into force from the beginning of 2026.

The new Gambling Act would mainly enter into force on 1 July 2026 at the earliest, but no later than 1 January 2027, at which time licensed gambling activities could commence to the extent that licences have been granted at that stage. The date of entry into force would primarily depend on whether the appropriations required for the practical implementation of licensing and supervision activities, such as human resources and the construction of information systems, would be granted in full in the 2025 budget.

This is a completely new gambling legislation that requires extensive information system updates and other measures to organise licensing and supervision activities. The aim of the transitional period is to ensure that the licensing authority has a sufficiently long time to process licence applications and also to implement information system upgrades related to the supervision of the sector and the centralised self-exclusion register.

After the transitional period, the Licensing and Supervisory Authority would act as the licensing and supervisory authority. Until then, the National Police Board would act as the competent licensing authority under the Gambling Act. The proposed transitional period would be necessary because the Licensing and Supervisory Authority is expected to become operational at the beginning of 2026 and it is not practically possible to transfer the licensing and supervisory function of the gambling industry to the Agency as a new work package at the very beginning of the agency's operations. The objective is for the National Police Board to have, from the beginning of 2026, the necessary information systems and a sufficient number

of staff as well as other capabilities required for operations so that it can begin to receive and process licence applications. The intention is that the exclusive licences and gambling licences granted by the National Police Board during the transitional period beginning at the beginning of 2026 would enter into force simultaneously when the Gambling Act enters into force.

The proposal proposes that Veikkaus Oy's exclusive right would also be based on licences. Veikkaus Oy should apply to the National Police Board, which is the competent licensing authority, for exclusive licences in accordance with the proposed Gambling Act for the provision of gambling services covered by the exclusive right. The proposal proposes that Veikkaus Oy's statutory monopoly on the operation of gambling in accordance with the valid Lotteries Act would remain in force until the entry into force of the Gambling Act at the same time as the exclusive licences granted at the beginning of the system reform and the gambling licences granted for the competitive market.

The proposed amendments to the Lotteries Act would enter into force when the new Gambling Act enters into force. The provisions of the Lotteries Act and decrees issued on the basis of the Lotteries Act would therefore apply to Veikkaus Oy’s exclusive rights activities during the transitional period, including the operation, marketing and supervision of gambling and the inclusion of Veikkaus Oy’s profits in the budget. Under the Lotteries Act, the National Police Board would supervise the gambling activities carried out by Veikkaus Oy on an exclusive basis for a transitional period of one year. Until then, the National Police Board would also monitor that operators outside the exclusive rights system would not operate or market gambling in violation of the Lotteries Act.

As the proposed regulation would not allow the holder of an exclusive right to be granted a licence for the operation of gambling services under a competitive licensing system, Veikkaus Oy would be required to separate the operation of gambling in a competitive market from the holder of an exclusive right to a separate company before the entry into force of the exclusive licences. Veikkaus Oy is planned to have a group structure in which the current Veikkaus Oy would continue as the parent company, and it would fully and directly own four subsidiaries, one of which exists (Fennica Gaming Oy) and the other three (Monopoli-Veikkaus Oy, Lisenssi-Veikkaus Oy and Veikkaus Tech Oy) of which would be established in connection with the arrangement and would be created as business transfers according to the current plan. Other arrangements would also be possible. The method of implementing the structural arrangements to be chosen will have an impact on the timetable. Irrespective of the method of implementation chosen, it would be necessary to obtain an advance tax ruling, which would affect the duration of the necessary transitional period. Veikkaus Oy would apply to the tax authorities for an advance tax ruling on the business arrangements. Veikkaus Oy estimates that the changes required by the reform could be implemented within a few months of the entry into force of the provisions of chapter 2 of the Gambling Act on the licensing procedure on 1 January 2026.

Veikkaus Oy would be required to submit a reasoned application to the Prime Minister's Office for the establishment of subsidiaries. According to the assessment of the Prime Minister’s Office, Veikkaus-Tech Oy, in which the Group’s technology businesses would be incorporated, would be a company referred to in section 12, subsection 4 of the Lotteries Act that engages in activities other than gambling services. According to the assessment of the Prime Minister’s Office, Veikkaus Oy’s new subsidiaries, namely the monopoly subsidiary Monopoli-Veikkaus Oy and the competitive market subsidiary Lisenssi-Veikkaus Oy, would be companies necessary for gambling activities in accordance with section 13b, subsection 2 of the Lotteries Act, but they would not be allowed to operate gambling during the transitional

period. In practice, Monopoli-Veikkaus Oy and License-Veikkaus Oy would be established as so-called shell companies. Veikkaus Oy would apply for the necessary licences on behalf of the companies to be established. After the end of the transitional period, Veikkaus Oy would transfer its actual business operations to those companies, which could start gambling operations after they have been granted a licence and the licences have entered into force when the new Gambling Act enters into force. The shell company model would apply the model used in connection with the merger of three separate gambling operators that entered into force at the beginning of 2017.

Before the entry into force of the new Gambling Act, the Government should also make decisions on the compensation to be paid to the State for the exclusive right referred to in section 19 of the Gambling Act. In addition, the first instalment of the non-recurring compensation should be paid before the entry into force of the new Act, because the payment of the compensation would be a condition for the validity of the exclusive licence and thus also a condition for starting the exclusive right activities under the new Gambling Act.

The proposal proposes that only gambling software provided by holders of a gambling software licence should be used in the operation of gambling. Operators applying for an exclusive licence and a gambling licence should include in their licence application information on the software supplier from which the applicant acquires the gambling software. The obligation to use only the gambling software of a gambling software licence holder would apply after the transitional period from the beginning of 2028. Therefore, it would not be necessary to apply for licences for gambling software licences first, and gambling activities under the new Gambling Act could start when the Act enters into force. It would be possible to apply for a gambling software licence from the beginning of 2027. Due to the proposed transitional period, exclusive licence holders and gambling licence holders would have sufficient time to prepare for the changes and, if necessary, change gambling software suppliers.

10 Implementation and monitoring

Moving to the new gambling system requires that licensing and supervision activities in accordance with the new legislation be organised well in advance of the entry into force of the new legislation. Moving to the licensing system requires extensive information system upgrades and the organisation of the supervisory authority, as well as appropriately trained staff and a larger number of staff. According to the current estimate, the overall information system package would consist of the following elements: the licence management system, the self-exclusion system and the supervision system. In order to be able to receive licence applications from the beginning of 2026, at least a licence management system should be in place at that time so that the functions for receiving and processing applications would be available. Before the commencement of licensed gambling activities, the other elements of the supervision information system should be ready for use.

The preparation of the implementation of the licensing and supervision activities has been carried out as a separate project from the legislative project. As the licensing and supervision activities are to be located in the licensing and Supervisory Authority after the transitional period, the implementation will be prepared under the leadership of the Ministry of Finance. The task of the implementation project is to prepare for the implementation of the licensing and supervision function of the new gambling system so that the National Police Board, which will carry out the licensing task under the new gambling system during the transitional period, will have the best possible operational capacity from 1 January 2026 to carry out the new

tasks, also taking into account the supervisory tasks based on the current provisions of the Lotteries Act. The aim is also to ensure and implement the orderly transfer of licensing and supervisory tasks to the new Licensing and Supervisory Authority to be established.

The transition to the new gambling system requires the establishment of Veikkaus Oy's subsidiaries as described in section 9. The proposed regulation would not directly affect the State's ownership of Veikkaus Oy. If the State later decided to relinquish part of its shares in Veikkaus Oy, this would take place in accordance with the provisions of the Act on State Shareholdings and Ownership Steering, i.e. the transfer of shares would require the consent of Parliament in accordance with section 3, subsection 1 of the Act in a situation where the State ceases to be the sole owner of the company. At this stage of the preparation, it is not possible to present an estimate of the timing of a possible sale of shares and, therefore, of obtaining the necessary consent from Parliament. The Prime Minister's Office will assess the expansion of Veikkaus Oy's ownership base enabled by the new Gambling Act as part of its ownership strategy work, for example by monitoring the general market situation, Veikkaus Oy's profitability and competitiveness in the new market, and taking into account the government's budgeted property income targets. The Prime Minister's Office actively monitors the functioning of the Act as part of its ownership steering in accordance with good governance. The Government Programme requires that ownership steering continuously assesses the most appropriate solution for state-owned companies, i.e. the state can keep ownership unchanged or reduce it within the ownership limits, as deemed appropriate.

As this is a comprehensive reform of the gambling system and legislation, it would be important to monitor and assess the impact of the measures proposed in the proposal on the objectives set for the reform in the Government Programme to prevent and reduce gambling-related harms and to improve the channelling rate. The integrity of the new legislation would be monitored, for example, through regulatory oversight and information from various stakeholders.

The proposal does not include any draft provisions on the payment transaction blocks included in the Lotteries Act or on the website traffic blocks examined during the preparation. After the entry into force of the Gambling Act, the functioning of the new gambling market would be monitored and the need to provide for payment transaction blocks and website traffic blocks would be assessed, taking into account, among other things, the technical feasibility and more precise cost implications for banks and internet operators. After the entry into force of the Gambling Act, it would also be possible to examine the preconditions for enacting a small-scale gambling licence for non-profit operators and to assess the social impacts of the change.

In the new gambling system, the supervisory authority would be the Licensing and Supervision Authority. The transfer of supervisory powers to the Licensing and Supervisory Authority would require the adoption of a new regulation on the supervision of the Money Laundering Act in Åland, as described in section 7.4 above.

11 Relationship to other Bills

11.1 Dependence of the Bill on other Bills

The proposal is related to the Government proposal on the Licensing and Supervisory Authority which is currently being prepared in the legislative project on the reform of regional state administration set up by the Ministry of Finance (VM114:00/2023). The round of consultation on the draft government proposal will be held between 20 June and 1 September

2024. The government proposal is expected to be submitted in the spring of 2025. The Government proposal on the new gambling legislation proposes that the Licensing and Supervisory Authority would act as the competent licensing and supervisory authority from 2027. The proposal does not contain proposals to amend the same provisions of the Act, but the timetable for the processing of the proposals and the more detailed content of the acts to be adopted as a result of the proposals may, in some respects, have an impact on the staggering of the entry into force or application of the gambling legislation in particular.

11.2 Relationship to the draft budget

The proposal is linked to the draft Government budget for 2026. The proposal proposes that during the transitional period, Veikkaus Oy operate gambling on the basis of the exclusive right provided for in the Lotteries Act. In accordance with section 17 of the Lotteries Act, the proceeds of Veikkaus Oy would be entered in the state budget in an amount corresponding to the profit recognised in the company's latest financial statements.

Gambling activities subject to a licence under the new Gambling Act would start when the Act enters into force. However, the provisions of section 19 of the Gambling Act on compensation payable to the State for the exclusive right would apply already in 2026. The Government should make decisions on compensation before the entry into force of the Gambling Act. The first instalment of the lump sum would also be payable before the entry into force, which would affect government revenue in 2026.

The proposal proposes that the provisions of the new Gambling Act concerning licence applications would apply from the beginning of 2026. Receiving and processing licence applications would require additional resources from the National Police Board, which will act as the licensing authority in 2026. Veikkaus Oy would be responsible for the costs resulting from supervision of its gambling activities under the Lotteries Act, but additional resources would be needed for licence activities under the Gambling Act, which cannot be financed from the police’s operating expenditure item.

Section 4.3.2.1 discusses the estimated effects on central government revenue and expenditure in more detail.

12 Relationship to the Constitution and the legislative process

[Section deleted from this draft submitted for notification]

Resolution

In accordance with the above, the following bills will be presented to Parliament for approval:

1.

Gambling Act

In accordance with the decision of parliament, the following is laid down:

Chapter 1

General provisions

Section 1

Scope and purpose of the Act

This Act lays down provisions on gambling activities and their supervision.

The purpose of this Act is to ensure the legal protection of participants in gambling, to prevent irregularities and crime related to gambling, and to prevent and reduce the harms caused by gambling.

The Act applies to gambling activities carried out in or directed towards the national territory.

The Act does not apply to:

(1) a vessel in the national territory if it involves innocent passage within the meaning of the United Nations Convention on the Law of the Sea (Treaty Series 49–50/1996);

(2) a foreign aircraft flying over the national territory without landing at an airport in the national territory;

(3) gambling of a private nature in social situations, where the stake placed for the gambling and the potential loss are reasonable and not disproportionate to the participant's ability to pay.

This Act does not apply to random benefits offered in marketing, if the only requirement for receiving the benefit is the purchase of goods or making a purchase offer.

Provisions on the operation of non-money lotteries are laid down in the Lotteries Act (1047/2001).

Section 2

General provisions on gambling activities

Gambling may only be offered by a legal or natural person who has been granted an exclusive licence or gambling licence under this Act.

Gambling software used in the operation of gambling may only be offered by a legal or natural person who has been granted a gambling software licence under this Act.

A licence is not required for the receipt of payments or the transmission of winnings related to gambling offered by a holder of an exclusive licence holder or holder of gambling licence, or for providing facilities for making slot machines available for use or for the use of lottery draw equipment.

Section 3

Definitions of games of chance, forms of gambling services and gambling venues

For the purposes of this Act:

(1) *games of chance* means games in which players are required to wager a stake of monetary value in order to participate and may win a money prize based in full or in part on chance;

(2) *gambling* means the overall act of purchasing and playing games of chance and claiming any cash prizes;

(3) *money lottery* means gambling services in which it is possible to win money in a draw in such a way that the outcome of the game is based on a draw and the randomness of the draw is ascertained by a jointly limited number of tickets or corresponding method of participation entered in the draw;

(4) *instant win games* means money lotteries operated in game rooms, casinos or gambling locations, where the draw and verification of the randomness of the draw take place before the start of the sale, and where the draw involves a limited number of tickets and all tickets sold within the same sales period for the same lottery product, and where the player has no influence on the outcome of the game through his or her choices in the game;

(5) *online instant win games* means online money lotteries, where the draw and the verification of the randomness of the draw may take place before the start of the sale or at the time of purchase; and where the draw applies to a limited number of tickets and to all tickets sold together for the same lottery product during the same sales period and where the player has no influence on the outcome of the game through his or her choices in the game;

(6) *fixed-odds betting* means gambling services where the player has the opportunity to participate in the distribution of winnings determined on the basis of guesses about the events or results of sports or other competitions, in accordance with the stake wagered by the player and the odds indicating the probability of the outcome of the betting market; in the case of fixed-odds betting, players may claim all or part of the winnings even if the event has not yet ended;

(7) *parimutuel betting* means gambling services other than those referred to in paragraph 6 in which the player is able to participate in the distribution of winnings on the basis of guesses concerning the events or results of sports or other competitions; in the case of parimutuel betting, players may claim all or part of the winnings, even if the event has not yet ended;

(8) *virtual betting* means gambling services where the player has the opportunity to participate in the distribution of cash prizes based on animated races;

(9) *pools* means gambling services in which the player has the opportunity to participate in the distribution of winnings based on a draw of numbers, symbols or other markings;

(10) *online bingo* means gambling services where the winners are those whose online card or online ticket contains the numbers drawn in the order of the players according to the rules of the game;

(11) *casino game* means roulette, card and dice games and other comparable gambling services;

(12) *slot machine* means a gaming machine or device permanently located in a specific location by means of fixed installation and which players can play to win money;

(13) *online casino games* means online roulette, card, dice, wheel of fortune and other comparable gambling services;

(14) *online slot machine game* means online gambling services where the payment for the game, the draw and the payout are a succession of elements in a single gambling transaction;

(15) *combination games* means gambling services combining features of the forms of gambling services referred to in paragraphs 3–14;

(16) *casino* means supervised premises where such slot machines and casino games may be made available for use by players where the potential loss may be manifestly disproportionate to the ability of at least some participants' ability to pay, as well as other gambling services;
(17) *game room* means a space reserved exclusively or mainly for gambling;
(18) *gambling location* means a gambling services point of sale other than a game room or casino.

Section 4

Other definitions

For the purposes of this Act:
(1) *gambling activities* means the operation of gambling, the marketing of gambling and the manufacture, supply, installation or adaptation of gambling software;
(2) *operation of gambling* means the sale, supply or provision of gambling products in a physical or online environment;
(3) *operation of gambling in the national territory* means the sale, supply or provision of gambling products for gambling in a physical or online environment, in such a way that activities related to the operation and marketing of gambling are aimed at enabling and promoting participation in gambling, especially in the national territory;
(4) *gambling operator* means any natural or legal person who operates gambling;
(5) *licence holder* means a natural or legal person who has been granted a licence under this Act for the operation of gambling or for the manufacture, supply for installation or adaptation of gambling software for the operation of gambling;
(6) *player account* means an account opened and managed for a player for the purpose of gambling by the holder of an exclusive licence or the holder of a gambling licence;
(7) *marketing* advertising, indirect advertising and other promotional activities; indirect advertising, in particular, is the promotion of a commodity in combination with the advertising of another commodity, where the distinctive mark of another product or its seller is used as such or recognisably adapted to the product, or where the advertising of another product conveys an image of a certain product or its seller;
(8) *marketing targeted at the national territory* means marketing content in Finnish, in particular content of interest to national consumers, marketing content targeted at or addressed to national consumers, marketing in the national territory and other marketing methods that can be considered to be targeted at consumers residing in the national territory in the aforementioned or other similar ways;
(9) *sponsorship* means funding or other financial support provided by a gambling operator to an organisation, event, team or individual for the purpose of promoting the sale or popularity of services offered by the gambling operator;
(10) *gambling-related harms* means the health, economic and social harms associated with gambling;
(11) *agent* means a trader or entity which receives payments or transmits winnings related to gambling or provides facilities for making slot machines available for use or for the use of lottery draw equipment;
(12) *gambling system* means an online information system used by or on behalf of the gambling operator for the operation of gambling;
(13) *gambling software* means software used in the operation of gambling;
(14) *gambling transaction* means the stake wagered by the player on the game, the outcome option chosen by the player, the choices made by the player which are relevant to the outcome

of the game and the results of the markets and draws, as well as any winnings and losses recorded in the gambling system of the holder of an exclusive licence or gambling licence;

(15) *player account transaction* means account entries.

Chapter 2

Exclusive licence, gambling licence and gambling software licence

Section 5

Exclusive licence

The following forms of gambling services may be granted a licence under the conditions laid down in this Act (*exclusive licence*):

(1) lotteries and pools;

(2) slot machines and casino games.

No more than two exclusive licences may be granted, one for the forms of gambling services referred to in paragraph 1 and the other for the forms of gambling services referred to in paragraph 2.

The holder of an exclusive licence shall have the right to provide the forms of gambling services referred to in subsection 1 in the form of combination games, which combine characteristics of the forms of gambling services for which the operator holds a licence.

The holder of a gambling licence referred to in section 6 of this Act may not be granted an exclusive licence.

Section 6

Gambling licence

The following forms of gambling services may be granted a licence under the conditions laid down in this Act (*gambling licence*):

(1) fixed odds betting;

(2) parimutuel betting;

(3) virtual betting;

(4) online casino games;

(5) online bingo;

(6) online slot machine games.

The holder of a gambling licence shall have the right to provide the forms of gambling services referred to in subsection 1 in the form of combination games, which combine characteristics of the forms of gambling services for which the operator has a licence.

The holder of an exclusive licence cannot be granted a gambling licence.

Section 7

Gambling software licence

A gambling software licence may be granted for the manufacture, supply, installation or adaptation of gambling software used in the operation of licensed gambling referred to in this Act.

Section 8

General conditions for the grant and validity of an exclusive licence

An exclusive licence under this Act shall be granted to a limited liability company controlled by the Finnish State in accordance with chapter 1, section 5 of the Accounting Act (1336/1997), the activity of which is the operation of gambling and if it can be ascertained on the basis of information received that the applicant and its owners and management meet the requirements for reliability and suitability laid down in section 10.

If a legal person belonging to the same group as the holder of an exclusive licence operates the forms of gambling services referred to in section 6 above or carries on activities other than gambling, such activities shall be separated from the gambling activities carried out under the exclusive licence.

All financial links between the holder of an exclusive licence and companies belonging to the same group shall be organised according to the arm's length principle. The holder of an exclusive licence shall document the arm's length nature of the financial links and, on request, submit the documentation to the supervisory authority or another authority if the information is necessary for the performance of the task assigned to that authority.

Activities related to the operation of gambling under an exclusive licence and other business activities shall be separated and the gaming sites, customer registers and player accounts of the separated activities shall be kept separate.

Section 9

General conditions for the grant and validity of a gambling licence and a gambling software licence

A gambling licence and a gambling software licence shall be granted to a natural or legal person referred to in section 2, subsection 1 or section 3, subsections 1 or 2 of the Business Act (565/2023), if it can be ascertained on the basis of the information received that the applicant and its owners and management meet the requirements for reliability and suitability laid down in section 10.

In addition, the grant of a licence to a natural person requires that the applicant has reached the age of majority, that his or her legal capacity has not been restricted under section 18 of the Guardianship Service Act (442/1999), and that a guardian has not been appointed to him or her under section 8, subsection 1 of that Act.

Section 10

Reliability and suitability of the applicant

The grant of an exclusive licence and a gambling licence requires that the applicant is reliable and suitable for the operation of the gambling referred to in this Act. The grant of a gambling software licence is subject to the condition that the applicant is reliable and suitable to manufacture, supply, install or adapt the gambling software used in the provision of gambling services.

An applicant cannot be considered reliable and suitable within the meaning of subsection 1 if:

(1) the applicant has been sentenced to imprisonment or a corporate fine in the five years preceding the assessment, or to a fine in the three years preceding the assessment, for an offence that may be considered to indicate that they are manifestly unsuitable for the operation

of gambling or for the manufacture, supply, installation or adaptation of gambling software used in the operation of gambling;

(2) the applicant is bankrupt or, based on their assets, is unable to take care of their operations and meet their statutory obligations;

(3) the applicant has debts that exceed their ability to pay to be recovered by enforcement proceedings or debts that have been returned from enforcement proceedings with certificates of lack of means;

(4) the applicant has, or has had in the current year or in the preceding three calendar years, repeated or significant failures to fulfil their obligations relating to taxes or statutory payments;

(5) the applicant has been subject to a disqualification or a temporary disqualification;

(6) a licence under this Act has been revoked for the applicant during the preceding three years for reasons other than the applicant's own request;

(7) a prohibition order or a penalty fee has been issued to the applicant during the three years preceding the assessment for the operation or marketing of gambling in violation of this Act without a licence required by this Act;

(8) 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 violation of the Lotteries Act;

(9) the applicant has been guilty of providing materially false or misleading statements when notifying the supervisory authority of the information referred to in this chapter, or has neglected to provide the required information;

(10) the applicant is directly or indirectly subject to restrictive measures by virtue of ownership or control on the basis of sanctions regulation or national freezing orders.

If the applicant is a legal person, the requirement of reliability and suitability also applies to a member of the applicant's board of directors, a deputy member and a member of senior management, as well as to a person who directly or indirectly holds at least 25 % of the shares in a limited liability company or of the voting rights conferred by the shares or, in the case of an entity other than a limited liability company, the corresponding ownership or control.

In the assessment of the reliability and suitability of the owner and management, the factors referred to in subsection 2 may be taken into account for registered companies and entities referred to in section 3 of the Business Information Act or similar entities registered outside Finland that are directly or indirectly connected to the applicant or the persons referred to in subsection 2.

In order to determine the applicant’s reliability and suitability, the supervisory authority may request from the Grey Economy Information Unit a compliance report referred to in section 5 of the Act on the Grey Economy Information Unit (1207/2010).

Section 11

Licence application

Applications for an exclusive licence, gambling licence and gambling software licence shall be made in writing to the supervisory authority.

The application must be accompanied by sufficient information about the applicant and their ownership, management and financial conditions, if these are not already available to the authorities:

(1) the applicant's name, personal identity code and other identification data as well as the contact details of the applicant and the applicant's contact person;

(2) the legal form of the applicant;

(3) information describing the ownership and management relationships of the organisation;

(4) information on the applicant's financial conditions;
(5) information on whether the applicant has been subject to a disqualification or a temporary disqualification;
(6) the articles of association, rules or other description of the purpose of the activities of the applicant;
(7) description of the applicant's activities;
(8) information on the duration of the licence applied for;
(9) extract from the criminal record of the applicant natural person;
(10) extract from the criminal record of the applicant's significant owner and member of senior management.

The applicant for an exclusive licence and the applicant for a gambling licence shall also append to the application:
(1) an account of the forms of gambling services the applicant plans to provide;
(2) information on the gambling software supplier from which the applicant will acquire the gambling software used in the provision of gambling services;
(3) an explanation of where and how gambling is to be marketed;
(4) information on the representative of applicants established outside the European Economic Area;
(5) information on the agents used by the applicant;
(6) an account of the applicant's procedures referred to in section 47 and the number of trained staff for handling disputes, complaints and other issues concerning gambling, as well as other measures planned by the applicant to detect and prevent manipulation of competitions;
(7) a report on compliance with the obligations concerning customer due diligence, know your customer and duty to notify, risk assessment and risk management methods in accordance with the regulations on anti-money laundering and countering the financing of terrorism.

At the request of the supervisory authority, the applicant shall, without delay, provide any additional information necessary to resolve the matter. The applicant shall inform the supervisory authority without delay or within the time limit set by the authority of any facts or changes affecting the accuracy of the information provided in the licence application.

The supervisory authority shall have the right to disregard a submitted report, reply or other such document if the submitted document is clearly incomplete, submitted after the given deadline or does not correspond in substance to the information requested by the supervisory authority or to the matter under consideration.

The supervisory authority may issue further provisions on the content, form and annexes of the licence application.

Section 12

Representative of a gambling licence holder established in a third country

If the licence holder does not have a place of residence in a State belonging to the European Economic Area or is not established in a State belonging to the European Economic Area, it must have a representative domiciled in a State belonging to the European Economic Area. The representative shall meet the conditions laid down in section 10. In connection with the applicant’s application for a licence, the representative shall also provide the supervisory authority with the information on the representative referred to in section 11, subsection 2 above.

The licence holder shall authorise the representative to represent the licence holder in the Finnish authorities in all matters related to the activities covered by the licence, to act on

behalf of the licence holder and to receive a summons against the licence holder and to exercise the right to speak themselves or through someone else.

Section 13

Content of the licence

The exclusive licence and the gambling licence shall specify:
(1) the unique licence number of the holder of an exclusive licence or gambling licence;
(2) permissible forms of gambling;
(3) the period of validity of the licence.
The gambling software licence shall contain the information referred to in subsection 1, paragraphs 1 and 3.

Section 14

Period of validity of licence

An exclusive licence are granted for ten years at a time.
A gambling licence and a gambling software licence are granted for a maximum of five years at a time.
A gambling licence and a gambling software licence may be granted for a shorter period if:
(1) the applicant has applied for a shorter fixed-term licence;
(2) the activity is of short duration.

Section 15

Commencement and continuation of operations

An activity subject to licence may commence immediately after the licence has been granted, subject to the validity of the licence.
If the licence holder applies for a new licence no later than six months before the expiry of the existing licence, the operations may continue until the matter concerning the new licence has been considered.

Section 16

Obligation to provide supplementary information

The holder of an exclusive licence and the holder of a gambling licence shall submit to the supervisory authority the licence holder's business identity code no later than three months after the licence holder has commenced gambling activities.

Section 17

Prohibition of transfer and assignment of licence

The licence and the rights contained therein may not be sold or otherwise transferred, in full or in part, to another party.

Section 18

The licence holder's duty to notify changes and amendments to licence

The holder of an exclusive licence, the holder of a gambling licence and the holder of a gambling software licence shall notify the supervisory authority in writing of any material changes concerning the licence holder, its operations, ownership, management and financial conditions within two weeks of the change.

Where a licence has been granted to a legal person and control of that legal person by virtue of ownership, contract or other arrangement is transferred, the licence holder shall notify the supervisory authority thereof in writing within two weeks of the transfer of control.

Following the granting of an exclusive licence and a gambling licence, the supervisory authority may, on application by the holder of an exclusive licence or the holder of a gambling licence, amend the licence in respect of the permissible forms of gambling services referred to therein. The amendment to the licence requires that the conditions laid down in this Act for granting an exclusive licence or gambling licence continue to be met.

If the holder of an exclusive licence, the holder of a gambling licence or the holder of a gambling software licence decides to change the nature or extent of its activities in such a way that the licence granted no longer covers the changed activities, or the conditions for granting the licence are no longer met, the licence holder shall apply for the licence to be amended without delay before implementing the change. The change shall not be implemented until the supervisory authority has taken a decision to amend the licence.

Section 19

Compensation payable to the State by the holder of an exclusive licence

The holder of an exclusive licence shall pay compensation to the State for the exclusive licence. The compensation is licence-specific and payment thereof is a condition for the validity of an exclusive licence.

Compensation paid to the State by the holder of an exclusive licence shall consist of the following:

(1) the basic compensation determined by a decision of the Government, the amount of which shall correspond to the estimated gross gaming revenue for the entire period of validity of the licence from the gambling services provided under the exclusive licence, less a profit deemed reasonable from the gambling activities carried out under the licence in question. The determination of the reasonable profit shall also take into account an estimate of the annual compensation to be paid under paragraph 2.

(2) annual compensation, the amount of which shall be determined by a decision of the Government for each calendar year and shall correspond to a proportional share decided by the Government of the realised gross gaming revenue for the preceding calendar year from gambling services provided on the basis of an exclusive licence .

The schedule for the payment of the basic allowance referred to in subsection 2, paragraph 1 above shall be confirmed by Government decision. The annual compensation referred to i paragraph 2 shall be paid by the holder of an exclusive licence to the State for the first time in the calendar year immediately following the entry into force of the licence and for the last time in the calendar year immediately following the expiry of the licence.

If, during the licence period, the annual compensation determined in accordance with subsection 2, paragraph 2 does not enable the holder of an exclusive licence to cover the operating and capital costs required for gambling activities carried out under the licence for the period of validity of the licence and a reasonable return on gambling activities, the Government may, on application by the holder of the exclusive licence, deviate from the proportional share referred to in subsection 2, paragraph 2 decided by the Government when

determining the annual compensation for the following year, provided that the proportional share cannot be lower than zero. If the profit level of the licence holder of an exclusive licence exceeds a level deemed reasonable during the licence period, the Government may, after consulting the holder of the exclusive licence, in determining the proportional compensation for the following year increase the compensation from that which would otherwise be determined in accordance with subsection 2, paragraph 2.

A decision made by the Government under subsection 2 may be appealed to the Supreme Administrative Court. The appeal shall be handled urgently. The Government's decision must be complied with regardless of any appeals, unless the appellate authority orders otherwise. In other respects, the provisions of the Administrative Judicial Procedure Act (808/2019) shall apply to appeals. An appeal against a government decision shall not affect the validity of the licence referred to in section 1 of this Act.

Further provisions on the determination of the compensations referred to in subsection 2 and on the assessment of capital employed in gambling activities, a reasonable rate of return, and the income and costs of the activities related to the determination of the compensations may be issued by government decree.

Chapter 3

Operation of gambling

Section 20

Player registration and identity verification

The holder of an exclusive licence and the holder of a gambling licence shall register the players.

The person to be registered must be a natural person over the age of 18.

When registering a player, the holder of an exclusive licence and the holder of a gambling licence must verify the identity of the player.

Further provisions on the verification of a player's identity may be issued by government decree.

Provisions on customer due diligence related to the prevention of money laundering and terrorist financing are laid down in the Act on Preventing Money Laundering and Terrorist Financing (444/2017).

Section 21

Residence requirement

The holder of an exclusive licence and the holder of a gambling licence may, for the purposes of online gambling, register only natural persons who are permanently resident in the national territory.

In the operation of online gambling, the holder of an exclusive licence and the holder of a gambling licence shall verify the player's place of residence on a regular basis during the customer relationship.

The holder of an exclusive licence and the holder of a gambling licence shall prevent the playing of online games if the player resides permanently outside the national territory.

Further provisions on the verification of the player's place of residence may be issued by decree of the Ministry of the Interior.

Section 22

Player account:

The holder of an exclusive licence and the holder of a gambling licence shall in their provision of gambling services open a personal player account for a registered player.

However, the provisions of subsection 1 on the opening of a player account shall not apply to the operation of gambling in a casino.

The holder of an exclusive licence and the holder of a gambling licence shall enable the player to view the funds in the player's account, the transactions in the player's account, and the restrictions on gambling for at least the past year. In addition, the holder of an exclusive licence and the holder of a gambling licence shall provide the player with a function that enables the player to assess his or her own gambling behaviour on a monthly and annual basis.

The holder of an exclusive licence and the holder of a gambling licence shall keep the player's funds in the player account separate from the licence holder's own funds. The holder of an exclusive licence and the holder of a gambling licence shall, at the latest when opening a player account, inform the player how the funds in the player account will be protected if the holder of an exclusive licence or the holder of a gambling licence becomes financially insolvent.

Further provisions on player accounts may be issued by decree of the Ministry of the Interior.

Section 23

Closure of a player account

When a player account is closed, the holder of an exclusive licence and the holder of a gambling licence shall without delay pay the funds in the player account to the player.

The holder of an exclusive licence and the holder of a gambling licence shall not charge a fee for the closure of a player account.

Section 24

Age limit for gambling

The holder of an exclusive licence and the holder of a gambling licence, or a trader or an entity which acts as an agent for participation entries or participation fees related to gambling, or provides facilities for making slot machine available for uses, shall not allow a person under the age of 18 to gamble.

Section 25

Prohibition on credit, free games and discounts

The holder of an exclusive licence and the holder of a gambling licence may not operate gambling in such a way that players can participate in gambling on credit, using credit cards or against security.

The holder of an exclusive licence and the holder of a gambling licence may not transfer money based on credit to gambling.

The holder of an exclusive licence and the holder of a gambling licence may not offer gambling free of charge, at a reduced price, through combined offers or by offering money for

gambling other than in the form of the customer's gambling bonus money referred to in section 26.

Section 26

Offering other goods and gambling bonus money to customers

Offering other goods at a reduced price or free of charge is allowed during the customer relationship and in order to maintain it. The customer benefit offered shall not be contrary to good practice, shall be of moderate value and the amount of gambling or lack thereof shall not affect the basis on which the customer benefit is offered or the value of the customer benefit.

It is permitted to issue a moderate amount of gambling bonus money during an established customer relationship on equal terms between the customers of the exclusive licence holder and the gambling licence holder. Receiving gambling bonus money must not be based on the time spent gambling or be proportional to the amount of money spent on gambling.

Before issuing gambling bonus money, the holder of an exclusive licence and the holder of a gambling licence shall ensure that the offer of customer bonuses does not jeopardise the obligation of the holder of an exclusive licence and the holder of a gambling licence referred to in section 34 to protect players from excessive gambling.

The terms and conditions related to the receipt and use of gambling bonus money must be transparent, available to the customers of the holder of the exclusive licence or gambling licence and easy to understand.

Gambling bonus money cannot be exchanged directly for cash. The holder of an exclusive licence and the holder of a gambling licence may set a maximum wagering requirement of five times for gambling bonus money.

Section 27

Restrictions on the operation of betting

The holder of a gambling licence shall not offer betting:

(1) on an event or result of games of chance offered under an exclusive licence;

(2) on an event or result of a competition in which the majority of participants are under 18 years of age;

(3) on an event or result in a competition that is offensive or inappropriate from a general point of view;

(4) on a competition, the outcome of which may involve a significant risk of abuse;

(5) the market of which is the breach or penalty for a breach of the rules of a competition, tournament or sport;

(6) the market of which is elections referred to in section 1, subsection 1 of the Election Act (714/1998);

(7) the market of which is financial markets.

Section 28

Identity verification for gambling

The holder of an exclusive licence and the holder of a gambling licence shall ensure that a player can only gamble if they have verified their identity as a registered player of the holder of an exclusive licence or the holder of a gambling licence.

Further provisions on the procedure for ensuring identity verification for gambling may be issued by decree of the Ministry of the Interior.

Section 29

Gambling blocking measures

A player may, by notification to the supervisory authority, self-exclude from all gambling that requires registration.

The holder of an exclusive licence and the holder of a gambling licence shall enable the player to self-exclude from gambling offered by the holder of an exclusive licence and the holder of a gambling licence on a game-by-game basis or by form of gambling service.

The holder of an exclusive licence and the holder of a gambling licence shall not allow a player who has self-excluded to play the games of chance they have blocked.

The player may choose to self-exclude for an indefinite period of time or for a fixed period of time. Self-exclusion for an indefinite period of time shall be in force for at least one year. The player may request the removal of the self-exclusion set for an indefinite period of time after a minimum self-exclusion period has elapsed. The lifting of a self-exclusion imposed for an indefinite period of time shall take effect three months after the request to lift it.

The holder of an exclusive licence and the holder of a gambling licence shall enable immediate blocks on gambling involving games of chance offered by the holder of an exclusive licence and the holder of a gambling licence until the end of the following day.

Section 30

Licence holder-specific money transfer limit

The holder of an exclusive licence and the holder of a gambling licence shall ensure that gambling via a player account have in place a licence holder-specific money transfer limit, which is the maximum total amount players can deposit in the player account.

The holder of an exclusive licence and the holder of a gambling licence shall ensure that, when registering as a player or at the latest before the first transfer of money, the player is required to set a limit on the maximum total amount of money that players can transfer from their bank account to their player account per day and per month (*daily and monthly money transfer limit*).

The player can change the money transfer limits they have set. Upward changes to the money transfer limits shall take effect on the day following the setting of the daily money transfer limit and from the beginning of the month following the setting of the monthly money transfer limit. Any downward change in the transfer limits will take effect immediately.

Section 31

Operation of gambling by holders of an exclusive licence

The holder of an exclusive licence shall provide gambling services in a way that guarantees the legal protection of players, prevents abuse and crime related to gambling and keeps gambling-related harms to a minimum.

The following shall be laid down by government decree:

(1) the proportion of the gambling fees accrued in the operation of gambling that is to be paid to players in the form of winnings;

(2) how winnings are to be rounded;

(3) the maximum number of slot machines and casino games in gambling locations, game rooms and casinos;
(4) the maximum number of game rooms;
(5) the number of casinos, locations and opening hours.

Provisions on how unclaimed winnings, funds accrued from rounding of winnings and funds accruing from gambling fees in situations where, due to the randomness of the draw results, players have exceptionally been paid less in winnings than must be paid in winnings shall be laid down by government decree.

Provisions on the times when gambling srvices may be sold shall be issued by government decree.

Provisions on maximum loss limits per day, month and year may be issued by government decree for gambling by players involving slot machine gambling, online instant win scratchcards and fast-paced online pools.

The rules of play of the gambling offered by the holder of an exclusive licence shall be issued by decree of the Ministry of the Interior. The rules of play shall include:
(1) provisions on the distribution of winnings and the return of stakes;
(2) provisions on maximum permitted stakes and winnings from slot machines and casino games;
(3) provisions concerning the draws of games of chance.

To prevent and reduce gambling-related harms, the rules of play may also include:
(1) provisions on the pace and other characteristics of games specific to ta form of gambling or game;
(2) provisions on quantitative and temporal restrictions by form of gambling service, game or player.

The holder of an exclusive licence shall, if necessary, set quantitative and temporal restrictions on gambling by form of gambling service, game or player, and shall offer players the opportunity to set the aforementioned limits themselves.

Section 32

Operation of gambling by holders of a gambling licence

The holder of a gambling licence shall provide gambling services in a way that guarantees the legal protection of players, prevents abuse and crime related to gambling and keeps gambling-related harms to a minimum.

Provisions on maximum daily, monthly and annual loss limits per licence holder may be laid down by government decree for gambling by players involving online slot machines, online bingo, virtual betting and online casino games, with the exception of online poker games.

The following may be laid down by decree of the Ministry of the Interior:
(1) the maximum permitted stakes and winnings;
(2) provisions on the pace and other characteristics of games by form of gambling service or game;
(3) the quantitative and temporal limitations of the form of execution, game and player.

If necessary, the holder of the gambling licence shall set quantitative and temporal restrictions on gambling by form of gambling service, game and player, and offer players the opportunity to set the aforementioned restrictions themselves.

Section 33

Gambling software used by exclusive licence holders and gambling licence holders.

The holder of an exclusive licence and the holder of a gambling licence shall not use gambling software manufactured, supplied, installed or adapted by parties other than the holder of a gambling software licence in the provision of gambling services referred to in the licence granted to them.

The gambling software licence holder may not manufacture, supply, install or adapt gambling software for a party who operates gambling in the national territory or directs gambling offers to the national territory and who does not have the licence required by this Act for the operation of gambling.

Section 34

Duty of care

The holder of an exclusive licence and the holder of a gambling licence shall ensure that gambling complies with social and health considerations in order to protect players from excessive gambling and to help them reduce their gambling where appropriate. The duty of care includes preventing excessive gambling through continuous monitoring and evaluation of gambling behaviour.

The holder of an exclusive licence and the holder of a gambling licence shall assess the risk of gambling-related harms caused to the player by means of the automated processing of personal data referred to in section 36, subsection 1, paragraphs 3–7 and, if necessary, take measures to prevent and reduce the risks identified on the basis of the assessment. However, a decision to prevent or restrict gambling by a player must not be based solely on the automated processing of personal data.

The holder of an exclusive licence and the holder of a gambling licence shall define the procedures for communicating with players in situations where the licence holder identifies or suspects that the player's gambling constitutes harmful gambling.

The holder of an exclusive licence and the holder of a gambling licence shall document all contacts with players referred to in subsection 3 made by the holder of an exclusive licence and the holder of a gambling licence.

Section 35

Self-monitoring plan

The holder of an exclusive licence and the holder of a gambling licence and their agents shall draw up a written self-monitoring plan in order to ensure compliance with the law, adhere to it and keep records of its implementation. The plan shall be kept up to date and the exclusive licence holder and the gambling licence holder shall ensure that the personnel involved in self-monitoring are aware of their obligations laid down in this Act and in the plan. The holder of an exclusive licence and the holder of a gambling licence shall include in the self-monitoring plan a report on adherence to the duty of care.

Agents shall submit the self-monitoring plan to the supervisory authority upon request. The holder of an exclusive licence and the holder of a gambling licence shall submit the self-monitoring plan to the supervisory authority as provided in section 69.

Provisions on self-monitoring of slot machines are laid down in section 38.

Section 36

Right of the holder of an exclusive licence and the holder of a gambling licence to process personal data

Holders of an exclusive licence and holders of a gambling licence may process the following personal data concerning their customers and their gambling, if this is necessary to ensure the legal protection of participants in gambling, to prevent abuse and crime, to investigate abuse or to prevent and reduce gambling-related harms:

(1) the nationality of the customer and the information contained in a document verifying the identity of a foreign customer;

(2) the image of the customer of a casino and game room and the data collected as part of the IT monitoring of the casino and game room referred to in section 42;

(3) information on the customer's disruptive behaviour in the casino, game room or otherwise in connection with gambling;

(4) information on suspected or detected gambling fraud;

(5) information on self-exclusion, prohibition and restriction of gambling;

(6) information on suspected harmful gambling;

(7) customer identification data, data concerning gambling transactions and other data related to the customer relationship of the holder of an exclusive licence and the holder of a gambling licence, excluding data belonging to special categories of personal data.

The holder of an exclusive licence and the holder of a gambling licence may process the personal data referred to in subsection 1 for the processing purposes referred to in subsection 1 for a period of five years from the date of storage of the data or the end of the gambling ban or marketing ban.

Section 37

Information to be provided in connection with the operation of gambling

Holders of an exclusive licence and holders of a gambling licence shall make available to players:

(1) the rules and instructions for gambling services;

(2) information on the price of gambling services;

(3) information on the probability of winning in respect of gambling services;

(4) information on the rate of draws for gambling services;

(5) an assessment of the risk of harm of gambling services;

(6) other relevant information on gambling services.

The notification provided free of charge with a lottery ticket or in connection with the sale of the ticket shall contain information on the operation of the money lottery, the operator and the number, value and type of prizes.

The holder of an exclusive licence and the holder of a gambling licence shall also provide information on the licence granted and the supervisory authority as well as information on the age limit for gambling and on where to find information on gambling management tools and service providers providing support for gambling problems and on the possibility of self-exclusion referred to in section 29, subsections 1, 2 and 5.

The information referred to in subsections 1–3 above shall be in Finnish and Swedish.

Section 38

Provisions on slot machines

Slot machines should be located in such a way that gambling can be supervised without hindrance. They shall not be placed in such a way that their use may endanger safety or cause a public disturbance.

The principles governing the location of slot machines and making them available for use at gambling locations must be designed in such a way that the economic, social and health harms caused by gambling are minimised. In particular, the location and making available for use shall take into consideration the harms of gambling to minors and vulnerable persons.

The holder of an exclusive licence shall draw up a written plan for the general implementation of the monitoring and planning referred to in subsections 1 and 2 and keep a record of the location of gambling machines and the general and special instructions it has issued concerning their monitoring.

The owner of a gambling location in which a slot machine is located shall draw up a written plan to ensure the legality of its operations and compliance with the plan referred to in subsection 3, comply with it and keep a record of its implementation. The plan shall be kept up to date and the owner of the gambling location shall ensure that the staff involved in monitoring are aware of their obligations as laid down in this Act and specified in the plan.

The plans referred to in subsections 3 and 4 shall describe the obligations laid down in the Act, the risks associated with their practical implementation, how compliance with the obligations will be monitored and how any deficiencies identified will be corrected.

The holder of an exclusive licence shall, on request, present to the supervisory authority the plan referred to in subsection 3, the entries concerning the location of slot machines and the instructions issued.

Upon request, the holder of a gambling location shall present to the supervisory authority the plan referred to in subsection 4 and the records concerning the implementation of the plan. The holder of an exclusive licence shall display a notice indicating the holder of the exclusive licence and their contact details and business identity code in a prominent position on the slot machines.

Section 39

Slot machine payment monitoring

The holder of an exclusive licence shall reliably store information on the fees and winnings accrued from the use of slot machines. If cash can be used to play a slot machine, the slot machine must have a functionality that verifies the correctness of the money.

Section 40

Prohibition of self-service terminals

In gambling services and slot machines offered other than in a casino and in horse racing betting at racetracks, it is not permissible to allow players to place their own bets using technical or online gambling equipment provided by the exclusive licence holder, the gambling licence holder or their agent.

Section 41

Restrictions on gambling in casinos and game rooms

The holder of an exclusive licence shall not permit a person to enter a casino and shall remove from a casino a person who is under the age of 18 years or who is clearly under the influence of alcohol or other intoxicating or narcotic substances.

The holder of an exclusive licence and its staff shall refuse a person entry to a casino or remove them from the casino or restrict their gambling if the person so requests or if the person has a valid self-exclusion on all gambling or gambling at a casino.

The holder of an exclusive licence shall remove from a game room a person who is under 18 years of age or who is clearly under the influence of alcohol or other intoxicating or narcotic substances. The holder of an exclusive licence and its staff shall have the right to deny a person access to a casino or game room, to remove a person or to restrict their gambling if:

1) the person is suspected of gambling fraud or he or she is guilty of gambling fraud;

2) the person's behaviour causes or there is reason to suspect it will disturb the peace and good order of a casino or game room;

3) gambling causes or will apparently cause the person economic, social or health harm.

The ban or restriction may be imposed for a limited period of time or until further notice. A fixed-term ban or restriction shall be in effect for at least one month and not more than one year.

A person may request the lifting of an indefinitely imposed ban or restriction not earlier than one year after the ban or restriction has been imposed. The ban or restriction until further notice imposed pursuant to subsection 3, paragraphs 1–3 above shall be lifted unless there are weighty reasons for extending the ban. Any prohibition or restriction of indefinite duration imposed at the player's request pursuant to subsection 2 above shall be lifted three months after the request for removal.

Section 42

Technical surveillance of a casino and game room

The holder of an exclusive licence has the right, after giving prior notice, to monitor gambling operations by viewing and filming using technical equipment in the entrance and customer areas of the casino and game room, as well as in the workspaces of the casino staff. The right to technical surveillance does not apply to staff break areas or changing rooms.

Provisions on employee camera surveillance are laid down in sections 16 and 17 of the Act on the Protection of Privacy in Working Life (759/2004).

Section 43

International collaboration

The operation of gambling may include the provision of gambling services together with a natural or legal person offering gambling services outside the national territory. Such collaboration requires that the cooperation partner of the holder of an exclusive licence or the holder of a gambling licence has a licence for the operation of similar gambling services and the right to collaborate internationally, and that the cooperation partner does not operate or market gambling to the national territory without a licence in accordance with this Act.

The holder of an exclusive licence and the holder of a gambling licence shall ensure that, in gambling services offered in international collaboration, the legal protection of the player is guaranteed and that irregularities and crime related to gambling can be prevented.

The supervisory authority may, on application, grant permission to an exclusive licence holder or a gambling licence holder for international collaboration.

Further provisions on the preconditions for international collaboration and the reliability of the systems, equipment and draw methods used in it may be issued by decree of the Ministry of the Interior.

Section 44

Gambling systems, draw equipment and draw procedures of the exclusive licence holder and gambling licence holder

The holder of an exclusive licence and the holder of a gambling licence shall ensure that the gambling systems, draw equipment and draw procedures used in the operation of gambling are reliable and the draw results are random.

Prior to the commencement of the operation of gambling, the holder of an exclusive licence and the holder of a gambling licence shall submit to the supervisory authority a report and approval of the inspection body on the gambling systems, draw equipment and draw procedures used by the holder of an exclusive licence and the holder of a gambling licence in order to ensure their reliability and the randomness of the draws. The inspection body must be approved by the authority. The control body shall be accredited within the meaning of Regulation (EC) No 765/2008 of the European Parliament and of the Council setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93.

The holder of an exclusive licence and the holder of a gambling licence shall be responsible for the costs arising from the examination and approval carried out by the inspection body.

At any time during the period of validity of the licence, the supervisory authority may require the holder of an exclusive licence and the holder of a gambling licence to present an account of the operation and technical characteristics of the gambling systems, draw equipment and draw procedures used in its operations. The supervisory authority may require the inspection body to carry out inspection and approval of gambling systems, draw equipment and draw procedures at the expense of the holder of an exclusive licence or gambling licence.

The supervisory authority may issue further regulations on the reliability of the gambling systems, draw equipment and draw procedures used in the operation of gambling and on the technical requirements for ensuring the randomness of draw results, on the more detailed form and content of the inspection body’s investigation and approval, and on the conditions that the inspection body must meet in order to be approved by the supervisory authority.

Section 45

IT monitoring of gambling transactions and player account transactions

The holder of an exclusive licence and the holder of a gambling licence shall keep records of gambling transactions and player account transactions in the gambling services they provide for at least five years. The holder of an exclusive licence and the holder of a gambling licence shall ensure that the data on gambling transactions and the data on player account transactions remain unchanged and shall use a certificate specified by the authority. The holder of an exclusive licence and the holder of a gambling licence shall transmit to the supervisory authority, in a format determined by the supervisory authority, the gambling transactions and player account transactions of the gambling services provided by the licence holder. The information must be provided within a reasonable period of time after the end of the gambling.

The holder of an exclusive licence and the holder of a gambling licence shall ensure that it can make the information referred to in subsection 1 available to the supervisory authority by using the interface of the supervisory authority’s supervision system.

The supervisory authority may issue further regulations on the certificate to be used to ensure that gambling transactions and player account transactions remain unchanged, the

technical format for the transmission of gambling transactions and player account transactions, and the technical requirements for connecting to the interface of the supervisory authority's supervision system.

Section 46

Location of gambling systems and draw equipment

The gambling systems and draw equipment of the holder of an exclusive licence and the holder of a gambling licence shall be located in Finland.

The gambling system and lottery equipment may be located outside Finland if:

(1) the holder of an exclusive licence or the holder of a gambling licence has a licence in another state where the authority supervises the operation of its gambling activities and that authority has concluded an agreement with the supervisory authority on the supervision of gambling activities carried out by the licence holder in Finland; or

(2) the holder of an exclusive licence or a gambling licence offers the supervisory authority the possibility to verify the reliability of the gambling system and the draw equipment by means of a remote connection or other similar means.

Section 47

Specific provisions for the employees of exclusive licence holders and gambling licence holders

The holder of an exclusive licence and the holder of a gambling licence shall have rules on which employees are not allowed to participate in gambling operated by the licence holder. The holder of an exclusive licence and the holder of a gambling licence shall ensure that they do not participate in the gambling services in question. The holder of an exclusive licence and the holder of a gambling licence shall, on request, present the rules to the supervisory authority.

An employee of the casino is not allowed to participate in gambling services provided in the casino.

The holder of an exclusive licence and the holder of a gambling licence shall ensure that their staff are aware of their obligations as laid down in this Act. The holder of an exclusive licence and the holder of a gambling licence shall keep records of the training and competence of the persons working at the site and, on request, present the information to the supervisory authority.

Section 48

Procedures for detecting and preventing irregularities and duty to notify

The holder of an exclusive licence and the holder of a gambling licence shall have procedures in place to detect and prevent infringements of the provisions on the operation of gambling, the terms and conditions of the contract concluded between the licence holder and the player and the gambling instructions, and to detect and prevent manipulation of competitions.

In addition, the holder of an exclusive licence and the holder of a gambling licence shall have procedures that enable players to report the matters referred to in subsection 1 to the licence holder immediately.

The holder of an exclusive licence and the holder of a gambling licence shall, on request, present the procedures referred to in subsections 1 and 2 to the supervisory authority.

The holder of an exclusive licence and the holder of a gambling licence shall immediately suspend betting and inform the supervisory authority if it detects irregular or suspicious betting. The holder of an exclusive licence and the holder of a gambling licence shall also notify the supervisory authority if it detects other irregularities referred to in this section.

Section 49

Handling contacts with players

The holder of an exclusive licence and the holder of a gambling licence shall have procedures and the necessary number of trained personnel to deal with disputes, complaints and other issues relating to the gambling services they provide. The holder of an exclusive licence and the holder of a gambling licence shall, on request, present the procedures to the supervisory authority.

The holder of an exclusive licence and the holder of a gambling licence shall respond to contacts from a player within a reasonable period of time and provide a written response at the player's request. The holder of an exclusive licence and the holder of a gambling licence shall process and give their views on contacts from players that concerns a claim for payment of winnings. The opinion shall include the grounds for the payment of winnings or, alternatively, the grounds for refusing the payment of winnings.

Section 50

Claiming winnings

Winnings from money lotteries must be claimed within one year of the result of the draw, the end of the sales period stated on the lottery ticket or the date of purchase of the ticket.

Winnings from pools services must be claimed within one year of the game reaching the final result in accordance with the rules of play.

Winnings from fixed odds betting, parimutuel betting and virtual betting services must be claimed within three months of the outcome of the game.

Winnings from slot machines and casino games, online slot machines and casino games and online bingo services must be claimed within three months of the time of purchase of the game or the achievement of a result entitling to winnings.

The winnings from combination games must be claimed within one year of the outcome of the game being achieved, the time of purchase of the game or the achievement of a result entitling to winnings.

The start of the period for the claiming of winnings from the gambling services referred to in subsections 1, 4 and 5 shall be provided for by decree of the Ministry of the Interior.

Chapter 4

Marketing of gambling

Section 51

Regulation of marketing

The holder of an exclusive licence and the holder of a gambling licence may market the gambling services operated under the licence and the licence holder under the conditions laid down in this Act.

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.

Marketing of gambling services and marketing of the exclusive licence holder and the gambling licence holder that provide those gambling services is allowed as follows:

(1) on the licence holder's own website and social media accounts in such a way that marketing is not interactive with the consumer;

(2) in television and radio broadcasting in accordance with the Act on Electronic Communications Services (917/2014);

(3) at sports events and other public events;

(4) in printed media and in electronic publications corresponding to printed media;

(5) in gambling locations, in respect of gambling services available at that gambling location.

The holder of an exclusive licence and the betting, money lotteries, instant win scratchcards, online instant win games and combination games it offers, and a holder of a gambling licence may be marketed by means of outdoor advertising. The outdoor advertising of a gambling licence holder may not be placed in the vicinity of a place where early childhood education and care is provided, a place where pre-primary or basic education is provided, an upper secondary school, a pharmacy, a health care institution or a substance abuse care unit.

Slot machines and casino games shall not be marketed as such in game rooms and casinos in which those gambling services are located. The gambling venues where such gambling services are provided may not be marketed. Information about such gambling venues may be provided, however.

Direct marketing of gambling is permitted under the conditions laid down in section 53.

The marketing of gambling services other than those referred to in subsections 1 to 6 above is prohibited.

Section 52

Prohibited marketing methods and practices

The marketing of gambling services and combining it with the marketing of other products or services is prohibited:

1) by glamorizing gambling, presenting gambling as desirable or excessively positive, or by inciting gambling;

2) by presenting heavy gambling in a favourable light or non-participation in gambling or moderate gambling in a negative light;

3) by treating gambling as mundane by comparing gambling to everyday life or as part of a person's day-to-day routines or a person's everyday or usual consumer behaviour, such as purchasing food or clothing, or by presenting gambling as necessary or harmless entertainment;

4) by presenting gambling as a solution to a person's financial problems, as a means of improving a person's financial position or as a coping strategy, or as an alternative to working;

5) by describing gambling as a way of promoting a person's social success or acceptance;

6) by providing a misleading or unrealistic view of the chances of winning at gambling, by overemphasising the potential for large wins or by describing gambling as being risk free in terms of economic, social or health impacts;

7) by exploiting ignorance, inexperience or credulity associated with gambling;

8) offering gambling free of charge, at a reduced price, through combined offers or by offering gambling money in forms other than the customer's bonus gambling money referred to in section 26;
9) by offering, at the time of purchase or selection of a gambling game or other commodity, or in connection with collection of a win, another gambling game for purchase or selection;
10) by providing, at the time of purchase of a gambling game, a benefit based on chance other than the possibility of a win inherent in gambling;
11) by including in marketing the marketing of instant loans or other similar financial instruments;
12) by encouraging the funding of non-profit activities or government expenditure through gambling;
by offering other goods free of charge, at a reduced price or free of charge in connection with the marketing of gambling services, other than as referred to in section 26;
14) in connection with the marketing of gambling, by using a unique identifier identifying the consumer's website traffic and at the same time providing information steering directly or indirectly to the gambling website;
15) by any other means similar to those referred to in paragraphs 1–14.

Section 53

Prohibition on targeting marketing at minors and vulnerable persons

Marketing shall not be targeted at minors or other vulnerable persons.
Marketing shall not feature minors.
Gambling services may not be marketed in television and radio broadcasting, in public performances of audiovisual programmes in cinemas and in publications directed at minors, or in media services directed at minors.
Gambling services may not be marketed at sports events or other public events aimed at minors.

Section 54

Prohibition of direct marketing

Direct marketing may only be targeted at a natural person who has given their explicit consent.
Direct marketing by telephone is prohibited.
Marketing may not be targeted at a person who has self-excluded from all gambling or who has not played using the gambling services provided by an exclusive licence holder or gambling licence holder during the preceding two years.
If a player has self-excluded from a specific gambling service, only marketing of the kind of gambling service that the player has not blocked may be directed at the player.

Section 55

Information to be provided in the context of marketing

Marketing must always include information on the legal age limit for gambling, as well as details of where to obtain information on tools to manage gambling and on service providers offering support for gambling problems.

In addition, marketing must always include information on the licence granted and the supervisory authority. However, this provision does not apply to radio advertising.

Section 56

Sponsorships

The holder of an exclusive licence and the holder of a gambling licence shall ensure that sponsorship does not highlight the gambling activities of the licence holder.

Sponsorship agreements may not be made with persons under the age of 18 or for events, competitions, series or similar events involving persons under the age of 18.

When concluding sponsorship agreements, the holder of an exclusive licence and the holder of a gambling licence shall, in addition to complying with the prohibition laid down in subsection 1, ensure that the name or logo of the licence holder does not appear on products or services specifically intended for use by persons under the age of 18.

Sponsorship agreements may not be made with persons who produce content directed at persons under the age of 18 or in relation to events directed at persons under the age of 18.

Sponsorship may not be directed at products or services specifically intended for use by persons under the age of 18.

Chapter 5

Supervision

Section 57

Supervisory authority

The supervisory authority is the Licensing and Supervisory Authority.

In order to ensure the legal protection of participants in gambling, to prevent irregularities and crime related to gambling, and to prevent and reduce gambling-related harms, the supervisory authority shall monitor that the operation and marketing of gambling comply with this Act and the provisions and regulations issued under it.

The supervisory authority shall ensure that the holder of an exclusive licence, the holder of a gambling licence and the agent comply with the relevant provisions and regulations on the prevention of money laundering and terrorist financing.

The task of the supervisory authority is to monitor and report annually on developments in the gambling market.

Section 58

Licensing and supervision register

The supervisory authority is the data controller for the licence and supervision register. In order to carry out the licensing and supervisory tasks provided for in this Act, the supervisory authority shall keep a register of applications for an exclusive licence, a gambling licence and a gambling software licence, the processing of licences, revocations of licences, licence applicants and recipients, notifications, notifying parties, the operation and marketing of gambling, players, self-exclusion, money transfer limits and loss limits, agents, inspection measures and measures related to prohibitions, removal orders, penalty payments, penalty fees and administrative fines.

The supervisory authority may process personal data in the licence and supervision register if this is necessary for the performance of its duties under this Act and the provisions and regulations issued under it.

Section 59

List of licence holders

The supervisory authority shall keep a machine-readable list of exclusive licence holders, gambling licence holders and gambling software licence holders available in the public information network. The supervisory authority shall keep in the list the identification data referred to in sections 11 and 16 reported by licence holders.

Section 60

Notice to prosecute

The supervisory authority shall report an act or omission referred to in chapter 17, section 16a and section 16b, subsection 1, paragraphs 7 and 8 of the Criminal Code to the police for the purpose of a criminal investigation. However, the supervisory authority could refrain from notifying if the act must be considered minor in the light of the circumstances and the public interest must not be considered to require prosecution. or if the supervisory authority has initiated proceedings for the imposition of a fine in the matter.

Section 61

Prohibition of participation in gambling by employees of the supervisory authority

Public officials of the supervisory authority shall not participate in gambling the supervision of which they are responsible for, if they are able to obtain, in the course of their official duties, information on gambling events which they may use for the purposes of their own gambling. The decision to restrict gambling is made by the supervisory authority.

An official supervising the operation of gambling in a casino may not participate in the gambling services offered in the casino.

Section 62

Duty of the supervisory authority's staff to investigate

A person appointed to a post at the supervisory authority whose duties include the licensing or supervisory duties referred to in this Act shall, before being appointed to the post, submit a report on:

(1) their ownership in companies engaged in gambling activities;

(2) the balance on the player accounts of gambling companies;

(3) winnings paid out by gambling companies and transactions in gambling companies' player accounts during the last 12 months;

(4) their secondary activities related to gambling activities;

(5) other interests that may be relevant when assessing their ability to perform duties related to the post.

The provisions of subsection 1 shall also apply to public officials who have access to confidential information of an applicant for or holder of an exclusive licence, an applicant for or holder of a gambling licence, or their agents concerning sanction matters under this Act, as well as to such public officials who have access to the IT monitoring systems for the supervision of gambling.

The obligation to provide information referred to in subsection 1 above also applies to a person who is appointed to a public-service relationship to carry out duties falling within the scope of a post referred to in subsection 1 or 2.

The persons referred to in subsections 1–3 above shall report any material changes in the information referred to in subsection 1 and correct any deficiencies in the information.

The public officials referred to in subsection 1 above may not acquire shares in, or derivatives related to, an exclusive licence holder, a gambling licence holder or other operators providing gambling services. The acquisition ban also applies to collective investment undertakings whose main purpose (more than 50 % of the fund's assets) is to invest in the shares of gambling companies.

Section 63

The supervisory authority's right of access to information from licence applicants and licence holders

Notwithstanding secrecy provisions, the supervisory authority has the right to obtain the following information from the licence applicant and the licence holder free of charge in order to carry out its licensing and supervisory duties laid down in this Act and to monitor and report on the gambling market:

(1) the information necessary for granting the licence;
(2) the information necessary for determining the supervisory fee;
(3) the transfer and loss limits set by the player;
(4) player self-exclusion;
(5) gambling transactions;
(6) player account transactions;
(7) information on the marketing of gambling and the operation of gambling;
(8) registered player's identifying information;
(9) information on gambling consumption at product level, regionally, per channel and per point of sale;
(10) information on the location of points of sale and slot machines.

Section 64

The supervisory authority's right of access to information from authorities and other entities undertaking public administrative duties

Notwithstanding secrecy provisions, the supervisory authority shall have the right to obtain, free of charge, from authorities and from other entities undertaking public administrative duties, information that is necessary for:

(1) the assessment of the conditions for granting a licence referred to in sections 8–10;
(2) supervision of compliance with this act and the provisions and regulations issued under it.

Section 65

The right of the supervisory authority to disclose information to other authorities

Notwithstanding secrecy provisions, the supervisory authority has the right, on request and on its own initiative, to disclose to another authority information obtained in the performance of its licensing and supervisory tasks if the information is necessary for the performance of the supervisory authority's licensing and supervisory tasks.

Notwithstanding secrecy provisions, the supervisory authority has the right, on request and on its own initiative, to disclose information obtained in the performance of its licensing and supervisory tasks to another authority if the information is necessary for the performance of the task laid down for that authority.

Section 66

Right to information on fines and criminal records

The supervisory authority has the right to obtain from the register of fines referred to in section 46 of the Act on the Enforcement of a Fine (672/2002) the information necessary to determine the reliability and suitability of the licence applicant, the owners and management of the licence applicant and the representative of the licence applicant.

Provisions on the right of the supervisory authority to obtain information from the criminal record are laid down in the Criminal Records Act (770/1993).

Section 67

Right of inspection

For the purpose of supervising this Act and the provisions and regulations issued under it, the supervisory authority shall have the right to inspect the premises, information systems and operations of the licence holder and the agent if the inspection is necessary for the performance of the supervisory task.

Section 68

Reporting obligation of the holder of an exclusive licence and the holder of a gambling licence

The holder of an exclusive licence and the holder of a gambling licence shall annually submit to the supervisory authority:

(1) an action plan for the following year;

(2) the budget for the following year;

(3) the financial statements for the previous year;

(4) a report on the marketing of gambling services in the previous year;

(5) a report on the development of gambling activities from the previous year;

(6) a self-monitoring plan in accordance with section 35 and an account of the measures taken by the holder of an exclusive licence and the holder of a gambling licence to prevent and reduce gambling-related harms in the previous year;

(7) an account of irregular or suspicious betting on the licence holder's betting sites, suspected and confirmed cases of manipulation of competitions and measures to combat manipulation of competitions.

The supervisory authority may issue further regulations on the deadlines for submitting the reports referred to in subsection 1 and on the content of the reports.

The documents referred to in subsection 1 above shall also be submitted to the Ministry of the Interior and the Ministry of Social Affairs and Health.

The supervisory authority may impose a penalty payment to enforce the reporting obligation. Provisions on the imposition and sentencing of a penalty payment are laid down in the Act on Conditional Fines (1113/1990).

Section 69

Auditor's duty to notify

The licence holder's auditor shall without delay notify the supervisory authority of any fact or decision concerning the licence holder of which they have become aware in the performance of their duties and which may be considered to:

(1) materially violate the conditions for granting a licence or the provisions concerning the pursuit of activities or the regulations issued under them;

(2) endanger the continuation of the operations of the holder of an exclusive licence or gambling licence; or

(3) lead in the auditor’s report to a statement other than the standard statement referred to in the Auditing Act (1141/2015) or a remark referred to in chapter 3, section 5, paragraph 5 of the Auditing Act.

The auditor shall also be obliged to notify the supervisory authority of any fact or decision referred to in subsection 1 that they become aware of while performing their duties in an entity belonging to the same group or group as the licence holder or in an entity that has significant links to the licence holder.

Chapter 6

Supervisory fee

Section 70

Supervisory fee

The licence holder is obliged to pay the supervisory fee of the supervisory authority. The supervisory fee shall be set as a fixed fee in euro for each calendar year.

In the case of an exclusive licence, the supervisory fee shall be set as follows:

(1) EUR 1 900 000 for the licence referred to in section 5, subsection 1, paragraph 1;

(2) EUR 2 800 000 for the licence referred to in section 5, subsection 1, paragraph 2.

In the case of a gambling licence, the supervisory fee is determined as follows:

(1) EUR 4 000 if the gross gaming revenue is less than EUR 100 000;

(2) EUR 12 400 if the gross gaming revenue is EUR 100 000 or more but less than EUR 1 million;

(3) EUR 22 400 if the gross gaming revenue is EUR 1 million or more but less than EUR 2 million;

(4) EUR 45 300 if the gross gaming revenue is EUR 2 million or more but less than EUR 5 million;

(5) EUR 80 700 if the gross gaming revenue is EUR 5 million or more but less than EUR 10 million;

(6) EUR 152 000 if the gross gaming revenue is EUR 10 million or more but less than EUR 20 million;

(7) EUR 248 000 if the gross gaming revenue is EUR 20 million or more but less than EUR 50 million;

(8) EUR 434 000 if the net profit is more than EUR 50 million.

Gross gaming revenue refers to the difference between the total amount of stakes wagered for gambling services offered under a gambling licence and the winnings paid to players.

If the holder of a gambling licence has not had a gambling licence in the year preceding the setting of the supervisory fee, the holder of the gambling licence shall pay the supervisory fee for the first year of operation (*basic fee)* EUR 10 000. The supervisory authority shall determine the final supervisory fee for the first year of operation on the basis of the actual amount of gross gaming revenue shown in the approved financial statements of the holder of the gambling licence. The supervisory authority shall collect or refund the difference between the final supervisory fee and the basic fee for the first year of operation. The difference between the final supervisory fee and the basic fee for the first year of operation can be taken into account in the amount of the supervisory fee for the following year.

The supervision fee for a gambling software licence is EUR 1 500.

Where a licence holder holds more than one licence, a separate supervisory fee shall be imposed for each licence.

Section 71

Setting the supervisory fee

The supervisory authority shall be responsible for the setting and collection of the supervisory fee. The supervisory fee shall be paid to the supervisory authority. The supervisory fee is due on a date to be determined by the supervisory authority, but no earlier than the last day of June of the calendar year. The supervisory authority shall send the payment decision to the party liable for the payment no later than 30 days before the first due date.

If the obligation to pay begins in the middle of a calendar year, the supervisory fee shall be determined by multiplying one twelfth of the fee for the whole calendar year by the number of calendar months included, in full or in part, between the beginning of the obligation to pay and the end of the calendar year.

If the payment obligation of the holder of an exclusive licence or gambling licence ends in the middle of a calendar year, the holder of an exclusive licence and the holder of a gambling licence shall, upon application, be refunded as many twelfths of the control fee as there are full calendar months between the end of the payment obligation and the end of the calendar year.

For the purpose of setting the supervisory fee, the holder of a gambling licence shall submit to the supervisory authority the gross gaming revenue data of the previous calendar year for the period of validity of the licence.

Gross gaming revenue data must be submitted to the supervisory authority no later than the last day of February.

The supervisory authority may impose a periodic penalty payment to enforce the provision of the information referred to in subsection 4. Provisions on the imposition and sentencing of a periodic penalty payment are laid down in the Act on Conditional Fines.

The supervisory authority may issue further regulations on the payment procedure, the payment of the fee in more than one instalment and the manner in which the information necessary for the setting of the supervisory fee is to be provided.

Section 72

Setting the supervisory fee by means of an assessment

The supervisory fee shall be determined on the basis of an assessment where the information required to set the fee has not been provided or is manifestly incorrect or incomplete for the purpose of setting the supervisory fee.

The assessment shall take into account the size and market position of the holder of an exclusive licence and the holder of a gambling licence, the data reported by the holder of an exclusive licence and the holder of a gambling licence in previous years, comparative data on other licence holders engaged in similar activities and other comparable factors affecting the basis for determining the licence holder's fee.

Before taking the action referred to in subsection 1, the supervisory authority shall prompt the holder of an exclusive licence and the holder of a gambling licence to provide the information necessary for the setting of the supervisory fee within a reasonable time limit set by the supervisory authority, failing which the gross gaming revenue will be assessed. The request must include information on the amount of the estimated supervisory fee.

The supervisory authority may rectify the assessed payment within one year from the beginning of the calendar year following the assessed payment on its own initiative if new evidence has emerged that could have influenced the outcome of the case.

Section 73

Reduction of the supervisory fee

The Authority will levy an amount in the form of supervisory fees and other revenue to cover the costs of supervision gambling activities as set out in the Authority's budget.

In addition to what is stated in subsection 1, the supervisory authority may collect, in the form of supervisory fees and other income, up to an amount corresponding to 5 % of the costs set out in the supervisory authority's budget (*surplus*). The surplus shall be charged to cover possible situations where the amount collected in the form of supervisory fees and other income is less than the amount of costs provided for in subsection 1 (*deficit*).

The supervisory authority shall impose a reduced supervisory fee on the holder of an exclusive licence and on the holder of a gambling licence if it is probable that the surplus would exceed 5 % of the costs set out in the budget of the supervisory authority. The supervisory authority shall reduce the supervisory fee for each party liable for payment of the fee by the same proportional amount. When calculating the reduction of the supervisory fee, account shall be taken of any surplus generated in previous calendar years from increased proceeds and of any deficit incurred as a result of a decrease in proceeds over previous calendar years.

Section 74

Late payment interest and enforcement of the supervisory fee

In the event of late payment of the supervisory fee, interest for late payment shall be charged in accordance with section 4, subsection 1 of the Interest Act (633/1982).

The supervisory fee imposed on the basis of this Act, together with interest, is directly enforceable. Provisions on the collection of the supervisory fee are laid down in the Act on the Enforcement of Taxes and Public Payments (706/2007).

Chapter 7

Prohibition of gambling activities and marketing

Section 75

Prohibitions on gambling activities

The operation of gambling in a manner other than that referred to in section 3, paragraphs 3–15 is prohibited.

Prohibition applies to:

(1) the operation of gambling without a licence required by this Act;

(2) the sale or supply of gambling services offered without a licence required by this Act;

(3) marketing directed at the national territory of gambling services offered without a licence required under this Act;

(4) the sale or supply of gambling services or the marketing of gambling services abroad, unless this is permitted under the legislation of the country or region in which the gambling services are sold, supplied or marketed;

(5) the sale, supply, receiving of stakes and distribution of winnings of gambling operated by the holder of an exclusive licence and the holder of a gambling licence without the licence holder's permission;

(6) the provision of facilities for the making available for use of slot machines and casino games without a licence laid down in this Act.

This section treats as games of chance games where crypto-assets can be used for participation or distributed as winnings.

Gambling services provided abroad the operation of which the holder of an exclusive licence or the holder of a gambling licence participates in, are not considered to be gambling.

Section 76

Prohibition of the operation and marketing of gambling

The supervisory authority may prohibit the operation and marketing of gambling if:

(1) the prohibition laid down in section 75 is violated in the operation or marketing of gambling;

(2) the provisions of sections 51–56 are violated in the marketing of gambling;

(3) the provisions of sections 20–30, sections 33–34, section 35, subsection 1, sections 37–46 or sections 47–49 are violated in the operation of gambling;

(4) the provisions of sections 31 or 32 and the decrees issued under them are violated in the operation of gambling;

(5) the operation or marketing of gambling otherwise violates this Act or the provisions issued under this Act.

The prohibition may be imposed on:

(1) the holder of an exclusive licence or the holder of a gambling licence;

2) the gambling operator;

(3) a trader or an entity that acts as an agent for participation entries or participation fees related to gambling, provides facilities for the making available for use of slot machines or markets gambling;

4) a natural person who for financial or other gain markets gambling or otherwise promotes participation in gambling.

The prohibition shall be in effect for a maximum period of 12 months. The supervisory authority may extend the ban for a maximum of 12 months at a time if the conduct in the operation or marketing of gambling has not been rectified.

The National Police Board may temporarily prohibit the provision of gambling services if the legal protection of players or the supervision of the provision of gambling services is jeopardised and the possibility of irregularities increases or the reliability of the draw is otherwise compromised. In exceptional circumstances, a prohibition decision may be issued without a hearing. The ban may remain in effect for a maximum of 30 days at a time. The supervisory authority shall withdraw the prohibition if there are no longer grounds for its validity.

The supervisory authority shall keep available in a machine-readable format in the public information network a list of those gambling operators who do not have a licence referred to in this Act and whose operation or marketing of gambling has been prohibited by the supervisory authority pursuant to section 76. The supervisory authority shall keep on the list the identification data of such operators.

The supervisory authority may impose a penalty payment to enforce the prohibition referred to in this section. The supervisory authority orders the penalty payment imposed in order to enforce the prohibition on operation. The Market Court orders the penalty payment imposed to enforce the prohibition on marketing to be paid on application by the supervisory authority. If the prohibition concerns the operation and marketing of gambling, the Market Court will order the penalty payment to be paid. Provisions on the penalty payment procedure are laid down in the Act on a Conditional Fine.

Section 77

Imposition of penalty payment in the event of a change of gambling operator

A penalty payment imposed to enforce the prohibition referred to in section 76 above may be imposed on a party other than the operator mentioned in the prohibition, if the gambling operator changes after the prohibition has been imposed. Instead of the operator mentioned in the prohibition, a periodic penalty payment may be imposed on:

(1) a party the activities of which are the subject of the penalty;

(2) a party comparable to an operator of a gambling establishment;

(3) a party to whom the activity that violated the prohibition referred to in section 76 and was prohibited by the supervisory authority has been transferred, if the transferee knew or should have known of the prohibition imposed by the supervisory authority when receiving the activity.

When assessing the equivalence referred to in subsection 1, paragraph 2 above, the control exercised by the party and the economic relations with the operator of the gambling referred to in the prohibition shall be taken into account.

Section 78

Removal order

The supervisory authority may, if it is necessary for the cessation of activities contrary to this Act:

(1) order the service provider to remove online content related to the operation or marketing of gambling;

(2) order the domain name registrar or administrator to remove the domain name from the domain name registry.

The supervisory authority may also issue a decision under subsection 1, paragraph 1 on an interim basis, in which case it shall remain in force until the matter has been finally resolved.

Before issuing a decision under subsection 1 or 2, the supervisory authority shall give the recipient of the decision and the natural or legal person who has violated the provisions an opportunity to be heard, unless the hearing cannot be conducted as quickly as the urgency of the matter necessarily requires.

The supervisory authority may impose a penalty payment on the service provider or domain name registrar in order to enforce compliance with its decisions under subsections 1 and 2. Provisions on the imposition and sentencing of a periodic penalty payment are laid down in the Act on Conditional Fines.

The decision of the supervisory authority referred to in subsection 1 may not be appealed. The person to whom the decision referred to in this section is addressed and the natural or legal person who has violated the provisions may, other than in respect of an interim decision, bring a case before the Market Court by means of application within 30 days of being served. Otherwise the decision is final. The decision shall be complied with unless otherwise ordered by the Market Court.

Provisions on consideration of a case in the Market Court are laid down in the Market Court Proceedings Act (100/2013).

Chapter 8

Sanctions

Section 79

Revocation of licence

The supervisory authority shall revoke the licence as follows:

(1) at the request of the licence holder;

(2) the licence holder no longer meets the conditions laid down in sections 8–10 for the licence holder; or

(3) the holder of an exclusive licence fails to pay the compensation referred to in section 19 within the payment schedule decided by the Government;

(4).

The supervisory authority may revoke the licence if:

(1) the licence holder has repeatedly or seriously violated this Act or the provisions and regulations issued under it;

(2) the licence holder has provided the supervisory authority with false or misleading information on a matter that has been likely to have a material effect on the granting of the licence or has concealed such a matter;

(3) the licence holder fails to pay the supervisory fee referred to in section 70;

(4) the licence holder has repeatedly or seriously violated the provisions on anti-money laundering and countering the financing of terrorism during the period of validity of the licence, and an administrative penalty has been imposed on the licence holder for the violation or the licence holder has been sentenced to a fine or imprisonment for the violation.

In the situations referred to in subsection 2, the licence may be revoked only if the conduct is continued intentionally after the imposition of a fine or a prohibition order.

Before the decision to revoke the licence is taken, the licence holder shall be given a reasonable period of time to remedy any deficiencies in the activities, unless the revocation of the licence is necessary immediately to ensure the legal protection of participants in gambling and to reduce gambling-related harms.

Section 80

Administrative fine

The supervisory authority shall impose an administrative fine on a licence holder or a trader who intentionally or negligently:

(1) fails to comply with or violates the disclosure obligation concerning the corporate identity code laid down in section 16;

(2) fails to comply with or violates the obligation laid down in section 18, subsections 1–2 or 4 to notify the supervisory authority of material changes and changes in the ownership, agreement or other arrangement of a legal person, the obligation to apply for a change in the licence before implementing the change, or a prohibition to implement the change referred to in section 18 before the supervisory authority's decision to amend the licence;

(3) fails to comply with or violates the obligation laid down in section 35, subsection 2 for agents to submit a self-monitoring plan to the supervisory authority;

(4) fails to comply with or violates the obligation laid down in section 38, subsection 6 to submit to the supervisory authority the plan referred to in section 38, subsection 3, the entries concerning the location of slot machines and the regulations issued;

(5) fails to comply with or violates the obligation laid down in section 38, subsection 7 to submit to the supervisory authority the plan referred to in section 38, subsection 4 and the records concerning the implementation of the plan;

(6) fails to comply with or violates the obligation laid down in section 38, subsection 8 to display in a prominent position on slot machines an indication of the holder of an exclusive licence and their details and business identity code:

(7) fails to comply with or violates the obligation laid down in section 47, subsection 1 or 3, upon request, to present to the supervisory authority rules on which employees may not participate in gambling organised by an exclusive licence holder or a gambling licence holder, or information on the training and skills of the persons working at the site;

(8) fails to comply with or violates the obligation laid down in section 48, subsection 3 on request to present to the supervisory authority the procedures for detecting and preventing violations of the provisions on the operation of gambling, the terms and conditions of the agreement concluded between the licence holder and the player and the rules of play and manipulation of competitions;

(9) fails to comply with or violates the obligation laid down in section 48, subsection 3 on request to present to the supervisory authority procedures that allow players to immediately notify the holder of an exclusive licence and the holder of a gambling licence of the matters referred to in section 48, subsection 1;

(10) fails to comply with or violates the obligation laid down in section 48, subsection 4 to immediately suspend betting and notify the supervisory authority if it detects irregular or suspicious betting or the obligation to report other irregularities referred to in section 48;

(11) fails to comply with or violates the obligation laid down in section 49, subsection 1 when requested to present to the supervisory authority the procedures for handling disputes, complaints and other issues concerning the gambling services it provides;

(12) fails to comply with or violates the obligation laid down in section 49, subsection 2 to respond to contacts from a player in the manner referred to in section 49, subsection 2;

(13) fails to comply with or violates the reporting obligation laid down in section 68;

(14) fails to comply with or violates the obligation laid down in section 71, subsection 4 to provide the supervisory authority with information for the purpose of setting the supervisory fee;

(15) delivers the information referred to in section 16, section 18, subsections 1 or 2, section 38, subsections 6–8, section 47, subsection 1 or 3, section 48, subsection 3 or 4, section 49, subsection 1 or 2, section 68, section 71, subsection 4 in a clearly incomplete manner, after a

given deadline or in a form that does not correspond in substance to the information requested by the supervisory authority or to the matter being processed.

The supervisory authority may impose an administrative fine on the licence holder's auditor who intentionally or negligently fails to comply with or violates the duty to notify laid down in section 69;

The amount of the administrative fine is based on an overall assessment. When assessing the amount of the administrative fine, the nature, extent and duration of the conduct shall be taken into account. The administrative fine to be imposed shall be not less than EUR 1 000 and not more than EUR 100 000.

An administrative fine is ordered to be paid to the State. A decision on the imposition of an administrative fine may not be enforced until the decision has become final.

Section 81

Waiving-imposition of an administrative fine

The supervisory authority may waive the imposition of an administrative fine if:

(1) the licence holder has taken, on its own initiative, sufficient measures to rectify the error immediately after the detection of the error and has notified the supervisory authority of the error without delay, and the error or omission is not serious or repeated;

(2) the wrongful conduct shall be regarded as minor;

(3) the imposition of an administrative fine shall otherwise be considered manifestly unreasonable.

Section 82

Limitation of the right to impose an administrative fine

The supervisory authority shall not impose an administrative fine if it has not been imposed within five years from the date on which the infringement or omission occurred or, in the case of a continuous infringement or omission, within five years from the date on which the infringement or omission ceased.

Section 83

Enforcement and expiration of an administrative fine

The Legal Register Centre is responsible for the enforcement of the administrative fine. The administrative fine shall be enforced in the order laid down in the Act on the Enforcement of a Fine. An administrative fine shall be time-barred five years after the date of the final decision on the administrative fine.

An administrative fine imposed on a natural person shall lapse upon the death of the person liable to pay the fine.

Section 84

Penalty fee

A penalty fee may be imposed on the licence holder, trader or natural person who intentionally or negligently violates or fails to comply with:

1) the provisions of section 20, subsections 1 to 4 on the registration and verification of identity of players;
2) the provisions of section 21 on the player's residence requirement;
3) the provisions of section 22 on player account;
4) the provisions of section 23 on the closure of a player account;
5) the provisions of section 25 on the prohibition on the offer of credit, free games and discounts;
6) the provisions of section 26 on offering other goods and gambling bonus money;
7) the provisions of section 27 on restrictions on the operation of betting;
8) the provisions of section 28 on identity verification for gambling;
9) the provisions of section 29, subsections 1 to 4 on gambling blocking measures;
10) the provisions of section 30 on licence holder-specific money transfer limit;
11) section 31 or 32 and the provisions of decrees issued under them.
12) the provisions of section 33 on gambling software used by the holder of an exclusive licence and the holder of a gambling licence;
13) the provisions of section 34 on the duty of care;
14) the provisions of section 35 on the preparation, compliance with and documentation of the implementation of the self-monitoring plan;
15) the provisions of section 37 on information to be provided in connection with the operation of gambling;
16) the provisions of section 38, subsection 1 on the location of slot machines;
17) the provisions of section 39 on slot machine payment monitoring;
18) the provision of section 40 on the prohibition of self-service terminals;
19) the provisions of section 41, subsection 1 and 3 on the removal of a person under the age of 18 from a casino and game room;
20) the provisions of section 41, subsection 1 on the prevention of entry and removal from a casino of a person who is clearly under the influence of alcohol or other intoxicating or intoxicating substances;
21) the provisions of section 41, subsection 2 and subsections 4 to 6 on restrictions on gambling in casinos and gambling venues;
22) the provisions of section 42, subsection 1 on the technical surveillance of casinos and game rooms;
23) the provisions of section 43 on international cooperation;
24) the provisions of section 44 on the gambling systems, draw equipment and draw procedures of holders of an exclusive licence or a gambling licence;
25) the provisions of section 45, subsections 1 to 2 on IT monitoring of gambling transactions and player account transactions,
26) the provisions of section 46 on the location of gambling systems and draw equipment;
27) the provisions of section 47, subsection 1 on the licence holder’s obligation to have rules on the right of employees to participate in the gambling services offered by the licence holder;
28) the provision in section 47, section 2 on the participation in gambling services offered by a casino by a person employed by the casino;
29) the provisions of section 47, subsection 3 on the licence holder’s obligation to ensure that its employees are aware of their obligations under this Act and to keep records of the training and competence of the persons working at the site;
30) the provisions of section 48, subsection 1 on the obligation to have procedures for detecting and preventing infringements of the provisions on the operation of gambling, the terms and conditions of the contract between the licence holder and the player, the game instructions, and manipulation of competitions;

31) the provisions of section 48, subsection 2 on the obligation to have procedures enabling players to immediately notify the licence holder of the matters referred to in section 48, subsection 1;
32) the provisions of section 49, subsection 1 on the obligation to have procedures and the necessary number of trained personnel for the handling of disputes, complaints and other issues concerning the gambling services offered;
33) section 51, subsection 7 in relation to section 51, subsections 3–5;
34) the provisions of section 54 on the prohibition of direct marketing;
35) the provisions of section 55 on information to be provided in the context of marketing;
36) the provisions of section 71 on payment of the supervisory fee;
37) the prohibitions in section 75, subsection 2, paragraph 1 or 3 on the prohibition of the operation of gambling without the licence required by this Act or on the marketing of such gambling to the national territory.

A penalty fee may be imposed on the service provider or domain name registrar who intentionally or negligently infringes or neglects the provisions of section 78, subsection 1 on the removal of online content concerning the operation or marketing of gambling or the removal of a domain name from the domain name register.

Section 85

Amount of the financial penalty

The amount of the financial penalty shall be based on an overall assessment and shall be determined taking into account:
(1) the nature, extent, reprehensibility and duration of the infringement;
(2) the benefit achieved through the infringement, where this information is available;
(3) the actions taken by the subject of the penalty fee to mitigate or repair the damage;
(4) any previous infringements of the provisions of this Act by the subject of the penalty fee.

The penalty fee imposed on a legal person shall not exceed 4 % of the turnover of the year preceding the end of the infringement in question, but shall not be more than EUR 5 million. However, the financial penalty shall not be less than EUR 10,000. If the financial statements have not yet been completed at the time of the imposition of the financial penalty, if the business has only just started and no financial statements are available, or if the financial statements are not available for other reasons, turnover may be estimated on the basis of other available information.

The fine imposed on a natural person shall not exceed 4 % of their income according to tax records in the year preceding the end of the infringement, but shall not exceed EUR 40 000. However, the financial penalty shall not be less than EUR 3,000. If the income cannot be reliably established, it can be estimated on the basis of other available information.

For the purposes of this section, turnover means the turnover referred to in chapter 4, section 1 of the Accounting Act or the corresponding turnover.

Section 86

Relationship between the penalty fee and criminal law

A financial penalty shall not be imposed on a person suspected of the same offence in a pre-trial investigation in respect of which a prosecution of the same offence is pending or who is the defendant before a court in a criminal case relating to the same infringement. Nor shall a penalty be imposed on a person who has been convicted of the same offence in a criminal case.

If a case for the imposition of a penalty is pending for the same offence or has been resolved, criminal charges shall not be brought nor judgement given in a criminal case.

Section 87

Imposition of a financial penalty

The penalty fee is imposed by the Market Court on a proposal from the supervisory authority. A financial penalty may not be imposed if the National Police Board has not submitted a proposal to impose it to the Market Court within five years of the end of the infringement.

The provisions of the Market Court Proceedings Act shall apply to the handling of a case in the Market Court.

Section 88

Non-imposition of a financial penalty

The imposition of a financial penalty shall not be proposed or a financial penalty imposed if:

(1) the infringement or omission is minor; or

(2) the imposition of a penalty fee must be regarded as manifestly unreasonable.

A financial penalty shall not be proposed or imposed if the gambling operator, trader or natural person has taken sufficient steps to remedy the infringement immediately after its detection and the infringement is not serious or repeated.

Section 89

Adjournment of proceedings

A court may adjourn proceedings in a financial penalty case if legal proceedings concerning the same activity are pending in another case, which may have an impact on the decision in the case of a financial penalty.

Section 90

Enforcement and expiry of a financial penalty

The enforcement of a financial penalty shall be carried out by the Legal Register Centre. Provisions on the enforcement of a penalty fee imposed under this Act are laid down in the Act on the Enforcement of a Fine. The penalty fee shall lapse five years after the date the penalty fee decision becomes final.

Any financial penalty is ordered to be paid to the State. The decision to impose a financial penalty may not be enforced until the decision is final.

A penalty fee imposed on a natural person shall lapse upon the death of the person liable for payment.

Section 91

Imposition of an administrative penalty in the event of corporate restructuring

An administrative fine or penalty fee may also be imposed on a trader to whom the business activity in which the negligence or infringement has occurred has been transferred as a result of an acquisition or other corporate reorganisation.

Section 92

Publication of an administrative penalty and other decisions

The supervisory authority shall publish the decision on imposing an administrative fine and penalty fee, the decision on revocation of a licence, and the decision prohibiting the operation or marketing of gambling referred to in section 76. The decision shall be made public without delay after the natural or legal person to whom it relates has been informed. The publication shall indicate whether the decision imposing the penalty is a final decision, the nature and type of the infringement and the identity of the person responsible for the infringement. If the appeal authority annuls the decision in full or in part, the supervisory authority shall publish the decision of the appeal authority in the same manner as the publication of the imposition of the sanction. The information on the sanction shall be kept on the website of the supervisory authority for a period of five years.

Where the publication of the name of the natural or legal person subject to the sanction would be disproportionate, or where the publication of the sanction would jeopardise an ongoing investigation by the authorities, the competent supervisory authority may:

(1) postpone the publication of the decision on the sanction until the reasons for not publishing the decision no longer exist;

(2) publish the decision on the sanction without the name of the person subject to the sanction.

Where a supervisory authority publishes a decision on a sanction without the name of the person sanctioned, the supervisory authority may at the same time decide to publish the name at a later date after a reasonable period if the reasons for non-disclosure cease within that period.

Section 93

Reference to the Criminal Code

Provisions on the punishment for organising an illegal game of chance, gambling offences and lottery offences are laid down in chapter 17, sections 16, 16a and 16b of the Criminal Code (39/1889).

Chapter 9

Discretionary government grants for the prevention and reduction of gambling-related harms

Section 94

Grant-financed activities

Discretionary government grants may be granted within the limits of an appropriation entered in the state budget for activities aimed at preventing and reducing gambling-related harms.

Discretionary government grants for the prevention and reduction of gambling-related harms can be granted in three different grant packages:
(1) the operation of online, anonymous services for gambling-related harms that supplement statutory services;
(2) the development of regional work that reduces gambling-related harms; and
(3) scientific research supporting the prevention and reduction of gambling-related harms.
Further provisions on the support activities may be laid down by government decree.

Section 95

Government grant authority

The government grant authority is the Finnish Institute for Health and Welfare.

Section 96

Plan for the use of appropriations

By the end of May each year, the Ministry of Social Affairs and Health provides the Finnish Institute for Health and Welfare with guidelines for the preparation of the plan for the use of appropriations and a preliminary appropriations framework for the following year.
Further provisions on the approval of the plan for the use of appropriation may be laid down by government decree.

Section 97

Application of the Act on Discretionary Government Grants

Provisions on discretionary grants are also laid down in the Act on Discretionary Government Grants (688/2001).

Chapter 10

Tasks of the administrative branch of the Ministry of Social Affairs and Health in the prevention and reduction of gambling-related harms

Section 98

Monitoring, research and assessment of gambling-related harms and development of prevention and treatment.

The Ministry of Social Affairs and Health is responsible for the monitoring, research and assessment of gambling-related harms and for developing prevention and treatment of gambling-related harms. The Finnish Institute for Health and Welfare carries out the task in accordance with the mandate of the Ministry of Social Affairs and Health.

Section 99

Register of gambling-related harms

The Finnish Institute for Health and Welfare is the data controller of the register of gambling-related harms. In order to carry out the tasks laid down in section 97 of this Act, the Finnish Institute for Health and Welfare shall keep a register of applications for an exclusive licence, a gambling licence and a gambling software licence, the granting of licences, revocations of licences, licence applicants and recipients, notifications, notifying parties, the operation and marketing of gambling, players, self-exclusion, money transfer limits and loss limits, agents, inspection measures and measures related to prohibitions, self-exclusion, penalty fees and administrative fines.

The Finnish Institute for Health and Welfare may process personal data in the register of gambling-related harms if this is necessary for the performance of its duties under this Act and the provisions and regulations issued under it.

Section 100

Right of access to data of the Finnish Institute for Health and Welfare

Notwithstanding secrecy provisions and free of charge, the Finnish Institute for Health and Welfare has the right to receive the following information from the licence applicant and the licence holder for the monitoring, research and assessment of gambling-related harms, as well as for the development of prevention and treatment of harms:

1) information submitted for the grant of a licence, excluding information on fines and criminal records;

(2) information submitted for the purpose of setting the supervisory fee;

(3) the transfer and loss limits set by the player;

(4) player self-exclusion;

(5) gambling transactions;

(6) player account transactions;

(7) information on the marketing of gambling and the operation of gambling;

(8) registered player's identifying information;

(9) information on gambling consumption at product level, regionally, per channel and per point of sale;

(10) information on the location of points of sale and slot machines;

(11) information on the number of visitors to gambling venues and the supervision of minors;

(12) information related to the business planning and strategy of the holder of an exclusive licence and the holder of a gambling licence, as well as information on gambling and the gambling market obtained through international collaboration;

(13) care measures taken by the holder of an exclusive licence and the holder of a gambling licence in respect of their customers.

Notwithstanding secrecy provisions and free of charge, the Finnish Institute for Health and Welfare has the right to obtain from the supervisory authority the information necessary for the granting of a licence for the monitoring, research and assessment of the harmfulness of gambling, as well as for the development of prevention and treatment of harms, excluding information on fines and criminal records.

The Finnish Institute for Health and Welfare shall have the right to combine the personal data referred to in subsection 1 with data obtained by virtue of its rights of access to data laid down elsewhere or otherwise in the performance of its statutory tasks, if this is necessary for the purpose of processing.

The Finnish Institute for Health and Welfare shall pseudonymise personal data before transferring them for analysis, if pseudonymisation can be carried out without compromising

the fulfilment of statutory tasks. The Act on Secondary Use of Health and Social Data (552/2019) shall not apply to the processing of personal data referred to in this section.

Section 101

Right of access to data of the Ministry of Social Affairs and Health

Notwithstanding secrecy provisions and free of charge, the Ministry of Social Affairs and Health shall have the right to receive the following information from the Finnish Institute for Health and Welfare for the monitoring, research and assessment of the harmfulness of gambling and the development of prevention and treatment of harms:

(1) information necessary for the grant of a licence, excluding information on fines and criminal records;
(2) information submitted for the purpose of setting the supervisory fee;
(3) the transfer and loss limits set by the player;
(4) player self-exclusion;
(5) gambling transactions;
(6) player account transactions;
(7) information on the marketing of gambling and the operation of gambling;
(8) registered player's identifying information;
(9) information on gambling consumption at product level, regionally, per channel and per point of sale;
(10) information on the location of points of sale and slot machines;
(11) information on the number of visitors to gambling venues and the supervision of minors;
(12) information related to the business planning and strategy of the holder of an exclusive licence and the holder of a gambling licence, as well as information on gambling and the gambling market obtained through international collaboration;
(13) care measures taken by the holder of an exclusive licence and the holder of a gambling licence in respect of their customers.

The Finnish Institute for Health and Welfare shall pseudonymise the personal data referred to in this section before their disclosure. Personal data may only be processed for the purpose for which they have been disclosed and for statistical purposes. The Act on Secondary Use of Social and Health Data shall not apply to the processing of personal data referred to in this section.

Chapter 11

Appeals

Section 102

Request for a review of the supervisory fee

A review of the supervisory authority's decision on setting the supervisory fee referred to in section 70 may be requested within 30 days of receiving notification of the decision. The Administrative Procedure Act provides for requests for reviews.

Section 103

Appeals to the Administrative Court

Appeals to an administrative court are governed by the Administrative Judicial Procedure Act.

The decision prohibiting the operation of gambling referred to in section 76 of this Act and the decision on revocation of a licence referred to in section 79 shall be complied with regardless of appeal, unless the appellate authority orders otherwise.

Section 104

Bringing a prohibition on marketing before a Market Court

No appeal may be lodged against a prohibition on the marketing of gambling, a prohibition on marketing and operation referred to in section 76 or a penalty payment imposed to enforce such a prohibition.

A person on whom the supervisory authority has issued a prohibition referred to in subsection 1 or imposed a penalty payment to enforce such a prohibition may, by application, bring the matter before the Market Court within 30 days of receiving notification of the order or decision. The prohibition shall be complied with unless otherwise ordered by the Market Court.

Provisions on the handling of the matter in the Market Court and the appeal against the decision of the Market Court are laid down in the Market Court Proceedings Act.

Section 105

Appeal against a decision of the Market Court on a penalty fee

A Market Court decision on a financial penalty may be appealed by submitting an appeal for reconsideration to the Supreme Administrative Court without permission to appeal.

The decision of the Market Court may be challenged by the party on whom the penalty fee has been imposed.

The supervisory authority may appeal a decision of the Market Court by which the Market Court has rejected the authority's proposal in whole or in part.

Chapter 12

Entry into force and transitional provisions

Section 106

Entry into force

This Act shall enter into force on [day] [month] [year].

However, chapter 2 of the Act and its provisions on applying for and granting a licence and the prerequisites for a licence, as well as the provisions of sections 57, 63 and 64 on the competent authority and the authority’s right of access to information, will enter into force already on 1 January 2026, however, in such a way that the National Police Board will act as the competent authority referred to in section 56 until [day] [month] 202x.

By way of derogation from subsection 2, the provisions of sections 7, 9 to 11, 13 to 15 and 17 to 18 of chapter 2 in respect of a gambling software licence shall not apply until 1 January 2027. However, the provisions of section 2, subsection 2 and section 33 of the Act concerning a gambling software licence shall not apply until 1 January 2028.

Chapter 9 of the Act will enter into force already on 1 January 2026.

2.

Act

amending the Lotteries Act

By decision of Parliament:

the following are *repealed:* section 3; section 4, paragraphs 2–7; chapters 3 and 4; sections 42a and 43; section 45, subsection 3; section 46; section 47, subsections 1–4 and subsection 7; sections 48–55; section 62a–62n; section 64, paragraphs 2–3; section 66a; and section 67, paragraph 6 of the Lotteries Act (1047/2001),

of which section 3 and section 4, paragraphs 2–8 as amended by Acts 1286/2016, 677/2019 and 1284/2021; chapters 3 and 4 as amended by Acts 1286/2016, 1284/2021 and 335/2023; sections 42a and 48 as amended by Act 1286/2016; section 43, section 45, subsection 3 and section 47, subsections 1–4 and subsection 7 as amended by Act 1284/2021; section 48 as partially amended by Act 575/2011; sections 49–52, 54 and 55, section 62a–62n as amended by Act 1284/2021; section 53 as amended by Act 335/2023; and section 66a as amended by Acts 661/2010 and 134/2013.

sections 1; 2; heading of section 3a; sections 5; 8; 42; 42b; 44; 45; 57; 59; 60; 62; 63; 64; 66; and section 67 are *amended,*

of which, section 1 as amended by Acts 1286/2016, 1284/2021 and 335/2023; section 2 as partially amended by Act 1284/2021; heading of section 3a and section 5 as amended by Act 1286/2016; sections 42 and 44, section 64 and section 66 as amended by Act 1284/2021; section 42b as amended by Acts 1184/2013 and 617/2019; section 45 as amended by Acts 1286/2016 and 1284/2021; section 57 as amended by Act 506/2009; section 62 as amended by Acts 1286/2016 and 677/2019; section 63 as amended by Act 661/2010; and section 67 as partially amended by Act 1286/2016; and

to section 1 and section 8, as amended by Acts 1286/2016, 1284/2021, are *added* new sections: to section 1, a new subsection 4; and to section 8, new subsections 2 and 3, as follows:

Section 1

Scope and purpose of the Act

This Act lays down provisions on running lotteries and supervising the running of lotteries.

The objectives of this Act are to ensure the legal protection of those participating in lotteries, to prevent misuse and crime related to lotteries, and to prevent and reduce the economic, social and health-related harm resulting from participation in lotteries.

This Act does not apply to random benefits offered in marketing if the only requirement for receiving the benefit is the purchase of goods or making a purchase offer.

The Gambling Act (xxx/yyyy) lays down provisions on gambling activities and their supervision.

Section 2

Definition of a lottery

In this Act, a lottery means an activity in which participants may win a prize of monetary value, but not a cash prize, based in full or in part on chance and in which there is a charge for participation. Postal costs, local or long-distance telephone costs or similar costs incurred by participants in registering their participation in a lottery, which do not benefit the lottery operator are not considered charges.

The provisions of this Act concerning lotteries also apply to making non-money prize machines and other gaming machines as well as gaming equipment available for public use against a charge where players can win a prize of monetary value partially or wholly based on chance.

The provisions of this Act with regard to lotteries shall also apply to:

1) lotteries which are run abroad, to the extent that their tickets are sold or supplied in Finland; and

2) lotteries which are run in Åland, to the extent that their tickets are also sold or resold elsewhere in Finland.

Section 3a

Definitions of the forms of running lotteries

— —

Section 4

Other definitions

For the purposes of this Act:

1) *ticket* means a printed slip or receipt in an equivalent electronic or other comparable form, which gives the right to take part in a lottery;

(8) *marketing* advertising, indirect advertising and other promotional activities; indirect advertising in particular is the promotion of a product in combination with the advertising for another product, where the distinctive mark of another product or its seller is used as such or recognisably adapted to the product, or where the advertising of another product conveys an image of a certain product or its seller; regardless of the language of the website, a foreign or Åland lottery website that is accessible online in a digital information network where the lottery website is not linked to other material promoting lotteries in Finland or mainland Finland, is not considered marketing of lotteries within the scope of this Act;

9) *amusement park* means a place of amusement in a fixed location where most of the revenue is generated from operating carousels, various rides or roller coasters, or other similar amusement park equipment available for public use against a charge;

10) *funfair* means a mobile place of amusement that is moved from one location to another.

Section 5

Right to run a lottery

A lottery may be run by a registered association, an independent foundation or other such organisation that has a non-profit purpose and whose registered office is in Finland.
Provisions on the right to provide gambling services are laid down in the Gambling Act.

Section 8

Revocation of a licence

A licence granted for running a lottery may be revoked if the licence holder has seriously violated a legally significant law for the running of lotteries or the licence conditions, or if the licence holder no longer meets the conditions for obtaining a licence.

The licence granted for the running of a lottery referred to in section 3a, paragraphs 3–4 above shall be revoked if the licence holder so requests.

The licence granted for the running of a lottery referred to in section 3a, paragraphs 1–2 above shall be revoked if the licence holder so requests and the sale of tickets has not yet begun.

Section 42

Supervision of lotteries

The running of lotteries is supervised in order to ensure the legal rights of participants in the lottery, to prevent irregularities and crimes, and to prevent and reduce gambling related economic, social and health harms.

The National Police Board is responsible for national supervision of the running of lotteries and for compilation of statistics on lotteries. The National Police Board may issue statements and instructions concerning the running of lotteries and supervision of the running of lotteries.

The police departments supervise the lotteries run in their respective areas.

§ 42 b

Register for supervision of lotteries

To carry out the licensing and supervisory duties laid down in this Act, the police shall maintain a register for notifications, licence applications, licences, revocation of licences, rendering of accounts, those making notifications, licence applicants and holders, parties responsible for the practical arrangement of lotteries, control measures, and measures related to prohibitions.

Provisions on the processing of personal data in the police registers are laid down in the Act on the Processing of Personal Data by the Police (616/2019).

Section 44

Right to information of the National Police Board and the police departments

Notwithstanding secrecy provisions, the National Police Board has the right to obtain, free of charge, from an organisation or foundation authorised to run lotteries and from a party responsible for the practical arrangements of a non-money lottery the information necessary to perform its supervisory duty and to compile statistics on lottery activities. The right of access to data shall also apply to essential personal data.

The National Police Board shall have the right, confidentiality provisions notwithstanding and free of charge, to receive information necessary to perform their supervisory duties from any organisation or foundation authorised to run lotteries and from any party responsible for the practical arrangements of a non-monetary lottery. The right of access to data shall also apply to essential personal data.

Section 45

Right to inspect and prohibit

A police department, the National Police Board and the inspection body referred to in section 58 have the right to inspect that an approved payment-monitoring device is being used in non-money prize machines as well as in gaming machines and gaming equipment referred to in section 56.

A police department and the National Police Board shall have the right to prohibit the making available for use of a machine or game equipment referred to in subsection 1 if it is not fitted with an approved payment monitoring device or it is placed in violation of the provisions on the location of machines or game equipment. If the observed defect or error is minor, the police may order it to be rectified instead of imposing a prohibition.

Section 47

Collection of winnings and prizes

Bingo prizes shall be collected within one year of obtaining the result giving entitlement to the prize.

Prizes in non-monetary lotteries and guessing games, excluding non-monetary lotteries permitted without the licence laid down in this Act, shall be collected within two months of the end of the validity period of the non-monetary lottery licence.

Section 57

Payment-monitoring device

If the charge to be paid for using a non-money prize machine, or a gaming machine or gaming equipment referred to in section 56, is collected with the aid of a device that allows the machine or gaming equipment to be used (*slot*), the machine or gaming equipment shall include a payment-monitoring device inspected and approved by an inspection body appointed by the National Police Board. The device shall reliably record information on the payments accumulated from use of the equipment. Documentation shall be compiled on the information recorded, and the documentation stored as laid down on the storage of accounting records.

Section 59

Reports and documentary evidence

Reports and documentary evidence shall be prepared on the use of non-money prize machines, and gaming machines or gaming equipment referred to in section 56, but not on hand operated wheels of fortune, which indicate:

1) the location of the machine or gaming equipment and the time when it was placed there;

2) the readout of the payment.monitoring device when the machine or gaming equipment is taken into use, when the payment/monitoring device is replaced, when the cash box is emptied, and when the machine or gaming equipment is transferred to another party;

3) the time at which the cash box is emptied;

4) the time during which the payment/monitoring device was not in use on account of it being out of order or for some other reason;

5) the number of times the payment monitoring device, machine or gaming equipment is used during inspection of the suitability for use; and

6) the number of coins used in the machine or gaming equipment which do not accord with the instructions for use of the machine or gaming equipment.

Section 60

Information displayed on machines or gaming equipment and shown on tickets.

Information indicating the machine and gaming equipment operator and the operator's contact details and business identity code shall be displayed in a prominent position on non-money prize machines, and on gaming machines and gaming equipment referred to in section 56.

Information on the running of the lottery, the operator and the number, value and types of prizes shall be marked on the lottery tickets or on the notice given at no charge in connection with the sale of the tickets.

Section 62

Prohibitions on running a lottery

Running a lottery in a manner other than that referred to in section 3a or section 56 is prohibited.

It is prohibited to:

1) sell or resell tickets for a lottery run without a licence required under this Act, or to market such a lottery;

2) sell or resell tickets or market lotteries abroad, unless permitted under the legislation of the state or region in which the tickets are sold or resold or the lotteries are marketed;

It is prohibited to provide space for making non-money prize machines, gaming machines or gaming equipment referred to in section 56 available for use without a licence referred to in this Act.

A bonus based on a draw may not be paid on bonds in addition to interest.

Section 63

References to the Criminal Code

Provisions on the punishment for a lottery offence are laid down in chapter 17, section 16b of the Criminal Code (39/1889).

Section 64

Lottery violation

Anyone who wilfully or as a result of negligence:

1) violates the prohibition laid down in section 10 on running lotteries by offering credit;

4) violates the prohibition of participation laid down in section 27, subsection 3;

5) acts as a party responsible for the practical arrangements of a non-cash lottery contrary to the provisions of section 28, subsection 2;

6) performs the draw or mixes the tickets for a non-money lottery contrary to what is laid down in section 29, subsection 1, or does not comply with the duty to notify laid down in section 29, subsection 2 concerning the result of the draw;

7) violates the provisions concerning the location of non-money prize machines referred to in section 40 or the provisions on the location of gaming machines or gaming equipment referred to in section 56, subsection 1; or

8) violates the provisions of section 57 on payment transaction monitoring equipment;

shall be ordered to pay a fine for a *lottery violation*.

Section 66

Appeals

The Administrative Judicial Procedure Act (808/2019) provides for an appeal to the Administrative Court.

Notwithstanding a request for review, the decision to revoke a licence or amend the licence conditions under this Act shall be complied with, unless otherwise decided by the appellate authority.

Section 67

Further provisions

Provisions on the following may be issued by government decree:

1) the information to be marked on tickets for non-money lotteries and the information to be issued in connection with their sale;

2) the content of licence applications and of the notification referred to in section 31, and the content of licence decisions;

3) the procedures and deadlines for running a lottery;

4) the content of the accounts for lotteries referred to in section 3a, the availability of the accounts, deadlines concerning the availability of the accounts, and the storage of the accounts;

5) the payment/monitoring device referred to in section 57, devices and documents submitted to the inspection body referred to in section 58, exceptions from the type-approval duty, and inspection and approval of the monitoring devices;

This Act will enter into force on [day] [month] 20xx.

The provisions in force at the time of the entry into force of this Act shall apply to the inclusion in the Government Budget and the rendering of accounts of the proceeds of gambling offered before the entry into force of this Act.

Gambling offered before the entry into force of this Act shall be governed by the provisions of section 47 on the collection of prizes and the provisions of section 48 and the recommendations for resolution issued under it that were in force at the time of the entry into force of this Act.

The provisions of sections 17, subsection 3 and section 53, subsection 1 in force at the time of the entry into force of the Act shall apply to the submission of the report on Veikkaus Oy's profits for 2026 and to the submission of the financial statements.

3.

Act

repealing certain provisions of the Act on the Processing of Personal Data by the Police

By decision of Parliament, the following is enacted:

Section 1

This Act repeals sections 12, subsection 2 and section 38, subsection 2, paragraph 6 of the Act on the Processing of Personal Data by the Police (616/2019), of which, section 12, subsection 2 as amended by Act 1285/2021 and section 38, subsection 2, paragraph 6 as amended by Act 696/2021.

Section 2

This Act shall enter into force on [day] [month] 20[year].

4.

Act

amending the Act on Preventing Money Laundering and Terrorist Financing

By decision of Parliament:

section 2, subsection 1, paragraph 9 and subsection 2 and section 3, subsection 3 of chapter 1; chapter 3, section 7, subsection 6; and chapter 7, section 1, subsection 1, paragraph 2 of the Act on Preventing Money Laundering and Terrorist Financing (444/2017), of which, section 3, subsection 3 of chapter 1 as amended by Act 1286/2021, are *amended* as follows:

Chapter 1

General provisions

Section 2

Scope

This Act applies to:

— —

9) the holders of a licence referred to in sections 5 and 6 of the Gambling Act (xxx/yyyy);

— —

The provisions of chapters 3 and 4 of this Act shall also apply to traders and corporate entities supplying registrations and charges for participation in gambling provided by the licence holders referred to in subsection 1, paragraph 9 or the gambling operators referred to in paragraph 10, when the identification and registration of clients has been outsourced by the licence holder or gambling operator to another trader or corporate entity. Chapters 7 and 8 of the Act apply to the supervision of the said traders and corporate entities as provided in the relevant chapters.

Section 3

Restrictions on the scope of application

— —

This Act does not apply to the making available for use of slot machines outside casinos. However, the Act shall apply if gambling takes place as a registered player who has verified their identity within the meaning of section 20 of the Gambling Act.

— —

Chapter 3

Customer due diligence

Section 7

Fulfilment of customer due diligence obligations on behalf of obliged entities

With regard to gambling services, the supervisory authority may consider an obliged entity that is a licence holder as referred to in chapter 1, section 2, subsection 1, paragraph 9 or a gambling operator as referred to in paragraph 10, to satisfy the conditions laid down in this section if the trader or corporate entity referred to in chapter 1, section 2, subsection 2 which supplies registrations and charges for participation in gambling complies with the provisions of sections 1, 2 and 10 of this chapter concerning customer due diligence and if the licence holder or gambling operator without delay obtains from this party customer due diligence information and customer identity verification information. Licence holders and gambling operators shall maintain information about the abovementioned traders and corporate entities and this information shall be made available to the supervisory authority upon request.

Chapter 7

Supervision

Section 1

Supervisory authorities and reports to the Financial Intelligence Unit

Compliance with this Act and the provisions issued under it is supervised by the following authorities:

— —

2) The Licensing and Supervisory Authority in respect of the licence holders referred to in chapter 1, section 2, subsection 1, paragraph 9 and the gambling operators referred to in paragraph 10 and the traders and corporate entities referred to in chapter 1, section 2, subsection 2 supplying registrations and charges for participation in gambling provided by the licence holders referred to in chapter 1, section 2, subsection 1, paragraph 9 and the gambling operators referred to in paragraph 10;

— —

This Act shall enter into force on [day] [month] 20[year].

5.

Act

amending the Lottery Tax Act

By decision of Parliament:

section 1, subsection 1; section 2, subsection 1; and section 4, subsections 1 and 3 of the Lottery Tax Act (552/1992) are *amended*;

of which, section 2, subsection 1 as partially amended by Act 1292/2016 and section 4, subsection 1 as partially amended by Act 1315/2011; and

to section 1 is *added* a new subsection 2, meaning the current subsection 2 becomes subsection 3, as follows:

Section 1

Scope

Lottery tax is paid to the state

1) on gambling services and other lotteries offered under exclusive right in Finland;

2) gambling services offered in Finland on the basis of a licence granted in Finland;

3) lotteries run in Finland other than those referred to in paragraphs 1 and 2.

There is no tax to be paid in Finland on gambling services offered in another country.

— —

Section 2

Definitions

A lottery means:

1) a gambling service in which a player is required to pay in order to participate and may win a prize of monetary value based in full or in part on chance (gambling);

2) a lottery referred to in section 3a of the Lotteries Act (1047/2001) and making available for public use gaming machines and gaming equipment referred to in section 56 of the Lotteries Act;

3) draws other than publicly organised lotteries, guessing games, betting or other similar activity based partly or wholly on chance, as referred to in lotteries legislation, in which players may win money or a prize of monetary value, which is not to be regarded as reasonable performance-based compensation or as pay within the meaning of the Prepayment Act (1118/1996).

— —

Section 4

Tax base and tax rate

The lottery tax on gambling and other lotteries referred to in section 1, subsection 1, paragraphs 1 and 2 ll shall be 22 % of the proceeds.

For a bingo game where no money can be won, the tax shall be 5 % of the total value of the distributed prizes, excluding prizes that comprise the right to a new game.

This Act will enter into force on [day] [month] 20xx.

6.

Act

amending the Income Tax Act

By decision of Parliament:

section 21c of the Income Tax Act (1535/1992), as amended by Act 1293/2016, is *repealed*; and

section 85, as amended by Act 334/2005, is *amended* as follows:

Section 85

Lottery winnings

Taxable income does not include winnings obtained from:

1) gambling services or other lotteries referred to in section 1, subsection 1 of the Lottery Tax Act;

2) lotteries other than gambling services operated in another State belonging to the European Economic Area in accordance with its legislation;

3) gambling services offered in another State belonging to the European Economic Area in accordance with its legislation.

However, winnings that can be regarded as reasonable performance-based compensation or as pay within the meaning of the Prepayment Act are taxable income.

This Act will enter into force on [day] [month] 20xx.

7.

Act

amending the Act on the Public Disclosure and Confidentiality of Tax Information

By decision of Parliament:
section 20, subsection 5 of the Act on the Public Disclosure and Confidentiality of Tax Information (1346/1999), as amended by Act 1500/2011, is *amended* as follows:

Section 20

Disclosure of information to other authorities

Notwithstanding the confidentiality obligation, the Finnish Tax Administration may, upon request, disclose:

— —

(5) to the authorities, for the purpose of processing a licence application on the running of lotteries in accordance with the Lotteries Act (1047/2001) and the operation of gambling in accordance with the Gambling Act (xxx/yyyy), information on lotteries and gambling services and any lottery taxes paid on them, including identifying information on the taxable entity;

— —

This Act will enter into force on [day] [month] 20xx.

8.

Act

amending chapter 17, sections 16a and 16b of the Criminal Code

By decision of Parliament:
chapter 17, sections 16a and 16b of the Criminal Code (39/1889), as amended by Acts 1287/2016 and 578/2011, is *amended* as follows:

Chapter 17

Offences against public order

Section 16a

Gambling offence

A person who
1) provides gambling services without a licence required by the Gambling Act (xxx/yyyy);
2) sells or supplies gambling services provided by parties other than the licence holder referred to in the Gambling Act, or markets such gambling services in violation of the prohibition laid down in section 75, subsection 2, paragraph 2 or 3 of the Gambling Act;
3) sells or supplies gambling services abroad or markets gambling services abroad in violation of the prohibition laid down in section 75, subsection 2, paragraph 4 of the Gambling Act;
4) sells or supplies, without the permission of the provided of gambling services, gambling services provided by the licence holder referred to in section 5 or 6 of the Gambling Act or receives stakes or distributes winnings connected with such gambling services in violation of the prohibition laid down in section 75, subsection 2, paragraph 5 of the Gambling Act; or
5) provides premises for the making available for use of a slot machine or a casino game other than those made available by the licence holder referred to in section 5 or 6 of the Gambling Act, in violation of the prohibition laid down in section 75, subsection 2, paragraph 6 of the Gambling Act;
shall, unless a more severe punishment for the act is provided elsewhere by law, be sentenced for a gambling offence to a fine or to imprisonment for at most two years.

Section 16b.

Lottery offence

A person who
1) runs a lottery other than one referred to in section 16a, paragraph 1 without a licence referred to in the Lotteries Act;
2) violates a prohibition laid down in section 62, subsections 1–4 of the Lotteries Act in a manner other than one referred to in section 16a;

3) use proceeds from a lottery essentially in violation of the provisions laid down by law or in the licence to run lotteries or in the permission to change the purpose of use of the proceeds;

4) neglects the obligation to render accounts that is part of the running of a lottery;

5) runs a small lottery referred to in section 27, subsection 1 of the Lotteries Act without meeting the conditions for the running of a lottery laid down in section 5 of the Lotteries Act;

6) essentially or repeatedly violates the conditions or provisions of a licence to run a lottery;

7) violates the provision on the age limit for gambling of 18 years laid down in section 24 of the Gambling Act;

8) violates the obligation under section 41, subsection 1 of the Gambling Act to deny a person under the age of 18 entry to a casino;

9) violates the provisions of section 51, subsection 2, sections 52–53 or section 56 concerning the marketing of gambling; or

10) provides gambling services in violation of the prohibition laid down in section 75, subsection 1 of the Gambling Act;

shall, unless a more severe punishment for the act is provided elsewhere by law, be sentenced for a lottery offence to a fine or to imprisonment for at most six months.

This Act shall enter into force on [day] [month] 20xx.

9.

Act

amending section 1 of the Act on the Enforcement of a Fine

By decision of Parliament, the following
section 1, subsection 1, paragraph 17 of the Act on the Enforcement of a Fine (672/2002), as amended by Act 1209/2022, is *amended* as follows:

Section 1

Scope of application

In the order laid down in this Act, the following penalties shall be enforced:

— —

17) an administrative fine referred to in the Gambling Act (xxx/yyyy) and a penalty fee imposed by the Market Court;

— —

This Act will enter into force on [day] [month] 20xx.

10.

Act

amending the Market Court Proceedings Act

By decision of Parliament:

chapter 1, section 2, subsection 2, paragraph 7; and section 6, subsection 2, paragraph 6 of the Market Court Proceedings Act (100/2013), as amended by Act 1287/2021, and chapter 5, section 2, subsection 7 are *amended* as follows:

Chapter 1

General provisions

Section 2

Competition and supervision cases

— —

The Market Court also considers as competition and supervision cases assigned to its jurisdiction:

— —

7) the proposals of the Licensing and Supervisory Authority on the imposition of a penalty fee referred to in the Gambling Act (xxx/yyyy).

Section 6

Market law cases

— —

The Market Court also considers as market law cases the following that have been assigned to its jurisdiction:

— —

6) cases other than the imposition of a penalty fee referred to in the Gambling Act.

Chapter 5

Consideration of market law cases

Section 2

Parties with the right to initiate a case

— —

Separate provisions are laid down on the parties with the right to initiate a case in matters under the Alcohol Act, the Gambling Act and the Tobacco Act.

— —

This Act will enter into force on [day] [month] 20xx.

The proposal referred to in chapter 1, section 2, subsection 2, paragraph 7 of the Act may be made by the National Police Board until [day] [month] 20xx.

11.

Act

amending the Consumer Protection Act

By decision of Parliament:

chapter 2, section 8a, subsection 2, paragraph 10; chapter 5a, section 2, subsection 1, paragraph 2; and chapter 6, section 2, subsection 1, paragraph 8 of the Consumer Protection Act (38/1978), of which, chapter 2, section 8a, subsection 2, paragraph 10; and chapter 6, section 2, subsection 1, paragraph 8 as amended by Act 1211/2013; and chapter 5a, section 2, subsection 1, paragraph 2 as amended by Act 1242/2021, are *amended* as follows:

Chapter 2

Regulation of marketing

Section 8a

Information to be provided prior to concluding a contract

— —

The provisions of this section shall not apply to:

— —

10) a contract for a service within the scope of the Lotteries Act (1047/2001) and the Gambling Act (xxx/yyyy);

Chapter 5a

Contracts for digital content and digital services

Section 2

Limitations of scope of application

The provisions of this chapter do not apply to contracts:

— —

2) that concerns a service within the scope of the Lotteries Act and the Gambling Act;

— —

Chapter 6

Off-premises selling and distance selling

Section 2

Limitations of scope of application

The provisions of this chapter shall not apply to:

— — — —

12.

Act

amending sections 32 and 173 of the Act on Electronic Communications Services

By decision of Parliament:

section 32, subsection 1, paragraph 1; and section 173, subsection 1, paragraph 5 of the Act on Electronic Communications Services, of which, section 32, subsection 1, paragraph 1 as amended by Act 1271/2021, are *amended* as follows:

Section 32

Cancelling a programming licence

The licensing authority may cancel a licence in part or in full, if:

1) the software licence holder has repeatedly and seriously violated this Act, section 75, subsection 2, paragraph 3 of the Gambling Act (xxx/yyyy) on marketing of unlicensed gambling directed at the national territory, section 6 of the Act on Audiovisual Programmes on compliance with the age limit for audiovisual programmes, the licence conditions referred to in section 27 or 37 of this Act, or is guilty of agitation against a population group as referred to in chapter 11, section 10 of the Criminal Code, aggravated agitation against a population group as referred to in section 10a, or of public incitement to an offence committed with terrorist intent refer as referred to in chapter 34a, section 5e of the said Act;

— — — —

13.

Act

repealing section 2 of the Act on Horse Racing

By decision of Parliament, the following is enacted:

Section 1

This Act repeals section 2 of the Horse Racing Act (796/1993), as amended by Act 1310/2016.

Section 2

This Act will enter into force on [day] [month] 20xx.

14.

Act

amending section 8 of the Act on the Taxation of Business Income

By decision of Parliament

section 8, subsection 22 of the Act on the Taxation of Business Income (360/1968), as amended by Act 1577/2019, is *amended*; and

to section 8, subsection 1, as partially amended by Acts 661/1989, 1539/1992, 1160/2002, 717/2004, 1077/2008, 471/2009, 938/2010, 490/2012, 645/2014, 1087/2014, 1405/2014, 825/2017, 308/2019, 736/2019, 1577/2019, 1075/2020 and 957/2021, a new paragraph 23 is *added*, as follows:

Section 8

The deductible expenses referred to in section 7 above include:

— —

22) losses generated by savings life insurance, capitalisation agreement and pension insurance referred to in section 35b of the Income Tax Act, calculated in the manner laid down in section 35b,subsection 5 of the Income Tax Act;

23) compensation payable under section 19 of the Gambling Act (xxx/yyyy) for a licence to operate gambling.

This Act will enter into force on [day] [month] 20xx.

15.

Act

amending Section 6 of the Act on the Grey Economy Information Unit

In accordance with the decision of Parliament,

section 6, subsection 1, paragraph 37 of the Act on the Grey Economy Information Unit (1207/2010), as amended by Act 190/2024, is *amended*; and

to section 6, subsection 1, as amended by Acts 308/2016, 858/2016, 1159/2016, 1413/2016, 1419/2016, 324/2017, 454/2017, 1112/2017, 404/2018, 414/2018, 722/2019, 1399/2019, 624/2020, 1264/2020, 488/2021, 690/2021, 1134/2021, 495/2022, 713/2022, 1119/2022, 1327/2022, 1340/2022, 1355/2022, 743/2023 and 190/2024, a new paragraph 38 is *added* as follows:

Section 6

Purpose of the compliance audit report

The compliance audit report is compiled to support:

— —

37) investigation and supervision of the fulfilment of the general requirements for the provision of private early childhood education and care referred to in section 43a of the Act on Early Childhood Education and Care (540/2018);

38) investigation of the reliability and suitability provided for in section 10 of the Gambling Act (xxx/xxxx).

— —

———

This Act will enter into force on [day] [month] 20xx.

———

DRAFT 01 November 2024

Helsinki xx xx 20xx

Prime Minister,

Name Surname

..Minister First name Last name