



## WORLD LOTTERY ASSOCIATION

### Code of Conduct concerning the use of electronic commerce for the distribution of gaming services

#### *Preamble*

*Whereas all governments to which the WLA Members belong have established strict legal and statutory controls and restrictions to the operation of games of chance,*

*Whereas the aforesaid norms provide that the revenues from gaming operations are to be used solely for social welfare purposes, charity or the common good; and*

*Whereas the tax component determined by each country, is altered when electronic and offshore commerce is not used properly, thereby contravening such countries' laws, which situation leads to irreparable damage to the States,*

*The signatory WLA Members who represent the State Lottery and Toto operators in the world agree to establish the following Code of Conduct.*



## **Article 1 - Objective and Scope**

For the purpose of the Code of Conduct "gaming" refers to "Lottery Games" as defined in section 1.7 of the WLA By-laws namely games of chance and/or skill such as Lotto, Toto, classic lotteries, sports betting, sports lotteries, instant games, and on and off-line lottery games generally offered at retail locations.

- (1) This Code of Conduct shall bind the undersigned Members of the WLA with regard to the use, for the distribution of their gaming services to the public, of electronic commerce services (including, in particular, Internet gaming, interactive TV, telephone betting, and all activities of commerce not covered by commercial lottery systems).
- (2) Members shall undertake all possible efforts to make the Code of Conduct known to and adhered to by their stakeholders, including staff, retailers, brokers and all other partners, associates or subcontractors and all other persons, physical or legal who are involved in commerce or another form of commercial relationship with the member.

Furthermore, the Members shall inform their respective governments or governmental supervisory or authorizing institutions about their intention to sign this Code of Conduct.

- (3) The objective of the Code of Conduct is to provide a framework wherein the Members can distribute their services via electronic commerce services while:
  - respecting the boundaries of the law as well as the moral, fiscal and public order objectives underlying legislation on gaming, and
  - offering consumers guarantees that best efforts will be made to comply with the highest standards of consumer protection and security will be maintained.
- (4) Subject to the respect of Articles 1(2) and 2(2) nothing in the Code of Conduct is intended to change, or can have the effect of changing the law as it applies to the Members. The principles established in the Code of Conduct shall not represent legal grounds for liability of the Members.



## **Article 2 - Licensing and jurisdiction**

- (1) No Member shall offer gaming services via electronic commerce services unless it has received the necessary permission to do so by the government or authorities competent to grant such authorization for the territory where the gaming services are made available.
- (2) Members shall only offer a gaming service to or accept bets from residents of the jurisdiction(s) whose government or competent authority has granted an authorization to offer the gaming service concerned.

## **Article 3 - Prevention of under-age gaming**

Members shall take measures to ensure that no players are under the applicable legal age limit for the appropriate form of gaming in the jurisdiction where they may make gaming services available via electronic commerce.

## **Article 4 - Prevention of compulsive gambling**

- (1) Members shall take all reasonable measures to offer protection to compulsive gamblers and others who have difficulty in controlling their gambling.

## **Article 5 - Security and consumer protection**

- (1) The Members strive to ensure the complete integrity and security of their operations. The Members will make every effort to ensure that the games, draws and prize payments are secure, operate fairly and are not used as a means of conducting any illegal activities, in particular for money laundering. To reach this objective, Members shall use procedures, which are, in effect, as rigorous as the procedures used with regard to their terrestrial gaming services, distributed to the public via traditional channels.



- (2) The Members shall refrain from using misleading advertising including free demonstration games offering players better odds than the same games requiring a financial payment

#### **Article 6 - Use of personal data and protection of privacy**

The Members shall take all necessary measures to protect the privacy of the players and the confidentiality of the information provided by them and shall make no inappropriate use of such information. Members shall fully respect the laws and rules concerning the protection of individuals with regard to the processing of the personal data and the free movement of such data that apply in the jurisdiction(s) where they make their services available.

#### **Article 7 - Means of payment and credit gaming**

- (1) Members will make every effort to ensure that the means of payment used are safe.
- (2) Members will respect rules prohibiting credit gaming that may apply within the jurisdiction(s) where they can make their services available.

#### **Article 8 - Standards of good practice**

The Executive Committee of the WLA may establish Standards of Good Practice. A Standard of Good Practice shall not be binding upon the Members but will describe in greater detail the mechanisms that may be used by the Members to comply with the different obligations provided for in this Code of Conduct.

#### **Article 9 - Certificate**

- (1) All Members who make use of electronic commerce services to distribute their gaming services in accordance with the provisions of this Code are entitled to use a certificate of compliance and may use the following logo (to be linked to a digital certificate).
- (2) No other person or organization may use the logo.



## **Article 10 - Complaints and sanctions**

- (1) Any person, Member or interested organization can file a complaint with the Executive Committee of the WLA in the event of an alleged breach by any Member of this Code of Conduct.
- (2) The concerned Member must be informed of such complaint and shall be invited to present its comments about the alleged violation within two weeks time after being informed by the Executive Committee of the WLA.
- (3) Should the Executive Committee find that a breach of the Code of Conduct has been committed, a notification with demand to take remedial action shall be addressed to the concerned Member. The Members undertake to comply with the terms of this notification and shall take action to ensure that the breach is not repeated.
- (4) Should a Member, despite repeated demands, fail to take reasonable remedial action against a breach of the Code of Conduct or fail repeatedly to comply with notifications, the Executive Committee may decide to start the procedure for exclusion from Membership provided for in the bylaws of the WLA.
- (5) When acting on the basis of this Article, the Executive Committee shall take decisions by the majority of the Executive Committee members who possess a voting right. If the Director of the Member against whom the complaint was brought, is a member of the Executive Committee, the Director concerned shall abstain from taking part in the Executive Committee's deliberations and decision making on the complaint.

## **Article 11 Information towards authorities**

Members shall inform their authorities if they have knowledge of identifiable persons or companies participating directly or indirectly to the organization of illegal gaming activities through electronic commerce.

## **Article 12 Final Provisions**

The provisions of this Code of Conduct may be modified by majority vote of Members casting a vote as established by article 8.3 of the WLA By-laws.



## **Standard of good practice concerning Article 2 (licensing and jurisdiction)**

For instance:

### ***Player registration***

- National bank account
- National social security number or any other form of national identification
- Verification of physical address
- Digital certificates
- PIN codes

### ***Other means to ensure that the player is a resident of your jurisdiction***

- Web site in the official language(s) of the jurisdiction
- Sale of means of payment only within the jurisdiction's borders
- Disclosure of national social security number
- Exclusive acceptance of national credit cards
- Digital certificates



### **Standard of good practice concerning Article 5 (security and consumer protection)**

For instance:

- Methods to be used to ensure data protection and security of transmission
- EDP-audits, regarding the electronic gaming systems used by the operators
- Methods of prepayment and refunding.
- Rules for subscription services

### **Prevention of compulsive gambling Article 4**

For instance:

The potential to exclude players from participating in the games offered upon their own demand.

Limitations on spending per registered player.