GAMING INNOVATION IN REGULATED MARKETS

GAMING STANDARDS
ASSOCIATION

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- **Innovative games brought to the market**
  - Skill Based Games
    - Fantasy Sports – John English (CEO WEBE Gaming)
    - Skill Based Slots – Aideen Short (Randonm Consulting)
  - Second Screen games – Bernie Melanson (CEO Steamsharp)

- **Internet of Things**
  - What does it mean and why regulations is needed – Mario Galea (Random Consulting)
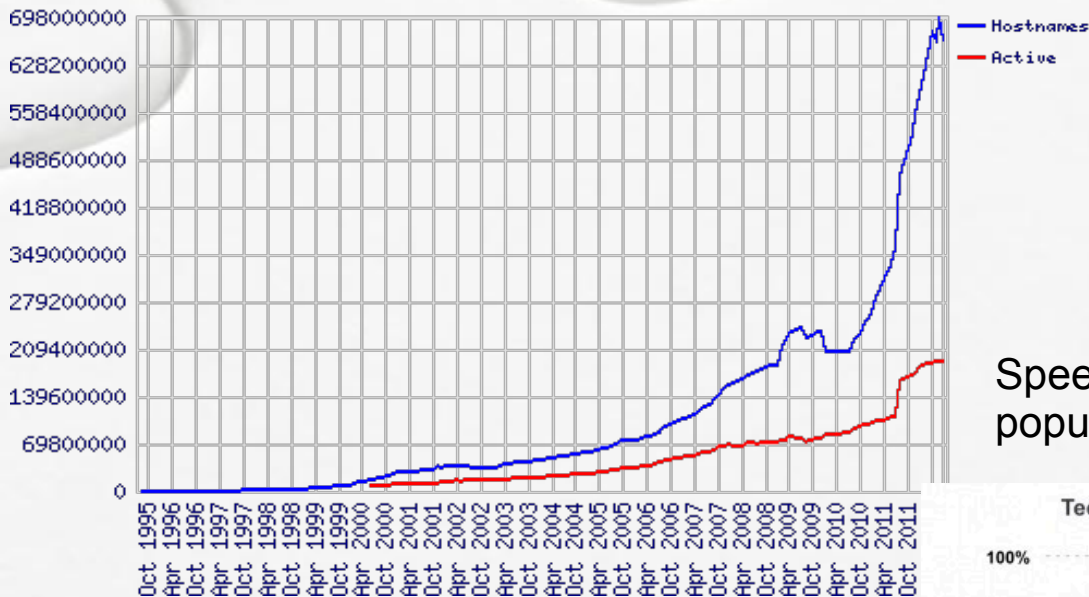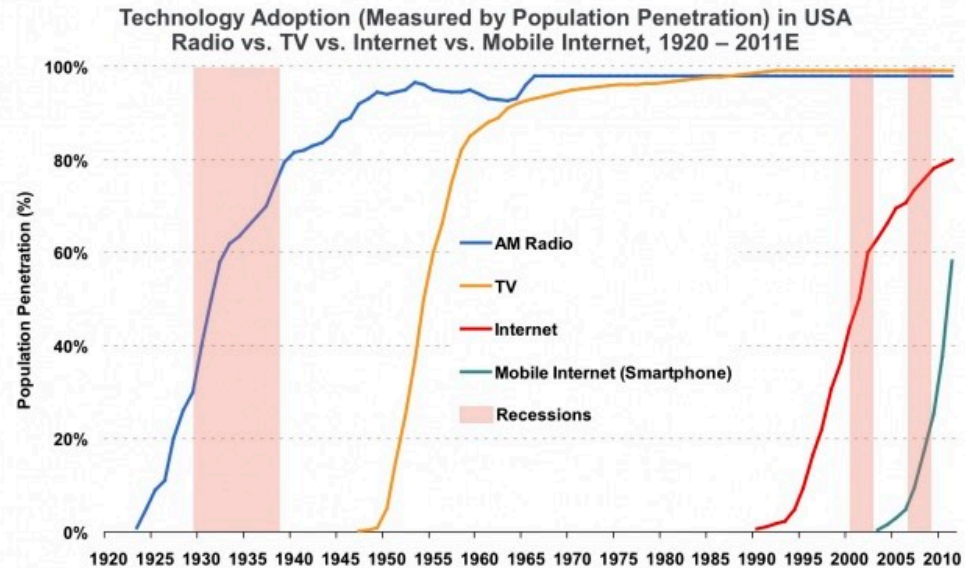
PLATINUM MEMBERS

WHO ARE WE?

- **An International Trade Association**

- **Formed in May 1998**

- **Currently 62 members (operators, vendors, test labs)**

- **We are an association that enables collaboration between:**
  - The Industry Domain (Suppliers / Operators / Test Labs)
  - The Policy Domain (Governmental Agencies and Regulators)

- **Create information standards (G2S, S2S, …)**

GLOBAL DEPLOYMENT (70+ COUNTRIES)

PACE OF CHANGE IN OUR WORLD

The Internet – its size doubles every 5.32 years

Speed of adoption is significantly **faster** as population gets more tech savvy

Technology Adoption (Measured by Population Penetration) in USA
Radio vs. TV vs. Internet vs. Mobile Internet, 1920 – 2011E

Source: Radio penetration data per Broadcasting & Cable Yearbook 1996, Internet penetration data per World Bank / ITU, Mobile Internet (smartphone) data per Morgan Stanley Research; 3G data per Informa.

IMPACT ON OUR LIVES

- **Technology is outpacing far quicker than one can manage to acquire the necessary competencies**

- **The end of online / offline**
  - Continuously online – Internet of Everything (IoE)
    - Gartner predicts more than 21 Billion devices by 2020!
  - The personalization of everything

- **To quote Gerd Leonard (CEO of the Futures Agency):**
  - Machines will know us better than our closest friends and spouses.
  - They will give us flawless comments, advice and recommendations and very accurate personal predictions.

PRINCIPLES OF GAMING POLICIES

1. **Ensure that all games are delivered fair and in a transparent manner**

2. **Protect minors and vulnerable persons from gambling**

3. **Ensure that gaming activities are free from crime, corruption and money laundering**

4. **Protect the public interest**

IMPACT ON POLICY DOMAIN - CHALLENGES

1. **Increased pressure to create policies and technical standards**

2. **Access to the right knowledge**

3. **Resource restricted**

4. **Results into Insufficient capacity for effective oversight**

ADVANCES IN TECHNOLOGY HELP CARD COMPANIES NOTICE IRREGULARITIES FIRST

CC companies know more about you then your friend or spouse!

HOW TO ADDRESS THESE CHALLENGES ?

- **Consider moving away from Prescriptive Regulations**

  Prescription is the result from the lack of trust between policy and industry domain and this resulted into a policing mentality.

  Towards…

- **Risk Management Approach**
  - Security
  - Auditability
  - Accountability
  - ITL's to verify
- **The compliance and enforcement process is elevated**
- **Regulators must not chase the internet**

FIVE PRIORITIES OF INNOVATION

- **Create a culture of openness**

- **Build platforms for participation**

- **Foster dialogue and continual improvement**

- **Protect the public interest**

- **Organize collective action in the industry**

REGULATOR BENEFITS OF STANDARDS

- Improves the **quality, accuracy and reliability** of information as it enters, processed and then reported to regulators.

- Enhances the **breath and depth** of information that can be included in analyses and reports on a routine basis with minimum to no added costs.

- Addresses the need to find long-term solutions **to pull time and costs out** of the reporting process.

- **Allows sharing** of information amongst regulators on a global level.

- Enables the developed of tools to detect fraudulent activities in real-time, across multiple states or countries thereby significantly supporting the principles of gaming policies.

STANDARDS WILL HELP TO ACCURATLY COMPILE, REVIEW AND AUDIT

"Open Standards give you peace of mind"

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