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Royal Ministry of Culture and Church Affairs

The Present Situation in Norway

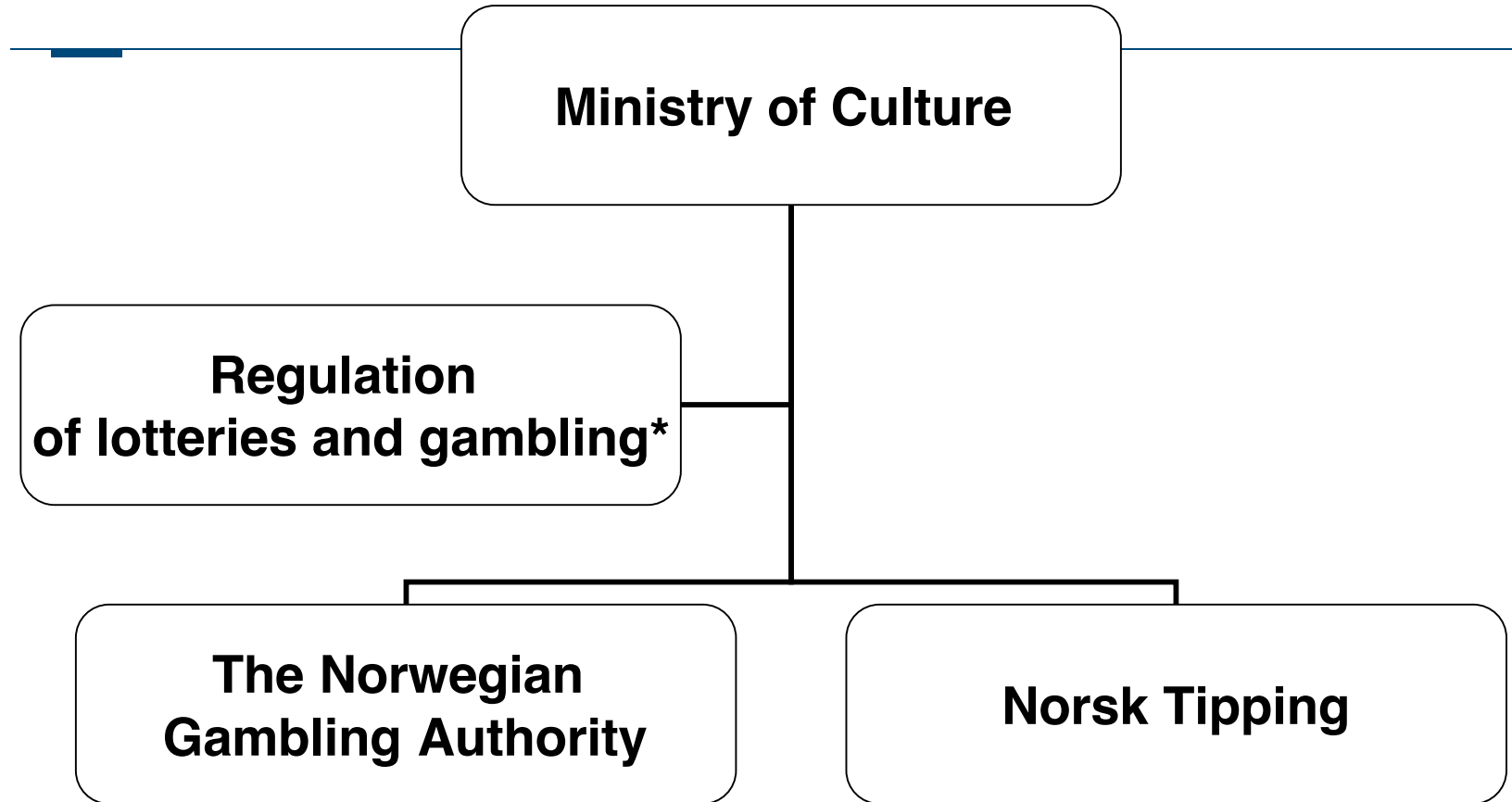
6th Nordic Conference on Gambling and Policy Issues
Copenhagen, 21 May 2007

Unn Hovda Sandven



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Overview

- The overriding motives for the Norwegian regulation of gambling
 - Regulation
 - Other preventive measures
- Internet gambling in Norway
 - Regulation
 - Potential new measures
- Slot machines
 - Removal of the existing slot machines 1 July 2007
 - Implementation of the new gambling terminals



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- Norway, along with the other Scandinavian countries, has a tradition of restrictive gambling policy and a strict regulation of access to gambling
 - It is prohibited under Norwegian law to offer gambling services without a license granted pursuant to specific exemptions in statutory law (*The Norwegian Penal Code, Section 298*)
 - The overriding objective is to prevent problem gambling and crime, and to channel gambling into responsible and regulated gambling opportunities to the benefit of good causes

The gambling market in Norway

- Two state owned monopolies
 - Norsk Tipping (sports betting and certain number games)
 - Rikstoto (horse race betting)
- Licenses to organise private lotteries for the benefit of good causes
 - bingo, traditional lotteries, slot machines
- Casinos are prohibited
- Non licensed Internet gambling sites

The Governmental Action Plan to prevent problem gambling

The Action Plan was launched in April 2005

Main objectives are

- To prevent problem gambling
- To reduce the damages of excessive gambling

Some of the measures that have been implemented:

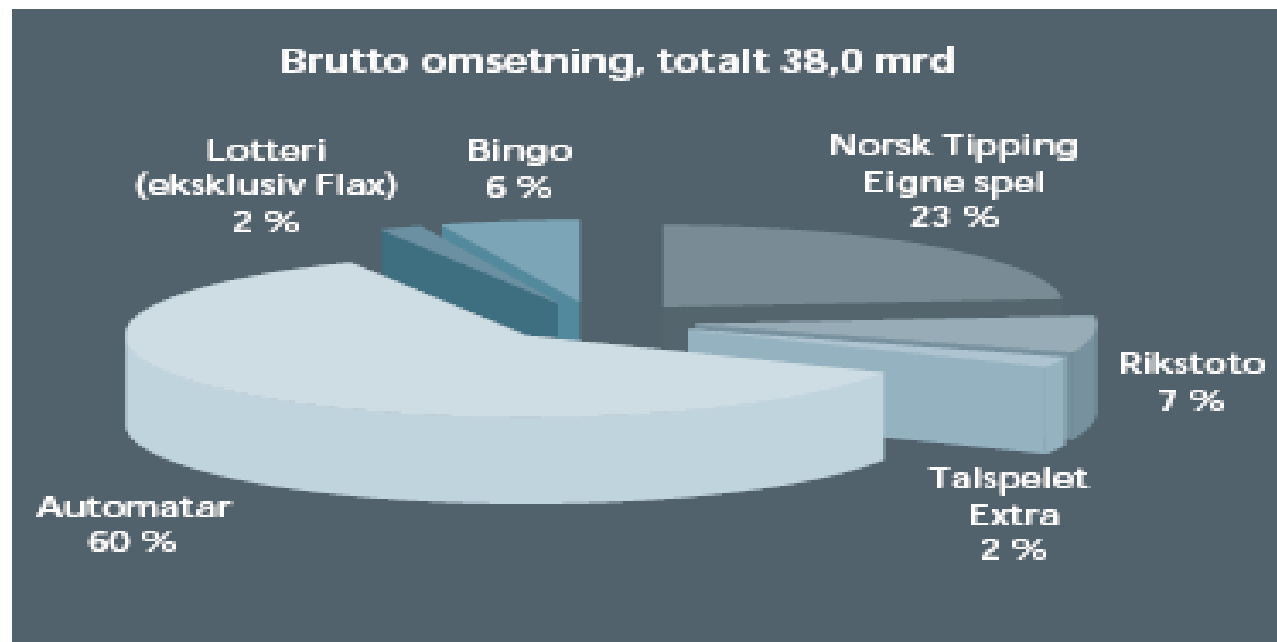
- Research programme, information campaign, measures to improve competence on gambling addiction in the national welfare and health services etc, financial support to voluntary organisations aimed at problem gamblers and their families, National Helpline, stricter marketing guidelines for state monopolies etc.



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Turnover in the regulated gambling market 2006



Source: The Norwegian Gambling Authority

Remote Internet gambling in Norway

- 6,5 % of the population is estimated to have participated in Internet gambling in 2006 - that makes 230 000 in total
- Remote Internet gambling has doubled every year since 2002
- Estimated amount spent on remote Internet gambling in 2006 was + 5,5 billion NOK (approx. 370 euro)
- The National Helpline reports that 18 % of the callers refers to Internet gambling as their main problem

Source: The Norwegian gambling Authority

The present regulation of Internet gambling

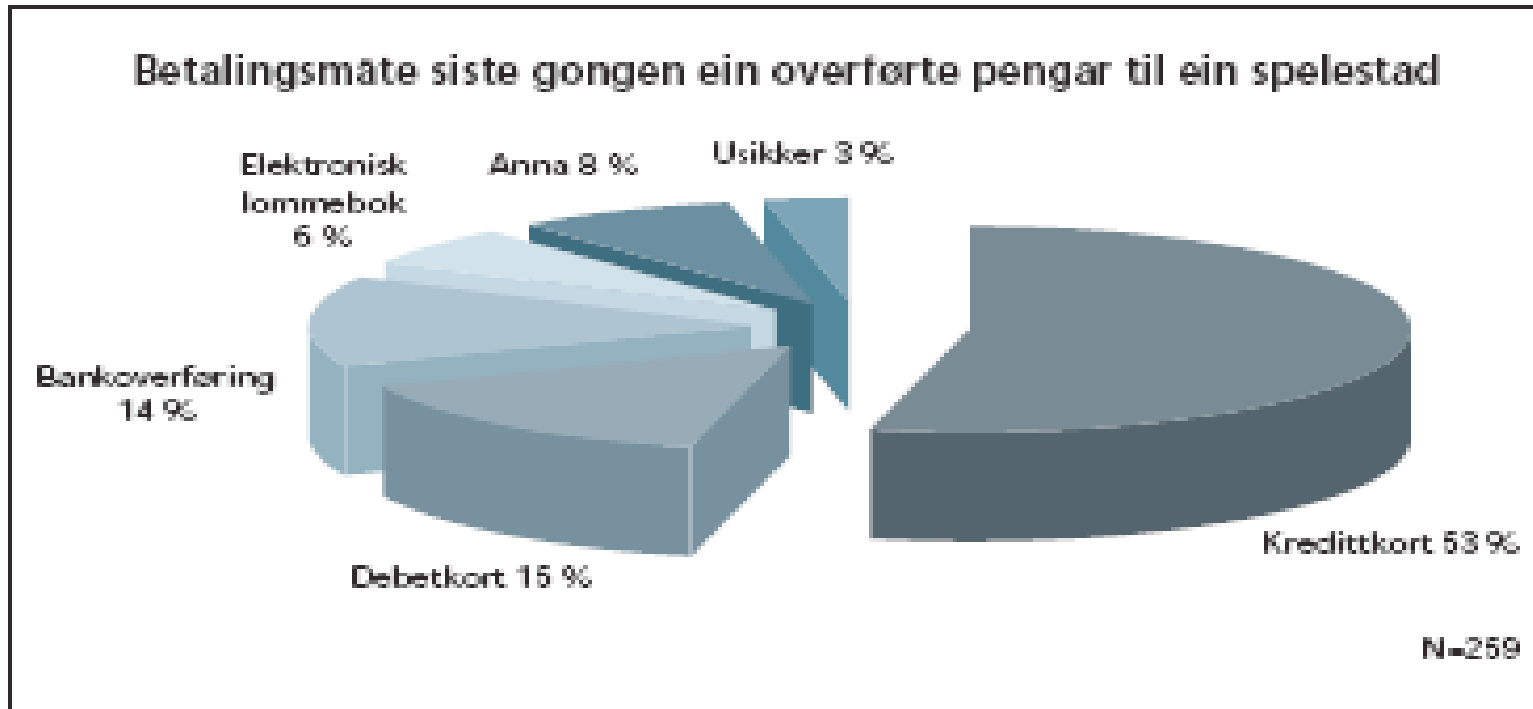
- To operate gambling opportunities to the public you need a license
- Norsk Tipping and Norsk Rikstoto have licenses to offer their games to the public in Norway via the Internet
 - however, no interactive games are permitted
- It is illegal to market or in any other way promote, or help organise, non-licensed gambling opportunities within the Norwegian jurisdiction/territory
 - The Norwegian gambling Authority enforces this regulation



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Means of payment on Internet gambling services



Source: The Norwegian gambling Authority

Possible measures to prevent illegal Internet gambling?

- Blocking of Internet sites?
- Prohibit payment services to Internet gambling sites?
- National license system for Internet gambling operators?
- The Government is currently working on a new proposal to meet the challenges of cross-boarder gambling

The regulation of slot machines

- Proposal to remove the existing slot machines presented before the Parliament in Bill No 44 (2002-2003)
- In 2003 the Parliament adopted the proposal to grant Norsk Tipping monopoly on gambling terminals. The new model was to be implemented in January 2005
- The operators and ESA have filed law suits against the Norwegian Government, arguing that the new monopoly is in breach with the EEA Treaty
- The case has been pending before the courts for four years

The regulation of slot machines (cont.)

- While we are waiting... measures have been introduced to reduce problem gambling on present slot machines
 - A ban on note acceptors on the slot machines (July 2006)
 - Warnings have been posted on all machines (January 2007)
 - The slot machines are forced to shut down during night time (January 2007)
- 14 March 2007 the EFTA-court ruled in favour of the Norwegian Government in the slot machine case
- The existing slot machines will be removed from 1 July 2007
- The new model with Norsk Tipping's gambling terminals is planned to be implemented in 2008



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The new model – Norsk Tipping's gambling terminals

- The existing regulation of Norsk Tipping's gambling terminals will be revised in light of new knowledge and in dialogue with experts on prevention of problem gambling
- The regulation of the new terminals will be finalised in the autumn of 2008