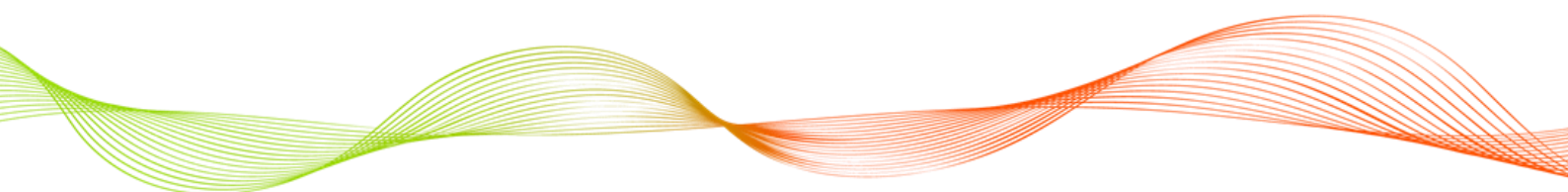




IBIA response: Submission to the  
Standing Committee on Justice  
and Human Rights concerning Bill  
C-218 (Criminal Code and sports  
betting)

March 2021



## CONTENTS

---

**Chapter 1: Introduction..... 2**

**Chapter 2: Bill C-218 (single sports betting)..... 3**

## Chapter 1: Introduction

---

1. The International Betting Integrity Association (IBIA)<sup>1</sup> is a not-for-profit trade body representing the betting integrity interests of many of the largest licensed retail and online betting operators in the world. The association welcomes the opportunity to comment on Bill C-218 and the Standing Committee on Justice and Human Rights' consideration of that matter.<sup>2</sup>
2. The association's members are licensed and operate within various regulatory frameworks for gambling around the world; their business operations and focus are truly international. That commercial enterprise is currently conducted through around 85 retail and online/remote sports betting brands, including many globally recognised household names across six continents.
3. Those operators see US\$137bn of global betting turnover per annum through their regulated businesses and account for over 90% of betting turnover in some major markets, such as Great Britain. This betting activity represents around 30% of all regulated sports betting activity globally, or close to half of all regulated commercial betting activity (i.e. excluding state-led monopolies).
4. IBIA's principal goal is to protect its members, consumers and partners, such as sports bodies, from fraud caused by the unfair manipulation of sporting events and associated betting. The organisation combats this fraud with evidence-based intelligence, principally obtained from its global monitoring and alert system which identifies suspicious activity on its members' markets.
5. The association has longstanding information sharing partnerships with leading sports bodies and gambling regulators around the world to utilise that data to investigate and prosecute corruption. That approach has been successful in helping to drive criminals away from regulated markets, creating a safe and secure environment for our members' customers and sports.
6. The association, which was established in 2005 and formerly known as ESSA, is the leading global voice on integrity for the licensed betting industry. It represents the sector at high-level policy discussion forums and maintains a policy of transparency and open debate, publishing quarterly integrity reports analysing activity reported on the IBIA monitoring and alert platform.<sup>3</sup>
7. In particular, IBIA holds seats on betting integrity policy groups run by the International Olympic Committee (IOC), European Commission and the Council of Europe, amongst others. The association also engages in mitigating actions with a range of partners, such as player betting education programmes and academic studies on the causes of, and solutions to, match-fixing.
8. IBIA has followed the discussion in Canada regarding single sports betting over the last decade and would like to add its global experience and knowledge of sports betting markets and integrity issues to the Standing Committee's deliberations concerning Bill C-218. IBIA will of course be pleased to have additional engagement in this discussion should the Committee request that.
9. This response uses regulated global betting data from H2 Gambling Capital, the leading gambling market intelligence source. IBIA has also provided its members' alert and betting market data.

---

<sup>1</sup> <https://ibia.bet/>

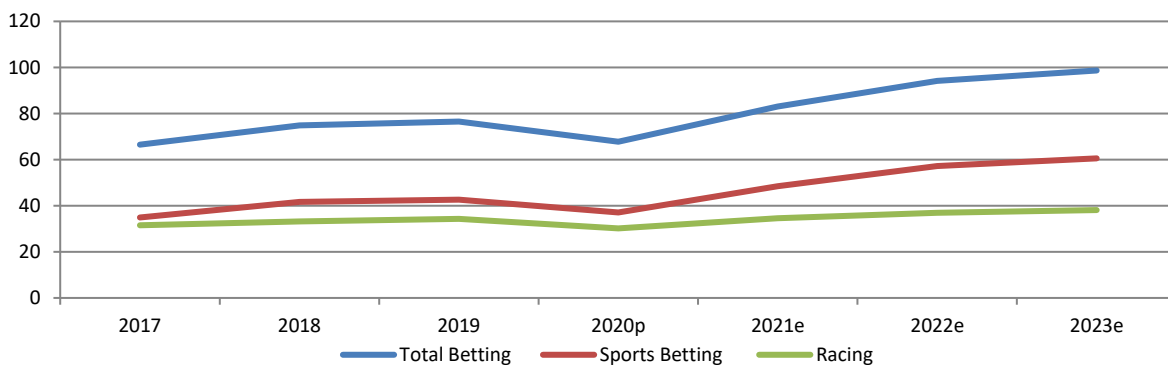
<sup>2</sup> <https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=e&Mode=1&billid=10866122> & <https://www.ourcommons.ca/committees/en/just>

<sup>3</sup> <https://ibia.bet/resources/>

## Chapter 2: Bill C-218 (single sports betting)

10. Canada introduced a product limitation into its Criminal Code in 1985, prohibiting betting “on a single sport event or athletic contest.”<sup>4</sup> This was intended as an integrity mechanism to protect Canadian sports from betting corruption (match-fixing), on the premise that fixing multiple games would be far harder than single events.<sup>5</sup> Bill C-218 seeks to remove that single bet prohibition.
11. Whether the initial intention of the restriction on single sports bets was necessary and had a positive impact on the integrity of Canadian sports is open to question. In the current global sports betting environment, the prohibition is deemed to be both ineffective and counterproductive. The principal impact has been to drive Canadian consumers to offshore betting operators.
12. That saw C\$326m in gross win (stakes minus prizes) for offshore operators from Canadian bets in 2020.<sup>6</sup> Many of those operators are poorly or unregulated. As a result, the offshore delivery of sports betting to Canadian consumers means that, at federal and provincial levels, there is a:
  - Loss of taxable revenues offshore;
  - Lack of betting market oversight and consumer protection; and
  - Related lack of integrity data to protect the market and sports bodies from corruption.
13. Canada is part of a growing global betting market, notably through online channels, worth US\$77bn in gross win in 2019 and forecast to reach US\$99bn by 2023. It represented 16% of all gambling gross win in 2019. However, betting is the fastest growing gambling segment and is forecast to grow at over double the rate of the overall gambling industry over the next five years.<sup>7</sup>

**Figure 1: Global Regulated Betting by Gross Win (US\$bn)**



Source: H2 Gambling Capital, March 2021

14. Online betting has been growing substantially faster than land-based betting for a number of years and in 2019 accounted for 45% of all betting gross win. Retail is forecast to be the dominant channel in 2021 (subject to the pandemic). However, online and land-based betting are expected to split the market equally in 2022, with online betting the dominant channel from 2023 onwards.<sup>8</sup>

<sup>4</sup> para. 207 (4) (b) <https://laws-lois.justice.gc.ca/eng/acts/c-46/>

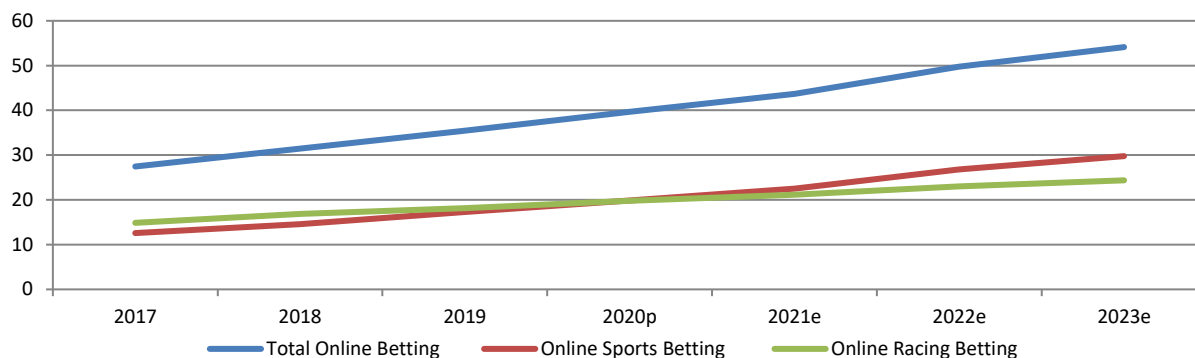
<sup>5</sup> <https://www.onlinesportsbetting.ca/single-event-sports-betting-legal/>

<sup>6</sup> H2 Gambling Capital figures

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

**Figure 2: Global Regulated Online Betting by Gross Win (US\$bn)**



Source: H2 Gambling Capital, March 2021

15. There is a clear and rising consumer demand for access to betting products; restrictions such as the single sports bet prohibition mean that only 31% of Canadian bets are placed onshore. That is in stark contrast with Great Britain and its attractive market model (no product restrictions), which saw a 99% onshore consumer channelling rate with its licensed betting operators in 2019.<sup>9</sup>
16. The perceived success of the regulatory model employed is open to different interpretations based on the focus of the policy in operation. However, if the fundamental policy approach is to have control of consumer access to, and oversight of, betting services, then the related availability of betting services and the compliance of consumers with that policy is a core indicator of success.
17. Canada's restrictive betting market approach cannot, on that basis, be deemed to be effective. The removal of the prohibition on single sports bets would be a major step forward in channelling Canadian consumers to onshore operators. However, it is not the only driver of consumer migration to offshore operators, and this issue must be considered in a wider market context.
18. The monopoly driven approach of provinces and the self-imposed limitation on sports and bets available through those monopoly operators are also key reasons why consumers use offshore services. Whilst the 31% onshore channelling would be expected to increase, it is extremely unlikely that Canada will be able to replicate the channelling success of countries like Great Britain.
19. The provincial monopoly of betting in Canadian provinces restricts competition. Betting products are also limited. Ontario, for example, mainly allows North American sports and European football (soccer). It currently requires bets on 3-6 events (C-218 will repeal this) with a maximum of 99 events shown online, but wagers must be placed in retail premises with bets of C\$2-C\$100.<sup>10</sup>
20. This position compares particularly unfavourably with offshore online sportsbooks unhindered by product restrictions, which are in a highly competitive global marketplace and offer consumers better odds than Canada's provincial monopoly betting providers. It would be erroneous to determine that repealing the single bet ban will alone bring the majority of consumers onshore.
21. It is widely understood that once consumers move offshore it is difficult to bring them back to the onshore market, especially a monopoly-driven one. The move by Ontario to introduce a licensing regime for its online gambling market is however a positive move.<sup>11</sup> That will, subject to the level of taxation and the permitted product offering, ensure a more attractive onshore betting market.

<sup>9</sup> Ibid.

<sup>10</sup> <https://www.proline.ca/#proline?faq=show>

<sup>11</sup> <https://www.ontario.ca/page/discussion-paper-model-internet-gaming-ontario>

22. It is important to note that the licensing models in Portugal (high tax and restrictions on bets) and Australia (high tax and online in-play betting prohibited) only achieved 66% and 63% onshore channelling rates in 2019. Whereas the attractive tax and wide product availability offered in Great Britain, New Jersey, Denmark, Nevada and Sweden saw rates of 99%, 94%, 89%, 88% and 85%.<sup>12</sup>
23. The ability to advertise online betting is also an important factor and this will need to be considered in relation to the Criminal Code.<sup>13</sup> The ability to advertise products and services is important for any business sector; for sports betting, especially online, it is a core part of onshore operators' ability to negate the corresponding services offered by their offshore counterparts.
24. IBIA is also mindful that Canadian sports may, as some US sports, seek to promote that the wider availability of betting with the repeal of the single sports ban should also coincide with a specific levy being established to provide a percentage of any betting proceeds to those sports bodies.
25. Whilst levies on betting for the benefit of horse and greyhound racing are in place in some jurisdictions – a result of an historical and symbiotic relationship between the two – most have not introduced an equivalent practice for the wider sports sector, leaving that relationship to develop through normal commercial engagement (e.g. sponsorship and advertising).
26. This is the case in New Jersey, and many other US states, which have rejected the sports levy, repackaged as an integrity fee.<sup>14</sup> A government-commissioned inquiry in Sweden in 2020 similarly rejected calls for a both horse racing levy and a sports betting right.<sup>15</sup> A sports levy would make it more difficult for onshore operators to compete with operators offshore unhindered by such fees.
27. Instead, IBIA urges the Canadian authorities to ensure that suitable integrity measures are enacted alongside the provision of single sports bets to protect the onshore market. A range of integrity measures are readily available and employed by various regulatory authorities and include information sharing, voiding suspicious bets and the suspension of betting markets.
28. However, the principal means of protecting a market is through monitoring, and the most efficient and widely used approach is to require licensed operators to utilise their market and customer oversight to identify and report suspicious betting. The impact will of course be limited if Canadian provinces retain the monopoly provision of betting and consumers continue to migrate offshore.
29. The integrity model in operation in Great Britain is widely seen as one of the most effective, with a clear reporting requirement in its licensing conditions and a dedicated integrity unit within the regulatory authority. This requirement to report suspicious betting is evident in many European gambling licensing frameworks such as Italy, Denmark, France, Sweden, Malta, Spain and others.
30. Outside of Europe, the US states of New Jersey and Nevada also enforce integrity reporting requirements, as does Australia. In addition to individual operator monitoring and reporting, it is also increasingly recognised that there is clear value from operators being part of a wider international alert and monitoring system, which also feeds data into the appropriate authorities.

---

<sup>12</sup> H2 Gambling Capital figures

<sup>13</sup> <https://laws-lois.justice.gc.ca/eng/acts/c-46/page-48.html#docCont sections 201-207>

<sup>14</sup> [https://www.espn.com/chalk/story/\\_/id/23584671/new-jersey-lawmaker-wants-states-reject-sports-betting-integrity-fee-legislation-enacted](https://www.espn.com/chalk/story/_/id/23584671/new-jersey-lawmaker-wants-states-reject-sports-betting-integrity-fee-legislation-enacted)

<sup>15</sup> <https://igamingbusiness.com/swedish-report-proposes-tighter-ad-controls-permanent-slot-stake-cap/> & <https://www.regeringen.se/4aadd1/contentassets/9e273919ad29473c9b17fd9c95be98b5/hastnaringens-finansiering-pa-den-omreglerade-spelmarknaden-sou-202064.pdf> & <https://www.regeringen.se/4aed3b/contentassets/4942818c09e14ab280d360ed3f1bbc64/okatt-skydd-och-starkt-reglering-pa-den-omreglerade-spelmarknaden-sou-202077.pdf>

31. The German regime establishes an early warning system<sup>16</sup> and the US state of New Jersey and the Netherlands legislation also require operators to be a member of a monitoring system.<sup>17</sup> These support the European Commission funded Betmonitalert report which strongly recommends that public authorities should oblige all operators to be “part of a betting monitoring system”.<sup>18</sup>
32. That report and the Netherlands remote gambling law specifically refer to IBIA as a best practice example. The Review of Australia’s Sports Integrity Arrangements similarly recognises IBIA and promotes that betting operators “participate in a ‘detect and disrupt’ real-time monitoring and analysis of suspicious wagering activity”, anticipating a model similar to IBIA’s platform.<sup>19</sup>
33. The effectiveness of such systems are however negated if there is no ability to punish the criminal activity identified by betting market monitoring and information exchange. Whilst sports can, and do, sanction their participants, and may impose penalties up to lifetime bans, the involvement of law enforcement authorities is a particularly effective means of addressing wider criminality.
34. This was used to positive effect in the Pakistan international cricket spot-fixing case, which resulted in custodial sentences in 2011.<sup>20</sup> More recently, a transnational organized crime group manipulating tennis matches was dismantled in 2019.<sup>21</sup> The necessary law must however be available to address such criminality and for the relevant authorities to work multi-nationally.
35. Indeed, the issue of betting integrity is a global transnational issue and any mechanism that seeks to address it must correspondingly involve national and international cooperation and information exchange. This premise is widely accepted, but not yet as widely adopted and put into practice; the Council of Europe (CoE) has been at the forefront of this discussion in search of a solution.
36. The CoE Convention on the Manipulation of Sports Competitions entered into force in September 2019 and promotes a wide range of integrity measures for jurisdictions and other stakeholders, such as sports and betting operators, to adopt.<sup>22</sup> The CoE has also established a network of national integrity platforms to exchange information and engage in transnational cooperation.<sup>23</sup>
37. IBIA helped to develop the Convention and whilst it has achieved widespread support across Europe, it is designed to be a global integrity apparatus: Australia, for example, has explicitly stated its support for the convention and that it will ratify it.<sup>24</sup> Whilst Canada has had some engagement with the CoE process, it does not appear to have a comparable integrity strategy.
38. The political activity to remove the prohibition on single sports bets is both welcome and necessary, but it would be prudent to progress that policy in tandem with effective integrity measures. The goal should be to provide robust market protection through modern legislative practices aligned with clear and effective integrity provisions and international cooperation.
39. With regard to the latter, IBIA members’ international betting market and alert data shows that the majority of suspicious betting alerts were generated by customers based outside of the

<sup>16</sup> Section 21 (3) <https://www.gesetze-bayern.de/Content/Document/StVGStV-21> &

[https://www.im.nrw/sites/default/files/media/document/file/160129II\\_Leitlinien%20Sportwetten\\_.pdf](https://www.im.nrw/sites/default/files/media/document/file/160129II_Leitlinien%20Sportwetten_.pdf)

<sup>17</sup> <https://kansspelautoriteit.nl/nieuws/nieuwsberichten/2020/maart/voortgang-wet/> Article 4.7 and related sections in the Explanatory Memorandum (Translated to English)

<sup>18</sup> [http://ethisport.com/wp-content/uploads/2017/06/Betmonitalert\\_Design-NB-DEF-2-06-2017.pdf](http://ethisport.com/wp-content/uploads/2017/06/Betmonitalert_Design-NB-DEF-2-06-2017.pdf) Page 7

<sup>19</sup> [https://www1.health.gov.au/internet/main/publishing.nsf/Content/63F0A5D7BDA5A0B5CA2582CF0005E6F9/\\$File/HEALTH-RASIA-Report-Acc.pdf](https://www1.health.gov.au/internet/main/publishing.nsf/Content/63F0A5D7BDA5A0B5CA2582CF0005E6F9/$File/HEALTH-RASIA-Report-Acc.pdf) page 91 and footnote 160

<sup>20</sup> <https://www.ft.com/content/468a6760-061a-11e1-ad0e-00144feabdc0>

<sup>21</sup> <https://www.europol.europa.eu/newsroom/news/fraud-tennis-court-criminal-network-gained-millions-fixing-professional-matches>

<sup>22</sup> <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/215>

<sup>23</sup> <https://www.coe.int/en/web/sport/network-of-national-platforms-group-of-copenhagen->

<sup>24</sup> [https://www1.health.gov.au/internet/main/publishing.nsf/Content/D78723EDC196645DCA2583910001AEA2/\\$File/Final%20Government%20Response%20-%2011%20February%202019.pdf](https://www1.health.gov.au/internet/main/publishing.nsf/Content/D78723EDC196645DCA2583910001AEA2/$File/Final%20Government%20Response%20-%2011%20February%202019.pdf)

country where the sporting event took place. This highlights the need for Canadian authorities to consider betting and integrity from an international, rather than solely national, perspective.

40. Indeed, IBIA's suspicious betting integrity data shows that 92% of basketball alerts since 2017 came from betting operators whose customers were betting outside of the country where the potentially corrupted basketball game was taking place. In football, 83% of alerts were similarly generated by customers in a different country to where the match was taking place.
41. IBIA's members represent many of the largest licensed retail and online sports betting operators in the world with their c.85 betting brands generating US\$137bn of betting turnover a year and close to half of all regulated commercial betting activity globally (i.e. excluding state-led monopolies). As such, IBIA is the largest customer account-based monitoring system in operation.
42. The association's suspicious sports betting alert data is built on detailed customer transactional information. Such data is critical in advancing investigations and the global data set generated by IBIA members is unique to them. It is important to emphasise that no other party has access to this data set or indeed this level of data globally. This is a key asset of IBIA's integrity system.
43. Law enforcement bodies such as INTERPOL and Europol have stated that match-fixing is not primarily focused on regulated betting operators, but unregulated operators mainly based in Asia.<sup>25</sup> Well-regulated operators, whilst not immune from attempted corruption, are required to monitor and to protect the market; this activity both identifies and deters corrupters.
44. Maintaining the integrity of the market is paramount for responsible licensed operators for two reasons: firstly, defrauding betting operators is the focus of the corruption and will see betting operators incur financial loss; and secondly, because consumers will be less likely to engage with a product they believe is unfair or fixed, further impacting financial opportunities.
45. During 2017-2020, IBIA reported suspicious betting on a relatively small number of Canadian sporting events (four in football/soccer and one in tennis) from nearly 1,000 alerts during that period.<sup>26</sup> This monitoring and reporting is nevertheless an important deterrent and maintaining the integrity and credibility of Canadian and wider sporting events is a primary concern for IBIA.
46. IBIA has information sharing MoUs with many major sports (e.g. IOC, FIFA, ITIA) and gambling regulatory authorities to exchange data to combat match-fixing, and the association would be delighted to discuss a similar arrangement with the Canadian federal and/or provincial authorities, and its sports, to protect the integrity of the Canadian betting market and sporting events.
47. In summary, IBIA welcomes and supports the proposed removal of the prohibition on single sports betting in Canada. However, that alone will not be enough to ensure that the vast majority of Canadians use onshore betting services; other issues such as market choice and competition must be considered. It would also be prudent to ensure that suitable integrity measures are enacted.

---

<sup>25</sup> Page 11 Interpol Match-fixing in Football Training Needs Assessment 2013 & <https://www.europol.europa.eu/content/results-largest-football-match-fixing-investigation-europe>

<sup>26</sup> <https://ibia.bet/integrity-reports/>





## Members



## Affiliates

