



**SPORT+  
RECREATION  
ALLIANCE**

4TH FLOOR  
BURWOOD HOUSE  
14-16 CAXTON STREET  
LONDON SW1H 0QT

T 020 7976 3900  
F 020 7976 3901

INFO@SPORTANDRECREATION.ORG.UK  
WWW.SPORTANDRECREATION.ORG.UK

## **Gambling Commission consultation on virtual currencies, eSports and social gaming – submission by the Sports Betting Group**

### **The Sports Betting Group**

The Sports Betting Group (SBG) brings together representatives from national governing bodies of sport and player associations to consider threats to the integrity of sporting competition and to promote best practice in tackling sports betting corruption. The SBG was formed in 2010 following the report of the Sports Betting Integrity Panel chaired by Rick Parry. We work closely with others who have an interest in preserving sports betting integrity, including the Gambling Commission and betting operators, and further information about the group can be found at: [www.sportsbettinggroup.org](http://www.sportsbettinggroup.org).

Protecting the integrity of sport from betting corruption is a priority for sports governing bodies and player associations. The regulatory approach taken by the Gambling Commission to emerging technologies and betting markets plays a key role in achieving this objective and the Sports Betting Group therefore welcomes the opportunity to comment on the issues set out in the discussion paper.

### **Comments on the proposals**

We have not directed our responses to the specific questions posed in the discussion paper but instead would make the following key points:

- We support the Commission's cautious regulatory approach to digital currencies and their growing use in the context of gambling. Whilst we recognise that digital currencies such as Bitcoin have many potentially useful applications, it remains the case that some aspects of these currencies – notably the potential for users to maintain a degree of anonymity – also bring risks. In this context, we are concerned to ensure that the use of digital currencies is regulated in such a way as to ensure that it does not compromise the existing sports betting integrity regime. The current regime relies to a significant extent on operators identifying and tracing suspicious betting activity at customer level and sharing this information with sports governing bodies. Where betting operators seek to offer gambling on sport using virtual currencies, we would therefore expect the Commission to ensure they can deliver the same level of integrity protection currently provided where gambling is undertaken using traditional fiat currency.
- As we have highlighted previously in our response to the consultation on Gambling Commission fees, the point of consumption regime means that the Commission must be proactive in preventing unlicensed gambling by policing the licensed/unlicensed boundary. This is particularly important since betting activity with unlicensed operators is effectively invisible to those charged

with preventing sports betting corruption. We support the measures the Commission has taken to date against those offering unlicensed gambling and we would encourage the Commission to make regular assessments of the risks to sports betting integrity posed by unlicensed operators. This will be key given the potential growth of remote gambling using digital currencies which may make it more difficult to identify if unlicensed betting activity is taking place.

- Although the SBG does not include representatives from eSports, we believe the regulatory approach set out by the Commission in this area seems sensible and agree that the integrity risks associated with eSports betting should be managed in the same way as those for traditional sports.

**Sports Betting Group  
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