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Consultation on proposed amendments to Schedule 6 of the Gambling Act 2005

Submission by the Sports Betting Group

The Sports Betting Group

The Sports Betting Group (SBG) brings together the governing bodies of the major sports 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. We work closely with others who have an interest in preserving sports betting integrity, including the Gambling Commission and betting operators through the Sports Betting Integrity Forum. Further information on the SBG can be found at: www.sportsbettinggroup.org. The Sports Betting Group is always keen to engage with other governing bodies who are not currently members with a view to providing advice, guidance and encouraging them to join.

Amendments to Schedule 6 – General comments

Schedule 6 of the Gambling Act 2005 – and in particular Part 3 – is a key element of the sports betting integrity regime and has a critical function in ensuring information on sports betting integrity can be shared quickly and easily. In this context, the Sports Betting Group welcomes the consultation and the opportunity to comment. While this response is made on behalf of the Sports Betting Group and its members, we have sought to share our response with a wide range of sports governing bodies and others who we believe should be included on Schedule 6.

Before turning to the specific consultation questions, we would make the following key points:

- Protecting the integrity of sport from betting corruption is a key priority for sports governing bodies (SGBs) and player associations. The new Code for Sports Governance makes clear that SGBs should take steps to assess the risks posed to their sports by betting corruption and put in place measures to address these risks where necessary.¹ In particular, the Code for Sports Governance identifies the Sports Betting Group Code of Practice as a key resource SGBs should apply in order to protect the integrity of their sports.² The SBG Code of Practice sets out seven key actions governing bodies should take, including having rules, regulations and sanctions in place alongside information sharing arrangements and secure systems for managing sensitive information. From April 2017, the Code for Sports Governance will be mandatory for all SGBs in receipt of funds from Sport

¹ A Code for Sports Governance: https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf

² Sports Betting Group Code of Practice:

<http://www.sportsbettinggroup.org/downloads/SBG%20Code%20of%20Practice%20-%20Final%20Sept%202016.pdf>

England and/or UK Sport. As such, all publicly-funded SGBs will be required to have effective safeguards in place to protect their sports from betting corruption.³

- The Sports Betting Group is fully committed to working with the widest range of sports to ensure that they recognise the risks posed by betting corruption and put in place measures to manage them in accordance with the SBG Code of Practice, including having a single point of contact for betting integrity issues and appropriate systems and processes for managing sensitive data. In this way, the sports sector recognises the importance of demonstrating to wider stakeholders that it takes its betting integrity responsibilities seriously. Nonetheless, it remains the case that SGBs must at all times comply with relevant data protection law; the existence of specific betting integrity risks does not alter or create any new responsibilities in this regard.
- Part 3 of Schedule 6 has two distinct functions. Firstly, it ensures that the Gambling Commission can share information with SGBs. Secondly, via the Licence Conditions and Codes of Practice, it places a requirement on betting operators to provide a listed SGB with sufficient information as soon as possible in order to conduct an effective investigation into potential integrity breaches.⁴ As such, Part 3 of Schedule 6 does not merely enable the Commission to share information with the bodies listed, it also creates a direct relationship between betting operators and SGBs based on an enforceable obligation. The importance of this latter relationship is that it is bi-directional; it obliges betting operators to share information but it also enables an SGB to seek information from betting operators independent of any information that they (or indeed the Commission) may hold. This may be the case, for example, where a governing body is investigating a potential breach of sports rules based on information it has uncovered through its own sources and which may require corroboration through the use of betting information.
- Being listed on Schedule 6 is therefore important since it enables an SGB to manage integrity risks both proactively and reactively. In this context, we do not believe Schedule 6 should be restricted solely to those governing bodies that are currently assessed as being compliant with the proposed criteria set out in the consultation document. Whilst we appreciate the rationale underlying the criteria, it nonetheless remains the case that their application necessarily implies a degree of subjectivity – it is unclear, for example, how ‘an appropriate infrastructure for receiving and storing sensitive information’ might be defined. Furthermore, we do not believe such criteria need be applied at this particular stage since the effect will be to hamper unnecessarily those SGBs that are in the process of developing their betting integrity capabilities from accessing vital information in future.⁵ These are, after all, the very SBGs that would stand to benefit most from inclusion on Schedule 6 since they are less likely to have Memoranda of Understanding (MoUs) in place to facilitate information sharing in the way that governing bodies of more mature betting sports do. Ultimately, we believe SGBs should be empowered to investigate integrity issues and the legislation should ensure that the important information-sharing functions contained within the operation of Schedule 6 are available to all SGBs should they need to utilise them.
- In view of the preceding points, we believe that in order for the legislative regime around betting integrity to be fit for purpose, Part 3 of Schedule 6 should include the widest range of SGBs and as

³ A Code for Sports Governance: https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf. See in particular *Requirement 5.1: Legal Compliance and Control*. While the Code for Sports Governance is applicable to governing bodies funded by UK Sport or Sport England, other Home Sports Councils place similar governance requirements on their funded governing bodies. For example, Sport Wales has established the Governance and Leadership Framework for Wales which puts various similar obligations on Welsh governing bodies.

⁴ Licence Conditions and Codes of Practice: <http://www.gamblingcommission.gov.uk/pdf/Latest-LCCP-and-Extracts/Licence-conditions-and-codes-of-practice.pdf>. See in particular *Licence Condition 15.1 – Reporting suspicion of offences etc.*

⁵ It is important to distinguish here between the scope of Schedule 6 and its operation. Inclusion on Schedule 6 in and of itself does not confer an automatic right to the exchange of information as the operation of the schedule in practice remains subject to the application of Sections 30 and 352 of the Act.

a minimum all SGBs recognised by the Home Sports Councils. Whilst we understand that amendments to Schedule 6 are intended to have a reasonable degree of parliamentary oversight, it is clear from the power to amend Schedule 6 contained in s351 (3) of the Act that the Secretary of State has the ability to add 'a person or body *or a class or description of persons or bodies*' (emphasis added) to Part 3.⁶ In line with this authority, we believe that the simplest and most effective approach is to insert the governing bodies recognised by the Home Sports Councils as a specified class into to Part 3 rather than specific named governing bodies.⁷ In our view this would not go so far as to create an unguarded 'open door' within Schedule 6 since information would only be shared with SGBs in the event a betting integrity issue were to arise and, in all cases, information exchanged under Schedule 6 would remain subject to s30 of the Act and any relevant obligations contained within the Data Protection Act 1998 (as specified explicitly in s352 of the Act).⁸

- An additional, important reason for broadening the scope of Schedule 6 to cover all recognised governing bodies in this way is that changes to the legislation can only be made periodically and in a piecemeal way. The result is that the legislation has not kept pace with rapidly-developing sports betting markets or indeed the organisational changes within the sport sector itself which have seen SGBs and other bodies renamed or in some cases reconstituted as a different organisation. Indeed, Schedule 6 has been amended twice before – in 2007 and 2012 – and in the intervening periods a number of SGBs and competition organisers not listed in either update have seen betting markets on their sports or competitions become firmly established. As a consequence, where an SGB or competition organiser is not listed (or is listed but under an old name) there exists a risk that crucial integrity-related information might not be shared in a timely manner. Updating the list with individual entries will inevitably mean the list will quickly fall out of date or contain gaps and we believe the insertion of a class of recognised governing bodies would provide a dynamic solution that would automatically reflect the vast majority of changes.⁹
- If it is not considered possible to add a class of recognised governing bodies as described, we believe that, at a minimum, the SGBs and competition organisers named in Appendix A should be added to Schedule 6 as individual entries. Whilst we believe this would be a sub-optimal solution for the reasons outlined above, their inclusion would nonetheless ensure a significant degree of coverage by including a number of SGBs – including newer members of the Sports Betting Group – on whose sports there exist betting markets (or the potential for markets to develop). While some sports overseen by the governing bodies proposed at Appendix A have very limited betting on them at present, we believe their inclusion would nonetheless provide a 'belt and braces' in the event a

⁶ s351 (3) Gambling Act 2005: <http://www.legislation.gov.uk/ukpga/2005/19/section/351>. The explicit wording of s351 (3) would indicate that Parliament intended the Secretary of State to have the power to add classes or descriptions of bodies, in addition to specific organisations.

⁷ A full list of recognised governing bodies and associated sports (as at April 2016) can be found at: <https://www.sportengland.org/media/10266/uk-recognised-ngbs-and-sport-list-april-2016.pdf>. It should be noted that the Licence Condition 15.1.2 of the Licence Conditions and Codes of Practice states that a betting operator should share information where it accepts or facilitates bets on 'a horse race or sporting event governed by a governing body for the time being included in Part 3 of Schedule 6'. It follows that a betting operator (and indeed the Commission) needs to know both the sport and the relevant governing body for that sport since in some sports the relevant governing body will depend upon the precise discipline or geography. This lends further weight to the argument to link Schedule 6 to the Home Sports Council recognised list since it contains information on individual sports (and disciplines) and the respective sports governing bodies.

⁸ See note 5. There is precedent for this approach in other legislation. Similar provisions referring to lists of recognised governing bodies and sports maintained by the Home Sports Councils exist in the Finance Act 2002 and Corporation Tax Act 2010 (and related secondary legislation) regarding Community Amateur Sports Clubs and Corporation Tax deductibility for grassroots expenditure. In both instances, the provisions confer tax reliefs where specified criteria are met, one of which is that the relevant organisation must be a governing body or offer a sport recognised by the Home Sports Councils. The practical effect of this is to allow tax reliefs to be applied flexibly – subject to other specific conditions – as new or different organisations and sports are recognised. Following this logic, there appears no obvious reason why a similar approach cannot be adopted with regard to the exchange of information.

⁹ It is acknowledged that there is no straightforward way to capture changes to competition organisers in the same way as SGBs and that these updates would need to be made on a periodic basis.

potential betting integrity issue were to arise in future. If this approach were to be adopted, we would wish to have further discussions with officials before finalising any such list in order to ensure that it is as comprehensive as possible.

- In addition to domestic governing bodies, and to ensure consistency, we believe that relevant International Federations (IFs) should be included. Adopting a similar approach to that applied to domestic governing bodies, one option would be to insert a class of IFs recognised by the International Olympic Committee (IOC) and the International Paralympic Committee (IPC).¹⁰ If the former is considered unsuitable, we would suggest adding the IPC at the very least on the basis that the World Para Athletics Championships will be held in London in 2017 alongside the IAAF World Championships. Inclusion of both the IOC and IPC on Schedule 6 should create a minimum level of coverage for Olympic and Paralympic sports on the basis that information can be passed onto IFs through the IOC's Integrity Betting Intelligence System (IBIS) and/or through the IPC in its role as the global body for para sports.
- In the case of competition organisers, we recognise that these will necessarily need to be added on an individual basis. We have indicated some suggested additions at Appendix A.

Comments on specific consultation questions

Question 1: Do you agree with the proposed additions to Schedule 6?

We have no particular views on the additions to Parts 1 and 2 from a betting integrity perspective. We agree with the proposed additions set out in Part 3 but, for the reasons specified above, we believe that these should be supplemented by the insertion of a class of SGBs recognised by the Home Sports Councils, as well as International Federations recognised by the IOC and the IPC.

At a minimum we believe the SGBs and other bodies listed in Appendix A should be added, subject to further discussions on a final list.

Question 2: Are there other bodies which should be included?

As with question 1, we believe the simplest and most effective approach is to insert a class of SGBs recognised by the Home Sports Councils, as well as International Federations recognised by the IOC and the IPC.

At a minimum we believe the SGBs and other bodies listed at Appendix A should be added, subject to further discussions on a final list.

In addition, we believe that further consideration should be given to the fact that a much wider range of sports events are now being staged in the UK – notably regular season matches involving US sports teams from the NFL and NBA – and associated betting markets are being offered to UK customers by UK-licensed operators. Although we do not represent these overseas competition organisers, we believe there is a case for considering their inclusion on Schedule 6 given the likely future growth in events held in the UK and the related potential betting integrity risks.

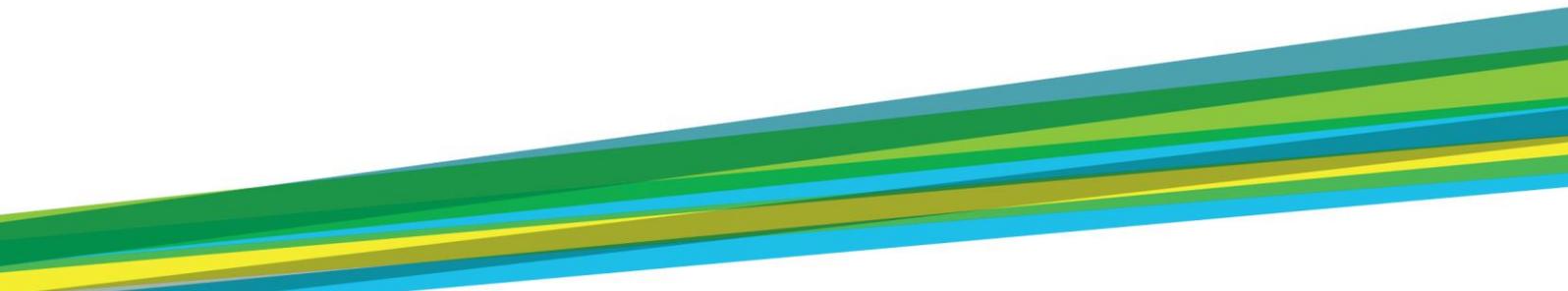
¹⁰ IOC-recognised IF associations can be found at: <https://www.olympic.org/ioc-governance-affiliate-organisations>

Conclusion

Overall we believe the consultation provides an important opportunity to ensure that the legislative regime around betting integrity is made fit for purpose and is future-proofed to avoid the need for further, unnecessary changes. We believe that the suggestions we have made should help to achieve these objectives.

Given the importance of the proposed changes, we would be happy to discuss any of the issues raised in this response in more detail with officials should it be helpful.

**Sports Betting Group
December 2016**



Appendix A: Proposed additions to Schedule 6 Gambling Act 2005

PART 3 - SPORT GOVERNING BODIES

- The Association of European Professional Football Leagues (established in Switzerland)
- Bowls England
- British Boxing Board of Control Limited
- The British Darts Organisation Limited
- The British Horseracing Authority Limited
- British Lions Limited (incorporated in Ireland)
- Celtic Rugby Limited (incorporated in Ireland)
- The Commonwealth Games Federation
- England Hockey
- England Squash and Racketball Limited
- The England and Wales Cricket Board Limited
- Fédération Internationale de Football Association
- The Football Association Limited
- The Football Association of Wales Limited
- The Greyhound Board of Great Britain Limited
- The International Association of Athletics Federations
- The International Cricket Council
- The International Hockey Federation
- The International Olympic Committee
- The International Tennis Federation (incorporated in the Bahamas as ITF Limited)
- The Lawn Tennis Association
- The Irish Football Association Limited
- The Jockey Club
- The Motor Sports Association Limited
- The Professional Golfers' Association Limited
- The Rugby Football League Limited
- The Rugby Football Union
- The Rugby League International Federation
- The Scottish Football Association Limited
- The Scottish Rugby Union PLC
- Six Nations Rugby Limited
- UK Athletics Limited
- The Union of European Football Associations
- The Welsh Rugby Union Limited
- The World Darts Federation
- The World Professional Billiards and Snooker Association Limited
- **World Rugby (UPDATE)**
- **The London Marathon Charitable Trust (UPDATE)**
- **European Professional Club Rugby (EPCR) (UPDATE)**
- **The Tennis Integrity Unit (ADDITION)**
- **Darts Regulation Authority (ADDITION)**
- **Rugby League European Federation (ADDITION)**
- **Irish Rugby Football Union (ADDITION)**

In the event it is not possible to insert classes of recognised domestic and international governing bodies, in addition to the above organisations the Sports Betting Group suggests the following should be added:

- **Amateur Swimming Association**
- **Archery GB**
- **Auto Cycle Union**
- **Badminton England**
- **Baseball Softball UK**

- **British American Football Association**
- **British Basketball Federation**
- **British Bobsleigh and Skeleton Association**
- **British Canoe Union**
- **British Curling**
- **British Cycling**
- **British Equestrian Federation**
- **British Fencing Association**
- **British Gymnastics**
- **British Handball Association**
- **British Judo Association**
- **British Rowing**
- **British Shooting**
- **British Ski and Snowboard**
- **British Swimming**
- **British Taekwondo Council**
- **British Triathlon Federation**
- **British Waterski and Wakeboard**
- **British Weightlifting**
- **British Wrestling**
- **British Volleyball Federation**
- **Cricket Ireland**
- **Cricket Scotland**
- **England Golf**
- **England Netball**
- **English Indoor Bowling Association**
- **English Lacrosse Association**
- **Federation Internationale d'Automobile**
- **Federation Internationale de Motocyclisme**
- **GB Boxing**
- **Great Britain Luge Association**
- **National Ice Skating Association**
- **Ice Hockey UK**
- **International Paralympic Committee**
- **Pentathlon GB**
- **Premier League**
- **Royal Yachting Association**
- **Rugby League Ireland**
- **Ryder Cup Europe LLP**
- **Scotland Rugby League**
- **Skateboard England**
- **Table Tennis England**
- **The European Tour**
- **The Ladies European Tour**
- **The Royal and Ancient**
- **Wales Rugby League**

