



WEEK 21

FRIDAY 23 MAY 2014

THIS WEEK

- UK licensing bill enters into law
- Guest column: Jason Hardman on EPOS
- Betting study lifts lid on money laundering
- Tweets of the week

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TOP STORY

BWINPARTY AVOIDS DIRECTOR VOTE

Arrangement sees SpringOwl withdraw boardroom nominations



SpringOwl owner Jason Ader

Operator BwinParty has reached a compromise in its boardroom battle with activist investor SpringOwl. Gibraltar-based SpringOwl has agreed to withdraw its four independent director candidates, whose appointments were set to be voted on at the BwinParty AGM yesterday, and will now work with the online firm on the appointment of three new directors. BwinParty have agreed to consider SpringOwl nominee Michael Fertik as a potential candidate for one of the positions. SpringOwl's existing right to have one director on the BwinParty board has also been implemented with the nomination of Daniel Silvers, who will take up his position as soon as is practicable.

Led by former Wall Street gaming analyst Jason Ader, SpringOwl was entitled to one board member following its purchase of a 5.25% stake in BwinParty in February. However the investor then called for an additional four of its nominees to become directors to help reverse what it described as BwinParty's "value destruction" of recent years.

BwinParty then announced three changes to its board, including

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the departure of Bwin co-founder Manfred Bodner in favour of an “annual consultancy agreement”, while Rod Perry and Helmut Kern were announced as retiring, the latter in 2015.

Ader was supportive of the changes and said they were a “direct consequence of the overwhelming support we have received from our fellow BwinParty shareholders for the call for board change that we have made”. He also confirmed that SpringOwl would now only be pushing for two appointments to the BwinParty board – Michael Fertik, a technology specialist, and Kalendu Patel, who is active in venture capital investment – although all four nominees were still set to be voted on at the BwinParty AGM, with the firm calling on shareholders to reject the quartet of resolutions.

However the vote never took place following the compromise between the two parties, with BwinParty chairman elect Philip Yea stating that he was “pleased to be able to demonstrate common ground with SpringOwl”.

KEY POINTS

- BwinParty reaches compromise with activist investor SpringOwl
- SpringOwl to withdraw director nominations and work with BwinParty on three boardroom changes
- SpringOwl nominee Michael Fertik to be considered as candidate for one of the roles



entered into UK law after the relevant legislation was granted Royal Assent, the final stage of its parliamentary journey. Upon its implementation the Gambling (Licensing and Advertising) Bill will require all operators serving the UK market to hold a Gambling Commission licence.

The Bill alters the licensing landscape previously outlined by the Gambling Act 2005, introduced in 2007, which allowed remote gambling operators serving UK consumers to base and license themselves offshore without the need for a UK licence.

The legislation is being introduced separately but also in parallel with a 15% place-of-consumption tax, which is set to come into force in December.

Sport minister Helen Grant [pictured] said: “This Act marks a significant step in increasing protection to consumers based in Great Britain, by ensuring that all remote gambling operators will be subject to robust and consistent regulation.”

KEY POINTS

- Place-of-consumption licensing passes into UK law
- UK-facing operators to require a Gambling Commission licence

PoC

UK LICENSING BILL BECOMES LAW

Legislation will regulate gaming at point of consumption

Place-of-consumption licensing has

SECURITY

\$140BN A YEAR LAUNDERED VIA SPORTS BETTING

Corruption study reveals extent of illegal activity

Over \$140bn (£80bn) is being laundered every year through sports betting, according to a new corruption study. The two-year report from the International Centre for Sport Security (ICSS) and Paris-Sorbonne University, titled *Protecting the Integrity of Sport Competition: The Last Bet for Modern Sport*, also concluded that 80% of global sports betting is illegal and therefore invisible to regulators and investigators. Asia was said to make up 53% of the illegal market, while football and cricket were deemed to be the sports most targeted by criminals.



KEY POINTS

- Study reveals \$140bn is laundered annually through sports betting

NEWS IN BRIEF

ROUNDUP: ODOBO, THE FA, AGA

The rest of the week’s key stories on *GamblingInsider.com* and the web

- The English Football Association

Tweets of the week

“Asian customers starting to trust online slots more now. Account for roughly 5% of revenue.”
Asia Gambling Brief’s Rosalind Wade [[@AsianGaming](#)]

“News of AGA bowing out of online gambling issue isn’t really new – chairman Jim Murren signaled it back in March.”
Online Poker Report’s Chris Grove [[@OPReport](#)]

“So Isthmian League footballers can’t bet on El Clasico. Pointless, brainless decision by the FA. Will not stop fixing. Will cause problems.”
Racing Post editor Bruce Millington [[@BruceMillington](#)]

has confirmed that all professional footballers in England will be banned from betting on football matches from next season.

- The **American Gaming Association** has withdrawn its official endorsement for online gambling and adopted a more neutral stance.
- Former **Manchester United** and **England** footballer **Paul Scholes** has begun writing a blog for **Paddy Power**, questioning whether **Wayne Rooney** might be past his best in his first column.
- Developer program **Odobo** has announced an agreement with **Betfair** to provide new HTML5 games to the firm via Odobo's 'Marketplace'.

And with growing developments in stadium Wi-Fi and mobile data the opportunities to reach more customers quicker show few signs of abating.

But where does that leave the retailer with no online presence or the punter who likes to feel the winnings in his hand rather than waiting for his account to finally clear? Thanks to the evolution of Electronic Point-of-Sale (EPOS) systems – not out in the cold.

Portable systems utilising Bluetooth and Wi-Fi are now capable of capturing on and off-site wagers. The systems combine fixed EPOS terminals with tablet devices connected to printers that allow cashiers to hand out returns information via betting slips on the move.

Members of staff can even process bets taken elsewhere in the system during busy times, while management have remote access to field books and betting reports to assess activity. Weight of money at the ground or on-course can even be used for guidance by traders back at headquarters.

It's no surprise that this sort of technology made its debut at racetracks, where on-course betting remains popular, despite what the naysayers would have us believe. But it is also being utilised at live darts events and has great potential at snooker tournaments and in the lounges and corporate boxes at football grounds.

The technology is particularly useful for operators with sponsorships at sporting events. These brand-awareness exercises, be they one-offs or season-long deals, are often accompanied by opportunities to entertain VIP customers and important contacts.

Until recently those customers were faced with an indifferent service, forced to brave the weather and crowds in the ring or shunted off to a Tote window outside the box. Now they can have the opportunity of an in-seat service offering wagers on any event in the system.

While allowing retailers to compete, the systems also have potential for their online competitors – and those looking to establish themselves, in particular. For new brands it can be hard work to develop a trust with sports fans who are not familiar with the name and prefer to stick to the tried and tested.

By turning the situation on its head, the online firm can establish a temporary retail presence which negates the need for the customer to proactively download an app or register their details. As one emerging firm discovered at the darts recently, they can be further incentivised by the offer of a 50% bonus if they collect their winnings online or receive a free £5 bet on losing bets when registering online – thus joining the circle.

As technology develops it's not only punters who can feel the benefit at remote locations. Operators too – be they online or retail – can now provide an up-to-date service that reflects the changing times."

Jason Hardman is operations manager for A Bet A, who service operators throughout the UK and Ireland, as well as 22 other territories around the world

GUEST COLUMNIST

"EPOS OFFERS NEW WAYS TO WAGER"



by **Jason Hardman**
EPOS specialist

"Operators need to move with the times when it comes to serving the punting public and making the most of their sponsorships. The days of bookies offering limited markets, poor value and an inadequate service to in-stadia customers are over. Along with laces in footballs, rosettes and rattles, they've been consigned to sport's sepia-tinted past.

The rise of in-play betting, the boom in betting via smartphones and an explosion in fan-based social media has been a boon to internet operators.

OUT NOW: Look out for the May/June issue of *Gambling Insider's* print magazine, featuring an in-depth and insightful World Cup Special as we assess the industry's preparations for Brazil 2014, as well as the first in our new 'Bright Sparks' profile series



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