

*The leading European pari mutuel / tote operators wish to continue their dialogue with the European institutions as they have done for the past seven years, promoting their business model, the pari mutuel system, providing input to EU documents and workshops, and advising governments.*

*In the time ahead, tote operators will continue to provide their expertise to the new Commission and Parliament on the roadmap for the digital economy and a fair and coherent approach to taxation.*

## Online Gambling is not on the top of the European Agenda ...

Online gambling is not at the top of the European institutions' priorities anymore, but many of the objectives of the new European Commission are related to the gambling sector.

Thus, while the Action Plan on online gambling launched in 2012 called on Member States to establish common goals through administrative cooperation, the Commission, in parallel, is still calling on governments to justify their gambling policies according to the overriding European principles of freedom of establishment and freedom to provide services.

**This step lacks coherence**, all the more so given that each national policy is framed with a view to meeting particular domestic goals, which can take different forms.

## ...and, moreover, the Action Plan ignored the possibility of financing good causes...

Indeed, gambling through Pari Mutuel provides particular support to the horse and sport sectors, which are essential to national economic policy. However, in the current context, it is extremely difficult for sporting and horseracing authorities to control and monitor betting on sport events and it is also difficult for sport and horseracing to collect a percentage of the betting turnover on these events.

Over the past seven years, more than **€ 9 billion** in total have been returned from tote operators to horseracing and other equestrian sports, as well as equine research and rural activities. This sum is ten times bigger than the sponsorship signed by betting operators with sport structures.

Nevertheless, for more than seven years the tote operators have been engaging in the political debate by highlighting studies on this betting model and the ways in which they support the equine sector, without, however, having had any answers on the long-term management of their model.

## ...but many EU priorities are related to the gambling sector...

More coherence could be provided to the taxation debate, the copyright review and the fight against match fixing. To date, the European Commission has been forthcoming with answers to questions on responsible marketing and on preserving the integrity of sport, but such measures cannot be properly implemented if illegal gambling is not banned or controlled and if various taxation regimes prevent operators from compliance.

## EPMA in 2015

In 2015, EPMA members will also continue to work on the Anti-Money Laundering proposal, making clear that security is a top priority for all operators in order to detect laundering, fraud and manipulation. EPMA will contribute to the debate on taxation and match-fixing.

EPMA will also work with Members of the European Parliament who are supporting interesting financing models and working inside relevant Intergroups such as the 'Sports', 'Creative industry', 'Integrity - Transparency, anti- corruption and organised crime' and 'Welfare and protection of animals'. EPMA members also support the European Horse Network, which organises regular meetings with MEPs on political and legal themes, horse welfare and veterinary medical products.

## In this context, Tote operators expect clear and viable answers:

- **How can we continue supporting the horseracing sector** and equestrian sport apart from sponsorship rules which do not tally with the long-term needs ?
- **How can we establish a legal link** between the organisers of sporting events and betting operators so that there can be a consistent exchange of data and regular controls ?
- **How to fight efficiently against illegal betting** for a sound implementation of tax ruling and responsible gaming measures ?
- **Assessment of the relevance and benefits of a POCT** (Point of consumption tax) model to be established at EU level

## The model behind EPMA

### EPMA missions since 2007 that have become its identity

- Promote Pari Mutuel betting on horseracing and its business model
- Position the Association on future legislation (sports, gaming, online commerce, anti-money laundering)
- Facilitate the exchange of best practices and information between the members (commingling, harmonisation of horse racing rules, publishing statistics...)

### What EPMA represents (figures 2013)

- Total Turnover €13,3 billion
- Growth Gaming Revenue €3,4 billion
- Online Turnover €2 billion
- Return to Racing: €1,22 billion
- 72% of the total betting on horseracing is under the pari mutuel model,
- Pari Mutuel operators are active in 15 countries in Europe – French and Swedish structures are the main operators.
- Each structure supports the horseracing and equine sector with a strong % of the total betting turnover (more than 8% in certain countries).

### EPMA contribution to the idea of Sustainable funding

Horseracing is more than a sport competition as it employs more than 400 000 people and generates revenue of € 6 billion.

Betting remains the main component of horseracing funding. Each one of the 170,000 race horses across Europe generates 1.8 jobs and 4% of European agricultural land is dedicated to horse breeding.

#### The internal values of Pari Mutuel: Integrity and transparency

Pari Mutuel is a form of betting with certain internal values which guarantees the integrity of the sport. Indeed, with Pari Mutuel betting, the amounts bet are added together and shared among the winners, after the take-out of the operator which is completely independent of the result of the race.

In countries with the Tote model for betting, there has been no case of fixed races for years. Moreover, bets on 'losers' and "In running" bets are not allowed.

