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"One of GLI's key goals at ICE is to help attendees navigate their way forward successfully, in both technical and regulatory gaming integrity. This includes deepening their understanding of the myriad of rules, regulations, and technical requirements across gaming products, verticals, and jurisdictions. At the state/provincial and federal level."

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**Salim, how can operators and suppliers best equip themselves to be constantly aware of changing regulation - not only at the level of gaming regulatory bodies but also at state and federal level?**

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To best equip them, we encourage operators and suppliers to engage GLI for Ongoing Regulatory Advisory Services early on, and on a continuous basis. We want our customers to think of GLI as an extension of them - another seat at their table for when it comes time to discuss strategic growth opportunities and the compliance impact of each.

In some cases, with new gaming technology concepts, there may be friction experienced when new technology doesn't fit nicely into traditional gaming categories or standards. Instead of operators and suppliers trying to figure out the varied requirements on their own, we encourage them to consider GLI's Pre-compliance Testing Services.

These are specifically designed to detect and address functional and compliance-related issues early in the product development lifecycle. This early identification saves them valuable time and money that can be applied to other areas of their business growth.

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Regardless of whether you're an operator, supplier, regulator, or other third-party vendor, we will have the subject matter experts on hand at ICE. It will be great to be in London again, and walk through our exclusive suite of integrated compliance, testing, and regulatory advisory support services.

### **How is the increasing lack of regulatory uniformity impacting the compliance burden on operators and suppliers?**

It's true there may be specific legislative and/or regulatory concerns that vary across jurisdictions globally. I don't think any of us could envisage a world where one size fits all types of regulation will ever be applied across all jurisdictions. Especially as we factor in regional, political, and financial priorities.

But at the same time, it's important to also acknowledge that the wider the variance in regulations and standards, the heavier the burden on operators and suppliers to enter multiple markets and maintain cross-jurisdictional compliance. For suppliers, the greater the lack of regulatory uniformity between jurisdictions, the greater amount of product customisation suppliers must invest in to achieve cross-jurisdictional compliance.

Similarly for operators, a lack of regulatory uniformity between jurisdictions results in operators having to customise policies, procedures, and staff levels to stay on top of different requirements across the jurisdictions they operate in. For both operators and suppliers, this is amplified when factoring in operations across multiple gaming verticals, languages, and time zones.

Having said this, when I step back to look at the big picture, I feel we are getting better overall. For example, we are seeing increased uniformity across technical requirements for sports betting and iGaming in Canada, the U.S., and Latin America. Especially when you factor in that out of the 33 US states that have adopted regulations for sports betting, 26 of them have adopted GLI-33 Standards for Event Wagering Systems, and GLI-20 Standards for Kiosks. And our GLI-19 Interactive Gaming Standard has been adopted in multiple Provinces/States as the gaming standard for iGaming.

Regulators in emerging markets are often under some form of pressure; be it limited resources, potential gaps in knowledge, strict deadlines for launch, or a combination thereof. To acknowledge what one knows, and does not know, and embrace the benefits of inviting GLI in as a strategic growth and compliance partner early on, is a sign of strength.

There's nothing wrong with following a proven track record of success and implanting industry best practices. From what we've seen over 33 years is that the greater the uniformity in regulatory requirements, the lesser the compliance burden on operators and suppliers.

### **Are we seeing moves towards greater collaboration and cooperation between state regulators?**

Yes indeed, and we are so pleased to see that is

the case, not only on a country level but on a global level. Greater communication, collaboration, and cooperation between regulators helps avoid intentional or unintentional 're-inventing of the wheel'.

For example, when jurisdictions that were looking to launch Sports Betting or iGaming in North America or Latin America, there was great insights gained from speaking with regulators in established jurisdictions such as Europe where those forms of gaming have been prevalent for much longer.

We've also noticed an uptick in regulators approaching GLI, and our cybersecurity division Bulletproof, to ask things along the lines of "Hey GLI how do other jurisdictions address requirements for gaming product X?", or "Hey GLI what did other jurisdictions do to successfully stand up their market for the introduction of gaming vertical Y?", or "Hey Bulletproof, what frequency do other jurisdictions require cybersecurity audits for Z?"

By trusting GLI for these answers, and leveraging our global knowledge base, our clients get the value they deserve from a one-stop-shop for answers rather than them having to research and speak to multiple regulators across the world.

Speaking of which, on April 19-20, 2023, we will once again be holding our annual and informative education conference for regulators, regulatory staff, lottery directors, security directors, and more. The GLI North American Regulators Roundtable will take place at the Palms Casino Resort in Las Vegas.

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## **INSIGHT IGAMING COMPLIANCE NORTH AMERICA**

### **Is further regulation required to keep up with continually evolving technologies in iGaming?**

Not necessarily 'further regulation' but perhaps more 'adaptable' or 'scalable' regulations. From our experience, regulations and technical requirements that evolve alongside technologies pave the road for success. If regulations and technical standards are agile and scalable enough to accommodate alternate approaches and/or evolving technologies, it saves a great deal of time and increases the likelihood of jurisdictions, suppliers, and operators being able to realise revenue quicker too.

Regulators also save on time and resources because they can pivot quicker when presented with new technologies that are presented to them for consideration by suppliers. If the regulations and technical standards in a jurisdiction allow for different gaming verticals and delivery channels, even though licensees may not have been approved to go live in the jurisdiction yet, it mitigates the draw on governments to make legislative amendments, and regulators to make technical standard re-writes. Moreover, it reduces the potential risks from exposures that may be associated with legislative or regulatory approval delayed periods.

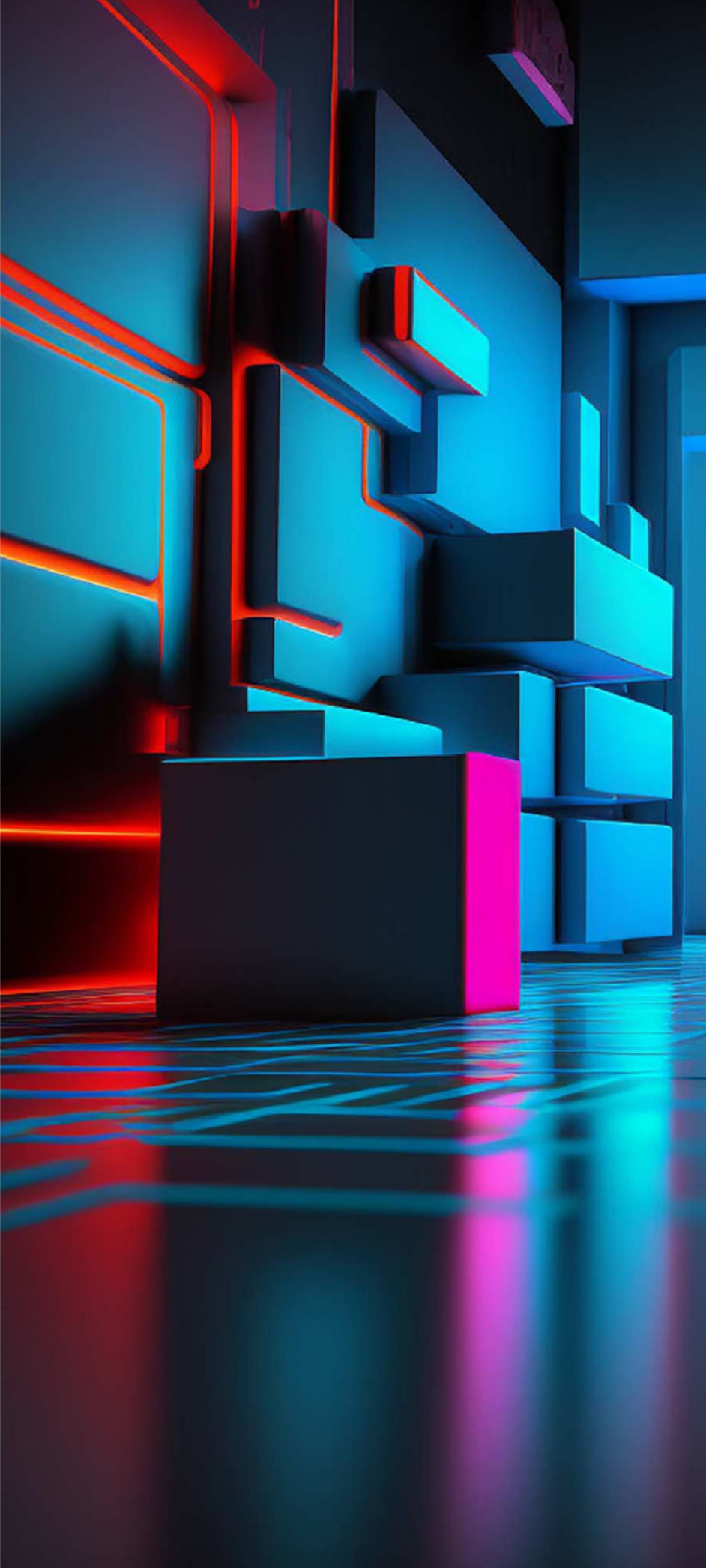
### **Some states such as Massachusetts are listening more to the thoughts and opinions of stakeholders when devising legislation. Are there any downsides to formal consultation - and what role does GLI play in these conversations?**

It never hurts to listen. Being open to hearing thoughts and opinions of the stakeholders who will be impacted the most from devised legislation makes huge sense. Regulators and decision makers in states such as Massachusetts are then able to make the best-educated decisions, as they weigh what they have heard against the needs of their constituents and responsibilities associated with their regulatory or state government roles.

Therefore, consultation, be it formal or informal, tends to have more positives than negatives from what we've seen. In addition, formal consultation requests don't need to translate to increased time and complexity if done right and efficiently. GLI has a proven and efficient methodology in place to help jurisdictions and regulators stand up their new markets.

These markets, and many others that are evolving, provide wonderful opportunities for expanded entertainment offerings. GLI's approach is to make sure that all parties have the necessary intelligence they need to make sound educated strategic decisions for success. This includes, but is not limited to, provincial, state, lottery, and/or tribal stakeholders etc. Regulators have come to trust and rely on GLI's team of technical compliance specialists for insights into the future that are grounded in facts and data.





This is why I am proud and confident to say that if you are part of an evolving jurisdiction, you can take comfort knowing that the roles GLI can play in your success include, but are not limited to new market and new technology liaison services, rule writing / regulations drafting, technical standards development & updates, cybersecurity advisory, eligibility assessments, change management / continuous compliance best practices, training/education workshops (remote or in-person), forensic investigations & expert witness, responsible gaming (RG) program development & audits, staffing development and planning, as well as RFI/RFP development, response analysis and feedback.

**Operators often have limited resources available to progress market opportunities and sustain operations due to the ever-changing and complex environment. How does GLI support such clients to efficiently scale?**

There are numerous ways in which we look to ease the burden on operators, and the manufacturers that supply them. After all, GLI's CORE Purpose is to be the trusted global compliance & quality expert relied upon by our clients – delivering world-class customer service and value that is unmatched.

To achieve this first we look to provide whatever Regulatory Advisory and Support Services an operator may need for their deployment plans. Helping them to understand

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what is, and what is not, permitted in each jurisdiction in relation to products and offerings; and for what is permitted – what the specific rules, regulations, and requirements are for compliance.

Utilising GLI's compliance experts by coming to one place alleviates the burden of operators having to assign internal resources to research, compare, and report differences between each jurisdiction around the world. Instead, they can focus on what they are best at – operations.

Alternatively, if they are already operating in one or more jurisdictions, but determining whether to expand into other jurisdictions, we help operators to understand what the incremental differences are between requirements they are already compliant with vs. requirements for the jurisdiction(s) they wish to enter. This is called a Technical Standards Gap Analysis. It's a detailed report that we deliver that clearly identifies the differences in rules, regulations, and technical requirements as it relates to any permitted products such as games, random number generator (RNG), remote gaming server (RGS), platform, sportsbook, cybersecurity, etc. depending on what vertical they operate in.

There's of course the global Testing, Auditing, and Certification services which we are best known for. However, what some may not know are the lengths to which GLI goes to help operators launch and sustain operations across multiple jurisdictions simultaneously. We offer scale, through time and cost savings from a 'submit once – but apply to many' jurisdictions simultaneously approach. This approach has become very well regarded by operators and suppliers who partner with GLI for all their certification needs worldwide.

By testing their submissions once, for requirements against all jurisdictions they are operating in today, as well as any additional jurisdictions are interested in entering tomorrow, we save them the pain of repeating testing for each jurisdiction in a piecemeal fashion. This saves them time and money because they do not have to treat each jurisdiction as a brand-new project and then pay for replicated testing. They also do not have to apply resources to multiple testing projects independently.

Add in here GLI's robust services around Internal Control Reviews & Audits, Change Management / Continuous Compliance support, GLI University Training/Education, and Regulatory Workshops (remote or in-person), and you get a true recipe for operator and supplier success.

In summary, GLI's integrated suite of compliance solutions provides the tools operators and suppliers need to comply with regulatory and technical obligations. By having these solutions in one place, the stakeholders that GLI serves are in control, they save time, and they have an easier path to report and evidence compliance. GLI's integrated services of regulatory advisory, technical compliance, end-to-end testing, and full lifecycle compliance benefit clients of all sizes in each of the 480+ jurisdictions GLI serves.

"Facilitating compliance today requires specialised tools that can be burdensome for organisations to design, develop and maintain. Oftentimes, resources who have the expertise in data gathering, analysis and visualisation don't have the expertise of AML/Licensing compliance obligations and/or vice-versa. This creates the need for compliance-focused IT teams, and that creates a host of overhead costs for organisations. While vetting compliance solutions should involve extensive due diligence to ensure an organisation's cyber security and compliance standards are met."

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#### **What lessons can US states take from sports betting for new market rollouts of iGaming?**

I would say a hugely important lesson is to know that the majority of the technical and regulatory concerns and controls in a regulated iGaming market mirror that of a regulated sports betting market. Issues around anti-money laundering (AML), age and identity verification (KYC), geolocation verification, responsible gaming (RG), hardware and software testing, and cybersecurity requirements in a robustly tested iGaming market will be readily covered by what was reviewed for a robustly tested sports betting market roll-out.

The solutions that vendors apply to regulated sports betting can similarly be applied to other forms of gaming such as iGaming, live dealer gaming, etc. This is because the underlying concerns and controls around fairness, security, and auditability are the same. To go from regulated sports betting to regulated iGaming is a natural progression that we've seen in numerous successful markets around the world to date. One might say it's like deciding to add the production of a second car model in the same manufacturing plant.

The parts may be different (akin to games and RNG vs. event wagering and bet placement software) but you don't need to set up a whole new manufacturing plant with new staff, customer support, hardware, software, policies and procedures, best practices, etc. just because it's a new model vehicle.

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The same way there is no need to reinvent the wheel for an additional vertical in gaming, especially if it's offered through the same delivery medium, such as desktop or mobile. Evidence of this is the large overlap, often mirroring, of technical requirements found for iGaming in "GLI-19 – Interactive Gaming Systems," as compared to sports betting standard "GLI-33: Event Wagering Systems."

From a technical and regulatory perspective, the lessons (good or bad) that were learned from the roll-out of any previous form of gaming should ideally be documented, discussed, and learned from for future success. GLI is often called upon by U.S. states, tribes, lotteries, etc., to take part in pre and post rollout analysis discussions since it's important for them to get an unbiased independent viewpoint of what really went well vs. what maybe could have been done better.

As it pertains to U.S. states in particular, they should take comfort that GLI and Bulletproof are ready and willing to share impartial feedback that we receive from the multiple stakeholders we interacted with during roll-out not only in their state but other states before them.

#### **What are the merits of outsourcing solutions vs. investing in internal developments to achieve the collection of data required by AML teams and for licensing applications?**

I am a firm believer in giving credit where it is due, so, to answer this I leaned on my friend and industry expert Mr. Sean Topchi from Kinectify who shared with me that Compliance Technology is a unique area. Solutions need to analyse millions upon millions of transactions in ways far different from marketing and player development, visualise the results of analysis, manually risk rate databases of patrons and stay current on required federal government filings, and licensing and compliance tasks with deadlines defined in law and regulation.

Facilitating compliance today requires specialised tools that can be burdensome for organisations to design, develop and maintain. Oftentimes, resources who have the expertise in data gathering, analysis and visualisation don't have the expertise of AML/Licensing compliance obligations and/or vice-versa. This creates the need for compliance-focused IT teams, and that creates a host of overhead costs for organisations.

While vetting compliance solutions should involve extensive due diligence to ensure an organisation's cyber security and compliance standards are met, outsourcing to modern compliance cloud technology platforms can relieve heavy maintenance and overhead from IT/Product departments.



Outsourced compliance solution companies often have research teams dedicated to keeping up to date with regulatory changes and emerging risk typologies that allow their agile product teams to quickly assist organisations in mitigating identified risk areas. With trusted compliance solution partners, organisations can easily scale as they pursue new jurisdictions and continuously develop cutting-edge products and user experiences.

**With New York potentially opening its arms to the world of iGaming, should operators err on the side of caution and wait for the tax regulations to work themselves out or be the first in the room?**

There's currently a half-dozen states where iGaming is legal, and of those, three share a border with New York. Those being New Jersey, Pennsylvania, and Connecticut. The remaining three being Delaware, Michigan, and West Virginia. With New York topping the nation in sports betting figures, and a New York State Senator saying he anticipates iGaming will bring in more revenue than sports betting in New York, it's hard to ignore the urge to jump headfirst.

There's a list of pros and cons associated with waiting or having first mover advantage, however, if sports betting roll outs are an indicator, especially for sizeable and popular markets such as New York, where money bet on sports has outpaced states such as New Jersey, Nevada, and Pennsylvania, the 'early bird will not only get the worm' but enjoy first mover advantage spoils too. This is amplified in jurisdictions where it may be decided to only allow for a limited number of license opportunities.

That said, depending on the size and appetite of the operator, their ability to meet or exceed consumer demand, and shareholder expectations, and all the while supporting regulatory requirements, there is obviously less risk for established companies with stronger balance sheets who entered the regulated sports betting market because they were playing the 'long game' waiting for regulated iGaming.

Pioneers in the digital industry content iGaming is where the 'real money is at', but either way, tax is only one large and important consideration that must be taken into consideration when determining whether to wait or be first in line.

**Ontario has had a challenging iGaming rollout, hamstrung by regulations and inducement limitations. Is the potential still there, and what are GLI's ambitions across Canada?**

April 4, 2022 marked the launch of Ontario's new iGaming market, which included online casino, poker, and sports betting/event wagering sites. iGaming Ontario (IGO), a subsidiary of the Alcohol and Gaming Commission of Ontario (AGCO), introduced new iGaming standards for gaming suppliers

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and operators, which GLI, and our cybersecurity division Bulletproof, we're proud to have contributed feedback on.

Having seen and being directly involved in regulated iGaming rollouts for over the past 21-years all around the world, from inception idea to launch, I can confidently tell you that the rollout in Ontario was not nearly as challenging for stakeholders as it could have been. Yes, there may be some ups and downs associated with launches, but that's the case in any new market launch.

Most of the operators and suppliers we work with, many of whom we tested and certified for their launch in other new markets before evaluating them for Ontario, shared with us that overall, they were quite pleased with how commercially pragmatic the jurisdiction was while at the same time being clear and unwavering in the robustness of their regulatory and technical expectations.

Previously, outside grey-market sites weren't subject to any regulations. But now, private operators must register and pay tax in exchange for legal access to the province. IGO shared the province is greatly benefiting from more players choosing to play locally rather than in the grey market. Players appreciate the knowledge that tested measures are in place to protect their finances and personal information.

Getting back to your original question of is the

potential in Ontario still there? The answer in my view is yes according to feedback shared with me by Operators and Suppliers and the reported market numbers. According to unaudited public IGO reports of market performance since the Ontario iGaming market launched, total wagers increased from \$4,076m in Q1 FY 2022-23, up to \$6.04bn in Q2 FY 2022-2023. Total gaming revenue in the same period increased from \$162m to \$267m, and gaming operators increased from 18 (with 31 websites) to 24 (with 42 websites).

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GLI has always been extremely active and successful in supporting Canada. I am not just saying that because I live in and call Vancouver home. Honestly, we've always been at the cutting-edge of industry knowledge when it comes to iGaming, and our experts have been supporting Canadian regulatory agencies and operators in online gaming since their inception into the space.

Beyond Ontario, GLI was the first to conduct successful certifications of online gaming systems in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, and the Atlantic Provinces via Atlantic Lottery Corporation. We were also privileged to provide technical consultancy and support to regulators in each market, including feedback on their technical standards. In Alberta and Québec, the GLI standards for iGaming (GLI-19) and Event Wagering (GLI-33) have been adopted.

We certified the first eCasino platforms in Canada on behalf of British Columbia, Manitoba, and Québec, first interprovincial ePoker platform - "Canadian Poker Network (CPN)" in Canada, first e-Bingo "Canadian Bingo Network (CBN)" in Canada, first Live-dealer gaming site and Instant Win Games online in Canada.

Our ambition in Canada is to continue to support Ontario and the rest of the provinces in their aspirations for responsible and fair, secure, and auditable gaming and entertainment offerings. Come speak with us at the ICE show about how we can help you in Canada and any one of the 480+ other jurisdictions we certify for. You won't regret it!