



AGCO

Alcohol and Gaming
Commission of Ontario

Discussion Paper

Potential Regulatory Risks Associated with Promotional Partnerships

Introduction

The Alcohol and Gaming Commission of Ontario (AGCO) is mandated to ensure that regulated Internet Gaming (igaming) is conducted with honesty, integrity and in the public interest. The AGCO achieves this through the development and enforcement of the Registrar's Standards for Internet Gaming (the Registrar's Standards) and the overall administering of the Gaming Control Act (GCA). As part of its mandate, the AGCO monitors and identifies emerging risks and, where necessary, the Registrar updates the Registrar's Standards to mitigate risk. As part of this work, the AGCO continues to monitor gaming-related advertising and marketing activities, consistent with its indications that this would be an area of regulatory focus when Ontario's regulated igaming market launched on April 4, 2022.

Legal Context

Under Ontario's regulatory framework, igaming operators are permitted to operate gaming sites through electronic channels, and only the Ontario Lottery and Gaming Corporation (OLG) may establish and conduct and manage lottery schemes offered at land-based gaming sites. The AGCO is not considering establishing a new category of physical gaming site or expanding the number of physical gaming sites to include a physical premises for igaming operators. The AGCO has previously provided guidance through the [Internet Gaming Go-Live Compliance Guide](#), that igaming operators or other businesses cannot provide gaming devices or gaming equipment to players to access an igaming site at a physical premises.

Purpose of this Discussion Paper

Promotional partnerships are a form of advertising and marketing and an expected component of regulated igaming in Ontario. However, such promotional activities remain an area of regulatory focus because of possible regulatory risks. This paper seeks stakeholder input on the possibility that **the AGCO take regulatory action to prohibit the creation of any physical venue (temporary or permanent) where a purpose of the venue is to encourage and/or facilitate the placing of bets at the venue.** Example activities that may create potential regulatory risks include:

- **A registered igaming operator that also directly operates** a permanent branded physical venue, such as a bar or restaurant, where, among other things, an activity or purpose of the venue is to encourage and/or facilitate people to place bets at the venue;

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- **A registered igaming operator that also directly operates** a temporary branded physical venue, such as a guest lounge or “fan zone” at a sporting or entertainment event, where, among other things, an activity or purpose of the venue is to encourage and/or facilitate people to place bets at the venue;
- **A registered igaming operator that partners with** the operator of a permanent physical venue, such as a bar or restaurant, to offer a branded or co-branded venue where, among other things, an activity or purpose of the venue is to encourage and/or facilitate people to place bets at the venue;
- **A registered igaming operator that partners with** an operator of a temporary branded physical venue, such as a guest lounge or “fan zone” at a sporting or entertainment event where among other things, an activity or purpose of the venue is to encourage and/or facilitate people to place bets at the venue.

Risks Related to these Promotional Activities

The AGCO has identified the following potential regulatory risks related to the examples of the types of promotional partnerships set out above:

- **Responsible Gambling:** Increased risk to vulnerable players and impacts on responsible gambling efforts, including increased association of alcohol consumption with gambling activity without proper responsible gambling measures in place, youth exposure to gambling advertising and activity, and promotion of gambling at venues intended for another purpose.
- **Regulatory Oversight of Gaming Sites:** Risk that these promotional partnerships are perceived to create a gaming site as contemplated under the GCA without having completed the required regulatory approvals and processes, including public input, and which in turn would otherwise be regulated by the AGCO. Again, the AGCO is not considering establishing new physical gaming sites and seeks to avoid the impression that new gaming sites may be established.

The AGCO’s Legal Authority

Section 3.8 of the GCA gives the Registrar authority to establish standards and requirements related to, among other things:

- Gaming sites and, more generally, the lottery scheme and businesses related to a gaming site or lottery scheme.
- The protection of players and responsible gambling, which includes regulating an igaming operator’s marketing and promotional activities.

Potential Regulatory Actions

The Registrar is concerned about risks posed by the possible creation of any physical venue (temporary or permanent) where a purpose of the venue is to encourage and/or facilitate the placing of bets at the venue and is considering whether a regulatory response may be required. This may result in:

- A prohibition on the creation of a physical venue or space where a purpose of the venue is to encourage and/or facilitate people to place bets at the venue.
- Such a prohibition could apply to both temporary and permanent venues, as well as venues created by or on behalf of an operator.

Discussion Questions

- What types of promotional or other offline activities, which fall short of creating a traditional land-based gaming site, do you think may be of concern or create risks? What risks might these promotional or other activities create?
- What facts, context, and considerations should the AGCO be aware of when considering these risks?
- What mitigating actions would you suggest the Registrar consider to address relevant risks?
- Is there anything you would like to highlight for the AGCO to consider when developing a potential regulatory response to these risks? Are there other factors, data, comments, or requests you wish to share related to this matter?

Next Steps

Thank you for taking the time to review and respond to this engagement. The AGCO will be reviewing all submissions as part of ongoing work to ensure that igaming gaming in Ontario is conducted with honesty, integrity and in the public interest.