

G-Regs™

## Italy – Gambling – Circular/ Note on Balduzzi Decree



Full title of law or regulation

Code of Behaviour Circular 2012/2916/policies/UD - Guidelines for the prevention of compulsive gaming – new parameters

**Subject:** Article 7 of Decree Law no. 158 dated 13 September 2012, converted into Law no. 189 on 8 November 2012 - Guidelines for the prevention of compulsive gaming – new parameters

### 1. INTRODUCTION

Article 7 of Decree Law no. 158 dated 13 September 2012, converted into Law no. 189 on 8 November 2012, has defined new parameters within which communication activities in the field of gambling can be carried out in Italy, as well as certain other specific requirements, to ensure adequate protection from the phenomenon of compulsive gambling (so-called “gambling addiction” – “*ludopatia*”).

In order to minimise <sup>1</sup>the above mentioned phenomenon of compulsive gambling, these rules, in force since the 1<sup>st</sup> of January 2013, require, for the purposes of effective implementation, the formalisation of a process /procedures involving all interested parties in the gambling industry.

The above mentioned process /procedures require(s) in particular, multiple initiatives which will be formulated with all permitted/ possible urgency, in the coming months

In anticipation, we can provide some early indications / initial information essential to standardizing the steps/ actions to implement, in the short term, the new legislation in question.

In this respect, it should be mentioned that the matter has already been regulated in some areas by the AAMS (*Amministrazione Autonoma dei Monopoli di Stato*<sup>2</sup>) circulars of 27 February 2009<sup>3</sup> and 09 July 2009<sup>4</sup>

With the first circular, the Agency (Gambling Authority) as guarantor of legal and responsible gambling, wished to pursue the goal of stimulating responsibility and fostering awareness of players’ behaviour, and encouraging the broad dissemination of information aimed at protecting minors from the risks arising from gaming / gambling.

Licensees were asked to form a broad and pro-active collaboration with the Gambling Authority in terms of paying closer attention to the quality (nature) and content of promotional messages, aimed at conveying the concept of legality and designed to

<sup>1</sup> *Lit.* version: “In order to ensure that results expected from these guidelines are met in terms of minimising...”

<sup>2</sup> Independent Authority for the Administration of State Monopolies - now known as Agenzia delle Dogane e dei Monopoli (ADM) – Customs and Monopolies Agency - following a merger in 2012.

<sup>3</sup> <https://www.agenziadoganemonopoli.gov.it/portale/documents/20182/1347282/Circolare-27-febbraio-2009.pdf/731aa254-4c80-43ce-a496-329a638af05e>

<sup>4</sup> <https://www.agenziadoganemonopoli.gov.it/portale/documents/20182/1347282/Circolare-09-luglio-2009.pdf/5067bedb-f44a-464d-a439-159443bbe61d>

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discourage any manifestation of excessive and/or pathological (addictive) gambling. The aforementioned circular also envisaged the sharing, by stakeholders in gaming/ gambling communications, of choices/ decisions and initiatives that are homogeneous (compatible) and consistent with the objectives of legality, fairness and transparency while, at the same time, respecting the interests of all parties.

The circular of 09 July 2009 reaffirmed the importance and the necessity to share every commercial communication on gaming / gambling with the Authority, not only to ensure consistency (a consistent message) across a variety of advertising campaigns, but above all to place the protection of public interest ahead of economic gain.

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## 2. COMMERCIAL COMMUNICATIONS IN RELATION TO PUBLIC RISK IN THE PRACTICE OF GAMING

**2.1** Article 7 of Decree Law no. 158 of 2012 contains provisions aimed at establishing preventive measures to combat gambling addiction and access to gambling by vulnerable consumer groups.

In particular, sub-paragraph 4 establishes the **prohibition of**:

- a) Advertising of games with cash prizes in the course of television or radio broadcasts and during theatre or film performances aimed minors, and in the thirty minutes before and after the said transmission or performance;
- b) Advertising, in any form, in daily and periodical press (i.e. newspapers and magazines) aimed/ targeted at minors and in cinemas during any film screening intended for viewing by minors;
- c) Any advertisement related to games with cash prizes in newspapers, magazines, publications, during television and radio broadcasts, film and theatre performances and via the Internet, which shows any one of the following:
  - I. incitement for gambling or glorification of the game (*i.e. encourages players to gamble or exalts/ glorifies gambling*);
  - II. the presence of minors;
  - III. absence of warnings on the risks of gambling addiction, as well as reference to information notices on the probability of winning published on the AAMS<sup>5</sup> (Independent Authority for the Administration of State Monopolies - now ADM) website, as well as websites of individual licensees or available at the points of distribution (*gambling premises and/or the places inside a store where lottery tickets are sold*).

Sub-section 4-bis of the aforementioned article 7 also stipulates "The advertising of games with cash prizes/ winnings must clearly indicate (*make clearly visible*) the percentage of the chance/probability of winning that the individual (player/ participant) has for each game advertised. If the individual percentage is not definable, the historical percentage for similar games must be shown".

**2.2** At the same time, sub-paragraph 5 states that warnings about the risk of gambling addiction and the **probability of winning** must appear on the tickets/ slips or winning tickets.

If, due to size, the warning and the probability of winning cannot be affixed/ printed on the tickets or coupons, they must contain a reference to notices regarding information on the probability of winning published on the AAMS website, as well as on the websites of

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<sup>5</sup> *Amministrazione Autonoma dei Monopoli di Stato* – see here:

<https://www.agenziadoganemonopoli.gov.it/portale/monopoli/giochi/probabilita-vincita>

URL of source: <http://www.gregsregs.com/downloads/ITGamblingCircular2012-2916.pdf>

individual licensees, or available at the points of distribution (*gambling premises and/or the places inside a store where lottery tickets are sold*).

The same warnings must be applied (*i.e. put on*) on the equipment referred to in Article 110(6)(a)<sup>6</sup> TULPS (Consolidated public safety laws), or quoted/ printed on special plaques (*i.e. notices/ signs*) displayed in areas, rooms, halls where the machines referred to in Article 110(6)(b) TULPS (*i.e. VLTs – Video Lottery Terminals*) are installed, and also at points of sale where principal activities include the offering of bets. These warnings must also appear and be clearly legible at the time of access to any Internet site where games with cash prizes are offered. This is to be effected by way of a boxed warning specially dedicated and positioned at the top of the "*homepage*", and of a height of no less than 60 pixels.

Sub-paragraph 6, in the event of non-compliance with the provisions of paragraph 4, imposes a fine ranging from €100K to €500K on both the person carrying out the advertisement referred to in paragraph 4 (*i.e. the gambling operator / advertiser*) and the owner of the means by which the same advertisement is circulated (*i.e. media owner/ provider*); in the event of non-compliance with sub-section 5, the licensee is punishable by a fine equal to €50K, while the same sanction applies - in the event of violations concerning the gaming machines referred to in Article 110(6)(a & b) (AWPs and VLTs) - to the person who owns the (gaming) room/ hall or distribution point; and for any infringement at points of sale where the principal activity includes the offering of bets, the sanction applies to the owner of the venue if different from the licensee.

Notification of infringements and the imposition of sanctions falls within the remit of the Italian Customs and Monopolies Agency (AGM - *Agenzia delle dogane e dei monopoli*), as provided under Act no. 689 dated 24 November 1981.

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### 3. Content of the Warning (message)

3.1. With a view to setting out initial guidance to the Offices of the Customs and Monopolies Agency – Monopoly Area, and to licensees for the exercise of public gaming/ gambling, it should be noted that advertising messages of games with cash prizes in newspapers, magazines, publications, during television and radio broadcasts, film and theatre performances and via the Internet must contain:

- a) reference to the business name of the licensee offering the games which are advertised and the concession number on released games held by the same;
- b) warning messages in relation to:
  - I. the prohibition of minors from gambling and the designation of the +18 logo;
  - II. the risk of dependence from the practice of gaming (gambling addiction), by way of a clear and specific message highlighting the fact that gambling has the potential to cause pathological addiction (e.g. "gambling may cause pathological addiction" – "*il gioco puo causare dipendenza patologica*");
  - III. an indication of the possibility of consulting information (information / notices listing) on winning probabilities and/or the percentage of revenue set aside in prize money (also referred to as % of payouts / % of prize money to be paid out), through a reference to the availability of those resources on the Licensee's website and on the website of the Customs and Monopolies Agency - Monopoly Area<sup>7</sup>, or available at the points of distribution (*gambling premises and/or the places inside a store where lottery tickets are sold*).

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<sup>6</sup> AWP Machines – Amusement With Prizes (usually slots)

<sup>7</sup> See here: <https://www.agenziadoganemonopoli.gov.it/portale/monopoli/giochi/probabilita-vincita>  
URL of source: <http://www.gregsregs.com/downloads/ITGamblingCircular2012-2916.pdf>

c) the following logos, currently in use:



With respect in particular to advertising in newspapers, magazines and similar publications, the format of the warning must be determined by a layout appropriate (in keeping with) to the rest of the advertisement, in line with what is already being done for the specific indication of the prohibition of gambling for minors under the age of 18 (*reference to 18+ logo*).

With regard to internet advertising, particularly as regards online gambling, the warning must be immediately visible - before any other information relevant to gambling on betting websites and relative forms of registration.

3.2 As mentioned earlier, the provisions in question require the advertisement to indicate/make reference to the possibility of consulting information/ notices listing the odds of winning published on the gambling regulator's (ADM) website, as well as the individual licensee's website.

This information must also be available, given the content of sub-paragraph 5, at public points of distribution (*gambling premises and/or the places inside a store where lottery tickets are sold*). In particular, it is necessary to indicate in the advertising that it is possible (and strongly advisable) to consult information relating to each game and its odds of winning, available at the points of distribution (*gambling premises / stores that sell lottery tickets*). This ensures that these distribution points are promptly supplied with adequate information.

Notices (with information on odds on winning) published on a licensee's website, as well as those made available to users at distribution points (*gambling premises and/or the places inside a store where lottery tickets are sold*) will be coordinated with those made available on the official website of the Customs and Monopolies Agency - Monopoly Area.

3.3 In accordance with sub-paragraph 4-*bis*, the indication/reference in the warning message concerning the possibility of consulting the (information) notices on the probability of winning, should specify/ include the percentage of the probability of winning that the individual (player/participant) has for each game advertised. If the individual percentage is not definable, the historical percentage for similar games must be shown.

The necessary presence of both indications appears, however, to be contradictory.

That provided for in sub-section 4 (referring to the information notices), in fact, seems to take into account the objective difficulties in condensing the probability of winning in an advertising message which, in any case, will require a particularly detailed/ elaborate description.

Precisely in relation to those objective difficulties, it is considered that the requirement for the information to be printed on tickets or coupons may apply (discussed further below), and therefore, where the amount of data on the odds / probability of winning or historical percentages is so extensive that it cannot be condensed in the advertising message, it shall bear the above mentioned indication / reference to the possibility of consulting the websites and points of distribution (*gambling premises and/or the places inside a store where lottery tickets are sold*).

In case of an infringement of the provision in sub-paragraph 4-bis, the advertiser is obliged in every case to repeat the same advert according to the manner, media and number of adverts, identical to the original advertising campaign, meeting all the requirements

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provided for in Article 7, and, in addition, making clear that the advertisement is repeated due to a previous infringement of the relevant legislation.

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#### 4. TICKETS AND COUPONS<sup>8</sup>

4.1 Sub-Paragraph 5 of Article 7, as mentioned above, stipulates that:

- a) *warnings about the risk of addiction on playing games with cash prizes (i.e. gambling);*
- b) *"as well as the chances / probability of winning"*  
Must also be indicated:
  - on the tickets
  - or on the coupons of such games.

The law further provides that: *"Where the amount / extent of information to be stated is such that it cannot be contained (or will not fit) on the ticket or coupon, they must bear an indication/ reference to the possibility of consulting the information notes on the probability of winning published on the Customs and Monopolies Agency (ADM/ AAMS) website, as well as the website of individual licensees, or available on gambling premises"*.

4.2. Sub-Paragraph 5 states, also, that the "same warnings must be applied":

- a) on the equipment/ appliances referred to in Article 110, paragraph 6, letter a) of the consolidated public safety laws, as described in Royal Decree no. 773 dated 18 June 1931 (so-called AWP – Amusement With Prizes);
- b) on notices (special plaques) exhibited / displayed in areas or in rooms where video terminals referred to in article 110, paragraph 6, letter b) of the aforementioned consolidated text, are installed (so-called VLTs – Video Lottery Terminals);
- c) at points of sale where principal activities include the offering of betting on sporting events including horse racing, and non-sporting events.

These warnings must also *"appear and be clearly legible at the time of access to any Internet site where gaming for cash winnings is offered"*.

4.3. The warnings set out in paragraph 3.1, letter b). including those relating to the probability of winning (or the reference to websites or distribution points - *i.e. gambling premises*) must be clearly legible and proportionate to the tickets and coupons on which they are printed, and may be marked on the front or back (of tickets/ coupons).

4.4. With respect to identification of the communications cited (i.e. meaning of *schedine* and *tagliandi*), it is believed that the provision refers both to receipts certifying a winning bet, and to tickets or coupons introduced prior to the game (i.e. betting slips), even if optional (for example; deferred or instant lottery tickets, "pregame" draws, SuperLotto tickets, sweepstake receipts and so on).

For lottery tickets (instant or deferred), the obligation imposed by these provisions will, of course, take effect for those organised after January 1<sup>st</sup>, 2013, likewise for lottery tickets reprinted or commissioned after that date.

4.5. For Bingo, given that the bingo cards are provided by the Agency and that it is entitled to certify the tax payment made, they will use up those cards already printed, until stocks (already in possession of the Agency or in transit) run out.

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<sup>8</sup> Or slip (which can be a *betting slip* as well as a *receipt*)

4.6. Tickets or coupons are not issued for gaming/ gambling via amusement and entertainment machines (AWPs and VLTs). Therefore, in order to ensure compliance with the legislation in question, it is sufficient that the same warnings are applied, in a clearly visible form, on each AWP machine, and in areas or rooms where VLTs are installed.

Warning notices exhibited / displayed in the above mentioned areas must be of appropriate dimensions and in sufficient numbers to be clearly visible to all players in the vicinity.

4.7. As already mentioned, the above warning notices, with the same dimensions and in equal quantity, must also be placed at the points of sale where principle activities include the offering of betting on sporting events, including equestrian, and non-sporting

Given the highly innovative value of the provisions in question, the Agency will take into account, in checks/ control tests, the necessary technical timescale, with reference to the different types of gambling, for the full adaptation to the new regulatory framework.

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