OPEN FORUM

Sports rights owners must be taken into account

By Nick Bitel (*)

The Sports Rights Owners Coalition (SROC), established in 2005, represents over 40 organisations from across the sporting spectrum, from tennis, rugby and football to golf, athletics and motor sport, as well as cricket, basketball and racing. Betting regulations affect all of our members. One of the common SROC causes right from the start was to campaign for a regime for sports betting that enables sport to protect its integrity, and establishes a fair financial return to grassroots and professional sports.

Any sports fan cannot fail to have noticed the worrying increase in stories of match-fixing, corruption and betting scandals. The worlds of tennis, football, snooker and cricket have all been affected.

The key issue for sports organisations is the ability to manage the risk levels of the betting that takes place on their events. The development of online sport betting has increased the risks as recognised by the European Court of Justice in the Bwin vs Santa Casa ruling (Point 70). One of the greatest fears of sports is 'lay bets', bets to lose, or bets on minor outcomes, which can be easily manipulated. The risks are seen as high at lower levels and competitions as demonstrated by the 2008 report on risks to the integrity of sport from betting corruption (Salford University).

As we seek sustainable ways to deal with it, SROC has been pleased to see increasing recognition of our position in key policy and legislative initiatives. Both the European Commission's white paper on sport and the European Parliament's report on the white paper on sport addressed the issue. In 2009, the European Parliament went one step further and adopted the Schaldemose report on the integrity of online gambling, which included recognition of the challenges faced by sports in the face of increasing volumes of bets and, subsequently, an increased chance of corruption. This report called for the adoption of a 'competition organiser's right', by virtue of which no betting operator could offer bets on a sporting event without entering into a contractual agreement with the



Bitel: "The policy environment is very often restricted to the monopoly/deregulation debate"

organiser. Such agreements will allow for the strict definition of each party's responsibilities in terms of prevention, monitoring and reaction to the risks of fraud, corruption and match-fixing. Moreover, a financial return to the sport would be guaranteed, with funds flowing directly into measures to protect integrity and grassroots funding.

After Australia and New Zealand, France decided to replicate this model while opening its online gambling market. The 'competition organiser's right' applied to betting has now been officially recognised in the French law, and approved by the European Commission upon its notification by the French government. The French competition authority has recently confirmed the validity of this sport organisers' right while recommending few adjustments when it comes to its remuneration. The SROC considers the French legislation a very good practical example.

Moving forward, the SROC and its members are calling on other European governments to adopt a similar regulatory framework, and recognise the value

of the 'competition organiser's right' since only compulsion will improve integrity and ensure sustainable financing of sport. According to their own figures, betting operators can only be relied upon to ensure reliable and sustainable funding for European sports when statutory arrangements are in place. The Remote Cambling Association announced, in November 2009, the initial conclusions of a study into the funding of sports by private sector gambling operators and the figures clearly show that betting and gambling operators will only contribute significantly when mandated to do so by statutory regimes (93% of the total investment). The investment they make of their own volition is very limited (7%) and is for purely commercial/advertising purposes with the most commercially popular sports.

In 2009, both the French and UK ministers for sport agreed that sports betting should be added to the rolling agenda of the EU sports ministers' meetings. As these meetings become formalised under the Lisbon Treaty, we hope to see even greater consideration given to this important issue.

The policy environment is very often restricted to the monopoly/deregulation debate. The SRROC is neutral as between these two models and considers it is up to the member states to decide while respecting the EU law. However, we look for the two core issues of integrity and fair return to be addressed whatever the model. Commissioner Michel Barnier and many MEPs acknowledged the importance of these issues. The fact that the European Commission decided to include both issues in its green paper on online gambling is a clear recognition of SROC members' concerns and priorities.

(*) Nick Bitel, on behalf of the Sports Rights Owners Coalition