

Moalem Weitemeyer Bendtsen

Advokatpartnerselskab

12 August 2011

Our ref.: 243300

GUIDANCE

Unofficial translation

Amaliegade 3-5
DK-1256 København K

Tel: +45 7070 1505
Fax: +45 7070 1506
Mail: info@mwblaw.dk
Web: www.mwblaw.dk

CVR: 3162 7885

1. Contents

1.	Contents	2
2.	Preface	4
3.	Practical Information	4
4.	What does the Guidance include?	5
4.1	<i>Games for which a License may be granted</i>	5
4.1.1	Betting	5
4.1.2	Online Casino	6
4.1.3	License with an Income Cap	6
4.2	<i>Games for which no License may be granted</i>	7
4.2.1	Particular rules on Betting	7
4.3	<i>Games which may be provided without a License</i>	7
5.	License Application	8
5.1	<i>Who must the Applicant be?</i>	9
5.1.1	Sub-providers	10
5.1.2	White Label	11
5.1.3	Affiliates	13
5.2	The Application Process	13
5.3	Requirements for Applicants	20
5.3.1	Requirements for Persons	20
5.3.2	Requirements for Companies	22
5.3.3	Requirement regarding professionally and financially sound Operations	23
5.3.4	The Applicants residing or established outside of the EU or the EEA	24
6.	Issue of Licenses	24
6.1	<i>Validity</i>	25
6.2	<i>Terms of the License</i>	25
6.3	<i>Publication</i>	26
6.4	<i>The License with an Income Cap</i>	26
7.	Changing a Permit	27
7.1	<i>Application for other Games than mentioned in the License</i>	27
7.1.1	Online Casino	27
7.1.2	Betting	27
7.2	<i>Transfer of Licenses</i>	27
7.2.1	Delegation of Licenses	28
7.3	<i>Other Changes</i>	28
8.	Authorisation to offer Games	28
8.1	<i>Control of Gaming Data etc.</i>	29
8.1.1	Connection	30
8.2	<i>Requirements for your Gaming System</i>	32
8.2.1	Certification of the Gaming System etc.	32

8.2.2	The physical Location of the Gaming System	34
8.3	<i>Registration of Clients (Players)</i>	34
8.3.1	Registration of the Client	35
8.3.2	Documentation of the Identity of the Client	35
8.3.3	Information regarding the Scope of Gaming intended by the Client	37
8.3.4	Politically exposed Persons residing in another Country	37
8.3.5	Stricter Requirements for Identification	40
8.4	<i>The Players' Accounts</i>	41
8.5	<i>Information to the Players</i>	42
8.5.1	The Players' Possibility to limit their Gaming	44
8.6	<i>A set-off-free Account</i>	46
8.7	<i>Requirements only relevant to Betting Licenses</i>	46
9.	Further Requirements in Connection with the Provision of Games	46
9.1	<i>The Marketing of Games</i>	47
9.2	<i>Complaints from the Players</i>	48
9.3	<i>Suspension of a Gaming Account</i>	49
9.4	<i>The Sale of land-based Betting</i>	49
10.	The annual Fee	51
11.	Lapse of Licenses	52
12.	Revocation of a License	54
13.	Complaints about Decisions made by the Gambling Authority	54

2. Preface

This guidance draft is aimed at persons and companies that wish to provide betting and online casino in Denmark pursuant to the Danish Gaming Act (law no. 848 of 1 July 2010 on gaming including later amendments) and the executive orders appertaining thereto.

The guidance draft is not complete and is to be viewed only as the working paper of the Danish Gambling Authority. For this reason, the guide is not legally binding.

The Gaming Act has not yet come into force because the thereto appertaining law on levies on gaming is subject to an examination by the European Commission since it might be in breach of the state-aid rules. Furthermore, the European Commission was notified of the Gaming Act's executive orders on 23 June 2011 and will therefore come into force at the earliest on 26 September 2011.

The guidance does not take the European Commission's decision in the state-aid into account and is therefore subject to any changes the decision or the notification of the executive orders etc. might lead to.

The guidance will be kept up to date and relevant items will be elaborated on an ongoing basis.

3. Practical Information

The guidance describes the most important rules for persons and companies who wish to provide betting and online casino games in Denmark.

The legal framework is the Gaming Act and the following executive orders:

- Executive order on online casino
- Executive order on online betting
- Executive order on land-based betting

The Gambling Authority is in charge of issuing licenses, imposing charges and controls and supervises the area.

The Central Tax Administration is in charge of registering license holders, charging, supervision and collecting of levies.

Games played for money are exempt from VAT. Gaming companies that provide games played for money must pay payroll tax pursuant to the Danish Payroll Tax Act, Section 1(1). Further questions regarding VAT and payroll tax may be directed to the Central Tax Administration. For further information, please see www.skat.dk.

Further information is available at www.spillemyndigheden.dk along with forms and other material, to use in connection with a potential application. If you have any questions, feel free to contact the Gambling Authority at spillemyndigheden@skat.dk or tel.no. +45 72 38 79 13.

4. What does the Guidance include?

The Gambling Authority grants licenses for betting and online casino games. Some games may be provided without a license even if it is online casino. As for other games, obtaining a license may not be possible, even if they are betting or online casino games. This section outlines the rules.

4.1 Games for which a License may be granted

4.1.1 Betting

Betting is an activity in which the participants guess on the outcome of an event, like Danish Oddset or manager games. The term is not limited to betting on sporting events. For instance, a game of guessing what name a new member of the royal family might receive is also betting.

Betting can be divided into two types:

- Fixed-odds betting, e.g. Oddset. The participant places a bet directly with the provider of the bet and knows the possible winnings in advance.
- Pool betting, e.g. manager games. Bets where the entire or parts of the winnings depend on the size of the total stake pool or where the winnings are divided among the winners.

A license to provide betting includes online and land-based betting. Online betting is when the player and the game provider do not meet physically, e.g. over the internet, telephone and television.

A license for the provision of betting also includes land-based betting on the outcome of electronically simulated sporting events.

Betting may only be provided with a license from the Gambling Authority.

4.1.2 Online Casino

Online casino games may be roulette, black jack, baccarat, punto banco, poker and games played on gaming machines providing cash winnings. Thus, these are all games which nowadays are also usually available at physical land-based casinos.

The term "online casino" under the Gaming Act is broader than the games provided at physical land-based casinos in that the term also includes the so-called "combination games". Combination games are activities in which the probability of winning is based on a combination of skill and chance. Games determined entirely based on coincidence, such as lotteries, bingo and the like, are not comprised under this term and similarly, games determined entirely based on skill are not comprised under this term either. Games based entirely on skill are games such as chess.

If a game depends on both coincidence and skill, it falls under the term online casino. Some examples are backgammon, whist and guessing competitions. A guessing competition in which the participants who have given correct answers draw lots is therefore an online casino game.

Online casino games may only be provided with a license from the Gambling Authority.

4.1.3 License with an Income Cap

A license with an income cap is a one year license under which the gross gaming income may not exceed DKK 1 million. This license may be granted for the provision and operating of betting or online casino.

A license to provide betting will usually be limited to one type of betting, such as manager games. Likewise, a license for operating online casinos will usually be limited to one type of games. With license with an income cap, it may be

possible to apply for a license for other games than those mentioned under 7.1.

4.2 Games for which no License may be granted

It is not possible to apply for a license to provide lottery or class lottery games. Lottery includes:

- Bingo
- Scratch tickets
- Drawing of lots

These games are only provided by companies with a special license for this purpose. Such license has been granted to Danske Spil A/S and Det Danske Klasselotteri A/S, among others.

It is, however, possible to apply for a license for land-based charitable lottery, i.e. lottery organised for the benefit of charities or other non-profit purposes. For more information, please see spillemyndigheden.dk → Lotteri.

4.2.1 Particular rules on Betting

With a betting license, the following games may not be provided:

- Horse and dog racing
- Pigeon racing
- The outcome of lotteries
- Other occurrences whose outcome is decided by chance.

Danske Spil A/S may, however, provide horse and dog betting.

4.3 Games which may be provided without a License

Betting and online casinos are only comprised under the gaming legislation if the participants:

- Pay a deposit (money or the like) and
- by paying the deposit have a chance of winning a prize (all kinds of prizes).

If none or just one of the criteria above has been fulfilled, the game in question may be provided without a license from the Gambling Authority.

Games entirely based on skill may be provided without a license, see section 4.1.2.

What is a Deposit?

A deposit is usually money paid by a player in order to participate in a game. Dues and the like can therefore constitute a deposit, if the player pays an amount in addition hereto, in order to participate in the game.

What are Winnings?

Winnings can be money, goods or other services of economic value. There does not necessarily need to be a correlation between the amount the player pays to participate in the game and the possible winnings. A sponsored prize therefore still constitutes winnings.

5. License Application

Four types of licenses are available for application.

- 1) License for betting
- 2) License for online casino
- 3) License for betting with a duration of one year and with a gross gaming income of a maximum of DKK 1 million (license with an income cap)
- 4) License for online casino with a duration of one year and with a gross gaming income of a maximum of DKK 1 million (license with an income cap).

5.1 Who must the Applicant be?

The Gaming Act lists the requirements any person or company must meet in order to be granted a license to provide games, but contains no exact definition of what a license holder is.

Tasks, Responsibilities and Rights

Generally, all persons and companies that provide betting and/or online casino must have a license. If a gaming operator has chosen that the different games provided under one brand in reality are provided by several different companies, all of these companies must in principle hold a license.

The license holder is a gaming operator whose responsibility includes making sure that the provision of games is carried out in accordance with Danish legislation. Among other things, the license holder has the following rights and responsibilities:

1. The responsibility, risk and power of direction for the completion of a game.
2. Contracting with the players.
3. Ownership of player information, including registration of players.
4. Player support.
5. Ownership of intellectual rights connected with either games or website/gaming client.
6. The operation of a gaming system, including maintenance of hardware.
7. Ownership or renting of a majority of the gaming system (gaming infrastructure).
8. Monitoring of cheating (colluding, etc.) and money laundering.
9. Payment service and support of means of payment.
10. Marketing of the brand and/or games.

5.1.1 Sub-providers

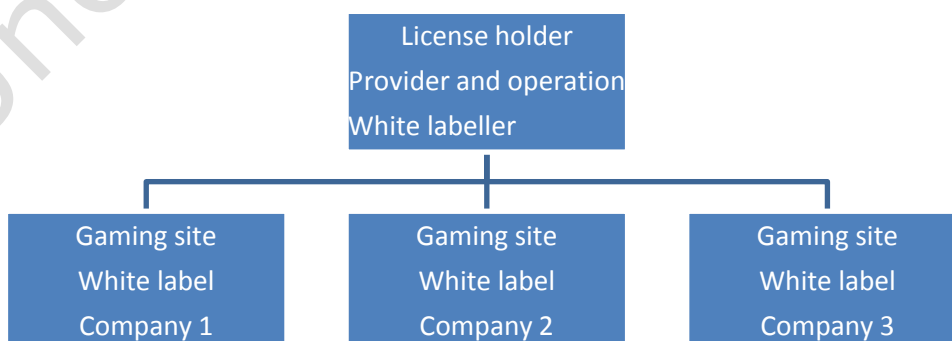
A license holder may choose to employ sub-providers to undertake a minor part of the above-mentioned tasks. The main part of the services must be undertaken by the license holder. The employment of sub-providers is not in contravention of the prohibition of delegation of rights, as mentioned in 7.2.1 as long as it is a minor part of the operation. The license holder must be aware of the fact that the employment of a sub-provider does not imply a right for the license holder to disclaim liability in relation to the authorities for any work which is not carried out directly by the license holder. The sub-providers may not undertake the tasks under item 1-3 and 5.

A sub-provider may not be a white label buyer with gaming operators to whom the sub-provider provides services.

Network Platforms

Generally, network platforms do not need a license in order to provide games in Denmark, if the license holders who make use of the platform hold a license. It is not a requisite that all gaming operators connected to the network are license holders in Denmark. However, clients from Denmark must always reach the network through Danish license holders.

A network platform means a platform used for games in which players play against each other (peer-to-peer games) and where only these games are facilitated. Through the license holder, clients are routed to a network platform on which the clients may participate in games against or with players from other gaming operators and other countries.



The network platforms are considered sub-providers to the extent that the network platforms do not have or undertake the majority of the tasks men-

tioned under 5.1. The interaction with the license holder may result in an overlap of tasks but as sub-providers, the network platform may only undertake a minor part of the tasks.

The network platform needs a license if it, apart from being responsible for the platform, is a white label or gaming provider.

The fact that the network platform does not need a license means that the license holder who forwards the client to the platform is responsible for the game which is facilitated through the network platform.

5.1.2 White Label

The general definition of white label is a game produced by a company (white labeller) marketed by a different or several companies (white label), thus making it look like the white label provides the product. This way, an almost identical product can be sold appearing to be a unique brand several times.

The online provision of games is permissible under white label constructions and is not in contravention of the prohibition of delegation of rights, provided that the below-mentioned criteria are fulfilled, as mentioned under 7.2.1.

White Labeller

The white labeller, being the owner of the product, must in relation to the provision of games comply with the obligations and rights under section 5.1. The white labeller must consequently be a license holder.

The white labeller may choose to employ sub-providers, as mentioned above. A sub-provider may not be a white label buyer (with white labeller) or an affiliate.

Regardless of the white label construction, the license holder is responsible for the games being carried out in accordance with the legislation or the terms laid down in the license.

White Label Buyer

Only the marketing of the website and the thereto connected games may be carried out by the white label buyer (companies 1, 2 and 3). The companies or

persons who purchased a white label solution cannot have access to gaming accounts or any other operations. The white label buyer

- may not have any relationship with the registered players, besides what is necessary for the marketing.
- may only have access to information in the client database necessary for marketing.
- may not own the database for registered players or the gaming system.

If a white label buyer has an influence on the operation or the gaming accounts, the construction will no longer be viewed as a white label construction.

A white label buyer may not be a sub-provider to white labels.

It is not in contravention of the rules if the white label buyer owns the trademark used to market a specific gaming website.

The license holder is responsible for the games being carried out in accordance with the legislation and the terms laid down in the license. Therefore, the white label buyer can normally not be held responsible with regards to the provision of games. The license holder cannot disclaim liability. However, the white label companies may for instance incur liability to the extent that one or more of the companies (companies 1, 2 and 3) have had influence on the provision of the games etc., or if they have knowledge, or should have known, that the legislation or the license terms are being violated.

Liability for the white label buyer (companies 1, 2 and 3) may also be a possibility if actions are taken in violation of the general marketing or consumer protection rules and the rules of Danish Gaming Act in this regard.

Although the white label buyer typically handles the majority of the marketing of the gaming website, nothing prevents it from conducting the marketing through affiliates.

5.1.3 Affiliates

An affiliate is a marketing channel typically seen in connection with online marketing, for example by use of links or banner advertisements, but also articles etc. not in the nature of editorial publicity.

Affiliates need not have a license if they only perform marketing and therefore do not:

- have a relation to the players.
- own gaming data.
- own rights connected to trademarks and websites being marketed.
- own parts of the gaming system used for the game or website being marketed.

The general consumer protection and marketing rules and the rules of the Danish Gaming Act regarding marketing and communication apply to affiliates, and an affiliate may be held liable under these rules.

5.2 The Application Process

License versus Authorisation

In addition to obtaining a license to provide gaming, your IT system, gaming system, website etc. must fulfil a number of requirements before you may actually provide gaming. The Gambling Authority must confirm that you have fulfilled these requirements. When all requirements are met, you will receive an authorisation to provide gaming, and you may hereafter actually provide gaming. Thus, gaming may not be provided with a license alone.

In order to receive an authorisation, it is necessary to fill out Appendix B to the application form.

You may choose only to send in the appendix after you have received the license or to send it along with the application form. Both methods contain advantages and disadvantages depending on your concrete situation. For example, a concurrent review of the application for license and for authorisation will

mean that you will be able to provide gaming sooner. If you choose to obtain an authorisation after you have received the license, investments in for example the gaming system may be put off until you know if you receive an authorisation.

Forms

You must use form no. 29.064 to apply for betting and online casino licenses. You may download the form at the Gambling Authority's website, spillemyn-digheden.dk. You must use the same form regardless of whether you wish to apply for a betting or an online casino license, for both or for a license with an income cap.

Furthermore, key persons in your company (see section 5.3.1 regarding requirements hereto) must fill out form no. 29.065.

All communication in connection with the application process will be carried out in Danish.

Contents of the Forms

When you apply for a license to provide gaming, there are three forms you must fill out in order to apply for a license and in order to receive authorisation to provide gaming. These are:

- The application form
- Appendix A, the personal declaration
- Appendix B, the technical information etc.

The application form (the application for a license)

In the application form, you must provide all your registered data such as name, address, type of business, which license you are applying for etc.

However, there are also a series of requirements where you must state the size of your debt to the State of Denmark and if you hold other gaming licenses in Denmark.

If you have been convicted of a criminal act or are under investigation for such, in Denmark or abroad, this must be stated, and in case of a conviction, either the judicial decision or the criminal record in Danish or English must be enclosed. Likewise, you must state if you are the subject of a public investigation or the subject of a civil suit. Both matters apply for Denmark as well as abroad.

Appendices which must always be enclosed:

- Personal declaration(s), appendix A
- Commented budget forecast
- Documentation for the payment of fees
- Procedure for the set-off free account
- Resume of the person responsible for IT safety
- Resume of the person responsible for finances
- Resume of the person responsible for system changes

Appendices which must be enclosed if the circumstances so require:

- Technical information etc., appendix B (more information below)
- Memorandum of association in a copy certified by the board of directors
- Chart of the organisational structure of the company
- Chart that shows the ownership structure if the company is owned by other companies
- Group chart if the company is part of a group
- Information regarding the business processes of the company, administrative matters and the organisation

- Latest audited annual accounts if they have been prepared
- Resume of the person responsible for anti-money laundering and anti-financing of terror (only for online casinos without an income cap)
- The latest articles of association signed by all members of the board
- Copy of licenses in other countries

When filling out the application, it is important that you send in all the requested appendices, as missing appendices may prolong the review period. The same applies to appendices A and B. Signatures on the application and on consent to retrieval of information of the relevant people, for example the entire management, the entire board of directors and other persons who have a controlling influence on the administration. Naturally, it also applies here that a single missing signature can prolong the review period.

Appendix A, the personal declaration

In the case of a company, the Appendix A must be completed by:

- The manager and the other members of the management
- The chairman of the board directors and the other members of the board
- natural and legal persons who directly or indirectly
 - own a qualified share of 10% or more
 - control 10% or more of the voting rights
 - Possess a share which makes it possible to exercise controlling influence on the management.

In the personal declaration, you must state your registered data such as name, civil status, address etc.

Furthermore, the Gambling Authority needs all information if you have been convicted of criminal offences, if you are under investigation for criminal offences or under other investigation by public authorities in Denmark or abroad. Again, copies of criminal records or judicial decisions, if any, must be translated to either Danish or English.

Finally, it is important that you state your financial and commercial situation, including if you have been deprived of the right to conduct business, if you are indebted to the State of Denmark, if you or a business that you own or have owned is or has been under restructuring, compulsory composition, in liquidation or under debt restructuring.

Again, it is important that you enclose all relevant appendices from the beginning as the review process may be prolonged if anything is missing.

Appendix B, technical information etc. (authorisation to provide gaming)

In appendix B, you must state the contact person in your organisation in connection with the authorisation process, the domain name through which you will provide gaming, the name and domain name of white labels, if any (see more about white labels in section 5.1), which games are provided, where the gaming system is set up and the provider of the gaming system.

At the same time, you must state if your SAFE has been established, where it is set up, who operates it and where the backup system is set up (for further information, see section 8 the authorisation process).

You must also state who has carried out the required certifications for you and inform about your connection process for Tamper Token, SAFE and ROFUS (for further information regarding certification and connection, see section 8 the authorisation process).

Furthermore, a declaration from a financial institution regarding a set-off free account (for further information regarding the set-off-free account, please see section 8.6) must be enclosed.

The following appendices must be enclosed if the circumstances so require:

- The procedure for the applicant's controls and business procedures regarding the gaming system

- Description and illustration of the gaming system with specification of geographical placement
- Statement regarding any network games
- White label contracts concluded with white label companies/businesses
- List of provided games including a classification of which gaming category each game belongs to
- Certification of gaming systems (for further information, please see section 8.2.1)
- Certification for vulnerability and penetration tests
- Certification of program to control system changes
- Statement regarding the compliance with the rules on money laundering and financing of terror

Application Fee

Before filing the application, you must pay a fee. The account number you must transfer the fee into appears on the application form.

As of 1 January 2011, the fee is:

- DKK 250,000 for an application for a betting or online casino license.
- DKK 350,000 for an application for both a betting and online casino license.
- DKK 50,000 for an application for license with an income cap for either betting or online casino.

The fee must be paid when filing your application to the Gambling Authority. Documentation for the payment must be enclosed.

Generally, the fee will not be returned – even if no license is granted.

You can read more about the fees and the current rates at www.spillemyndigheden.dk.

Submitting the Application

The application must be sent physically in an electronic form and in two copies. For example, this may be two CD-ROMs or USB sticks, each containing the completed application form, appendices and other relevant enclosures.

The application may be sent by email if the case material is limited; for example an application for a license with an income cap.

The application is to be sent to:

Spillemyndigheden

Helgeshøj Allé 9

Postboks 197

2630 Taastrup

or

spillemyndigheden@skat.dk

Review Period

Normally, the review period is three months, but concrete circumstances may lead to a prolongation. A prerequisite for the stated review period is that all boxes in the application have been completed correctly and that all relevant appendices have been enclosed with the application.

During the processing of the case, you may be asked to submit further information.

If you choose to receive a license before authorisation, it may take longer before you are actually able to provide gaming. The authorisation is described under section 8.

5.3 Requirements for Applicants

Both persons and companies may apply for a license to provide gaming in Denmark.

5.3.1 Requirements for Persons

You must meet four objective and three subjective requirements in order to receive a license.

The objective requirements are:

- You must be at least 21 years of age.
- You may not be under guardianship or co-guardianship.
- You may not have filed for restructuring, liquidation or debt restructuring or be under reconstruction proceedings, liquidation proceedings or debt restructuring.
- You may not have debt to the State of Denmark that is due.
 - To be indebted to the State of Denmark means that the time for payment has been passed and that the debt has been referred to the arrear-collecting authority which is handled by the collection centre of the Danish Tax and Customs Administration.
 - Debt does not affect your eligibility for a license if:
 - you have reached an agreement regarding payment,;
 - full security has been given for the debt; or
 - if there is a dispute between you and the Danish Tax and Customs Administration regarding the existence and size of the debt and the Danish Tax and Customs Administration has informed you that the debt will not be collected before the dispute has been settled.

Objective requirements mean that the matters are easily determinable. That is to say, in general, the Gambling Authority will not have to perform an assessment hereof.

The subjective requirements are:

- You have not been convicted of a crime domestically or abroad which may imply a risk that you will abuse the access to working with games.
- You must fulfil the requirement for professional sound operations.
- You must fulfil the requirement for financially sound operations.

Subjective requirements imply that the Gambling Authority must assess whether you meet the requirement.

Requirement	What does the Requirement mean?
You have not been convicted of a crime domestically or abroad which may imply a risk that you will abuse the access to working with games.	The Gambling Authority must assess if violations of laws etc. may imply a large risk that you will abuse the access to working with games. All verdicts may be relevant, but the type of violation, when it has happened relative to the time of application and whether it is a case of repeated or systematic violations will always be taken into consideration. Violations of tax and duty legislation may also have an effect in the assessment of you. Fines etc. are also verdicts.

<p>You shall provide games in a financially sound manner.</p>	<p>At the assessment, the Gambling Authority among other things emphasizes that:</p> <ul style="list-style-type: none"> • it is possible for the business to pay out all potential winnings, • the budgets correspond to the targets laid down in the business plan, and • that sufficient means have been set aside for the running of the business. <p>Read more about this in section 5.3.3.</p>
<p>You shall provide games in a professionally sound manner.</p>	<p>At the assessment, the Gambling Authority among other things takes your previous experience with running a business and gaming businesses into account. If you have no previous experience, education and other experience is taken into account.</p> <p>Read more about this in section 5.3.3.</p>

5.3.2 Requirements for Companies

The same requirements apply to companies as to persons.

However, the age requirement and the requirement that persons shall not be under guardianship or co-guardianship do not apply.

Requirements for the Management and the Board of Directors

Members of the management and the board of directors must fulfil the same requirements as persons.

5.3.3 Requirement regarding professionally and financially sound Operations

In order to receive a license to provide gaming in Denmark, you must prove on a balance of probabilities that the operations of the gaming business will take place in a professionally and financially sound manner. The two concepts will be reviewed below, but the line between them may be vague.

Financially sound Operations

Gaming must be carried out in a financially sound manner. Therefore, when applying for a license, you must enclose documentation which makes it possible for the Gambling Authority to assess your company's finances etc.

Among other things, the Gambling Authority emphasises that:

- it is possible for the company to pay out all potential winnings;
- the budgets correspond to the targets laid down in the business plan; and
- sufficient means have been set aside for the running of your business.

The Gambling Authority will send much of the information to an accounting firm which will review the information and assist the Gambling Authority in the assessment.

Professionally sound Operations

The assessment of applicants carried out by the Gambling Authority is based on the requirements stated in section 5.3 and the information that you submit along with the application.

In the application, you must state who is responsible for:

- the gaming software and the running of the games;
- IT security;

- system changes;
- the monitoring of money laundering and financing of terror (only for applications for online casino, and not for a license with an income cap);
- finance.

A resume showing the experience level of each responsible person must be enclosed. The functions may be performed by the same person.

Furthermore, a resume of each member of the management and the board of directors must be enclosed.

You must also enclose a business plan.

5.3.4 The Applicants residing or established outside of the EU or the EEA

If you reside, or if your company is established, outside of the EU or the EEA, it is a requirement that you have a representative in Denmark. The representative may be a person or a company and must be approved by the Gambling Authority.

Your representative must be able to represent you as holders of a license in questions of administrative law, procedure and criminal law, seeing as the person or the company among other things will handle the day-to-day communication with the Gambling Authority.

If the representative is a person, the representative must fulfil the same requirements as the applicant, see the requirement for persons under section 5.3.1. Furthermore, the representative must reside in Denmark.

If the representative is a company, the representative must fulfil the same requirements as the applicant, see the requirement for companies under section 5.3.2. Furthermore, the company must be established in Denmark.

6. Issue of Licenses

The issuance of a license depends on which application process you choose. It is possible to apply for a license and an authorisation concurrently or staggered. For further information, please see section 5.2 or section 8.

The review period for the concurrent process will typically be three months.

6.1 Validity

A betting or online casino license is granted for up to five years, unless a license with an income cap is applied for. In order to make use of the license, the gaming system etc. must be authorised. Therefore, authorisation is a prerequisite for making use of the license, but it holds no separate significance without a license.

The geographical Scope of the License

With a betting or online casino license, you may provide gaming to persons:

- who are living in Denmark and have a civil registration number;
- who have no civil registration number if they are in Denmark for a short period of time, for example on vacation.

It is possible to apply to provide games in Greenland, but the providing of games on the Faroe Islands is not a part of the license.

With a Danish license, it is not possible to provide gaming to persons residing in other countries, regardless of whether they are Danish or of another nationality.

6.2 Terms of the License

In the license, a number of special conditions or terms will normally apply. Therefore, you must always be particularly attentive to the terms of your license.

Examples of the terms may be:

- A requirement for the creation and organisation of a bookkeeping account for the use of the set-off free account.
- That sound running of the games must be carried out so that no social, health or order issues arise.

A violation of the terms of the license may, among other things, result in a revocation.

Please see sections 6.4 and 8 for a general description of the terms for licenses with an income cap.

6.3 Publication

The Gambling Authority will publish a list of the license holders licensed to provide betting or online casino in Denmark on an ongoing basis. The list may be viewed at the Gambling Authority's website at spillemyndigheden.dk.

6.4 The License with an Income Cap

The license with an income cap differs from other licenses in that:

- the license is granted for a maximum of one year; and
- the gross gaming income (the gaming stake with deduction of winnings) may not exceed DKK 1,000,000.

If you apply for a license with an income cap, you must fill out the same application form as for applications for other licenses, and you must fulfil many of the same requirements. Therefore, see section 5 for further information.

A gaming provider with a license with an income cap is not obliged to fulfil the same requirements for delivery of data to the control system of the Gambling Authority, and is not subject to the rules regarding money laundering and registration of players in the same way as other license holders. For further information, please see section 8.9 [sic] [8 and 9].

A number of special terms will apply to the license which, among other things, is aimed at making it possible for the Gambling Authority to control your games and gaming system depending of which games etc. you are seeking a license for.

If the cap of DKK 1,000,000 is exceeded, you may be reported to the police for violation of the terms of the license. During the criminal case, a claim for confiscation of the illegal income may be made.

7. Changing a Permit

It may be necessary to change the basis on which your license has been granted. For example, you may replace key persons, provide new games or restructure your company as a result of a merger etc.

7.1 *Application for other Games than mentioned in the License*

7.1.1 Online Casino

With a license for an online casino, you may provide roulette, baccarat, punto banco, black jack, poker and games on a prize-paying gambling machine unless your license has been limited to single types of games.

In particular, you must be aware that providing lottery with an online casino license is impermissible. It may be difficult to distinguish between games on prize-paying gambling machines and lottery. When deciding which type of game, the Gambling Authority will especially consider whether the game to the player appears to be a prize-paying gambling machine.

On the Gambling Authority's website, you may find a list of the approved types of games which may be provided when you have received an online casino license. Before you provide a new game, the Gambling Authority must be notified, and it may imply a recertification of parts of your gaming system.

If the game you wish to provide is not on the approved list, it will be possible for you to apply for a license for other games at a later time. The Gambling Authority will, when relevant, publish a notice hereof on the website.

7.1.2 Betting

With a license for betting, you may provide all types of betting, however, with the limitations stated under section 4.1.1.

7.2 *Transfer of Licenses*

A license cannot be transferred.

In case of restructuring in relation to company law, for example mergers, divisions or exchange of shares, you must give prior notice to the Gambling Authority who must also approve the contemplated transaction.

7.2.1 Delegation of Licenses

It is not possible to delegate your license or the rights and obligations resulting from the license. That is to say that another company may not provide gaming with a license granted to you.

Regardless of the prohibition on delegation of a license, external suppliers may be used. However, you are always responsible for the games, and you may not disclaim your liability, neither to the Gambling Authority or the players.

The prohibition on delegation of a license does not prevent providing gaming through white label constructions or the sale of games through employees etc. For more information, see section 5.1.

7.3 Other Changes

If a new member joins the board of directors or a new member of management is appointed, this must be reported to the Gambling Authority within 14 days. In order to do so, the person in question must complete appendix A to the application.

The Gambling Authority may decide that a member of the board of directors or the management must resign if the member has been convicted of a criminal offence which substantiates a reasonable risk for the abuse of the access to working with games, or if the member has a debt to the State of more than DKK 100,000.

If a member of the board of directors or the management is placed under guardianship under Section 5 of the Danish Guardianship Act (personal and financial guardianship) or Section 7 (co-guardianship), the member must resign from the board of directors or the management. The same applies if the member has filed for reconstruction, liquidation or debt restructuring or is under reconstruction proceedings, liquidation proceedings or debt restructuring.

8. Authorisation to offer Games

In addition to receiving a license to provide games, your IT system, gaming system, website etc. must meet a number of requirements before you may actually provide gaming. The Gambling Authority must confirm that you have met all requirements. When all requirements have been met, you will receive

an authorisation to provide gaming, and you may hereafter actually provide gaming. That is to say that gaming may not be provided with a license alone.

In order to receive an authorisation, it is necessary that you fill out Appendix B to the application form.

You may choose to only submit the appendix after you have received the license or to submit it concurrently with the application form. Read more about advantages and disadvantages in relation to this choice under section 5.2.

A number of requirements which must be met before that Gambling Authority can approve that you offer gaming are listed below. Please note that the requirements may differ depending on which license you hold.

License with an Income Cap

This license is not subject to the majority of the requirements below because the license is not regulated by regulations. Depending on which games you wish to provide, specific requirements will be stated in the license. Some requirements may be similar to the requirements described below, and will be determined with a view to making it possible for the Gambling Authority to appropriately monitor and ensure a sound provision of gaming. In connection with the review of your application, you may be asked to submit further information on how you intend to conduct your games etc.

8.1 Control of Gaming Data etc.

Appendix 1 to the regulations requires the establishment of SAFE and the use of Tamper Token. Additionally, in the case of online provision of games, connection to the Gambling Authority's Register of Voluntarily Excluded Players (ROFUS) must take place.

SAFE

SAFE is your own data storage (a file server) where you must keep all data in accordance with standard records for all games conducted with you. All license holders must establish a data register (SAFE). The Gambling Authority must have online access to the data register with the license holder.

Tamper Token

Tamper Token is a security system designed to ensure that the data kept by the license holder in the SAFE data register is not changed while kept with you.

Tamper Token is implemented with the Gambling Authority and handles:

- The creation of keys (tokens) used at the calculation of identification codes.
- The storage of identification codes for later control
- Continuous control that the time period for the termination of tokens is complied with.
- Verification that a collected series of data has not been changed in relation to the identification code received.

ROFUS

The Register of Voluntarily Excluded Players (ROFUS) is a register of all players in Denmark who have voluntarily requested to exclude themselves temporarily or permanently from being able to play online games in Denmark. The register is kept at the Gambling Authority. If a player wishes to be registered, you must provide access to the Gambling Authority's website where exclusion can take place.

For further information on ROFUS, please see section 8.5.1 (exclusion from gaming at the Gambling Authority).

For a more technical description of the above-mentioned systems, please see the website of the Gambling Authority where you may find further information under the section: Technical requirements and service descriptions.

8.1.1 Connection

You must carry out a number of tests of the above-mentioned systems. The connection process consists of two parts:

Test of the Access to your SAFE

The Gambling Authority must be able to access your SAFE and collect data. You must state the username, password and endpoint to SAFE. This information may be provided in the application form (appendix B) or in the document: Form for the applicant's information regarding SAFE on the Gambling Authority's website, and must be sent to tekniske.spm@skat.dk

Approval of Standard Records

The Gambling Authority must approve examples of your standard records before a license to provide gaming may be given.

The test material is found on the Gambling Authority's website.

Tamper Token and ROFUS

You must demonstrate correct use of Tamper Token and show that communication with ROFUS is possible.

If you wish to have access to Tamper Token and ROFUS, you must contact the Gambling Authority at tekniske.spm@skat.dk. You must state the name of the applicant, the contact person and the email of the contact person.

Subsequently, the Gambling Authority will send you a form with a username and a password along with the tests to be carried out and the test civil registration numbers you must use for the test.

Closing Assessment

When you have carried out the required tests, the completed test sheets and the related documentation is submitted to the Gambling Authority. Subsequently, an overall assessment of the process will be made, and you will be informed of the result.

For a more detailed description of the connection process, please see the document: Description of the connection process located in the technical requirements and service descriptions section on the Gambling Authority's website.

8.2 Requirements for your Gaming System

8.2.1 Certification of the Gaming System etc.

The Gambling Authority requires that your gaming systems, business processes and business systems are certified by an accredited test company before the system is used to provide gaming.

The requirements for the certifications are described in three documents:

- The technical standards of the Gambling Authority
- The Gambling Authority's program for control of system changes
- The requirements for accredited test companies.

The certifications are divided into five categories, and in order to become an approved test company and be able to certify the individual categories, the test company must fulfil the requirements stated in the document the Danish Gambling Authority's requirements for accredited testing companies.

The categories are:

Certification category		Requirements	Description
A	Gaming system	The technical standards of the Gambling Authority	Random Number Generator (RNG), gaming rules, registration, operational reports, client overview, terms and conditions etc.
B	Business system	The technical standards of the Gambling Authority	Information security etc. (revision)

C	Preventive measures on laundering of profits and financing of terrorism	The technical standards of the Gambling Authority and the control system guidelines	Registration, security, suspicious player behaviour
D	Vulnerability and penetration tests	The technical standards of the Gambling Authority	Information security (verification)
E	Control of system changes	The Gambling Authority's program for control of system changes	Standard for approved changes to gaming systems

The documents "the technical standards of the Gambling Authority" and "the Gambling Authority's program for control of system changes" state the requirements to be certified by the test companies. Certain requirements may be certified by several certification categories. For example, certain parts of the client identification process may be certified by categories A, B and C.

Postponement of Certification Requirements

In 2012, only the vulnerability and penetration test and the program for control of system changes (chapter 7 in the document "the technical standards of the Gambling Authority" and "the Gambling Authority's program for control of system changes") must be certified in order for you to be able to receive an authorisation from the Gambling Authority. After the authorisation has been received, you have six months to have your gaming system approved. If the system has not been certified after six months, the license may be revoked.

The Use of accredited Test Companies

In the document "the Danish Gambling Authority's requirements for accredited testing companies", a number of requirements for the test company you decide to use to carry out your accreditation are stated. All certifications need not be carried out by the same test company.

On the Gambling Authority's website, you may find a list of the companies the Gambling Authority knows meet the requirements. The list is not exhaustive.

8.2.2 The physical Location of the Gaming System

As a general rule, the gaming system must be located in Denmark.

The system may be located in another country if:

- you are authorised to provide gaming;
- the Gambling Authority has concluded an agreement with the authority which supervises your gaming provision in this country;
- the Gambling Authority approves the placing of your system in another country.

In special cases, the Gambling Authority may permit that part of the gaming system is located in a country with which the Gambling Authority has not concluded a cooperation agreement, but where it is possible for the Gambling Authority to conduct a prudent monitoring of the system.

8.3 Registration of Clients (Players)

It is a fundamental requirement that you have knowledge about your clients. You must be convinced that the client is who he or she claims to be. There may not be any circumstances which causes doubt as to the identity of client.

The scope of the identification procedure must be determined based on a risk assessment in each individual case. However, the risk assessment may never result in no identification act taking place. Guiding rules on the subject are described below, but the license holder is obligated to introduce stricter procedures where a higher risk is assessed. In the case of each individual client relationship, you must be able to demonstrate to the Gambling Authority that the scope of the investigations has been adequate.

In order to participate in gaming, the player must be registered as a client with you. Only natural persons may be registered as players, meaning that companies, clubs etc. may not hold gaming accounts. Furthermore, you must also make it a condition for registration that the client only acts on his or her own behalf.

8.3.1 Registration of the Client

In connection with registration, the client must state the following information:

- Name;
- Address;
- Civil registration number.

If the client does not have a civil registration number, similar identification information must be stated. This may be a personal registration number used by public authorities in the country in question or, if no such number is used, information on date and place of birth.

You must confirm all information by necessary documentation.

In the case of clients without a civil registration number, only clients who do not actually have a civil registration number are subject to the exception. If the client does not wish to state his or her civil registration number or the like, the client may not be registered as a player.

Specifics regarding the Address

The address must be the permanent address of the client. A P.O. box does not meet the requirement. In case the client is homeless, it is acceptable that the client is registered even though the address information is missing. The client may instead obtain documentation from the municipality confirming that the client is homeless.

See section 8.3.4 if the client resides abroad.

8.3.2 Documentation of the Identity of the Client

The mentioned information given by the client must be verified. Verification of the name, address and civil registration number may for example be carried out by using the Civil Registration System or a similar reliable and independent source, but all three pieces of information must be verified.

For clients without a civil registration number, a verification of the name, address and the information similar to the civil registration number must also be carried out. When carrying out the verification, please note that a passport or a driving license does not contain the permanent address. Therefore, submitting copies of these documents does not suffice.

Furthermore, a supplementary documentation must be carried out.

For instance, this information may be verification of the information by using NEM-id. It is a requirement that the clients use a digital signature with a level of safety corresponding to the OCES standard, for example NEM-id, when logging in to their gaming account. Before the first login, the information should be integrated with the information given and controlled by the client, and access may only be given if the information corresponds.

The requirement of a digital signature does not apply to clients without a civil registration number. When registering such a client, the identity of the client must be further ascertained.

Based on a risk assessment, further information should also be gathered for clients with a civil registration number if there are doubts as to the identity of the client. This may also be relevant in the case of politically exposed persons, see the section below regarding politically exposed persons.

Additional information for determination of the identity of the client may be:

- The submission of photo identification.
- The requirement that the first deposit is made by money transfer from the client's account with a bank where the client has been identified.
- Contacting the client by phone, where the phone number has been verified through a reliable reference.
- A contract or the like being sent to the client with a request that the document be signed and returned.

The photo identification must be derived from a reliable and independent source and will therefore typically be issued from public authorities. Information on the photo identification must be up-to-date.

A gaming account may not be opened if you discover that the client has submitted incorrect information. You may correct individual pieces of information if you assess that it was not the intention of the client to submit incorrect information. For example, if the client has failed to state whether he or she lives in the apartment to the right or to the left in a multi-storey building.

8.3.3 Information regarding the Scope of Gaming intended by the Client

You must collect information regarding the scope of gaming intended by the client when the client submits his or her identification information (name, address and civil registration number). The information must be collected from the client, and you may therefore not assess the expected scope of gaming based on the client's profile. However, you may for example provide the client with options in the form of predefined categories.

8.3.4 Politically exposed Persons residing in another Country

This section only applies online casino licenses.

For clients who fall under the category of "politically exposed persons" living in another country, certain rules apply:

- Requirement for special procedures;
- Stricter requirements for identification;
- Requirement for information regarding sources of assets and income;
- Requirement for stricter supervision.

The basis for these requirements is that the international community (FATF, EU) require that particular attention is paid to politically exposed persons (peps) due to an increased risk for money laundering related to corruption etc.

What is a politically exposed Person?

Politically exposed persons are defined in accordance with the Act on Money Laundering and the related regulations. Consequently, this guidance text is in accordance with the instructions of the Danish Financial Supervisory Authority

on the Danish Act on Measures to Prevent Money Laundering and Terrorist Financing.

Politically exposed persons are defined as:

- Persons who hold or have held a higher public office, the immediate family of such persons or persons who are known to be close cooperative partners to such persons.

The Danish Financial Supervisory Authority has defined the mentioned terms:

Politically exposed persons who hold or have held a higher public office are understood as:

- Heads of state, heads of government, ministers, deputy ministers or assisting ministers;
- Members of Parliament;
- Supreme Court judges, members of constitutional courts and of other higher courts whose rulings only in extraordinary cases are subject to further review;
- Members of the Court of Auditors and members of the board of directors of central banks;
- Ambassadors, chargés d'affaires and high-ranking officers of the armed forces;
- Members of the administrative, managing or controlling bodies of state-owned companies.

If the mentioned persons have not held a higher public office for a minimum of one year, they are no longer considered a politically exposed person. The mentioned persons do not cover middle-ranked public officials or officials ranked lower.

Intermediate family means:

- Spouses;

- Registered partners;
- Children of politically exposed persons;
- Parents of politically exposed persons.

Close cooperative partners mean:

- Persons who have title to legal bodies and legal arrangements, or who in another manner have close business connections with one of the primary persons mentioned in the first section.
- Persons who have title to legal bodies or legal arrangements established to the benefit of one of the primary persons mentioned in the first section.

Requirement for special Procedures

If the client resides abroad, you must request that the client state the following:

- Current position;
- If the client holds or has held a higher public office or if the client is related to or is cooperating closely with a person who has or has held a higher public position.

Subsequently, you must:

1. Have procedures adequate to determine if the client is a politically exposed person living in another country; and
2. Obtain the approval of the senior day-to-day management at establishment of business connections with such clients. The senior day-to-day management is understood as the management of the company or the manager for the organisational unit of the company. For example a division or a branch.

However, this does not apply if other information documenting that the client is not a politically exposed person is available.

Any information you may have on the client may also contribute to deciding if further investigations as to whether the client is a politically exposed person should be carried out.

Furthermore, it may be relevant to routinely search for the name of the client of the internet through a recognised browser (search engine).

If many of your clients live abroad, it may be relevant to subscribe to a service from international providers of information specialised in preparing and updating lists of politically exposed persons. Based on a risk assessment, you must decide if this is sufficient.

The number of clients living abroad and the character of the countries in which the clients live may increase the probability that politically exposed persons not entered on the lists of the private providers are among your clients. Based on a risk assessment, this may lead to the company having to work with locals in the country, for example attorneys, banking connections etc. in order to determine if a person in the country in question is a politically exposed person.

8.3.5 Stricter Requirements for Identification

If a politically exposed person living abroad is registered as a client, additional stricter requirements for identification are imposed. Please see section 8.3.2 regarding documentation of the identity of the client.

Requirement for Information regarding Sources of Assets and Income

You must take reasonable measures to gather information on the sources of assets and income of politically exposed persons covered by the gaming activity. This entails that the client must be requested to provide the necessary information. Subsequently, the information must be assessed based on the circumstances, including the transactions of the client.

Requirement for stricter Supervision

You must continuously pay attention to the business connection with a politically exposed person. A concrete intensification of the supervision of the business connection must be established.

8.4 The Players' Accounts

When you have received information on the identity of the client and have confirmed the information by use of necessary documentation, a gaming account for the client must be created. A player may have more than one account, but identification of the client must be carried out each time an account is created.

A gaming account must provide the player with information on:

- Balance;
- Gaming history (including stakes, winnings and losses);
- Deposits and pay-outs;
- Transactions in relation hereto.

The information must be available to the player for a minimum of 90 days. Furthermore, the player must, on request, receive access to the information for a minimum of 12 months.

It must only be possible for the player to gain access to the gaming account using NEM-id. As a minimum, this must have a level of security corresponding to the OCES standard. NEM-id fulfils this requirement. At each login, it must be controlled that the digital signature used corresponds to your information on the player.

The requirement for a digital signature does not apply to clients without a civil registration number. In the case of such clients, a prudent identification of the client must take place in another manner at login, for example by use of secured passwords.

Temporary Gaming Accounts

Until the identity of the client has been correctly confirmed as mentioned in section 8.3, the client is only allowed to create a temporary account. If correct and documented identification of the client has not taken place within one month, the temporary gaming account must be closed.

Please be aware of the special rules regarding closing temporary accounts in section 8.6.4 [sic] [8.4] regarding closing of accounts. It is never allowed to open temporary accounts for players registered on ROFUS.

In total, no more than DKK 10,000 may be paid into the temporary account by the client, and no pay-outs may be made from the account. This means that potential winnings may not be paid out before the account has received status of a normal gaming account. However, the amounts must be credited to the gaming account immediately after being won.

In the case of closing a temporary account, the player will only be able to recover the originally paid in amount. The potential winnings of the player are allotted to the license holder.

The Player's Deposits to the Gaming Account

The gaming accounts may only accept deposits from providers of payment services which fulfil the requirements in the Danish Payment Services Act. The player may not receive credit, and deposits in cash are not allowed for providers of online betting and online casino.

When an amount has been deposited by the player to the gaming account, it must appear immediately after the amount has been received. For example, in the case of bank transfers, the amount must only be credited to the account immediately after it has been received.

Closing a Gaming Account

When closing a gaming account you must pay out the balance to the player no later than five business days after closing the account.

8.5 Information to the Players

All necessary and relevant information to the player, such as the game rules and standard conditions, must be in Danish.

The player must be able to retrieve information on for instance:

Set-off

Any costs related to participation;

- The value of the entire winnings pool (market value);
- Where and when the winners are published;
- Applied payment rates;
- Starting date and end date for participation;
- The manner in which winnings are distributed to the winners;
- Period of limitation for claiming one's winnings;
- The license holder's name and the physical address of the establishment of the license holder, an email address and, if relevant, a postal address and any other information about the license holder which makes it possible to contact and communicate with the license holder;
- Central Business Registration number, provided that the license holder is listed in the Central Business Registration;
- How to file a complaint with the license holder; and
- The date of the license to provide games.

What information is relevant to provide depends on the type of game and the games which are provided.

On the homepage of your website, it must be stated that the license to the game is issued by the Gambling Authority and that the Gambling Authority monitors the games you provide. A link to the Gambling Authority's website is also mandatory.

Furthermore, when providing games on website:

- It must appear that any person under the age of 18 cannot participate in the games;
- Information on responsible gaming and the potential damaging effects of gaming must appear. This information must be developed in cooperation with a treatment centre;

- The possibility for the player to reach a self-test for compulsive gambling must be available; and
- Information and contact addresses to Danish treatment centres must be available to the player.

This information must have a conspicuous position on the website, for instance on the homepage, and the player must at all times be able to reach the information from any page on the website.

In the case of online casino, a clock must be visible to the player in order for the player to be aware of the time consumption on the website. A clock in the traditional sense is not necessary. Instead, a timer function which starts when the player logs in can for example be used.

8.5.1 The Players' Possibility to limit their Gaming

Below is a list of measures designed to give the players the possibility to limit their gaming. These are only minimum requirements. Therefore, further measures may always be taken.

Payment Limitations

The players must have the possibility of setting daily, weekly and monthly payment limitations.

Exclusion from a Game with the individual Gaming Providers

The players must be able to exclude themselves from games. It must be possible to:

- Take a short-term gaming break of 24 hours (cool-down period);
- Be temporarily excluded for at the least a month; and
- Be excluded definitely.

With a definite exclusion, the player's gaming account must be closed and the customer relationship must be terminated. The player may create another account at the earliest of one year after the old account was closed.

Exclusion from a Game by the Gambling Authority

If the player chooses to temporarily or definitely exclude him or herself from a game (however not in the case of a short-term exclusion gaming break), you are required to provide access to the Gambling Authority's website where the player will have the opportunity to exclude him or herself from any gaming through the Register of Voluntarily Excluded Players (ROFUS). This way, any player may exclude him or herself from any online game in Denmark, regardless of where the player usually plays.

A gaming provider cannot register a player with ROFUS on the player's behalf.

The Gambling Authority is responsible for ROFUS.

When creating a new account, you must consult ROFUS. If the player in question is listed in ROFUS, no gaming account, even a temporary one, can be created.

Each time a player logs on to the gaming system, you must consult ROFUS and check that the player has not been entered into the register. If a player is listed in the register, the player must be denied gaming access and the customer relationship must be terminated.

A player who has requested definite exclusion may after one year after registration with ROFUS request the Gambling Authority that he or she be deleted from the register.

Temporary exclusions are deleted automatically after the expiration of the exclusion period.

ROFUS contains information on:

- The name of the license holder (from where a player has temporarily or definitely excluded him or herself);
- The civil registration number of the players listed in the register;
- The date and hour of the exclusion; and
- The end date of the temporary exclusion.

8.6 A set-off-free Account

In order to secure the players' funds, you must have a set-off free account in a financial institution kept separate from other funds. The funds in the account may only be paid out to the players and must be secured in the event of insolvency.

The amount in this account must always be equivalent to the amount in the players' gaming accounts. In reality, this requirement is difficult to fulfil. Therefore, your bookkeeping must be designed in a way which makes it possible to obtain an accurate indication of the amount in the players' accounts at all times. Once a day, the set-off-free account must be updated so that the amounts correspond to each other.

8.7 Requirements only relevant to Betting Licenses

You are required to take actions to reduce the risk of match-fixing.

Moreover, it is not permitted to provide games on sporting events reserved to people under the age of 18.

Land-based Betting

When providing land-based betting, several of the above-mentioned requirements are not applicable, among others, since no gaming accounts are to be created.

The following sections do not apply:

- Registration of players (section 8.3)
- The players' gaming accounts (section 8.4)
- The players' possibility to limit their gaming (section 8.5.1)

9. Further Requirements in Connection with the Provision of Games

A number of requirements apply to your provision of games and gaming business which will not be assessed in connection with the authorisation, but which you are required to fulfil through the daily operation of your gaming business.

9.1 **The Marketing of Games**

In addition to the general marketing regulations, a number of special rules apply to the marketing of games. The Gambling Authority monitors whether or not the rules are observed.

The marketing of games

- shall present the chance of winning in a correct and balanced way so as not to create an impression that the chance of winning is bigger than it actually is;
- shall focus on games as a form of entertainment;
- shall not be aimed at children and young people under the age of 18, neither in its communication form nor in the choice of media;
- shall not by using well-known personalities suggest that participation in games has contributed to their success when that is incorrect, and
- shall not have a content that conveys the impression that participation in games helps provide a solution to financial problems or improves the player's social acceptance.

Bonus

A way to market a website or any specific game is to offer the players a bonus. It may be a welcoming bonus marketed in order to obtain new customers for a website, or a refund of fees which the player has paid to the license holder in order to participate in the provided games.

It is not possible to provide a clear definition of a bonus in that bonuses are offered in many varieties with just as many varieties of payment conditions. However, a bonus usually represents an object, money or a service given a (potential) player in return for an action by the player. This could be by registering as a player on the website, by depositing money into a gaming account or recruiting more players.

You may market your games by offering bonuses to new and current players. It is a requirement that the actual marketing of the bonus is carried out in accordance with the applicable general rules on consumer protection and marketing, as well as the rules lined out in section 8.1.

Additionally, it is required that:

- when making the offer, the license holder provides information about the conditions attached to the bonus in a clear and apparent manner;
- the bonus is paid out to the player's account immediately after that the player has fulfilled the payment conditions;
- the player has a minimum of 60 days to fulfil the conditions attached to the bonus; and
- an offer of a bonus cannot be given to individual players on terms different from offers given to other players.

However, the last-mentioned requirement does not prevent the license holder from offering bonuses to different groups of players or potential players, for instance in the form of a welcoming bonus. This cannot, however, be done in a way in which the actual target group of the offer is so small that the offer is in actuality a circumvention of the requirement.

9.2 Complaints from the Players

The players must be able to file a complaint with you about your provision of games. Consequently, you must always attend to any communication made by a player in which he or she disagrees with you on the size of the winnings. A player's complaints about your advertisement or the cleaning of a game shop are therefore not included under this rule.

The player cannot appeal your decisions to the Gambling Authority.

You must keep the complaints and your decisions for a period of two years. In connection with the Gambling Authority's supervision of your business, part of an inspection may be a review of these complaints.

The requirement does not generally apply to licenses with income caps.

9.3 Suspension of a Gaming Account

A gaming account may be suspended if the player is suspected of having unlawfully acquired the winnings or having breached the requirement of the act, executive order or terms attached to the gaming account.

Within a reasonable period of time, the player must receive a decision regarding the suspension. During the period of suspension, the player shall not have the possibility of closing his or her gaming account. Once a decision has been made, the player shall receive it by e.g. letter or email. In the event that the suspension results in the withholding of winnings etc., the reasons for this must be stated in the decision and substantiated. Furthermore, a copy of the decision must be submitted to the Gambling Authority.

The requirement does not generally apply to licenses with income caps.

9.4 The Sale of land-based Betting

Shop Requirements

At your place of business, it must appear that you hold a license from the Gambling Authority and that you are subject to the Gambling Authority's supervision. Moreover:

- It shall clearly appear that persons under the age of 18 are not permitted to participate in any game;
- There shall be easily accessible information on responsible gambling and the potential damaging effects of gambling. The information must be developed in cooperation with a treatment centre; and
- Information and contact addresses on Danish treatment centres shall be provided.

All the below-mentioned information must be available in Danish and be clearly visible at your place of business.

The information mentioned under section 8.5 must be available at the point of purchase. The game rules must be available at the shop where the game is

sold. Whenever asked for by a player, it is sufficient that the provider e.g. prints out the game rules or displays them on a screen.

Land-based Betting Manager Approval

A shop providing betting must be operated by the license holder or a manager.

If you as the license holder choose not to manage the physical provision, or if the license holder is a company, the manager must prior to employment be approved by the Gambling Authority.

The manager must:

1. be 21 years of age;
2. Not be under guardianship or co-guardianship;
3. Not be convicted of a crime, domestically or abroad, which may indicate a risk that the manager might abuse the access to work with gaming; and
4. Not have displayed any conduct of such a nature that it gives reason to assume that the company will not be operated in a financially acceptable manner.

The conditions mentioned under items 1-3 are the same which persons who apply for a license to provide games must fulfil. For more on this, please refer to section 5.3.1.

Item 4 is a tightening of item 3 in that matters which do not include a risk that the manager might abuse his or her position may be included in this evaluation. For instance, a person may be denied approval as a manager if the applicant has been dismissed from a former job due to misconduct without having been criminally prosecuted. The Gambling Authority may also deny the approval of a manager if the applicant is mentally unbalanced, has a problem related to drug or alcohol abuse, is involved in criminal activities or is affiliated with criminal groups. When evaluating the affiliation, the Gambling Authority is not obliged to determine a concrete risk that it will lead to criminal activities in relation to working with gaming before denying approval.

The condition under item 4 does not apply solely to the manager, but also to any person who might be considered able to exercise a controlling influence on the manager. This person may be a spouse, a cohabiter or a partner, but the group of persons is not necessarily limited hereto.

Interim Arrangement

If your shop has already employed a manager responsible for handling the provision of betting prior to the date of the Gaming Act coming into force, approval of this manager is not required.

Only managers employed after the Gaming Act comes into force must be approved by the Gambling Authority.

10. The annual Fee

You are obliged to pay an annual fee for every betting or online casino license to the Gambling Authority.

Calculation and Payment of the annual Fee

The annual fee is determined on the basis of the gross gaming income during a calendar year (gaming stakes after the deduction of winnings). As at 1 January 2011, the fee amounts to:

Size of the gaming income in DKK	The fee in DKK
Below 5,000,000	50,000
5,000,000 - 10,000,000	250,000
10,000,000 - 25,000,000	450,000
25,000,000 - 50,000,000	650,000
50,000,000 - 100,000,000	850,000
Above 100,000,000	1,500,000

The fee amount is regulated on an annual basis.

The fee is payable no later than one month after the license enters into force. The date of the license coming into force appears from the license.

During your first year as a license holder, the Gambling Authority determines the annual fee. The fee is determined on the basis of the gross gaming income indicated by you in the budget enclosed with the application.

The following year, the fee is determined on the basis of the actual gross gaming income of previous year. In case you have not provided games for a full calendar year, but only for e.g. six months, the gross gaming income is multiplied by two.

Adjustment of the annual Fee

The Gambling Authority adjusts the paid annual fee in the following situations:

- If the net/actual gross gaming income exceeds the basis on which the fee has been paid, the Gambling Authority will charge an amount corresponding to the difference between the paid fee and the actual fee. The fee is payable no later than one month after being imposed.
- If the net/actual gross gaming income for a calendar year is less than the basis on which the fee has been paid, the amount corresponding to the difference between the paid fee and the actual fee payable is returned. The difference cannot be returned before after the end of the year.

There will be made no adjustment to the annual fee should you cease to provide games.

The Gambling Authority carries out estimation, levying and refunding of the fee on the basis of information about the gross gaming income submitted by you and your reports to the Danish Tax and Customs Administration.

11. Lapse of Licenses

A license to provide games lapses if one of the following conditions is fulfilled:

- You give notice to Gaming Authority that you no longer wish to provide games.
- You have not commenced the provision of games within 12 months after the license was granted.

- You do not provide games for a continuous period of more than six months, unless the provision is seasonal.
- You/the holder of the license dies.
- You or your representative no longer meets the requirements stated above in section 5.3.
- the Bankruptcy Court, upon request from the Commerce and Companies Agency, has ordered that the company be compulsorily dissolved.

Regardless of the Bankruptcy Court's decision that the company be compulsorily dissolved, the

- Estate of the deceased license holder;
- Spouse retaining undivided possession of the estate;
- License holder who has filed for suspension of payments;
- Bankruptcy estate of the license holder; or
- Guardian of a license holder under guardianship

may continue to provide games with a view to winding-up if notice is given to the Gambling Authority within 14 days of the

- Death;
- Filing for suspension of payments;
- Issue of a bankruptcy order; or
- Implementation of guardianship.

The access to do so shall only apply for six months after the event which caused the lapse of the license.

12. Revocation of a License

The Gambling Authority may revoke your license to provide games if you or your representative:

- is guilty of gross or repeated violations of the Gaming Act, of provisions laid down in pursuance of the Act or of the license conditions;
- is convicted of a criminal offence that gives reason to believe that there is a clear risk of abuse of the access to work with gaming;
- is no longer able to render it probable that the operation with gaming activities will be carried on in a financially and professionally acceptable manner;
- grossly or persistently fails to pay outstanding duties or does not provide the necessary security, see the Act on Duty on Gambling and the Act on the Collection of Taxes and Duties, etc.;
- fails to pay outstanding fees pursuant to rules stipulated in section 42 of the Gaming Act;
- has unpaid, outstanding debt to the State in excess of DKK 100,000
- has not applied for registration of the company with the Tax and Customs Administration within four weeks after the license is granted;
- provides or arranges games which cause significant disturbance of public order.

13. Complaints about Decisions made by the Gambling Authority

You may file a complaint regarding the Gambling Authority's decision with the National Tax Tribunal or the courts.

Complaints to the National Tax Tribunal

You may file a complaint with in relation to all decisions with the National Tax Tribunal. You are not required to pay a fee for submitting a complaint to the National Tax Tribunal.

The National Tax Tribunal's decision is final and cannot be appealed to any other administrative agency, but you may bring the case before the courts, please see below.

When you chose to file a complaint with the National Tax Tribunal, you must be aware that:

1. The National Tax Tribunal must receive the complaint no later than three months after your receipt of the decision. The three months deadline runs from the date of the receipt of the decision.
2. The complaint must be in writing. The complaint must state on what counts you disagree with the Gambling Authority's decision and the reasons for your opinion must be stated.
3. You must attach the decision which the complaint is in reference to either as a copy or an original.
4. If a statement of the facts has been drafted for the use of the decision, this must also be attached as a copy or an original.
5. Any documents that you wish to be included as evidence in the must also be attached as a copy or an original.

The National Tax Tribunal is the highest administrative board of appeals for decisions made by the Gambling Authority and consists of a president and two members of the court. However, the president may decide that complaints about decisions made by the Gambling Authority must be settled without the participation of the court members. For more information on the National Tax Tribunal, please refer to www.landsskatteretten.dk.

Judicial Review

A complaint must be filed with the courts no later than three months after the decision of the Gambling Authority. The 3-month deadline also applies to complaints over the National Tax Tribunal's decision.

The 3-month deadline runs from the date of the notice of the decision.

If you do not file a complaint with the courts within the three months, the decision is final, meaning that there is no possibility to complain or to bring the case before the courts.

A case is considered to have been brought before the courts once you have filed a complaint with the court.

The Gambling Authority may bring the case before the courts for you if the complaint relates to the revocation of a license to provide games due to

- gross or repeated violation of the Act on Gaming, of provisions laid down in pursuance of the Act or of the license conditions;
- the license holder or the representative having been convicted of a criminal offence that gives reason to believe that there is a clear risk of abuse of the access to work with gaming;
- that you are no longer able to carry on gaming activities in a financially and professionally acceptable manner.

It is not a requirement that you have filed a complaint with the National Tax Tribunal prior to this.

You must notify the Gambling Authority that you wish to bring the case before the courts within four weeks after the decision has been given. The four-week deadline runs from the date of the receipt of the decision.

A Complaint's suspensory Effect

When filing a complaint with the National Tax Tribunal about a decision made by the Gambling Authority or bringing the case before the courts, you must be aware that the complaint does not always have a suspensory effect.

When the complaint **has** a suspensory effect, it means that you are not obliged to conform to the decision until your appeal has been settled by the National Tax Tribunal or the courts.

When the complaint **does not** have a suspensory effect, it means that you must conform to the decision even if you disagree and file a complaint about the decision.

Complaints to the National Tax Tribunal or bringing the case before the courts have a suspensory effect if the decision relates to:

Decision	The basis of the decision
Revocation of a license	License holder or the representative: <ul style="list-style-type: none"> • grossly or repeatedly violates the Act on Gaming, the provisions laid down in pursuance of the Act or the license conditions; • has been convicted of a criminal offence that gives reason to believe that there is a clear risk of abuse of the access to work with gaming; or • is no longer able to carry on gaming activities in a financially and professionally acceptable manner.

<p>Revocation of approval of a representative</p>	<ul style="list-style-type: none"> • The representative has been convicted of a criminal offence that gives reason to believe that there is a clear risk of abuse of the access to work with gaming; • The representative is no longer a resident or established in this country.
<p>Decision that members of the board or management must resign</p>	<p>The member has been convicted of a criminal offence that gives reason to believe that there is a clear risk of abuse of the access to work with gaming.</p>
<p>The National Tax Tribunal or the courts may decide that the decisions shall not have a suspensory effect in the above-mentioned situations.</p>	

In other situations, a complaint does not have a suspensory effect. However, the National Tax Tribunal or the courts may in some cases ascribe a suspensory effect to the complaint under special circumstances.