



SUBMISSION FROM THE WORLD TOTE ASSOCIATION

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Brussels, 30 April 2021

The World Tote Association, WoTA, has been offered the opportunity to comment on the proposals in the report Horseracing financing of the re-regulated gaming market, SOU 2020: 64.

The inquiry has been instructed to consider and whether it is appropriate to propose a financing model for the horse industry that is independent of the tax system and compatible with the re-regulated gaming market. **The results of the inquiry raised questions and concerns from the European Horseracing and Tote betting community.**

WoTA members, 21 horse betting operators around the world, are concerned by the conclusions made by the inquiry. The non-recognition of the principle inside a legislation will weaken the position of racing authorities not only in Sweden but all over the world.

The decision is also in contradiction with the possibility to protect the integrity of sport (piracy on images and match-fixing possibilities).

It is clear that the symbiosis between racing and betting has been accepted by the European Commission, which stated baldly in its German Decision: ‘both bookmakers and betting platforms benefit equally from the organisation of horseraces by offering betting products based on the results of horseraces’. And the Commission felt the Danish measures appropriate in part because they would ensure ‘a fair distribution of the financial burden (of organising horseraces) between the betting and the racing industry’.

Recognition of the principle of sustainable statutory funding

In many European countries, the trend of the past 15 years had been **to recognise the principle of funding the horseracing industry**. In countries where the reform of the gaming market opened to new players and new games, decision makers made attempt to preserve the horseracing industry by maintaining the statutory funding with a percentage from betting being returned to the Racing organisers (France, Denmark, Germany and United Kingdom).

Ever since the EU Commission had questioned the horserace levy (considered as a State Aid), the principle has been confirmed and recognised at the highest level. There have been five decisions of the European Commission from 2013 to 2017 upholding the statutory funding of horseracing. These decisions repeated acceptance of the common interest in the rational development of equine production and of the fact that this depends upon sufficient proportions of gambling revenues being reinvested into the activity.

These cases related the experience of ‘major’ racing nations demonstrating that the assistance for horseracing will be of benefit to Government and society, through rural employment, tax receipts, social cohesion, etc.

More recently, in 2018 and October 2019, **Workshops were organised inside the French Senate and the European Parliament** to take stock of the financing of the horse racing industry in Europe and to understand how to make the mechanism more efficient and coherent. Invited by French Senator Anne-Catherine Loisier and MEP Jean Arthuis, national racing authorities, horse betting operators as well as the European Commission (DG Competition), met to discuss and consider a more global approach. During these workshops, the Swedish Inquirer, Anna-Lena Sörenson was invited to attend but did not participate.

The principle of sustainable financing of the horse industry through the levy on bets, exists as a model and has even been instituted in the national legislation of several States. Racing Authorities have not only convinced their Governments to provide such assistance, but also have successfully argued that the measures introduced constituted ‘compatible’ forms of State aid.

The European Commission has confirmed this possibility for the States by taking 5 decisions of validation of State aid since 2013. These decisions affirm, and this is what is important, that the horse industry represents an objective of common interest.

Horseracing as an ‘Objective of Common Interest’

Horseracing industry in Europe, whose economic impact is estimated at €12 billion (€35 billion for betting), is creating some 155,000 direct (and predominantly rural) jobs and generating €1.5bn of Governmental income through betting tax alone¹;

Trotting races in Europe represents an important asset for agriculture activities and regional development.²

- Horse racing and horse betting are international activities,
- The cost of horse racing is conceived in the long term and the investment for the quality and the integrity of the horseraces completes the simple maintenance of the infrastructures and the organisations of events,
- The financial return on betting only on local races is nonsense - in many countries, 35 to 65% of the stakes are on foreign races,
- Avoiding the differences between taxation as it creates betting competition and divert gambling operators to other forms of wagering or virtual betting (cheaper),

Why does the principle of funding should be independent from any betting operator?

€35 billion of horse betting in Europe:

- 12 billion in pari mutuel/Tote betting from which €1.2 billion paid annually to the racing industry by 14 European pari mutuel/tote operators
- Around €500 million return to horseracing out of the €23 billion collected by the 300 bookmakers in Europe.

It is a clear perspective to say that betting operators will not contribute to racing unless the law makes it an obligation.

¹ [Horseracing in Europe - European & Mediterranean Horseracing Federation](#)

² [European Trotting Union publication](#)

Media or image rights is not a solution and work in very few countries and in a fragile way as piracy is facilitated today by technology tools.

Sponsoring is a short-term process and largely insufficient and cannot replace the sustainable legal return.

Information on the World Tote Association

WoTA brings together Tote (often referred to as parimutuel or pool betting) betting operators from around the world to work together to promote and support the horseracing industry in a socially responsible and sustainable manner.

All members of WoTA support:

- A percentage of revenues going towards supporting beneficiaries, including the horseracing sector;
- The optimisation of technology and operations to ensure members can exchange best practice and develop mutually beneficial work streams collaboratively;
- Continued development of leading standards for social responsibility to prioritise safer betting and protection of customers; and
- Utilising technology to ensure an engaging and positive customer experience in national and global pools.

WoTA has 21 Tote operators as members representing a turnover of more than €25 billion and 4 Associated members (technology and services providers and racing organisers).

WoTA was created in 2020 through merging members of the European Pari Mutuel Association (EPMA) and the Asian African Tote Association (AATA).

Paul Cross, General Manager International at Tabcorp in Australia and Richard Cheung, Executive Director Customer and International Business development at the Hong Kong Jockey Club are co-chairing WoTA for the first two years. Hans Lord Skarploth, CEO of ATG in Sweden acts as the Vice Chairman and Keith Johnson, Chief Revenue Officer of AmTote of Stronach Group, as the Treasurer.

WoTA members are promoting specific core values of the Tote betting model:

- Integrity
- Fairness
- Transparency
- Trust

WoTA members have responsibilities to customers, shareholders, regulators, national governments, and society as a whole. Beyond legal obligations, our members are committed to maintaining a balance between their commercial objectives and social responsibility, including the promotion of responsible gambling and funding for horseracing.

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