

GUIDELINES FOR SPORTS ORGANISATIONS ON SPONSORSHIP BY SPORTS BETTING OPERATORS





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Introduction

Over the last 20 years, the sports betting sector has changed significantly. The proliferation of online sports betting has brought about a number of developments and had numerous consequences, including a tremendous increase in the number of sports betting operators and in sports betting revenue, together with huge changes in the range of sports betting offered, in particular with the emergence of new types of betting (fixed odds betting now represents 90 per cent of the market).

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The IOC first recognised the importance of sports betting at the Olympic Games in Athens 2004, in connection with the risks linked to these activities. Since then, the IOC has been very much involved in combating competition manipulation. Ahead of the 2006 Olympic Winter Games in Turin, specific rules for the protection of the event were set up, including the prohibition for participants to bet on or promote sports betting during the Games. Since then, dedicated rules have been approved for each edition of the Olympic Games and Youth Olympic Games. In December 2015, the IOC adopted the Olympic Movement Code on the Prevention of the Manipulation of Competitions, as part of the IOC Code of Ethics and also referenced in the Olympic Charter. The Olympic Movement Code on the Prevention of the Manipulation of Competitions mirrors and implements – from the sports side - the Council of Europe Convention on the Manipulation of Sports Competitions, the international legal instrument that seeks to address the phenomenon internationally.

To step up its efforts in this field, the IOC created the Integrity Betting Intelligence System (IBIS) in January 2014, which operates on a continuous basis during and outside the period of the Olympic Games. Using a secure, protected and confidential IT platform, IBIS enables communication between the Olympic Movement stakeholders and the various entities involved in sports betting about any irregularities detected. Today, IBIS cooperates with numerous sports betting entities: private and governmental sports betting operators, the largest associations of sports betting operators (the Global Lottery Monitoring System (GLMS) and the International Betting Integrity Association (IBIA)), numerous regulatory authorities and various other entities in the sports betting industry.

Generally, sports betting is not a problem. A well-regulated and controlled sports betting market further engages sport fans and channels interest and enthusiasm towards sport. Additionally, there are numerous sports betting operators that are traditional financial supporters of sport on all levels, as well as key social causes. However, it is also true that numerous risks arise from the strong involvement of sports betting within the contemporary sports sector and sponsorship relations. These risks, including the possibility of competition manipulation, need to be thoroughly taken into account and mitigated by sports organisations. For example, there are clear reputational and credibility risks if an incident of competition manipulation calls into question the overall nature of fair and clean sport. At the same time, the sports betting industry recognises that such incidents also jeopardise the credibility of their markets, and consequently it is of crucial importance for them to contribute to the efforts undertaken against the phenomenon.



In many countries, sports organisations, clubs and sports events are supported financially by sports betting operators. Obviously, every country – or "jurisdiction" – has its own characteristics and must be looked at separately. However, it is crucial for a sports organisation to understand the general functioning of the sports betting market, as this will assist the sports organisation in making an assessment of the sponsorship opportunities.

Each country defines its law and policy with regard to how sports betting operators are regulated within its jurisdiction. In many jurisdictions sports betting is prohibited, and even when sports betting is permitted, sponsorship activities by sports betting entities may be prohibited.

The aim of the present Guidelines is to assist sports organisations, including International Sports Federations (IFs), National Sports Federations (NFs), National Olympic Committees (NOCs) and sports event organisers, to undertake a sequential analysis of commercial opportunities and collaboration with sports betting operators and sports betting-related entities.

This document has taken into account the relevant provisions of the Council of Europe Convention on the Manipulation of Sports Competitions, together with the relevant practices and policies at national and international levels. A number of stakeholders were consulted during the process of drafting these Guidelines, and effective examples are included at the end of the document.

Recommended Guidelines for Sports Organisations

Although it is clear that sponsorship by sports betting operators is a great opportunity for funding sports organisations, clubs, teams, leagues, competitions, etc., it must be borne in mind that sponsorship can involve certain risks. It has to be noted as well that the global sports betting landscape – both regulated and unregulated – is constantly evolving, which leads to increased commercial opportunities but also new types of risks.

Taking into account this environment, it is suggested that when sports organisations/entities consider concluding a commercial arrangement with sports betting operators and entities, they should:



A. Make sure that the following minimum conditions are met

Condition 1: Sponsorship by sports betting entities is not prohibited in the jurisdiction of execution of the sponsorship agreement. International sports organisations, in particular, should take note that sponsorship by sports betting entities might not be permitted in all the jurisdictions in which the sponsorship agreement will be eventually executed. This must be specifically clarified in the sponsorship agreement. In case of doubt, please contact the OM Unit PMC (OMUnitPMC@olympic.org).

Condition 2: The sports betting operator must have a licence/authorisation (issued by a public regulatory authority) in the jurisdiction where it is legally registered. This must also be specified in the sponsorship agreement.

Condition 3: The sports betting operator is directly or indirectly connected to IBIS. A sports betting operator can be indirectly connected to IBIS via its membership of either the Global Lottery Monitoring System (GLMS)¹ or the International Betting Integrity Association (IBIA)². This must be confirmed in writing by the sponsor if it is not specified in the sponsorship agreement.

If you are in doubt in relation to any of the three aforementioned conditions, please contact the OM Unit PMC (OMUnitPMC@olympic.org). Solutions can be found, in particular through the inclusion of the sports betting operator in the IBIS network.

B. Consider the following additional points

If the sports organisation is negotiating a long-term sponsorship agreement, it is also recommended that, in addition to the above-mentioned conditions, the following matters are also taken into account/considered when negotiating the agreement:

a. Sharing of account information in relation to sportspersons who bet on their sport

Responsible sports betting operators understand that it is in the interest of both themselves and sports organisations to prevent athletes, athletes' entourage members and sports officials from betting on their own sport. There are concrete risks in relation to such action. Betting on one's sport, and on any sport during multi-sports events such as the Olympic Games, constitutes a form of conflict of interests, as athletes, their entourage members or sports officials could take advantage of their inside knowledge of the competition. At the same time, athletes who bet on their sport might be tempted to fully or partly manipulate their competition in order to achieve financial gain. Indeed, an athlete who has the possibility to bet on their own competition might be disillusioned and eventually tempted not to try their best in relation to the competition. Athletes could also be urged not to do their best by their

¹ Membership of GLMS

² Membership of IBIA



entourage members, who might have directly or indirectly bet on the competition and thus be looking for a specific result. Of even more concern is the fact that these people could constitute a target for criminals looking in particular for an easy method of money laundering. It is in the general interest of the sports betting operator to offer bets on fair competitions with an uncertain outcome, otherwise their business model, like the reputation and credibility of the markets they offer, might also be jeopardised, and sports betting operators would risk losing their basic means of existence.

Exchanging information is the basis for mitigating these risks.

For this purpose, and in order to support the Olympic Movement and sports organisations to implement the Olympic Movement Code on the Prevention of the Manipulation of Competitions ("OM Code PMC"), sports betting operators should be sharing information in relation to sportspersons who bet on their sport. Sports betting operators are encouraged to include the following wording within their overall terms and conditions every time a new account is opened: "Sportspersons are not allowed to bet on their sport. Should this be the case, the personal information of the sportspersons in question will be passed on to the competent sports authorities. Sportspersons may subsequently be sanctioned by the aforementioned authorities."

b. Educating staff/shareholders regarding the risks of competition manipulation and potential conflicts of interests

Sports organisations are responsible for ensuring that there are awareness-raising programmes for their athletes, their entourage members and sports officials. The OM Unit PMC has already developed a number of tools to support sports organisations in this regard. These tools can be accessed here.

In parallel, sports betting operators and their employees (particularly in the areas of risk management and odds compiling) should be aware of potential risks (e.g. conflicts of interests and misuse of inside information by individuals or entities involved in providing sports betting products).

When concluding a sponsorship agreement, sports betting operators and sports organisations should consider including joint awareness-raising activities on the risk of competition manipulation, including the misuse of inside information (e.g. joint awareness-raising activities during or before a competition or during training camps, and joint communications against sportspersons betting on their own sport). Such activities could be added to the relevant education activities the sports betting operators undertake for their employees.

Email: OMUnitPMC@olympic.org.



Annex: Best Practices among International Sports Federations

Cycling - UCI

Cycling Regulations³ Article 1.1.090

- Sponsorship by betting companies (including national lotteries) is forbidden if the betting company holds any shares or any contractual arrangements which grant it a right to take part directly or indirectly in the management or decision-making of the organiser, team or licenceholder concerned, unless the betting operator abstains from organising bets in relation to events of the organiser concerned or in relation to the events in which the team or the licence-holder concerned takes part.
- 2. In all other cases, sponsorship by betting companies is authorised provided the sponsor complies with the list of authorised bets drawn up by the UCI Management Committee, published as Annexe A of the present Part of the UCI Regulations. It is consequently forbidden to be sponsored by a betting company which organises bets on events which do not appear on the said list and/or types of bets which do not appear on the list.
- 3. In addition, any organiser, team or licence-holder wishing to be sponsored by a betting company shall:
 - ensure that the betting operator is affiliated to one or several competent national monitoring
 authorities for the regulation and supervision of sports betting and holds an authorisation
 to organise bets in accordance with the definitions of the Council of Europe Convention on
 the Manipulation of Sports Competitions. In the event of absence of a national monitoring
 authority for the supervision of sports betting in the country or countries where the betting
 operator is affiliated, the UCI may authorise such sponsorship provided that the betting
 operator is contractually affiliated to a monitoring agency approved by the UCI and which
 agrees to provide reports concerning atypical or suspicious betting to the UCI.
 - ensure that any such sponsorship contract explicitly prohibits the betting company from i) collecting insider information and/or any other information that could be used to manipulate a cycling event and ii) participating in any decision of a sporting nature.
- 4. The organiser, team or licence-holder wishing to be sponsored by a betting company shall provide documentation establishing compliance with the conditions above along with its request for registration before the UCI or the national federation, if applicable, and as determined by the applicable provisions. In the event the organiser, team or licence-holder is already registered at the time it wishes to obtain sponsorship by a betting operator, the documentation shall be submitted without delay for approval to the UCI or the national federation and in any case no

³ UCI Cycling Regulations



later than two months prior to the event during which the organiser, team or licence-holder wishes to grant visibility to the betting operator.

(text modified on 11.02.20)

Article 1.1.091

Breaches of articles 1.1.089 and 1.1.090 may be sanctioned as follows:

- Refused start and/or fine of CHF 1'000 to 25'000 for a licence-holder (art. 1.1.089 only);
- Refusal or withdrawal of the registration, refused start and/or fine of CHF 1'000 to 200'000 for a team;
- Refusal or removal from the calendar and/or fine of CHF 5'000 to 500'000 for an organiser.

Football - FIFA

Code of Ethics⁴

Article 26: Involvement with betting, gambling or similar activities

- Persons bound by this Code shall be forbidden from participating in, either directly or indirectly, betting, gambling, lotteries or similar events or transactions related to football matches or competitions and/or any related football activities.
- 2. Persons bound by this Code shall not have any interests, either directly or indirectly (through or in conjunction with third parties), in entities, companies, organisations, etc. that promote, broker, arrange or conduct betting, gambling, lotteries or similar events or transactions connected with football matches and competitions. Interests include gaining any possible advantage for the persons bound by this Code themselves and/or related parties.
- 3. Provided that the relevant conduct does not constitute another violation of this Code, violation of this article shall be sanctioned with an appropriate fine of at least CHF 100,000 and a ban on taking part in any football-related activity for a maximum of three years. Any amount unduly received shall be included in the calculation of the fine.

Hockey - FIH

Integrity Code⁵

Article 11. Relationships with Betting Organisations

- 11.1 An FIH Official may not have a business association or enter into any business arrangement (whether formal or informal) with any Betting Organisation that involves the payment of any monies to or by, or the conferring of any benefit(s) or advantage(s) upon or by, the FIH Official, either directly or indirectly, as a result of such association or arrangement.
- 11.2 As an exception to Article 11.1, an FIH Official will not be in breach of this Integrity Code if he is employed by, or has a business association with, a parent company that has a Betting

⁴ FIFA Code of Ethics

⁵ FIH Integrity Code



- Organisation as a subsidiary company (or Betting is a business interest of any subsidiary company), provided that he can show that (i) he has no direct involvement with the subsidiary, (ii) that he derives no direct or indirect benefit from the subsidiary, and (iii) that the parent company's business does not involve Betting.
- 11.3 An FIH Official shall be in breach of Article 11.1 if any member of his immediate family (being a partner/spouse, parent, sibling, child or dependent) has a controlling interest in a Betting Organisation, or a substantial relationship with a Betting Organisation, or is employed in the day-to-day operational control of a Betting Organisation, unless this is disclosed to, and recorded and approved by, the FIH Integrity Unit.

Rowing - FISA

Rulebook⁶

Appendix 9 By-Laws to Article 60 Manipulation of Competition and Betting

- 1. Betting
- 1.1 Participation in, support for, or promotion of, any form of betting related to any event under FISA's authority or the authority of member federations ("Event or Competition") whether one in which the party is directly participating or is otherwise taking place in the participant's sport, including betting with another person on the result, progress, outcome, conduct or any other aspect of such Event or Competition.

Tennis – TIU and relevant regulations

Tennis Anti-Corruption Program (TACP)⁷

D.1. Corruption Offenses

- D.1.b. No Covered Person shall, directly or indirectly, facilitate any other person to wager on the outcome or any other aspect of any Event or any other tennis competition. For the avoidance of doubt, to facilitate a person to wager shall include, but not be limited to: display of live tennis betting odds on a Covered Person's website; repeated transmissions of the contemporaneous results of any aspect of any Event without the consent of any Governing Body ("Courtsiding"); writing articles for a tennis betting publication or website; conducting personal appearances for, or otherwise participating in any event run by, a tennis betting company or any other company or entity directly affiliated with a tennis betting company; promoting a tennis betting company to the general public through posts on social media; and appearing in commercial advertisements that encourage others to bet on tennis.
- D.1.n. No Covered Person may be employed or otherwise engaged by a company which accepts wagers on Events.

⁶ FISA Rulebook

^{7 &}lt;u>Tennis Anti-Corruption Program (TACP)</u>



ITF Circuit Regulations 20208

Appendix F

For the avoidance of doubt no sponsorship will be permitted either as part of the Commercial Rights or as Tour Sponsor Rights to any entity in respect of tobacco or e-cigarette products, hard liquor products, betting companies, political activity or other category deemed to be detrimental to the sport of tennis, as reasonably determined by ITF in consultation with the applicable National Associations. It is permitted to appoint casinos or national, regional or state sports lotteries as part of the above rights (with the prior approval of the ITF) provided they do not offer tennis betting as part of their business activity.

Independent Review of Integrity in Tennis – Final Report⁹ Section E.1, page 5, para 26

The Panel recommends that the International Governing Bodies and the events that they endorse do not accept sponsorship from the betting industry. Players are precluded from taking such sponsorship under the rules, and the International Governing Bodies and their sanctioned events should lead by example.

Rugby - WR

Regulation 6: Anti-Corruption and Betting ¹⁰ Article 6.5 Responsibilities of Unions

Each Union is responsible for ensuring (and must ensure) that:

(i) It does not permit any Betting related to age-grade National Representative Teams (being ordinarily persons under the age of 18) or sponsorship by organisations promoting Betting in connection with such age grade teams or Match Officials of Matches involving such teams, under its jurisdiction.

International Olympic Committee

Olympic Games "Broadcast sponsorship billboards" for Broadcast Partners

Extract of the "Olympic Brand and Activation Guidelines for Broadcast Partners":

Broadcast sponsorship billboards for betting companies must be in compliance with the following principles:

- Allowed only for cooperating members of IBIS [...],
- Activations must be limited to the name/brand display of the relevant company/product (but specifically not any betting opportunities or markets)

⁸ ITF Circuit Regulations 2020

⁹ Independent Review of Integrity in Tennis - Final Report

¹⁰ Regulation 6: Anti-Corruption and Betting

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