

## *Making bets based on risk*

A fragmented regulatory environment across the gaming industry presents risks to both gaming businesses and regulators; risks that will continue to grow as organizations experiment and expand into online and mobile gaming offerings. So how can you manage your gaming business when licensing and compliance requirements are different depending on the jurisdictions in which you operate? And how can you avoid the steep penalties that often result from being offside—from regulatory fines to losing your ability to operate?

Government and regulators need to continue to work together to develop an industry that promotes compliance while also encouraging industry growth. At the same time, operators need to improve their own risk based approach to compliance—one that recognizes the complexity of the operating environment and creates processes and systems to manage risks more efficiently.

### Issues for operators



#### *Dealing with complexity*

Managing compliance across state, provincial and country borders can be expensive, even more so when you make an error. Conducting due diligence before making operational decisions and developing processes to mitigate compliance risks from the beginning can keep your risk programs focused and accurate.



#### *Managing new risks*

The introduction of virtual players and mobile gaming creates new risks that may not exist within a bricks-and-mortar operating environment. Identifying those risks (e.g. player identification and managing age restrictions) and developing processes to manage and mitigate them will be critical during the design and implementation phases of any initiative.



#### *Managing stakeholders*

Expanding operations often comes with expanding networks of relevant stakeholders whose needs must be managed. And not all governments and regulators are managed the same way. Knowing how the industry works in each jurisdiction of operation sounds easy—but can be much more complicated than it looks.

# In brief | Risk and compliance in gaming

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### Issues for governments and regulators



#### Overseeing evolving risks

Governments need to recognize the shifting risk landscape and develop compliance frameworks that provide effective governance that are flexible as risks evolve. Managing known risks is only a small part of the regulatory equation; managing risks that have yet to be identified is the more complex challenge.



#### Collaborating across jurisdictions

Creating a single framework for compliance is not an easy task, especially since every jurisdiction has its own legislative and regulatory requirements. However, to grow the gaming industry as a whole, regulators need to continue to work together to promote compliance while also encouraging experimentation and growth.



#### Fostering data exchange

When it comes to industry growth and risk management, the government has a role in bringing the diverse stakeholders within the industry together in order to share and analyze data for the benefit of all parties. Working with all operators to create data collection mechanisms while ensuring privacy concerns are managed is a critical activity that cannot be done effectively without government and regulatory involvement.

### How we can help

Whether you're a regulator, an operator or a vendor in the gaming industry, risk management and compliance should be at the top of your executive agenda. By implementing a risk based approach to compliance you can manage industry and organizational risks effectively—no matter what jurisdictions you operate in.

#### The stages of business intelligence

Creating an effective business intelligence strategy has three phases:



**Envision** a customer-centric approach that can act as a foundation for operational activities and help support the collection of robust business intelligence.



**Transform** your processes and tools to enable your business through technology to reach new markets, suppliers, partners and continually changing customer demands.



**Protect** what's important by putting in place the right people and processes so that you'll know where your critical information is located and how to safeguard it.

#### To start a conversation contact:

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