

CLIENT ALERT

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GOODBYE PARLAYS, HELLO SINGLE EVENT BETTING: ONTARIO ROLLS OUT NEW STANDARDS FOR SPORT AND EVENT BETTING

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Since single-event sports betting officially came into law in Canada with the passage of Bill C-218 on August 27th, 2021, Canadians and industry participants alike have been patiently waiting to see what shape the regulatory landscape will take. On September 9th, 2021, the Alcohol and Gaming Commission of Ontario (AGCO) released its final sport and event standards for iGaming. With the standards now finalized, Ontario is now one step closer to opening up what will become one of the largest regulated betting markets in North America. The standards are not expected to take effect until the regulated market launches in Ontario, likely in the first quarter of 2022. Nevertheless, they provide a great deal of insight into what that market will look like once the doors open.

BETTING CRITERIA

Among the most notable provisions is standard 4.34, which provides sports betting operators with a list of criteria that must be followed – effectively setting out what customers will and will not be able to bet on. Unsurprisingly, bettors will not be able to bet on undocumented or unverifiable events or those that come from an unreliable source. In other words, do not expect to find your uncle's low-pitch game in any sportsbooks later this year.

Standard 4.34 also prevents operators from offering bets on events that lack a governing body that must, at a minimum, prescribe rules and a code of conduct that includes a prohibition on betting by insiders. Simply put, it has to be a legitimate league for an operator to offer bets on the sport. This provision might prove challenging for some upstart esports leagues that often lack appropriate oversight. It is also worth noting that the AGCO has defined esports as a sport, for the purpose of the standards, unlike other regulators who continue to define it as a novelty bet. Thus, while this provision does not apply to novelty bets, it will apply to esports.

Another noteworthy provision of standard 4.34 is the restriction on betting on minor league sports in Ontario, specifically referencing that there will be no betting on the Ontario Hockey League. However, this contrasts another provision that allows operators to offer bets in circumstances where most of the participants in the event or league are 18 years of age or older. This could potentially open the door for operators to offer bets on such events as the World Junior Hockey Championship or the Olympic Games.

MATCH FIXING

There are also several standards to address risks of match-fixing and concerns about integrity in sports. Sports leagues will take solace in the addition of standard 3.01.1, which prevents operators from knowingly

permitting insiders, such as athletes, coaches, and referees, from betting on certain events. Moreover, while there are no provisions preventing leagues from entering into partnerships with registered operators, they will, together with owners, be barred from betting on games and events under their supervision. In fact, the standards seek to promote collaboration between leagues, operators, and integrity monitors as much as possible when it comes to issues relating to match-fixing. For example, operators will be responsible for making reasonable efforts to inform sport-governing bodies if any athlete, coach, referee, or league official is found to be engaging in any betting activities.

Independent integrity monitors, who are required to be registered with the AGCO, will play a significant role in the regulatory scheme by providing reports of unusual activity, which will be distributed to all member sports betting operators. For example, where a bettor's betting activity rises to the level of suspicious activity, independent integrity monitors will be responsible for notifying the appropriate governing bodies and the other operators. Collaboration and information sharing will be an essential element for the independent integrity monitors and an important tool in maintaining the integrity of sports.

THE TAKEAWAYS

Operators and other industry participants will be pleased to see that the AGCO has provided a set of standards that are both comprehensive and flexible enough to adapt to changing markets. Sports leagues should take comfort in the fact that proper measures are in place to detect match-fixing and other integrity issues. Likewise, bettors should feel equally comforted to see that integrity measures will not stand in the way of an operator's ability to provide a wide range of betting options. As a result, bettors start your engines!

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