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Delegate Vanessa E. Atterbeary
131 Taylor House Office Building
6 Bladen Street
Annapolis, MD 21401

Dear Delegate Atterbeary,

Playtech is grateful for the opportunity to provide a written submission supporting House Bill 1319 and would be interested in participating in any further opportunity to submit our views during the legislative process.

Introduction to Playtech

Playtech is a leading technology supplier to the gambling sector and one of the largest global B2B software and services suppliers. We are an FTSE 250 company regulated in 40 jurisdictions, working with 180 global licensees. We employ more than 7,300 people in 20 countries.

Playtech provides operators (our licensees) with gambling software, data-driven services, and platform technology across the industry's most popular product verticals, including casino games and live dealer entertainment, sports betting, virtual sports, bingo, and poker. As well as being a specialist in online gaming and betting, Playtech is a key supplier of player management systems in land-based casinos and the largest supplier of self-service betting terminals (SSBTs) in the UK.

In 2020, Playtech entered the US market with a transactional waiver in New Jersey and has since launched casino games with several leading companies in the US. We have launched state-of-the-art facilities and live dealer game studios in Michigan, New Jersey, and most recently, Pennsylvania and have entered the land-based sector with our retail kiosk terminals and management systems.

Playtech is also an active member of several North American trade associations, such as the Indian Gaming Association, the American Gaming Association, iDevelopment and Economic Association and the Association of Gaming Equipment Manufacturers.

Playtech's Submission

Reasons for iGaming

Playtech believes the legislation of internet gaming (also known as iGaming) in Maryland would bring numerous benefits to the state and would be the best measure to curb the illegal offshore market and protect Marylanders.

The offshore market offers online casino games with low standards of player protection and responsible gambling. Players are vulnerable to untested websites and games and are not subject to monitoring or reporting.

As society has become more digitalised, introducing local iGaming has been a natural addition to numerous markets worldwide, including some major markets in North America. Legislation has allowed the competent regulatory authorities to set the high standards they expect, and rules for operators, on the market. This is also for the benefit of their residents. In today's online environment, when an individual seeks to play online, they will do so beyond borders. However, where a regulated environment is provided, most individuals will play online in a more controlled manner.

Playtech welcomes a legalised iGaming framework that expects high standards from the gambling industry. We believe that this should encompass robust means of proactively preventing harm. Best practise examples in North America, in our view are New Jersey and Ontario. These require that operators employ player analytics and technology to spot problematic gambling patterns early on. This is a data-driven approach that allows for personalised interventions based on actual observed behaviour. It is an approach that protects all types of players and can be part of Maryland's legalisation of iGaming.

Legalizing the iGaming sector brings benefits to the players and the local government. Some of the benefits include the following:

- **Protection of players** – Offering a legal sector will mean players can play with local licensed and verified gambling companies. In addition, players will be kept safe by the regulatory framework designed by local regulatory authorities.
- **Creation of new jobs** – numerous new jobs that would be created if Maryland approved iGaming, notably with the opening of local live dealer game studios.
- **Government revenues** – As shown in the early days of sports betting, the iGaming sector will contribute both meaningful licence fees and tax revenues for the state government.
- **Greater accountability** – The state regulatory authority can set high standards and hold operators accountable by bringing the industry under local licences. This

can include adequate security, game testing and software development, among other things.

- **Existing licence holders** - The introduction of iGaming could benefit existing sportsbooks that suffer seasonal effects when mainstream sports are in the off-season. This will allow operators to secure more recurring revenues.

[Recent research by Deloitte](#) estimated in its first year Ontario's new open and regulated iGaming market sustained more than 12K full-time equivalent jobs across the province. It contributed nearly C\$1.6 billion (\$US1.18 billion) to Ontario's Gross Domestic Product (GDP), including over C\$900 million (US\$667m) in employment income.

In addition, a recent investigation from Eilers & Krejcik Gaming, a boutique research and consulting firm, showed that online gaming helps boost revenue for operators' brick-and-mortar properties as opposed to having a negative effect on the sector.

Player Journey

It will be important that players are allowed to access the complete iGaming experience, which means offering popular products such as slots, table games, live dealer games and poker.

If the legal market model is chosen, then to provide the best possible player experience, the financial burden, in general, should allow operators to offer games at a competitive return to the player (RTP). As business costs increase, some operators may use lower RTP slot games, impacting the player experience. RTP is the theoretical payback a casino player will get back when playing casino games over a long period of time. The higher the RTP the casino game has, the higher the chance the player has to win over the long run, and vice-versa.

The RTP also impacts the length of the game session, as playing with higher RTP theoretically gives a casino player more minutes of entertainment and more value for their money. It is important to note that offshore operators can offer games at a high RTP due to the lack of operational costs and burdens.



Conclusion

As shown by the availability of data on retail and online sports betting, consumers prefer to wager online and are protected by the availability of local online sportsbooks. Much of the great work done in Maryland to regulate sports betting, such as licensing standards, responsible gaming, consumer protection, and anti-money laundering practices, can be extended to the iGaming sector, meaning that a robust market could be launched quickly.

A well-designed regulatory framework will ultimately protect players from playing with offshore websites.

We welcome this chance to submit our views and look forward to future opportunities to share them.

Sincerely,

Charmaine Hogan
Head of Regulatory Affairs