

Audit of the supervision of casinos and gambling

Federal Gaming Board

Key facts

The Gambling Act of 29 September 2017 (GambIA) – which authorises online gambling – came into force on 1 January 2019. The new law was passed on 10 June 2018 with 73% of votes in favour. 21 casinos offer physical gambling throughout Switzerland, and 11 of these also offer online gambling. A casino must have a licence for both types of gambling. The Federal Gaming Board (FGB) monitors these establishments through inspections and data analysis, and it also levies a tax on the gross gambling revenue of each casino. In 2021, approximately CHF 275 million was paid to the FGB, of which CHF 26 million went to the cantons, while the remainder went to finance AHV. The Swiss Federal Audit Office (SFAO) examined the effectiveness of the supervision of the FGB, its organisation and the cost-efficiency aspects of this supervision.

Through its regular inspections, both announced and unannounced, as well as its strict sanctions, the SFGB exercises effective supervision over the casinos. However, the efficiency of the supervision could be improved by a greater focus on risks, in particular through a frequency of inspections adapted to the risks of each casino.

Taxation of gross gambling revenue is fair, but requires analysis in the future

The progression of rates and the difference in scales for physical and online gambling are considered reasonable. However, due to its recent launch, it is difficult to make a judgement on the scale for online gambling. Therefore, an analysis of this topic in the coming years, either by the FGB or by the Federal Office of Justice (FOJ), would provide an initial opinion on the calibration of the tax rates for online gambling.

Excessive gambling monitored through surveillance

In general, the FGB's supervision guarantees reliable social protection for gamblers. In the case of online gambling, its exclusion criteria still need to be adjusted according to the experience gained by the casinos. Although the FGB carefully reviews these criteria, it is encouraged to continue to monitor the development of these criteria by the casinos.

More bans, but easy to circumvent

Although online gambling is permitted in Switzerland, foreign online offers are still prohibited. The legal market for online gambling has grown considerably since it was authorised. However, it remains unclear how much of the total volume of the illegal market has shifted to the legal market. By law, the FGB must block access to identified foreign sites following a report or identification. The figures available indicate an increase in blocked foreign sites.

However, this type of block can easily be circumvented by the player, for example via a VPN, but also by the operator of the illegal website. Alternative measures exist to combat

the existence of the illegal online market. The decision to combat illegal gambling by blocking websites is a political choice. Furthermore, the FOJ has assessed potential alternative measures and concluded that blocking foreign websites is the most appropriate measure.

An organisation adapted to supervisory functions

The organisation of the FGB is tailored to the specific nature of the supervision of casinos, and an initial improvement in staff satisfaction and the general atmosphere within the FGB has been achieved through various measures, including the conversion of existing fixed-term employment contracts into open-ended contracts.

Risk orientation should be strengthened

Based on data analysis and on-site inspections, the control measures verify compliance with the obligations set out in the law regarding the taxation of gross gambling revenue, gambling transparency and the fight against excessive gambling. Each casino is subject to 3 to 4 types of inspections per year, approximately 7 to 8 visits annually.

This supervision would be more effective if its risk focus were strengthened, in particular by adapting the frequency of inspections to the risks encountered by each casino. The involvement of most of the cantons in substitute inspections makes it possible to make up for the FGB's lack of staff resources while benefiting from their knowledge of the field. This collaboration generates additional costs for the FGB.

Lack of forensic IT resources and external factors slowing down proceedings

Most of the criminal proceedings that are initiated concern crimes that are increasingly taking place in the digital domain. The criminal investigations conducted by the FGB require collaboration with numerous external institutions. This unavoidable external dependence and the lack of resources in the forensic IT department have slowed down the duration of criminal proceedings and mean that the targets set by the FGB are not met. In 2021, the SFAO recommended to fedpol that a forensic competence centre be established for the entire Federal Administration. If this centre were to be created, the FCJ would benefit from these resources, which would also help to meet the objectives set.

Good collaboration between the two supervisory authorities

Political will means the choice of two organisations, the FGB and the Swiss Gambling Supervisory Authority (Gespa), to take on supervisory tasks is justified. Despite some organisational differences, the collaboration between the FGB and Gespa is good and both benefit from the potential synergies.

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