

Minutes

of Internet Governance Council of the Republic of Armenia

Yerevan

September 2, 2015

Agenda

1. Consideration of proposals for prohibition of access to online gambling game sites that do not have license to operate in the Republic of Armenia.
2. Other issues.

The following members were present:

1. Gagik Tadevosyan – Deputy Minister of Transport and Communication of the Republic of Armenia (Council Chair).
2. Hayk Chobanyan- Deputy Director of the Union of IT Enterprises (UITE)
3. Samvel Martirosyan- Information security expert
4. Karen Gasparyan- Head of department of information security of Ucom LLC
5. Arsen Gabrielyan- National Security Service
6. Vladimir Sahakyan- Director of Institute for Informatics and Automation Problems of National Academy of Sciences of Armenia. SNCO
7. Karen Martirosyan- the executive director of the Chamber of Commerce and Industry of Yerevan
8. Gevorg Gevorgyan- Head of PSRC Communication
9. The representative of the company "ArmenTel"
10. Grigori Saghyan- Internet Society of Armenia NGO, Council Secretary
11. Suren Petrosyan- Head of the communication and information department of the staff of MTC
12. Norayr Stepanyan- Head of division, deputy head of the communication and information department of the staff of the MTC
13. Arman Galstyan- The Chief specialist of the communication and information department of the staff of the MTC

The Chairman introduced the essence of the issue, mentioning the fact of license absence of online gambling casino activities in the Republic of Armenia. It was invited to exchange views on the matter, to suggest possible solutions that would be effective for organizing activities of online casinos or create the possibility of limiting access to the servers of online casinos.

Secretary of the meeting provided a reference on the situation for limiting access to unlicensed online casinos in the region.

Karen Gasparyan noted, that international experience showed the impossibility of technical measures to restrict access to any resources, as there were number of possibilities to circumvent such restrictions. It was advisable to organize the negotiation process with the owners of the online casinos, encouraging them to carry out their activities in accordance with the legislation of RA.

Gevorg Gevorgyan noted, that not all players were able to use technical limitations of workarounds, but quantitative assessment of that part of online players could only be done on the basis of experience, to make any assessment was not possible that day.

Samvel Martirosyan mentioned, that there was possibility of inverse reaction, when online players would go on strike against the local casino, protesting against technical limitations, and would become even more active in playing in foreign online casinos. The practice to bypass restrictions was not working efficiently even in China.

Another potentially dangerous factor of technical limitations was that, based on the precedent, other parties would also demand technical limitations to access sites, whose activities were contrary to the laws of the Republic of Armenia, in particular, access to objects protected by intellectual property law, dissemination of pornography, access to paid online computer games, access to a range of other resources. This practice leads to the practice of continuous expansion restrictions.

It was better to apply the US experience, which didn't permit payment for online casino services by means of plastic cards, issued by US banks.

Gagik Makaryan said, that it was advisable to carry out research activities of online casinos, operating on the territory of the EAEC in order to avoid potential conflicts in the free trade zone.

Vladimir Sahakyan mentioned, that the situation was similar to the e-commerce market position, where users got goods by mail, bypassing customs barriers. Legally the issue was not resolved, but the introduction of the technical limitations of electronic commerce could not be considered as a solution to the problem of e-commerce.

Gevorg Gevorgyan mentioned that the solution key could be applied in judicial decisions for each online casino, without adoption of separate law, which would describe technical measures to control access to resources.

Chairman Gagik Tadevosyan said, that there must be noted the issue of intellectual property protection, when the restrictions could lead the whole Armenian Internet segment to total filtration.

Arsen Gabrielyan mentioned that the law on technical limitations` access would lead to more global consequences: limitation of access to all unlicensed services in Armenia.

Gevorg Gevorgyan said that an administrative solution to the issue also presented a problem: the activity of online casino was being licensed by the Ministry of Finance, which meant that control of the process must be carried out by the Ministry of Finance, which had no levers to force the operators to filter the access.

Grigori Saghyan mentioned, that besides online casinos, on the same IP address could be located hundreds of trustworthy websites, which could be affected by online filtering. Another aspect was the issue of other operating companies in the territory of the Republic of Armenia without a license- for example; the

providers of telecommunication such as Google, Viber, WhatsApp, technically would be necessary to close based on precedent of online casino`s.

Karen Gasparyan said, that it was necessary to evaluate costs of operators for creation hardware limitations, the commissioning of Deep Packet Inspection, for limiting not only IP address, furthermore, those systems did not provide any success.

The Chairman of the meeting suggested to complement the provided reference, prepared by secretary of the meeting, recorded with an exchange of opinions and provide the final conclusion to the members of Internet Governance Council within 3 (three) days.

Chairman

Gagik Tadevosyan

REFERENCE

ON THE ACTIVITIES OF UNLICENSED CASINOS

1. General information

1.1. Since 2012 Internet service providers are required to filter the addresses of unlicensed online casinos in France and Belgium. The costs of technical support's filtration are compensated. The Autorité de Régulation Des Jeux en Ligne (ARJEL) is an authorized body, which extradites licenses for operating casino: <http://www.pokernews.com/news/2012/01/french-isps-block-players-unlicensed-online-gambling-sites-11733.htm>

1.2. In Austria the Government obliged to filter the access to online casinos, considering the fact that the traditional casinos are partially state. ([Casinos Austria](http://calvinayre.com/2015/03/26/business/austria-imposes-geo-blocking-of-international-sites/)): <http://calvinayre.com/2015/03/26/business/austria-imposes-geo-blocking-of-international-sites/>.

1.3. The access to unlicensed online casinos is prohibited in Latvia, the casino's operators are obliged to obtain license by paying 400 000 Euro.

1.4. There was a law, counteracting to the activities of online casinos and betting offices in Italy until 2010. However, this law has ceased to operate after series of lawsuits and investigations by the European Union. <http://voprosik.net/cenzura-v-internete-mirovaya-praktika/>

1.5. In USA the holders of online casino can't receive payments from plastic cards, issued by the banks of USA. (<http://casinofreedom.info/azartnye-igry-v-internete/>)

1.6 The European Union doesn't support any approach aimed at restricting access, such an approach is not supported by the Council of Europe too. <http://www.osce.org/ru/fom/89063?download=true>
<https://wcd.coe.int/ViewDoc.jsp?id=2306649&Site=CM&BackColorInternet=C3C3C3&BackColorIntranet=EDB021&BackColorLogged=F5D383>

1.7. In France, Belgium and Latvia the access to online casinos is prohibited by means of filters, established by the operators. The prohibition's assessment of efficiency requires additional researches, however, current technical possibilities allow to implement the restrictions without difficulty.

According to the view of Internet Governance Council expert, the restrictions can increase the number of players in banned online casinos as a protest against the restrictions.

2. Widespread ways to bypass the restrictions.

2.1. The usage of Virtual Private Network-VPN, when a player from Armenia using free software (for example-HotSpotShield) creates an encrypted link with VPN server of any country, where there is no traffic filtration to online casino. To decrypt the traffic of virtual private network within reasonable period of time is not possible. The prohibition of VPN is inadvisable, as this technology is used to solve a number of other problems of Internet users.

2.2. The use of proxy servers. These servers operate as an independent units, there are also proxy server (for example, when changing OPERA in TURBO mode, it starts using the proxy server of that organization.

2.3. Top Onion Router-TOR. The complex of this programs-hardware's creating network of large quantity of consecutive working proxies. The network is widespread.

2.4. The most common browser Chrome has ability to load an application which works by the proxy server, it can be installed by the most inexperienced users.

https://chrome.google.com/webstore/search/vpn?hl=en-US&utm_source=chrome-ntp-launcher

2.5. Network I2P is an overlay network, which uses the original system of domain name and numbering.

2.6. Other common systems to bypass the restrictions.

3. Problems that arise during the implementation of traffic filtration.

3.1. In some cases for one and the same IP address works dozens or hundreds resources, and the restriction of access by IP address leads to restriction of hundreds of respectable sites.

3.2. In order to ensure the restrictions, it is necessary to carry out studies on the subject of access which resources should be blocked. For the implementation of such studies, it is necessary to create research team which will deal with these

studies. It is necessary to legalize the authority of the given group, to legislate the issue of licensing activities of such group.

3.3. The legislation of RA prohibits some kind of activities, such as pornography. The restriction of access to online casino will create a precedent, it would be necessary to provide other legislative restrictions using traffic filtration. This in turn would require the creation of access restriction system to the Internet like China or Iran, who created their “domestic Internet”, owing to what have come under fire of critic from various organizations of democratic countries.

3.4. The cost of IP addresses filtering equipment for operators, depending on the complexity of the system can reach 250000 \$, for the channel capacity of 10Gbit/s.

3.5. IP filtering is generally contrary to the principles of network neutrality, which is fixed by the Government of RA in the “Principles of Internet Governance”.

4. Before the implementation of technical filtering of access to specific Internet resources, it is necessary to carry out a wide research, using the best international practices.