



**SHOULD LOOT BOXES BE
REGULATED?**

WHAT ARE LOOT BOXES

- Sealed Mystery “boxes” that contain a random collection of in-game items
- Generally, can be earned through playing the game or bought using real world money
- Items can be purely cosmetic or affect gameplay



HOW BIG IS THE LOOT BOX INDUSTRY?

- 71 percent of the top downloaded games on Steam contain loot boxes
- According to Juniper Research, loot boxes generated \$15 Billion in 2020 and revenue is projected to grow beyond \$20 billion by 2025

THE PROBLEM WITH LOOT BOXES

- Opening Loot Boxes stimulates similar brain activity to gambling
- Problem gamblers are more likely to spend money on loot boxes
- Gaming companies are becoming increasingly dependent on using loot boxes to generate revenue
- Opening loot boxes may expose young people to gambling-like activities

'The kids emptied our bank account playing Fifa'

Loot boxes: I blew my university savings gaming on Fifa

'I spent \$20,000 of my parents' money on mystery boxes': When lines between gaming and gambling are blurred

ARGUMENTS AGAINST LOOT BOXES AS GAMBLING?

- Generally, games that contain loot boxes can still be played without purchasing loot boxes
- ““We do agree with the UK gambling commission, the Australian gambling commission, and many other gambling commissions that they aren't gambling, and we also disagree that there's evidence that shows it leads to gambling,” added Kerry during questions from MPs.”
- Former EA President Peter Moore likens loot boxes to “collecting cigarette cards in the 1920’s”

WHAT HAS BEEN DONE SO FAR?

- The U.K House of Lords has recommended classifying loot boxes as gambling
- In 2018, the Belgian Gaming Commission concluded that loot boxes do constitute gambling under Belgian law
- Loot Boxes have been banned in the Netherlands
- Countries such as China have adopted “transparency laws” and capped the number of loot boxes that can be bought within a certain time period

WHAT IS NEXT IN CANADA?

- Multiple Class-Action Lawsuits regarding the use of loot boxes have been launched
- Neither the Provincial or Federal governments are currently inquiring into or debating the use of loot boxes
- The ESRB has begun labelling games that contain in-game purchases such as loot boxes