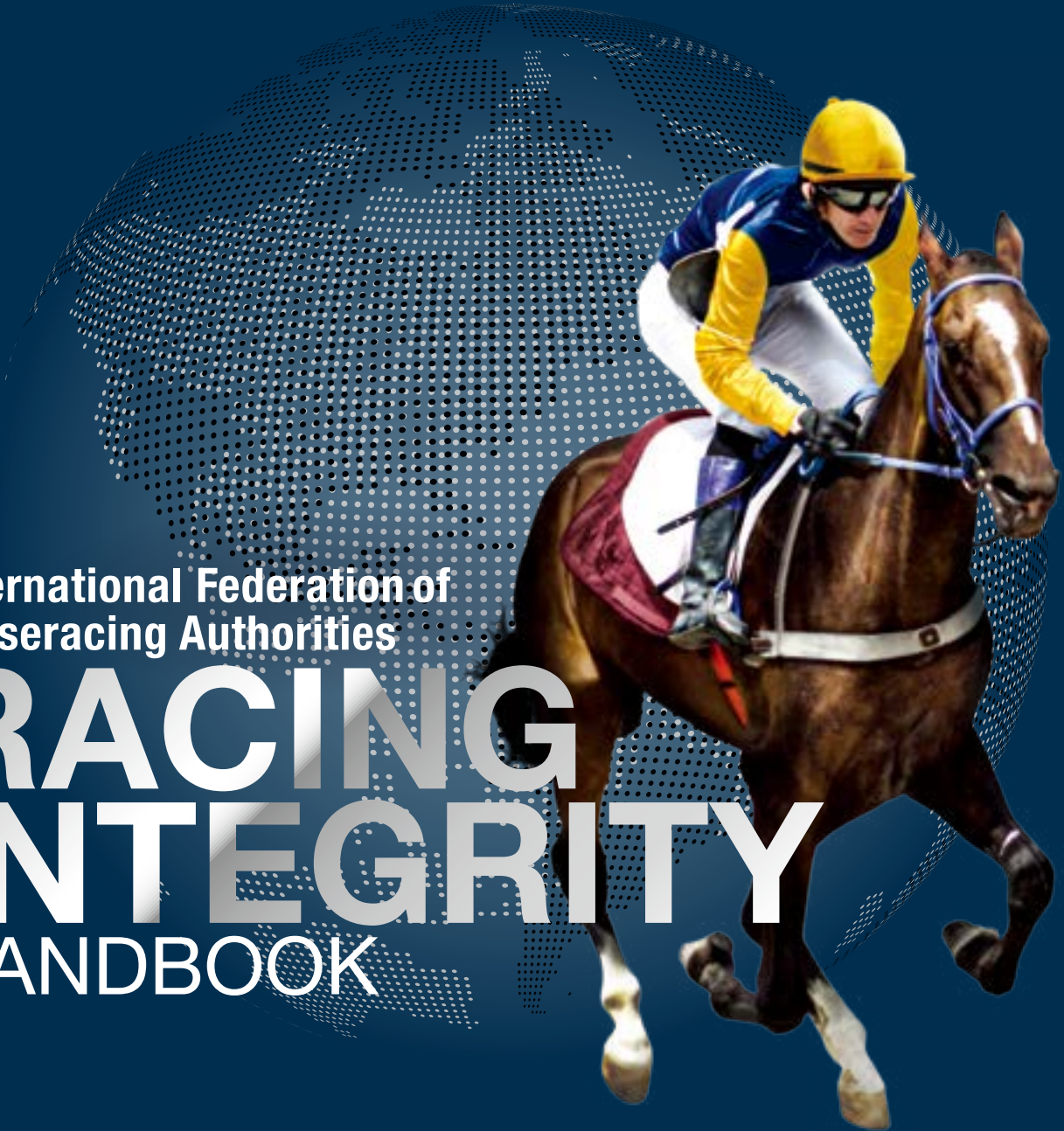




**LONGINES**

OFFICIAL PARTNER



International Federation of  
Horseracing Authorities

# RACING INTEGRITY

HANDBOOK



# TABLE OF CONTENTS

<b>Foreword</b>	<b>04</b>	<b>Preface</b>	<b>05</b>	<b>Acknowledgements</b>	<b>06</b>	<b>Introduction</b>	<b>08</b>
<b>Chapter One - Governance and Regulatory Structure</b>							<b>10</b>
Introduction							
Section A – Governance							
Section B – Regulation and Rules of Racing							
Section C – Regulation and Administration							
<b>Chapter Two - Stipendiary Stewarding and the Rules of Racing</b>							<b>30</b>
Introduction							
Section A – The Role of a Steward							
Section B – Inquiries							
<b>Chapter Three - Prohibited Substances in Horses and Humans: Testing, Investigation &amp; Interpretation</b>							<b>50</b>
Section A – Establishing Doping Control							
Section B – Resource Requirements							
Section C – Capability Development							
Section D – Anti-Doping Standards, Quality Assurance and Audits							
Section E – Control of Gene Doping							
Section F – Sustainability							
Acknowledgements							
<b>Chapter Four - Horse Health, Safety, Security and Welfare</b>							<b>84</b>
Introduction							
Section A – IFHA Principles and Guidelines Regarding Horse Health and Welfare							
Section B – IFHA Minimum Horse Welfare Guidelines							
Section C – IFHA Principles of Good Practice for Monitoring of Racing Injuries and Fatalities							
Section D – Traceability of Horses							
Section E – Principles of an Ethical Racing Authority to protect the Health and Welfare of Horses							
Appendix – Additional Guidelines and Resources							
Acknowledgements							
<b>Chapter Five - Betting on Racing</b>							<b>98</b>
Introduction							
Section A – Integrity Threats from Legal and Illegal Betting							
Section B – Bet Monitoring and Analysis of Suspicious Activity							
Section C – Tote or Fixed Odds Betting and Integrity in Racing							
Acknowledgements							
<b>Chapter Six - Anti-Corruption and Integrity Management Systems</b>							<b>120</b>
Introduction							
Section A – Integrity Unit Overview							
Section B – Anti-Corruption and Governance							
Section C – Anti- Corruption Regulatory Intelligence and Investigations							
Section D – Dealing with Law Enforcement Agencies							
<b>Chapter Seven - Integrity Education for Participants in Racing</b>							<b>132</b>
<b>Appendix 1 – Summary of Good Practices for Integrity in Racing</b>							<b>136</b>



# FOREWORD



It is my great pleasure as Chair of the International Federation of Horseracing Authorities ('IFHA') to provide the opening words in this new Racing Integrity Handbook developed by the IFHA.

The Handbook is the first of its kind in horse racing, and indeed the most comprehensive such document produced for any sport. It is the aim of the IFHA Executive Council that the Handbook is used as the primary reference for racing administrators, regulators, and others involved in racing to understand how integrity works as the basis of the sport.

The Handbook is a comprehensive explanation of the components of racing that ensure integrity in the sport. From governance, to the rules, the role of stipendiary stewards, the prevention of prohibited substances use, horse welfare, betting, anti-corruption, and to education for participants in racing, the Handbook covers all areas of the running of racing.

The Handbook is an international resource for use by all jurisdictions. Racing is a truly diverse sport that differs slightly in how it is conducted around the world, but the principles of integrity do not change anywhere in the world. Integrity is the basis for any sport, and it is key that we have a level playing field for all participants, with races conducted in a fair, honest, safe and transparent manner so that each horse (and its connections) has every possible chance to win or obtain the best possible placing in a race.

Only by ensuring integrity in racing will our sport have widespread public support. The support for integrity from all those involved in racing is a must, and I hope that the Handbook assists you all.

A handwritten signature in black ink, appearing to read 'W. Engelbrecht-Bresges', written in a cursive style.

**Winfried Engelbrecht-Bresges**

Chair, International Federation of Horseracing Authorities

# PREFACE

Racing has a head start on other sports in the protection of integrity. History largely explains this. Horse racing traces its origins as far back as 4500 BC and, perhaps more relevant, it is the world's oldest professional sport. Professionalism brought a need for a system to ensure fair outcomes in competition and regulate the conduct of participants. Responding to that need, "the rules of racing" were developed. The first written and published regulations for the conduct of racing date back to 1665.

Over time the system of regulation continued to evolve and become ever more sophisticated. Nothing illustrates that better than the way in which racing has embraced science to enhance integrity. Racing pioneered drug-testing in sport with the benefit of the work of the Polish chemist Alfons Bukowski. Racing authorities in Austria, Britain and France introduced saliva testing at the turn of the 20th century. A regulatory scheme was established to marry this testing capability with a disciplinary code to proscribe the use of performance-affecting substances and establish condign penalties for infringements. The evolution of racing's drug-testing system continues to this day, with work to develop the capabilities to identify doping using biotechnology and gene manipulation.

It is against this background that the IFHA Executive Council decided to commission the Racing Integrity Handbook. The production of the Handbook is driven by the increasing globalisation of racing. As racing globalises further, the integrity of racing will be essential to confidence in both the sport itself as well as betting on the outcome, recognising that wagering income is in many cases the principal source of revenue.

To ensure confidence in the management of the running of racing, a handbook that clearly defines good practices within an integrity model is needed.

The Handbook is advisory – it is for guidance, and not prescriptive. The Handbook explains good practices in a wide range of racing rules, administration, and operations that are provided by recognised leading practitioners from the sport.

The IFHA will assist users of the Handbook by providing additional instruction via webinars and other guidance materials, as well as making timely updates to ensure the Handbook's content remains current.

I hope that the Handbook helps all involved in racing to maintain integrity and, in doing so, confidence in the sport of racing.



**Andrew Harding**

Executive Director, International Federation of Horseracing Authorities



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# INTRODUCTION

## Integrity in Racing

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The Racing Integrity Handbook has been produced by the International Federation of Horseracing Authorities ('IFHA') to provide an understandable guide to integrity in racing. The Handbook is primarily intended for those who administer the sport of horse racing, but is also intended to show other sports how many of the good practices for integrity in racing are applicable to all sports.

The IFHA is the global leader for the international sport of thoroughbred racing. The IFHA seeks to promote all facets of the worldwide sport of thoroughbred racing, protect the welfare of the equine and human athlete, and protect and grow its global social and economic significance for current and future generations.

The Handbook relates to thoroughbred racing. A 'thoroughbred' is a horse which is recorded in the Thoroughbred Stud Book of the country of its foaling, that Stud Book having been granted 'approved' status by the International Stud Book Committee at the time of its official recording.<sup>1</sup>

A critical objective of the IFHA is to promote the integrity of racing, which is central to the success of the sport. Indeed, the integrity of racing is also reliant upon success in the many other objectives of the IFHA, including to fight against the use of prohibited substances and practices; to identify, develop and promote best practices; to develop, set and promote global standards in thoroughbred racing; and to assist developing countries to develop better practices. The integrity of racing and its continued popularity require collaboration across the sport and in particular between racing authorities.

Racing authorities collaborate on areas of best practices in the sport to enhance public confidence in the integrity of the thoroughbred breed and the sport of racing. Whilst racing authorities and the regional/international racing federations continue such collaboration in the harmonisation of rules and good practices, it is essential also to provide easy access for racing administrators to a handbook explaining how integrity in the sport is achieved and maintained. The Handbook provides an easy-to-understand summary for racing administrators and other stakeholders in the sport.

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<sup>1</sup> See Article 12, IABRW

<sup>2</sup> <https://www.ifhaonline.org/resources/ifaAgreement.pdf>

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The Handbook complements the IFHA International Agreement on Breeding, Racing and Wagering ('IABRW')<sup>2</sup>, which is a series of articles, appendices and guidelines setting out recommended best practice in significant areas of racing, stud book administration and wagering common to all jurisdictions. Where members of the IFHA are signatories to specific articles, they commit themselves to furthering the objectives set out in the IABRW by making provision within their domestic rules of racing to implement those parts of the document.

The Handbook refers to provisions in the IABRW and has been drafted to ensure that there is no conflict between the two documents. The Handbook is a guideline with advice regarding integrity and how it relates to the various areas in the management and administration of racing.

The Handbook goes beyond the IABRW only by expanding explanations of how integrity is achieved and maintained from good practices agreed by IFHA members. The Handbook lays out the key areas of the administration of racing, and explains integrity in each.

The Handbook covers a diverse range of issues relating to integrity in the complex sport of horseracing. The starting point in Chapter One is *Governance and Regulatory Structure*, which outlines how the sport is governed and regulated and the relationship to the rules. The chapters go through the diverse areas of *Stipendiary Stewarding, Prohibited Substances in Horses and Humans – Testing, Investigation, & Interpretation, Horse Health, Safety, Security & Welfare, Betting on Racing, Anti-Corruption and Integrity Management Systems, Integrity Education for Participants in Racing*, and the Appendix is a summary of good practices for integrity in racing taken from all of the above chapters and reflecting the diversity across racing jurisdictions. All racing jurisdictions differ and have something to offer their peers in other parts of the world to contribute to the continual improvement in integrity across racing.

**CHAPTER ONE**  
**GOVERNANCE AND**  
**REGULATORY STRUCTURE**



# **CHAPTER ONE**

# **GOVERNANCE AND REGULATORY STRUCTURE**

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## **Introduction 12**

1. The Role of Racing Authorities on Regulation
2. The Role of Racing Federations on Regulation

## **Section A – Governance 14**

1. Self-regulation
2. Quasi- or Light Regulation
3. Co-regulation
4. Direct Government Regulation

## **Section B – Regulation and Rules of Racing 15**

1. To whom the Rules of Racing Should Apply and the Scope of their Application
2. The Powers of Racing Authorities
3. Provisions relating to the Obligations of Jockeys
4. Provisions relating to the Obligations of Trainers
5. Provisions relating to the Obligations of Stable Staff
6. Provisions relating to the Obligations of Owners and Syndicates

## **Section C – Regulation and Administration 23**

1. Licensing
2. Rules relating to Horse Registration, Ownership, and Traceability
3. Safeguarding

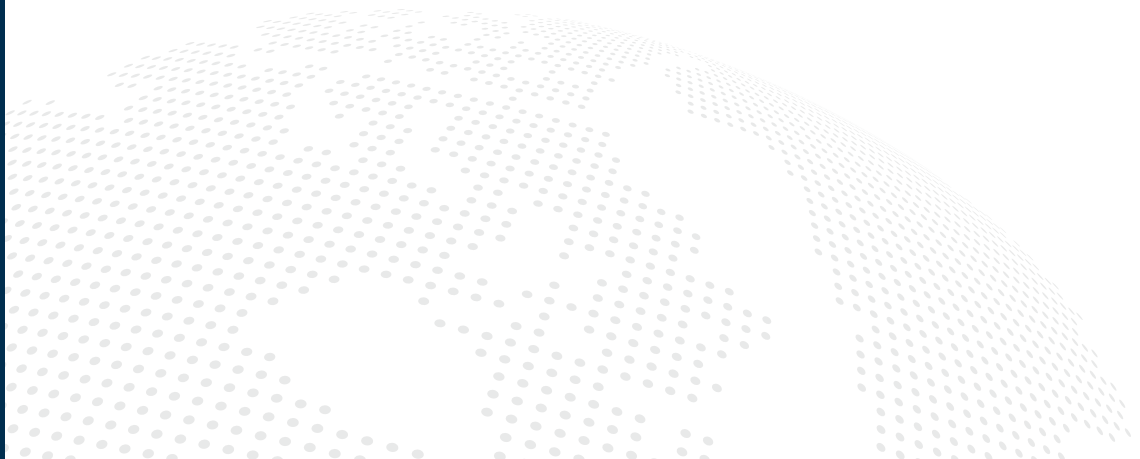
## **Acknowledgements 29**

# INTRODUCTION

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Central to the maintenance of the integrity of racing in all its jurisdictions is compliance with, and the enforcement of, the Rules of Racing ('Rules'). The underlying objective of the Rules in every major racing jurisdiction is to facilitate the delivery of fair, competitive and safe racing. Those who monitor and enforce compliance with the Rules (principally Stewards) also perform key administrative functions in upholding the integrity of the sport.

The Rules, often described as a contract between those who are licensed or otherwise permitted to participate in the industry and the racing authority which enforces the Rules, will usually sit as part of the broader regulatory framework in which a national racing authority operates. The regulatory framework may be one which allows racing to self-regulate or it may be one based on national law and statute, or it may be a mixture of both.





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## **1. The Role of Racing Authorities on Regulation**

It is the responsibility of a racing regulator to ensure the highest levels of integrity in racing. The structure and responsibilities of each racing authority will differ based on local national circumstances, but the commitment to integrity in racing should be a primary objective of all racing authorities.

Racing authorities should ensure that key regulatory activities are conducted effectively by the authority or by another organisation in that jurisdiction. These key activities include:

- maintaining the Rules;
- managing the licensing system for regulated participants in racing;
- ensuring an effective anti-doping system;
- ensuring effective equine and human health and welfare systems;
- ensuring an effective integrity management system; and
- ensuring that all of these components are communicated to racing participants and stakeholders through effective education.

## **2. The Role of Racing Federations on Regulation**

The IFHA promotes harmonisation of racing rules and regulations between racing authorities where a common approach would most benefit racing internationally. Through the work of its committees, the IFHA drafts proposed new and amended articles, appendices and guidelines setting out recommended best practice in respect of those rules and regulations, for approval by the Executive Council and subsequent inclusion in the IABRW. This work is a critical contribution to improving integrity, safety and welfare of horse and rider, and the confidence of the public and the racing industry.

# Section A

## Governance

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The Rules of Racing (see Section B) and those who assist in their administration (see Section C) are only part of the regulatory framework that surrounds racing codes internationally. Typically, there are four models of regulatory framework in which racing codes operate: self-regulation; quasi or light regulation; co-regulation; direct government regulation.

### 1. Self-regulation

Self-regulation is generally characterised by industry-formulated rules and codes of conduct, with the racing industry solely responsible for enforcement.

### 2. Quasi- or Light Regulation

Quasi- or light regulation describes those arrangements where government (through legislation) influences racing within its jurisdiction to voluntarily comply with certain minimum standards, but which do not form part of explicit government regulation. One way of viewing this category is that governments may have had to intervene to regulate this area if a self-regulatory regime did not already exist – and reserves the right to regulate in the future if the existing self or quasi-regulatory regime does not demonstrate its responsiveness to community expectations.

### 3. Co-regulation

Co-regulation typically refers to situations where the racing industry develops and administers its own arrangements, but government provides legislative backing to enable the arrangements to be enforced.

### 4. Direct Government Regulation

Direct government regulation comprises primary and secondary legislation. Typically, the racing body which enforces the Rules of Racing and administers the sport is classified as a statutory agency.



# Section B

## Regulation and Rules of Racing

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While contemporary Rules of Racing vary across racing jurisdictions according to history, custom and prevailing local circumstances, many will typically contain the types of provisions set out below.

### **1. To whom the Rules of Racing Should Apply and the Scope of their Application**

To protect the integrity of racing, the Rules of Racing ('Rules') should cast a wide net and assert that they apply to any person involved in any aspect of the sport (including betting in respect of it). This is why the Rules in most jurisdictions contain, at the outset, a provision to the effect that *'any person who takes part in any matter coming within the Rules agrees to be bound by them'*.

While there is little doubt that persons who are licensed (or hold another authorisation) by a racing authority are bound by the Rules, authorities should require such persons – as a condition of licence – to accept in writing that they will be so bound. This will help ensure that the Rules operate as a binding contract between the parties, and dispel any potential future claim that they have not consented to be bound by them.

The question of whether persons who are not licensed (or have not otherwise expressly agreed to be bound by the Rules) are in fact bound by the Rules is a more difficult one. While the application of the Rules will turn on the individual circumstances of each case, the courts (at least in common law countries) have largely supported a wide application of the Rules, finding they can apply to and confer jurisdiction on racing authorities and Stewards to deal with persons whose actions bring them within the purview of the Rules – on the proviso that the relevant rules are not overly general and relate to the character and conduct of a person in a matter directly concerning racing.

This issue – which often arises in relation to punters – has been addressed in some racing jurisdictions, where the scope of the Rules' application has been clarified via legislation to expressly state that they are binding on certain persons. For example, in Victoria, Australia, the *Racing Act 1958* relevantly provides that the Rules apply to and may be enforced against: (i) a person who holds a licence, registration, permit or other authority; (ii) a person who attends a race meeting; or (iii) a person who participates in an activity connected with/involving racing or wagering on it.

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Such legislation can serve to assist racing authorities by guarding against arguments from persons the subject of disciplinary proceedings that the Rules do not apply to them due to lack of contract or consent.

## **2. The Powers of Racing Authorities**

Whilst many racing authorities aspire to meet global harmonised standards under the IABRW, racing is somewhat unique in that the regulation of the sport across different nations must reflect the political and legal frameworks relevant to each jurisdiction. The consequence of this is that differences exist between nations (and even within some nations) in terms of how the sport is regulated and governed.

## **3. Provisions relating to the Obligations of Jockeys**

Jockeys are the human athletes directly competing in the sport of racing and are hence integral to integrity. Jockeys are expected to behave honestly and in a way that upholds public confidence in the integrity of racing and does not cause any harm to the good reputation of racing. Jockeys must obtain a licence to ride in races from the relevant racing authority. This ensures that they have satisfied the authority's licensing policy requirements (see Section C) and have consented to be bound by the Rules and any other licence conditions.

There are a number of requirements relating to the conduct of jockeys that should be included in either the Rules or a code of conduct, or both, as part of the integrity management system. Jockeys should be obligated to:

- obey the law;
- act with care and diligence;
- know and comply with all relevant rules, policies, procedures and guidelines;
- not use prohibited substances;
- not engage in discrimination, harassment and intimidation;
- treat the public, racing officials, and horse owners with courtesy and respect; and
- take reasonable steps to avoid conflicts of interest, report those that cannot be avoided, and cooperate in their management.

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The Rules in each jurisdiction should include a provision requiring that jockeys must not bet or facilitate the making of a bet or have any interest in a bet on any race or any contingency relating to any race meeting.

Jockeys should also be required, either under the Rules or a code of conduct, to report to the Stewards or other appropriate official any event or circumstances which would constitute a contravention of the Rules.

Jockeys have a duty to protect confidential information. Confidential information here means information which is disclosed to him/her or of which he/she becomes aware in his/her capacity as a licensed jockey, which includes “inside information” (as defined below), as well as information provided to him/her by horse owners and/or trainers. Jockeys must not use any such confidential information for personal advantage.

The Rules in each jurisdiction should contain specific provisions concerning “inside information”, which generally means any information, which is not publicly available, about any condition, abnormality, injury or sickness or other matter affecting a horse's ability to train or race, or about the likely performance of a horse in a race.

Jockeys should not give, disclose or otherwise make available any inside information in relation to a horse he/she has ridden or was to ride in training, or will ride, was to ride or has ridden in a race, except to the owner or trainer of such horse, or appropriate racing officials.

Jockeys should be obligated, either in the Rules or a code of conduct or both, to avoid association or involvement with persons they know or should reasonably suspect may be criminals. Jockeys should also be obligated to report such contact to an appropriate racing official.

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## 4. Provisions relating to the Obligations of Trainers

Trainers are an essential component of the operation of the racing industry, and it follows that they must be held to the highest standards of integrity. This necessarily dictates that racing authorities should impose stringent obligations on them to help achieve that end. The primary objective of these rules relating to trainers is to ensure transparency with racing authorities, who can then distribute such information publicly, with a view to maintaining the confidence of the betting and broader public.

The following are some of the key provisions that the Rules should contain to help ensure the effective regulation of trainers and the integrity of their operations:

- Trainers must obtain a licence or permit to train horses from the relevant racing authority. This ensures that they have satisfied the authority's licensing policy requirements (see Section C) and have consented to be bound by the Rules and any other licence conditions.
- All matters relating to a trainer's running of his/her stable, and the management and training of horses in that stable, are ultimately that individual's responsibility. Specific obligations generally imposed on trainers include:
  - a. conducting their business properly, and in compliance with requirements and directions from racing authorities and race clubs, in accordance with their obligations as an employer and with due regard to their owners' interests;
  - b. stabling horses trained by them only in their registered stable;
  - c. notifying the Stewards of any transfer of horse ownership and/or change of stable;
  - d. fulfilling their obligations to retained jockeys and any apprentices for whom they are responsible.
- Trainers are responsible for ensuring horses in their care are suitable to race (e.g. fit and properly conditioned), and the Rules should contain an obligation to that effect. They should also require trainers to present a horse on time for a race, as well as to properly saddle the horse.

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- A trainer will also generally have obligations to notify the Stewards of matters that could affect how a horse performs in a race – for example:
    - a. prior to a race – any condition, injury, illness, treatment or surgery;
    - b. after a race – anything which might have affected the running of the horse, whether during the race or in connection with it;
    - c. in some jurisdictions, any change as to how the horse is going to be ridden (i.e. race tactics).
  
  - Trainers must ensure appropriate care and welfare of horses. Welfare of horses is critical to racing's success and long-term sustainability and, as the industry participants ultimately responsible for the care of horses during their racing careers, trainers are subject to broad obligations in this regard. These can include:
    - a. ensuring the general wellbeing and provision of proper and sufficient nutrition to a horse;
    - b. to care for a horse which may be injured or in pain;
    - c. obtaining the provision of veterinary treatment to a horse where required; and
    - d. not committing any acts of cruelty to a horse, or being in possession of any things which could do so.
  
  - Trainers should be required to maintain treatment records for the purposes of recording any medication or treatment administered to a horse in their care, preferably on the day it is given. Such records should contain the following particulars (as applicable): date/time of administration, name of medication/treatment, administration route, medication dosage, treatment duration, name of person administering/authorising. Consideration may also be given to requiring the reason for the administration to be recorded. The Rules should require trainers to keep treatment records for a minimum specified period (e.g. 2 years) and be provided to the Stewards on request. These provisions will assist Stewards in the investigation of potential prohibited substances/practices rule breaches, which may not come to light for a significant period following the alleged act.

- 
- Rules regarding trainers' ownership interests in horses should be set, although these may vary between jurisdictions. Some racing authorities take the view that the integrity of racing is best served by prohibiting trainers from having any interest in any racehorse whatsoever. In some countries, trainers are only not permitted to hold interests in horses in their stable due to the potential conflicts that could arise. However, in other racing jurisdictions (including some major ones), a more liberal approach applies and there are no ownership restrictions imposed on trainers and, in many cases, trainers are prominent owners in both horses they train and those they do not.
  - Rules should be set to govern betting by trainers. Some jurisdictions strictly prohibit trainers from betting on racing at any time, regardless of whether they have a runner in the race or at the race meeting, or even on races in another jurisdiction or country. In countries where trainers are permitted to wager on races, they are usually prohibited from 'laying' (i.e. betting to lose) horses under their care (either currently or in the recent past, e.g. 1 month).
  - Like all persons bound by the Rules, trainers have broad conduct obligations with which they must comply.

## **5. Provisions relating to the Obligations of Stable Staff**

As persons who interact with licensed persons such as trainers and jockeys on a daily basis, and who have access to stable premises, horses and inside information, it is important that stable staff are also subject to integrity-based obligations.

The following are some of the key provisions that the Rules should contain to help ensure the effective regulation of stable staff and the promotion of appropriate behaviour:

- Stable staff should be registered with the relevant racing authority, which ensures that they have satisfied the authority's fitness and propriety requirements and have consented to be bound by the Rules and any other conditions of registration.
- Their registration should expressly state if they are permitted to ride horses (e.g. trackwork) in the course of their work.

- 
- Like jockeys, stable staff should not use banned substances, including to reduce the risk of contamination for horses that they handle.
  - Like all persons bound by the Rules, stable staff should have broad conduct obligations with which they must comply, particularly in relation to the use and disclosure of inside information.
  - While not generally prohibited from betting on horses in their stable, stable staff should be prohibited from laying such horses.

## **6. Provisions relating to the Obligations of Owners and Syndicates**

Depending on the individual racing jurisdiction, racehorse owners are generally either considered to be ‘registered’ or expressly ‘licensed’ (such as in US states where thoroughbred owners must apply for an owner’s licence) and therefore, under both systems, expressly bound by the Rules. In addition to registration, some jurisdictions dictate that ownership is only available to persons who are admitted as members of a relevant race club or jockey club, whereby maintaining membership of the club is a prerequisite to ongoing registration as an owner.

In many jurisdictions, racing authorities require that all owners – regardless of the structure through which they hold their ownership interest – meet certain fitness and propriety conditions (see Section C). For transparency and integrity maintenance, those owners should be obliged to notify the authority of any change in their circumstances that could render them ineligible to continue to be an owner.

While owners the world over are allowed to bet on races (including those in which their horses are competing), provided betting itself is permitted in the relevant country, given the inside information owners may possess in relation to their horses, the Rules generally stipulate that they are prohibited from laying a horse in which they have an interest.



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Like all persons bound by the Rules, owners also have broad conduct obligations with which they must comply. Some key integrity-based obligations that are specific to owners may include that they must not enter a horse under fraudulently false description, and they must not misrepresent or provide any misleading/inaccurate information about the ownership of a horse.

The Rules should also contain provisions to address leasing of horses for racing (where such practice is permitted). Lessees will generally be treated as owners for the purposes of integrity-related aspects of the Rules, and therefore largely subject to the same obligations.

Where horses are owned jointly through separate vehicles such as syndicates and racing clubs, those entities will also have distinct obligations under the Rules to assist with integrity and regulatory control. These generally include (among others):

- a. registration of the syndicate itself with the racing authority;
- b. a requirement that the parties enter into a syndicate agreement (or similar), which may be required to be lodged with the racing authority;
- c. record-keeping obligations, including as to members and financial arrangements;
- d. ensuring all members are and remain eligible to own and race horses; and
- e. separately registering additional horses owned by the syndicate.

Further, certain individuals within a joint ownership may have more onerous obligations thrust upon them by virtue of their position in the group. Most relevantly, the person assigned as the 'managing owner' or 'syndicate manager' will likely be authorised to make a range of decisions on behalf of the group (which may or may not require their consent), many of which will carry significant consequences. Such persons should therefore be under an obligation to act in best interests of the ownership as a whole at all times, including where conflicts of interest arise, and this ought to be reflected in the Rules or applicable syndicate agreement.

# Section C

## Regulation and Administration

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The Rules of Racing and their enforcement do not operate in a vacuum, and may entail liaison with the various policies and stakeholders, as follows.

### 1. Licensing

Licensing of key participants is a critical component of the integrity framework. A licence is often described as *'a privilege, not a right'*, and the privilege of a licence in racing carries with it a duty to ensure knowledge of the Rules and their application. When given the privilege of a licence, such person takes with it all of the responsibilities that that licence imposes upon him/her, including one which goes to the test of honesty, knowledge and ability. This ordinarily takes the form of a signed agreement (e.g. licence application/renewal) between the racing authority and the licensed person.

While the Rules generally establish the licensing framework, they should be supported by policies which specify the requirements for obtaining (and maintaining) a licence to participate in that jurisdiction for the relevant racing season.

With respect to licensing rules, they will usually cover issues such as:

- a. requirements that certain persons – e.g. trainers, jockeys including apprentices, stable employees including stablehands and trackwork riders, bookmakers including clerks, jockeys' agents, farriers, veterinarians – must be licensed (or in some cases, 'registered' or issued with a 'permit') by the racing authority to participate in the industry;
- b. requirements regarding licensed persons who have travelled from other jurisdictions;
- c. broad powers for racing authorities to reject, issue, renew, vary, suspend, cancel and withdraw licences;
- d. powers of Stewards (or other officials) to impose licence restrictions, including suspensions and disqualifications, for rule contraventions; and
- e. structures for licence applications, including functions and powers of licensing committees.

In relation to (e.) above, racing authorities would likely benefit from the operation of a dedicated committee that is tasked with considering licence applications (which may involve interviews or inquiries). Licensing committees may be empowered to make decisions in their own right or they may make recommendations to the relevant licensing authority, which could be the racing authority or a separate government agency or integrity body.

Licensing policies will vary between jurisdictions to account for local conditions but, in most circumstances, they should address the following matters:

### **POTENTIAL TRAINERS**



- Do they have appropriate experience and qualifications to fulfil the role?
- Do they have adequate financial resources, confirmed owners and horses (once licensed), and a business plan to effectively conduct training operations?
- Do they have appropriate fitness, propriety, and suitable integrity to be licensed?
- Do their facilities have appropriate stable and training facilities for staff and horses?
- Are they assessed and interviewed to demonstrate their competency and suitability?



### **POTENTIAL JOCKEYS**



- Do they have relevant practical experience to fulfil the role?
- Do they have the requisite skills, ability, and physical and mental characteristics, to fulfil the role?
- Do they have suitable appropriate fitness, propriety, and suitable integrity to be licensed?
- Do they have suitable health and fitness, and have they been medically assessed as meeting the necessary health and fitness requirements?
- Are they assessed and interviewed to demonstrate competency and suitability?

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## **2. Rules relating to Horse Registration, Ownership, and Traceability**

### **Horse registration**

The Rules should require that any horse which is entered to run in a trial or a race is registered with the local racing authority. To ensure the integrity of the breed, and that horses involved in the industry satisfy the relevant biological constitution requirements and can be identified, key conditions of registration usually include that every horse has been included in the Stud Book of the recognised Stud Book Authority of the country in which it was foaled (which necessarily requires that the horse satisfies the definition of a ‘thoroughbred’ as set out in Article 12 of the IABRW), and has been implanted with a microchip (some countries may also require the horse to be branded with an identifying brand).

Where a horse is foaled outside the country in which registration is sought, certification of identification and pedigree should be obtained from the home country.

It is important that registration is framed as a process that requires lodgement of an application by the owner and approval by the racing authority – it is not an owner’s right. The minimum requirements of a registration application are usually provision of:

- the foal registration certificate; and
- information including the horse’s age, sex, colour, sire and dam, microchip number, brands and markings, and any disqualifications/restrictions incurred.

Naming a horse is a central part of the registration process, and an important aspect of the ownership experience. In addition to any rules regarding a racing authority’s discretion to refuse undesirable names, they should implement (and may have publicly available) a Naming Policy which clearly stipulates the relevant guidelines, restrictions, protected names, etc.

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### **Horse ownership**

In most jurisdictions, horses can be owned in various forms, such as individual, partnership, syndicate, racing club, or company. Regardless of the type of ownership, it is important that the relevant persons are captured by the Rules. Expressly requiring registration or licensing of owners under the Rules or defining an owner broadly under the Rules – such as including ‘*any person with an actual or beneficial interest in a horse*’ – is a good start.

Racing authorities must have visibility of, and jurisdiction over, owners. Transparency is a critical part of the effective functioning of the integrity framework, including for the purposes of preventing undesirable persons from being involved in the industry and using ownership as a vehicle for illegal activities (e.g. proceeds of crime, money laundering). Accordingly, when persons are applying to register their horse ownership, they should be required to provide sufficient personal information to enable their identity to be verified. In some instances, racing authorities may also wish to conduct credit checks or police checks, and the Rules and supporting policies should facilitate this.

To maintain visibility of owners, the Rules should impose obligations on them to promptly notify racing authorities of any sale/transfer of ownership via the lodgement of a prescribed form (to ensure the capture of relevant personal and other information).

Integrity of the sales process can be further strengthened through rules which require certain disclosures are made where third parties (e.g. agents) are involved, including the relevant arrangements, whether financial or otherwise. A bloodstock code of practice, which may have force under the Rules, will also help to ensure fair dealing between buyers and sellers.

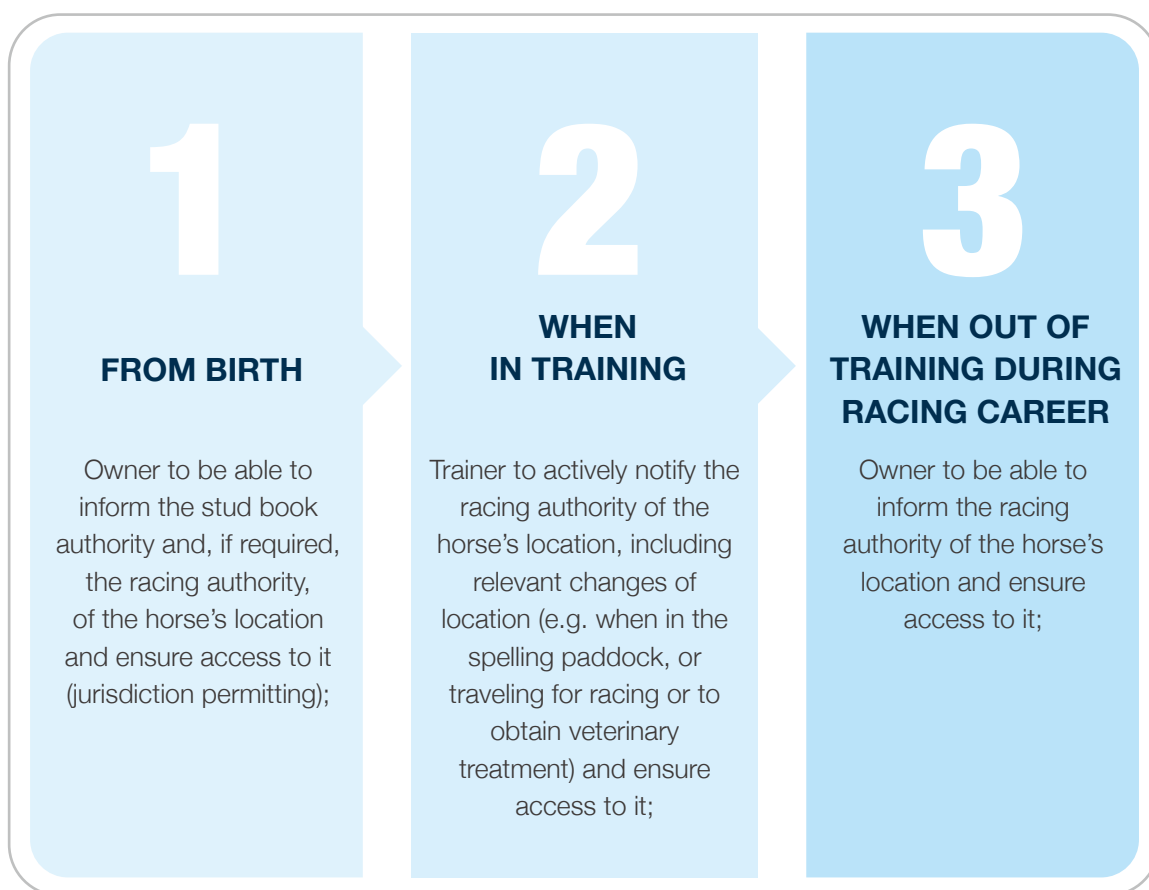
Rules and/or policies which operate to restrict persons from holding ownership interests where they are not considered to be fit and proper will also assist racing authorities in limiting the involvement of undesirable persons in the industry. Relevant factors may include where a prospective owner has been convicted of a serious criminal offence or an animal cruelty offence; found guilty of a serious breach of the Rules; or is an undischarged bankrupt. Moreover, the Rules may stipulate that any subsequent offending or failure to disclose relevant information regarding fitness and propriety could result in an owner being required to relinquish their horse interests.

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### **Traceability of horses**

Rules which ensure the traceability of horses from birth (where jurisdictional authority exists) through to retirement from racing are important for both breeding and racing integrity and welfare purposes.

Racing authorities should have knowledge of, or be able to quickly ascertain, the location of horses at all times, including to enable them to conduct testing, and to carry out inspections, in relation to prohibited substances and practices. Accordingly, the Rules could require:



Racing authorities will also benefit from traceability rules that impose obligations on a trainer and/or owner to promptly notify them of a horse's retirement from racing or death.

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### 3. Safeguarding

Safeguarding in racing (and other sports) generally means protecting children and young people, as well as adults at risk, from abuse, preventing harm and promoting their wellbeing. Safeguarding is an increasingly important part of integrity management as harm to vulnerable people involved in racing, such as through bullying and intimidation, can relate to the integrity of participants and is likely to contravene the Rules. In many cases, riders and stable staff are young people and/or from different cultural backgrounds, making them more susceptible to harm.

To ensure that safeguarding of racing participants is effective, a racing authority should have a clear written policy that includes details of the principles required to ensure safeguarding, who is covered, how concerns are to be reported, how such reports are handled and responded to, and action that may be taken when a breach is found to have occurred.

Examples of existing safeguarding policies in racing jurisdictions include:

- British Horseracing Authority – Safeguarding Policy<sup>3</sup>; and
- Racing Victoria – Participant Protection Policy<sup>4</sup>, Safeguarding Young People Policy<sup>5</sup>, Speak-Up Policy<sup>6</sup>.

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<sup>3</sup> <https://www.britishhorseracing.com/regulation/safeguarding>

<sup>4</sup> <https://cdn.racing.com/-/media/rv/2023-rv/the-sport/participant-protection-policy-revised-22-november-2023.pdf>

<sup>5</sup> <https://cdn.racing.com/-/media/rv/2023-rv/the-sport/safeguarding-young-people-policy-revised-22-november-2023.pdf>

<sup>6</sup> <https://cdn.racing.com/-/media/rv/2023-rv/the-sport/speak-up-policy-revised-22-november-2023.pdf>



# ACKNOWLEDGEMENTS

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**CHAPTER TWO**  
**STIPENDIARY STEWARDING**  
**AND THE RULES OF RACING**



# **CHAPTER TWO**

## **STIPENDIARY STEWARDING AND THE RULES OF RACING**

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### **Introduction** **32**

### **Section A – The Role of a Steward** **33**

1. Natural Justice and Stewards
2. The Qualities of a Steward
3. Appointment of Stewards
4. Jurisdiction & Powers of Stewards
5. Functions of the Stewards – Non-Race Day
6. Functions of the Stewards – Race Day
7. Consistency

### **Section B – Inquiries** **39**

1. Inquiry Notification
2. Introduction to Inquiry
3. Evidence
4. Operational and Procedural Considerations
5. Issuing a Charge
6. Plea
7. Considering Further Evidence & Submissions
8. Deciding on when the Charge can be sustained
9. Finding
10. Penalty Submissions
11. Penalty Determination
12. Decision & Reporting

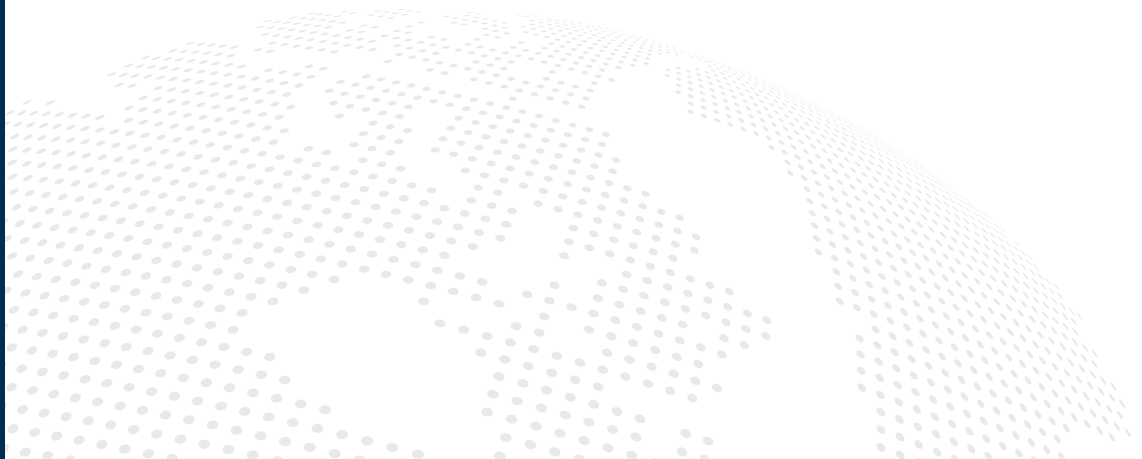
### **Acknowledgements** **49**

# INTRODUCTION

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The role of the modern-day Stipendiary Steward has developed over many years. The term 'Stipendiary Steward' can have a different meaning when referenced according to their varying roles, responsibilities and functions depending on the racing jurisdiction concerned. In some jurisdictions, a 'Steward' may have a different meaning from 'Stipendiary Steward' and relate to a governance role in a racing club.

Notwithstanding these differences, for the purposes of this chapter, we will use the term 'Steward' for all those engaged in the role of 'Stipendiary Steward'.



# Section A

## The Role of a Steward

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The roles and responsibilities of Stewards have evolved over many years, but the core purpose of the Stewards has always been, and continues to be, to regulate the sport of racing through enforcement of the Rules of Racing ('Rules') to uphold the integrity of the sport.

The Rules form the foundation of the regulatory framework and underpin all of the powers available to the Stewards. The effective regulation of racing relies on Stewards working within a robust and fair set of rules.

Whilst the roles and responsibilities of the Stewards may vary between jurisdictions, it is essential that they act independently and are free from bias in decision making. They must have no pecuniary interest in a race or any matter they are tasked to deal with, and be free from any conflict of interest, perceived or actual. These qualities/attributes are central to the core of a fair and honest Steward. The need for independent and unbiased regulation of the sport is a key pillar of integrity.

By always acting in this manner, racing participants as well as the media and the general public, can have greater confidence in the integrity of the sport and that the contest of every race meets the expected levels of probity. This approach will also ensure that participants are treated equally and fairly regardless of their standing, or level of investment or involvement in the sport.

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## 1. Natural Justice and Stewards

It is essential that a Steward always observes and complies with the principles of natural justice.

The well-stated principle of open justice that *'justice should not only be done but manifestly and undoubtedly be seen to be done'*<sup>7</sup> must underpin all of the decision-making processes performed by a Steward.

There are two basic elements of natural justice (and they apply equally so to racing): 'the fair hearing rule' and 'the bias rule'.

The 'fair hearing rule' essentially means that the Stewards adjudicating on a matter which is likely to affect the interests of a person are required to provide the person appearing before them: (i) notice of the impending matter, including details of the subject matter, and what is alleged, and (ii) an opportunity to be able to answer the case against them and to present their own case.

The 'bias rule' requires that Stewards exercising a power or regulatory function do so in an impartial and fair manner. Two types of bias exist – actual bias and apprehended bias (sometimes referred to as perceived bias). Actual bias involves the adjudicating body in effect being unable to act impartially due to certain facts and/or circumstances, whereas apprehended or perceived bias involves a perception of a lack of impartiality.

Accordingly, a Steward should have at his/her core the foundation elements of independence and unbiased behaviour and act in accordance with the rules of natural justice and the specific frameworks under which they are engaged.

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<sup>7</sup> The Honourable JJ Spiegelman AC, *The Principle of Open Justice: A Comparative Perspective*, in the University of New South Wales Law Journal, 2006 (<https://www.unswlawjournal.unsw.edu.au/wp-content/uploads/2017/09/29-2-17.pdf>)

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## 2. The Qualities of a Steward

An effective and diligent Steward should display the following qualities/characteristics:

- the ability to supervise and control a race meeting, and to provide leadership and supervision to all officials and licensed persons and industry participants at such meetings;
- an understanding of and preparedness to do what is required in order to protect the interests of the racing industry, its participants and the public;
- a sound knowledge of the horse, its condition and temperament;
- a thorough knowledge of the Rules;
- a thorough knowledge of betting and the ability to interpret betting moves and assess their possible implications on the running of a race;
- the ability to contribute as a member of a Stewards' panel and participate effectively in the conduct of inquiries;
- a confident and professional manner;
- the ability to take into account the context of racing circumstances that participants are subject to;
- the ability to read a race and to give evidence;
- an understanding of judicial/quasi-judicial/administrative tribunal processes;
- patience and the ability to remain calm in stressful situations;
- the ability to think clearly using logic and reasoning;
- the ability to assess each case they are presented with by having regard for the specific experience, background and circumstances of the individual/s involved in the matter; and
- the ability to deal with competing demands and communicate with a wide range of stakeholders.

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### 3. Appointment of Stewards

Stewards should be formally appointed to ensure that they are properly authorised with the required jurisdiction and powers to administer the Rules and regulate racing accordingly.

The manner in which Stewards are appointed can vary between jurisdictions. However, it is essential that racing authorities are able to demonstrate that the Stewards have been duly appointed by an appropriate authority in the governance structure.

### 4. Jurisdiction & Powers of Stewards

The powers and functions of Stewards are generally conferred on them by a racing authority through delegation under its own Rules, or through an applicable legislative framework.

The powers of Stewards should be provided by the Rules. Typically, these powers involve the following:

- control and supervise race meetings;
- investigate, inquire into and determine matters associated with the regulation of racing;
- facilitate the taking of samples from horses, riders and other participants where applicable for the purpose of testing for prohibited/banned substances;
- determine the eligibility or otherwise of a horse to participate in a race;
- direct that horses be examined to determine suitability to race or be trained;
- take disciplinary action in respect of participants who breach the Rules;
- establish whether a horse has been afforded a fair start;
- determine the outcome of any protest/objection in respect of the result of the race.
- void a race to ensure the safety and welfare of horses and riders, and if it is considered that a fair outcome to the race is not achievable;
- postpone, abandon or delay a race or race meeting to ensure safety is not compromised; and
- inspect stable facilities and take possession of any item which is deemed to be relevant to matters relating to the fair conduct of racing.



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## **5. Functions of the Stewards – Non-Race Day**

An essential component of the regulation and supervision of racing includes administrative/regulatory functions conducted by Stewards away from race day – these support the functions of the Stewards at race meetings.

Non-race day functions which should be undertaken by Stewards (or under their direction) include:

- out-of-competition testing (sampling) of horses;
- sampling of riders and participants in training, i.e. track work, jump-outs, barrier trials;
- confirming the eligibility and suitability of horses and persons to participate in racing;
- confirming the eligibility of horses to be entered for certain races;
- monitoring the conduct and behaviour of persons who participate in racing;
- conducting investigations and/or inquiries into potential breaches of the Rules;
- preparing for race day, which may relate to the sampling strategy and form of runners;
- inspecting racing surfaces to determine suitability and rating categorisation;
- developing policy, guidelines and directions; and
- drafting proposed Rules.

## **6. Functions of the Stewards – Race Day**

The role of a Steward at a race meeting extends beyond the non-race day responsibilities to also include all matters associated with the running of a race, including ‘running and riding’ matters, and betting related to a race. The requirement for the sport to be conducted with complete integrity and on a level playing field, together with the welfare of horses and safety of participants, remain at the core of a Steward’s race day priorities. Some of the Steward’s key race day functions include:

- verifying final race fields, which includes establishing which horses have been withdrawn/scratched and those intending to compete;
- ensure the track is safe and suitable for racing, and that all relevant officials such as the Starter, Clerk of the Scales etc. are in attendance and that all operational areas are under proper control and supervision;

- 
- horses being presented at the racetrack by the stipulated time and presentation in the parade ring/mounting yard prior to a race in a timely manner;
  - verifying or supervising the identity of horses;
  - ensuring horses race only in equipment which has been approved and, where required, declared and publicly notified;
  - monitoring and inspecting safety equipment (i.e. helmets, safety vests) as approved by the racing authority;
  - monitoring and supervising each race;
  - selecting and facilitating the sampling of horses, riders and, where appropriate, other industry participants;
  - determining protests/objections and matters relating to horses being afforded or denied a fair start;
  - determining when a race result becomes 'official';
  - determining any matter referred to the Stewards under their powers which relates to the race meeting;
  - monitoring betting activities associated with races conducted during the meeting, both at and away from the racecourse at which the race is to be conducted. This may also involve the monitoring of legal and illegal betting trends;
  - monitoring the continued suitability of the racing surface and any assigned rating classification;
  - monitoring the suitability of riders to fulfil race riding engagements;
  - engagement with veterinary personnel to ensure that only suitable horses participate in a race;
  - preparation and distribution of race incident reports; and
  - conducting investigations and adjudicating on inquiries related to the safe and fair conduct of a race, and imposing penalties on those who are found to have breached the Rules.

## 7. Consistency

It is important for Stewards to be as consistent as possible when considering any matter which comes before them. Consistency in decision making engenders the confidence of the public to continue to support the sport of racing and is also critical to industry participants so that they have a good understanding of what is and is not permitted. Whilst always operating under the umbrella that every matter should be decided on the merits of the case and that no two cases are the same, Stewards should, wherever possible, work within a framework where incidents and circumstances are largely being decided upon in a consistent manner.

## Section B

# Inquiries

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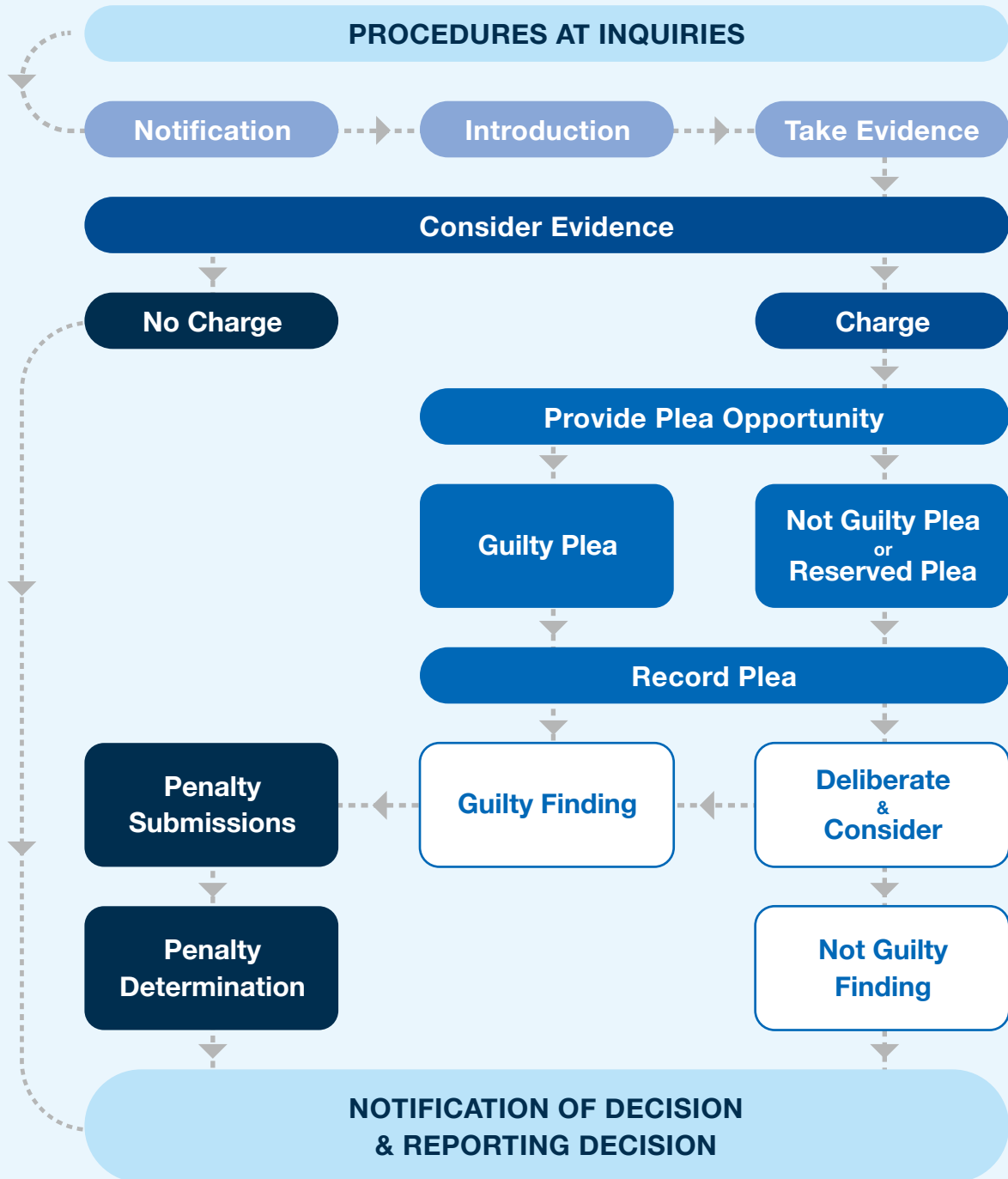
The nature of inquiries conducted by Stewards (whether on race day or otherwise) is such that, in giving effect to their administration of the Rules, the parties (Stewards and racing participants) are not generally bound by statute, but by contract. In many jurisdictions, Stewards can be seen to be a judge in their own cause, given that they can be authorised to gather the evidence in any particular matter, prosecute on the basis of that evidence and then act as the adjudicator in that same matter and issue a sanction following a guilty finding. These circumstances, while quite unique, are widely accepted and endorsed (in the case law of some jurisdictions) and do not pose a procedural impediment.

Although subject to the laws applicable in their own jurisdictions, Stewards are not bound by legal formalities ordinarily applied in legal matters before the courts. When dealing with inquiries in this context (i.e. under the Rules), they are generally categorised as a 'domestic tribunal'. The key requirement remains that Stewards must act fairly, impartially and in accordance with the tenets of natural justice when dealing with matters before them.

In some jurisdictions the structures are such that, for more significant/serious breaches under the Rules, the Stewards do not hear the matter themselves but instead they prosecute it before a specifically appointed tribunal. While these types of tribunals may be subject to an appropriate legislative framework or other procedural requirements that govern their operation, they still operate in accordance with the rules of natural justice and the standard of proof generally applicable to domestic tribunals (unless otherwise prescribed through some legislative instrument).

It is imperative that all Stewards' inquiries are conducted fairly. They must be procedurally correct and be conducted in accordance with the principles of natural justice, affording those in attendance a fair opportunity to defend the allegations against them. In addition, where possible the proceedings should be recorded by an audio device and any person appearing at an inquiry where an audio device is being used should be advised of that fact at the outset.

The natural flow of procedures at inquiries is shown in the flow chart below.



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Inquiries, whether on or away from race day, should ideally involve the following procedures/practices:

- NOTIFICATION – of inquiry.
- INTRODUCTION – stating the reason for the inquiry and identification of all parties present for the record.
- TAKING EVIDENCE – which may include video, oral and/or documentary evidence.
- CONSIDERING THE EVIDENCE & DECIDING – whether a charge should be laid under the Rules.
- CHARGE – laying a charge if appropriate.
- PLEA – the person charged being advised of the various plea options and afforded the opportunity to enter a plea to the charge.
- HEARING & CONSIDERING – evidence and submissions in reply to the charge.
- FINDING – the person must be informed of the panel’s decision.
- PENALTY SUBMISSIONS – the person must be afforded an opportunity to make submissions on penalty.
- PENALTY DETERMINATION – deliberation by members of the panel on the appropriate penalty to be imposed.
- DECISION & REPORTING – announcing the decision of the panel to the person and also publicly reporting the findings for transparency.

## **1. Inquiry Notification**

Notification of race day inquiries generally involves the calling of the relevant parties to the inquiry room, whereas notification of non-race day inquiries will generally require the relevant parties to be notified in writing. Such notification should include the place, date, time and reason for the inquiry.

## **2. Introduction to Inquiry**

After calling all persons considered to be connected with any matter arising and establishing their status (i.e. trainer, jockey etc.), the person conducting the inquiry (the Chair) should state the reason for the inquiry and the nature of the matter being inquired into. All parties present should then be identified for the record, and the date, time and place of the hearing should be recorded.

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It would also be prudent at this time to place on the record any exhibits or materials which may already be available and which will form part of the evidence. However, the introduction of materials and/or exhibits may also occur at varying stages during the inquiry depending on the circumstances.

### **3. Evidence**

#### **Taking Evidence**

After providing an outline of the nature of the inquiry, the Chair should make a decision on the procedural sequence of the inquiry. This may involve taking oral evidence, referring to any video evidence and/or establishing any documentary or physical evidence.

#### **Video Evidence**

When video evidence is introduced, the Chair will identify the visual material which forms the substance of the evidence being adduced. For instance, in a case related to interference in a race, the Chair will identify the relevant horses involved in the incident on the video recording of the race, or other matters appearing on the video, but generally no formal evidence is taken at this time. All parties should be given an opportunity to comment on the videos they have seen, and the parties should be tested on the evidence adduced via video.

#### **Oral Evidence**

In the event that a Steward gives evidence, it is recommended that the evidence is provided according to a pattern, as it will ensure that significant material is not omitted and that the person appearing before the Stewards is provided with a clear account of what may be alleged against them. The Steward should also ensure that their evidence is stated in such a form that it will be understandable by any person who was not present at the inquiry and who might later be required to read a transcript of the proceedings. Insistence on formal statements may lead to the inquiry being conducted in a more effective manner and the removal of potential ambiguity from the record. When a Steward gives evidence, it is imperative that they keep an open mind while testing their observations against other evidence that is provided at the inquiry.

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### **Documentary/Physical Evidence**

When documentary evidence is introduced, the document should be formally acknowledged as being included in the record of proceedings and given a unique identifier – e.g. entered as ‘Exhibit number X’. All documentary evidence must be available to all parties appearing at the inquiry to ensure they are afforded an opportunity to challenge/test the matters stated, advanced and/or alleged in the document. The originator/author of the document may also be called to give evidence and must be prepared to be questioned in respect of the detail provided in the document.

Physical evidence should be treated in much the same way. Depending on the nature of the physical evidence, in some cases it may be prudent to place the evidence in a secure (see-through) satchel with its own identifier – i.e. sequential number. This may also be necessary to ensure that no one can allege at a later stage that any tampering with the physical evidence has taken place while in the Stewards’ custody.

### **Standard of Proof and Evaluation of Evidence**

In proceedings before the Stewards, the standard of proof requires a consideration on the balance of probabilities, much the same as is the case in civil legal matters. There is no requirement for matters at a domestic tribunal level to be determined applying the criminal standard (i.e. ‘beyond reasonable doubt’).

When speaking of the degree of cogency which evidence must reach in order to discharge the legal burden on a normal issue in a civil case such as that dealt with in a domestic sporting tribunal, Lord Denning said: *“That degree is well settled. It must carry a reasonable degree of probability but not so high as is required in a criminal case. If the evidence is that the tribunal can say, ‘We think it more probable than not’, the burden is discharged, but if the probabilities are equal it is not.”*<sup>8</sup>

However, the more serious the allegation, the greater the degree of proof required. For example, a more serious offence involving fraud or corrupt conduct will require a higher degree of satisfaction on the balance of probabilities. Notwithstanding the above, where the matters and the nature of any charges are of a more serious nature and are likely to lead to greater consequences (i.e. more severe sanctions), then the allegations generally need to be made out to the ‘reasonable satisfaction’ (or equivalent) of the Stewards, and not just on a simple balance of probabilities.

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<sup>8</sup> Lord Denning, *Miller v Minister of Pensions* [1947] 2 All ER 372

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For most offences, the onus of proof lies with the Stewards. However, for offences involving the detection of prohibited substances, in some jurisdictions trainers may avoid being penalised where they can prove that they did not administer/cause to be administered the substance and they had taken all proper precautions/reasonable care to prevent the administration of/exposure to the substance. While trainers are ultimately responsible for ensuring that their horses are free from prohibited substances, the purpose of such a provision is to guard against a patently unfair outcome where a prohibited substance is detected in a horse through no fault of the trainer and provided that the trainer has taken all proper precautions in the circumstances – e.g. where a horse consumes contaminated feed provided by the usual supplier.

#### **4. Operational and Procedural Considerations**

Once a panel of Stewards has commenced an inquiry, that panel should remain intact until the finalisation of the inquiry. The panel must hear all the evidence together at the same time. Anything other than this may constitute a denial of natural justice to the person appearing before the Stewards. However, if a member of the panel is required to step down from an inquiry for reasons such as health, commitments or potential conflict of interest, the inquiry may continue in his/her absence if the number of panel members continues to meet the quorum requirements in the Rules. Under no circumstances should another person be added to the panel once the inquiry has commenced. Where the panel's constitution changes, the person appearing before the Stewards should be promptly informed.

After the Stewards are satisfied that all the parties have placed their evidence on the record, the Stewards will then be tasked with assessing the evidence and determining how the matter should proceed. If the Stewards can fairly say that the evidence, on the balance of probabilities, or to their reasonable satisfaction, supports the view that *prima facie* ('on face value') an offence under the Rules has been committed, then a decision should be made to issue a charge against the person concerned. If the evidence cannot support, to the requisite standard, a *prima facie* breach of the Rules, then the matter should not be progressed at that time.

#### **5. Issuing a Charge**

If it is decided to issue a charge against a person, the person must be informed what is alleged against them in a manner which is understandable to them. This is achieved by ensuring that the person is provided with full and detailed particulars of the charge. The Stewards are required to ascertain from the person charged whether they fully understand the nature of the charge, and whether they fully understand all other aspects which may



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relate to the charge, such as where and when an incident may have occurred, before establishing that the person has an understanding of the particulars of the charge. This is necessary to ensure that the person is given every opportunity to properly defend themselves. They may also apply for the inquiry to be adjourned to enable them to further consider the evidence before deciding on entering a plea to the charge.

## **6. Plea**

The person charged should be advised of the various plea options available to them and be afforded the opportunity to enter a plea to the charge. Once the person enters a plea, that plea must be formally recorded. In the event that the person pleads guilty then the plea can be accepted and the matter can proceed to addressing the matter of penalty. However, if the person pleads not guilty to the charge, or reserves their plea, then the inquiry must be adjourned to decide whether the charge can be sustained. In some jurisdictions it may be appropriate when a person ‘reserves their plea’ for the Stewards to enter a plea of ‘not guilty’ on the record, on behalf of the person.

## **7. Considering Further Evidence & Submissions**

If the person enters a not guilty plea, or reserves their plea, they may make submissions, call further witnesses, and present further evidence that they believe might assist in defending the charge or may apply for the inquiry to be adjourned for the purposes of obtaining further evidence in support of their case. The person must be given an opportunity to exhaust every reasonable avenue they wish to pursue in defence of the charge. After the charged person has presented a defence to the charge the Stewards will adjourn to consider whether it can be sustained or otherwise.

## **8. Deciding on when the Charge can be sustained**

The Stewards should decide whether the person is guilty or otherwise by considering and discussing the matter on the merits of the case. They are duty bound to weigh up all the evidence that has been tendered during the inquiry, but only that evidence. They must not take into account any other factors or matters as the charged person will not have had the opportunity to be heard on them. The Stewards should not be affected by outside factors such as media comment or public sentiment. Every decision must be made solely on the evidence presented during the course of the inquiry.

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## 9. Finding

If the Stewards believe there is not sufficient evidence to sustain the charge, then the person should be found not guilty. Alternatively, if the Stewards believe that evidence to sustain the charge does exist to the requisite standard, then a guilty finding should be made. The person should be informed of the findings of the Stewards and, where appropriate, the reasons for those findings. This procedure should occur irrespective of whether there is a finding of guilt or otherwise. Once a decision that the person is guilty of the charge has been communicated it will mean that there is a 'finding' on the matter, whereby the matter can then be progressed to the penalty/sanction stage.

## 10. Penalty Submissions

A person found guilty of a charge must be given a full opportunity to make submissions on penalty before the Stewards.

When making penalty submissions, a range of issues should be addressed (and taken into account by the panel in assessing penalty), including:

- the seriousness of the offence;
- the degree of culpability;
- the level of experience of the person;
- the degree of the person's livelihood being affected by the penalty;
- the prior record of the person in relation to similar offences;
- the previous conduct of the person in the racing industry;
- the need for the penalty to act as a deterrent in relation to future similar offences which may be committed by the person (i.e. specific deterrence);
- the need for the penalty to act as a deterrent in relation to future similar offences which may be committed by other industry participants (i.e. general deterrence);
- and
- previous penalties issued for similar offences.

The Stewards should also advise the person of the various penalty options that are available to them under the Rules in order to allow the person to address the panel as to how particular types of penalties might affect them. For example, if the person is advised that the penalty options are a reprimand/warning,

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monetary penalty, suspension of licence, or disqualification, they may advance that a disqualification or suspension would be too severe a penalty as they derive their sole income from the racing industry. Depending on the case at hand, it may be that the person advances that a fine would place them in great financial difficulty due to their particular circumstances and requests the Stewards to consider a reprimand/warning as a penalty. The fact that a person advances a particular submission in respect of penalty does not mean that the Stewards should accede to that proposed outcome.

## **11. Penalty Determination**

Generally, penalties are imposed for two reasons – punishment and deterrence. Stewards should endeavour wherever possible to apply penalties consistently, but it must be remembered that many factors have to be taken into account and that each case turns on its own set of circumstances. No two incidents are identical in every manner, so it is critical that the particular circumstances of each case are properly considered.

During deliberations on penalty, Stewards should engage in robust discussion on the available options and consider all the matters advanced during penalty submissions. It is generally good practice, after having considered all the matters advanced, to first decide on the type of penalty to be applied, and then consider whether:

- there are any mitigating factors that may reduce the severity of the penalty – e.g. first offence, good record, or early guilty plea; and
- there are any aggravating factors which may increase the severity of the penalty – e.g. a high degree of culpability (e.g. in careless riding matters – the degree of carelessness), or serious consequences of the offence (e.g. in careless riding matters – the horse interfered with had to be severely checked by its rider or more than one horse was interfered with).

It is also important to ensure that every member of the panel is afforded an opportunity to advance what penalty they believe is appropriate and the reasons for arriving at that decision.

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Importantly, decisions on penalty (similarly for determining guilt or otherwise) must be the majority decision of the panel. Generally, the Rules will provide that each member of a panel has a 'deliberative' vote (i.e. entitled to exercise a vote), and that the person acting as the Chair of that panel will also have a 'casting' vote in the event the votes on the panel are equal.

Some racing jurisdictions also make provision in their Rules for 'minimum mandatory penalties' for specific rule breaches which generally relate to matters which the industry considers the most serious. In these circumstances, the panel must impose, at least, the specified minimum penalty and cannot apply any discretion other than specific discretion provided within the Rules for such matters where 'special circumstances' exist. Generally, the factors to be considered in determining what constitutes a 'special circumstance' are specified in the Rules.

## **12. Decision & Reporting**

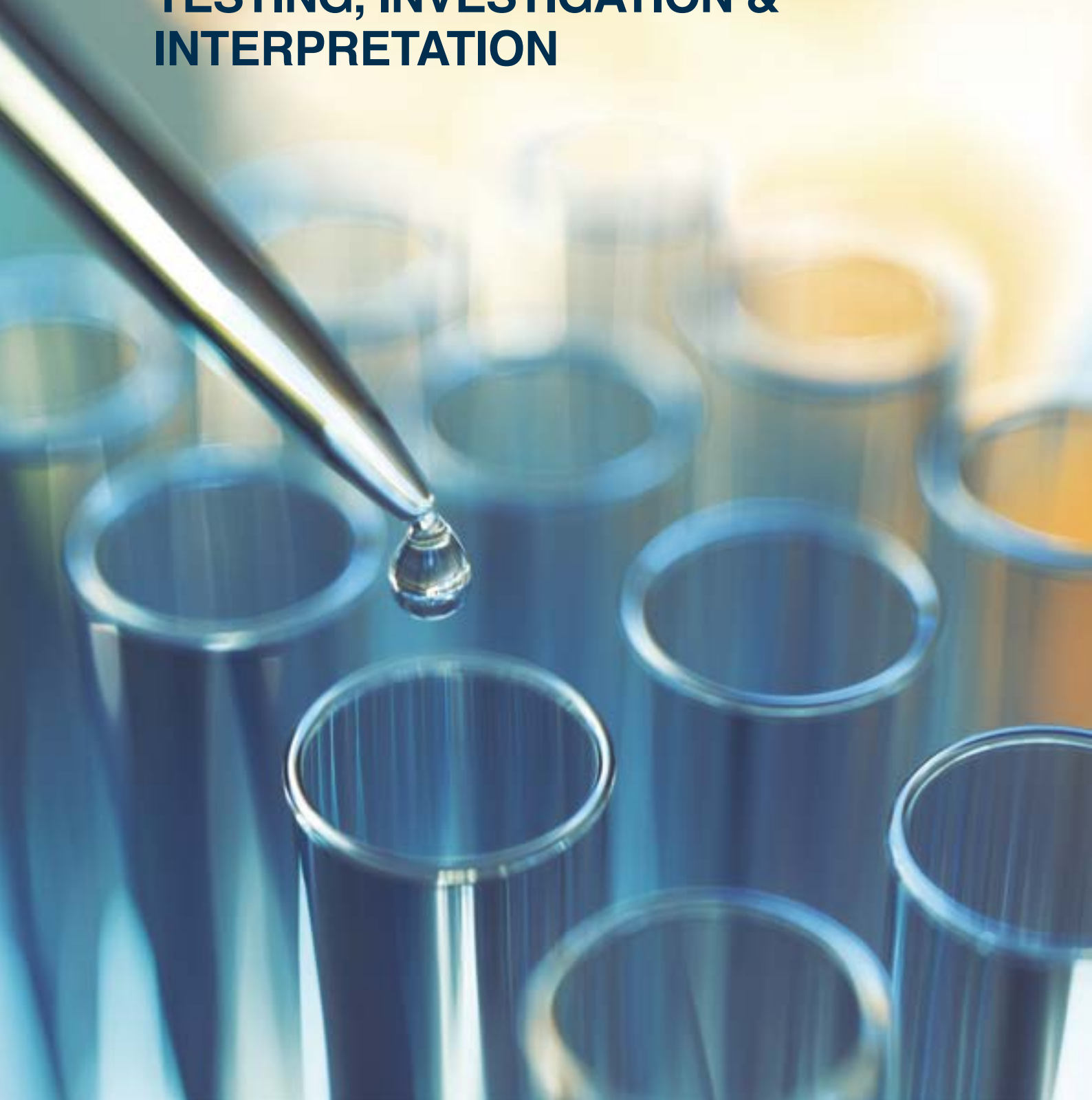
After reaching a decision on penalty the Stewards should reconvene the inquiry and announce their findings to the guilty person. The consequences of the penalty must also be explained to the person – e.g. if the penalty is disqualification, then any prohibitions attaching to a disqualified person under the Rules should be explained and, if required, a copy of those prohibitions can also be provided. Where the Rules in a particular jurisdiction contain rights of appeal, the person should be informed of such rights and any other matters associated with an appeal against the decision of the Stewards. It is important for the penalised person to fully understand their rights of appeal (where they exist) and the procedures associated with lodging an appeal, and for this acknowledgement to be entered on to the record.

After the inquiry has concluded the Stewards should draft a report which provides a summary of the salient facts in the matter, the charge(s) issued, the plea(s) of the person(s) appearing at the inquiry, the findings of the Stewards and the penalty(ies) imposed. The report will generally be published by the relevant controlling body and may also be distributed to various media. It is important for these matters to be reported on publicly as it provides transparency and will assist in fostering confidence in racing industry stakeholders and the general public that the sport is appropriately regulated and managed in accordance with its Rules.

# ACKNOWLEDGEMENTS

Name	Organisation	Position
Kim Kelly	IFHA	Chair, International Harmonisation of Racing Rules Committee
Johan Petzer	Racing South Australia	General Manager Integrity

**CHAPTER THREE**  
**PROHIBITED SUBSTANCES**  
**IN HORSES AND HUMANS:**  
**TESTING, INVESTIGATION &**  
**INTERPRETATION**



# **CHAPTER THREE**

## **PROHIBITED SUBSTANCES IN HORSES AND HUMANS: TESTING, INVESTIGATION & INTERPRETATION**

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### **Section A – Establishing Doping Control**

**53**

1. Objectives
2. Established capability
3. Continuous development
4. Thresholds, Screening Limits and Residue Limits (for horses)
5. Effective sampling and testing
6. Results investigation and interpretation
7. Presentation of results

### **Section B – Resource Requirements**

**58**

1. Security of premises
2. Facilities
3. Staff
4. Structure

### **Section C – Capability Development**

**62**

1. Scientific literature
2. Information databases
3. Association of Official Racing Chemists (AORC)
4. International Conference of Racing Analysts and Veterinarians (ICRAV)
5. Staff training
6. Instrumentation
7. Screening, confirmation and quantification methods
8. IFHA Performance Specification
9. AORC Proficiency Testing Drug Lists
10. IFHA Reference Laboratory program
11. Laboratory Information Management System (LIMS)
12. Drug reference materials
13. Provision of elective testing
14. Human testing
15. Feed, supplement and miscellaneous sample testing
16. Long-term sample storage and retrospective testing

## **Section D – Anti-Doping Standards, Quality Assurance and Audits** **71**

1. Laboratory accreditation
2. Management system to enable quality assurance (QA)
3. Compliance with ISO/IEC 17025, ILAC-G7 and various industry guidelines
4. Independent Quality Manager and QA team
5. Participating in Proficiency Testing, sample exchange and internal QA programs
6. Regular internal audits of the management system and test methods

## **Section E – Control of Gene Doping** **75**

1. Introduction -- what is gene doping?
2. Complete prohibition of gene editing
3. Available genetic therapy products
4. Ethics and welfare
5. Detection methods
6. Resource requirements

## **Section F – Sustainability** **80**

1. Research and development to improve testing capability
2. Guidelines for the Minimum Criteria for Identification by Chromatography and Mass Spectrometry
3. Publications to share with peers and enhance reputation

## **Acknowledgements** **83**



# Section A

## Establishing Doping Control

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### 1. Objectives

The primary objectives of testing for prohibited substances and methods in horse racing (and other sports) are to enforce the rules and regulations governing the sport, to ensure a level playing field for competitors, and to act as a deterrent to the misuse/abuse of prohibited substances and to therefore minimise violations.

Equine anti-doping testing aims to identify any prohibited substances or methods that may be used to enhance performance or otherwise manipulate the outcome of competition, so as to ensure that the competition is fair and on a level playing field. While prohibited substances and prohibited practices for horses have been defined respectively in the IABRW, the interpretation of prohibitions differs even among authorities that are signatories to these articles due to varying local treatment, husbandry and dietary practices. It is important to clarify these rules and establish a mutual understanding of how they should be interpreted. The following sections outline the key components necessary for an effective doping control system.

Since the horse is the main athlete in equine sports, the scope of prohibited substances for riders and other human participants is often less elaborate, aims primarily to ensure safety, and may only cover drugs of abuse and diuretics.<sup>9</sup>

### 2. Established capability

A robust and capable doping control testing system is crucial for ensuring the integrity and fairness of racing. The Rules in each jurisdiction should contain a list of approved racing laboratories at which all testing should be conducted. Such a system must be capable of covering a wide range of drugs and targets while also being reliable and trustworthy. This entails the following elements.

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<sup>9</sup> See Article 27 (Appendix 10 C), IABRW

### **3. Capability in drug/target coverage**

A comprehensive and up-to-date list of prohibited substances and methods should be established and enforced. This requires a thorough understanding of the pharmacology and metabolism of drugs used in racing and the ability to detect and analyse a wide range of substances and their metabolites at appropriate detection sensitivities (see Section C for details).

### **4. Reliability**

The testing results must be accurate and trustworthy, which can be warranted through a comprehensive quality assurance management system and accreditation by national accreditation bodies (see Section D for details).

### **5. Continuous development**

Ongoing research into new prohibited substances and methods of doping, as well as the development of new testing methodologies and technologies, is essential for sustaining an effective doping control testing system. The sharing of information and knowledge through publications and conferences helps improve the understanding of the ever-changing doping landscape and enhance the effectiveness of anti-doping efforts (see Section F for details).

If a robust and capable doping control testing system is to be established from scratch, this would easily take a number of years even when resources are not an issue. One possibility to speed up such development process requiring much expertise would be to engage experts in equine drug testing as consultants.

### **6. Thresholds, Screening Limits and Residue Limits (for horses)**

Prohibited substances can be categorised into two groups:

- substances that have no place in a horse's body at any time; and
- therapeutic substances required for the proper care of the horse but should not be present during racing.

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To strike a balance between integrity and welfare, the control of banned and therapeutic substances should differ. Banned substances should be controlled at any level, while therapeutic substances should be controlled at reasonable levels to avoid impeding the proper medical care of the horse. For controlling the naturally occurring prohibited substances found in horses or in equine feed and the therapeutic substances, regulatory thresholds and regulatory limits have been established.

### **Thresholds**

In order to control the misuse of substances which are naturally occurring (endogenous) in the horse or which may arise from plants traditionally grazed or harvested as equine feed, international thresholds have been established for these substances by the IFHA. At present, there are 10 substances with international thresholds in either urine or plasma or both.<sup>10</sup> Prohibited substances detected at levels below these thresholds are not actionable in jurisdictions where they have been adopted.

### **Screening Limits**

To harmonise the limits of detection employed by different laboratories and set a reasonable 'floor' of sensitivity to control the use of therapeutic substances, Screening Limits ('SLs') have been established by regulatory authorities, such as the IFHA<sup>11</sup>, European Horserace Scientific Liaison Committee ('EHSCL')<sup>12</sup> and the Asian Racing Federation ('ARF')<sup>13</sup> for use by racing laboratories of their respective member countries. To harmonise their application, the Association of Official Racing Chemists ('AORC') has published guidelines for racing laboratories to control the application of SLs.<sup>14</sup>

### **Residue Limits**

For controlling common feed contaminants and environmental substances, International Residue Limits ('IRLs')<sup>15</sup> have been established by the IFHA. The application of IRLs is in the same manner as that for the SLs.

Unlike regulatory thresholds, below which the relevant substances are not actionable, SLs and IRLs are merely harmonised detection limits to be adopted by racing laboratories of signatory countries when analysing for such substances. Quantification is not required for reporting as substances with SLs or IRLs are technically prohibited at any concentration.

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10 See Article 6A, IABRW

11 See International Screening Limits (ISLs) established by the IFHA <https://www.ifhaonline.org/default.asp?section=IABRW&area=1> (urine) <https://www.ifhaonline.org/default.asp?section=IABRW&area=6> (plasma)

12 See Detection times for the use of therapeutic substances based on the confidential European Screening Limits established by the EHSCL <https://www.ehslc.com/detection-times>

13 See Asian Screening Limits (ASLs) established by the ARF <https://www.asianracing.org/committees/drug-control/asls-isls>

14 See AORC Guidelines for Controlling the Application of Screening Limits <https://www.aorc-online.org/documents/guidelines-for-controlling-screening-limits/>

15 See International Residue Limits adopted by the IFHA <https://www.ifhaonline.org/default.asp?section=IABRW&area=18>

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## 7. Effective sampling and testing

Effective sampling and testing requires a comprehensive approach that includes the subject selection strategy, which may include intelligence consideration, the timing of sample collection, the choice of testing matrices, the use of test methods with appropriate sensitivity and drug coverage, and if possible biological passport monitoring.

Sampling and testing for horses should be conducted at various stages, including pre-race (on race day), post-race (immediately after the horse has raced), out-of-competition (not on race day), and other occasions such as when a horse is transferred from one trainer's stable to another. *Ad hoc* testing may be based on any unusual performance of a horse (e.g. a beaten favourite) and other intelligence gathered to identify potential doping activities. Riders are predominantly tested on race days.

Apart from being intelligence-driven, the selection of subjects for testing could be based on a percentage of the horse population in training (for out-of-competition testing), a percentage of the declared starters, runners and riders in a race (for pre- and post- race testing on race days), and the form or performance of horses in a race (e.g. the favourite and the first two or three finishers).

Multiple matrices should be used for doping control testing, including urine, blood, and ideally hair. The choice of matrix will depend on the specific substances of interest, as well as the timing and purpose of the testing. Different matrices provide complementary information on potential drug use. Rider testing is normally conducted with only urine plus the use of a portable evidential breathalyser for alcohol testing.

Regulatory samples shall be collected under a secure chain of custody and be split into an A Sample and a B Sample. The A Sample shall be tested by a single laboratory pursuant to the rules of the relevant authority (i.e. primary analysis). The B Sample may be analysed for substances identified in the A Sample (i.e. confirmatory analysis) either automatically or at the option of the person responsible or the racing authority.

Where a control solution is employed for pre-rinsing the sample collection items, this solution should be retained and can undergo testing in conjunction with the test sample, either in the primary laboratory or the laboratory responsible for confirmatory analysis.

Visibility and public records are also critical components of an effective doping control system. Test results and relevant statistics should be made available to stakeholders, including owners, trainers, riders, racegoers and the general public, in order to promote transparency and maintain confidence and trust in the sport's integrity.

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## 8. Results investigation and interpretation

Effective results management is crucial to ensure a fair and just outcome from an adverse (non-negative) finding of sample analysis. This requires a thorough interpretation and investigation of the test results and a comprehensive understanding of the relevant rules and regulations. In cases of ambiguous results or 'grey areas', further investigation will be necessary. This may include taking further samples from the horse (or rider) in question and from potential sources of the findings, investigating medication and husbandry practices, re-analysing the samples for biomarkers, comparing the test results with published studies, conducting relevant administration trials, seeking a second opinion from the AORC Analytical Data Review Board,<sup>16</sup> and/or consulting with relevant experts.

## 9. Presentation of results

The results presented to inquiries, tribunals or courts should be factual, objective, and legally sound. If requested by the racing authority, a Laboratory Documentation Package ('LDP') shall be provided by the laboratory that conducted the analysis to support its positive or atypical findings. The LDP shall comprise the necessary information to support the analytical results. A guideline on LDP has been published by the IFHA.<sup>17</sup>

Expert statement/opinion and attendance at Stewards' inquiries or law courts are often required for cases involving doping control matters. Should an expert statement/opinion be sought, it is important to differentiate the expert opinion and interpretation from the factual results presented. Expert opinions should be scientific, evidence-based, transparent and accountable in order to contribute to a fair and just outcome for all parties.

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<sup>16</sup> See Analytical Data Review Board (ADRB) documents, AORC  
<https://www.aorc-online.org/resources/adrb-related-documents/>.

<sup>17</sup> See Guideline on Laboratory Documentation Package, IFHA  
<https://www.ifhaonline.org/default.asp?section=LABRW&area=14>

## Section B

# Resources Requirements

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To deliver the objectives outlined in Section A, racing laboratories consider both capability and capacity requirements in consultation with regulators. Generally, the concepts of capability and capacity are mutually inclusive for racing laboratories – i.e. increased capacity is irrelevant without the capability to deliver quality testing services. Conversely, the capability of racing laboratories is often enhanced with increased capacity.

### 1. Security of premises

Equine drug testing is a forensic toxicological activity. As such, the capability for laboratories to perform analysis of regulatory samples begins with appropriate security of laboratory premises. Security measures may include:

- external restricted access to enable only current staff members to enter the general facility using a swipe-card, fingerprint identification or similar system, which is electronically traceable by senior staff (e.g. Laboratory Director or Quality Manager). This needs to provide an effective physical barrier between the internal laboratory space and outside environment to avoid unauthorised access;
- internal restricted access for staff members to work in designated areas within the laboratory facility depending on their specific duties. This tiered approach is established and monitored by senior staff using an electronically traceable system;
- CCTV recording of entry points and within laboratory areas (such as the secured sample storage room) for prevention of integrity breaches and/or review of any adverse incidents if they do occur; and
- monitored alarm systems for after-hours security of premises.

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## 2. Facilities

Racing laboratories require significant resources in terms of facilities provision. These include:

- workplace health and safety ('WH&S') amenities such as fire extinguishers, fire blankets, solvent spill kits, extraction hoods, water showers and eyewash stations for the protection of staff;
- single- and three-phase power for refrigerators, cool-rooms, freezers, ovens, hotplates, extraction hoods and analytical instrumentation;
- cool-room and freezer space for short- and long-term storage of samples. This may include stand-alone and walk-in 4°C and -20°C/-40°C units, together with stand-alone -80°C units. Generally, blood/plasma and urine samples may be stored at 4°C for up to 12 weeks, at -20°C for up to 10 years and at -80°C for longer than 10 years; hair samples and non-biological/exhibit/miscellaneous samples may be stored in dry condition at room temperature or 4°C for more than 10 years;
- gases including air, helium, nitrogen, argon may be sourced from cylinders or internal generators depending on the purities and quantities required;
- IT requirements including Laboratory Information Management System ('LIMS') and suitable electronic results/records storage;
- uninterrupted power supply with batteries and/or back-up power generator for connection to essential facilities in case of power failure;
- appropriate analytical instruments and equipment for performing doping control analyses (see Section C for details); and
- segregated working areas to mitigate potential laboratory contamination (such as separate rooms for the storage of reference materials, the storage of stock solutions of high drug concentrations, and the handling of unknown exhibits away from the working area where ultra-trace analyses are conducted; or a room dedicated for conducting confirmatory analyses).

The size of the premises and the scale/quantity of the facilities and equipment required would depend on the anticipated workload and sample throughput. In addition, there should be adequate back-up in case of facilities or equipment failure.

Appropriate environmental conditions are also important, as temperature, humidity, vibration, etc. can adversely affect the validity of results.

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### 3. Staff

Effective training of staff is essential to achieve the competency required for racing laboratories accredited to the ISO/IEC 17025 International Standard. Senior staff members are often members of the AORC, which requires satisfactory completion of an examination to correctly identify substances in equine urine samples. It is important that staff are competent in the following areas:

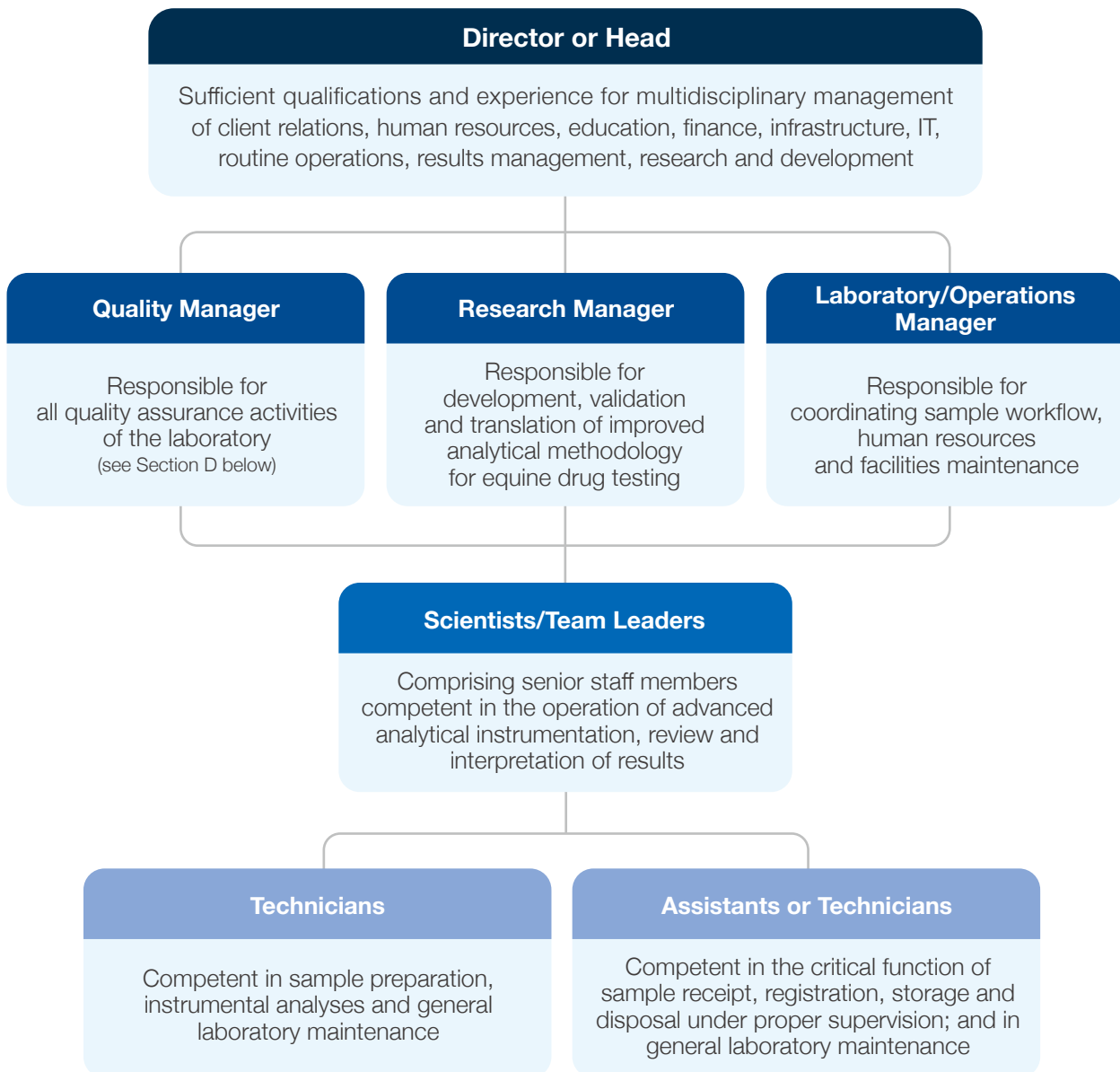
- risk management in the safe handling of biological and potentially hazardous non-biological samples;
- sample management (i.e. proper receipt, storage and disposal), chain-of-custody documentation and sample registration using LIMS (see Section C for details).
- reference material management, including procurement, registration, safety (i.e. review of Material Safety Data Sheets), handling (e.g. use of analytical balances), storage and disposal;
- sample preparation techniques including liquid handling, pH measurement and adjustment, solid phase extraction ('SPE'), liquid-liquid extraction ('LLE'), supported liquid extraction ('SLE'), and chemical derivatisation.
- instrument use including maintenance, system suitability verification(s), calibration, sequence setup, development and use of acquisition methods, review and storage of data files, processing of results; and
- review and interpretation of analytical results is one of the most important functions within racing laboratories. Unfortunately, there is no formal training and assessment for this important function and effective capability for such requires considerable training from experienced chemists and time to implement these skills before competency can be achieved.



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## 4. Structure

Racing laboratories require complementary staff capabilities that include:



## Section C

# Capability Development

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To develop, maintain and advance the capability requirements described in this Section, there are a number of sources and initiatives for racing laboratories to obtain information.

### 1. Scientific literature

A large number of scientific journals can be monitored by staff for articles relevant to advancing equine drug testing. These include: Analytical and Bioanalytical Chemistry, Analytical Chemistry, Analytica Chimica Acta, Bioanalysis, Biomedical Chromatography, Clinical Chemistry, Clinica Chimica Acta, Drug Testing and Analysis, Forensic Science International, Journal of Analytical Toxicology, Journal of Pharmaceutical and Biomedical Analysis, Journal of Chromatography A and B, Journal of Mass Spectrometry, Metabolites, Molecules, Peptides, Rapid Communication in Mass Spectrometry, Steroids, Talanta, and Trends in Analytical Chemistry (TrAC).

### 2. Information databases

Besides relevant scientific articles, other information on equine doping control testing, such as conference proceedings, results of administration/pharmacokinetic/metabolic studies, drug detection information, mass spectral data of drugs, unpublished research findings, etc. should be compiled in suitable information databases for easy retrieval and review.

### 3. Association of Official Racing Chemists (AORC)

The membership of the AORC consists of individuals, not laboratories, and is limited to those concerned with the detection of drugs in racing animals. The scope of each operation is defined by the drug control measures of the rules of racing in each jurisdiction served.

Staff engaged in equine drug testing should be familiar with AORC documents<sup>18</sup>.

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18 Available at <https://www.aorc-online.org/home/>(some only accessible to AORC members)

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#### **4. International Conference of Racing Analysts and Veterinarians (ICRAV)**

ICRAV is the preeminent forum for racing analysts, veterinarians, regulators and administrators to share knowledge and address veterinary, scientific, regulatory and welfare issues in the industry to achieve the common goals of maintaining the integrity of racing and ensuring the welfare of the animal athletes. The ICRAV is hosted by two non-profit making organisations, the AORC and the International Group of Specialist Regulatory Veterinarians ('IGSRV'), whose charters are to provide scientific support to the world's racing authorities. The ICRAV is usually held biennially to foster scientific advances in doping control and support continuous improvement in animal welfare.

#### **5. Staff training**

Staff training and assessment is a critical element of an accredited anti-doping laboratory, as only trained, assessed and qualified staff may perform each laboratory method and procedure. Besides the laboratory procedures, staff training is often focussed on good practice with the use of the wide range of instrumentation employed by racing laboratories. This can include relatively simple cleaning, calibration and operation of balances, pH meters and liquid handling instruments to more advanced maintenance, calibration and operation of hyphenated chromatographic-mass spectrometry systems.

Staff training is either provided by experienced Scientists/Team Leaders in-house (often on the laboratory's accredited methods and standard operating procedures) or by scientific vendors such as application specialists of instrument manufacturers (often on instrument hardware and software operations). Training by scientific vendors can be performed on-site or externally.

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## 6. Instrumentation

Instrumentation found in racing laboratories may include:

- analytical and top-pan balances;
- pH meters;
- centrifuges;
- automated liquid handlers;
- SPE and SLE units;
- Gas Chromatograph-Mass Spectrometers ('GC-MS');
- Liquid Chromatograph-Mass Spectrometers ('LC-MS');
- Enzyme Linked Immunosorbent Assay ('ELISA') readers;
- Polymerase Chain Reaction ('PCR') cyclers; and
- DNA sequencers.

For economical use, the minimum lifespan of instruments is usually 7 years, although high-end instruments may be used by laboratories for 10 to 15 years with good maintenance. The continual process of procuring and replacing instrumentation used by racing laboratories is a logistical challenge that also requires senior managers to maintain knowledge of developments in hardware and software applied to analytical determinations.

## 7. Screening, confirmation and quantification methods

Racing laboratories are required to effectively detect the presence of substances, including pharmaceutical and therapeutic agents, as well as those which may affect performance – i.e. either enhancing or impairing. The latter is important for protection of animal welfare, and the potential to manipulate betting markets. This has consequences for the scope of testing that requires laboratories to screen for more than 1,000 target substances.

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To achieve this scope of testing, laboratories need to develop and validate 'in-house' analytical methods with the following objectives:

- apply screening methods covering the prohibited substance categories and select the small number of abnormal or suspicious samples from the large majority of negative samples received. Depending on a laboratory's specific methodologies, this can involve between 8 and 24 separate analytical methods; and
- confirm suspicious or abnormal findings for the samples concerned using a separate aliquot of each sample to unequivocally identify the prohibited substance(s) present by comparison to a certified reference material or reference material analysed under the same condition.

The methods that most laboratories would use for screening and confirmation aim to:

- isolate prohibited substance(s) from the sample matrix (i.e. sample preparation) to obtain a fraction of the sample containing a subset of compounds that often correspond to prohibited substance categories; and
- identify a prohibited substance using an appropriate analytical determination. This involves separation of the individual components in the isolated fraction using chromatographic techniques followed by subsequent sensitive and specific (i.e. unambiguous) mass spectrometric identification.

Validation is designed to demonstrate fitness-for-purpose of in-house developed screening, confirmation and quantification methods by assessment of the following parameters:

- sensitivity – the minimum concentration at which the method can detect a substance. This is usually estimated by comparing signal to background 'noise';
- specificity – the effectiveness of the method at distinguishing specific substances from each other and from substances contained in the matrix;
- recovery – assessment of extraction efficiency made by comparison between pre- and post-extraction spikes
- matrix effects – assessment of matrix contribution to the measured response by comparison between the sample extract and neat standard(s);
- stability – investigation of change in substance abundance over time under different storage conditions;
- linearity (for quantitative methods) – the working analyte concentration range of the method for which a calibration is applied;

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- accuracy (for quantitative methods) – the error incurred by the method in determining the concentration of a substance in the sample. This is usually estimated by the relative error =  $[(\text{measured}-\text{nominal})/\text{nominal}] \times 100\%$ ; and
  - precision (for quantitative methods) – the method's ability to produce consistent numerical results. This is usually estimated by the relative standard deviation (also called coefficient of variation) =  $[(\text{standard deviation}/\text{average}) \times 100\%]$ .

An important distinction needs to be made between qualitative and quantitative analytical methods. Qualitative methods are designed to detect exogenous substances foreign to the mammalian system, from which a determination of prohibited substances being present or not is made. Quantitative methods require accurate and precise measurement of the levels of endogenous substances naturally occurring in the mammalian system, which are subject to numerical thresholds prescribed by the IFHA and promulgated by the Rules of Racing in individual countries. Here, the goal for laboratories is to ascertain how much of a specific substance is present in a sample with respect to the threshold. Levels at or below the adopted threshold are not considered to contravene the Rules. Levels above the threshold, taking into account the estimated measurement uncertainty associated with the method, are deemed to contravene the Rules. The estimation of measurement uncertainty is based on results obtained by laboratories during validation of a quantitative method.

## 8. IFHA Performance Specification

Racing laboratories should meet the *Performance Specification of Laboratories for doping control required by the International Federation of Horseracing Authorities*<sup>19</sup>. This specification describes the minimum analytical capability required to detect exposure (i.e. the presence of a substance). These concentrations must not be construed as regulatory thresholds or screening limits. Furthermore, the Performance Specification must not be construed as restricting in any way the chemical groups or concentrations that may constitute positive findings. Many laboratories will be able to surpass this specification, and the interpretation of whether a finding and a particular concentration would constitute a violation is governed by the relevant Rules of Racing.

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19 <https://www.ifhaonline.org/Default.asp?section=IABRW&area=7>

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Procedures should ensure that the laboratory can detect prohibited substances in equine body fluids and prove their presence. Test methods must cover the chemical groups typified by the representative list. Each substance in the representative list must be detectable and identifiable at the concentration listed in the specification, if necessary, after hydrolysis of metabolic conjugates. In addition, test methods must also reliably quantify threshold substances at concentrations that would be declared positive.

## **9. AORC Proficiency Testing Drug Lists**

Another performance specification that a racing laboratory should meet is the 'AORC Proficiency Testing Drug List'<sup>20</sup> of the AORC's *Proficiency Testing Program Protocol*. This performance specification, required by laboratories of AORC member to participate in the annual AORC Proficiency Testing Program, is similar but not identical to the IFHA Performance Specification.

## **10. IFHA Reference Laboratory program**

The purpose of the IFHA Reference Laboratory program is to foster an environment in which all races that are significant to the IFHA rankings of horses, races and jockeys are supported by analytical laboratories which the IFHA has reviewed and have been assessed by it to have certain characteristics considered important by the IFHA. These characteristics include but are not limited to the scale of operations, resourcing (floor space, equipment, staffing, funding), research activity and capability to detect the use of prohibited substances including in particular the major doping agents. The detailed requirements for horseracing laboratories to be appointed and maintained as an IFHA Reference Laboratory, including the prohibited substances that it needs to have the capability to identify, are detailed in the IFHA Reference Laboratory White Manual<sup>21</sup>.

Achieving IFHA Reference Laboratory status is a worthwhile objective for every racing laboratory.

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<sup>20</sup> <http://www.aorc-online.org/documents/aorc-proficiency-testing-drug-lists/>

<sup>21</sup> <https://www.ifhaonline.org/Default.asp?section=IABRW&area=13>

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## 11. Laboratory Information Management System (LIMS)

LIMS serves as an integral part of racing laboratories to document chain-of-custody following sample receipt (including A and B samples), registration to assign customised workflows to samples, compilation of test results, and provision of customised reports in the form of a *Certificate of Analysis* for each sample. The complexity of racing laboratory operations is illustrated by the management and analysis of up to 100,000 samples of different matrices per year, with each sample being subjected to between 1 and 20 or more test schedules (screening, confirmation or quantification tests), each monitoring for between 1 and thousands of prohibited substances. Effective operations are maintained with the use of fit-for-purpose LIMS. Such systems are also capable of tracking sample kits sent to clients and recording the storage of samples within the laboratory prior to disposal or onward shipment to other laboratories.

## 12. Drug reference materials

Access to affordable high purity reference materials, also called drug standards, is a key component of laboratory capability. Parent drugs (i.e. a pure form of substances) are often available from reputable commercial vendors that laboratories have long-standing knowledge of. However, access to metabolite reference materials can be difficult. This is particularly true for phase II (i.e. conjugated) metabolites (e.g. the glucuronide or sulfate of parent drugs) commonly excreted in equine urine samples. Another difficulty can be access to certified reference materials required for quantitative analysis that conform to ISO17034 and are associated with an estimation of uncertainty for purity and statement of traceability. Furthermore, access to isotopically-labelled internal standards used to apply isotope dilution methods for quantitative analysis can be difficult. Each of these challenges may require custom synthesis of reference materials by reputable suppliers, which is usually expensive. For economy of scale, a collaborative approach to maintaining the inventory of reference materials in laboratories can be useful. This may be on a bilateral basis between two laboratories or a multilateral basis involving three or more laboratories and/or the AORC through the *Drug Standards Committee*.

One possibility to enable a racing laboratory to expand its identification capability to cover more prohibited metabolites is the use of reference materials which may be an isolate from (i) a urine or blood sample after an authenticated administration, or (ii) an in-vitro incubation with liver cells, microsomes, plasma or serum, providing that the analytical data from it are sufficient to fully justify its identity as a metabolite of the substance administered or incubated. This provision is acceptable according to the ILAC-G7 document (described in Section D below).



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### **13. Provision of elective testing**

Therapeutic substances are generally allowed to be used during training but prohibited in racing. Since pre-race withdrawal times may be uncertain or variable, the provision of an elective testing service for therapeutic substances (e.g. anti-inflammatory drugs) would allow racing participants and their regulators to ascertain if a treated horse is clear of the specified therapeutic substances on its day of race, thereby complying with the principle of drug-free racing. Some trainers (or other stakeholders such as owners) may also undertake elective testing following a change of stabling of a horse (or its ownership) in order to provide confidence with respect to the strict liability that trainers (as agents of the owners) have in relation to the detection of prohibited substances. The substance(s) being tested for are limited and must be specified such that elective testing is not a process by which the capability of a laboratory is probed by participants to ascertain whether novel prohibited substances may or may not be screened for at any point in time.

### **14. Human testing**

While equine drug testing is the major focus of racing laboratories, human testing is also important from a duty of care perspective. The safety of riders (and other participants and spectators) is paramount, so any impairment due to substance misuse that may compromise the welfare of horses and other participants must be controlled. Rider testing is usually predicated on human workplace testing for the presence of drugs of abuse and/or their metabolites in urine, including amphetamines, cannabinoids, cocaine, opioids, diuretics, sedatives and tranquilizers.

The use of Saliva Testing Kits can also provide some benefit, particularly as a screening process. There are a number of such kits available which can test/screen for most of the groups of substances referred to above. Hair sampling can also be of value as it can provide indication of historical use of illicit substances. Testing for alcohol is normally conducted with a handheld evidential breathalyser. The amphetamines category has rapidly expanded in recent years due to the emergence of new psychoactive substances that are chemically related yet distinct molecules designed to circumvent drug laws and/or laboratory detection methods. In a virtuous cycle, these substances are also important for laboratories to include for equine drug testing.

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## 15. Feed, supplement and miscellaneous sample testing

Another area that complements the analysis of equine biological samples is feed, supplement and miscellaneous sample testing. These samples submitted to laboratories by regulatory officials can include hay, grass, pellets, powders, liquids, syringes, fabrics and utensils. Regulators may submit feed, supplement and exhibit samples for testing of a specific substance(s), especially if prior information about the samples is known, or for full-screen analysis to ascertain the presence of any prohibited substance.

Equine feed and supplement testing may also be conducted via administration trials in horses and having post-administration biological samples collected for testing. Such form of 'biological' product testing may well be tedious but is much more relevant to equine doping control, as the concentration information obtained from 'direct' product testing may not be relevant, and some non-prohibited substances in the product can metabolise to prohibited substances in the horse body.

An important consideration for racing laboratories is the WH&S of staff (e.g. inhalation of powders, skin contact with liquids, and handling of syringe needles) and the potential for contamination from this category of samples. For this reason, it should be assumed that feed, supplement and miscellaneous samples submitted to the laboratory are hazardous and may contain high levels of a prohibited substance(s). Following registration, these samples can be quarantined to separate work areas (e.g. biohazard and/or fume-ventilation cabinets) prior to opening the security satchel and sample itself. The potential for contaminating the extraction apparatus and sensitive instrumentation needs to be considered to ensure that routine analysis of plasma, urine and hair samples for low levels of prohibited substances is not compromised.

## 16. Long-term sample storage and retrospective testing

Racing laboratories may store frozen samples for time periods requested by racing authorities. Depending on the storage capacity of a laboratory, generally this is between one month and two years for plasma or urine samples, but may be longer if can be stored at  $-40^{\circ}\text{C}$  or  $-80^{\circ}\text{C}$ , but the access to these conditions is usually limited by space and cost. Subsequent analysis of samples stored for periods of time longer than the routine operations of a laboratory is referred to as retrospective testing. This can be useful to harmonise the testing of samples across time periods during which the scope or sensitivity of testing performed by a laboratory has been expanded or enhanced. Retrospective testing of samples, as long as permitted under the relevant rules, can be used by racing regulators as a deterrent to the misuse of prohibited substances through the concept: "If you dope a horse and don't get caught today, you will be caught tomorrow".

# Section D

## Anti-Doping Standards, Quality Assurance and Audits

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### 1. Laboratory accreditation

Laboratory accreditation plays a vital role in prohibited substance testing. It ensures that the laboratory is competent in conducting testing activities within its scope of accreditation and that the results obtained are reliable and consistent. The IABRW recommends that the laboratories of signatory countries (which need not be located in that country) should be accredited according to the requirements of the International Standard ISO/IEC 17025, *General Requirements for the Competence of Testing and Calibration Laboratories*. Accreditation to ISO/IEC 17025 is normally sought from, and granted by, a national accreditation body which is an independent third party.

### 2. Management system to enable quality assurance ('QA')

To ensure that a laboratory is operating competently and consistently and providing assurance of the quality of test results, the ISO/IEC 17025 requires that that laboratory documents and implements a management system. Such system must either meet the requirements of the International Standard ISO 9001, *Quality management systems – Requirements*, or have addressed the following:

- management system documentation;
- control of management system documents;
- control of records;
- actions to address risks and opportunities;
- improvement;
- corrective actions;
- internal audits; and
- management reviews.

### 3. Compliance with ISO/IEC 17025, ILAC-G7 and various industry guidelines<sup>22</sup>

The ISO/IEC 17025 also requires the laboratory to observe impartiality and confidentiality, and to comply with a number of structural, resource (such as staff, facilities and equipment) and process (such as selection and validation of test methods) requirements.

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<sup>22</sup> The guidelines set out in this section are current as at the time of publication

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As ISO/IEC 17025 is a standard for all testing and calibration laboratories, the IABRW also recommends that racing laboratories are accredited to the requirements of the supplementary document, ILAC-G7, *Accreditation Requirements and Operating Criteria for Horseracing Laboratories*<sup>23</sup>, published by the International Laboratory Accreditation Cooperation ('ILAC').

The latter guidance document (i.e. not a protocol document) was compiled by a working group of laboratory accreditation experts and experienced racing chemists. It amplifies some of the requirements of ISO/IEC 17025 specific for racing laboratories, and includes an important guide for establishing the presence of prohibited substances, with considerations for forensic integrity and criteria for both regulatory identification and regulatory quantification. All test methods to be accredited must be properly validated. Generic criteria for the use of common techniques are also given; however, more specific criteria are referred to a number of guidance documents issued by the AORC or the IFHA, such as<sup>24</sup>:

- *AORC Guidelines for the Minimum Criteria for Identification by Chromatography and Mass Spectrometry*;
- *AORC Guidelines for Referee Analysis*;
- *AORC Guidelines for Controlling the Application of Screening Limits*; and
- *IFHA Guideline on Laboratory Documentation Package*.

The ILAC-G7 also stipulates that racing laboratories should seek accreditation on the basis that they can reliably meet a certain performance specification, such as the Performance Specification<sup>25</sup> adopted by the IFHA (see Section C). Additional or other performance specifications, which may be required by the client racing authority and to which a racing laboratory may seek accreditation, are listed in the ILAC-G7.

#### **4. Independent Quality Manager and QA team**

In order to allow the implementation, monitoring and assessment of QA activities to ensure the reliability of the laboratory test results, the laboratory should have established an independent Quality Manager ('QM') and, if necessary depending on the volume of testing activities, an independent QA team to assist the QM.

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23 International Laboratory Accreditation Cooperation, "Accreditation Requirements and Operating Criteria for Horseracing Laboratories", ILAC-G7:4/2021, Apr 2021, 16 pp (See [https://ilac.org/latest\\_ilac\\_news/revised-ilac-g7-published/](https://ilac.org/latest_ilac_news/revised-ilac-g7-published/))

24 Additional guidance documents adopted by the AORC since the publication of ILAC-G7: 4/2021 include: *AORC Guidelines -- Recommendations for the Screening and Confirmatory Analysis of Animal Hair Samples*; *AORC Guidelines for the Minimum Criteria for Identification of Transgenes or Vectors by Polymerase Chain Reaction (PCR) Analysis*; and *AORC Guidelines for Deriving Thresholds*

25 *Performance Specification of the Laboratories for Doping Control Required by the International Federation of Horseracing Authorities*, see <http://www.horseracingintfed.com/default.asp?section=IABRW&area=7>

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The QM should have the authority and responsibility to develop, implement and assess QA activities and ensure compliance with the quality requirements of the management system. To do so, the priority and functions of the QM should be focused on QA and quality control activities, including but not limited to:

- administering and co-ordinating all internal and external QA, proficiency testing, and sample exchange programs (see below for more details);
- organising a series of internal audits to be conducted periodically by qualified persons not directly involved in the activities being audited (see below for more details) and the management review, and ensuring any necessary corrective and preventive actions are completed;
- managing and up keeping the management system documents, the reference material and reference standard collections, and the proper storage and disposal of test samples;
- arranging the calibration, maintenance and repair of all laboratory equipment, utility supplies, and other laboratory infrastructure; and
- conducting an additional and independent review of all positive findings before they are reported to ensure such findings can withstand legal and scientific scrutiny in the authority's results management process.

Further, in order to have an objective and independent perspective, the QM and QA team should remain independent, as far as possible, from routine testing activities of the laboratory.

## **5. Participating in Proficiency Testing, sample exchange and internal QA programs**

Interlaboratory comparison is an important requirement to ensure testing reliability. ISO/IEC 17025: 2017 states, "*The laboratory shall monitor its performance by comparison with results of other laboratories...*". Such monitoring shall include participating in, either or both, Proficiency Testing ('PT') and/or interlaboratory comparison other than PT.

One important PT program that all racing laboratories should join is the annual AORC PT Program, which member laboratories of the AORC can join any or all of the urine, plasma and hair programs. As the detectability of different prohibited substances in horse urine, blood (plasma or serum) and hair varies considerably, equine doping control should involve the testing of all three matrices, and racing laboratories should have validated and accredited methods to analyse horse urine, blood (plasma or serum) and hair samples.

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While the availability and frequency of participation of relevant PT programs for horseracing laboratories are limited (e.g. the Racing Medication and Testing Consortium ('RMTC') External QA Program for RMTC's accredited and candidate laboratories, and the IFHA PT Program for IFHA's reference and candidate laboratories), racing laboratories should organise or take part regularly in additional interlaboratory comparison<sup>26</sup>, such as the Asian Quality Assurance Program – Positive Program organised by the AORC Asian Section.

In addition, racing laboratories should operate an internal single-blind QA program that involves the regular insertion, by the laboratory's independent QA team, of positive (either spiked or post-administration) and negative samples into the official doping control samples received by the laboratory in order to assess the laboratory's testing reliability (i.e. checking for, respectively, any false-negative and false-positive findings). A double-blind QA program can also be arranged with the cooperation of a client authority's sampling team for monitoring the laboratory's routine testing reliability.

## **6. Regular internal audits of the management system and test methods**

Racing laboratories should conduct internal audits at planned intervals to check whether the laboratory's management system and testing activities are implemented effectively and conform to the laboratory's own requirements and those of the ISO/IEC 17025 International Standard. Such internal audits are independent and systematic examinations that aim to investigate the root cause(s) of any quality issue, identify the corrective action(s) needed to improve the management system and quality of the laboratory results, and promote awareness of QA among laboratory staff.

The internal audit plan or schedule should comprise audits to be conducted periodically throughout the year by qualified persons not directly involved in the activities being audited, ideally covering all laboratory activities and test methods prior to the conduct of management review, which is usually performed on an annual basis. Additional internal audit(s) should be conducted whenever there is a change affecting the laboratory or a concern on the effectiveness of the management system and/or reliability of the testing activities.

The internal audit reports should be followed up whenever non-conformities are identified and appropriate corrective actions have been implemented. Recommendations for improvement identified during an internal audit can also be adopted.

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<sup>26</sup> See Clause 1, Part A of ILAC-G7: 4/2021 on the exchange programme for cross-checking negative samples

# Section E

## Control of Gene Doping

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### 1. Introduction – what is gene doping?

Doping in racing is generally understood to be the use of medications, drugs or other substances that are prohibited. While conventional forms of doping continue to present significant integrity and welfare threats, gene doping is widely considered as the next generation doping threat to equine and human athletes alike.

In racing and breeding, the term ‘gene doping’ is commonly used to describe the use of gene editing, genome editing, or unauthorised genetic therapy that may alter genome sequences and/or gene expression by any mechanism. Gene doping is a general term covering a broad range of conduct not permitted in racing or breeding at any time, which includes (but is not limited to) the use of gene transfer and gene silencing technologies.

To help combat the threats presented by gene doping, the IFHA has developed a model regulatory framework for its prohibition and control. Under the IABRW, the following is specifically prohibited:

- a. genome editing, which involves the insertion, deletion and/or replacement of DNA in the genome of a horse;
- b. gene editing, which involves the insertion, deletion and/or replacement of DNA at a specific site in the genome of a horse;
- c. genetic therapy (including the use of polymers of nucleic acid, nucleic acid analogues, genetically modified cells, and agents which are capable of affecting and/or manipulating gene expression), except as specifically permitted by racing authorities in very limited circumstances;
- d. agents that are capable of affecting and/or manipulating gene expression (including agents with the capacity to alter genome sequences and/or certain regulation of gene expression).

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## 2. Complete prohibition of gene editing

In circumstances where there are currently no therapeutic uses for certain types of genetic therapies – in particular gene editing or genome editing – their use or administration is prohibited at all times. Although gene editing and genome editing can introduce a precise change within a gene, they are also known to cause ‘off-target’ effects – i.e. unwanted changes to regions of the genome that were not targeted – and therefore can pose a significant welfare risk to horses. Further, as gene editing and genome editing (both of which have become popular as scientific research methods) have the capability to create genetically modified animals, without the appropriate regulatory approvals these practices constitute a criminal offence in many countries.

In addition, given that gene editing or genome editing of an embryo can modify the heritable genome, any horse discovered to have been the subject of such practice may be excluded or removed from the relevant Thoroughbred Stud Book (as set out in the IABRW). This could have serious repercussions for the thoroughbred status of such horse’s progeny.

## 3. Available genetic therapy products

At the date of this document, there are no genetic therapy products licensed for use in horses. As such, the use of any unlicensed product is a contravention of the Rules of Racing because it can constitute an equine welfare risk. If a genetic therapy which is not capable of modifying a horse’s heritable genome is developed and approved by regulators as a suitable treatment for horses, its use under specific conditions (which could include the imposition of a ‘not to race’ stand down period following treatment) may be allowed with express permission from the relevant racing authority. The application of such a therapy would also be dependent on the provision of a veterinary diagnosis of a disorder or injury that could benefit from the therapy. However, until such time as such a genetic therapy is properly assessed for safety and efficacy and all necessary regulatory approvals have been obtained, the use of these therapies in thoroughbred racehorses is banned.



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## 4. Ethics and welfare

Although gene doping presents similar integrity and welfare threats to the racing industry as conventional doping, it also confers additional risks, particularly when applied to horse breeding. Both pre-clinical and clinical trials of genetic therapies in humans have caused leukemia and death through unpredictable insertion of the introduced transgene, acute allergic reactions to the introduced DNA, and liver failure for unknown reasons. Insertion of the EPO gene into macaque monkeys has caused severe anaemia due to an auto-immune response to the introduced and their own EPO. Thus, any administration of an unlicensed genetic therapy has the potential to harm the recipient's health.

## 5. Detection methods

### Suitable samples for gene doping detection

It is most likely that gene doping agents will be injected, either into muscle or directly into the blood stream. Therefore, the ideal sample for gene doping detection would either be a muscle biopsy from the injection site or a blood sample. In practice however, the injection site will be unknown, and further, the collection of a muscle biopsy is too invasive for an anti-doping test.

Previous studies have shown that when gene doping agents are administered into the muscle or joints (for genetic therapies designed to treat an injury to a joint or cartilage), at least some of the inserted DNA can be and has been detected in both whole blood and plasma. For this reason, the samples used for gene doping tests are either whole blood or plasma. Gene doping tests require blood collection in EDTA tubes. Because heparin is a PCR inhibitor that is difficult to remove during DNA extraction, using heparinized blood tubes is not recommended (unless the method of DNA extraction has specifically been adapted for the use of heparin tubes).

Transgenes metabolised in animals are excreted in the urine. Therefore, it may also be possible to use urine as a sample in the same manner as for prohibited drugs. However, it is necessary to remove the PCR inhibitors in urine during DNA extraction. Moreover, the transgene is excreted at very low concentration and degrades rapidly in urine, so the detection sensitivity from urine is low.

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### **PCR-based detection**

The first generation of gene doping detection assays target exogenous (introduced) genes called transgenes with real-time or digital PCR. Inserted transgenes have an mRNA-like structure that lacks introns (introns are regions that naturally occur within genes but are removed to allow the remaining DNA sequences to join together to become coding sequences that produce proteins). This creates novel sequences where the introns have been removed that do not exist naturally. For the specific detection of transgenes, primers should be designed to span an intron, and if used, the hydrolysis probe should be designed to bind to the unique sequence created by the removal of the intron. Well-designed assays can detect transgenes with 100% specificity and are sufficiently sensitive to detect 5-10 DNA copies in a PCR well as templates.

### **Sequence-based detection**

Sequence-based detection methods using next-generation sequencing ('NGS') can overcome the disadvantages of PCR-based detection. To perform NGS, the DNA is first extracted from a sample, then chopped into very small pieces, which are sequenced. The short sequences are then aligned to the expected sequence (i.e. reference genome) using a computational analysis method known as bioinformatics.

The NGS can be used in different ways to identify transgenes. The first is to extract all the DNA in an equine sample and perform NGS on the entire sample. Because the inserted transgenes do not contain introns, they can be detected as intron-less genes when aligned to the reference genome. This method can detect any inserted transgene that contains no introns, and being non-targeted, has greater utility than PCR-based methods.

A second application of NGS is to specifically target or capture the unique inserted gene sequences before performing NGS on the captured DNAs. This method can be used to identify multiple inserted genes, including those with slightly altered transgenic sequences.

Although NGS-based detection is a powerful procedure, it has some drawbacks when compared to PCR based detection. The analysis costs are high, and the procedures are complex. NGS also creates a large amount of raw data, often around one Terabyte per chip or lane, which needs to be securely stored. Because all this genomic information can be analysed and re-analysed, information management is extremely important. This data must be maintained in a highly secured location, samples should be anonymised within that location, and it should never be released publicly.

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## **6. Resource requirements**

### **Facilities**

Gene doping tests use PCR or similar nucleic acid amplification technologies. Therefore, to avoid contamination, separate laboratories or physically separated areas within the laboratory should be established for the different stages of analysis: DNA extraction (pre-PCR room), PCR reaction (post-PCR room), and general experiments. PCR products should only be handled within the post-PCR room. There should be separate lab coats in each specific area and gloves should never be worn across different rooms.

### **Instruments**

The detection of inserted genes using PCR requires a real-time PCR instrument. Even good quality instruments are relatively inexpensive and widely available. Any trained molecular biologist should be able to use a real-time PCR instrument.

DNA can be extracted by several methods, ranging from first principles where the required reagents and buffers can be purchased or prepared in house, to kits that contain the reagents and easy to follow instructions, to fully automated processes. A centrifuge of some sort is required to separate the DNA from the rest of the sample. Instruments that perform automated DNA extraction not only save time but have also been shown to produce more consistent quality and yields of DNA.

### **Staff**

The horse genome comprises 2.8 billion DNA bases which incorporate approximately 20,000 genes. A good understanding of, and experience in using, genomic information, is required to develop and validate gene doping detection assays. Therefore, the staff performing gene doping detection must have experience in molecular biology or molecular genetics. While any trained molecular biologist should be able to perform PCR as routine, NGS requires bioinformatics skills and experience. This type of expertise differs from the analytical chemistry required for conventional doping control tests.

# Section F

## Sustainability

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### 1. Research and development to improve testing capability

#### Direct testing

As there are no standard methods for equine doping control testing, racing laboratories have to develop, validate, obtain accreditation for and apply their own in-house methods. Because of the continual development of new and potent drugs, as well as new doping practices, these test methods cannot remain static and need to be enhanced all the time by conducting research and development ('R&D') work.

For conventional direct testing of known prohibited substances and their metabolites, such R&D work would normally involve the acquisition and verification of reference materials for the new drugs or metabolites, conducting experiments to check if any of the existing test methods can cover the new targets with or without method modification, if necessary revalidating the modified test methods, and seek an updated accreditation (of the methods with expanded coverage) from the national accreditation body. If the new targets cannot be detected with any of the existing test methods, new tests will need to be developed from scratch.

#### Gene doping control

Although no evidence exists that gene doping has occurred, the techniques already exist for administration of many forms of gene doping. Despite the R&D work to produce tests to detect inserted transgenes, the detection of gene editing remains challenging. The most effective means of doping control is introduction of doping detection tests as a deterrent. However, with uncertainty on administration methods and detection windows, a broad range of potential gene doping targets is currently still difficult to detect in the laboratory. A successful gene doping control program might need to combine the development and implementation of different types of detection methods, education on the risks of unlicensed gene therapy, and surveillance of companies that may have the capability to perform gene doping.

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### **Indirect testing**

Non-targeted screening strategies can address the potential capability gap between the scope of testing in racing laboratories conventionally focussed on known compounds and new pharmaceutical agents with doping potential. Open-ended mass spectral library search (i.e. by comparing mass spectra obtained from test samples with those from mass spectral databases such as those from the AORC, NIST and Wiley) can be a complementary indirect screening method.

High-resolution mass spectrometry and integrated software can provide the ability to identify an abnormality using product ion searching, mass defect analysis, recursive feature extraction and molecular networking techniques. In addition, complementary use of bioassay techniques can also enable non-targeted screening by measuring biological activity in a mammalian system rather than a direct chemical response. Once separated from the negative samples to be cleared, suspect samples can undergo further investigation to identify putative doping substances using database libraries, retention time prediction and *in silico* dissociation. Then the procurement of a commercially available reference material or custom synthesis of the substance can enable confirmation in relation to meeting the criteria of the AORC.

## **2. Guidelines for the Minimum Criteria for Identification by Chromatography and Mass Spectrometry**

Transcriptomic, proteomic and metabolomic ('OMICS') methods can provide the potential for discovery of (naturally-occurring) biomarkers for indirect detection of prohibited substances and methods. A benefit of biomarker approaches is that similarly acting substances can be detected by a single method, without the need to develop new direct detection methods for novel but comparable substances. The R&D of OMICS-related methods can enable the investigation of 'biological passport' approaches for longitudinal monitoring of biomarkers to identify change over time (against the individual or population normal ranges).

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This may improve retrospectivity for the detection of ‘known’ prohibited substances and sensitivity for detecting ‘unknown’ substances from which the biological ‘signature’ or ‘effects’ persist for longer than the presence of the doping agent itself. This concept can be used by racing laboratories to assist racing authorities with the development of intelligence-based integrity systems, including:

- *intra*-individual assessment of levels for substances controlled by international thresholds established from *inter*-individual (i.e. population) based statistics to provide evidence of sub-threshold doping; and
- profiling of endogenous substances with the potential for manipulation but for which no threshold currently exists.

Racing authorities can use intelligence provided by laboratories to scrutinise the activities of participants and plan future sampling strategies, including out-of-competition testing.

### **3. Publications to share with peers and enhance reputation**

Publication of R&D work performed by racing laboratories is an effective means to communicate and share findings with other laboratories. This can avoid unnecessary duplication of R&D efforts and encourages collaboration between laboratories for mutual operational and reputational benefit. Further, publishing the newly-developed detection capability of a racing laboratory would also serve as a deterrent against doping.

# ACKNOWLEDGEMENTS

Name	Organisation	Position
<b>Adam Cawley</b>	Racing Analytical Services Ltd	Science Manager
<b>Natasha Hamilton</b>	IFHA	Chair, Gene Doping Control Subcommittee
	Racing Australia	Director, Equine Genetics Research Centre
<b>Emmie Ho</b>	The Hong Kong Jockey Club	Head of Racing Laboratory
<b>Teruaki Tozaki</b>	Laboratory of Racing Chemistry	Manager, Genetic Analysis Section
<b>Terence Wan</b>	IFHA	Chair, Advisory Council on Equine Prohibited Substances & Practices; Chair, Reference Laboratory Technical Committee



**CHAPTER FOUR**  
**HORSE HEALTH, SAFETY,**  
**SECURITY & WELFARE**





# **CHAPTER FOUR**

## **HORSE HEALTH, SAFETY, SECURITY & WELFARE**

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<b>Introduction</b>	<b>86</b>
<b>Section A – IFHA Principles and Guidelines Regarding Horse Health and Welfare</b>	<b>87</b>
1. Practices that have no place in the treatment or management of a horse intended to race	
2. Specified prohibited practices	
<b>Section B – IFHA Minimum Horse Welfare Guidelines</b>	<b>90</b>
<b>Section C – IFHA Principles of Good Practice: Horse Welfare</b>	<b>91</b>
<b>Section D – IFHA Transportation Welfare Guidelines</b>	<b>93</b>
<b>Section E – Traceability of Horses</b>	<b>94</b>
<b>Appendix – Additional Guidelines and Resources</b>	<b>96</b>
<b>Acknowledgements</b>	<b>97</b>

# INTRODUCTION

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Horses are the centerpiece of racing and their health, safety and welfare must be the priority of all participants in the sport. Welfare must extend beyond simply meeting minimum standards to ensuring horses live a life worth living during all phases of their lifecycle.

The racehorse is an elite athlete and, as with human athletes, is trained to perform at its best, having regard to its anatomy and physiology. Racing authorities and other stakeholders should prioritise the health, safety and welfare of the sport's equine athletes to mitigate risk of injury to both horses and riders.

It is necessary for humans to take all reasonable steps to protect racehorses, both from the risk of injury and death, and also from factors that adversely impact their quality of life. Performance should never come at the expense of a horse's welfare.

As a high-performance athlete, defining what constitutes welfare for a racehorse in training is more complicated than defining the welfare of food animals or companion animals. Racehorses must be provided with a very high standard of husbandry to facilitate a good quality of life and to enable them to perform competitively. It is the responsibility of racing authorities to implement rules, procedures and systems to ensure good welfare at all times.

While the care of a horse is primarily the responsibility of the owner and/or their authorised manager (usually the trainer), it is vital that racing authorities are proactive in ensuring, as far as is possible, that all participants consistently meet or exceed the standards of care expected – and required – by society.

This chapter lays out some of the IFHA principles and guidelines regarding the appropriate care of horses for their health, safety, security and welfare that are an integral contribution to integrity in racing.

# Section A

## IFHA Principles and Guidelines Regarding Horse Health and Welfare

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The IABRW includes the following key principles regarding horse welfare that are the basis for integrity in the sport relating to the health of horses:

- cruelty to horses is not tolerated by racing authorities;
- racing authorities, by implementing, publishing, monitoring and enforcing appropriate policies, rules and by other activities, in so far as this is in their direct or indirect control, should assure that the participants in racing themselves meet their responsibilities to provide suitable care for the horse before, during and also after racing;
- reasonable steps should be taken to ensure adequate care, a suitable diet, the ability to exhibit normal behaviour, appropriate housing, controlling practices and therapies used in racing and training, and by protection from injury and disease;
- in the context of these responsibilities of racing participants for horse care, it is recognised that properly conducted euthanasia can be a humane option for horses in appropriate circumstances; and
- whilst racing carries risks, reasonable steps should be taken to prevent avoidable risks and research ways of reducing the risks that are currently unavoidable, and to share this information between racing authorities and participants.

These principles are an important starting point to ensure horse welfare, with the IABRW setting out more specific guidelines and best practices therein.

Anti-doping is one such area that is not only critical for racing integrity but also for horse health and welfare. The IABRW provides that any practice that jeopardises the health and welfare of the horse, the welfare of the rider or other participants, or the integrity of racing are inappropriate and prohibited. The responsibility for enforcing the regulation of any such practice lies with the racing authority.

The following practices are expressly prohibited under the IABRW:

### **1. Practices that have no place in the treatment or management of a horse intended to race**

- a. the use of any object, device, behavioural activity, or chemical to achieve an inappropriate response, at any time during training or racing;
- b. subjecting horses to medical or surgical procedures outside of a valid and transparent owner-trainer-veterinarian relationship and those inconsistent with providing medical and/or welfare benefits to the horse;

- c. use of physical or veterinary procedures or medication treatments to mask the effects or signs of injury so as to allow training or racing to the detriment of the horse's health and welfare; and
- d. practices that are fraudulent, potentially fraudulent or may have adverse consequences for the integrity of the industry.

## **2. Specified prohibited practices**

Prohibited practices include but are not limited to:

- a. racing a pregnant mare beyond the time set by the racing authority;
- b. withholding of water prerace to the detriment of the health, welfare or safety of the horse;
- c. the use of extracorporeal shock wave therapy in a manner that may desensitise any limb structures during racing or training;
- d. the withdrawal of blood from a horse for any purpose other than for diagnostic/laboratory testing procedures or as permitted by (e) below;
- e. the withdrawal, manipulation and reinfusion of homologous, heterologous, or autologous, blood products or blood cells into the circulatory system with the exception of those procedures performed for lifesaving purposes or in the use of veterinary regenerative therapies for the treatment of musculoskeletal injury or disease;
- f. the use of chemical castration or immunocastration;
- g. the application of thermocautery to the skin over the musculoskeletal structures to cause a counterirritant effect;
- h. the application of a substance to cause vesiculation of the skin and underlying tissues;
- i. the use, or attempted use, at any time, of any electric or electronic apparatus or other device capable of affecting the performance and/or behaviour of a horse. Note: where an electric or electronic apparatus has been designed to deliver an electric shock it is deemed capable of affecting the performance and/or behaviour of a horse;
- j. the use on, or administration or application to, any horse of any therapy, method or process which involves gene editing or genome editing (as defined in the IABRW).

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Where a horse has been subjected to any of the above specified prohibited practices, the racing authority may, in its discretion:

- a. suspend, make ineligible to race or otherwise make any order in relation to the subject horse; and/or
- b. take any disciplinary action against the trainer and/or any other relevant person.

The IABRW also sets out the trainer's responsibilities regarding prohibited practices, namely:

- the management, protection and security of the horses in his/her care;
- the avoidance of prohibited practices;
- keeping informed of the possible consequences of therapies given to his/her horses; and
- keeping appropriate records of all veterinary procedures and medication treatments.

Further, the IABRW provides that at any time the owner, and, if in training, also the trainer, is responsible for compliance with the provisions of Article 6C and in particular requirements for record keeping and notification to the racing authority.

In addition to preventing the use of prohibited substances, integrity and horse welfare are also related in the necessity to monitor racing injuries and prevent fatalities. This is particularly important as a racing authority, and the regulatory veterinarians in its employ, have a responsibility to ensure that horses meet appropriate standards of suitability to race, which includes requirements to protect the health and welfare of horses, identify horses at risk, and prevent injuries.

## Section B

# IFHA Minimum Horse Welfare Guidelines

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The IFHA Horse Welfare Committee has produced ‘Minimum Horse Welfare Guidelines’<sup>27</sup> as guidance for the care and welfare of horses at different times of their life. Racing authorities should refer to this guidance to establish accepted horse welfare practices in their jurisdiction, and to inform minimum standards of participant behaviour, and drive behavioural change where necessary.

In addition to defining ‘horse welfare’ and setting out general health and wellbeing requirements, the Guidelines expand on the ‘Five Domains Model’ of animal welfare, which is a useful tool in devising minimum horse welfare guidelines for a particular jurisdiction. This model assists in defining optimal and minimal provisions, and identifies a range of husbandry, veterinary and equitation impacts on horse welfare. The aim is to reduce avoidable negative experiences and ensure horses enjoy a ‘life worth living’ at all stages of life.

The five domains are:

1. Nutrition – enough water and food, balanced and varied diet;
2. Environment – comfortable and safe environment;
3. Health – wellbeing and fitness, injuries and ailments appropriately treated;
4. Behaviour – able to express natural and rewarding behaviours; and
5. Mental or affective state – comfortable in environment, sociable contact and bonding with other animals, close bond between horse and human.

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<sup>27</sup> [https://www.ifhaonline.org/resources/IFHA\\_Minimum\\_Welfare\\_Guidelines.PDF](https://www.ifhaonline.org/resources/IFHA_Minimum_Welfare_Guidelines.PDF)

## Section C

# IFHA Principles of Good Practice: Horse Welfare

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The IFHA Horse Welfare Committee has also produced 'IFHA Principles of Good Practice – Horse Welfare' which includes a section on 'Monitoring of Racing Injuries and Fatalities'<sup>28</sup>. This details the measures that racing authorities should take to achieve the objectives relating to monitoring and preventing racing injuries and fatalities. These principles are as follows:

1. Racing authorities should undertake steps to accurately monitor and record racing injuries and fatalities and, when possible, training fatalities. The data is to be used to perform analyses and conduct research in order to reduce injuries to horses and jockeys during racing and training, evaluate racing and training welfare performance, develop strategies to improve safety and reduce injuries. Uniform collection of data will ensure consistent reporting and allow for multi-jurisdictional research to be conducted, benefiting the health and welfare of the racing horse. Therefore, it is imperative that all racing authorities implement policies and procedures aimed at:
  - a. identifying the frequency, types and outcome of racing injuries using a standardised format that will allow valid statistical analysis;
  - b. creating a resource for research;
  - c. conducting research to identify markers for horses at increased risk of injury; and
  - d. performing necropsies on all racing and training fatalities to determine the anatomical location and, at a minimum, the basic pathological diagnosis of the fatal injury.
  
2. Racing authorities should adopt case criteria for the collection of data related to racing injuries:
  - a. Horses whose condition results in intervention by a veterinarian appointed by a regulatory authority or racing association. This includes, but is not limited to, horses that are:
    - scratched or declared unsuitable to race at the recommendation of the regulatory veterinarian;

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28 [https://www.ifhaonline.org/resources/Monitoring\\_of\\_Racing\\_Injuries\\_and\\_Fatalities.PDF](https://www.ifhaonline.org/resources/Monitoring_of_Racing_Injuries_and_Fatalities.PDF)

- determined to be injured/unsound/in distress, or otherwise unfit in the paddock/mounting yard, post-parade, starting gate, during or immediately after the running of a race; and
  - observed to be injured/unsound/in distress post-race.
- b. Best efforts should be made to submit data for horses:
- scratched for medical reasons not documented by the regulatory veterinarian; and
  - injured during training, or in non-race related events.
3. At a minimum, the following information should be collected: date, track, horse identification, race information (including surface, track condition and distance), location where injury occurred, incident related information (bolted, fell, clipped heels, etc.), injury description (including limb, type and details of injury diagnosis) and outcome (fatality, non-fatality or unknown).
4. Racing authorities are encouraged to utilise the following definitions of a race-related or training-related fatality to ensure consistent reporting and case definitions.
- a. Race-related fatalities: Horses that die or are euthanised within 72 hours as a direct result of injuries sustained participating in a race. This includes on-track deaths as well as horses that are injured and transported to a barn/trainer's stables or referral hospital but are subsequently euthanised within 72 hours of a race injury.
- b. Training-related fatalities: Horses that die or are euthanised within 72 hours as a direct result of injuries sustained during training. This includes horses that are injured while training and transported to a barn/trainer's stable or referral hospital but are subsequently euthanised within 72 hours of the injury.



## Section D

# IFHA Transportation Welfare Guidelines

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The IFHA International Movement of Horses Committee has produced 'IFHA Transportation Welfare Guidelines'<sup>29</sup> to promote the safety and welfare of horses during transportation for training, competition and breeding purposes. The Guidelines are a valuable resource for a range of industry stakeholders, including racing authorities, owners, trainers, shipping agents and transport operators. They do not seek to provide prescriptive instructions that must be followed.

The Guidelines address the following matters:

- the risks of horse transport;
- the role of shipping agents;
- private owner or trainer managed transport;
- the role of racing authorities;
- specific transport welfare initiatives and activities;
- duration of travel;
- incident preparedness by transport operators;
- the importance of horse welfare at transit points and border crossings; and
- research, development and implementation of best practices.

They also include reference to a list of useful documents that contain information and advice that may be used as resources by racing authorities to help set local standards and systems to manage horse transport welfare and safety.

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<sup>29</sup> [https://www.ifhaonline.org/resources/Transportation\\_Welfare\\_Guidelines.PDF](https://www.ifhaonline.org/resources/Transportation_Welfare_Guidelines.PDF)

## Section E

# Traceability of Horses

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Traceability of horses throughout the period of their life during which the racing industry has jurisdiction over them is critical to both their welfare and the integrity of racing more generally. This is because, firstly, greater transparency with respect to the status and movement of horses will enable racing authorities to better track horses and, consequently, help ensure more positive equine welfare outcomes. Secondly, improved visibility as to location of horses provides racing authorities (and their Stewards, investigators, etc.) with a better ability to identify and proactively address potential integrity threats – e.g. through out-of-competition testing or surveillance.

To enhance traceability of horses, racing authorities should, to the extent their jurisdiction permits, implement specific rules (which are supported by policies, procedures and IT systems) which require relevant industry participants – such as trainers and owners – to promptly and regularly notify the regulator of changes to the location and/or circumstances of the horse. Examples of such notification requirements include:

- foal registration within as short a time after birth as possible;
- decision to not commence racing a horse;
- change of ownership of a horse (before and during training/racing career);
- change of location of a horse (before and during training/racing career);
- decision to retire a horse;
- death of a horse.

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Traceability rules can be further supported with express powers for Stewards to access participants' properties where they hold reasonable concerns for the health and welfare of a horse (again, subject to jurisdictional limitations). This may also include a power to bring other persons (e.g. veterinarian) with them to assist in observing/assessing a horse's welfare.

By way of example, in 2021 the Australian racing authorities introduced a comprehensive suite of traceability rules directly aimed at increasing traceability for the purposes of improving horse welfare and racing integrity<sup>30</sup>.

Traceability regulations and systems are also vitally important for biosecurity purposes, as they allow racing authorities to respond more quickly and effectively to disease outbreaks. Traceability rules can therefore work in tandem with other rules that require participants to promptly notify racing authorities of the actual or suspected infection of a horse with a specified disease or condition (e.g. equine influenza, glanders).

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<sup>30</sup> Part 14 of the Australian Rules of Racing  
[https://racingaustralia.horse/FreeServices/Australian\\_Rules\\_Of\\_Racing.aspx](https://racingaustralia.horse/FreeServices/Australian_Rules_Of_Racing.aspx)

# Appendix

## Additional Guidelines and Resource

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1. The International Horse Sports Confederation ('IHSC') has produced a 'Horse Welfare Charter' which sets out what it considered as the key priorities for the protection and maintenance of horse welfare.  
<https://www.horsesport.org/downloads/IHSC%20Welfare%20Charter%20version%2011%20August%202020.pdf>
2. The International Group of Specialist Regulatory Veterinarians ('IGSRV') has produced 'Welfare Guidelines for Horseracing', which aim to provide clarity and accountability around racehorse welfare before, during, and also after racing.  
<https://igsrv.org/welfare-statement/>
3. The International Forum for the Aftercare of Racehorses ('IFAR') has produced a variety of materials to help and support racing authorities and thoroughbred aftercare providers. Particularly, the IFAR Aftercare Toolkit provides users with initiatives that constitute a roadmap for racing authorities beginning their aftercare journey and serves as a foundational checklist for more established countries.  
[The Aftercare Toolkit – Practical Strategies for Racing Authorities](#)
4. The Thoroughbred Aftercare Alliance ('TAA') sets the standard for the accreditation of farms and facilities that provide aftercare services for thoroughbreds in the US, recognising that the thoroughbred is a unique breed and requires specialised knowledge and skills for their care.  
[Code of Standards for Thoroughbred Aftercare Organisations](#)

# ACKNOWLEDGEMENTS

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<b>Matt Orr</b>	IFHA	Executive Manager
	The Hong Kong Jockey Club	Executive Manager, International Racing Policy & Regulation
<b>Brian Stewart</b>	IFHA	Chair, International Movement of Horses Committee
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# CHAPTER FIVE BETTING ON RACING



# CHAPTER FIVE

## BETTING ON RACING

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### **Introduction** **100**

### **Section A – Integrity Threats from Legal and Illegal Betting** **101**

1. Introduction
2. How Betting Markets Can Affect Integrity
3. Case study – Unregulated Betting Exchanges
4. Good Practices for Integrity in Betting on Racing

### **Section B – Bet Monitoring and Analysis of Suspicious Activity** **107**

1. Introduction
2. Racing Bet Monitoring and Analysis
3. Essential Skill Sets
4. Assessing the Risk
5. Building Betting Intelligence
6. In-house Monitoring
7. Relying on Commercial Vendors for Bet Monitoring
8. Cost-effective Systems for Smaller Racing Jurisdictions
9. Conclusions
10. Good Practices in Bet Monitoring and Analysis for Integrity

### **Section C – Tote or Fixed Odds Betting and Integrity in Racing** **114**

1. Introduction
2. The Tote System and Integrity in Racing
3. Corporate Bookmakers and Integrity in Racing

### **Acknowledgements** **119**



# INTRODUCTION

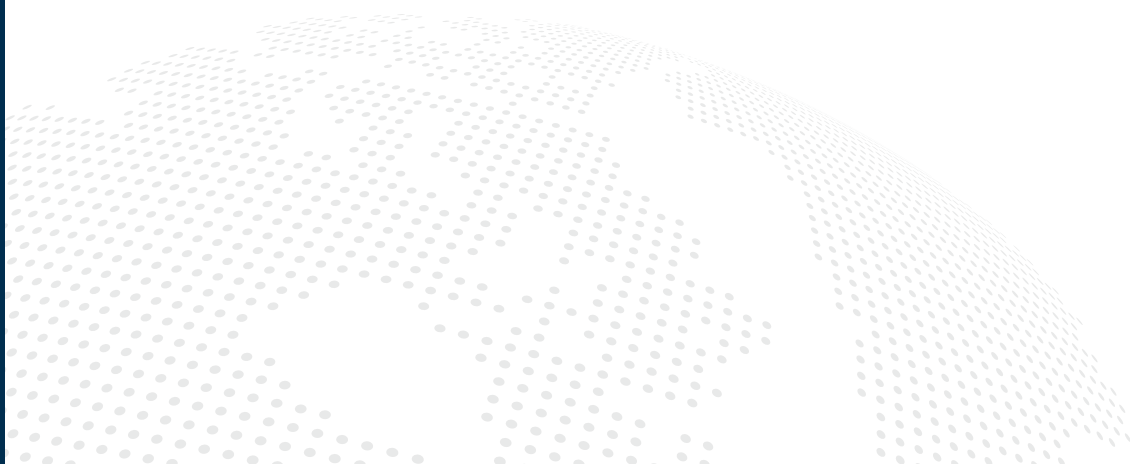
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Racing and betting have been inextricably linked for centuries; in many jurisdictions wagering is an essential part of entertainment and engagement for many fans, and provides financial support for the sport as a whole.

Betting in many jurisdictions provides a significant source of revenue for the industry, funding prize money, integrity systems, racecourse facilities, training programs, research projects, and supporting jobs within the sport. Well-regulated, legal wagering also provides substantial tax revenue to governments, and many betting operators in racing jurisdictions directly support wider society in other ways, through charitable contributions, sporting levies or similar.

However, betting presents integrity risks since it is one of the key means to profit from the manipulation of race outcomes. Manipulated races compromise the integrity of the sport, deterring honest competition and public trust and, if not addressed, can ultimately lead to the collapse of interest in both the sport and associated wagering.

This chapter first assesses the risk of legal and illegal betting as a threat to racing integrity, as well as methods to combat the problem and protect racing. It next examines bet monitoring and analysis, both of legal and illegal betting markets, as a critical part of maintaining racing integrity. Finally, the chapter explores tote and fixed odds betting in relation to integrity in racing.





# Section A

## Integrity Threats from Legal and Illegal Betting

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### 1. Introduction

This section outlines some of the risks of legal and illegal betting, along with good practices to address them. It explains how certain modes of wagering present different integrity risks and benefits, and why IFHA members should help their key stakeholders understand online betting markets on racing, in which the lines between legal and illegal betting are increasingly blurred.

While there is no unified definition of 'illegal betting', the Council of Europe's Macolin Convention defines illegal sports betting as 'any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located'.<sup>31</sup> The Asian Racing Federation Council on Anti-Illegal Betting & Related Financial Crime ('ARF Council')<sup>32</sup> has focused on the key question of whether the betting operator is licensed by the jurisdiction in which its customers are located.

### 2. How Betting Markets Can Affect Integrity

Key threats to the integrity of racing exist in both licensed and regulated betting markets as well as illegal markets. These include race- and spot-fixing, insider information, market manipulation, and money laundering.

#### Race-fixing

Race-fixing involves the manipulation of the outcome of a race. This could involve a jockey stopping their horse from winning, stopping from finishing in front of a pre-determined position or in front of another horse, or the corruption of other jockeys to not ride rival horses to their best merits, and/or performance-enhancing or -hindering measures such as the doping of horses.

#### Inside Information

Inside information refers to non-public knowledge about a horse's condition, race strategy, or other factors that may influence the outcome of a race. This information can be exploited by individuals with access to it, such as trainers, jockeys, or stable staff, to gain an unfair advantage in the betting market. For example, a trainer who knows that a particular horse is not in optimal condition may share this information with a third party who places a large bet against the horse. This not only compromises the integrity of the race but also undermines public trust in the sport.

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<sup>31</sup> Council of Europe, Convention on the Manipulation of Sports Competitions, CETS 215 (<https://rm.coe.int/16801cdd7e>)

<sup>32</sup> ARF Council on Anti-Illegal Betting & Related Financial Crime, State of Illegal Betting, May 2022 (<https://www.asianracing.org/publications/the-state-of-illegal-betting>)

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### **Market Manipulation**

Market manipulation occurs when individuals or groups attempt to control or distort the betting market for personal gain. This can be done through coordinated betting schemes, where large bets are placed strategically to influence odds and create favourable betting opportunities. Market manipulation can also involve spreading false information about a horse or race, which can mislead bettors and create an artificial shift in the betting market. Such actions can lead to unfair outcomes for other bettors and jeopardise the credibility of the racing industry. Monitoring of betting markets is a key process in identifying potential manipulation or trading on inside information. In addition, implementing large and robust licensed and regulated pari-mutuel pools is one key process that can protect markets from manipulation.

### **Money Laundering**

Legal betting markets can also be exploited for money laundering purposes. Criminal organisations may use racing to legitimise illicit funds by placing large bets on races, often using cash, and then claiming the winnings as legitimate income. This not only undermines the integrity of the sport but also poses broader societal risks by facilitating the funding of criminal activities.

### **Regulatory Oversight**

It is in the interest of both legal betting operators and racing stakeholders to ensure that both the sport and associated betting markets are of the highest integrity, to protect the competition, safeguard the customer, ensure compliance with regulatory oversight and licence conditions, among other factors. As well as moral/legal imperatives, there is also a considerable financial incentive to protect integrity as customers will abandon both the sport and the betting markets in favour of the vast range of substitute products that are available for the entertainment dollar if a sport is perceived to be corrupt.

For these reasons, many jurisdictions implement sophisticated investigative, monitoring and surveillance systems of licensed persons (jockeys, trainers, stable staff) and to detect and prevent prohibited substances, irregular betting patterns, insider trading, and other corruption.

Legal betting operators often will have formal or informal collaboration arrangements with racing authorities, to share information and resources, to identify, investigate, and mitigate threats to the sport's integrity, such as alerting racing authorities of suspicious betting patterns – in some jurisdictions, betting operators are required to provide such information as a condition of their operator's license.

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Legal betting operators also typically must comply with robust licensing and regulatory frameworks including background checks, responsible gambling policies, anti-money laundering policies, and record-keeping. In under-regulated and unregulated markets, such safeguards and arrangements are either lacking or non-existent.

For example, lay betting – profiting from a horse *not* to win a race – is a popular form of wagering on betting exchanges and an obvious threat to the integrity of racing as it is a lot easier to ensure a horse *does not* win a race than to ensure it *does* win. In order to mitigate against this, legal betting exchanges often offer to share transaction data with racing operators. Many cases of sports corruption have been identified and/or prosecuted in this fashion. But, in the case of illegal betting exchanges, no such cooperation exists, and visibility into the market can be difficult if not impossible for racing authorities.

### **Market Liquidity**

Another factor is that the liquidity in illegal betting markets is often orders of magnitude greater than what is available in the regulated markets. The United Nations Office on Drugs and Crime has estimated that illegal betting annual turnover may be as much as USD 1.7 trillion.<sup>33</sup>

Illegal betting turnover on some racing jurisdictions is comparable or greater than legal turnover for example. This means that corruptors can place massive wagers on fixed outcomes which would immediately raise red flags (or simply not be accepted) by legal betting operators without moving the market or raising alerts.

Illegal betting markets are also a massive financial crime and money laundering risk, because of the aforementioned huge, completely unmonitored, liquidity available but also because so-called ‘licensed’ betting companies can be an incredible vehicle for organised crime to seemingly legitimise the proceeds of crime.

Illegal betting on racing and other sports remains a major revenue generator for the organised criminal groups that run such websites, even though they typically provide zero benefits either to the sport of racing through levies or product fees, or to the jurisdictions in which they take bets through taxation.

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<sup>33</sup> United Nations Office on Drugs and Crime (UNODC), Global Report on Corruption in Sport, 10 February 2023 (<https://www.unodc.org/centralasia/en/first-ever-global-report-on-corruption-in-sport-flags-urgent-need-for-unified-international-response-to-corrupt-practices-in-sports.html>)

### 3. Case Study – Unregulated Betting Exchanges

Citibet (aka 长城, LK988) is the largest platform for illegal betting on racing in the world. It is a betting exchange which only offers thoroughbred, harness and greyhound racing and is not known to be licensed in any jurisdiction.

In many of its core markets in Asia, Citibet's turnover is incredibly large, because of its franchise pyramid-scheme-like marketing model, high commission-based bettor recruitment incentives, and social media advertising, but also because its prices (odds) are usually far better than legal totalisators because it neither pays tax nor has any of the overheads of racing authorities such as tracks, stabling, staffing, etc.

It is also highly competitive from a product perspective as it offers 24/7 365 days a year wagering on every major racing jurisdiction, which may be unavailable in local legal markets, as well as (pirated) live-streaming of every race and the ability to bet on credit.

This huge liquidity, coupled with the fact that Citibet as a betting exchange allows bettors to profit from a horse not winning a race, provides obvious incentives for corruption. Given that Citibet does not collaborate in any way with racing authorities – in fact quite the opposite – the threat is further amplified.

This should not just be a concern for racing authorities or regulated betting operators. The massive turnover on Citibet has no benefit to racing or society in the form of tax or other duties. In fact, these profits fund organised crime, as intelligence and media reports state that organised crime groups are heavily involved at all levels of Citibet's globally distributed pyramid model.

Although most of Citibet's turnover is on Asian racing, virtually every major racing jurisdiction is available on the exchange. Meanwhile, many other unregulated 'white-label' exchanges are also active across IFHA jurisdictions, presenting the same integrity and other threats.

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## 4. Good Practices for Integrity in Betting on Racing

In addressing illegal betting, there are several key practices and steps that governments, stakeholders, and racing authorities (and other sports organisations) should follow. In *Good Practices in Addressing Illegal Betting* by the ARF Council, these are as follows:

- To improve collaboration on major issues, racing and international sports bodies should work together to foster good practices in identifying, preventing, and mitigating risks associated with illegal betting.
- Governments and stakeholders should adopt clear definitions of illegal betting and impose stringent regulations on betting operators, including licensing and approval requirements.
- Legal betting operators should work to improve their competitiveness against illegal operators and cooperate with regulators and sport.
- Governments and regulators should work together to harmonise compliance regulations, ensure transparency, and establish national sporting integrity units. Sports organisations should consider the reputational risks associated with sponsorships involving betting operators targeting customers in jurisdictions where online betting is unlawful.
- Legal betting operators should implement responsible gambling programs and governments should ban the practice of betting on credit.
- Law enforcement bodies should equip staff with knowledge on illegal betting, enhance cybercrime and anti-money laundering knowledge, and strengthen international cooperation to address illegal betting and organised crime.
- Racing, other sports and legal betting industries should work together to pressure tax havens and jurisdictions enabling unregulated and under-regulated betting.
- Racing authorities and other sports organisations should (where possible) employ in-house betting analysts, automate bet monitoring, and have access to sports integrity intelligence systems.

- 
- Confidential reporting channels should be available for suspected corruption and malpractice, and legislation should compel betting operators to share relevant information with racing authorities and other sports organisations.
  - An integrated intelligence capability is essential to combat the sophistication of illegal betting markets. Racing authorities and other sports organisations should develop diverse sources of information, and senior executives must commit to supporting intelligence capabilities.
  - Regulators should have trained staff to undertake complex investigations, robust licensing and registration processes, and rules allowing inspection, search, and seizure. They should also consult lawmakers to investigate unlicensed individuals and establish information exchange protocols with law enforcement agencies. Proactive education programs should be adopted to improve industry standards.
  - Stakeholder engagement is crucial in combating illegal betting. Good practices include publicising the negative impacts of illegal betting, sharing knowledge and intelligence with law enforcement, engaging with news media and opinion shapers, and lobbying financial institutions, telecommunications, and internet-related companies to block transactions and access to illegal betting websites. Engaging with local and international sports governing bodies is essential to promote the importance of anti-illegal betting and sports integrity education.

# Section B

## **Bet Monitoring and Analysis of Suspicious Activity**

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### **1. Introduction**

The identification and analysis of irregular or suspicious betting activity is a significant tool to help identify the manipulation of a racing or sports event and tackle corruption. The knowledge of suspicious betting can help expose incidents in a race or match that may otherwise go unnoticed. It raises a flag to indicate that unusual activity is happening which requires further attention or investigation.

Bet monitoring is the analysis of the legal betting markets for irregular or suspicious betting activity that may have an impact on or be related to integrity in racing.

Bet monitoring, and the analysis which accompanies it, is an essential function of any racing and other sports integrity unit. As this section explains, there are real benefits for racing to conduct bet monitoring in-house (i.e. as part of the racing authority as opposed to outsourcing it to a commercial data company). In-house betting analysis provides the ability to build intelligence, develop networks and associations, investigate and prosecute betting-related corruption and breaches of the sport's rules.

### **2. Bet Monitoring and Analysis**

Some leading racing jurisdictions have built established processes for bet monitoring and betting analysis and those that have done so conduct their own bet monitoring in-house. A challenge for racing authorities is to ensure bet monitoring processes evolve at a pace which keeps up with an ever changing and diverse betting market while capitalising on the opportunities that new technology provides. Racing authorities that have progressed their bet monitoring have sought to achieve an effective balance between automated monitoring of bets and manual assessment by betting analysts.

Betting analysts seek to assess information derived from all markets including legal, grey and illegal betting operators.

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Effective monitoring includes the following core steps:

1. receive or record large quantities of betting data;
2. automate the processing of the data;
3. automate alerts to flag individual incidents or emerging trends for review in real-time;
4. betting analysts to manually assess the alerts; and
5. information is acted upon/developed further.

Capturing vast quantities of data means that large quantities of betting activity is automatically processed and relevant information can be assessed by betting analysts. The betting analysts assess whether the betting activity can be explained without concern, is suspicious, or requires further investigation.

The five steps allow for Stewards to receive betting information from betting analysts in real-time on race day. In summary, the steps help ensure that relevant data is captured, processed, assessed and acted on by the racing authority. It means that critical betting information is promptly communicated to the Stewards, alerting them of suspicious betting, and allowing them to take action on race day. Such action could be via disruption tactics before a race, such as speaking to a jockey or trainer, or by conducting further investigations. There are essential skill sets for such a model to be put into practice.

### **3. Essential Skill Sets**

In-house betting expertise within the organisation gives racing authorities the capability to:

- design monitoring models and alerts catered to the individual jurisdiction;
- provide an assessment and report of the betting;
- help communication and understanding of betting concerns and threats within the organisation;
- support the investigation process; and
- provide expert reports at inquiries and disciplinary hearings.

Another useful skillset is knowledge of computer programming languages which can help to reduce the costs of development, implementation and maintenance of bet monitoring models.



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## 4. Assessing the Risk

Risk assessments of the betting market can help a racing authority understand the betting integrity threats. The importance of individual betting operators in the betting market can vary significantly between jurisdictions, as do the nature of the threats, thus a model made for one jurisdiction may not be suited to another. While betting markets are becoming more global, the mass public markets betting on racing are still relatively local to that jurisdiction. Racing authorities can consider the following:

- Which betting operators bet on their racing?
  - understand the market and identify the most significant operators;
  - identify the legal and illegal operators; and
  - focus on operators which pose the greatest threat.
- Identify the markets which are being offered, such as:
  - lay betting offered by betting exchanges – higher integrity risk than back betting;
  - match betting – high integrity risk market involving prices on just two specific horses in a race and excludes the finishing position of all the other horses;
  - fixed odds betting not to win – high integrity risk market on horses not to win;
  - spread betting markets – high integrity risk market as selling a horse performance generates profit to be made from horses not winning or being placed; and
  - win, place, forecast, quinella, etc. – regular betting products.

Consideration of the above points can help identify key betting integrity threats and direct a focus on monitoring higher risk markets.

## 5. Building Betting Intelligence

Racing authorities are in a unique position to build up valuable betting intelligence. They can maximise valuable betting integrity information which can be obtained from licensed and regulated betting operators and gambling regulators. The following can be considered to assist in obtaining information:

- Who are the key organisations?
  - licensed and regulated betting operators. Ideally arrange a meeting with the head trader which can help increase the information received;

- 
- gambling regulator; and
  - establish who to contact to request a betting check by the operator or regulator.
- Who are the racing authority's point of contact for such matters?
    - who can the regulator and betting operators contact to report (including at weekends) on something suspicious; and
    - this could be betting analysts who are well positioned to process and assess information in real-time.
  - Which other persons or organisations can help build betting intelligence?
    - human intelligence sources;
    - social media platforms;
    - industry professionals and licensed persons; and
    - industry organisations such as betting data companies.

Professional bettors who base their betting on computer pricing models can be a valuable source of information. Their opinion can be particularly valuable when assessing odds movements on horses or they may have integrity concerns they are willing to share. They are often willing to share opinion on integrity matters as it is in their financial interest that racing is free from corruption.

## **6. In-House Monitoring**

Modern integrity units started to be set up in the early 2000s where betting analysts originally manually monitored odds movements by noting down odds to identify betting market movement. Technological advancements have made it cheaper and more feasible to process vast quantities of betting and racing data to gain a more holistic understanding of the betting market and incidents of suspicious betting.

In addition, use of transactional monitoring in some jurisdictions to scrutinise customer level transactions of licensed and regulated betting operators and identify irregular or suspicious activity is highly effective. Transaction monitoring provides the racing authority and/or betting operator with access to transactional-level data (time-stamped individual betting transactions) before a race, which allows enhanced analytical capability across the regulated betting market.

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Betting transactions placed in the legal market can be automatically processed and automated integrity alerts can be put in place. The alerts include the identification of customer betting accounts which have suspicious betting biases on jockeys or trainers.

A bet monitoring unit can obtain a near complete picture of the betting market for its integrity bet monitoring. Real-time data feeds across the regulated, under-regulated and unregulated markets are all used to provide betting alerts in real-time. This information allows for the prompt reporting of suspicious activity to Stewards on race days, as well as flagging emerging trends on licensed persons which require further assessment. The bet monitoring processes can then lead to investigations and inquiries relating to the Rules of Racing.

Racing authorities are in a unique position to build effective information sharing relationships directly with betting operators who can share customer level details on suspicious incidents and support integrity investigations. The racing authority integrity team should have direct contact with betting operators to request betting data on a regular basis. For instance, this model is supported by the UK Gambling Commission licence conditions relating to betting operators providing information to sports where there is a possible breach of the sport's rules. It is also useful for the racing authority to enter into cooperative agreements with licensed and regulated betting operators – e.g. with a memorandum of understanding to structure their legal exchange of data.

The above examples outline the high quantity and quality of information that can be received by racing authorities. Implementing automated bet monitoring models and by working with gambling regulators and licensed betting operators can help racing authorities truly understand and tackle the betting integrity threat to their jurisdiction.

## **7. Relying on Commercial Vendors for Bet Monitoring**

The previous section outlined the benefits and opportunities for racing authorities of conducting bet monitoring and betting analysis in-house. This section considers commercial sports betting monitoring organisations, often known as data companies, which are used by some sports regulators who do not conduct bet monitoring in-house. These organisations use systems to capture odds movements from a range of betting operators and have clear alerting procedures which lead to suspicious betting activity being reported to the sport's regulator.

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Data companies will often review and provide information days after an event has taken place meaning that an opportunity for action to take place on the day of the event can be missed.

The leading commercial monitoring organisations offer other additional services to betting operators, such as trading solutions and sportsbook management, as well as selling media rights on behalf of sports. If entering into a commercial relationship with a data company, it is essential to establish how the data will be managed, as some illegal betting operators rely on third party suppliers (including data suppliers) to operate. A challenge is when sports regulators enter into data agreements with companies who sell their data to illegal betting operators that may have a 'licence' but that does not cover every jurisdiction where they accept bets from customers. Agreements of this nature can grow the illegal betting market and increase the integrity threat to sports and their participants. Racing authorities should agree on how the data will be sold before entering into any agreement.

## **8. Cost-effective Systems for Smaller Racing Jurisdictions**

A common perception is that bet monitoring is resource extensive. However, technological advancements have led to barriers to conducting in-house bet monitoring being substantially reduced.

It is now very feasible for sports to process vast quantities of betting data, alongside their sports data, to build their own statistical models to grow their intelligence and identify potentially corrupt activity. This has become more feasible as a result of:

- cloud computing and user-friendly programming languages have stripped away administration, IT costs and barriers to entry to develop such systems in-house; and
- speed to develop systems is now exceptionally quick and can be deployed in minutes to process real-time data.

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## 9. Conclusions

In-house bet monitoring and analysis can help racing authorities understand and manage integrity threats. A summary of the benefits of in-house betting analysis includes:

- increases betting intelligence;
- can corroborate other intelligence held;
- intelligence led monitoring, focus on a particular race or licensed persons subject of existing integrity concerns;
- understand betting integrity threats – who are the key betting operators and what markets pose the highest integrity threat;
- real-time monitoring can lead to action taken on race day;
- betting evidence to be used at disciplinary hearings;
- be on the front foot and avoid media stings;
- direct relationships with bookmakers; and
- internal organisational reporting.

These can all be coordinated and managed by racing authorities. Recent advances in technology means that it is now feasible for racing authorities to conduct their own monitoring at lower costs. The threats of race-fixing and inside information will not simply go away, but need to be understood and tackled for the integrity and success of the racing industry.

## 10. Good Practices in Bet Monitoring and Analysis for Integrity

- Racing authorities should develop in-house betting analysis to provide the ability to build intelligence, develop networks and associations, investigate and prosecute betting-related corruption and breaches of the sport's rules.
- Racing authorities should develop essential skill sets in people, including design of bet monitoring models, betting market assessment and reporting, betting market investigation, and the reporting of betting analysis to racing inquiries and hearings.
- Racing authorities should build an intelligence capability to be able to gather information from key industry stakeholders as well as publicly available channels to support the understanding of betting on racing integrity.

## Section C

# Pari-Mutuel and Fixed Odds Betting for Integrity in Racing

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### 1. Introduction

The concept of pari-mutuel betting, or a totalisator (tote), is not new. First conceived in 1867<sup>34</sup> and made popular once the first automatic tote betting system was invented in 1913,<sup>35</sup> the introduction of tote (or pari-mutuel) betting, as well as the totalisator, revolutionised betting on racing.

A tote differs from fixed-odds betting in that final payouts are only determined once betting pools have closed. Tote betting has the advantages of being a simple betting system to operate, is productively-efficient,<sup>36</sup> and provides a market system for determining the winning dividend (rather than a fixed price dividend decided by a bookmaker).

Deepening tote betting pools enhances a tote's productive efficiency boundary at no resultant cost to the integrity of the sport, and dampens betting market volatility, itself generating market confidence to bettors and bookmakers. The concept of a globalised tote betting market (e.g. World Pool) is the natural ultimate manifestation of the merging of such totes, combining, and magnifying these advantages even further.

### 2. The Tote System and Integrity in Racing

A tote system is a means of creating an 'efficient market'<sup>37</sup> where the odds reflect all relevant available information on that particular horse race, leading to customers betting until the tote reflects the intrinsic value (or fair price) of horses running according to the betting market (i.e. not according to the bookmaker).

The implications of the tote being considered as an efficient market are wide-ranging. Firstly, if all known information is captured and reflected in the betting odds, a tote is less likely to be the focus of race-fixing because larger betting on a race selection that is manipulated would lead to reduced final dividends. This in theory makes it much more difficult for bad actors to corrupt the sport and financially benefit from it via the tote.

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34 Ferran Canyameres, *L'Homme de la Belle Epoque*, Editions Universelles, Paris, 1946

35 Global Racing, *The Tote System (Totalizator) – History*, 22 July 2020 (<https://globalracing.com/the-totetote-system-totalizator-history/>)

36 Defined as representing the boundary at which production of a good or service is maximised when compared to the production of other goods & services – any further production of the good will result in a corresponding drop in production of other goods & services (Farrell, M. J. (1957). *The measurement of productive efficiency*. *Journal of the Royal Statistical Society. Series A (General)*, 120(3):253–290 (<https://www.jstor.org/stable/2343100>))

37 Defined as being a market where prices reflect all known information (Fama, Eugene (1970). "Efficient Capital Markets: A Review of Theory and Empirical Work". *Journal of Finance*. 25 (2): 383–417)

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In addition, because of the method in which totalisators automatically allocate dividends, the ability for customers to ‘break the bank’ is virtually zero – another confidence booster for market participants that the tote is safe and secure.

There is however, one particular instance in which the tote is not an efficient market, and that is when there are not enough losing bets in a particular pool to pay winners, with the operator funding the difference itself.

Dubbed ‘minus pools’<sup>38</sup> (or in US betting vernacular, ‘breakage’<sup>39</sup>) this typically occurs due to tote rules which require a minimum payout on any winning bet, typically between 5-10% and it can be a costly failure – in the US alone, breakage is estimated to cost the industry USD50m in lost betting revenue annually.<sup>40</sup>

Such instances are rare and normally take place when favourites run in small fields.<sup>41 42</sup> Operators can void such results, although they potentially face a customer backlash if they do so. Other solutions include reducing the minimum payout percentage, offering a guaranteed payout to eliminate minus pools risk (although this in itself represents a market inefficiency) or offering a proviso on all bets which pay out if a certain pool size is reached.<sup>43</sup>

In fact, small (or shallow) tote pool sizes are the bane of the wider tote system. Small pools can facilitate the manipulation of that market by one, or a small number of actors looking to profit from manipulating the odds, and also by allowing odds-crushing (whereby a player attempts to bet a large enough amount to reduce the price on the tote), again which has a large detrimental impact on the customer betting experience.

However, a globalised system of tote betting helps resolve these issues, enabling betting customers from around the world to bet into a single pool.

The deepening of betting pools with greater liquidity due to the integration of many, previously separate, tote betting pools into a larger pool enhances the integrity of tote betting systems and is beneficial to customers because of the larger amounts needed to move market prices.

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38 <https://pastthewire.com/a-solution-to-minus-pools/>

39 <https://racingthinktank.com/reports/tif-reports-penny-breakage>

40 Ibid

41 <https://www.americasbestracing.net/gambling/2015-value-opportunity-negative-show-pools>

42 <https://pastthewire.com/a-solution-to-minus-pools/>

43 Ibid

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In conclusion, tote systems continue to offer a fair, transparent and equitable method to bet on racing. Most importantly, a tote system enables betting customers to bet any amount, large or small, without being rejected by the operator, which is in contrast to fixed odds betting markets where bets of a certain size are rejected based on the risk management requirements of the bookmaker.

The benefits of the tote system do depend on its operator however. State-operated totes are typically operated for the betterment of society while privately-operated totes are more likely to be focussed on the requirements of their investors rather than on customers, which may result in policies favouring customers betting more with higher rebates on losing bets. An essential component of an effective tote betting system is that all customers are treated the same, all have access to the same tote market price, and all are provided with the same betting conditions (e.g. the same level of rebate on losing bets if this is available to customers).

### **3. Corporate Bookmakers and Integrity in Racing**

Despite the appeal of tote systems to racing as an efficient means of establishing betting pools that attract customers and also are a contributor to racing integrity if managed appropriately, there are significant fixed odds and betting exchange products offered by corporate bookmakers on racing. Racing authorities hence also need to manage corporate bookmakers appropriately, supported by strong contractual arrangements.

In such a relationship, there are a number of guiding principles that racing authorities should consider, as follows:

1. It should be assumed that the provision of racing data to bookmakers and/or sports data companies will automatically result in the creation of betting markets on the races that the data relates to. Racing authorities should hence consider if they have appropriate integrity monitoring systems and capabilities on those races before agreeing to provide the data, which in turn requires access to betting data held by the bookmaker. Agreements to sell racing data should be accompanied by agreements to access corporate bookmaker betting records.



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2. Any engagements with corporate bookmakers should be conducted with formal agreements in place so that it is clear (among other things):
    - a. how the racing data may be used by the bookmaker (e.g. on-selling restrictions); and
    - b. what information bookmakers agree to provide to racing authorities.

Such agreements may take the form of a memorandum of understanding or, preferably, a more formal contract that carries mandatory obligations for both parties.

3. In addition to requiring corporate bookmakers to provide access to betting records as required, racing authorities should consider the inclusion of provisions in their agreements with corporate bookmakers which require them to:
  - a. allow the racing authority to monitor betting transactions and related betting activity (including real-time monitoring);
  - b. maintain appropriate procedures, systems and controls to identify suspicious betting activity;
  - c. report suspicious betting activity (itself to be formally defined) to the racing authority;
  - d. assist with investigations and inquiries conducted by the racing authority; and
  - e. ensure that any person who opens a betting account with them is required to prove their identity, including for the purposes of racing-related regulation (e.g. disqualified person) and anti-money laundering laws.
4. Access to, and requests for, information from corporate bookmakers should be done with appropriate recognition of local (and when appropriate international) laws and regulations. For instance, if personal data (i.e. of betting customers) is needed for racing integrity purposes then negotiations may be needed with corporate bookmakers to have them include reference to this in their customer terms and conditions so that certain personal data may be provided in some circumstances.

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5. Racing authorities should only engage with corporate bookmakers licensed in their home jurisdiction and not engage with unlicensed operators that take bets from customers in that jurisdiction. Racing authorities should make it clear to such operators that they deal with legal licensed betting operators only.
  6. Licensed betting exchanges may be present in some jurisdictions and although these are not the preferred format for betting on racing (because of the ability of customers to bet on a horse to lose), legal arrangements should be made to engage with them in the same way as other corporate bookmakers.

# ACKNOWLEDGEMENTS

Name	Organisation	Position
<b>Tom Chignell</b>	The Hong Kong Jockey Club	Executive Manager, Racing Betting Integrity & Assurance
<b>James Porteous</b>	The Hong Kong Jockey Club	Senior Due Diligence & Research Manager
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**CHAPTER SIX**  
**ANTI-CORRUPTION AND**  
**INTEGRITY MANAGEMENT SYSTEMS**



# **CHAPTER SIX**

## **ANTI-CORRUPTION AND INTEGRITY MANAGEMENT SYSTEMS**

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<b>Introduction</b>	<b>122</b>
<b>Section A – Integrity Unit Overview</b>	<b>124</b>
<b>Section B – Anti-Corruption and Governance</b>	<b>125</b>
<b>Section C – Anti-Corruption Regulatory Intelligence and Investigations</b>	<b>127</b>
1. Intelligence	
2. Investigations	
<b>Section D – Dealing with Law Enforcement Agencies</b>	<b>130</b>
<b>Acknowledgements</b>	<b>131</b>

# INTRODUCTION

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Among other things, integrity requires the prevention and detection of corruption, which in sport may be defined as ‘any illegal, immoral or unethical activity that attempts to deliberately distort the result of a sporting contest for the personal material gain of one or more parties involved in that activity.’<sup>44</sup>

Integrity management is the most effective strategy for ensuring that corruption is prevented. In a complex sport such as racing, which involves human participants (including trainers, jockeys and other staff) and equine participants, with a strong focus on betting, threats and risks to its integrity are complex and often interrelated. It is therefore important to adopt a multi-pronged, holistic approach to addressing racing integrity-related threats and risks.

All racing licensed persons (trainers, assistant trainers, jockeys, and apprentice jockeys) are required to adhere to the highest standard of integrity. As well as complying with the Rules and related policies and procedures, licensed persons are required to act in the interest of horse owners who entrust their horses to stables and always apply integrity in the purchase, care, and racing of those horses. Integrity involves these responsibilities from all involved in racing.

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44 Gorse, S., & Chadwick, S. The prevalence of corruption in international sport: A statistical analysis, Coventry: Centre for the International Business of Sport, 2011  
(<https://www.scribd.com/document/258240261/The-Prevalence-of-Corruption-in-International-Sport>)



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It is important for government and public confidence in racing that those running the sport are accountable to their constituents, have transparent processes, comply with relevant legislation and have governance systems in place to build and instill confidence in participants and the broader public. In addition, the integrity function in a racing authority must be supported by a strong and efficient regulatory framework to deter those who may be willing to undertake corrupt activity; to achieve this racing authorities should have written policies articulating compliance with all relevant laws and government regulatory requirements and that there is zero tolerance of malpractice, corruption, and criminality.

In addition to the role played by Stewards, the diverse structure of racing authorities and organisations around the world has evolved and now involves a variety of models and specialist areas for dealing with corruption. Many racing integrity functions have now complemented traditional models with specialised investigators (who provide non-race day investigative skills), intelligence and analytics resources, expert wagering and form analysts, equine welfare units, participant protection (or safeguarding as it is known in some jurisdictions), and in-house legal counsel.

In common with all sports, there are increasingly specialist integrity units in racing. The professionalism of racing and other sports, globalised racing and sports wagering, the availability and evolution of performance enhancing substances, commercialisation through growing economic stakes and criminality all have potential to corrupt racing and sports. It is for these reasons that sport regulators must have effective integrity units in place that enforce standards of good governance, have flexibility to adapt to the regulatory environment, and promote collaboration and use of specialist skills to mitigate integrity threats.

## Section A

# Integrity Unit Overview

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Integrity units vary in their structure and composition depending upon the racing jurisdiction. The diversity of racing around the world requires integrity units to be able to manage and/or engage with other functions involved in compliance and regulation, veterinary regulation, equine welfare and licensing/registration. Each integrity unit has different roles and responsibilities, but all require collaboration and alignment with other functions to maintain integrity standards.

While collaboration with stakeholders is key, an appropriate degree of independence of an integrity unit may be required for its effective operation. In some racing authorities, this may require a clear separation between the integrity unit and the commercial business units (e.g. different reporting lines, Chinese walls) to ensure potential conflicts of interest are avoided.



## Section B

# Anti-Corruption and Governance

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Integrity units require a governance framework that adopts a holistic approach in addressing and managing internal and external integrity risks. For this to be a successful operating model, racing needs to have the capability to identify relevant risks to the integrity of racing (internally and externally), analyse, assess and prioritise these risks, and evaluate the suitability and effectiveness of the controls to mitigate the assessed risks.

To achieve this aim, and to provide an ongoing assessment of the operating environment, a collective and collaborative approach is often required from many business units/departments within the integrity unit and/or its parent organisation (depending on the organisation structure). This may include racing management, audit and compliance, all of which possess specialised skills which, when combined, provide effective integrity risk mitigation strategies.

To be effective, it is fundamental for an integrity unit to:

- maintain and regularly update policies, standards and guidelines;
- provide education and training to staff members relevant to their role to address risks to control racing integrity-related operations; and
- adopt compliance monitoring programs to provide an additional layer of defence to ensure the organisation identifies, reports and addresses material non-compliance and risks related to racing integrity.

Integrity units should also adopt various policies and processes to ensure adequate controls are in place to achieve their governance objectives. These may include:

- employee probity – including employee security and due diligence pre-screening to identify integrity related issues;
- Code of Conduct – to provide employees and licensed persons clear guidance concerning their conduct and behavioral requirements;
- Conflict of Interest Policy – includes a requirement for staff to disclose conflicts of interests concerning any personal, material or financial interests they may have that may require management intervention to address the conflict;

- Betting Policy – to include a prohibition on betting on racing by staff whose positions or duties have actual or perceived conflict of interest against the integrity of racing;
- Safeguarding Policy – to ensure the protection of young persons and vulnerable adults;
- Data Security Policy – to ensure confidential information and personal data is managed in accordance with the organisation’s procedures and legislative requirements;
- Drug and Alcohol Policy – to ensure safety and wellbeing of all staff;
- Speak-Up/Whistleblower Policy – to encourage staff to speak up and report suspected or actual breaches of any law, regulation or policy;
- Gifts, Entertainment and Hospitality Policy – to ensure staff and licensed persons are not unduly conflicted by accepting any pecuniary or other gift or other consideration that may compromise their integrity;
- Licensing and Suitability Policies – to apply a robust process for the issuance, renewal, variation, suspension, cancellation and withdrawal of licenses.

# Section C

# Anti-Corruption Regulatory Intelligence and Investigations<sup>45</sup>

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## 1. Intelligence

The intelligence process is a well-established concept in law enforcement, military and commercial business, and the key principles are increasingly being adopted into sport regulatory functions as a key component of an integrity unit's operating model.

An effective and efficient intelligence unit needs to be adequately resourced with appropriate skills and knowledge to enable access, retrieval and analysis of various sources of data/information with capability to transform raw information into actionable intelligence.

The intelligence process, or cycle, is often debated as there is not one specific model that is applicable to all organisations. Therefore, it is important to understand the fundamentals of the intelligence process to be able to develop a model that suits the desired objectives of the organisation. Generally, the intelligence cycle involves developing unrefined information by applying a number of steps including planning, collection and evaluation, processing, analysis and production and distribution, with many of the stages of the cycle occurring simultaneously, albeit with different levels of emphasis.<sup>46</sup> The intelligence function staff should have a thorough understanding of the governance framework in which they operate – for example, application of the Rules, policies (e.g. security classification), legislation (e.g. privacy) and information sharing arrangements that, when combined with the application of the intelligence cycle, result in specialist knowledge and capability to produce operational and strategic intelligence products.

To further explain the phases of the intelligence cycle, planning and collection includes identifying the needs of the client to determine the specific requirements for the product and how to achieve the agreed objective. Information or data collection plans are a useful tool to assist this process to ensure the planning process is documented, relevant consideration has been given to the task, and the acquisition of the information is confined to the intended purpose to avoid overload and unnecessary confusion from irrelevant information.

Processing and analysis of information is the ability to evaluate and analyse raw data/information and convert it into an intelligence product that achieves the desired objective identified in the planning stage. The analysis should aim to piece together the relevant information into a logical format to identify patterns or trends, and ultimately make sound recommendations.

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45 Many of the principles and guidelines in this section are taken from *Good Practices in Addressing Illegal Betting: A Handbook for Horse Racing and Other Sports*, produced by the Asian Racing Federation's Council on Anti-Illegal Betting & Related Financial Crime (<https://www.asianracing.org/aib/resources>)

46 Clifton L. Smith, David J. Brooks, *Security Science: The Theory and Practice of Security*, Science Direct, 2013 (<https://www.sciencedirect.com/topics/computer-science/intelligence-cycle>)

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The 'need to know' security principle is widely recognised and is another key element of the intelligence cycle when considering distribution of classified intelligence. Understanding and being able to apply the different security classifications will assist decisions being made relating to the distribution of intelligence products. Striking a balance between making intelligence available to inform decision makers and other stakeholders ('need to share'), and restricting exposure to protect identities and methodologies is critical.<sup>47</sup>

To be a truly 'intelligence led' organisation, proper process must be applied to each one of these stages so that actionable intelligence is produced. The term 'intelligence led' has often been used by law enforcement and businesses (including sporting organisations) alike, but to be truly intelligence led, the intelligence function should be driving operations, strategic planning and resource allocation to target new and emerging integrity threats; as opposed to reacting to operations or investigations which are then supported by the intelligence function.<sup>48</sup> Importantly, being intelligence led assumes an ability to navigate the excessive amount of information that is now widely available and crucially having the skills to filter, analyse and extract relevant information for the production of quality intelligence.

## 2. Investigations

An investigation is an objective assessment in search of the truth conducted in accordance with the relevant laws, rules, regulations, policies or procedures.

The primary objective of the investigation process in racing and sport is to establish whether or not an offence has been committed and, in doing so, compiling the facts relevant to an allegation or suspicion in order for the racing regulator (or operator) to make an objective decision to prosecute, educate or employ strategies to prevent integrity-related matters from occurring.

The investigation process is a progression of activities or steps moving from evidence gathering, to information analysis, to theory development and validation, to forming reasonable grounds for successful interventions in order to be able to progress matters through the relevant regulatory framework.

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47 National Criminal Intelligence Service, *The National Intelligence Model*, 2000 (<http://www.intelligenceanalysis.net/National%20Intelligence%20Model.pdf>)

48 Jerry H. Ratcliffe, *Intelligence Led Policing*, Routledge, 2016 ([https://books.google.com.hk/books?hl=en&lr=&id=KH7CwAAQBAJ&oi=fnd&pg=PP1&dq=intelligence+led+integrity+&ots=uMAo\\_b-On7&ig=UCU6zcYZaEZ3m391f1NbaBQknUOs&redir\\_esc=y#v=onepage&q=intelligence%20led%20integrity&f=false](https://books.google.com.hk/books?hl=en&lr=&id=KH7CwAAQBAJ&oi=fnd&pg=PP1&dq=intelligence+led+integrity+&ots=uMAo_b-On7&ig=UCU6zcYZaEZ3m391f1NbaBQknUOs&redir_esc=y#v=onepage&q=intelligence%20led%20integrity&f=false))

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In order to achieve a successful investigation, investigators must have a thorough understanding of the regulatory framework in which they operate, including sound knowledge of the rules and/or legislation that govern the sport and how these can be applied during the investigation process. For example, a thorough working knowledge of the powers that allow investigators to enter, search, seize and issue directions to persons under investigation will ensure the investigation process is undertaken impartially and procedural fairness is afforded to the relevant person. Adhering to the legislative framework during investigations is crucial to ensure the process is able to withstand scrutiny both internally and externally; as every action is likely to be exposed to rigorous challenge at some point.

It is the role of the investigator to determine the facts of the matter by collecting and analysing all of the available evidence. Before any investigation, a briefing between stakeholders (investigator, stewards, management, intelligence and wagering analysts) should occur to determine the scope of the investigation, expected outcomes, resources required, reporting arrangements, communication plan and affected stakeholders. The following guiding principles should be considered to maximise prospects of a successful outcome:

1. Define the objectives and scope of the investigation;
2. Identify/manage risks and prioritise accordingly;
3. Consider possible offences and investigation planning;
4. Allocate resources based on priority and experience;
5. Gather evidence and sources of information;
6. Set timeframes/milestones;
7. Consider confidentiality/privacy;
8. Document the investigation process and milestones;
9. Prepare findings/recommendations; and
10. Analyse intelligence.

To support the investigation process, case management and intelligence systems are important so that investigations can be managed, assessed and prioritised. In addition to the scope of work now undertaken by many integrity units, when this is combined with an increase in the amount of data now available, the need for case management and intelligence systems becomes increasingly important.

## Section D

# Dealing with Law Enforcement Agencies

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Many jurisdictions now have legislated criminal offences that apply to serious sports misconduct and therefore a close working relationship with law enforcement agencies ('LEAs') is required to foster good practices in identifying, preventing, and mitigating corruption risks, including where participant misconduct crosses the criminal boundary. However, there are often complex legal issues that need to be navigated when LEAs are engaged to investigate misconduct – these include:

- exchange of information and how this information can be applied in a criminal or disciplinary proceeding;
- privacy and the use of an individual's data;
- protection of a source's identity;
- protecting the reputation of the organisations involved; and
- delays – the criminal process can often take precedence over a sports disciplinary matter and can therefore delay the outcome.

For these reasons a dedicated liaison function between the integrity unit and LEA is required to address those concerns raised above.

# ACKNOWLEDGEMENTS

Name	Organisation	Position
Tim Robinson	The Hong Kong Jockey Club	Executive Manager, Racing Security and Integrity Assurance

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**CHAPTER SEVEN  
INTEGRITY EDUCATION  
FOR PARTICIPANTS  
IN RACING**





# INTEGRITY EDUCATION FOR PARTICIPANTS IN RACING

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To protect racing participants and maintain the integrity of racing as a sport, education of people about the benefits of upholding integrity in racing is essential.

The critical areas for education of integrity in racing are those covered in this Handbook but, as many aspects are complex as well as technical, it is important to communicate education of integrity in as straight-forward a way as possible. This should involve different formats according to the particular audience, including clear written guidelines, e-learning courses, videos and, most importantly, targeted face to face training.

To tackle the wide range of integrity threats head on, it is critical to engage proactively with the racing community, particularly those most susceptible to approaches by people or groups looking to corrupt racing and exploit races for their own gain. This requires education and awareness programs which assist participants and officials at all levels to understand where the risks come from and to empower them to make the right decisions.

These programs should commence when participants are young and/or first come into the racing system, and also include their parents, teachers, coaches and support personnel. To protect participants and maintain the integrity of racing, it is vital that education is provided early and in different formats to accommodate a broad cross-section of people coming from an array of backgrounds. Character development is also an integral part of the education process because, among other things, it promotes core ethical values and fosters shared moral leadership.

In addition to participant education, it should be a fundamental requirement of racing authorities that officials and staff members receive suitable and ongoing training in relation to integrity-related policies, standards and guidelines that are relevant to their role.

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Some racing authorities and racing organisations have established integrity education programs, which can be the basis for the development of similar programs elsewhere. Examples of useful integrity education and/or information programs include:

- British Horseracing Authority, Integrity Education:  
<https://integrityeducation.britishhorseracing.com/>
- Racing Integrity Commissioner, Victoria, Australia:  
<https://racingintegrity.vic.gov.au/>
- Queensland Racing Integrity Commission, Queensland, Australia:  
<https://qric.qld.gov.au/>
- U.S. Horseracing Integrity and Safety Authority (HISA):  
<https://hisaus.org/>
- U.S. Horseracing Integrity & Welfare Unit (HIWU), which administers the rules and enforcement mechanisms of HISA's Anti-Doping and Medication Control Program:  
<https://www.hiwu.org/>



A close-up photograph of several horse hooves on a green grassy surface. The hooves are dark brown and appear to be wearing protective boots and caps. Some of the boots are white with yellow accents, while others are black. The text is overlaid on the upper left portion of the image.

**APPENDIX 1**  
**SUMMARY OF GOOD PRACTICES**  
**FOR INTEGRITY IN RACING**



# Appendix 1

## Summary of Good Practices for Integrity in Racing

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### Governance and Regulatory Structure

1. It is the responsibility of a racing regulator to ensure the highest levels of integrity in racing. The structure and responsibilities of each racing authority will differ based on local national circumstances, but the commitment to integrity in racing must be a primary objective of all racing authorities.
2. The Rules of Racing ('Rules') should cast a wide net and assert that they apply to any person involved in any aspect of the sport (including betting in respect of it). For example, they should include a provision to the effect that '*any person who takes part in any matter coming within the Rules agrees to be bound by them*'.
3. Licensing of key participants (i.e. trainers and riders) is a critical component of the integrity framework. The privilege of a licence in racing carries with it a duty to ensure knowledge of the Rules and their application, and an obligation to comply with all of the responsibilities that that licence imposes upon him or her, including one which goes to the test of honesty, knowledge and ability. A licence ordinarily takes the form of a signed agreement (e.g. licence application/renewal) between the racing authority and the licensed person.
4. Racing authorities must have visibility of, and jurisdiction over, owners. Transparency is a critical part of the effective functioning of the integrity framework, including for the purposes of preventing undesirable persons from being involved in the industry and using ownership as a vehicle for illegal activities (e.g. proceeds of crime, money laundering).
5. The Rules should require that any horse which is entered to run in a trial or a race is registered with the local racing authority which, among other things, ensures that its status as a thoroughbred and its identity have been appropriately verified.
6. Racing authorities must have knowledge of, or be able to quickly ascertain, the location of horses at all times to ensure traceability, including to enable them to conduct testing, and to carry out inspections in relation to prohibited substances and practices and welfare checks.

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7. To ensure that safeguarding of racing participants is effective, a racing authority should have a clear written policy that includes details of the principles required to ensure safeguarding, who is covered, how concerns are to be reported, how such reports are handled and responded to, and action that may be taken when a breach is found to have occurred.

### **Stipendiary Stewarding and the Rules of Racing**

1. Whilst the roles and responsibilities of the Stewards may vary between jurisdictions, it is essential that they act independently and are free from bias in decision making. They must be free from any conflict of interest, perceived or actual, in a race or any matter they are tasked to deal with.
2. Stewards should be formally appointed by an appropriate authority to ensure that they are properly authorised with the required jurisdiction and powers to administer the Rules of Racing and regulate the sport accordingly. The powers and functions of Stewards are generally conferred on them by a racing authority through delegation under its own rules and regulations, or through an applicable legislative framework.
3. The role of a Steward is very broad and covers both race day and non-race day responsibilities which seek to ensure that racing is conducted with complete integrity and on a level playing field, together with maintaining the welfare of horses and safety of participants.
4. Inquiries, whether on or away from race day, should ideally involve the following procedures/practices:
  - NOTIFICATION – of inquiry.
  - INTRODUCTION – stating the reason for the inquiry and identification of all parties present for the record.
  - TAKING EVIDENCE – which may include video, oral and/or documentary evidence.
  - CONSIDERING THE EVIDENCE & DECIDING – whether a charge should be laid under the Rules.

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- CHARGE – laying a charge if appropriate.
  - PLEA – the person charged being advised of the various plea options and afforded the opportunity to enter a plea to the charge.
  - HEARING & CONSIDERING – evidence and submissions in reply to the charge.
  - FINDING – the person must be informed of the panel's decision.
  - PENALTY SUBMISSIONS – the person must be afforded an opportunity to make submissions on penalty.
  - PENALTY DETERMINATION – deliberation by members of the panel on the appropriate penalty to be imposed.
  - DECISION & REPORTING – announcing the decision of the panel to the person and also publicly reporting the findings for transparency.

## **Prohibited Substances in Horses and Humans: Testing, Investigation & Interpretation**

1. The primary objectives of testing for prohibited substances and methods in racing are to enforce the Rules of Racing ('Rules'), to ensure a level playing field for competitors, and to act as a deterrent to the misuse/abuse of prohibited substances and to therefore minimise violations. The Rules in each jurisdiction should clearly set out which substances and practices are prohibited and at what times, as well as any relevant thresholds, screening limits and residue limits.
2. A robust and capable doping control testing system supported by suitably resourced racing laboratories is crucial for ensuring the integrity and fairness of racing. The Rules in each jurisdiction should contain a list of approved racing laboratories at which all testing should be conducted.
3. The testing results must be accurate and trustworthy, which can be warranted through a comprehensive quality assurance management system and accreditation by national accreditation bodies.
4. Ongoing research into new prohibited substances and methods of doping, as well as the development of new testing methodologies and technologies, is essential for sustaining an effective doping control testing system.

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5. Effective results management is crucial to ensure a fair and just outcome from an adverse (non-negative) finding of sample analysis. This requires a thorough interpretation and investigation of the test results and a comprehensive understanding of the relevant rules and regulations. In cases of ambiguous results or 'grey areas', further investigation will be necessary.
  6. Expert statement/opinion and attendance at Stewards' inquiries or law courts are often required for cases involving doping control matters. Should an expert statement/opinion be sought, it is important to differentiate the expert opinion and interpretation from the factual results presented. Expert opinions should be scientific, evidence-based, transparent and accountable in order to contribute to a fair and just outcome for all parties.
  7. A successful gene doping control program might need to combine the development and implementation of different types of detection methods, education on the risks of unlicensed gene therapy, and surveillance of companies that may have the capability to perform gene doping.

## **Horse Health, Safety, Security & Welfare**

1. Horses are the centerpiece of racing and their health, safety and welfare must be the priority of all persons involved in the sport. Welfare must extend beyond simply meeting minimum standards to ensuring horses live a life worth living during all phases of their lifecycle.
2. It is necessary for participants to take all reasonable steps to protect racehorses, both from the risk of injury and death, and also from factors that adversely impact their quality of life. Performance should never come at the expense of a horse's welfare.
3. While the care of a thoroughbred is primarily the responsibility of the owner and/or their authorised manager (usually the trainer), it is vital that racing authorities are proactive in ensuring, as far as is possible, that all participants consistently meet or exceed the standards of care expected and required by society.



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4. Racing authorities should undertake steps to accurately monitor and record racing (and, where possible, training) injuries and fatalities. The data is to be used to perform analyses and conduct research in order to reduce injuries to horses, evaluate racing and training welfare performance, and develop strategies to improve safety and reduce injuries.
  5. To enhance traceability of horses, racing authorities should, to the extent their jurisdiction permits, implement specific rules (which are supported by policies, procedures and IT systems) which require relevant industry participants – such as trainers and owners – to promptly and regularly notify the regulator of changes to the location and/or circumstances of the horse.

## **Betting on Racing**

1. Racing authorities should develop in-house betting analysis (including automated bet monitoring) to provide the ability to build intelligence, develop networks and associations, investigate and prosecute betting-related corruption and breaches of the sport's rules.
2. Racing authorities should develop essential skill sets in people, including design of bet monitoring models, betting market assessment and reporting, betting market investigation, and the reporting of betting analysis to racing inquiries and hearings.
3. Racing authorities should build an intelligence capability to be able to gather information from key industry stakeholders and publicly available channels to support the understanding of betting on racing integrity. Confidential channels should also be available to stakeholders for reporting suspected corruption and malpractice.
4. Before providing racing data to bookmakers, racing authorities should consider if they have appropriate integrity monitoring systems and capabilities in respect of races those bookmakers offer markets in, which in turn requires access to betting data held by the bookmaker. Agreements to sell racing data should be accompanied by agreements to access corporate bookmaker betting records.

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5. Access to, and requests for, information from corporate bookmakers should be done with appropriate recognition of local (and, when appropriate, international) laws and regulations.
  6. Racing authorities should only engage with corporate bookmakers licensed in their home jurisdiction and not engage with unlicensed operators that take bets from customers in that jurisdiction. Racing authorities should make it clear to such operators that they deal with legal licensed betting operators only.
  7. To improve collaboration on major issues, racing and international sports bodies should work together to foster good practices in identifying, preventing, and mitigating risks associated with illegal betting.

### **Anti-Corruption and Integrity Management Systems**

1. All licensed persons should be required to adhere to the highest standard of integrity. As well as complying with the Rules of Racing and related policies and procedures, licensed persons should be required to act in the interests of horse owners who entrust their horses to stables and always apply integrity in the purchase, care, and racing of those horses.
2. Racing authorities should establish dedicated integrity units with the capability to identify risks to the integrity of racing (internally and externally), analyse, assess and prioritise these risks, and evaluate the suitability and effectiveness of the controls to mitigate the assessed risks. They should enforce standards of good governance, have flexibility to adapt to the regulatory environment, and promote collaboration and use of specialist skills.
3. Integrity units require an ability to manage and/or engage with other functions involved in compliance and regulation, veterinary regulation, equine welfare and licensing/registration, although an appropriate degree of independence may be required.

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4. Integrity units must be adequately resourced with staff who possess diverse skills and knowledge to identify and mitigate integrity threats.
  5. Systems and processes must be current and evolving to support the ability of integrity units to identify and mitigate integrity threats.
  6. Integrity units must possess an ability to assess an individual's suitability to be licensed or registered to participate in the sport, or become a member of a race/jockey club or an owner.
  7. Integrity units should develop a close working relationship with law enforcement agencies to foster good practices in identifying, preventing, and mitigating corruption risks, including where participant misconduct crosses the criminal boundary.

END.



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