EGBA | European Gaming & Betting Association

Juncker's 'political' Commission leaves gambling reforms to the courts

Brussels, 7 December 2017

EU-based and EU-regulated gambling operators oppose today's decision of the Juncker Commission to discontinue its work to combat infringements of the EU single market rules in the gambling sector which has well over 20 million EU consumers. With a constant stream of court cases, over 30 consistent rulings issued by the Court of Justice of the European Union (CJEU) and further cases pending it is evident that the online gambling sector, an inherently cross-border sector, is rife with EU law infringements and that consumers are clicking on unregulated, non-EU gambling websites. This Commission decision also conflicts with the EU's own self-stated policy priorities, in particular the EU's Digital Single Market programme, and is at odds with concerted efforts to enhance consumer safety and combat money-laundering and match-fixing ahead of next year's FIFA World Cup in Russia.

The infringement cases which the Commission has <u>today</u> officially closed without further action involve a suite of national laws and practices which constitute serious and unambiguous contraventions of primary EU law and CJEU jurisprudence. The infringements in question include discriminating against operators from other member states in access to gaming and betting licences, discriminating against online services versus offline services and forced localisation of servers. [See annex for details of specific cases].

Maarten Haijer, Secretary General of the EGBA notes: "Today's decision by the Commission is unhelpful in the fight against unregulated non-EU gambling services. National courts will continue to be confronted with gambling cases and the CJEU will continue to rule on questions from national courts. This decision sends a signal that the Juncker Commission fails to appreciate the need to underpin its ambitious Digital Single Market programme with solid enforcement and guidance from the Commission itself, taking its role as guardian of the treaties seriously. The question is not whether the Commission should create an internal market for online gambling or not, but the idea that regulatory and EU law challenges of an internet sector like online gambling can be resolved by member states individually, shows a baffling lack of understanding of the digital consumer by the Juncker commission."

The Commission back in 2012 already concluded that 'the prevailing regulatory, societal and technical issues in the EU cannot be tackled adequately by Member States individually. This is especially true given the cross-border dimension of online gambling. The Commission is not proposing EU-wide legislation on online gambling. It is proposing a comprehensive set of

actions and common principles on protection. "1 Today's decision goes against the European Parliament report on online gambling calling on the Commission to launch infringement procedures against those Member States that appear to breach EU law."

Haijer added: "EU member states such as Italy and Denmark have set an example in designing a gambling framework which works: strict regulation and controls in combination with a level of taxation which encourages recourse to properly supervised services and a high level of consumer protection. However, we note that the gambling sector is not alone in complaining about the inaction of the Commission when certain other member states refuse to allow non-domestic services to operate on their territory. Today's decision to close the cases does not change the legal situation and – as the Commission states itself – cannot be read as any form of "greenlighting" existing breaches of EU law in the Member States' laws".

Background

The Commission decision conflicts with its own statement in its 'EU law: Better results through better application' paper where it states that: 'The Commission will act firmly on infringements which risk undermining the four fundamental freedoms'.

In the same paper the Commission commits to 'focus on the most important breaches' but, by disregarding a whole sector, it risks overlooking key instances of breach which might be of general relevance to EU-wide enforcement of the single market. The Commission pledges that it will 'continue to identify wider problems with enforcement' yet the infringement cases to be closed are treated *en masse* without consideration of their possible broader relevance to proper EU-law enforcement in the countries in question.

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About the EGBA:

The EGBA is an association of leading European gaming and betting operators Bet-at-home, BetClic, GVC Holdings PLC, Expekt, Kindred Plc, ZEAL Network, Betsson Group and Bet365. The Gibraltar (GBGA), Swedish (BOS) and Austrian (OVWG) associations are affiliate members of EGBA. As a Brussels-based non-profit association, EGBA promotes the rights of more than 20 million adult European citizens to participate in online gambling of their choice in an informed, regulated, safe and secure environment. While online gambling remains a smaller part of the total gambling market (15%), based upon innovation, technology and digital consumer demand, online gambling transformed itself into an industry champion of the European digital economy with material spin-off effects towards other digital economies and strong synergies with sports. www.egba.eu

¹ http://europa.eu/rapid/press-release_IP-12-1135_en.htm

² http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A7-2013-0218&language=EN