

EPMA expresses its relief following the European Commission's decision to approve the French levy which finances the horse racing industry

Brussels, 19th of June 2013

After two years of intense discussions with the French authorities, the European Commission's services has approved the levy that had been prepared and passed by the French legislator, thus granting authority for it to come into force as of 1 January 2014. This long-awaited decision will no doubt be viewed by the governments of other Member States in the European Union, and, furthermore, by countries elsewhere, as a significant legal precedent destined to shape case law.

The entirety of the horse racing and betting sector throughout the European Union had been eager to see recognised the principle of a "fair financial return" for the horseracing and equestrian sectors on the earnings of betting operators.

The infringement procedure launched on 14 January 2011 by the EU Directorate-General for Competition had brought starkly into question the very legitimacy of the French tax levy put in place and into effect in France for the online betting sector – and, implicitly, that of other such taxes elsewhere in Europe – for reason of its compatibility with EU single market rules.

EPMA notes also, with great satisfaction, that the European Commission has underlined that "by spreading the burden of financing races equitably between the different operators, the measure allows fair competition between these operators in the newly liberalised market for online horse race betting".

Thus it is that this decision, which had been anxiously awaited by stakeholders within the sector, has been welcomed with great relief. The decision taken today should be seen, however, as a starting point in the long process of setting up of a coherent approach to the question of how to manage the relationship between betting operators and sports event organisers.

More information

Betting remains the main component of horse racing funding. While most sports are financed by households, broadcasting rights and ticket sales, 65% of horse racing-related activities is financed by betting, which varies according to results. The report **on the economic impact of horse racing**, published in 2009¹, shows that the **dynamism of the sector depends on a coherent legal framework being established, which guarantees, on a long term basis and at a certain level of predictability, a "just financial return" from the totality of money that has been bet and which is** distributed to and via racing professionals. This report also shows that the Pari Mutuel model contributes more than any other betting model to the financing of the horse-racing industry.

¹ The economic and social contribution of horseracing in Europe 2009 - joint research investment by McKinsey and Company and EPMA members on the horse racing sector in Europe

In Europe in 2012, Pari Mutuel betting on horse racing totalled more than €13.5 billion. Out of that sum, more than €10 billion was returned to winning punters, and as much as €1.4 billion was reinvested in the European equine industry and European horse racing.

- EPMA: <http://www.parimutuel-europe.org/>
- European Horse Network key figures 2010: <http://www.europeanhorsenetwork.eu/letter.html>

Members of EPMA are present in 10 countries, where they are traditionally active in developing horse racing and horse breeding (Austria, Finland, France, Germany, Ireland, Italy, Norway, Sweden, Switzerland and United Kingdom). They wish to share their common concerns regarding the development of an effective regulatory framework that helps to promote the equine sector and fairness and protection for consumers.

AB Trav. Galopp (ATG), Sweden - Fintoto Oy, Finland, German Tote GmbH, Germany - Société de la Loterie de la Suisse Romande Switzerland - Foundation Norsk Rikstoto, Norway - Pari Mutuel Urbain (P.M.U.), France - Totepool, Great Britain - Tote Ireland Limited, Ireland – RSV, Germany – Eurotiercé, Belgium, HAHE, Spain

