

### **Online gambling - MEPs opt for restricted framework directive**

By Sophie Mosca | Thursday 06 October 2011

Members of the European Parliament recommend the European legislative option for online gambling, limited to the dangers such gambling represents for consumers and law and order, which cannot be controlled at national level given the cross-border nature of the internet. After tense negotiations (up to the day before), the Committee on Internal Market (IMCO) adopted, on 6 October, by a very large majority (32 in favour and three abstentions) a report by Jürgen Creutzmann (ALDE, Germany) that will make up the Parliament's response to the Commission's green paper on online gambling. The text reflects the change in MEPs' position on this subject in the wake of adoption of the report by Christel Schaldemose (S&D, Denmark) in March 2009: they now back concerted EU action.

The rapporteur recommends a framework directive which, in line with the subsidiarity principle (and consequently of specific national characteristics), will set in stone coordinated means of action in the area of combating illegal gambling, addiction to gambling, money laundering and fraud, with special focus on sport. The member states have discretionary power to determine how they wish to organise this type of gambling on their territory: total or partial ban, monopolies or licensing system. However the identified dangers of online gambling are exacerbated, states the report, by the constant availability of the activity and the absence of social control, and therefore require intervention at EU level. Sigrid Ligné of EGBA, which represents several licensed private operators, welcomed "MEPs' awareness that the national dimension is insufficient, even though adjustments should still be made before the plenary vote on the text".

#### **Tool box**

Also to be explored are options for close cooperation by national regulators, common European standards for easing the burden on private online gambling operators, but there is no question of mutual recognition of licences between member states or information exchange via the Internal Market Information Network (IMI). With this sort of tool box, the Commission will be asked to determine the most effective instruments for keeping the identified dangers in check and strengthening legal gambling activity. MEPs suggest that more data are needed on these points.

The amendments toned down the rapporteur's initial stance against monopolies and the adopted text recognises that if monopolies respect transparency and non-discrimination, among other principles, they can effectively guarantee consumer protection and combat crime. European Lotteries, representing EU monopolies, welcomes this position. The association's President, Friedrich Stickler, praised "Parliament's measured approach to the potential of European support action" and stressed the need to withdraw licences throughout the EU for those that violate national laws.

Ron Goudsmit, president of the European Casino Association (ECA), hailed "the report's coordinated and cooperative approach that takes account of member states' discretionary power on gambling".

#### **Focus on sport**

Although sports betting represents only one third of online gambling, MEPs gave it pride of place in the report, a sign that they found it easier to come to consensus on this point. They propose to combat rigged matches by adopting a common EU definition of sports fraud, police cooperation between capitals and recognition of the binding rights of sports organisations with regard to betting operators. This will allow the organisations to obtain fair remuneration from the bets made on their events. The report also reinforces returns to the horse racing sector from betting, welcomes Florence Gras of the European Pari-Mutuel Association (EPMA).

The vote in plenary is set for 15 November

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