

Online gambling: MEPs endorse Commission's approach

By Sophie Mosca | Tuesday 10 September 2013

The European Parliament wishes to strengthen the drive to combat illegal operators and put in place safety nets to prevent match fixing and more generally to better protect European consumers in the online gambling sector. The report by Ashley Fox (ECR, UK), adopted on 10 September (572 to 79 and 61 abstentions), the third on this subject, endorses the approach detailed by the European Commission in its road map of 23 October 2012.

Following the 2011 report by Jürgen Creutzmann (ALDE, Germany) and the 2009 report by Christel Schaldemose (S&D, Denmark), MEPs focused their attention more on the societal stakes of this economic activity, in line with the Commission's philosophy. This is a 180 degree turn-around from the line initially defended by the rapporteur advocating a pan-European licensing system to facilitate the installation of private operators in another state. No less could be expected from a member from Gibraltar, who sits in the ECR group. After the vote, Fox commented: "I am disappointed that some of my attempts to open up the market to greater cross-border competition were resisted by protectionist elements on the left and in the European People's Party. Nevertheless, I do believe these recommendations can provide clear and helpful guidelines for future legislation".

NOT AN ORDINARY ACTIVITY

MEPs state straight away in this text that gambling is not an ordinary economic activity, which justifies restrictions by member states to protect consumers and prevent fraud and money laundering, in line with the subsidiarity principle and in keeping with EU Court of Justice case law. Friedrich Stickler, president of European Lotteries, the association of gambling monopolies in the EU, applauded: "The European Parliament very clearly underlines the right of member states to set their own gambling policy according to their own values". Stickler also welcomes the deletion from the text of a proposal for a "sectoral online gambling directive".

Private operators, represented by the Remote Gambling Association, among others, regret that the report is "influenced by members opposed to the opening of markets to licensed private sector companies" and that it contains "flawed consumer protection arguments to justify the retention of barriers to market entry". Others, like the European Gaming and Betting Association (EGBA), prefer to note Parliament's highlighting in this text of the fact that member states must also respect the treaty's fundamental principles, as held on more than one occasion by the Court of Justice. For EGBA Secretary-General Maarten Haijer, this confirms "EP support for the Commission to launch infringement procedures against those member states that continue to breach EU law". In his view, this is the only way to ensure an attractive and competitive regulated offer and prevent consumers from turning to more competitive but unregulated websites.

John Whittaker, head of operations for the private firm Stanleybet, observes that "with the Creutzman report, the EP already asked the Commission to take action against these states, whose procedures were inexplicably shelved in 2008. We hope this time that these appeals will be heard."

PROTECTING GAMBLERS

MEPs want more active measures to protect the gamblers and are calling on the Commission and the member states to look into putting in place – at EU level – registers for gamblers to exclude themselves from gambling and to put a cap on losses and gambling duration.

In practice, this would mean that any online gambler who chooses to add himself to the list can be automatically excluded by various operators. To prevent minors from having access to online gambling websites and a single player from having several accounts, the text also recommends establishing common electronic identification systems. It further suggests that member states force operators to have a visible label or the logo of the regulatory authority on their website – to make it easier to identify which sites are secure and legal.

MONEY LAUNDERING

In order to better fight illegal websites, the report recommends: drawing up a blacklist and systematically blocking related websites and financial transactions. The EP goes one step further and recommends that the EU define secure payment solutions that guarantee the traceability of transactions and closer cooperation between national gambling authorities and the police to fight money laundering.

With regard to preventing match rigging, the EP awants broader cooperation at EU level between sporting organisations, police forces, judicial bodies and gambling operators. This cooperation would be coordinated by the Commission, which would create a platform to exchange information and best practice. The EP also recommends banning types of betting that are more susceptible to rigging – a recommendation the European Sports Security Association (ESSA) is doing its best to contest. ESSA's Secretary-General Khalid Ali said: "As Europol and others have

confirmed, match-fixers bet primarily on unregulated markets. There is no evidence to support limits on regulated betting, which would be an unjustified restriction on trade based on unsubstantiated integrity grounds”.

Moreover, the report recognises the copyright of organisers of sporting competitions on events they organise. As a result, the report posits that gambling operators should compensate sporting organisations or the horse racing industry. It suggests that when sports gambling takes place about events organised by either of the latter, gambling operators should also compensate them.

The European Pari Mutuel Association (EPMA), representing the leading tote operators from ten member states, said that “an important step has been taken today in the lead up to the recognition by the European Union of the concepts of a ‘betting right’ and a ‘financial return’, which are both essential for strengthening the integrity of sport competitions and key to ensuring the sustainable financing of sport and horse racing”.