



# The EU dimension

The context of the gambling regulation in the  
Czech Republic

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# Evolving environment online gambling in the EU

- **Online gambling is a fast developing market**
  - diverse remote distribution channels and new forms of gambling services
- **Citizens are exposed to gambling services**
  - around 7 million consumers participating in online gambling in the EU
  - jurisdiction issue: gambling sites accessible outside national control
- **Member States are regulating/opening their online gambling markets in view of:**
  - Public interest objectives
  - Channelling citizens from illegal to legal gambling sites



## European Commission Action Plan

### "Towards a comprehensive European Framework for Online Gambling"

- Communication (and Staff Working Document) adopted on 23 October 2012
- Based on a broad public consultation (2011)
- Contains an action plan with 5 priority areas
- *No legislative sector-specific proposals for online gambling*

## 5 Key Action Areas

- Compliance of national regulatory frameworks with EU law
- Enhancing administrative cooperation and efficient enforcement
- Protecting consumers and citizens, minors and vulnerable groups
- Preventing fraud and money laundering
- Safeguarding the integrity of sports and preventing match-fixing

# 1. Compliance national frameworks with EU law

## (1) Court of Justice EU

- **General**

- Gambling services are covered by the Internal Market rules of the Treaty on the Functioning of the EU
- Free movement of services, freedom of establishment
- Fairly broad margin of discretion for Member States; e.g. no "mutual recognition rule" for gambling services

- **Specific "red lines"**

- Monopolies : strict state control and no aggressive commercial policy
- Licensing system: transparent and non-discriminatory conditions
- Other requirements: corporate and server requirements, etc.
- Important: national legislation on gambling must genuinely reflect a concern to attain the public policy objective pursued (consumer protection, prevention of crime and money laundering) in a consistent and systematic manner



# 1. Compliance national frameworks with EU law

## (2) European Commission policy

- **Complaints**
  - EU Pilot on land-based gambling (e.g. CZ VLT municipalities)
- **Infringements**
  - Infringement procedures started/continued
  - Including against the CZ Republic (November 2013)
- **Notification procedure**
  - National authorities notify draft laws on online gambling under Directive 98/34/EC
  - Including CZ draft Act on Games of Chance, Notification 2015/0424 (TRIS)

## 2. Enhancing administrative cooperation, efficient enforcement of national law (1)

- **Expert Group on Gambling Services**
  - Created and chaired by the European Commission
  - Composed of 2 members of the gambling regulators of the EEA Member States
  - Meets four times per year since December 2012
  - Platform for discussion:
    - advise the Commission on relevant actions;
    - exchange of information on national experiences, including enforcement measures

## 2. Enhancing administrative cooperation, efficient enforcement of national law (2)

- **Administrative "cooperation arrangement" between gambling regulators on online services**
  - Prepared in the Expert Group, to be signed on 27 November 2015
  - Non-binding, does not affect national law nor existing arrangements, does not create rights/obligations
  - National fiches ("gateways") to determine the scope of the exchange of information and assistance
  - Topics: organisation of gambling; supervision and compliance; education and research...
  - Single contact points, procedural and practical arrangements



## 3. Protecting consumers and citizens

- **Commission Recommendation: consumer protection & responsible advertising (adopted on 14 July 2014, see next slides)**
- **Research on kinds of gambling disorders**
  - **Behavioural study effectiveness online gambling consumer measures**
  - **ALICE RAP (7th Framework Programme Research EU)**
- **Monitoring the development and impact of social games**

# Commission Recommendation on consumer protection and responsible advertising (1)

- **Adopted by the Commission on 14 July 2014, accompanied by an Impact Assessment**
- **Based on "best practices" in the Member States and a high level of consumer protection**
- **Does not interfere with the right of Member States to set out their national gambling policies**
- **Provides a "tool box" e.g. for Member States in the process of (re-)regulating online gambling services**
- **Should act as a catalyst for the development of consistent principles to be applied throughout the EU**
- **Main elements....**

## Commission Recommendation on consumer protection and responsible advertising (2)

### Consumer protection measures online gambling, e.g.:

- Player registration, verification of identification, no minors gambling
- Warning signs, helplines
- Information to players on gambling choices
- Reality checks player account, monitoring player behaviour
- (Self-)exclusion and cooling-off possibilities
- No credit policy, player protection funds
- Dispute resolution

### Commercial communication rules, e.g.:

- No expansionist, aggressive advertising
- Identification of sponsor, no sponsorship where minors

## 4. Preventing money laundering and fraud (1)

- **Fourth Anti-Money Laundering Directive (AMLD)**
  - **Directive (EU) 2015/849 of 20 May 2015 (OJ 2015, L 141/73)**
- **Main changes for gambling services**
  - **Definition of "gambling services"**
  - **Expansion of the scope of the AMLD to all games of chance**
  - **Member States are allowed to exempt, in full or in part, the provider of certain gambling services – other than casinos**
    - Exemption must be based on proven low risk posed by the nature and the scale of operations
    - Need to notify to the European Commission, together with a justification based on a specific risk assessment (taking into account e.g. the degree of vulnerability of the transactions).

## 4. Preventing money laundering and fraud (2)

*"Explore possibility of an EU standard on gambling equipment including gambling software"*

- What has been done?
  - Workshops with industry, discussions in Expert Group, PwC study...
- What are the conclusions?
  - National rules aims to protect consumers (from fraudulent operators) but also the operators (against fraudulent players)
  - Safe and secure equipment and IT governance is essential for online gambling services to ensure integrity, availability and confidentiality
  - The technical requirements in the EU are highly fragmented
    - examples: recognition of certifications, approval of testing houses, reporting obligations...
- The Commission explores an EU-level initiative further

## 5. Safeguarding sport integrity and preventing match-fixing

- **Council of Europe Convention on the Manipulation of Sports Competitions (adopted 9 July 2014)**
  - Strong European Commission participation in negotiations
  - Provides for measures e.g. on national co-ordination ("platforms"), betting regulatory authorities, sports betting operators and fight against illegal sports betting
  - European Commission proposed EU accession to the Convention but Member States should also ratify ("mixed agreement")
- **Pilot projects on law enforcement (DG HOME)**
- **EU initiative on best practices to prevent and combat betting related match fixing**
  - Builds on the Convention
  - Discussion in Expert Group, workshops envisaged



# Thank you!

[http://ec.europa.eu/growth/single-market/services/gambling/index\\_en.htm](http://ec.europa.eu/growth/single-market/services/gambling/index_en.htm)