Towards a comprehensive European framework for online gambling

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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
  - €13 billion annual revenues expected in 2015, approx. 15% overall EU gambling market

- **Consumers and citizens use or are exposed to gambling services**
  - around 7 million consumers participating in online gambling in the EU
  - jurisdiction issue: gambling sites accessible outside national control
Legal developments

- **Member States are regulating/opening their online gambling markets in view of:**
  - Public interest objectives
  - Channelling citizens from illegal to legal gambling sites
- **Complaints and lack of legal clarity**
  - Significant number of pending investigations and complaints
- **Court of Justice EU**
  - "Preliminary" rulings – more than 20 judgements
  - Member States may set the policy objectives and the level of protection sought *but* national regulatory frameworks have to comply with EU law
  - Basic principles: consistency of national gambling policy, transparency, no discrimination
Commission: public consultation 2011

- 260 Responses

- Feedback
  - Gambling is harmful if not regulated
  - Challenges to public policy objectives in cross-border environment
  - Unanimous call for action at EU level
  - Reluctance for EU sector-specific legislation
Communication "Towards a comprehensive European Framework for Online Gambling"

- Communication (and Staff Working Document) adopted on 23 October 2012
- Contains an action plan with 5 priority areas
- No legislative sector-specific proposals
- A mix of initiatives covering a range of issues & evidence based
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 of national regulatory frameworks with EU law

- Co-existence of regulatory frameworks
- Enforce relevant Treaty provisions (CJEU case law)
- Invite Member States subject to investigations and complaints to inform on legislative developments
  - Letters sent out to 16 Member States
- Assessment of consistency of national policies
2. Enhancing administrative cooperation and efficient enforcement

- Relevance of competent regulatory authorities
- Importance of enhanced cooperation to meet regulatory challenges

**Action:**

- Facilitate administrative cooperation and explore IMI possibilities
  - Expert group on gambling services established on 5 December 2012
- Explore the benefits and limits of responsive measures
- Clarify procedures for notifying and acting on unauthorised content
- Regulatory dialogue with third countries
3. Protecting consumers and citizens

- MS convergence on protecting citizens – diverging approaches
- Need of common standards of protection + protection of minors

**Action:**

- 2 Recommendations: consumer protection & responsible advertising
  - Commission is preparing an impact assessment
- Support benchmarking and testing of parental control tools
- Research on kinds of gambling disorders
- Assess online gambling market performance under Consumer Market Monitoring Survey
4. Preventing fraud and money laundering

- A main public order objective of Member States
- Credit card fraud and theft of banking credentials – most common

**Action:**

- Extend Anti-Money Laundering Directive to all forms of gambling
  - Commission proposal to revise the AMLD adopted on 5 February 2013
- Assess need for specific measures tackling identity theft
- Explore EU standard on gambling equipment
- Urge Member States training of the judiciary on fraud and money-laundering gambling-related issues
5. Safeguarding sport integrity and preventing match-fixing

- Betting-related match fixing: a particularly challenging type of fraud
- Strong concerted efforts needed - limited cooperation currently exists
- Regulatory and self-regulatory mechanisms in the EU

**Action:**
- Recommendation on best practices to prevent and combat betting related match fixing
- Commission participation in Council of Europe initiative
- Promote international cooperation and dialogue
- MS urged to set up contact points, equip national systems and consider sustainable financing for sport integrity
An effective action plan

• Commission to work with Member States and gambling sector

• Evaluation 2 years after Communication adoption
Thank you!

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