



EUROPEAN PARLIAMENT

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*Committee on Economic and Monetary Affairs*

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**2011/2084(INI)**

5.9.2011

# **OPINION**

of the Committee on Economic and Monetary Affairs

for the Committee on the Internal Market and Consumer Protection

on online gambling in the Internal Market  
(2011/2084(INI))

Rapporteur: Sophie Auconie

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## SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls the growing economic importance of the online gambling industry, the take from which was over EUR 6 billion, or 45% of the world market, in 2008; agrees with the Court of Justice of the European Union that this is an economic activity with specific characteristics; recalls that this growth also entails an increased social cost from compulsive gambling and illegal practices, and that regulation of the industry should seek to minimise these costs through appropriate standards in relation to marketing and conditions of access to online gambling sites;
2. Stresses that Member States can choose freely between three options: banning online gambling and gaming; introducing or preserving a national monopoly; or controlled deregulation of this sector, with Member States having the right, in accordance with the established case-law of the Court of Justice, to restrict the number of operators, the types of game on offer and the volume of such games; urges Member States electing to deregulate their online gambling and gaming sector to introduce a licensing system based on compliance by operators and public authorities with stringent specifications;
3. Reiterates that the Court of Justice of the European Union has confirmed that cross-border gambling services – including those provided electronically – constitute an economic activity which falls under Article 56 TFEU on the freedom to provide services; confirms that restrictions on the freedom to provide cross-border gambling services may be justified on the basis of the grounds for exceptions referred to in Articles 51 and 52 TFEU or for reasons of overriding public interest, in accordance with the case-law of the Court of Justice;
4. Reaffirms its position that, in as sensitive an area as gambling, industry self-regulation can only complement but not replace statutory legislation; takes note of self-regulatory initiatives launched by public and commercial gambling operators' associations in connection with responsible gaming and other standards;
5. Stresses that the inherent nature of all online activities, in particular the fact that they operate across national borders and the proliferation of offshore operators, means that they must be dealt with in a coordinated manner at the European or global level, where appropriate; highlights the importance of a common EU-wide definition of online gambling as a starting point for any future legislation;
6. Insists on the need to dissuade players from engaging in illegal gambling, which means that lawful services must be provided as part of a system that is coherent across Europe, especially in terms of tax treatment, and which applies common minimum standards of accountability and integrity; calls on the Commission, with due regard for the subsidiarity principle, to investigate how these common standards should be implemented, including the issue of whether a European legislative framework laying down minimum rules would be appropriate;

7. Stresses that online gambling and gaming, if not properly regulated, involve greater risks than traditional gambling and gaming, and that measures must be taken at the European level to clamp down on fraud, money laundering and other illicit operations linked to online gambling; calls for more effective cooperation between Member State authorities, the Commission and Europol, including regular exchanges of information; calls on the Commission to extend the scope of legislation designed to clamp down on organised crime and money laundering so that it includes the gambling and gaming sector; recommends establishing a blacklist of illegal undertakings; supports the introduction of a regulatory principle whereby a gambling company can operate (or bid for the requisite national licence) in one Member State only if it is not operating in breach of the law in any other EU Member State; urges the Commission, therefore, to consider the possibility of introducing interoperable EU standards in relation to fraud detection and prevention with a view to improving global market monitoring;
8. Points out in particular that spread betting – a form of gambling which is conducted primarily online and in which consumers may potentially lose many times more than their initial stake – necessitates very strict conditions governing consumer access and should be regulated, as is already the case in a number of Member States, in a similar way to financial derivatives;
9. Takes the view that the various forms of online gambling – such as rapid interactive games of chance which have to be played at a frequency of seconds, betting, and lotteries involving a weekly draw – differ from one another and require different solutions insofar as some forms of gambling afford greater opportunities for abuse than others; notes in particular that the opportunity for money laundering depends on the strength of identification, the type of game and the methods of payment used, which makes it necessary, in respect of some forms of game, to monitor play in real time and exercise stricter control than is the case with other forms of game;
10. Underlines that structural cooperation between national regulatory bodies is essential; urges, therefore, that such cooperation be expanded, with the involvement of the Commission, so as to develop common standards and take joint action against online gambling companies operating in one or more Member States without the requisite national licence(s) for all the games they offer; points to the discussions in Council as to whether, and in what way, the Internal Market Information System could contribute to more effective cooperation between national regulatory bodies; states that, in particular when it comes to combating money laundering, betting fraud and other – often organised – crime, national stand-alone solutions are not successful; takes the view that cooperation between national supervisory authorities and the pooling of best practices should be promoted, and that such authorities should exchange information with the responsible authorities of other Member States in order to prevent abuses and money laundering;
11. Stresses that compulsive gambling is in fact a behavioural disorder which may affect up to 2% of the population in some countries; calls, therefore, for a survey of the extent of the problem in each EU Member State as a basis for an integrated strategy designed to protect consumers from this form of addiction; takes the view that as soon as a gambling account is created, comprehensive and accurate information must be made available with regard to gambling games, responsible gambling and opportunities for treatment of dependence on

gambling; suggests that gamblers should be invited to set themselves daily and monthly monetary expenditure limits applicable to the whole gambling service;

12. Calls for the introduction of statutory minimum consumer protection standards, especially for the most vulnerable consumers, without prejudice to the right of Member States to adopt more stringent rules;
13. Emphasises the need to address the protection of customer accounts opened in connection with online gambling in the event of the service provider becoming insolvent; suggests, therefore, that any future legislation aim to protect deposits in the event that fines are imposed on the websites in question, or legal proceedings brought against them;
14. Insists that more must be done to protect children from the dangers of gambling and in particular the dangers of addiction; suggests that consideration be given to industry-funded safeguards and monitoring; takes the view that online gambling should be subject to a requirement to open a gambling account, that players should be identified in a precise and watertight manner before they can open a gambling account, and that financial transactions should be monitored, and maintains that all of these aspects should be absolute requirements so as to protect gamblers, ensure that systems of gambling bans are effective and prevent under-age gambling, abuses and crime;
15. Notes that a large number of people taking part in gambling are professional gamblers; takes the view that it must be possible to identify the gambler at all times so that it is impossible to create more than one gambling account per person with the same gambling company; maintains that this should be done by means of a standardised, infallible identification procedure such as the online verification systems used for bank and credit cards; emphasises that robust registration and verification systems are key tools in preventing any misuse of online gambling, such as money laundering;
16. Takes the view that the proliferation of illegal online gambling and the fact that online gambling is not regulated at the global level may represent a threat to the integrity of sport; stresses that keeping sporting events credible and honest is vital to the sports industry as a whole; stresses that this can be done effectively only at transnational level; takes the view that the European Union must therefore play a more prominent role in safeguarding the integrity of sport, alongside all stakeholders;
17. Deplores recent cases of corruption and match fixing in sport; calls, therefore, for the establishment of structural cooperation at the EU level in order to uphold integrity and fair play in sport in accordance with Articles 6, 83 and 165 TFEU; notes that such cooperation must involve sports event organisers, online betting operators and public authorities, with a view to promoting player education and coordinating action against fraud and corruption in sport by sharing information and expertise and by applying the common definition of offences and sanctions;
18. Stresses that online gambling is a significant source of funding for the sports industry and other activities of general interest; recalls that online betting is one form of commercial exploitation of sporting events; calls on the Commission to look at ways in which revenues from sports betting might routinely be used to safeguard and develop the integrity of amateur sport; calls on the Commission to ensure that there is a high level of

legal security, particularly as regards the application of the rules on state aid;

19. Notes the importance of transparency in the online gambling sector; envisages, in this connection, annual reporting obligations, which should demonstrate, inter alia, what activities of general interest and/or sports events are financed and/or sponsored by means of the proceeds from gambling; calls on the Commission to investigate the possibility of compulsory annual reporting.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 38 -: 0 0: 2

<b>Members present for the final vote</b>	Burkhard Balz, Sharon Bowles, Udo Bullmann, Pascal Canfin, Nikolaos Chountis, Rachida Dati, Leonardo Domenici, Diogo Feio, Markus Ferber, Ildikó Gáll-Pelcz, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Sven Giegold, Liem Hoang Ngoc, Jürgen Klute, Philippe Lamberts, Astrid Lulling, Arlene McCarthy, Sławomir Witold Nitras, Ivari Padar, Alfredo Pallone, Antolín Sánchez Presedo, Olle Schmidt, Edward Scicluna, Theodor Dumitru Stolojan, Ivo Strejček, Marianne Thyssen, Corien Wortmann-Kool,
<b>Substitute(s) present for the final vote</b>	Sophie Auconie, Pervenche Berès, Herbert Dorfmann, Sari Essayah, Vicky Ford, Ashley Fox, Olle Ludvigsson, Thomas Mann, Sirpa Pietikäinen, Andreas Schwab, Theodoros Skylakakis, Catherine Stihler
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Kriton Arsenis (S&D), Knut Fleckenstein (S&D), Bill Newton Dunn (ALDE)