Basic information

2008/2215(INI) INI - Own-initiative procedure	Procedure completed
Integrity of online gambling **Subject** 3.30.25 International information networks and society, internet 4.60.06 Consumers' economic and legal interests	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
IMCO Internal Market and Consumer Protection	SCHALDEMOSE Christel (PSE)	07/07/2008

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	2910	2008-12-01

European Commission

Commission DG	Commissioner
Communications Networks, Content and Technology	REDING Viviane

Key events

Date	Event	Reference	Summary
23/09/2008	Committee referral announced in Parliament		
01/12/2008	Debate in Council		Summary
11/02/2009	Vote in committee		Summary
17/02/2009	Committee report tabled for plenary	A6-0064/2009	
09/03/2009	Debate in Parliament		
10/03/2009	Decision by Parliament	T6-0097/2009	Summary
10/03/2009	Results of vote in Parliament		
10/03/2009	End of procedure in Parliament		

Technical information

Procedure reference	2008/2215(INI)

Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55-p4 Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/6/66275

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE414.363	17/10/2008	
Amendments tabled in committee		PE416.608	19/12/2008	
Committee report tabled for plenary, single reading		A6-0064/2009	17/02/2009	
Text adopted by Parliament, single reading		T6-0097/2009	10/03/2009	Summary

Integrity of online gambling

2008/2215(INI) - 10/03/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 544 votes to 36 with 66 abstentions a resolution on the integrity of online gambling.

Members recall that at present, online gambling, worth EUR 2 to 3 billion in gross gaming revenues in 2004, accounts for roughly 5% of the total gambling market in the EU, and rapid growth seems inevitable. They highlight that, in accordance with the principle of subsidiarity and the case law of the European Court of Justice, **Member States have an interest and right to regulate and control their gambling markets** in accordance with their traditions and cultures.

Parliament stresses that gambling services are to be considered as an **economic activity of a very special nature** due to the social and public order and health care aspects linked to it, where competition will not lead to a better allocation of resources, which is the reason why gambling requires a multi-pillar approach. Accordingly, a **pure Internal Market approach is not appropriate in this highly sensitive area**, and Parliament requests the Commission to pay particular attention to the views of the European Court of Justice regarding this matter. It endorses the work that has started in the Council under the French Presidency addressing issues in the field of online and traditional gambling, calling on the Council to continue holding formal discussions about a **potential political solution** as to how to tackle problems arising from online gambling.

Members call on **Member States to cooperate closely** in order to solve the social and public order problems arising from cross-border online gambling. EU institutions should cooperate closely with the Member States in the fight against all unauthorised or illegal online gambling services offered and to protect consumers and prevent fraud, and there should be a **common position** on how to do this.

Fraud and criminal behaviour: the growth of online gambling provides increased opportunities for corrupt practices such as fraud, match-fixing, illegal betting cartels and money-laundering as online games can be set up and dismantled very rapidly and as a result of the proliferation of offshore operators. Parliament calls on Member States to ensure that sports competition organisers, betting operators and regulators cooperate on measures to tackle the risks related to illegal betting behaviour and match-fixing in sport and explore the establishment of a workable regulatory framework to protect the integrity of sports. Highlighting that sports bets are a form of commercial exploitation of sporting competitions, it recommends that Member States protect sporting competitions from any unauthorised commercial use, notably by recognition of a sport organisers right, and put in place arrangements to ensure fair financial returns for the benefit of all levels of professional and amateur sport. Members call on the Commission to examine whether it is possible to give competition organisers an intellectual property right (some sort of portrait right) over their competitions.

Prevention of consumer detriment: Parliament feels that online gambling is likely to give rise to risks to consumers and that **Member States may therefore legitimately restrict the freedom to provide online gambling services** in order to protect consumers. It draws attention to the growing concern about young people's ability to access online gambling opportunities, both legally and illegally, and stresses the need to have more effective age checks and to prevent underage gamblers from playing free demos on websites. It urges Member States to address the key risk factors which may increase the likelihood of a (young) person developing a gambling problem, and to find the tools to target those factors. Parents have a responsibility to prevent under-age gambling and gambling addiction by minors. Members also support the development of standards for online gambling regarding age limits, a ban on credit and bonus schemes to protect vulnerable gamblers, and so on. They suggest examining the possibility of **introducing a maximum amount** that a person can use for gambling activities per month, or of obliging online gambling operators to make use of prepaid cards for online gambling to be sold in shops. Parliament considers that self-regulation regarding the advertising, promotion and provision of online games is not

effective and emphasises the need for both regulation and cooperation between industry and the authorities. It urges Member States to cooperate at EU level to take measures against any aggressive marketing by any operator of online gambling, including free demonstration games.

Code of Conduct: Parliament feels that a Code of Conduct may still be a useful supplementary tool for achieving some public (and private) objectives but it a Code ultimately remains an industry-driven, self-regulatory approach and can therefore only serve as an addition to, not a replacement of, legislation.

Monitoring and research: the Commission is asked to do the following:

- initiate research on online gambling and the risk of developing a gambling addiction;
- examine the role of advertising and marketing (including free online demonstration games) in encouraging, directly or implicitly, under-age young people to gamble;
- study the economic and non-economic effects of the provision of cross-border gambling services in relation to integrity, social responsibility, consumer protection and matters relating to taxation.

Lastly, Parliament stresses the importance for the Member State of the residence of the consumer to be able effectively to control, limit and supervise gambling services provided on its territory.

Integrity of online gambling

2008/2215(INI) - 01/12/2008

The Council held an **exchange of views** on the legal framework and the policies adopted in EU Member States on gambling and betting.

Discussion was based on a better knowledge of the legal frameworks and policies adopted in Member States with regard to the general organisation of the sector, the cross-border dimension of gambling, and its objectives and instruments.

The discussion was based on a Presidency report on the work done in the second half of 2008. The launch of this exploratory work follows an initiative taken by the Presidency as early as July following a request emanating jointly from several Member States. It is the first time that Council bodies have addressed this subject in such a detailed manner.

The Presidency's report, which proposes taking joint discussions further, considers the major areas covered by policies on gambling: protection of public order; combating addiction; protection of minors; consumer protection; instruments to combat illegal gambling; and matters of taxation.

It emerges from this account that the **national models for the organisation and regulation of the gambling and betting sector are very heterogeneous**. Member States have produced diverse models, in particular as regards the types of gambling authorised and the extent to which the sector is open, its regulation or the taxation rules applicable, often linked to moral, cultural and social considerations.

The report shows that the policies conducted in many Member States are influenced by considerations of **public order** (combating money laundering and organised crime), **social order** (protection of minors and combating addiction) and **consumer protection** (ensuring that gambling operations and operators are trustworthy, etc.). Member States therefore frequently have recourse to instruments such as bans on access to gambling by minors or restrictions on the amounts of bets or winnings or methods for checking transactions. With regard to the development of on-line gambling, a number of Member States have opted to ban them, whereas others have adopted specific regulations.