



Michel Barnier
European Commissioner
Internal Market and Services
European Commission
BERL 10/034
200, rue de la Loi
B-1049 Brussels
BELGIUM

Brussels, 23 January 2013

Dear Commissioner Barnier,

As Presidents of the three main associations in the field of gambling, we would like to jointly call for your vigilance on several points of the Action Plan on Online Gambling recently adopted by the European Commission.

Our associations' members together create more than 750,000 jobs through direct and indirect employment in the European Union. Holding exclusive rights, authorisations or licenses in all countries of the European Union, our members offer gambling products, both off- and online, only in those jurisdictions where they are specifically authorised to do so by the respective competent national or regional government.

Our associations' members work for the public interest by both promoting a responsible conduct of business and being strongly involved in all initiatives that aim at strengthening the regulation of gambling at the local, national, regional and international levels.

Our associations and their members actively participated in the consultation process organised by your services following the publication of the Green Paper on online gambling in the internal market and are thus very attentive to the follow-up actions taken since this initiative.

As such, we have mixed feelings about the Communication (and its action plan) adopted on 23 October 2012.



We sincerely welcome some of the initiatives announced in this context. For example, regarding the fight against fraud and money laundering, our associations of course support the expected revision of Directive 2005/60/EC that should extend the scope of the current directive to all gambling activities, insofar as such an extension takes into the reality of many of our activities such as games with low stakes and the reinvestment of the winnings by the players.

The same applies to the promotion of the integrity of sports. The members of EL and EPMA that offer sport betting and contribute significantly to the financing of sport share your analysis that this is an issue that should be dealt with as a priority. We nevertheless wish to highlight that such action must be conducted in a coherent manner in proposing efficient tools and through close involvement of the sport movement.

Finally, our associations support the initiative to facilitate administrative cooperation and cooperation between gambling regulators and of course the principle of protecting consumers and citizens, minors and vulnerable groups in particular.

However, with regard to consumer protection and advertising for gambling, many Member States and responsible actors in the sector risk to see their expectations thwarted. The elaboration of a common set of principles aimed at protecting consumers, the declared aim of the first Recommendation announced, is certainly a laudable goal. However, it appears to us that, for the following significant reasons, this process might start on the wrong foot.

Firstly, this exercise will be meaningless, that is, it will not result in the desired consequences, if it does not prioritise the two main levers of consumer protection: the fight against illegal gambling offers, whose cross-border provision within the EU and from third countries is facilitated by technological advancement; strict rules or the prohibition, after an evaluation conducted at the level of each of the Member States, for the forms of gambling that are the most dangerous in terms of specific risks in terms of fraud, money laundering and addiction, whose consequences, both social as well as the financial can be disastrous for players.

The associations that we chair and their members look forward to the European Commission's support for the adoption of measures ensuring a high level of consumer protection by Member States. However, such measures can only apply to legal operators. They will thus obviously have no effect on unlicensed operators,



who free themselves from complying with the laws of the Member States where they offer their services by operating out of tax havens, just as they also exempt themselves from paying the taxes they should be subject to. These measures will likewise have no effect on the gambling services they offer, which do not offer any guarantee to the European consumers in terms of protection of assets, the payment of winnings, the integrity of games or guarding against excessive gaming.

The Commission and its services however do not seem to show that the fight against illegal gambling offers is a priority by addressing it. The widespread availability of illegal gambling, unlike the regulation of licensed operators that falls within the sole jurisdiction of the Member State(s), is a cross-border problem, requiring therefore a strong and joint response at the level of the European Union.

In light of this, it seems that the European Commission's forthcoming Recommendation on consumer protection will fail to live up to its objective unless the fight against illegal gambling offers, which is a priority shared by Member States and the members of our associations, is to be placed at the centre of this strategy.

The same problem applies concerning measures on responsible advertising. These cannot omit the urgent need to prohibit any commercial communication for illegal gambling offerings, regardless of the medium, in particular TV advertising by illegal operators in certain countries through television channels broadcast by satellite.

The prohibition of commercial communications on illegal gambling offerings, which is in place in several European countries, is indeed one of the most effective measures against illegal gambling, along with establishing lists of sites of authorised gambling operators (white list) and illegal sites (black list), and blocking the access to unauthorised sites and financial flows related to illegal gambling activities. Our associations and their members consider that such enforcement measures against illegal operators must imperatively be integrated into the Recommendation on consumer protection that is being prepared and that it is desirable that they are rapidly adopted by all the Member States, which would need to collaborate closely and continuously to enhance the effectiveness of their implementation.

More generally, we believe that the Commission has not sufficiently taken into account the specificities of our sector whose activities cannot be considered services as any other services. We recall that the vast majority of EU Member States are in



favour of a national regulation of gambling. Due to the known and recognised risks, our sector requires special attention, adapted regulations to deal with the inherent dangers in gambling in the most appropriate way, taking into account the cultural, social and historical features from each Member state. The specificity of this sector as well as the consequences that derive from it must be taken into account during the discussions on the planned initiatives, including on consumer protection and responsible advertising. Should this not be the case, the dangers posed by gambling will not be tackled in a sound and responsible way.

In order to further explain to you our concerns and move forward together towards constructive solutions, we would like to request a joint meeting with you.

We remain at your disposal as well as of your staff for any further information and we look forward to your reply.

Yours sincerely,

Friedrich Stickler
President
The European Lotteries
(EL)

Philippe Germond
President
European Pari Mutuel
Association (EPMA)

Ron Goudsmit
President
European Casino
Association (ECA)