

Legal Update Licensing and Gambling

Gambling Update November 2011

Gambling Commission consultations and EU defiance in Germany over online gambling legislation

Inside information and fair and open betting

The Gambling Commission has published an integrity issues paper relating to fair and open betting, which seeks further information and views.

Opinions are sought on a range of circumstances relevant in considering whether use of inside information for betting is substantially unfair or amounts to cheating, and therefore a 'misuse' of information.

Use of inside information is traditionally permitted in horse and greyhound racing in Great Britain. The paper invites views on whether explaining to a punter that they may be betting against those legitimately using inside information, makes the activity fair and open and whether additional restrictions are necessary on those betting with inside information.

Responses to the questions raised must reach the Commission by 11 January 2012.

The paper and details of how to respond can be found here:
http://www.gamblingcommission.gov.uk/research_consultations/consultations/open_consultations.aspx.

Gaming on alcohol licensed premises

Two consultations on revising the codes of practice for equal chance gaming and gaming machines in clubs and premises with a premises licence under the Licensing Act 2003 have been launched.

Both codes of practice were originally published in the run up to the implementation of the Gambling Act 2005, as part of a large suite of documents.

The changes proposed to both codes of practice aim to bring them into line with the requirements of the Commission's Licence Conditions and Codes of Practice (LCCP), in particular regarding the resolution of complaints and disputes.

The closing date for responses is 3 January 2012 with a revised code of practice proposed for publication in March 2012.

The consultation papers and details of how to respond can be found here:
http://www.gamblingcommission.gov.uk/research_consultations/consultations/open_consultations.aspx.

Germany divided on online gambling

15 of Germany's 16 states have agreed the draft State Treaty on Gambling, despite the European Commission repeatedly stating that it does not comply with EU law. The Treaty is expected to be signed on 15 December. If the Treaty does become law, which could be as early as July next year, it would only permit 20 licences for online sports betting to be issued. The Treaty also limits individual gamblers to playing with funds of €1,000 per month and does not permit online casino games, poker or live betting services. Operators would be taxed 5% of turnover.

The only state not to agree the draft treaty is Schleswig-Holstein, which passed its own

EU law-compliant online gambling legislation in September. The legislation, which takes effect from January 2012, does not limit the number of licences to be issued and permits licensed operators to offer online sports betting, casino games (except baccarat, blackjack and roulette) and poker.

The proposed 20% gross tax on online gambling profits appears not to have deterred large online gambling operators who are reportedly interested in applying for licences to operate in Germany.

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