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REPORT

on online gambling in the internal market
(2012/2322(INI))

Committee on the Internal Market and Consumer Protection

Rapporteur: Ashley Fox

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on online gambling in the internal market

(2012/2322(INI))

The European Parliament,

- having regard to the Commission Communication of 23 October 2012 entitled ‘Towards a comprehensive European framework for online gambling’(COM(2012)0345),
- having regard to the Commission communication of 18 January 2011 entitled 'Developing the European Dimension in Sport' (COM(2011)0012),
- having regard to its resolution of 11 March 2013 on match-fixing and corruption in sports¹,
- having regard to its resolution of 2 February 2012 on the European dimension in sport²,
- having regard to its resolution of 15 November 2011 on online gambling in the internal market³,
- having regard to its resolution of 10 March 2009 on the integrity of online gambling⁴,
- having regard to the Nicosia Declaration of 20 September 2012 on the Fight Against Match-Fixing,
- having regard to the Council conclusions of 10 December 2010 and the progress reports of the French, Swedish, Spanish and Hungarian Presidencies on the framework for gambling and betting in the EU Member States,
- having regard to the preparatory action entitled 'European Partnerships on Sport' and, in particular, to the assembling of projects focusing on the prevention of match-fixing incidents through the provision of education and information to relevant stakeholders,
- having regard to Articles 51, 52 and 56 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the Protocol on the application of the principles of subsidiarity and proportionality annexed to the TFEU,
- having regard to the case-law developed by the Court of Justice of the European Union, whereby in the specific area of the organisation of games of chance, the Court notably recognizes consumer protection, the prevention of both fraud and incitement to squander on gaming, as well as the general need to preserve public order as reasons of overriding general interest that may justify restrictions on the freedom to provide services⁵,

¹ Texts adopted, P7_TA(2013)0098.

² Texts adopted, P7_TA(2012)0025.

³ Text adopted, P7_TA(2011)0492.

⁴ OJ C 87 E, 1.4.2010, p. 30.

⁵ see, to that effect, Case C 275/92 Schindler, paragraphs 57 to 60; Case C 124/97 Läärä and Others, paragraphs 32 and 33; Case C-67/98 Zenatti, paragraphs 30 and 31; Case C-243/01 Gambelli and Others, paragraph 67; Case C-42/07 Liga Portuguesa, paragraph 56; Joined Cases C 316/07, C 358/07 to C 360/07, C 409/07 and C 410/07, Markus Stoß and others, paragraph 74; Case C 212/08, Zeturf Ltd, paragraph 38; Case C-72/10 Costa

- having regard to the opinion of the European Economic and Social Committee of 22 May 2012,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinions of the Committee on Culture and Education and the Committee on Legal Affairs(A7-0218/2013),
- A. whereas gambling is not an ordinary economic activity given its potentially negative health and social impacts, which include: compulsive gambling, the consequences and costs of which are difficult to estimate; organised crime; money laundering; and match-fixing; whereas online gambling may involve a greater risk of addiction than traditional offline gambling, owing, inter alia, to the increased ease of access and the absence of social control, but additional research and data is needed in this regard; notes that, on these grounds, certain internal market rules – including the freedom of establishment, the freedom to provide services and the principle of mutual recognition – do not preclude Member States from determining their own additional measures for the protection of players;
- B. whereas Article 35 of the Charter of Fundamental Rights of the European Union establishes the obligation to protect human health in the definition and implementation of all the Union's policies and activities;
- C. whereas Article 169 of the TFEU obliges the EU to ensure a high level of consumer protection;
- D. whereas, given the special nature of the online gambling sector, the protection of human health and consumers should be the main guiding principle when EU-level recommendations and national legislation are made;
- E. whereas, with due regard to the principle of subsidiarity, Member States have the right to determine how the offer of online gambling services is organised and regulated in accordance with their own values and pursued objectives of general interest, while observing Union law;
- F. whereas, because of its specific nature and in application of the subsidiarity principle, the supply of online gambling services is not subject to sector-specific regulation at EU level and is exempted from the services and consumer rights directives, remaining – nevertheless – subject to a number of EU secondary legislative acts, such as the data protection directive, the directive on privacy and electronic communication and the unfair commercial practices directive;
- G. whereas the online gambling sector differs from other markets on account of the risks involved in terms of consumer protection and the fight against organised crime, as repeatedly acknowledged by the Court of Justice of the European Union;
- H. whereas the Court of Justice has confirmed that the provision of games of chance or gambling is an economic activity of a special nature, where restrictions may be justified for reasons of overriding general interest such as consumer protection, fraud prevention,

paragraph 71; Case C 176/11 Hit Larix, paragraph 15; Joined Cases C 186/11 and C 209/11 Stanleybet and others, paragraph 44.

the fight against money laundering and the preservation of public order and public health; whereas any restrictions imposed thereto need to comply with those provided for by the TFEU, such that they must be proportionate to the objectives pursued and must not be discriminatory;

- I. whereas, now more than ever, the Member States share common general concerns as to the negative social and economic impact of illegal online gambling at national level, their principal objectives being to protect underage and vulnerable members of society and combat addiction, crime and tax evasion;
- J. whereas the cross-border nature of online gambling, the risks involved in terms of consumer protection, fraud prevention and law enforcement against illegal activities, such as money laundering and match -fixing, as well as the need to combat illegal gambling-related activities, require better-coordinated action among Member States and at EU level;
- K. whereas it is essential to introduce mechanisms for scrutinising sports competitions and financial flows, along with supervisory mechanisms;
- L. whereas a comprehensive overview of the online gambling sector, in terms of information and data regarding domestic and cross-border, intra-EU and global, authorised and unauthorised offer, is currently needed;
- M. whereas the form taken by advertising for online gambling varies between the Member States or is not regulated at all;

Specific nature of the online gambling sector and consumer protection

- 1. Considers that, in order to ensure a high level of consumer protection, in particular for those consumers who are the most vulnerable, a fair and legal offer of gambling services defined by each Member State in compliance with Union law might diminish the social costs and harmful effects of gambling activities;
- 2. Warns that gambling can lead to dangerous addiction, which is an issue that would need to be addressed in any legislative proposal for the sake of consumers and the integrity of this form of sport;
- 3. Calls on the Commission and the Member States to take action against illegal gambling offered from within Member State territories; urges the Commission, in this regard, to call on the Member States to take enforcement measures against offers for illegal gambling in its planned recommendations on consumer protection and advertising;
- 4. Believes that there is a dangerous link between severe economic hardship and high levels of gambling; stresses that the present, extremely harsh social and economic climate has been instrumental in the huge upsurge in gambling, in particular among the poorest sections of society, and that there is, therefore, a need for close, ongoing monitoring of levels of gambling addiction and problem gambling;
- 5. Affirms that online gambling is a form of commercial use of sport and that, while the online gambling sector is growing steadily by keeping abreast of technological innovations, Member States face difficulties in controlling it, given the specific nature of the internet, which creates the risk of violations of consumers' rights and of the sector being subject to investigations in the context of the fight against organised crime;
- 6. Insists that, regardless of the manner in which Member States decide to organise and

regulate the offer of online gambling services at national level, a high level of protection of human health and consumers must be ensured; calls on the Commission to continue to explore measures at EU level to protect vulnerable consumers, including formalised cooperation between regulatory authorities in the Member States; stresses that the expert group should ensure that it is impossible for minors to access online gambling services; invites Member States to oblige operators working with a licence from the Member State to carry the logo, trustmark of the regulatory authority in a prominent fixed position on its website;

7. Asks the Commission to study what can be done to stop the practice whereby companies based in one Member State market online-gambling services – for example via satellite-TV or advertisement campaigns – in another Member State in which they are not licensed to offer such services;
8. Calls for operators to be obliged to display clear, prominent and explicit warnings to minors stating that it is illegal for them to engage in online gambling;
9. Considers that measures should be taken to ensure that the more vulnerable members of society do not have their subsistence jeopardised even further as a result of gambling;
10. Believes that additional research and data are needed in order to quantify compulsive gambling and the risks associated with different forms of gambling; calls on all the Member States and the Commission to carry out, in a coordinated manner, further studies to understand problem gambling; notes that gambling operators have a responsibility to contribute towards the prevention of gambling addiction;
11. Calls on the Commission, in cooperation with the Member States – where appropriate through the expert group – to explore the possibility of EU-wide interoperability between national self-exclusion registers that include, inter alia, self-exclusion, personal loss and time limits, and that are accessible to national authorities and licensed gambling operators, so that any customer self-excluding or surpassing their gambling limits at one gambling operator has the opportunity to be automatically self-excluded from all other licensed gambling operators; underlines the fact that any mechanism to exchange personal information on problem-gamblers must be subject to strict data protection rules; stresses the importance of the expert group in working towards the protection of citizens against gambling addictions;

stresses that in order to make consumers aware of their own gambling activity, this register should show the consumer all information pertaining to her/his gambling history whenever she/he starts to play;
12. Recommends that a clear distinction be made between gambling activities and other forms of online entertainment; services which combine distinguishing features of the gambling sector must fall under appropriate gambling legislation and fully respect age and identity verification mechanisms;
13. Notes that self-regulatory initiatives can serve as good contributions for identifying the content of common standards; reiterates its position that, in an area as sensitive as gambling, self-regulation can only complement but not replace national legislation;
14. Calls on the Commission to consider implementing a compulsory third-party identification control in order to exclude minors or persons using fake identities from playing; suggests that this could, inter alia, be a check on social security number, bank

- account information or other unique identifier, noting that such identification should take place in advance of any gambling activity;
15. Believes that the software used for online gambling services should be made more secure and that common minimum certification requirements should be laid down in order to ensure that uniform parameters and standards are used;
 16. Draws attention to the need to draw up efficient methods of betting supervision, bearing in mind the rapid development of the online environment, but highlights as well the importance of protecting users' personal data against abuse;
 17. Takes the view that common standards for online gambling should address the rights and obligations of both the service provider and the consumer, ensuring a high level of protection for citizens and consumers, in particular minors and other vulnerable persons, and the prevention of misleading and excessive advertisements; encourages the European gambling operators' associations to develop and adopt self-regulatory codes of conduct;
 18. Calls on the Commission to include in its recommendation that gambling operators should be obliged actively to promote the use of self-restrictions at the time of registration as well as in cases of repeated losses;
 19. Recommends the introduction of uniform, pan-European common security standards for electronic identification and cross border e-verification services; welcomes the Commission's proposal for a directive on e-identification and authentication, which will allow for interoperability of national e-identification schemes where these exist; calls, therefore, for registration and identification procedures to be streamlined and made more efficient, notably in order to ensure efficient identification mechanisms and to prevent multiple accounts per player and access by minors to online gambling websites; recommends the exchange of best practices between Member States on enforcement measures – such as on establishing white and black lists of, and preventing access to, illegal gambling websites, jointly defining secure and traceable payment solutions, and considering the feasibility of blocking financial transactions – in order to protect consumers against illegal operators;
 20. Calls on the Member States and on operators to encourage responsible advertising in relation to online gambling; welcomes the Commission's initiative to adopt a Recommendation on responsible gambling advertising; asks the Commission to include common minimum standards which provide sufficient protection for vulnerable consumers; recommends that advertising should be responsible, contain clear warnings as to the risks of gambling addiction and be neither excessive nor displayed on content specifically targeted at minors or where there is a higher risk of targeting minors, as is the case notably with social media advertising;
 21. Calls for the definition and implementation of measures to enable children and young people to attain and further develop digital literacy; believes that the introduction of school courses aimed at young people on the best uses of the Internet could make users more adept in protecting themselves against addiction to online gambling services;
 22. Stresses the important role of education, advisory services and parents in raising awareness on the subject of online gambling and its consequences among minors;
 23. Calls on the Commission and the Member States to introduce effective measures to raise

- awareness of the risks of gambling addiction, targeting young people in particular;
24. Calls for socially responsible advertising of online gambling games to be permitted only for gambling products which are legal; considers that it should never be allowed to advertise for online gambling services by exaggerating the probability of winning, so that a false impression is given that gambling is a reasonable strategy for improving a person's finances; believes that advertising should contain clear information concerning the consequences of compulsive gambling;
 25. Stresses that defining a non-harmful format for advertising, and rules on its dissemination, is key to preventing people under 18 from gambling and to combating problematic and compulsive gambling;
 26. Stresses that consumer protection measures should be flanked by a combination of preventive and responsive enforcement measures to reduce the contact of citizens with unauthorised operators; stresses the importance of jointly defining the notion of legal gambling operators, so that Member States, in compliance with EU law, only authorise operators who fulfil at least the following requirements and are thus considered to be legal:
 - (a) the operator must have a licence which gives it a right to operate in the Member State of the player,
 - (b) the operator is not considered to be illegal under the law applicable in any other Member State;
 27. Is of the opinion that a registration process should include, as a mandatory feature, maximum loss limits, set and defined by the player for a certain time period; as a minimum, this feature should be present in games with short frequency;

Compliance with EU law

28. Stresses that, on the one hand, providers of online gambling should in all cases respect the national laws of the Member States in which they operate and, on the other hand, that Member States should retain the right to impose the restrictions they deem necessary and justified to address illegal online gambling in order to implement national legislation and exclude illegal providers from market access;
29. Recognises that, in accordance with the principle of subsidiarity, the Member States have the right to determine how the offer of online gambling services is to be organised and regulated at national level, and the right to enforce all measures they consider necessary against illegal gambling services, while observing the basic EU Treaty principles; recognises that such legislation must be proportionate, consistent, transparent, and non-discriminatory; notes the need for more coherent EU policies in order to address the cross-border nature of online gambling;
30. Notes that the Commission has sent letters to a number of Member States asking for detailed information on their current gambling legislation; calls on the Commission to continue the dialogue with the Member States; takes note of the Commission's work on the infringement cases and on complaints brought against certain Member States; calls on the Commission to continue to monitor and enforce compliance of national laws and practices with EU law, in cooperation with the Member States, and to launch infringement procedures against those Member States that appear to breach EU law; respects the

decision taken by the Member States in relation to the establishment of monopolies in this sector, provided that, in line with the case-law of the Court of Justice, they are subject to strict state control and ensure a particularly high level of consumer protection, that their activities are coherent with the objectives of general interest and that they reduce gambling opportunities in a consistent manner;

31. Calls on the Commission, the Member States and the expert group on gambling services to draw up coordinated measures and strategies, including exchanges of best practice, with a view to looking into and addressing the problem of tax avoidance by authorised operators who provide online gambling services on the EU market but have their registered offices in tax havens within or outside the EU;
32. Notes the risks that access by consumers to illegal online gambling services might pose; calls on the Commission and the Member States to discuss, as part of the work of the group of experts on gambling services, the social costs of permitting regulated gambling activities versus the harmful effects of consumers resorting to illegal operators;
33. Emphasises that those Member States that choose to open up their online gambling sector must provide for a transparent and legally certain licensing application procedure based on objective and non-discriminatory criteria, in full compliance with EU law and with sufficient and strict citizen and consumer protection;

Administrative cooperation

34. Calls on the expert group on gambling services and on the Commission to facilitate, as much as possible, the flow of data between regulators in the Member States in order to share best practices and information to facilitate the establishment of a common system for identifying players, enforcement measures against illegal operators, enhance protection of consumers, responsible advertising, establishment of white and black lists, prevent match-fixing and make self-exclusion mechanisms that include, inter alia, personal time and money limits applicable throughout the EU; calls on the Commission to arrange for the expert group to benefit from the broadest expertise possible in the development of its work; urges the Member States to restart the dialogue on online gambling services in the forum of the Council Working Party on establishment and services;
35. Calls on the Commission always to include experts specialised in problem and pathological gambling in expert groups and consultations;
36. Is of the opinion that cooperation and exchanges of best practices among national experts from the social and health spheres specialising in pathological and problem gambling should be strengthened at European level;
37. Emphasises that, while the effective exchange of information between investigative bodies is important for successful law enforcement, action to combat match-fixing must comply with national and European data protection laws and regulations;
38. Encourages the Member States, in the context of the expert group, to work in close cooperation with the Commission and with each other to coordinate steps to combat the unauthorised supply of cross-border gambling services, and to implement the action plan contained in the Commission's communication on online gambling;
39. Recognises that cooperation among Member States is essential but stresses that it is also very important that the expert group on gambling works in close collaboration with all

- stakeholders, including the gambling industry and consumer organisations;
40. Stresses the importance for the expert group to work towards more transparent and simplified procedures that remove unnecessary administrative burdens on Member States that could unnecessarily increase costs for legal online operators in those countries which choose to open up their markets; notes that the removal of administrative burdens must not compromise protection of consumers;
 41. Believes that steps should be taken to bring national tax regimes for gambling services into line with one other in order to prevent disproportionate tax concessions from fostering a proliferation and concentration of online gambling services;
 42. Encourages national regulatory authorities in those Member States that have chosen to introduce licensing systems to exchange best practices that would facilitate the application of national gambling licenses, including technical standards for gaming equipment; encourages the competent national regulatory authorities to allow operation of a gambling company within their jurisdiction only when said company does not operate in contravention of the law in another Member State, the legislation of which has not been established as non-compliant by the Court of Justice;

Money laundering

43. Points to the fact that online gambling is a non-cash-based environment and that – given the dependency on third-party financial service providers – additional safeguards against money laundering are needed; emphasises the need for close cooperation between national gambling authorities, national police and national enforcement authorities in preventing criminal activity;
44. Calls on the Commission, the Member States and the expert group to take effective action against money laundering; welcomes, in this respect, the proposal to extend the provisions of the Anti-Money Laundering Directive to include all forms of gambling, and calls on the competent national authorities to ensure that any transaction suspected of being potentially connected to money laundering or other criminal activity is reported in accordance with the provisions of this Directive;
45. Calls on the Council to proceed in a swift and ambitious manner with the negotiations on the Commission proposal for a Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (COM(2013)0045), and to address all types of gambling, including online gambling, in order to prevent the exploitation of online sports-betting activities by criminal interests for money laundering purposes;
46. Emphasises that solid registration and unambiguous verification systems are key tools in preventing any misuse of online gambling, such as money laundering; notes that, for such identity verification purposes, advantage can be taken of existing and developing online structures, such as online bank and credit-card verification systems;
47. Takes the view that all the online gambling companies operating in the EU area need to be registered as legitimate entities in the EU;
48. Stresses that all the Member States must identify and designate the responsible public authority in charge of monitoring online gambling; stresses that the authority will also be authorised to intervene should any suspicious online gambling appear; gaming companies

should also be required to inform the authority about any suspicious gaming activity;

Integrity of sports

49. Stresses that, in view of the transnational nature of match-fixing, the fight against it requires more effective cooperation between all stakeholders, including public authorities, law enforcement agencies, the sport industry, gambling operators and gambling regulators, athletes and supporters, while emphasis should also be given to education and prevention actions in this regard; welcomes, in this respect, the recent Commission 2012 Preparatory Action, which supports transnational educating projects in order to combat match fixing; notes that match fixing occurs in both the offline and the online gambling markets and that, in the majority of cases, online betting-related match-fixing occurs through gambling operators established in unregulated markets outside the EU;
50. Calls for a code of conduct, as a part of a self-regulatory initiative containing a general ban on all staff (in particular players, coaches, referees, medical and technical staff, owners and managers of clubs) involved in sporting events who may have a direct influence on the result from placing bets on their own matches or events; also emphasises, in this context, the need for strict and reliable age and identity verifications systems at Member State level; calls on sports organisations to use education campaigns and codes of conduct to educate – from an early age – sportspersons, referees and officials on the illegality of manipulating sports results;
51. Recognises that efforts to combat sport organisations' involvement in corrupt activities like match-fixing or money laundering, such as codes of conduct, need to address all stakeholder groups (officials, owners, managers, agents, players, referees and supporters) and all organisations (clubs, leagues, federations, etc.);
52. Calls on the Member States to increase the priority given to preventing corruption in sport and stresses the need for increased focus on efficient law enforcement in this regard; calls for the adoption at national level of effective measures to prevent conflicts of interest, notably by avoiding wagers of all stakeholders from the world of sports on betting organised on competitions in which they are involved; calls upon all sports governing bodies to commit to good governance practices in order to reduce the risk of falling victim to match-fixing; calls on the Commission, in this regard, to take into account the work of the Council of Europe on the assessment of the risks of certain types of bets and to assess the possible risks of spot betting, where it is possible to bet on certain bets during a competition and to take appropriate action accordingly;
53. Calls on sport federations and gambling operators to include, in a code of conduct, a ban on betting on so-called negative events, such as yellow cards, penalty kicks or free kicks during a match or event; calls on Member States and gambling operators to ban all forms of live sports betting since these have proved to be very vulnerable to match-fixing and therefore pose a risk to the integrity of sport;
54. Calls for an obligation for cooperation and exchange of information on suspicious activities at national as well as European level, among sports bodies, public authorities, Europol and Eurojust, in order to combat criminal cross-border online gambling activities;
55. Welcomes the Commission's intention to promote a better exchange of good practice in regard to combating match-fixing; highlights the importance of the support of the European Union to the ongoing work within the Council of Europe towards the

negotiation of an international convention on the protection and the promotion of sports integrity; highlights that match fixing is not always related to betting, and that this non-betting side to match fixing, which also poses a problem to the integrity of sports, needs to be addressed as well; stresses the need for strengthened cooperation at EU and global level in the fight against match fixing; calls on the Commission to take the lead in the creation of a global platform for exchange of information and best practices and in the coordination of joint prevention and enforcement actions between regulators, sports organisations, police and judicial authorities and gambling operators;

56. Considers that a consistent policy on criminal sanctions is essential to a pan-European approach to regulating the online gambling sector and, to this end, urges the Member States to ensure that the fraudulent manipulation of results for financial or other advantage is prohibited by establishing as a criminal offence any threat to the integrity of competitions, including those linked to betting operations; urges the Commission to take action at EU level against unregulated online gambling and to support the fight against match-fixing;
57. Recognises that in some Member States gambling revenues and lotteries represent a considerable source of income that can be channelled to support publicly beneficial and charitable purposes, cultural works, grassroots sports and horse racing and equine sector; underlines, furthermore, the significance of this sustainable contribution and specific role that should be acknowledged in discussions at the European level; reaffirms its position that sports bets are a form of commercial use of sporting competitions; recommends, while fully respecting the Members States' competence on the issue, that sporting competitions should be protected from any unauthorised commercial use, notably by recognising the property rights of sports event organisers, not only in order to secure a fair financial return for the benefit of all levels of professional and amateur sport but also as a means of strengthening the fight against sports fraud, particularly match-fixing;
58. Calls for more cooperation at European level, under the coordination of the Commission, to identify and prohibit online betting operators engaged in illegal activities such as, inter alia, match-fixing or betting on junior competitions involving minors and expects the online gambling industry to respect this ban through self-regulation;
59. Encourages the Member States to consider a ban on all forms of spot fixing, such as gambling on corner kicks, free kicks, throw-ins and yellow cards, as these has proven to be very vulnerable to match-fixing;
60. Calls up the Commission to install a European alert system for betting regulators in order rapidly to exchange information about fixed sporting events;
61. Welcomes transnational education projects to combat match-fixing on a global level;
62. Stresses that athletes need effective protection mechanisms to oppose corrupting influences, including the safeguarding of the moral and physical integrity of athletes, proper working conditions and the safeguarding of salaries or remunerations, including bans on participation at different levels of competition for sports organisations failing to regularly fulfil these obligations towards their athletes;
63. Emphasises that match-fixing allegations are often tried in public courts as well as by sports arbitration and that, under both procedures, international minimum procedural standards, as laid down in Article 6 of the European Convention on Human Rights, must

be observed;

64. Calls for the strict regulation or the prohibition, after an evaluation conducted at the level of each Member State, of dangerous forms of gambling;
65. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.

29.4.2013

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on the Internal Market and Consumer Protection

on online gambling in the internal market
(2012/2322(INI))

Rapporteur: Ivo Belet

SUGGESTIONS

The Committee on Culture and Education 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. Stresses that protecting minors from exposure to online gambling should remain a major policy objective; underlines the need to implement, in all Member States, strict and reliable standards for age and identity verifications, based on methods which prove to be effective in some Member States, and to ensure proper monitoring in order to prevent unidentified users and underage gamblers from accessing and participating in remote gambling products; points to the importance of sharing best practices between the Commission and the Member States on this matter;
2. Rejects the establishment of an internal market in online gambling with the supply of cross-border products, and draws attention to the consistent case-law of the Court of Justice of the EU; doubts the added value of an EU directive laying down minimum standards for the protection of gamblers and young people; calls, however, for existing high standards in the Member States to be genuinely enforced, and calls on the supervisory authorities of the Member States to cooperate more intensively in law enforcement;
3. Calls for the definition and implementation of measures to enable children and young people to attain and further develop digital literacy; believes that the introduction of courses at school aimed at young people on the best uses of the Internet could make users more adept in protecting themselves against addiction to online gambling services;
4. Stresses the important role of education, advisory services and parents in raising awareness on the subject of online gambling and its consequences among minors;

5. Calls for operators to be obliged to display clear, prominent and explicit warnings to minors stating that it is illegal for them to engage in online gambling;
6. Recalls that almost 2 % of the European population suffers from gambling addiction; is concerned that easy access to online gambling websites is likely to increase this percentage, especially among young people; considers, therefore, that efficient preventive measures should be enforced for vulnerable consumers, such as the implementation of strict deposit limits and loss limits set by the player himself, and the evaluation by the Member States of every gambling product offered by gambling operators online; this assessment process should lead to better regulation, or even the banning of dangerous gambling products if there is a substantial threat to the vulnerable consumer;
7. Calls on Member States to introduce comprehensive compulsory licensing of gambling products and to establish national regulatory agencies to combat illegal gambling and corruption in sport and to license gambling products; considers that such agencies should cooperate closely at international level;
8. Points out that online gambling is particularly addictive because of the anonymity of online gamblers and the constant availability of online gambling services, as well as the lack of any social control, and that it consequently involves much greater risks for vulnerable consumers and particularly young people; stresses that these characteristics make this form of addiction less visible than in the case of traditional gambling; therefore urges operators, as a compulsory requirement, to include, on the homepage of gambling websites, a link to online information about gambling addiction and opportunities to obtain related professional assistance;
9. Considers that measures should be taken to ensure that the more vulnerable members of society do not have their subsistence jeopardised even further as a result of gambling;
10. Calls on the Commission to explore, with the Member States, the possibility of setting up a common EU-wide self-exclusion mechanism whereby players can voluntarily and in a simple manner exclude themselves from all gambling websites operating in the EU; this feature should be made clearly visible on all websites offering online gambling services;
11. Recommends that Member States set a minimum percentage of gambling revenues to be redistributed to organisations which seek to prevent, or which provide counselling on, addiction;
12. Takes the view that there is a dangerous correlation between periods in which the economic crisis is at its most acute and an increase in gambling; considers it necessary, therefore, to monitor the phenomenon of gambling addiction and gambling-related diseases in a continuous and ongoing manner;
13. Recommends that a clear distinction be made between gambling activities and other forms of online entertainment; services which combine distinguishing features of the gambling sector must fall under appropriate gambling legislation and fully respect age and identity verification mechanisms;
14. Draws attention to the need to draw up efficient methods of betting supervision, bearing in

mind the rapid development of the online environment, but also highlights the importance of protecting users' personal data against abuse;

15. Believes that the advertising of gambling is often biased and misleading and can lead to unhealthy and harmful behaviour; considers, therefore, that it should become more responsible and should be regulated in order to limit its more invasive effects, which affect first and foremost the most vulnerable people;
16. Calls on the Commission to include in its recommendations on responsible gambling advertising, in order to prevent minors from gambling and to protect vulnerable persons, a ban on misleading advertising for online gambling services aimed at minors and other vulnerable persons, in particular on social media;
17. Calls for socially responsible advertising of online gambling games to be permitted only for gambling products which are legal; considers that it should never be allowable to advertise for online gambling services by exaggerating the probability of winning, so that a false impression is given that gambling is a reasonable strategy for improving a person's finances; believes that advertising should contain clear information concerning the consequences of compulsive gambling;
18. Stresses that defining a non-harmful format for advertising and rules on its dissemination is key to preventing people under 18 from gambling and to combating problematic and compulsive gambling;
19. Notes that, while there are several sources of revenues going from gambling to sports, sports organisations receive a relatively low financial return, in most Member States, on commercial betting activities although sports constitute the main activity area for online betting; asks the Commission to launch an initiative for the recognition of the property rights of sports competition organisers so that sports federations are ensured a fair financial return; recommends that Member States set a common minimum percentage of sports betting revenues to be fairly redistributed to sports federations that have to ensure sustainable financing for grassroots sport and solidarity between different sports;
20. Urges the Member States to ensure that part of the proceeds from gambling is earmarked for the support of grassroots sport;
21. Stresses the importance of funding from gambling for public interest causes (sport, culture, social projects, research and other causes of general interest); calls for the specific features and the sustainable contributions from lotteries to society to be recognised and taken into account in any coordinated approach at EU level; stresses also the importance of the lotteries sector for indirect employment generation;
22. Calls for more cooperation at European level, under the coordination of the Commission together with the Member States, gambling operators and sports organisations, to identify and ban online betting operators engaged in illegal activities such as match-fixing as well as unauthorised operators who illegally provide online gambling services; stresses that tackling these problems is vital in order to safeguard the integrity of sport in Europe;
23. Urges the Commission and the Member States to conclude, in the short term, an ambitious

binding agreement with third countries, within the framework of the Council of Europe, on the global fight against organised crime involved in match-fixing in order to combat the manipulation of sports results; suggests setting up an anti-match-fixing unit/centre with the task of collecting, exchanging, analysing and disseminating facts about match-fixing, sports fraud and other forms of corruption in sport, in Europe and beyond, as well as gathering best practices in the fight against sports corruption and promoting concepts of good governance in sport;

24. Notes that match-fixing is criminalised in all Member States and that the main shortcomings in relation to the prosecution of match-fixing cases are of an operational nature; therefore considers that the approximation of criminal sanctions is essential in order to regulate the online gambling sector in all Member States; to this end calls on the Commission to bring forward legislative proposals to establish minimum rules with regard to the definition of national criminal offences and sanctions concerning illegal online gambling and the fight against match-fixing and related crime at EU level in order to improve detection rates, while fully respecting fundamental rights;
25. Underlines that the fight against match-fixing and other forms of sports fraud has to be focused on law enforcement, education and prevention as well as on the implementation of basic principles of good governance, financial and operative transparency and accountability; recognises that the sustainable governance of sports organisations (clubs, leagues and federations) reduces the risk of their falling victim to match-fixing;
26. Calls for a code of conduct, as a part of a self-regulatory initiative containing a general ban on all staff (in particular players, coaches, referees, medical and technical staff, owners and managers of clubs) involved in sporting events who may have a direct influence on the result from placing bets on their own matches or events; in this context, emphasises also the need for strict and reliable age and identity verifications systems at Member State level; calls on sports organisations to use education campaigns and codes of conduct to educate – from an early age – sportspersons, referees and officials on the illegality of manipulating sports results;
27. Recognises that efforts to combat sport organisations' involvement in corrupt activities like match-fixing or money laundering, such as codes of conduct, need to address all stakeholder groups (officials, owners, managers, agents, players, referees and supporters) and all organisations (clubs, leagues, federations, etc.);
28. Recalls that the fight against match-fixing starts with the dissemination of information and education about the negative impact match-fixing has on athletes, clubs, leagues and sport as a whole, therefore stresses the importance of education of all stakeholders in sport about the risks related to sports betting and match-fixing and recognises the importance of the involvement of specific organisations such as athletes' unions and supporter networks;
29. Welcomes transnational education projects in order to combat match-fixing on a global level;
30. Calls on sport federations and gambling operators to include in a code of conduct a ban on betting on so called negative events, such as yellow cards, penalty or free kicks; calls on Member States and gambling operators to ban all forms of live sports betting, since these

have proven to be very vulnerable to match-fixing and therefore pose a risk to the integrity of sports;

31. Asks the Commission to include in its recommendations on online gambling a general ban on betting on junior competitions involving minors and expects the online gambling industry to respect this ban through self-regulation;
32. Encourages Member States to consider a ban on all forms of spot fixing, such as gambling on corner kicks, free kicks, throw-ins and yellow cards, as these has proven to be very vulnerable to match-fixing;
33. Calls for an obligation for cooperation and exchange of information between sports bodies, public authorities, Europol and Eurojust, at both national and European level, on suspicious activities, in order to combat criminal cross-border online gambling activities;
34. Calls on the Council to proceed in a swift and ambitious manner with the negotiations on the Commission proposal for a Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing¹, and to address all types of gambling, including online, in order to prevent the exploitation of online sports betting activities by criminal interests for money laundering purposes;
35. Stresses that athletes need effective protection mechanisms to oppose corrupting influences, including the safeguarding of the moral and physical integrity of athletes, proper working conditions and the safeguarding of salaries or remunerations, including bans on participation at different levels of competition for sports organisations failing to regularly fulfil these obligations towards their athletes.

¹ COM(2013)0045

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	22.4.2013
Result of final vote	+: 27 -: 0 0: 0
Members present for the final vote	Zoltán Bagó, Lothar Bisky, Piotr Borys, Jean-Marie Cavada, Mary Honeyball, Petra Kammerevert, Morten Løkkegaard, Emma McClarkin, Emilio Menéndez del Valle, Marek Henryk Migalski, Katarína Neveďalová, Doris Pack, Chrysoula Paliadeli, Monika Panayotova, Gianni Pittella, Marie-Thérèse Sanchez-Schmid, Marietje Schaake, Marco Scurria, Hannu Takkula, László Tőkés, Helga Trüpel, Gianni Vattimo, Sabine Verheyen, Milan Zver
Substitute(s) present for the final vote	Ivo Belet, Stephen Hughes, Seán Kelly

29.4.2013

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS

for the Committee on the Internal Market and Consumer Protection

on online gambling in the internal market
(2012/2322(INI))

Rapporteur: Piotr Borys

SUGGESTIONS

The Committee on Legal 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. Welcomes the presentation of the Commission communication entitled ‘Towards a comprehensive European framework for online gambling’ (COM(2012)0956) as a step towards ensuring that consumers have access to safe and properly regulated online services, and takes the view that efficient regulation of the online gambling sector should, in particular, preclude risks of gambling addiction and ensure that gambling is proper, fair, responsible and transparent;
2. Takes the view that efficient regulation of the online gambling sector should, in particular:
 - channel the playing instinct of the population by restricting advertising to the level that is strictly necessary in order to direct potential gamblers to the legal provision of services, and by requiring all advertising for online gambling to be systematically coupled with a message warning against excessive or pathological gambling,
 - combat the illegal gambling sector by strengthening technical and legal instruments for the identification and sanctioning of illegal operators, and by promoting the legal provision of high-quality gambling services, and
 - guarantee effective protection for gamblers, with special attention being paid to vulnerable groups, in particular young people;
3. Points out that online gambling is an economic activity to which internal market rules, namely freedom of establishment and freedom to provide services, cannot fully apply; highlights the fact that the Member States have the right to regulate and control their

gambling markets, especially for reasons of public order, in accordance with European internal market legislation, the principles of the EU Treaties and the case-law of the CJEU;

4. Recalls that Member States, owing to historical, social and cultural factors specific to each of them, should retain their autonomy to regulate gambling activities on their territory, allowing them to respond efficiently to protect public order, society and consumers;
5. Calls on the Commission and the Member States to take action against illegal gambling offered from within Member State territories; urges the Commission, in this regard, to call on Member States to take enforcement measures against offers for illegal gambling in its planned recommendations on consumer protection and advertising;
6. Affirms that online gambling is a form of commercial use of sport and that, whereas the sector grows steadily by keeping abreast of technological innovations, Member States face difficulties in controlling the online gambling sector owing to the specific nature of the internet, which creates the risk of violations of consumers' rights and of the sector being subject to investigations in the context of the fight against organised crime;
7. Underlines the importance of national licences for online gambling operators; considers that the Member States are best placed to act in this regard, in accordance with the principle of subsidiarity;
8. Considers that a single European legislative act, uniformly regulating the entire gambling sector, would not be appropriate owing to subsidiarity concerns but that, in some areas, a coordinated European approach, in addition to national regulation, would clearly provide added value in view of the cross-border nature of online gambling services;
9. Recognises, however, the consistent case-law of the Court of Justice of the European Union, which emphasises that national controls should be enacted and applied in a consistent, proportionate and non-discriminatory manner and be in line with the legal objectives pursued in order to protect consumers and public order and to prevent fraud;
10. Reminds the Commission that, in order to ensure effective application of European law, strong enforcement is essential and that effective checks therefore need to be put into place to ensure that national online gambling legislation is compliant with EU law;
11. Urges the Commission, therefore, to finalise the numerous infringement procedures and complaints, some of which date back to 2007, before the end of this mandate and to take concrete action where those proceedings breach the Treaty and the case-law of the Court of Justice;
12. Calls for the reinforcement of cooperation between Member States and national authorities, in particular as regards responsive enforcement measures and the prevention of money laundering;
13. Recognises that cooperation between Member States is essential but stresses that it is also very important that the expert group on gambling work in close collaboration with all stakeholders, including both the gambling industry and consumer organisations;

14. Reaffirms its position that sports bets are a form of commercial use of sporting competitions, and recommends that the Commission and the Member States develop models to protect sporting competitions from any unauthorised commercial use, notably by recognising sports bodies' property rights over the competitions they organise, not only in order to secure a fair financial return for the benefit of all levels of professional and amateur sport, but also as a way to strengthen the fight against match-fixing;
15. Recognises that match-fixing is a cause for serious concern and is often linked to organised crime, which represents a major threat to the integrity of sports in the European Union; calls on the Commission, therefore, to reinforce cooperation between the main stakeholders, such as police forces, sports bodies and betting operators, in order to enhance the reporting and investigation of suspicious betting patterns;
16. Calls on the Commission to encourage the establishment of a code of practice by sports event organisers, betting operators and public authorities with a view to developing the mechanisms necessary to preserve the integrity of sports, including provisions for the financing of those mechanisms;
17. Points out that the conclusion of legally binding agreements between the organisers of sports events and online gambling and betting operators would make it easier to guarantee a more balanced relationship between the two, for example by setting out clearly the mechanisms necessary to ensure fair play, specifying what types of bet are or are not admissible and exchanging information between parties;
18. Considers that a consistent policy on criminal sanctions is essential to a pan-European approach to regulating the online gambling sector and, to this end, urges the Member States to ensure that the fraudulent manipulation of results for financial or other advantage is prohibited by establishing as a criminal offence any threat to the integrity of competitions, including those linked to betting operations; urges the Commission to take action at EU level against unregulated online gambling and to support the fight against match-fixing;
19. Warns that gambling can lead to dangerous addiction, which is an issue that would need to be addressed in any legislative proposal for the sake of consumers and the integrity of this form of sport;
20. Notes the preparatory work carried out by the Council of Europe in respect of the preliminary draft convention against the manipulation of sport events and encourages Member States to support this valuable initiative;
21. Calls on the Commission to bring forward selected legislative proposals in order to provide a legal framework that will create legal certainty for legitimate European businesses and efficient cooperation schemes between Member States to ensure the protection of consumers;
22. Emphasises that, while the effective exchange of information between investigative bodies is important for successful law enforcement, action to combat match-fixing must comply with national and European data protection laws and regulations;

23. Calls on the Commission and the Member States to introduce effective measures to raise awareness of the risks of gambling addiction, targeting young people in particular;
24. Calls on the Commission to consider the introduction of a ‘white list’ enabling consumers to distinguish between licensed European operators and non-European operators;
25. Emphasises that match-fixing allegations are often tried in public courts as well as by sports arbitration and that, under both procedures, international minimum procedural standards, as laid down in Article 6 of the European Convention on Human Rights, must be respected;
26. Calls on the Member States to elaborate pan-European uniform common standards for online electronic identity verification services; notes that establishing unified registration procedures for online gambling operators is a key to preventing a further rise in illegal services; demands, therefore, that verification and registration procedures be made coherent and more efficient.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.4.2013
Result of final vote	+: 17 -: 6 0: 0
Members present for the final vote	Luigi Berlinguer, Sebastian Valentin Bodu, Christian Engström, Marielle Gallo, Giuseppe Gargani, Sajjad Karim, Klaus-Heiner Lehne, Antonio Masip Hidalgo, Alajos Mészáros, Bernhard Rapkay, Evelyn Regner, Dimitar Stoyanov, Rebecca Taylor, Alexandra Thein, Cecilia Wikström, Tadeusz Zwiefka
Substitute(s) present for the final vote	Piotr Borys, Eva Lichtenberger, Angelika Niebler, József Szájer
Substitute(s) under Rule 187(2) present for the final vote	Jürgen Klute, Jacek Olgierd Kurski, Isabelle Thomas

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.5.2013
Result of final vote	+: 32 -: 3 0: 0
Members present for the final vote	Claudette Abela Baldacchino, Pablo Arias Echeverría, Adam Bielan, Preslav Borissov, Jorgo Chatzimarkakis, Birgit Collin-Langen, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia de Campos, Cornelis de Jong, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Małgorzata Handzlik, Edvard Kožušník, Toine Manders, Hans-Peter Mayer, Sirpa Pietikäinen, Phil Prendergast, Mitro Repo, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Barbara Weiler
Substitute(s) present for the final vote	Jürgen Creutzmann, Ashley Fox, Ildikó Gáll-Pelcz, Anna Hedh, Roberta Metsola, Marc Tarabella, Kyriacos Triantaphyllides, Sabine Verheyen, Josef Weidenholzer
Substitute(s) under Rule 187(2) present for the final vote	Stanimir Ilchev