



**Horizon Scanning**  
Betting and Gaming  
quarterly review

Issued: November 2018





# Horizon Scanning

## Betting and Gaming quarterly review

The betting and gaming sector is experiencing significant regulatory and legislative change, presenting risks and opportunities. We've created this interactive guide to keep you updated and informed about the key international developments that are on the horizon.

For each country and legislative development we have identified the possible impact, what action should be undertaken, and provided a RAG status to indicate timescales of when action is required. The guide has been split by RAG status and can be accessed directly by clicking the links below.



Immediate action is required or significant potential impact



Action required in the next six months, moderate potential impact, or in the next 12 months will involve material impact



Minor impact, longer term action required, or for information only

## Contacts



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# Austria

Development	Possible impact	Action required
<p>Vienna is the largest betting market in Austria and several changes have been implemented including a prohibition on the number of live bets on interim results and events; and a limitation on the number of bets that can be placed simultaneously, limited to a maximum of 10 bets.</p> <p>Where an offence is committed betting terminals will be forfeited with immediate effect, as opposed to after repeated offences.</p> <p>Further rules have been implemented to include record keeping of betting participants' IDs, changes to the definition of a "betting facilitator" and a new two month time limit on the determination of a licence application.</p>	<p>Amendments to Vienna's State Betting Act have seen betting regulations become more restrictive since the implementation of the General Data Protection Regulations and recent anti-money laundering regulations.</p> <p>Certain amendments became effective from 7 July 2018 and 7 October 2018, all others are effective from 7 January 2019.</p>	<p>The provision of live bets has to be ceased immediately.</p> <p>The maximum number of simultaneous bets, the new ID rules and the new rules on betting receipts had to be implemented by 7 October 2018.</p> <p>Any current licence will not be revoked, but any renewal will fall under the new legislation.</p>



Significant impact

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Austria

Italy

Malta

United Kingdom

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# Italy

Development	Possible impact	Action required
<p>On 7 August 2018 the Italian Parliament introduced a ban on gambling advertising. Under the ban, all forms of gambling advertising including the advertising of gambling products and services across various media outlets such as television, radio, the internet, and all sporting, cultural and entertainment events, will be prohibited from 1 January 2019.</p> <p>Failure to comply will result in a fine amounting to 5% of the value of the advertising and, in any case, no less than 50,000 EUR for each infringement, with a potential increase to 20% of the value of any sponsorship or advertisement.</p>	<p>Operators with significant gambling advertising investment in the Italian gambling market may be significantly affected by this advertising ban.</p>	<p>Operators will need to re-consider how they promote and advertise their products and services in the Italian market from 1 January 2019 and onwards.</p>



Significant impact

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Austria

Italy

Malta

United Kingdom

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# Malta

Development	Possible impact	Action required
<p>On 1 August 2018 new laws came into force in Malta strengthening the Malta Gaming Authority's (MGA) supervisory role in relation to its compliance and enforcement functions.</p> <p>The new laws will regulate both land-based and remote gaming in the same legislative instrument.</p> <p>The laws will remove the requirement of multiple licences and looks to simplify processes and procedures for operators with the potential creation of a group licence.</p> <p>It also bestows a wider set of powers on the regulator and includes specific means of redress for a licensee who feels aggrieved.</p>	<p>Strict compliance is prescribed within very short timeframes. Non-observance of legislation is often sanctioned by criminal proceedings that can lead to fines of up to EUR 1 million and potential imprisonment.</p>	<p>Subject to the transitory provisions envisaged therein, this framework was applicable for remote gaming operators as of 1 August 2018, whereas land-based operators shall become subject to these new laws as of 1 January 2019</p>

## Further detail

Further Directives, guidelines and notices have also recently come into force, please [click here to view](#) the applicable legislation.

## Contact



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Significant  
impact

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Austria

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United Kingdom



## Horizon Scanning

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# United Kingdom

Development	Possible impact	Action required
<p>The Gambling Commission's latest revisions to its Licensing Conditions and Codes of Practice ("LCCPs") which apply to Operating Licences will come into effect as of 31 October 2018. These revisions are designed to reinforce a number of issues relating to the fair and open licensing objective, including in respect of marketing, unfair terms and additional requirements relating to operator complaints procedures. A summary of the changes can be <a href="#">found here</a>.</p> <p>The Gambling Commission has opened a further consultation on revisions to the LCCPs relating to age verification for online gambling business.</p>	<p>A number of the amendments to the LCCPs are intended to reinforce existing obligations to comply with advertising codes, clarify requirements regarding misleading advertising, prevent spam and emphasize the responsibility on licensees for third party actions. Other requirements instill the obligations for compliance with consumer protection legislation. The Gambling Commission have also extended the requirements in respect of handling consumer complaints to make procedures more transparent and fair and include a requirement for complaints to be resolved within eight weeks.</p> <p>The proposed changes would require online gambling businesses to verify</p> <ul style="list-style-type: none"> <li>– the age of customers before they can deposit money or gamble, or access play-for-free versions of gambling games</li> <li>– the identity of a customer – including their name, address, date of birth and email address – before they are allowed to gamble</li> <li>– that the name associated with the customer's payment method matches the name of the gambling account holder.</li> </ul>	<p>Operators should review their existing practices to ensure compliance with the revised LCCPs and make any necessary amendments to their complaints procedures.</p> <p>Operators have until 27 November 2018 to provide their response to the consultation.</p> <p>Responses to the Gambling Commission's consultation can be provided via <a href="#">this link</a>.</p>

## Further detail

A copy of the complete revised LCCPs can be [found here](#).

## Contact



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Significant  
impact

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Austria

Italy

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# Cyprus

Development	Possible impact	Action required
<p>On 10 August 2018 the National Betting Authority of Cyprus announced the issuance of a new Directive No. 29/2018, drafted under the powers granted by section 1 1 (b) of the Betting Law.</p> <p>The Directive provides that a person is fit and proper to obtain a Class B bookmaker’s licence if the Authority considers that such a person applies such terms and conditions when providing betting services, which, in the opinion of the Authority, ensures the adequate protection of the player.</p>	<p>Registered players shall have the right to</p> <ul style="list-style-type: none"> <li>– request a limit on the amount that can be bet during a specific period of time</li> <li>– set a maximum limit on any losses that a person may sustain during a specific period of time</li> <li>– set a time limit on placing a bet or opting out of an opportunity to bet, either for a specific period of time or indefinitely</li> </ul> <p>The withdrawal or modification of a limit which results in a reduction to the protection of the players may only be carried out seven days after the Class B bookmaker receives the player’s request.</p> <p>Any modification resulting in an increase to player protection shall have immediate effect.</p>	<p>Compliance with the Directive is crucial. The application for the grant of a Class B bookmakers licence shall be ineffective at the evaluation stage if the bookmaker does not comply.</p>

## Further detail

For a copy of the relevant legislation please [click here](#).

## Contact



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Moderate  
impact



- Cyprus
- Germany
- Poland
- United Kingdom



# Germany

Development	Possible impact	Action required
<p>A decision from the Federal Administrative Court of Germany was recently published on the compatibility of German national law with gambling laws of the European law.</p> <p>In its decision, the Federal Administrative Court ruled that an interdiction order against a private enterprise offering sports betting, poker and casino games online without a German gambling permit, was held to be in accordance with European law.</p> <p>The Federal Administrative Court assumed, without criticism, that the current internet ban on gambling in Germany, despite the partial opening of an "internet distribution channel" for sports betting and lotteries, is compatible with European and German constitutional law.</p> <p>This ruling raised the question of consistency between decisions of the European Court of Justice and the German constitution.</p>	<p>As a result, the Administration may issue more interdiction orders which could lead to an increase in the number of administrative proceedings.</p> <p>Due to inconsistencies between German national law and the laws of the European Union, it is likely that similar cases brought before the German Administrative Courts will have to refer questions back to the European Court of Justice, slowing down the issuing of new decisions.</p>	<p>Companies looking to set up online poker and casino games in Germany will need to apply for and obtain a gambling permit from the government, however these permits are difficult to obtain and can be subject to stringent conditions. Without this permit, companies are banned from operating online poker and casino games under German law.</p>



Moderate impact



Cyprus

Germany

Poland

United Kingdom

## Further detail

The decision of the Administrative Court can be [read here](#) (German only).

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# Poland

Development	Possible impact	Action required
<p>Amendments to the Personal Income Tax Act in Poland which changed the position of tax exemptions in relation to one-off value prizes in gambling, discussed in our May 2018 update, entered into force on 19 July 2018.</p> <p>As a reminder, prizes won in enumerated gambling activities such as card games and raffle games are exempt from personal income tax up to 2280 PLN or EUR 520. Games in relation to gambling machines are fully exempt from personal income tax.</p> <p>This change forms part of the taxation on gambling reform which began in 2016.</p>	<p>Companies should be aware of the tax exemption considerations when setting up gambling operations in Poland.</p>	<p>None at this stage. In general, please consider consulting us with regard to tax exemptions in relation to gambling activities.</p>

## Further detail

A copy of the legislation can be [found here](#) (Polish only).

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Moderate  
impact

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Cyprus

Germany

Poland

United Kingdom



# United Kingdom

Development	Possible impact	Action required
<p>On 17 May 2018 the UK Government published the long awaited outcome of its review on gaming machines and social responsibility measures. A central focus to this review was the consideration of maximum stakes for FOBT (Fixed Odd Betting Terminal) Gaming Machines made available in betting shop premises. The government has decided that the maximum stakes should now be reduced from £100 to £2.</p>	<p>When implemented it is expected that this reduction in maximum stake will have a fundamental impact on the viability of many high street betting shops across Great Britain.</p>	<p>On 29th October 2018 it was announced in the Chancellor's budget that the implementation of the reduced maximum stakes for FOBT Gaming Machines will now be brought in October 2019.</p>

## Further detail

A copy of the Government's response can be [found here](#).

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Moderate  
impact



Cyprus

Germany

Poland

United Kingdom



# Isle of Man

Development	Possible impact	Action required
<p>The Proceeds of Crime (Amendment of Schedule 4) Order 2018 came into operation with effect from 1 June 2018.</p> <p>The Order makes amendments to the list of businesses classed as 'businesses in the regulated sector' for the purposes of the Proceeds of Crime Act 2008 (POCA). The list contained at Schedule 4 of POCA now includes the business of a totalisator and providing betting facilities on a racecourse. The Order removes the business of selling or supplying controlled machines (for the purpose of gambling) from the list of businesses classed as 'businesses in the regulated sector'.</p>	<p>Whether a business is considered to be a business in the regulated sector will, among others things, determine the money laundering offences contained in POCA which will apply.</p>	<p>Although the amendments mainly relate to land-based gambling, all companies incorporated and/or operating on the IOM should be aware of the requirements which will be imposed under POCA, especially if they are deemed to be conducting business in the regulated sector.</p>

## Further detail

Please [click here](#) for a copy of the legislation.

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Minor  
impact



Isle of Man  
Russia



# Russia

Development	Possible impact	Action required
<p>A recent change in legislation has increased the liability of companies operating in the gambling sector to RUB 1,500,000 (approx. EUR 20,000).</p> <p>Furthermore, criminal liability for a natural person, including company officers, for the specific violations within the gambling sector increased and include the possibility of imprisonment.</p>	<p>The gambling sector in Russia is subject to specific and complicated regulation. Therefore, it is crucial that companies ensure they are compliant with the regulations when operating in Russia.</p> <p>If a company fails to act in accordance with Russian gambling laws they are likely to be subject to an increased criminal and administrative liability.</p>	<p>None required, for information only.</p>



Minor impact



Isle of Man  
Russia

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