

29th July 2011

The European Commission
DG Internal Market and Services
{J-59 08/061}
Rue de la Loi 200
B-1049

GREEN PAPER
On on-line gambling in the Internal Market

The National Casino industry Forum (NCiF) is the largest casino trade body in the UK. It represents the holders of 160 of the 186 issued 1968 Act land based casino licences including the four major operating companies, a number of smaller operators and gambling sector professionals.

NCiF welcomes the opportunity to respond to the GREEN PAPER 'On on-line gambling in the Internal Market'.

The UK on-line gambling sector is regulated by the Gambling Commission. Overseas operators can offer and advertise their products to the UK market providing they operate from within 'white listed' jurisdictions. In March 2010 the Department for Culture, Media, and Sport published its consultation on the 'Regulatory Future of Remote Gambling in Great Britain'. On the 14th July the Minister for gambling Mr John Penrose MP, made his written statement to that consultation; outlining the UK Government's position to remote gambling policy proposals (appendix A). NCiF is mindful of the Minister's recent announcement and has chosen to make the following statement in response to the Green Paper 'On on-line gambling in the Internal Market'.

NCiF welcomes the Minister's intention to deal with this aspect of the illogicality of the 2005 Gambling Act. We also note the comment by the Secretary of State, Jeremy Hunt to the DCMS select Committee that the Gambling Act 2005 'hasn't worked' and we welcome the review of the Act to be undertaken by the Select Committee. However, NCiF members remain disappointed that the Minister for Tourism's statement, whilst recognising the unfairness that exists between the on-line overseas industry and the on-shore GB licensed industry, does not extend to recognising the extent of unfairness, inequality and the competition issues in the land based UK gaming market.

Though the proposals seek to address issues of unfair competition between overseas on-line and GB licensed operators, they are silent on the unfair competition created by the 16 new casino licences in 10 existing Permitted Areas in the UK. They make no comment about the regulation or control of stakes and prizes for on-line gaming operators whilst also failing to review stakes and prizes for the UK regulated industry. They are silent on the disparity of gaming products available to on-line businesses which are not permitted in casinos. They are also silent on the arcane and out-dated constraints placed on the domestic industry by the Permitted Areas rules that lost any relevance and value they may have had long before the internet was invented!

The statement claims that the reforms will 'ensure consistency and a level playing field as all operators will be subject to the same regulatory standards and requirements'. We welcome this statement and hope the Minister will also acknowledge the urgent need to level the commercial undulations of the UK market place.

We are therefore hopeful that the Minister will move quickly and take the opportunity he is creating to also amend the primary legislation (The Gambling Act 2005) to include some changes that will help the land based industry - which continues to be a major UK employer, investor and a contributor to the Exchequer through both licensing *and* taxation – to compete.

Ends.

Appendix A



MINISTERIAL WRITTEN STATEMENT

Thursday 14th July 2011

Remote Gambling Policy Proposals

The Minister for Tourism and Heritage (John Penrose): British consumers face different consumer protection arrangements and have to deal with a myriad of different regulators and languages depending on where the gambling they are taking part in is regulated. This problem is growing as more countries permit online gambling. At the same time, it is unfair to GB-licensed gambling operators that overseas competitors benefit from access to the market in Great Britain without bearing a fair share of the costs of regulation, or of research, education and treatment of problem gambling.

I am proposing that the Gambling Act should be amended so that remote gambling is regulated on a point of consumption basis, so that all operators selling into the British market, whether from here or abroad, will be required to hold a Gambling Commission licence to enable them to transact with British consumers and to advertise in Great Britain.

As I intend to allow operators anywhere in the world to apply for a Gambling Commission licence, my proposals will mean that the white list will be phased out, although the Gambling Commission will ensure that regulatory good practice is recognised so that overseas based businesses in trusted jurisdictions such as the white listed countries, will have much lighter touch approach and, for example, will not have to duplicate regulatory work.

