

Free movement of services: Commission acts to remove obstacles to provision of sports betting services in Denmark, Finland and Hungary

The European Commission has taken action to put an end to obstacles to the free movement of sports betting services in Denmark, Finland and Hungary. The Commission has formally requested these Member States to amend their laws following consideration of their replies to letters of formal notice sent in April 2006 (see [IP/06/436](#)), in which the Commission sought to verify whether the restrictions in question are compatible with Article 49 of the EC Treaty, which guarantees the free movement of services. The Commission considers that the restrictions in question are not compatible with existing EU law and that the measures taken by these Member States to restrict the free movement of sports betting services have not been shown to be necessary, proportionate and non-discriminatory. Furthermore, in the Commission's view, existing national operators cannot be regarded as non-profit operations, given that they are subject to strict annual revenue targets and often rely on commercial retail outlets to market their various gambling services. These formal requests take the form of "reasoned opinions", the second stage of the infringement procedure laid down in Article 226 of the EC Treaty. If there is no satisfactory reply within two months, the Commission may refer the matter to the European Court of Justice.

Background

The Commission's decision to inquire into the compatibility with EU law of the measures in question is based on complaints made by a number of service providers and on information gathered by Commission staff. The complaints concern restrictions on the provision of sports betting services, including the requirement for a State concession or licence (even where a provider is lawfully licensed in another Member State). In some cases, restrictions also extend to the promotion or advertising of the services and to the participation of nationals in the Member State in question in the games.

The European Court of Justice has previously stated that any restrictions which seek to protect general interest objectives, such as the protection of consumers, must be "consistent and systematic" in how they seek to limit betting activities. A Member State cannot invoke the need to restrict its citizens' access to betting services if at the same time it incites and encourages them to participate in state lotteries, games of chance or betting which benefits the state's finances.

The latest information on infringement proceedings concerning all Member States can be found at:

http://ec.europa.eu/community_law/eulaw/index_en.htm