

# European Commission Study Challenges Sports Betting Right

Brussels, 15th May 2014: The regulated betting industry welcomes the main findings of a European Commission funded study on sports organisers' rights in the European Union. The study (see link) finds that there is no legal basis nor rationale for an EU-wide right to consent to bets (i.e. "sports betting right"). The study also concludes that the French sports betting right, whereby sports betting operators must obtain the consent of sports organisers to offer bets, is not an effective mechanism for financial distribution to sport or as an integrity instrument against match-fixing.

The study was designed to map out the rights of sports organisers, in particular in relation to sports betting operators and assess the merits of a betting right. In that respect, the study makes a number of significant conclusions:

\* The "costs associated with the administering of the right to consent to bets will always be considerable" and "there is no evidence for a link between the financial return stemming from a right to consent to bets and the financing of grassroots sport."

\* The adoption of integrity mechanisms is not a prerequisite of the French right and "there is no guarantee that the income is in fact allocated to fraud prevention and detection."

\* The right to consent to bets "risks leaving less popular and less visible sports more exposed to integrity risks" as "for most sports organisers the financial return would be insufficient to cover their own integrity costs."

\* \_“It is not evident that safeguarding the integrity of sports events constitutes the principal rationale of the French right to consent to bets.”\_

\* The conditions required to implement a right to consent to bets are capable of constituting an unjustified restriction on the free movement of services within the EU.

\* The right establishes a monopoly for sports \_“leading to the creation of a dominant position within the meaning of Article 102 TFEU”\_ and anti-competitive concerns.

\* Highlights that \_“amending the [Database] Directive to meet the demands of the sports organisers would bear the risk of creating undesirable information monopolies.”\_

Whilst sports bodies and the French authorities continue to promote a betting right, the report rightly highlights that no other Member State has properly implemented legislation similar to that existing in France and that most other jurisdictions have “instead opted for alternative mechanisms to collect and allocate revenue derived from gambling to sport.” Moreover, the report shows that sports organisers already have sufficient legal protection and the creation, at EU level, of a French style sports betting right is not justified.

Maarten Haijer, Secretary General of the EGBA, added: \_“This very comprehensive study illustrates clearly that a sports betting right cannot act as a safeguard to keep corruption out of sport. Such right has many practical and legal shortfalls, and the regulated betting industry is encouraged to see that no other Member States in the EU have decided to copy the French model.”\_

Khalid Ali, Secretary General of ESSA, stated \_“The study shows that other more effective means should be encouraged to preserve the integrity of sport. Fighting corruption in sport requires an international effort and cooperation as

illustrated by ESSA's collaboration with the recent "Integrity Betting Intelligence System" (IBIS) of the International Olympic Committee (IOC) as well as its active participation in the future Council of Europe convention against match fixing".\_

Clive Hawkswood, Chief Executive of the RGA, stated that \_"We welcome the publication of the Asser Study on sports organisers' rights as we did the opportunity to participate in the consultation process. We hope that the European Commission will take note of its findings which echo our view that calls for a European wide sports betting right, or indeed a sports betting right of any kind, are commercially driven and have little if anything to do with integrity."\_

The study was launched in January 2013 and carried out for the European Commission by a consortium composed of the Dutch Asser Institute (see „link“:[http://www.asser.nl/default.aspx?site\\_id=11](http://www.asser.nl/default.aspx?site_id=11)) and IVIR of the University of Amsterdam (see „link“:<http://www.ivir.nl/index-english.html>).