

# The General Court of the EU upholds the Danish tax regime for online gambling

The General Court of the EU issued a ruling at first instance in the Danish State aid case `_ (T-601/11 Dansk Automat Brancheforening v. Commission & T-615/11 Royal Scandinavian Casino Århus v Commission)_` and upheld the European Commission's decision, confirming that the Danish regime instituting a lower tax for online gambling is compliant with EU state-aid rules. In doing so, the Court found that the applicants did not demonstrate that they were directly and individually affected by the tax measure. As a result, Member States can adopt a differentiated tax regime for online gambling with the view to designing an attractive market that is able to compete in the international online gambling market.

It is worth noting that the judgment implicitly accepts the arguments put forward by the Danish government about the need to channel Danish consumers towards the regulated online gambling market. The Court limited itself to deciding whether the applicants, who are land-based gambling operators, were directly and individually affected by the Commission's decision. In both cases, the Court reached the same conclusion:

`_“The applicant is therefore not individually concerned by the contested decision.”_`

This means that the implementation of an internationally competitive tax regime that is critical in safeguarding the public policy objectives pursued by the Danish Gambling Act 2012 is now clearly in compliance with EU law.

Clive Hawkswood, CEO of the RGA, stated that: `_“it is very`

encouraging to see that the EU judicial body upholds the Commission's decision which recognises that tax regimes for online gambling cannot be considered in isolation and have to be viewed within the context of international competition. Although this decision relates solely to tax, we believe that a similar rationale should apply across the board to all aspects of online gambling regulations and that this can be done without undermining very legitimate public policy objectives, such as safeguarding consumers and keeping gambling crime-free. This ruling will undoubtedly help us make the case for workable and competitive licensing regimes as more and more EU Member States open and regulate their online gambling markets."\_