

U.K. Brings in New Gambling Law, Opens Web Casino Betting, Ads

(Bloomberg) – Britain's new gambling law comes into force at midnight, legalizing U.K. advertising campaigns for the first time and licensing online casinos that can accept bets from gamblers worldwide including the U.S.

William Hill Plc, Gala Group Ltd., and 13 other companies find out tonight if their virtual casino licenses have been approved to start accepting bets immediately, a spokesman for the Gambling Commission, the U.K.'s new regulator, said today. More than 300 others applied to operate licensed online sites including sports betting under the Gambling Act 2005.

The U.K. law highlights a potential conflict with the U.S.'s Unlawful Internet Gambling Enforcement Act, adopted in 2006, which prevents credit-card companies from collecting payments for online bets. The legislation has prompted gaming companies to shut down U.S. operations to focus on Europe and Asia.

„We aren't banning people from using Web sites based in the U.K.," Julia Smith, a spokeswoman on gambling for the U.K.'s Department for Culture, Media and Sport, said in a telephone interview. „It is up to the consumer what they do."

The U.K. law also allows gaming operators in other European Union countries to advertise in Britain for the first time, prompting some companies to apply for licenses in low-cost countries such as Malta, which has a 5 percent corporate tax and no extradition treaty with the U.S.

Maltese Casinos

Malta has so far approved 152 of 180 applications for virtual

gaming licenses, Kristy Spiteri, a spokeswoman for Malta's Lotteries and Gaming Authority, said in an interview yesterday.

„Usually the Lotteries and Gaming Authority receives around two applications per week, however, in the past weeks it has received more than usual,“ Spiteri said in an e-mailed statement.

A William Hill spokeswoman declined to comment today on plans for the U.K. other than to say they would have no impact on customers who already use its existing online sites regulated in other European jurisdictions.

Britain's plans to open 17 new bricks-and-mortar casinos, including a U.S.-style supercasino, have been delayed by court challenges and are not yet confirmed, a spokesman for the Gambling Commission said.

A British gambling trade group failed in a legal bid in June to block the casinos from opening under the new gambling law.