

European Commission about to move on German online gambling ban

The Gambling Commission is set to step up legal action against Germany next week for thwarting foreign competition in the country's gaming markets, the Reuters news agency reports, quoting an unnamed source who said: „The decision is expected to be adopted by the Commission next Thursday.“

After signing a protectionist accord to ban online gambling in Germany to shield state monopolies from competition from companies in other EU member nations, the 16 German states instituted their controversial ban on online gambling on January 1st. The EC had previously made known its opinion that such a course would conflict with the principles of free movement of goods and services between EU member countries.

Major online gambling companies both within and outside Germany protested the ban and urged the European Commission to take action. A new German law exempted horse racing.

The Commission is expected to open a new legal action with a letter of formal notice against Germany over the new law, possibly warning that the matter could go to the European Court of Justice for enforcement.

EU Internal Market Commissioner Charlie McCreevy wants to crack down on hurdles to cross-border competition in services, a core part of the 27-country European Union's single market.

McCreevy started a legal action against Germany last year over its gaming laws. The European Gaming and Betting Association said the German ban directly contravened EU law on the free movement of services and urged the Commission to take swift action.

He has previously launched proceedings against about 10 EU countries for stifling competition in their gaming or lottery sectors. He has drawn support from several rulings by the European Court of Justice, the bloc's top court.