

# Norway Passes Legislation to Stop Internet Gaming

In 2006, the Unlawful Internet Gambling Enforcement Act (UIGEA) was passed into law in the United States. The law, while vague, ran several high-profile online poker rooms out of the market, including PartyPoker and Paradise Poker. Recently, Norway has followed suit, enacting its own version of the UIGEA. Poker News Daily sat down with Clive Hawkswood, the Chief Executive of the Remote Gambling Association (RGA), to learn more.

According to Hawkswood, the new law makes it a civil offense in Norway to aid and abet any operator that is not part of the state monopoly on gambling. The legislation was officially passed last Thursday, December 4th. During the process of determining how the law can be properly implemented, the European Free Trade Association (EFTA) will be given a chance to comment as well. Hawkswood explained, "Implementation would then require a decree to adopt formally whatever regulatory protocol they come up with." In a similar fashion to the situation in the United States, the financial services industry in Norway has been opposed to the legislation.

In the U.S., both the Treasury and Federal Reserve testified that because of the UIGEA's ambiguity over what actions are "unlawful," the law would be overly problematic to enforce. Nevertheless, the final regulations of the UIGEA will be implemented on January 19th. Compliance by banks and other financial institutions is due by December 1st, 2009, which is approximately one year after the finalization of the UIGEA's rules.

In response to the new law in Norway, the RGA has lodged a formal complaint with the European Surveillance Agency (ESA), which oversees the EFTA. Hawkswood noted, "Not only is the

Norwegian action in breach of its treaty obligations but that, in any event, financial transaction blocking is largely ineffective.” Hawkswood also added that elections in Norway will occur next September and, explaining the significance of a potential change of power, stated, “Implementation could be delayed or cancelled because of that, especially if a new government took over.”

Norway’s government-issued lottery is called Norsk Tipping, which is not affected by the new law. The company issues traditional lottery games along with Keno and variations of sports betting. According to Lottery Insider, Norsk Tipping generated USD 9.6 billion in sales during the 2006 fiscal year and employs nearly 300 people. In October, the company appointed Torbjørn Almlid to become its new CEO.

As is the case in the United States, Hawkswood is confident that poker will continue to live on in Europe despite the actions of the Norwegian government. He told Poker News Daily, “Irrespective of all of this, poker continues to be a real favorite among European gamblers and we are sure that sector of the market will continue to grow for the foreseeable future.”

The RGA aims to provide “an organization for the benefit and service of British and European remote gambling operators within the betting and gaming industry.” Based in London, the RGA’s membership includes many of the major European-run internet gambling companies, including Bet 365, Eurogaming, William Hill, CryptoLogic, Virgin, Ladbrokes, Littlewoods, Microgaming, Playtech, Paddy Power, Party Gaming, PKR, 888, Sportingbet, Unibet, and Victor Chandler.

The organization has been at the forefront of the fight on behalf of the European gaming community against the UIGEA, charging that the U.S. is undergoing discrimination by outlawing foreign internet gambling operators. It lodged a formal complaint with the European Commission (EC), whose

investigators arrived in the U.S. in September to determine whether the country is violating international trade treaties. The EC's final report has not yet been released. Hawkswood was hoping to have it in hand prior to the upcoming holidays, but told Poker News Daily, "that is looking less likely."