

# Remote gambling industry challenges Greek protectionist law

The European Gaming and Betting Association (EGBA) and the Remote Gambling Association (RGA) have today filed a complaint with the European Commission regarding the recently adopted Greek online gambling law. The complaint details a range of non-EU compliant barriers to new market entrants and requests that the Commission, as guardian of the EU Treaties, address this as a matter of urgency.

The new regulation, which plans to open up the market to competition, has already been criticized by the European Commission (see link) regarding its compatibility with EU law when Greece submitted its first draft of the legislation in June this year. However, despite the Commission's comments, a number of anti-competitive and unjustified restrictions remain in the adopted law. These place unnecessary and unjustified economic burdens on new operators, such as forcing them to have a permanent establishment in Greece and limiting financial transactions to Greek banks. The law also imposes a higher age limit for online than offline gambling with no justifiable evidence to support that restriction.

In addition, the EGBA and RGA, which between them represent the majority of the largest European remote gambling operators, are particularly concerned about the new tax regime. That will require licensed gambling operators currently operating in Greece to potentially pay their taxes on any revenues earned from Greece-based customers retroactively from the 1 January 2010 until the new licences have been awarded. This provision is equivalent to a market entry fee that will have to be paid by all of the operators which are currently unable to be licensed in Greece.

At the same time, the Greek Government has also decided to grant OPAP, the incumbent monopoly gambling operator for offline games, an extension of its existing licence for an additional 10 years from 2020 to 2030 in a wholly uncompetitive and non-transparent fashion. OPAP currently pays no gambling tax on its offline activities, whereas online operators will be required to pay 30% GGR. This unjustified differentiation in tax liabilities is subject to a separate State aid challenge which has been lodged with the European Commission (see link).

According to Sigrid Ligné, Secretary General of EGBA, *“Commissioner Barnier recently confirmed to the European Parliament that he would fulfill his responsibilities seriously in assessing the compliance of Member States gambling legislation with EU law. Allowing Greece to proceed with this legislation unchallenged would represent an abject failure of those responsibilities. We trust the Commissioner will urgently investigate our complaint against Greece and take action accordingly against Greece as well as on several other pending complaints.”*

Clive Hawkswood, Chief Executive of the RGA added: *“We have welcomed the opening of the Greek online gambling market as a positive step. However, it is paramount that any new regime is conducted in a fair and transparent fashion which follows EU rules. Where a regime is contrary to the provision of the Treaties, challenges are unfortunately necessary and unavoidable. We therefore look to the Commission, as guardian of the Treaties, to enforce those provisions in relation to gambling, as the European Parliament has recently requested.”*