

# Deutsche Telekom to enter the sports betting industry?

Last Friday, the German Federal Cartel Office (Bundeskartellamt) reported the notification of an indirect acquisition of control project by Deutsche Telekom AG (file no. B6-72/13). With this notification, received on 4 September 2013 by the Federal Cartel Office, the telecommunications giant asks the authority to approve the takeover of Deutsche Sportwetten GmbH (DSW), Hannover.

DSW is a just recently founded corporation, as the articles of association were signed on 17 August 2012. It is registered at the District Court Hannover as a German limited company (registration no. HRB 208893). The establishment of this company was immediately after the public tender to grant up to 20 sports betting licenses, provided for by an “experimentation clause” in the new Interstate Treaty on Gambling 2012, was published in the Official Journal of the EU on 8 August 2012. Currently the sole shareholder of DSW, with a nominal capital of only EUR 25.000,- and two Austrian directors from Vienna, respectively Salzburg, is Österreichische Sportwetten G.m.b.H., Vienna. Österreichische Sportwetten is a subsidiary of Casinos Austria AG, which operates casinos in Austria and offers sports betting via Österreichische Sportwetten under the brand “Tipp3”.

Obviously, Deutsche Telekom AG sees chances that the up to 20 sports betting licenses will be granted soon, despite the heavily criticized licensing procedure being well behind schedule (which will eventually end up in a year-long legal battle). DSW is apparently still in the race for the 20 licenses. With the acquisition of DSW, Deutsche Telekom could ultimately secure a license, after the term of application ran

out last September. Last Friday a spokesman for Deutsche Telekom conceded: "It is not yet certain, if an operative business will come out of the project."

According to the news agency APA, the Austrians have spoken with several major German companies, with which they wanted to work together in case of a successful bid for a German license.

It is interesting to see that non-gambling companies (with huge financial resources) are trying to enter the sports betting market and are not satisfied with the role of a minority shareholder. This might change the rules of the game in the (not so) long run.