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European Court ruling benefits Malta-based e-gaming firms

European judges have ruled that German laws protecting state monopolies for gambling are not justifiable, opening the door to a huge protected market for a host of online betting firms.

"The public monopoly of the organisation of sporting bets and lotteries in Germany does not pursue the objective of combating the dangers of gambling in a consistent and systematic manner," the European Court of Justice said.

Restrictions of the sort employed by many countries under the formative years for online gaming can be justified if public interest "such as preventing incitement to squander on gambling and combating gambling addiction" is proven, the court said.

But the Luxembourg-based referee found for German courts that had already ruled that the blocks were not applied in a "consistent and systematic manner," deciding that "intensive advertising" meant that "the monopoly ceases to be justifiable."

The ruling is likely to benefit Malta, which hosts a large number of e-gaming companies with markets across the world.

The court was called to rule in cases pitting regional authorities from central Hesse and northern Schleswig-Holstein against foreign operators Happybet Sportwetten and Web.coin of Austria, Malta's Tipico, Britain's Happy Bet and Gibraltar's Digibet.

Europe's highest court has frequently handed down setbacks to online betting sites, ruling that member states are allowed to ban them from operating to help combat fraud and protect consumers.

However, several EU countries, including France, have started opening up their gaming sector under pressure from Brussels regulators -- although moves towards proposed legislation was left off a priority list given to media this week and is unlikely to be brought forward until later next year.

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Comments

Charles Sammut(on 8/9/10) 

It is only the anonymous author of this article that concludes that "European Court ruling benefits Malta-based e-gaming firms."

But then, since when has reality got in the way of a good title?

Rocco Cauchi(on 8/9/10) 

The European Court of Justice notes the need to "pursue the objective of combating the dangers of gambling in a consistent and systematic manner".

I am utterly confused on the importance given to the gaming and gambling industry in Malta. It only reminds me of our fame for piracy around the 17th century, and I think that the subject should be put on the same level of abysmal misery as abortion, divorce and fireworks, for that matter.

I still recall the mid-60s when Archbishop Gonzi refrained from blessing, for all it's worth, the casino, then our first direct experience of gambling other than the hitherto milder form of lotteries. Today, the nation is thyming with all forms of government sponsored lotteries and other authorised forms of gambling. I hate seeing our government supporting wholeheartedly onshore and offshore gambling, vaunting a steady source for our coffers. It is really a case of having lost our moral principles, and a confirmation of the saying that 'il-maltin ghal habba jqaxxu qamla'.

Caritas and Sedqa tell about the economic woes gambling is causing in Malta. So let us get our economic priorities right and dismiss this mentality of money squandering.

William Sciberras(on 8/9/10)

Gambling is an entertainment industry just like many others! Whilst people might choose to dine at a restaurant, go to the movies or any other thing where money is spent, others might opt for gambling. What's wrong with that? What's wrong with me preferring to spend €10 to play poker? Talk to gamblers at Caritas and Sedqa and you'll see that they would

gamble on just about anything, no need for casinos, lotteries or online gaming!! Excessive gambling is what needs to be dealt with, and in dealing with it doesn't mean abolishing it, it means giving early education about the adverse effects of EXCESSIVE gambling, something which apparently you have no idea about. In abolishing it you will only do one thing - DRIVE IT UNDERGROUND, and that's where things get bad! Let the people choose to do what they want!! If I like to gamble moderately, I don't expect YOU to come about saying that gambling is an ill and that it should be abolished! The public in general have an erroneous picture of gambling – that means they have to learn about gambling before opening their mouth to talk nonsense about it!

J. Cassar(on 8/9/10) 

Good news for the gaming industry. But what is likely to happen now is that countries where electronic gaming is restricted will liberalise their market and local online gaming companies will set up shop. So the offshore companies operating from Malta may still have a tough future ahead of them.

Piero Timpano(on 9/9/10)

not quite true.. Malta is part of the EU white list, that means existing companies here will be able to legally offer services to the German market. It does not make financial sense to "create" a German company only to offer the same services a company could offer here. It surely is good news for the Maltese employment market as these companies are bound to employ a large percentage of Maltese employees, as well as the native speaking EU employees. Before you make unfounded and jaded comments, please take the time and effort to look up the regulations governing these locally based companies that offer services in the EU under remote gaming licenses, and please note that they are one of THE toughest and most strictly enforced in all the white list states.

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