

German Ministers May Move To Break Gambling Logjam, Officials Say

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German ministers could act as soon as March to extend the “tolerance” of online sports betting past the June 30 deadline, the first step towards implementing a more permanent gambling law in 2021, government officials have said.

German state prime ministers could take the first step this year towards resolving online gambling turmoil by extending a moratorium on prosecuting online gambling past the end of June, according to Clemens Hoch, head of the State Chancellery of the state of Rhineland-Palatinate.

“It’s a good bet the länder will find a solution,” he told the audience at the International Casino Conference at ICE on Monday.

The 16 German states, or länder, have been unable to implement a state treaty on gambling due to lawsuits and one state, Schleswig-Holstein, refusing to grant the necessary unanimous approval.

Despite its grey-market status, Germany’s online gambling market is the second biggest in European, according to Patrick Sensburg, a member of parliament.

Although not sanctioned, online gambling has been growing, whereas state lotteries have been stagnant or declining, the officials said.

Frustration with the German states’ inability to pass online gambling regulation has been spreading beyond Schleswig-Holstein, with [Hesse promising](#) to go its own way if there is no agreement on legislation by the end of this year.

The ministers, who meet monthly, are also likely to approve up to five principles for a planned regulatory regime that would take effect after an “experimental phase” expires at the end of June in 2021, Hoch said.

The principles include continuation of monopoly status for 16 state lotteries, development of a federal lottery regulator, a self-exclusion system that would include the possibility for family members to bar problem gamblers from betting and a ban on betting on state lotteries, he told GamblingCompliance.

The states are keen on such a ban, and the main debate is over whether the ban would mean companies would only be barred from offering bets on Germany’s 16 state lotteries or all European Union lotteries, Hoch said.

Lottoland, which has been embroiled in court cases over online bets on German state lotteries, [has offered](#) to turn over most revenue from bets on German lotteries in exchange for being granted the right to offer bets on lotteries in other European Union states.

Hoch and Sensburg warned that any gambling regime would probably be complicated, perhaps having two tiers.

States such as Hesse, Schleswig-Holstein and North Rhine-Westphalia might have legalised online gambling including casino, but others, such as in eastern Germany, might not allow it, Hoch said.

In Germany’s tangled online gambling regime, the government has been unable to issue licences, but operators pay taxes of 5 percent turnover on sports bets and 19 percent VAT on online casino.

The sports betting tax goes to German states, whereas the VAT is shared between the states, cities, and federal government, said attorney Wulf Hambach of Hambach & Hambach.

Legalising online casino would mean gaming duty could replace the VAT, and the entire duty would go to the states, he said.

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