

German Legislator Sees Long-Awaited Progress On Gambling Regime

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An influential member of parliament is predicting that German online gambling legislation will be proposed this year and passed within 18 months, with the only question being whether it is “big reform or small reform”.

Four German states — Schleswig-Holstein, Hesse, Bavaria and North Rhine-Westphalia — are working seriously to come up with proposals that will please all parties, including state governments, lotteries and operators seeking to offer both sports betting and casino online, said Patrick Sensburg, a member of parliament from North Rhine-Westphalia, Germany's largest and most influential state.

The chances of ending an online gambling stalemate of more than five years are the best ever despite the [collapse](#) of a proposed state treaty on January 1, after the refusal of Schleswig-Holstein to support it, he said.

“There is pressure to find a solution,” he told GamblingCompliance. “Why not regulate the whole market? We have a better chance than ever before.”

Sensburg, a law professor and member of Angela Merkel's Christian Democratic Union party, belongs to the European law committee in the Bundestag.

He is also a member of the independent think tank of the German Association for Telecommunications and the Media (DVTM), which is backing gambling reform.

Germany's online gambling legislation has been stalled for more than five years, and the most recent legislation which would have expanded a sports betting-only regime from 20 licensees to 35 was killed by Schleswig-Holstein's opposition, who want laws that will also license online casino operators.

Four or five states are now working to develop a proposal for the states' prime ministers to evaluate this summer, Sensburg said.

What could emerge is a simple fix of the latest legislation or wholesale reform, he said.

“You have a growing market in the online sector, and a shrinking market in the lottery,” he told the audience at the World Regulatory Briefing at the ICE conference in London on Tuesday. “The state has to act.”

New legislation would help address concerns about addiction, gambling by children, anti-money laundering and taxes, he said. Adding that regulation could potentially be done by a common authority among the länder, or an authority on the federal level, acting for the states.

Germany and the Netherlands are currently in similar situations, with potential gambling legislation stalled and the industry and government frustrated, said Wulf Hambach, a partner at Hambach & Hambach law firm.

“They need a 100 percent legal sector,” he said. “They need a white market and a black market to be able to enforce, and not a chaotic grey market.”

Sensburg said a potential state treaty could be enacted without unanimous approval, if a number of states approve a common plan, and the others agree to effectively abstain and set up their own gambling regimes, he said.

Such a regime could be challenged as “incoherent” under European Union rules, he said.

Still, “you can do a converged regulation without having them all at the table”.

Harald Neumann, chief executive of Austrian gambling giant Novomatic, said he was also optimistic about the talks.

“If these four regions are aligned in their strategy, others will follow,” he told GamblingCompliance on Tuesday.

“You always have to be optimistic.”

Novomatic and rival Gauselmann [stopped offering](#) online casino games to German customers following an October court ruling which said a ban on online casino games is not unconstitutional or against EU law.