



PRESS RELEASE

14 January 2010

RGA may challenge French gambling reforms

The Remote Gambling Association (RGA) has announced that it will consider mounting a legal challenge if the French gambling bill is passed in its current form. The RGA has become increasingly concerned after the *Assemblée nationale* approved a bill in October 2009 which effectively discriminates against private sector operators, most notably in the area of sports betting.

As the leading representative of the online gambling industry in Europe, the RGA has been continuously engaged with French officials and legislators about the viability of the licensing regime which will be voted on by the Finance Committee of the *Sénat* on 19 January. The Government, however, seems intent on hastily pushing through a flawed system that would create an environment in which regulated, blue-chip sports betting operators could not possibly hope to be successful and which would not provide any added value for French consumers.

“The French Government has made it clear that it has no real intention of liberalising the French online gambling market, but plans to retain a monopoly system in everything but name. This can only be detrimental to French consumers and raises the question of whether the reform is only a pretext for protecting the existing monopolists, FDJ and PMU. At each stage of the legislative process the prospects for a consumer-friendly market only seem to worsen. We reluctantly instructed local French counsel to look into the draft provisions which, as the initial advice indicated, are discriminatory, anti-competitive and create concerns about the ability to provide services in France,” stated Clive Hawkswood, Chief Executive of the RGA.

By imposing unjustifiable restrictions on the provision and promotion of remote gambling services by operators who have been granted licences in other EU Member States, the French bill fails to fulfil its obligations under EU law. The bill includes a host

of restrictions which are disproportionate and inconsistent such as setting maximum-payout ratios, prohibiting fixed-odds betting on horse races while allowing fixed-odds betting on sports or requiring certain corporate officers to reside in France, disadvantaging foreign operators.

The draft provisions also clearly distort the market in favour of incumbent French operators in a manner contrary to European competition law. For instance, potential foreign licensees are required to delete their current French customer accounts, forcing the customers to register anew whereas the monopolies are exempt from this requirement. This restriction and the structure of the licensing regime as a whole are highly anti-competitive and violate EU law by conferring significant economic advantages upon incumbent French operators.

“We remain committed to working constructively with French officials and legislators throughout the legislative process and will reassess the bill upon its adoption. We continue to hope that the bill will be amended, but if it remains disproportionately restrictive and anti-competitive, we may be left with no alternative other than to pursue legal action,” stated Mr. Hawkswood.

-- Ends --

The RGA represents the world’s largest licensed, and stock market-listed remote gambling companies. It provides the industry with a single voice on all issues of importance to regulators, legislators, and key decision makers around the world.

For more information, contact:

Clive Hawkswood, Chief Executive
+44 (0)20 7831 2195
chawkswood@rga.eu.com