



PRESS RELEASE

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RGA welcomes European Commission report into US gambling laws

The Remote Gambling Association (RGA) has warmly welcomed the announcement made today by the European Commission that it has completed its enquiry into discriminatory practices by the United States (US) against EU gambling operators and has upheld the complaint that was lodged by the RGA in December 2007.

The European Commission's investigation has found that US laws on remote gambling and their enforcement against EU companies constitute an unacceptable trade barrier that puts it in breach of WTO rules.

"Although we understand that the full report will not be published until next month, we are very pleased that Baroness Ashton, the EU Trade Commissioner, has made this early announcement." said Clive Hawkswood, Chief Executive of the RGA.

He added: "We completely share Baroness Ashton's hope that a prompt settlement can be reached which will ensure that EU operators are properly safeguarded, especially in relation to trade that took place prior to the introduction of the Unlawful Internet Gambling Enforcement Act in 2006. Given the US commitments under GATS and the outcome of the EU's investigation, this is a modest and reasonable request. We would also hope and expect that the US authorities will act in good faith and immediately suspend any threat of enforcement action pending further discussions with the EU. There really should be no need for the EU to refer this matter to the WTO if the US responds reasonably."

Notes for editors

The US Department of Justice has repeatedly stated that all forms of online gambling are illegal, yet continues to enforce this view only in connection with non-US businesses. In October 2006, the US Congress passed a new law (the

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Unlawful Internet Gambling Enforcement Act, or UIGEA) which effectively criminalised online gaming provided by foreign operators. The UIGEA forced many leading EU online gambling companies out of the lucrative US market, despite a US commitment under the WTO treaties offering access to its domestic gambling market. The stock market-listed EU companies collectively lost billions in market value overnight when the UIGEA took effect, whilst US online gaming companies continued to operate unperturbed.

Over and above the substantial monetary losses suffered by their forced withdrawal from the American market, non-US companies have had to contend with actual or threatened prosecutions, forfeitures and other enforcement actions by US prosecutorial authorities under pre-UIGEA penal laws. As a result, the RGA asked the EU to investigate the retroactive and discriminatory enforcement regime as an illegal barrier to trade for EU businesses. This complaint was lodged under the EU Trade Barriers Regulation (TBR).

The RGA represents most of the world's largest, licensed, and stock market-listed remote gambling companies and provides the industry with a single voice on all the issues of importance to regulators, legislators, and key decision makers around the world. For more information, please visit www.rga.eu.com.

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