



WEEK 47

FRIDAY 22 NOV 2013

THIS WEEK

- Columnist: Ray Davies on regulation
- Adelson to campaign against online gaming
- GameAccount flotation; Caesars NJ licence
- Tweets of the week

Sponsored by



TOP STORY

GERMAN LICENSING FARCE DEEPENS

All sports-betting applicants rejected



Germany has declined to grant any of its 20 online sports-betting licences after deeming that none of the applicants met the necessary requirements, thus prolonging an already complex and controversial regulatory saga.

It was back in July 2012 that the country passed the Interstate Treaty on Gambling, legislation designed to permit licensed online sports betting but outlaw online casino and poker. Around 150 sports-betting applications were submitted, about 40 of which reached a second phase. Between 14 and 18 firms then held consultations in spring 2013 with the Hessian Ministry of the Interior and Sport (HMdIS), the organisation issuing the licences on behalf of regulators the Glücksspielkollegium.

However all second-stage applicants have now been turned down and told they will receive details before the end of the year as to how they need to improve their applications.

Over the summer a legal challenge from BetVictor which demanded their involvement at the consultation stage was successful, although the HMdIS

CONTINUED ON NEXT PAGE ►

Operators' aims to offer German online sports betting remain fraught with complications

BROUGHT TO YOU BY:

GAMBLINGINSIDER

FROM FRONT PAGE ►

later won an appeal which reversed the decision and blocked other operators from filing legal challenges until the end of the licensing process. The Ministry had previously advertised for a legal firm to help them deal with an expected caseload of up to 80 lawsuits.

The recent rejections could therefore be an attempt by the HMdIS to effectively restart the second stage of the licensing process to avoid further legal headaches, although one official stated earlier this month that there was currently nothing in the legal arena to stop them from pushing ahead with the awarding of licences.

Also involved are the European Court of Justice (ECJ), who have been asked by the German Federal Court of Justice (BGH) to provide a preliminary ruling on the coherency of the country's two regulatory systems. Since May 2012 the state of Schleswig-Holstein has issued around 50 online gaming licences. These permits are still valid despite the region's repealing of its own online gaming law in favour of joining the Interstate Treaty earlier this year, a factor which further complicates the German licensing landscape.

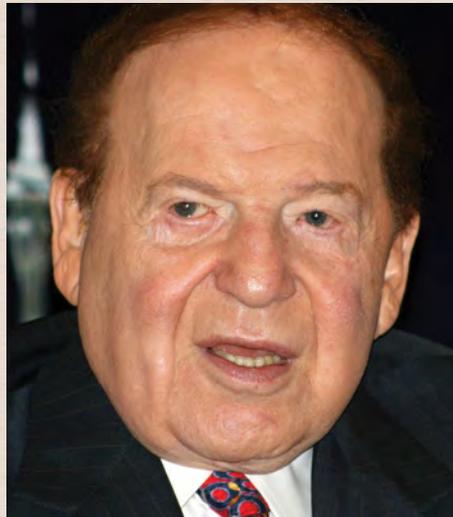
KEY POINTS

- Germany rejects all online sports-betting licence applications
- Firms instructed to update their applications
- ECJ still to rule on coherence of Interstate Treaty

BRICK AND MORTAR

ADELSON TO CAMPAIGN AGAINST ONLINE GAMING

Land-based gaming billionaire pushing for outright ban



Casino magnate Sheldon Adelson [pictured] is to launch a campaign against US online gaming. The *Washington Post* report that the Las Vegas Sands chairman and CEO wants Congress to ban internet gambling as he believes it to be a danger to the health of both society and the land-based casino industry.

The 80-year-old is said to be preparing a public campaign which will portray online gaming as a threat to exploitable groups including children, with an advocacy group titled the Coalition to Stop Internet Gambling set to launch in January.

Writing in *Forbes* magazine in June, Adelson described online gaming as a "toxin" and a "societal train wreck waiting to happen". He rejected claims he was afraid of having to compete for online business or worried about a negative impact on his personal land-based casino interests, instead highlighting concerns about how other US casinos would be affected.

KEY POINTS

- Sheldon Adelson set to launch anti-online gaming campaign

- Magnate concerned over apparent threat to both society and land-based industry

FINANCE

GAME ACCOUNT NETWORK RAISES €26.2M AS IT FLOATS ON AIM

Dermot Smurfit's stake reduces as firm prepare for stockmarket debut



Following on from last week's news that Game Account Network (GAN) were to float on the Alternative Investment Market (AIM), the UK-based gambling software

firm have raised €26.2m (£22.2m) in an institutional placing.

GAN shares will commence trading on AIM and Dublin's Enterprise Securities Market from Monday, giving GameAccount an initial market capitalisation of €90m when they make their stockmarket debut.

CEO Dermot Smurfit [pictured] sees his stake fall from 16.6% to 13.3%, while non-executive chairman David O'Reilly's stake reduces from 6.6% to 4.1%.

GameAccount have licensed gaming content to customers including PaddyPower, William Hill, Rank and Lottomatica.

US ONLINE GAMING



CAESARS RECEIVE NJ LICENCES

Two of operator's casinos handed internet permits
Caesars

Interactive Entertainment have been granted New Jersey online gaming

Tweets of the week 

"Dear internet: I accept every cookie, on every website ever invented. Now, please for the love of God leave me alone."
Aideen Shortt [[@AideenShortt](#)]

"Of the 1.4m TV gambling adverts in 2012: 532k - bingo; 411k - online casino & poker; 355k - lotteries & scratch cards; 91k sports betting."
Kathryn Corrick [[@kcorrick](#)]

"So the Hippodrome Casino are hiring a team of 'Door Dwarves' to act as bouncers... what could possibly go wrong?"
Bluff Europe writer
Eve Goodman [[@eviem_g](#)]

licences for two of their Atlantic City casinos: Caesars Atlantic City and Bally's Atlantic City. Seven of the city's 12 casinos now hold an Internet Gaming Permit, with the remaining five including Resorts Casino, partners of online poker site PokerStars.

Meanwhile, at the time of writing it is understood that New Jersey Senator Raymond Lesniak will soon announce plans for a new Bill which would allow licensed NJ operators to serve players in other regulated jurisdictions globally.

KEY POINT

- Caesars granted NJ online gaming licences for two casinos

NEWS IN BRIEF

ROUNDUP: BETFAIR; BETCLIC; SCI GAMES

The rest of the week's key stories

- **Betfair** have become the first operator to introduce dynamic real-time messaging into their YouTube advertising, with in-play odds relating to live TV matches.
- **Betclik Everest** CEO Isabelle Andres wants France to regulate online casinos to generate tax revenues and control the market.
- **Scientific Games** have named David Kennedy as their new CEO in a restructure.

GUEST COLUMNIST

"REGULATION – BUT ON WHAT SCALE?"



by **Ray Davies**
*Isle of Man
Government*

"I recently attended the G2E Global Gaming Expo in Las Vegas,

which I found both fascinating and enlightening. The exhibition, with its overabundance of slots and gaming machines, was truly fascinating to see, but the content of the conference was what held my interest the most.

As expected the shop-talk was all about the US states ploughing on ahead with regulating on a state-by-state basis while the federal authorities remain slow to react. Many commentators believe that by the time they do react it will be too late to impose a federal standard across states.

It appears also that inter-state regulation remains in its infancy. Just recently a well-known Nevada operator has attempted to seek a Massachusetts casino gaming licence but the authorities are "unable to establish suitability for a casino licence". This demonstrates the problems of cross-border compacting. The US is having great difficulty at the state and inter-state level and they are so focused on their own regulations and the possible next step of inter-state compacts that the idea of a global player base remains a long way off.

What is interesting to me is that we have already seen this before... in Europe. Member states have introduced, and are currently introducing, regulations on a state-by-state basis, according to their own requirements, and there are currently no inter-state arrangements. At the same time, the EU Commission are working hard in the background to try to introduce common standards.

The burning question therefore is: Is it already too little too late for the US? Personally, I don't think so. Gaming-friendly states will want to open up the sector because of the commercial

realities of online gambling. Holistically, there is a huge untapped player base and of course huge tax dollars at stake, so the federal authorities will want to introduce their own controls to the market. It is conceivable, of course, that they may cite the need for consumer protection as the reason to intervene, much like the UK has done recently.

But what does this mean for Europe and will there be an opportunity for operators to gain entry into the US in the future? I think that the reality is that the US is an old hand at terrestrial casino operations and understands the potential value of going online. While still very much in its infancy they have not yet determined the best way to capitalise on this potential. There is a naive but genuine fear that foreign operators could swoop in and grab the rewards so they are putting suitable protections in place; so foreign operators will only get access to US players through a joint-venture type arrangement with a US-licensed entity or by establishing a real presence in a gaming-friendly state.

So we will have to wait and see. In the meantime, Europe will continue to regulate, the EU Commission will carry on with their intention to implement some form of consistency across the region and the US will grow rapidly, learning the ropes as it does."

Ray Davies is head of e-gaming development at the Department of Economic Development, Isle of Man Government

Want to be a guest columnist in GI Friday? Write to: editor@gamblinginsider.com

"Asked at presser about Sheldon Adelson's new anti-web gaming campaign, @SenatorReid just shakes his head."
The Vegas-Review Journal's Washington DC correspondent Steve Tetreault [@STetreaultDC]

"I have only met people whose lives have been destroyed by #fobts! Please tweet if your life has been improved by playing a #fobt."
Problem gambling charity The Grasp Group [@TheGraspGroup]

"Happy that iOS no longer auto-displays list of latest Internet searches. Silent shaming from bystanders for 'how boil egg' was unbearable."
Ars Technica associate writer Casey Johnston [@caseyjohnston]



SOFTWARE DEVELOPERS

Location: UK

Contract: Full-Time, Permanent.

Geneity are one of five Playtech companies based in the UK and specialises in the provision of online betting and gaming software to UK and global service providers.

We provide an innovative new suite of e-gaming products, built with years of experience in the sector, but re-designed from the ground up to take advantage of the latest trends in the market.

At Geneity you'll have the opportunity to develop on some of the biggest and best betting and gaming platforms in the business.

Apply to jobs@geneity.co.uk

odobo

ODOBO PROJECT MANAGER, GAMES

Location: Gibraltar

This job requires the talents and skills of a project manager that enjoys immersing themselves in the details of multiple concurrent game projects. We need a professional who understands the importance of time-to-market, accurate estimation, and thrives in a start-up environment.

The ideal candidate will possess the drive, determination and agile skillset to provide a world-class service both internally and externally across a wide range of projects, while enjoying the motivated and ambitious culture of a technology start-up in the gambling arena.

Apply at <http://odo.bo/gamespm>



**BECOME AN INSIDER
IT'S FREE!**

**APPLY
NOW**

GET THE PRINT MAG:
GAMBLING INSIDER

GET THE APP:



**THE COMPLETE
SOLUTION
TO ALL YOUR
GAMING NEEDS**

PLAYTECH PROVIDES A FULL RANGE OF
PRODUCTS & SERVICES ACROSS ALL PLATFORMS