

FRENCH GAMBLING... A STORY DEVELOPING...

Diane Mullenex and Annabelle Richard

IMA Law Firm – Paris, France

On June 27, 2007, the EU Commission issued a reasoned opinion against France in relation with the infringement proceedings concerning France's restrictions on sports betting. The EU Commission made it clear it expects France to modify its regulations or it would be dragged kicking and screaming before the Court of Justice in Luxembourg.

Furthermore, on July 10, 2007, the highest jurisdiction in France overturned a decision that banned a Maltese company from offering online betting on horse races in France.

The opening process of the French gambling market is irreversible.

In November 2007, France appointed Bruno Durieux to produce a report on the conditions of the opening of the French gambling market. Bruno Durieux's report, released on April 24, 2008, recommends an opening under strict governmental control.

Various scenarios allowing private operators to enter the French gaming market are considered:

- Opening of the sport and horse race bets market, or
- Opening of sport bets and remote casino games (excluding lotteries and slot machines), or

- Opening of the entire market excluding lotteries.

A "regulatory authority" should be created by the government. Such authority would be responsible to grant licenses to all operators in order to operate games in France. It is interesting to note that no mutual recognition principle would apply. As a result, operators licensed in other member states would not automatically be granted a license to operate in France.

The report recommends online gaming to be accessible to private operators but only for poker and horse race bets. With regards to the latter, the intention appears to be to allow state-owned PMU to maintain its monopoly on organizing bets, while permitting private licensed operators to market these bets to customers.

During their presidency of the European Union starting in July, the French government will most likely promote their version of gambling market deregulation. Such version could gain support from other state members such as the Netherlands, Finland, Germany and Sweden whose gambling market regulations have also been "questioned".

For further details (and a longer version), please contact Diane Mullenex (mullenex@ima-avocats.com) or Annabelle Richard (richard@ima-avocats.com).

5, rue de Monceau 75008 Paris - France
Tel : +33 1 42 89 19 80
Fax : + 33 1 42 89 14 99
www.ichay-mullenex.fr