



Ministerie van Veiligheid & Justitie  
Postbus 20301  
2500 EH Den Haag  
The Netherlands

Ministerie van Financiën  
Postbus 20201  
2500 EE Den Haag  
The Netherlands

Brussels, 19 July 2013

Dear Sir / Madam,

**Re: Amendment to the Dutch [Betting and Gaming Act](#), the Betting and Gaming Tax Act and several other acts in connection with organising remote games of chance**

On behalf of EUROMAT I provide here our position with regard to the intention in the Netherlands to review the 'Betting and Gaming Act' – Remote games of chance'. EUROMAT was established in 1979 to represent the European amusement and gambling industry at EU level and consists of 20 member National Associations from 15 European countries, including the Dutch VAN Speelautomaten Branche-organisatie (VAN). The overall mission of EUROMAT is to contribute to the creation of a healthy business and legal environment in the European Union for the gambling sector. The EUROMAT members range from operators, manufacturers and distributors to owners of amusement equipment.

EUROMAT believes that all Member States should be doing more to effectively prevent or minimize illegal gambling providers from offering their services online and applauds the move in the Netherlands to achieve this. While doing so, national governments have a duty to ensure that all regulatory and fiscal rules regarding the provision of gambling, apply equally and without discrimination to all providers, regardless of the form of distribution. We would hope that this can be achieved in the Netherlands, but do have some concerns regarding the proposed legislation, not least in relation to the proposed differentiated taxation regime for different forms of gambling, the issue of gambling addiction and the proposed registration and identification and the tackling of the illegal remote gambling market.

**Different taxation regime**

EUROMAT strongly advocates the principle of a level playing field, in terms of regulation and taxation for gaming companies, regardless of the distribution method used. Dutch land-based gambling operators, like other Dutch businesses, are required to adjust their business model to



include the payment of a fair amount of taxation. The operators in the Netherlands already face a significantly high taxation rate, when compared to other European jurisdictions.

We understand that under the proposed legislation, the remote gambling sector would be facing a 20% tax rate, as opposed to the 29% rate applied to the land based sector. EUROMAT has been informed that the remote gambling sector perceives the rate of 20% to be too high. The industry claims that the requirement to pay an equivalent amount of tax as land-based gambling providers, would cause an 'extra territorial' and unsustainable tax burden for remote gambling providers of the same services.

EUROMAT believes this should be viewed as no more than an unwillingness of certain companies to accept that there is a duty to pay taxes in the Netherlands and that fair taxation must be part of sustainable business models. We respectfully request equal taxation treatment of all gambling service providers, regardless of the means used to provide that service.

Finally, with respect to state aid we note the following: the proposed differentiated tax rate the Dutch government acknowledges to be a form of state aid, requires approval of the European Commission. We note that a differentiation of tax treatment of these two sectors in Denmark is currently before the European Court of Justice. Regardless of the outcome of that particular case, we emphasize that all state aid cases are different and a particular outcome on the Danish matter would not necessarily apply to any other form of state aid in any other Member State.

### **Registration and identification duties to tackle the issue of addiction**

Effective self-regulation is already in place in the Netherlands to deal with problem gambling in a land-based environment. The behaviour of players is systematically analyzed, research is conducted at the moment of a suspected addiction and players register themselves voluntarily. The gambling addiction numbers in the Netherlands with regard to land-based gambling have decreased in the past couple of years. This clearly illustrates that there are no reasons to amend this self-regulating policy.

In addition, EUROMAT finds it astonishing that the same registration system will be applied to all forms of gambling under the new rules, while simultaneously being subjected to very different regulatory restrictions and where these restrictions are most severe in the land-based gambling field.

That does not mean however, that we do not support a different registration system for the remote gambling sector. EUROMAT believes that the 75% channelling degree the government sets itself is not ambitious enough, still leaves space for the illegal gambling sector to operate and hinders the effectiveness of tackling the illegal remote gambling market. EUROMAT would like to propose a 100% registration duty for all of the online market, aiming to tackle it as effectively as possible. Not just because of the risks such as money laundering being involved



with these products, but especially to tackle the issue of addiction. In the past two years, two Motions for Resolutions<sup>1</sup> have been proposed by the Internal Market and Consumer Protection Committee in the European Parliament. Both motions underscore that a lack of adequate regulation in the remote gambling sector can lead to greater risk of addiction than traditional physical gambling, among others due to the increased ease of access and the absence of social control. To properly tackle these issues, a registration system is required in the gambling sector that acknowledges this problem and the differences with the land based gambling sector.

### **Licensing of online gambling operators and tackling the illegal offer**

Finally, EUROMAT would like to draw your attention to another country where remote gambling has been regulated since 2011 and is effectively tackling the illegal offer. In Belgium, a request for licensing can only be done as long as an operator has a land-based license and its server is housed in Belgium. This system has shown itself to be effective in terms of control and indeed enforcement and we would urge the Dutch Government to assess how similar measures could be introduced in the Netherlands.

### **Conclusion**

A competitive gambling market requires a cooperation model that does not obstruct innovation. Such a model should acknowledge the differences between the remote and land based gambling markets, avoids needlessly regulating the land based sector and is effective at tackling the illegal remote gambling market. Moreover, there must be equitable tax treatment for all forms of gambling, regardless of the means used to distribute gambling services.

We hope you will take our remarks into consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Annette Kok".

Annette Kok  
President, EUROMAT

<sup>1</sup> *European Parliament resolution of 14 October 2011 on online gambling in the internal market (2011/2084) and the European Parliament resolution of 11 June 2013 on online gambling in the internal market (vote in plenary scheduled for September 2013).*