

# Scanning the legal horizon: the biggest legislative changes ahead

Fragmented regulation means that the market is constantly being shaped by an evolving regulatory landscape. This panel session focuses on those which manufacturers and operators should have on their radar

Throughout Europe, I think that the General Data Protection Regulation (GDPR) will probably have one of the strongest impacts on the gaming sector in 2018, not least since it still seems that there is some lack of awareness of the importance of GDPR-compliance among operators and other stake-holders in the industry.

In Germany, the single biggest legislative issue to affect the gaming sector in 2018 will certainly be the reform of German legislation on gaming as such, in particular the challenge to create legislation which can actually work to ensure consumer protection in both the land-based and online gaming environment. At the moment, this is not the case in Germany, especially online gaming regulation has been a mess for years. It will also be important to strike the right balance between online and land-based operations when regulating gaming comprehensively, taking into account what is specific to each sector and required to regulate it properly and consistently. In order for reforms to work, I am convinced that legislators will have to part with outdated views and structures. These have proven not to work. I think that it will also be necessary to have new thinkers and faces take charge in the reform discussions and, later, in the implementation of the law to truly achieve a progressive and modern regulation in Germany. After all, you cannot expect non-swimmers to win a gold medal at the Olympics.



**Joerg Hofmann,**  
Group leader  
Gaming &  
Betting Law  
Practice -  
Melchers

Dr. Joerg Hofmann is head of the Betting and Gaming Group of Melchers Law Firm in Germany. He is a Past President of the International Masters of Gaming Law (2014/2015). Joerg has been consistently ranked as a "Leading Individual" in Gaming & Gambling by Chambers Global since 2011.

When it is about legislation in the Spanish gaming industry, it is important to differentiate between the online and land-based sectors.

This distinction is essential for a better understanding of the Spanish market, since while online gambling at a federal level is subject to a federal Gaming Act - and its secondary regulation - and is regulated by a single body (The DGOJ), land-based gaming is subject to 17 different regional regulations and supervised by the relevant regional Gambling Administrations.

Back in December 2013, the Spanish Government approved the Law on Spanish Market Unit, whose purpose was to provide measures in order to unify the regulatory differences among the autonomous regions as to the conditions for trading with goods and services in Spain.

It is not a specific Act for the gaming sector, but it was also intended to have a positive impact on the land-based gaming manufacturers since, in practical terms, this regulation meant unifying the criteria of the 17 autonomous regions on the technical specifications for slots terminals or the conditions for the homologation of gaming terminals, for instance.

Although this Act has been controversial since its approval and as such the Constitutional Court recently declared the unconstitutionality of most of the articles within it, the Act has had a significant impact on the gaming sector. The trend of the different Gambling Regional Administrations lately seems to be facilitating the processes to the manufacturers by updating their corresponding regulations or by carrying out bilateral or multilateral agreements with the Central and Regional Governments.

In practical terms, this trend to uniformity is already visible on agreements by which the €60,000 guarantee for manufacturers is removed (i.e. Balearic and Canary Islands among others) or agreements by which the autonomous regions recognise the technical homologations of systems carried out in other regions.



**Santiago Asensi,**  
Managing Partner/  
Socio Director -  
Asensi

Santiago Asensi is the Managing Partner of Asensi Abogados, a boutique law firm in the Gaming and Gambling sector with offices in Madrid, Mallorca and Bogota. Asensi provides legal advice to a large number of bookmakers, poker, casino, bingo and skill games operators, software providers, slot suppliers with interests located in Spain and Latin America.

I think the biggest single issue in 2018 is the ever increasing regulatory focus on online gaming, which comes as the UK Gambling Commission reviews the sector after almost four years of point of consumption licensing. Over the last couple of years, the UK mainstream media has poured its energies into the debate around FOBTs, allowing online gaming to have a much quieter time than we initially expected. However, given the document that has just been published by the UK Gambling Commission, which gives a thorough review of online gaming, it is clear that the Gambling Commission regards online as the most important sector in the UK right now.

The Gambling Commission has a tight focus on remote gambling and, as other issues relating to FOBTs are resolved in the next few months, this increasing focus will become more apparent. When you look at the measures the Gambling Commission is considering, they could all have significant implications for the remote sector. Some of the headline measures include the possibility of prohibiting the use of credit cards in an online environment; possible spending limits on customers until the operator has established affordability; trialling player tracking; greater interaction and intervention with customers showing problem gambling symptoms; terms and condition changes; restrictions on advertising; anti-money laundering measures, etc.

How the sector responds to this over the next year is going to be critical. The online sector has to truly engage with the conversation, engage with the consultation and try to get ahead of the arguments and set the agenda, rather than being - as so often happens to the gambling industry - behind the curve and reactive rather than proactive. The remote sector must raise their standards.

I think the Gambling Commission has always been heavily focused on online gaming, but the parallel media focus on fixed odds betting terminals has overshadowed the issue thus far. However, as the FOBT issue is resolved the Commission's focus on online gambling will become very obvious and the major issue affecting the gaming sector in 2018.



**John Hagan,**  
Partner - Harris  
Hagan

John is a leading international gambling lawyer. Qualified in 1993, he practised as a commercial litigator before specialising in gambling law. He has advised many of the world's largest gambling operators and is frequently instructed by other law firms, private equity firms and banks to provide licensing and regulatory expertise in respect of corporate investments and transactions.