

Public consultation on the Green Paper on on-line gambling in the Internal Market

You are invited to reply to the on-line questionnaire. The questions listed in the Green Paper are reproduced in the same order hereunder. A pdf version of the [Green Paper](#) is available in all EU languages for guidance to the questions.

There are 51 questions in the consultation document. You may reply to those questions in any one of the EU languages. You may focus your contributions on the areas of most interest to you; you are not obliged to answer all the questions.

Please save this document on your computer. Once you have completed the questionnaire, come back to the on-line questionnaire. You will be able to upload your answers on page 3 of the on-line questionnaire.

The consultation will close on 31/07/2011.

We thank you for your participation.

Your name / Your organisation:

European Pari Mutuel Association

Members: AB Trav. Galopp (ATG), Sweden - Fintoto Oy, Finland, German Tote GmbH, Germany - Société de la Loterie de la Suisse Romande Suisse - Jockey Club of Turkey (TJK), Turkey - Foundation Norsk Rikstoto, Norway - Pari Mutuel Urbain (P.M.U.), France - Horserace Totalisator Board, Great Britain - Unione Nazionale Incremento Razze Equine (U.N.I.R.E.), Italy, Wiener Trabrennverein, Austria, WinRace, Germany

Questions from the Green Paper on on-line Gambling in the Internal Market

1. Regulating on-line gambling in the EU: Recent developments and current challenges from the Internal Market standpoint
 - 1.1. Purpose of the consultation
 - 1.2. On-line gambling in the EU: current situation

(1) Are you aware of any available data or studies on the EU on-line gambling market that would assist policy-making at EU and national level? If yes, do the data or study include licensed non-EU operators in the EU market?

Every year since 2007, EPMA is collecting data from 10 pari Mutuel/Tote operators in Europe. In 2010, Pari Mutuel betting totalled €13 billion. Out of that sum, more than €10

billion returned to the winning punters and as much as € 1.2 billion was reinvested in the European horse industry and racing.

www.parimutuel-europe.org Members Page

Pari Mutuel Online turnover represents €1, 7 billion –13% of the total turnover – it is a fast growing segment: Growth of more than 10% and up to 16% from 2009 for some operators.

(2) Are you aware of any available data or studies relating to the nature and size of the black market for on-line gambling services? (Unlicensed operators)

(3) What, if any, is your experience of EU-based on-line gambling operators licensed in one or more Member State and providing and promoting their services in other EU Member States? What are your views on their impact on the corresponding markets and their consumers?

There is no difference if the operator's license is from another EU Member State or from outside the EU; the criteria for obtaining licenses can be extremely low and not matching the requirements at national level. Furthermore, operators offer their services without subjecting themselves to the same level of control or taxation from governments.

In the area of horse betting, gambling companies operating from outside (EU or out of EU) often use national horse races information (information, databases, results, etc.) as the subject for their service offering, and without giving compensation to the organizer of the horse race.

For example in Sweden, the cost of Unibet operating in Sweden without a national licence, from 2000 to 2007 represents 2.25 billion SEK (250 million EUR). Swedish horse racing and horse sector have lost around 22 million EUR every year during the same period.

In Finland a research was made by TNS Gallup (ordered by Veikkaus and RAY) concerning unregulated operators on the Finnish market. According to this research gaming via these unregulated operators were divided as follows: horse betting 40 million €, casino games 40 million €, poker 30 million € and bingo games 10 million €. Total betting was 120 million €.

In Germany the gambling interstate treaty (Staatsvertrag) of 2008 put a ban on sports betting and online gambling. This has led to an enormous grey and black market volume with an estimated turnover in 2010 of € 7,3 billion compared to € 230 Million turnover on legal state own sport betting offer (Oddset).

(4) What, if any, is your experience of licensed non-EU on-line gambling operators providing and promoting their services in EU Member States? What are your views on their impact on the EU market and on consumers?

See question 3

(5) If any, which are the legal and/or practical problems that arise, in your view, from the jurisprudence of national courts and the CJEU in the field of online gambling? In particular, are there problems of legal certainty on your national and/or the EU market for such services?

(6) Do you consider that existing national and EU secondary law applicable to on-line gambling services adequately regulates those services? In particular, do you consider that coherence / consistency is ensured between, on one hand, the public policy objectives pursued by Member States in this field and, on the other hand, the national measures in force and/or the actual behaviour of public or private operators providing on-line gambling services?

Each country can, based on its traditions, culture and gambling policy, create a national regulatory framework that considers in an appropriate way social aspects as well as secures sustainable financing of public interests.

Other comments on issues raised in section 1

2. Key policy issues subject to the present consultation

2.1. Definition and organisation of on-line gambling services

(7) How does the definition of on-line gambling services in the Green Paper differ from definitions at national level?

(8) Are gambling services offered by the media considered as games of chance at national level? Is there a distinction drawn between promotional games and gambling?

(9) Are cross-border on-line gambling services offered in licensed premises dedicated to gambling (e.g. casinos, gambling halls or a bookmaker's shop) at national level?

(10) What are the main advantages/difficulties associated with the coexistence in the EU of differing national systems of, and practices for, the licensing of on-line gambling services?

Other comments on issues raised in section 2.1

2.2. Related services performed and/or used by on-line gambling services providers

(11) With focus on the categories mentioned in the Green Paper, how are commercial communications for (on-line) gambling services regulated for at national level? Are there specific problems with such cross-border commercial communications?

(12) Are there specific national regulations pertaining to payment systems for on-line gambling services? How do you assess them?

(13) Are players' accounts a necessary requirement for enforcement and player protection reasons?

(14) What are the existing national rules and practices relating to customer verification, their application to on-line gambling services and their consistency with data protection rules? How do you assess them? Are there specific problems associated with customer verification in a cross-border context?

Other comments on issues raised in section 2.2

2.3. Public interest objectives

2.3.1. Consumer protection

(15) Do you have evidence that the factors listed in the Green Paper are linked to and/or central for the development of problem gambling or excessive use of on-line gambling services? (if possible, please rank them)

(16) Do you have evidence that the instruments listed in the Green Paper are central and/or efficient to prevent or limit problem gambling relating to on-line gambling services? (if possible, please rank them)

(17) Do you have evidence (e.g. studies, statistical data) on the scale of problem gambling at national or EU level?

(18) Are there recognised studies or evidence demonstrating that on-line gambling is likely to be more or less harmful than other forms of gambling for individuals susceptible to develop a pathological gaming pattern?

(19) Is there evidence to suggest which forms of on-line gambling (types of games) are most problematic in this respect?

It should be noted that the rate of addiction prevailing in the field of horse betting is significantly below the average for other forms of gambling, as confirmed by studies based on statistical and epidemiological findings.

In Finland the Ministry of Social affairs has done studies concerning problem gambling. Horse betting is less addictive than other games. In Finland, the national helpline for problem gamblers called Peluuri accounts only 1 % of the phone calls concerning horse betting.

In Germany, a study on addiction on sport betting shows (reference to the study below): There is hardly any discernible danger to public welfare associated with betting on horse racing, and certainly not in connection with totalisator betting. According to a study by Mayer and Hayer into the hazard potential and the risk of addiction associated with lotteries and sports betting, the addictive attraction of totalisator betting compared to bookmaker and fixed-odds betting is much lower. The need for measures to prevent addiction in the case of fixed-odds betting emphasised by experts also supports the promotion and protection of the pari mutuel principle. A Table shows the importance of various forms of gambling for pathological gambling behaviour based on surveys of therapists and of client

See the summary "Addiction in sports betting" on <http://arbeitsblaetter.stangl-taller.at/SUCHT/Wettsucht.shtml>

(20) What is done at national level to prevent problem gambling? (E.g. to ensure early detection)?

Requirements implemented by the PMU in France:

- 18 years old limit (exists in the PMU since 1947)
- Self limitation tools (time and amount)
- No credit access
- Identity verification

Since 2003, players' awareness has been developed – Information on potential risk of gambling displayed on web and distributed in point of sales – a questionnaire to auto-evaluate what type of player you are

- Training at point of sales

Example of ATG requirements in Sweden:

ATG does not:

- offer gambling on credit
- bonus for players
- signing-up bonus for new customers
- gambling on losing horses
- aggressive marketing,

The operator:

- Has an age limit of 18 years for all gambling services
- Provides the customer with different tools to help them to keep control over their gambling, and provides them with information about where to turn if they have problems with gambling (self limiting, self test).
- Puts a high priority on the continuous education of and communication with employees, authorized sales points and players about the risks related to gambling, about responsible gambling, and about problem gambling.

ATG is also participating in Oberoende Spelsamverkan, (OSS, “Independent Gambling Collaboration”), which is a forum where the different actors within Swedish gambling industry cooperate on issues related to problem gambling. The National Institute of Public Health is leading the forum’s work. In addition to the licensed Swedish gambling operators, the Lottery Inspection, The Swedish Hotel and Restaurant Association (SHR) as well as the Spelberoendes Riksförbund (“National Association of Problem Gambling”) are members of the forum.

(21) Is treatment for gambling addiction available at national level? If so, to what extent do on-line gambling operators contribute to the funding of such preventive actions and treatment?

In Sweden, ATG is contributing around 145 million EUR each year in tax to the state which then in turn distributes funds to research and to the treatment of problem gamblers. It should be noted that on-line companies operating from outside of Sweden do not participate in this system of financing of treatment to problem gamblers.

In Finland, the Ministry of Social affairs has 2 million EUR budget every year to prevent problem gambling. It is totally financed by the Finnish gaming organisations (Fintoto, RAY and Veikkaus).

In France, social taxes on gambling represented €182 million in 2010 and should partially support treatment of pathological players as well as support a plan to fight addiction (CSAPA Les Centres de Soins d’Accompagnement et de Prévention en Addictologie)

(22) What is the required level of due diligence in national regulation in this field? (e.g. recording on-line players' behaviour to determine a probable pathological gambler?).

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(23) What is the statutory age limit for having access to on-line gambling services in your Member State? Are existing limits adequate to protect minors?

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(24) Are on-line age controls imposed and how do these compare to off-line 'face-to-face' identification?

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(25) How are commercial communications for gambling services regulated to protect minors at national or EU level? (e.g. limits on promotional games that are designed as on-line casino games, sports sponsorship, merchandising (e.g. replica jerseys, computer games etc) and use of social on-line networks or video-sharing for marketing purposes.

In France, the PMU does not advertise in :

- In publications, TV, radio and Internet sites dedicated to youth
- In certain programmes that could be for young people
- Cinema (all movies)
- Such ban should be visible on the site of the gambling operator (display messages and phone number)

ATG's guidelines for marketing are:

- put the horse in focus – not gambling.
- advertise mainly V75, a race which takes place only once a week. Rapid daily games, which are more risky from a gambling perspective, are not being marketed. The V75 accounts for about 40% of ATG's turnover.

ATG is also an active member of Spelmarknadens Etiska Råd (SPER, "Gambling market's ethical board"), which is a voluntary cooperation of the Swedish gambling operators. Together, the members of SPER have written common ethical guidelines for the advertising of gambling services. These guidelines say, e.g. that advertisement on games:

- May not be offensive, intrusive or misleading
- May not claim that the result of a game of chance depends on anything else than luck
- May not include wrong information regarding the chances of winning
- May not be directed to under aged or to especially vulnerable groups in the society

Online companies operating from outside of Sweden direct their commercial messages to Swedish customers without abiding to the ethical guidelines that SPER has agreed upon.

Win Race, in Germany, has committed itself to the principles of the Commission for Youth Media Protection (KJM) in Germany in order to promote youth protection on the Internet, and

is following strict rules of transparency, fraud prevention and consumer/gambler protection in everything it does.

(26) Which national regulatory provisions on license conditions and commercial communications for on-line gambling services account for the risks described in the Green Paper and seek to protect vulnerable consumers? How do you assess them?

All requirements listed at question 20 and implemented by national licensed operators are of importance. Although some measures were voluntary a few years ago, Member States have worked on strict regulations going beyond self regulation initiatives.

Other comments on issues raised in section 2.3.1

2.3.2. Public order

(27) Are you aware of studies and/or statistical data relating to fraud and on-line gambling?

(28) Are there rules regarding the control, standardisation and certification of gambling equipment, random generators or other software in your Member State?

(29) What, in your opinion, are the best practices to prevent various types of fraud (by operators against players, players against operators and players against players) and to assist complaint procedures?

Pari Mutuel/Tote betting model prevents risks of fraud. When using the Totalisator Model, all players bet in a common pool. If a punter bets a lot on an unexpected result, the winning will lower.

In countries with the Tote model for betting, there has been no case of fixed races for years. The last big case in France, more than 35 years ago, has been the occasion for Pari Mutuel betting to put in place rules to prevent and detect atypical stakes.

Mutual betting is a way to prevent problem. Moreover, bets on 'losers' are not allowed, "In running" bets are not allowed.

Bets are monitored in real time. Large amounts bets are detected (beyond a threshold). Pari Mutuel operators also detect certain combinations where there are a lot of big amounts bets. These combinations are compared with those expected (specialised press, for example) to determine if they are atypical or not. We also detect after the race has been paid if there are some concentrations in winnings.

Pari Mutuel operators have correspondents in each Horse racing authorities. These correspondents can ask for information before or after the races, and they are informed if any unusual or particular stakes in detected before a race.

Compare with other types of bet:

Betting Exchange has inner risks

The Betting Exchange allows the broader public to act as a bookmaker. This means that individuals can take odds (ie: "back") on the outcome of any event. Equally, they can offer odds "lay" to other participants. The technology automatically matches back and lay bets between various bettors – a percentage of winning bets being taken by the operator. The system makes it possible for individuals to bet on a horse to lose a race.

The Salford University study « Risks to the integrity of sport from betting corruption »(Feb 2008) indicates « an exchange offers new opportunities to cheat...». Detection and traceability is difficult as it is difficult to control the various positions and players. Match/Race fixing cases appeared in UK in 2004 and 2006, directly derived from Betting Exchange manipulation (ex : Miles Rodgers & Mercer case ; opération «Crypton» also known as «Fallon » case.

(30) As regards sports betting and outcome fixing - what national regulations are imposed on on-line gambling operators and persons involved in sport events/games to address these issues, in particular to prevent 'conflicts of interest'? Are you aware of any available data or studies relating to the magnitude of this problem?

(31) What issues should in your view be addressed in priority?

(32) What risks are there that a (on-line) sports betting operator, which has entered into a sponsorship agreement with a sports club or an association, will seek to influence the outcome of a sports event directly or indirectly for profitable gain?

(33) What concrete cases are there that have demonstrated how on-line gambling could be used for money laundering purposes?

(34) Which micro-payments systems require specific regulatory control in view of their use for on-line gambling services?

(35) Do you have experience and/or evidence of best practice to detect and prevent money laundering?

Since 2004, PMU has obligation regarding money laundering and must report to TRACFIN system

- Declaration if suspicion

- Declare the identity of the player/punter over 5000€ (French Decree of 12 May 2005) – Such information must be kept for 5 years.

PMU has established internally a specific unit to tackle money laundering issues in 2004

The Unit has gained experience in the analysis of data and has established many control tools

Several audits are undertaken during the year.

(36) Is there evidence to demonstrate that the risk of money laundering through on-line gambling is particularly high in the context of such operations set up on social web-sites?

(37) Are national e-commerce transparency requirements enforced to allow for illegally operated services to be tracked and closed? How do you assess this situation?

Other comments on issues raised in section 2.3.2

2.3.3. Financing of benevolent and public interest activities as well as events on which on-line sports betting relies

(38) Are there other gambling revenue channeling schemes than those described in the Green Paper for the public interest activities at national or EU level?

In Europe in 2010, Pari Mutuel betting totalled €13 billion. € 1.2 billion was reinvested in the European horse industry and racing, a considerable investment which represents more than 300 000 people directly employed by the sport. These figures can be doubled if all indirect employment is taken into account, often at the crux of regional development (Normandy, County Kildare, etc.).

Racing is a way to measure and select inside the breeding activity. Such breeding sector works on reproducing, improving and preserving breeds. At the same time, breeding is a part of agriculture revenues – moreover a growing activity in a sector where many have reduced over the years facing reforms and international competition.

When EPMA started the analysis on the economic impact of horseracing in 2009, the objective was to increase the knowledge about the horseracing sector in order to understand the mechanisms in favour of its development and act towards the improvement or modification of such mechanisms.

Betting remains the main component of horseracing funding. While most sports are financed by households, broadcasting rights and “match-day contributions”, horseracing is 65% financed by betting. Moreover, the health of the horseracing sector strongly relies on horse betting turnover as a clear correlation exists across 10 European countries between direct employment in the horseracing sector and horse betting turnover.

EPMA’s report shows that the sector’s dynamism depends on a coherent legal framework guaranteeing on a long term basis and at a certain level, the return from betting through the Prize Money that is paid to the professionals of racing. It also shows that Pari Mutuel contributes much more than the other betting models to the financing of the horseracing industry.

The contribution to horseracing has an impact on the equestrian sports in general as it establishes a benchmark for equestrian excellence at all level – competition level, health and quality of the professional involved.

More examples of direct funding to equestrian sport:

- More than €2 million from pari mutuel betting revenues directly support each year the Olympic Equestrian teams of 3 Nordic countries (Sweden, Finland and Norway).
- More specific partnerships of the pari mutuel operators with the national Equestrian Federations drives revenues directly to education and training of riding schools instructors, anti-doping measures in horse jumping competitions and for research and development in animal health:
 - o €2,7 million/year from Norsk Rikstoto to the Norwegian Equestrian Federation
 - o In France, the “Fonds Eperon” (revenues from the PMU) gives each year around €8 million to innovative regional and national projects linked to horses (co-financed projects of the French equestrian federation, regional riding schools equipments, improving horses knowledge in schools ...).

(39) Is there a specific mechanism, such as a Fund, for redistributing revenue from public and commercial on-line gambling services to the benefit of society?

(40) Are funds returned or re-attributed to prevention and treatment of gambling addiction?

ATG is contributing around 145 million EUR each year in tax to the state which then in its turn distributes funds to research and to the treatment of problem gamblers. It should be noted that on-line companies operating from outside of Sweden do not participate in this system of financing of treatment to problem gamblers.

In Finland, the Ministry of Social affairs has 2 million EUR budget every year to prevent problem gambling. It is totally financed by the Finnish gaming organisations (Fintoto, RAY and Veikkaus).

In France, social taxes on gambling represented €182 million in 2010 and should partially support treatment of pathological players as well as support a plan to fight addiction (CSAPA - Centres de Soins d’Accompagnement et de Prévention en Addictologie)

(41) What are the proportions of on-line gambling revenues from sports betting that are redirected back into sports at national level?

(42) Do all sports disciplines benefit from on-line gambling exploitation rights in a similar manner to horse-racing and, if so, are those rights exploited?

(43) Do on-line gambling exploitation rights that are exclusively dedicated to ensuring integrity exist?

(44) Is there evidence to suggest that the cross-border "free-riding" risk noted in the Green Paper for on-line gambling services is reducing revenues to national public interest activities that depend on channelling of gambling revenues?

Free riding issues are linked to taxation although taxation elements do not clearly appear in the document. It is however a major aspect in the gambling policy. It is a difficult subject to debate at EU level but a deeper discussion will avoid important disruption of the market.

The differences in taxation between Member States is beginning to show its limit – UK government has just announced a reform of its gambling licensing system on 14th July 2011 - All on and offshore operators selling services into the UK will in future have to obtain a license from the Gambling Commission if they wish to continue offering online gaming to UK customers These proposals include any operator currently on the UK white list jurisdictions, like Gibraltar and the Isle of Man.

Taxation on gambling like the principle to be applied to VAT for electronically supplied services, from 1 January 2015, could be taxed at the place where the private customer is established, has his permanent address or usually resides. With such principle, betting companies in Malta or Gibraltar would no longer be able to offer their bets at very low price conditions (meaning high level of pay-out) to punters located in other European countries.

In Germany the gambling interstate treaty (Staatsvertrag) of 2008 put a ban on sports betting and online gambling. This has lead to an enormous grey and black market volume with an estimated turnover 2010 of Euro 7,3 billion compared to Euro 230 Mill. in turnover on legal state own sport betting offer (Oddset). Thus the current legislation has lead to the fact that the sports betting market in Germany is not regulated properly and controlled by foreign companies. Bookmakers in Germany use a loophole in the existing federal law, allowing bookmakers to transfer “bookmaker bets” (mostly at totalisator odds) to bookmakers in other countries such as Malta and Gibraltar by avoiding German taxation. This is why the tax income on bookmaker bets in Germany nowadays is close to 0.

This inequality of tax treatment leads to clear distortions of competition to the detriment of German totalisator operators.

It is however evident that the original regulatory intent of the Race Betting and Lottery Act (channelling black-market business, preventing "shyster bookmaking") is no longer effective, at least as regards the bookmaking business. Permitted bookmakers to place bets with

operators abroad is no longer consistent with its original intention, giving the displacement of betting turnover that is actually taxable (bypass betting).

Gambling companies from outside of Sweden offer betting services on Swedish races to Swedish players without a permit. This means that gambling volume intended for ATG's betting pools ends up with other operators instead. The Swedish trotting and thoroughbred racing sports get their financing from ATG's revenues while no money is directed back to the horseracing sport from companies operating outside of Sweden. For every bet placed on a foreign game, the Swedish trotting and thoroughbred racing sports lose 13% of the bet's value. This results in free riding by operators offering services from outside of Sweden on something that is financed by ATG and the Swedish trotting and thoroughbred racing sports.

(45) Do there exist transparency obligations that allow for gamblers to be made aware of whether and how much gambling service providers are channelling revenues back into public interest activities?

There is no obligation for operators to be transparent about the distribution of revenues to the public interest. However, all EPMA members inform all public bodies as well as the general public about the return from betting.

In Sweden, a survey made in 2009 showed that over 80% of the people felt that it was better that the benefits from betting goes to horse sector than to private gaming operators.

Other comments on issues raised in section 2.3.3

2.4. Enforcement and related matters

(46) Which form of regulatory body exists in your Member State and what are its competences, its scope of action across the on-line gambling services as defined in the Green Paper?

(47) Is there a national register of licensed operators of gambling services? If so, is it publicly accessible? Who is responsible for keeping it up to date?

(48) Which forms of cross-border administrative cooperation are you aware of in the domain of gambling and which specific issues are covered?

(49) Are you aware of enhanced cooperation, educational programmes or early warning systems as described in the Green Paper that are aimed at strengthening integrity in sport and/or increase awareness among other stakeholders?

(50) Are any of the methods mentioned in the Green Paper, or any other technical means, applied at national level to limit access to on-line gambling services or to restrict payment services? Are you aware of any cross-border initiative(s) aimed at enforcing such methods? How do you assess their effectiveness in the field of on-line gambling?

(51) What are your views on the relative merits [in terms of suitability and efficiency] of the methods mentioned in the Green Paper as well as any other technical means to limit access to gambling services or payment services?

Other comments on issues raised in section 2.4

Other comments on issues raised in the Green Paper

EPMA argue for the implementation or the preservation of funding mechanisms that secure a proper and regular financial flow to the horseracing industry and we have contributed to the debate by publishing various studies showing the positive economic impact of the sector that goes beyond the sport to horse breeding and rural development.

Reading through the European Commission Green Paper, we have the feeling our position is understood. In a more general sense, the knowledge of the Commission about the sector is good and its awareness on economic and social impact is high.

EPMA wishes to point out some missing elements that could be relevant to discuss at EU level:

- The different betting models are not listed in the document (pari mutuel, fixed-odd, betting exchange) – each model has a different impact on public policies and on the main chapters of the Green Paper (prevention of addiction, fraud and match/race fixing, financing good causes)

For example, when looking at integrity issues, before talking about surveillance or alert systems such as Early Warning System to watch unusual betting patterns and risk to sport integrity, the European Commission should look at different betting models, particularly to study certain types of bet that present higher risk of manipulation. Moreover betting only on successful results should be a prerequisite condition.

- Database protection in the betting sector (sport and racing) is not addressed in the Green Paper – The issue is particularly relevant to clarify looking at the lack of consistency between past ruling and ongoing legal cases (at national and EU level).

Examples: ATG/UNIBET – Database fight since 2007 - Unibet revealed at that time that they are not concerned by the \$36 million lawsuit brought against them by ATG, Swedish Pari Mutuel operator. ATG claims Unibet was not licensed to use their horse racing database,

therefore owes 10% of related profits to ATG. In November 2010, during the 3 days of audition, Unibet tried to prove that the data stolen from ATG did not represent the whole database – judgement expected soon in 2011.

April 2010 – UK High Court judgement *Football Dataco v Britten and others* - The Fixture Lists are protected by database copyright, but not by sui generis database right or any other copyright. A preliminary question is pending in front of ECJ C-604/10 for legal explanation of the Database protection directive 96/9 linked to sport information (JO C 89 du 19.03.2011 p.7)

In Germany, the racing clubs organize horse races, subject to the provisions of organiser and originator copyright law. The key point to note in this regard is that the TV image produced during the horse racing event is crucial for successful broking of horse bets. Racing clubs are in principle protected by originator and organiser copyright law as regards the use of the images they produce. As already variously submitted by the league associations of other types of sport (DFL, HBL, BBL, DEL) , the originator and organiser copyright law in Germany does not have sufficient reach to enforce copyright law beyond civil agreements. An expansion of state regulation is essential in this regard to protect the right of racing clubs as organisers and implementers of performance tests.

Transmissions of sounds and images of horse races are crucial to successful totalisator betting. Better protection of copyrights to these images is therefore essential. So any change in the law of copyright making it easier than before to use civil law to prevent the non-contractual transmission of sounds and images of sporting events would be desirable.

-Taxation is the third issue that EPMA wishes to be discussed at EU level (see our reply to question 44 regarding market disruption)

Discrimination between *Pari Mutuel* and fixed-odd taxation in the new Spanish law on gambling is not tolerable. The comparison between the two rates is striking if we take the same taxable base: the turnover (3% for fixed odd betting and 15% for *pari mutuel* betting).

This is clearly something discriminatory and against the horseracing *Pari Mutuel* principle that we defend. Such measure will clearly encourage fixed odds bookmaking and penalize *Pari Mutuel*.