NEWSletter



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THE AUTUMN MEETING OF MEMBERS IS OVER

On the last day of September, a regular meeting of IPRH members took place at the OREO Hotel in Prague's Anděl. There were more than enough topics to discuss. The subject of the meeting was an evaluation of the current regulatory situation on the gambling market, presentation of planned legislative changes in the area of advertising and reform of the customs administration, which will bring a substantial reduction in the number of customs offices to six, as well as current changes in the area of the AML Act. We also dealt with statistical data on the number of players using the panic button and the tax collected on gambling winnings. Our attention is also focused on two hearings at the Constitutional Court, about which we informed the members. Namely the proposal to cancel part of the consolidation package in the matter of the budgetary allocation of tax for municipalities and the review of the generally binding decree of the City of Prague. Prague regarding the regulation of live performance. The conclusions of the recently published Gambling Report for 2024 were also presented, in the content of which the IPRH also participated. The IPRH presented its two new projects to its members – Cooperation in the Establishment and Operation of the IPRH in Slovakia and the Initiative to Support the Czech Landbased Sector. Last but not least, news in the Responsible Gaming project were introduced. Finally, the members were invited to the planned autumn conference *Prague as the Heart of Responsible Gaming*, which will feature a number of foreign speakers this year, *3. National Gambling Conference* and Responsible Gaming Week.



Later in the afternoon, **the Director of Gambling Regulation of the Ministry of Finance, Mr. Martin Šabo, visited our meeting** to answer the previously sent questions of our members and questions from the plenary. And what was discussed? How else than the panic button and its introduction into online and landbased operation. A great discussion broke out over the verification of foreign players in the Register of Excluded Persons (REP) and the resulting creation of duplications in the assignment of game identifiers (HiD) to these players and problems with their verification. The speed of registration in the RVO on the part of the Ministry of Finance and the possibility of withdrawing a submitted application for registration were also discussed.

IFGR AND THE MINISTRY OF FINANCE ORGANIZED A JOINT WORKSHOP ON CHANGES IN REPORTING

The Ministry of Finance (MoF) has long announced its work on changes to the Reporting Decree as a result of the adoption of the amendment to the Gambling Act from the new year and the existing reporting practice. As the changes are already taking shape, we organized a workshop with the Ministry of Finance, where representatives of the Ministry of Finance presented these changes**. They should not come into effect until 1 January 2026, but on the other hand, the Ministry of Finance has said that they will want to have the legal text ready at the beginning of next year**. The remaining time is allocated for notification to the European Commission and technical implementation on both sides.

The planned changes will mitigate and tighten the current situation. In the large model, the intensity of sending data packages will be reduced from three times a day to once, while in a live landbased game, the sending will be intensified to once a day for all casinos in

one package. The Ministry of Finance has complied with a long-term request of operators and will extend the number of characters to be filled in for some identifiers. A change in the structure of static data is also being considered, dividing it into those that will be sent each time due to connecting links and those that would be sent only if they are changed in a separate set. The Ministry of Finance is here Some files will also be deleted, but new ones will also be added (live dealer game), including sub-items (reasons for account cancellation, type of transaction related to the player's account, etc.).

The official comment procedure should begin at the beginning of next year. Until then, the Ministry of Finance wants to discuss the proposed changes with us and requires our feedback. We thus have a unique chance to participate in the process of preparing the amendment to the decree and to reflect our knowledge in it.

UNIFIED LIST OF BLOCKED WEBSITES: NEW AGENDA OF CTU FROM 2026



From 1 January 2026, the Czech Telecommunication Office (CTU) should administer and publish a unified list of blocked websites, which will be available to internet service providers and the general public. The aim of this change is to unify the hitherto fragmented management of blocked sites, which was conducted by different authorities under specific regulations. This is contained, among other things, in the amendment to the Electronic Services Act and the Czech Telecommunication Office, which is currently being discussed in the Chamber of Deputies.

At present, there are various lists of blocked websites maintained, for example, by the Ministry of Finance (MoF) or the State Institute for Drug Control (SUKL). That fragmentation can impose an administrative burden on operators who are required to block access to certain sites, as they have to follow multiple lists. The new regulation should simplify this obligation by allowing internet access providers to have access to a single list maintained by CTU.

CTU and its role

It is important to note that CTU does not acquire the power to list new websites. It will only take over the role of the central administrator of the list and will ensure that the information is provided by relevant state authorities, such as the Ministry of Finance, the State Institute for Drug Control (SÚKL), the Czech Agriculture and Food Inspection Authority (CAFIA) or the Institute for State Control of Veterinary Biologicals and Pharmaceuticals. Each of these authorities will be obliged to transmit information to CTU to ensure that the list is up-to-date and complete.

Risk of delays in blocking sites

Although this step will make life easier for operators to a certain extent, there may be a temporary problem in the transfer of information between individual institutions. For example, it may happen that a page that will already be on the list of the Ministry of Finance will not yet be on the list of CTU. In such a situation, an internet service provider that would only follow the CTU list could technically violate the Gambling Act (ZHH), which stipulates the obligation to block sites on the list of the Ministry of Finance. However, this discrepancy should only be short-term and it can be assumed that the Ministry of Finance will be lenient in these cases.

Legislative framework and future decrees

The amendment to the Electronic Communications Act also contains a provision that CTU will issue an implementing decree that will precisely specify the scope of data published on the list and the rules for the transfer of information between authorities. This will ensure that the list is not only publicly available, but also easy to use for operators, for example in the form of machine-readable data.

Conclusion

The introduction of a single list of blocked websites is an important step towards simplifying and streamlining the management of this process. From 1 January 2026, CTU will play a key role in ensuring a clear system for blocking websites under the applicable legislation, thus relieving internet service providers and hopefully ensuring better public information.

CHANGE IN TAX FORMS FOR GAMBLING TAX

As the IFGR is an official comment point, the Ministry of Finance turned to it as part of the external comment procedure on the amendment to the Decree on Tax Forms. The planned changes are also to affect the form you use to pay gambling tax. The planned effect is set for the beginning of next year on 1 January 2025. The main change will affect the payment of tax on landbased live games, where the amendment takes into account the change in the tax administrator's view on determining the tax base for this type of gambling. **The tax base for a live game, or the difference between the sum of the deposits received and the total of the winnings paid out, must be non-negative**. This means that the operator cannot claim a loss. Unfortunately, the proposed regulation does not reflect the operational practice in casinos, where the payout of winnings for the tax period may exceed the amounts wagered in the game. The IFGR therefore commented on the proposed amendment in order to allow the operator of live games to take into account the loss incurred in its tax return. Since this is only a decree that does not go through the standard legislative process like laws, the comments will hopefully be dealt with quickly.

SWEDISH PARLIAMENT CONSIDERS GAMBLING TAX CUT IN RESPONSE TO DECLINING CHANNELIZATION RATE



The Swedish parliament (Riksdagen) decided to consider reducing the gambling tax following a proposal by Moderate Party member Carl Nordblom. The move comes just three months after the gambling tax was raised from 18% to 22% of gross gaming revenue (GGR), raising concerns among gambling operators that the high tax burden was reducing the competitiveness of legal operators.

Impact on channelization rates

The channelization rate, i.e. the proportion of players who play on licensed platforms compared to illegal ones, is a key indicator of the success of gambling regulation. When liberalizing the market in 2019, the Swedish gambling regulator, Spelinspektionen, set a goal of achieving a 90% channelization rate. However, current data shows that channelization rates have dropped to 69% to 82%. This decline is mainly due to increased taxation and other regulatory measures, according to estimates by monopoly betting operator ATG.

According to Spelinspektionen, the channelization rate is around 86%, but this is still below the set target. At the same time, there is a risk that players betting on illegal sites deposit higher amounts, which further distorts this proportion. If the higher turnover on illegal sites is taken into account, the actual channelization rate could be even lower, around 78%.

The problem of high taxation

The main reason why the Swedish government incre-

ased the gambling tax in July 2023 was the vision of increasing revenue by about 500 million Swedish kronor per year. The move was criticized by many representatives of the gambling industry, who warned that the higher tax would lead to players leaving for unlicensed foreign sites where costs are lower.

The Swedish Gambling Association (BOS) reports that channelization rates are declining especially in the online casino sector, where it is around 72%, according to BOS, while regulator Spelinspektionen estimates it at 81%. These differences in estimates suggest that the actual situation may be even worse.

Possible solutions

Carl Nordblom, in his October 2 proposal, suggested that parliament consider reducing the tax while examining the link between taxation and channelization. The aim should be to find a balance that would make it possible to improve the share of players in the licensed market and thus increase control over gambling.

Therefore, in order for Sweden to reach the target of 90% channelization, according to Gustav Hoffstedt, chairman of the BOS, it is necessary to implement both repressive measures against illegal operators and liberalization of the gambling market. This includes not only a lower tax burden, but also improving the attractiveness of legal offers for consumers, so that players have no reason to switch to foreign, unlicensed sites.

Looking ahead

It is estimated that due to higher costs, up to 6,085 Swedish players could switch to illegal alternatives if the current tax policy is not changed. This would not only weaken gambling oversight but also reduce tax revenues as legal operators would be less competitive.

The proposal to reduce the gambling tax is therefore a key point in the discussion on the future development of the Swedish gambling market and its regulation. The results of the parliamentary debate will be crucial not only for gambling operators, but also for players and the Swedish economy.

ONLINE GAME DEPOSIT LIMITS TO COME INTO FORCE IN THE NETHERLANDS



On 1 October, new online gambling protection rules came into force in the Netherlands to control player behaviour more strictly and reduce the risk of gambling-related harm. A key element is the introduction of deposit limits that relate to the player's net deposit during a calendar month. If the net deposit exceeds €700, further deposits will be blocked until the end of the month. For young adults aged 18-25, this limit is lower – €300.

These new measures are mandatory for all licensed operators in the Netherlands. Players can only increase their deposit limit upon presentation of proof of income, with the maximum deposit not exceeding 30% of their net income.

Next steps to protect players

In addition to the limits, new players must set a personal deposit limit when registering. Operators then have a duty to raise awareness of the assistance available to people at risk of addiction, especially those with a deposit limit of €350 per month or less. A notification will also appear every 30 minutes to inform players about the length of their gameplay.

Industry support and challenges

The new measures are supported by the industry trade association VNLOK (Industry trade association of Licensed Dutch Online Gambling Providers), which emphasi-

zes that these rules will strengthen security in the Dutch gambling market. At the same time, VNLOK Chairwoman Helma Lodders expressed concern that excessive regulation could lure players away from illegal gambling operators, which would have the opposite effect to what the government intends.

The new measures also bring higher costs for operators, especially in connection with additional administration and a possible decrease in consumer spending on gambling.

GERMAN REGULATOR PRAISES PUBLIC FOR HELP IN THE FIGHT AGAINST ILLEGAL GAMBLING

The Gemeinsamen Glücksspielbehörde der Länder (GGL), Germany's gambling regulator, highlighted the cooperation of German residents, who have provided around 1,500 tips about illegal gambling operators since the beginning of 2023. The GGL said that about half of these reports were about illegal online games, while the other half pointed to irregularities with legal operators.

During this year, the regulator has conducted more than 1,860 checks of websites and 483 game providers. As a result, 113 bans were issued, with 63 operators either stopping their services or removing inappropriate advertising.

Ronald Benter, a member of the board of directors of GGL, praised the support of the public, which plays a key role in preventing gambling addiction and combating illegal offers. At the same time, the GGL calls for continued cooperation and the provision of as much detailed information as possible through its whistleblowing system.

Although the GGL claims that the German black market accounts for only 4% of gross gambling revenue, the local organization Deutscher Online Casinoverband (DOCV) disagrees with this figure. DOCV estimates that illegal operators account for up to 20% of online gambling revenue. This discrepancy is evidenced by a 2023 study conducted by the University of Leipzig, which found that only 50.7% of players prefer legal online operators.

Nevertheless, the GGL emphasizes that the whistleblower system contributes significantly to the suppression of illegal activities. At the same time, however, it admits that some of the information provided was incomplete, which prevented a thorough investigation. The regulator therefore continues to call on the public to actively use the whistleblower system and support the fight against illegal gambling.

THE GAMBLING INDUSTRY'S REACTION TO THE TAX HIKE IN THE NETHERLANDS



The Dutch government has announced a plan to gradually increase the gambling tax, which has provoked a significant reaction from the gambling industry. According to lawyer Alan Littler of the law firm Kalff Katz & Franssen, the government is ignoring the concerns of gambling operators and considers gambling to be a simple source of income.

The tax increase was announced on 18 September as part of the government's autumn budget. At the same time, a report was published that warned of significant losses for online gambling operators and the possible closure of Holland Casino branches. Although the report

from Atlas Research points to negative effects, the government is moving forward with a 7.3% tax increase, which is to be implemented in two phases.

Gradual tax increase in two phases

The government has decided to increase the Gross Gaming Revenue (GGR) tax gradually to mitigate the impact on gambling operators while satisfying the interests of the sports sector, which draws funds from these revenues. The first phase will come into force in January 2025, when the tax will increase to 34.2%. This increase is seen as a compromise move that will allow operators to better manage the economic impact while minimizing resistance from the sports industry.

The second phase of the tax increase is to follow later, although a specific date and final amount have not yet been determined. However, it is estimated that between 2025 and 2028, the government could receive up to €202 million in additional taxes annually.

Although the government claims that the tax increase is aimed at discouraging Dutch residents from gambling, experts warn that the move could threaten the regulated gambling sector. Operators may be forced to leave the market, which could increase the rate of illegal gambling and limit consumer protection.

Prime Minister Dick Schoof defended the tax increase, saying it was a measure to curb gambling in the country. At the same time, he said that the postponement and gradual approach to tax increases was partly due to pressure from the sports sector, which fears a reduction in its revenues.

Protecting consumers at the expense of income?

Despite the push to regulate gambling, industry experts fear that consumer protection has been sacrificed in favor of higher tax revenues. Willem van Oort, a consultant in the sector, said the government was looking for a way to raise an additional €200 million to fund its proposals during coalition negotiations. Alan Littler then criticizes the Dutch government's prioritization of the state treasury over the protection of consumers of gambling services, which could lead to a failure to meet regulatory goals and threaten the long-term stability of the regulated market.

It is unclear whether the government will eventually back down from its original plans, but some experts hope that a gradual tax increase could be seen as a compromise that will ultimately relieve the market.