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CRASH GAMES ARE FINALLY ALLOWED IN THE CZECH REPUBLIC. HOWEVER, IT HAS ITS "BUTS"



Games that have been available to players in other foreign markets for a long time, called crash games, are now allowed for the Czech market. However, it would not be our Czech jurisdiction that would not have some specialty in the case of these games as well.

Standard crash games are very popular games in which players place bets and the screen usually triggers a multiplier (in the form of a plane, rocket, etc.), starting at 1× and gradually increasing (for example, 1× → 2× → 5× and further). However, at a random moment it drops to zero, and if the player has not withdrawn the displayed amount before this drop, he loses and forfeits his bet.

However, the Czech Ministry of Finance has allowed a variant where the player has to basically set everything up before the game starts and then just wait to see how the game turns out. Without any further interaction. At the beginning, he sets the flight length (winning odds) after which any winnings will be paid out, chooses his bet in the game and confirms it by clicking on the bet button. If the plane or rocket does not reach the set point, the player loses.

Any restriction on product offerings favours illegal gambling operators who have no such restrictions. IPRH is not satisfied with such conclusions of the MF and will discuss with the MF about allowing a standard form of crash games.

BENEFICIAL OWNER REGISTRATION IS GETTING CRACKED

The implementation of the AML Directive has resulted in the adoption of the Beneficial Owners Registration Act, which requires legal entities and trusts to register their beneficial owners. The general public has access to the register.

Some time ago, the CJEU ruled that the disclosure of beneficial owner data available in this way violates the right to privacy and data protection and declared the relevant provision of the AML Directive invalid. The Czech legislator has not yet reacted to this court decision.

The Supreme Court (SC) has been presented with a case where a company refused to enter data on its beneficial owners into the register, despite being ordered to do so by lower court decisions. The company was in a stalemate situation where, on the one hand, the law ordered it to record the data, on the other hand, by recording it, it would violate the right of its beneficial owners guaranteed by the Charter of Fundamental Rights and Freedoms.

And the Supreme Court has now given her the benefit of the doubt. In its decision, it stated that **as long as the register of beneficial owners is freely accessible to anyone, the state has no right to enforce the entry of mandatory data in this register.** It is therefore up to the legislator to decide how to deal with this matter and whether to make the beneficial owner register only partially available to persons with a legitimate interest.

THE GOVERNMENT OFFICE HAS ISSUED ITS ANNUAL REPORT ON ADDICTION

A new comprehensive report on addictions in the Czech Republic for 2024 shows that the Czech Republic is at the top of the EU in alcohol and cannabis consumption. **Smoking and gambling are in line with the average.** This year, the National Monitoring Centre is only publishing a summary report on all addictions, with Chapter 10 describing the situation on gambling.

And what is the comparison of the different addictions? Between 7% and 11% of adults drink alcohol every day, which means that up to 1.6 million people consume alcohol at risk. Daily smoking remains stable at around a fifth of adults. Between 16,000 and 18,000 people die each year as a result of smoking**. Gambling accounts for 32-50% of adults and problem gambling for 180-275 000 people**. The report also takes a fresh look at an emerging addiction - digital addiction. Between 4% and 6% of adults are at risk, or up to 450 000 people. For the younger generation, the situation is even more serious. An estimated 5-13% of children and 12-17% of adolescents are at risk of gaming addiction.

The report strongly emphasises the lack of capacity in services, which, combined with the growing demand for specialist help, leads to long waiting times for admission to treatment. As a result, only a fraction of those who need services come into contact with them: 4% of people at risk of alcohol abuse, **3% of people at risk of gambling** and less than 0.5% of people abusing psychoactive drugs or digital technology.



There will be no separate report on the state of gambling this year. According to information from the NMS, such a report will not be issued again until next year. The report confirms that gambling is not such a social problem compared to other addictive goods as it is often presented in the media.

GAMING TAX INCREASE IN THE NETHERLANDS LEADS TO TAX LOSS OF EUR 200 MILLION INSTEAD OF PROFIT

The Dutch government is facing an unpleasant surprise. The gambling tax increase, which started to take effect this January, was expected to bring hundreds of millions of euros extra to the state coffers. But according to the latest figures, the opposite has happened - revenues have fallen and the state is losing more than €200 million compared to last year.

According to the trade association VNLOK, gross gambling revenue fell by a quarter in the first half of 2025. As a result, tax revenue is only 83% of last year's level, despite the rate increase to 34.2% of gross revenue. A further tax increase to 37.8% is expected for operators from 2026 onwards.

Strict regulation pushes players towards the black market

Experts point out that the reason for the decline is not only higher taxes, but also new restrictions. Since last year, the Netherlands has banned untargeted

advertising and sponsorship, and introduced deposit limits - adult players can deposit a maximum of €700 per month, while young people aged 18 to 25 can only deposit €300.



The consequence is that players with higher stakes are increasingly moving to unlicensed operators that do not limit the limits. The legal market will thus only cover half of the total betting volume in the second half of 2024.

Criticism: a counterproductive step

The VAN Kansspelen association described the government's tax move as "doubly unwise". According to it, the increase is not only inefficient and ineffective, but downright counterproductive - the state loses money while weakening the regulated market that is supposed to protect players from risks.

The government expected the opposite

The Ministry of Finance originally calculated that between 2025 and 2028 the higher taxation would bring in an additional €200 million per year. However, the research agency Atlas Research already warned last year that the increased tax burden could drive operators and players out of the legal environment.

SANCTIONS FOR INFLUENCERS PROMOTING ILLEGAL GAMBLING AS A TOOL IN THE FIGHT AGAINST ILLEGAL GAMBLING

Regulators are beginning to take the role of influencers in promoting illegal gambling seriously and are gradually introducing mechanisms to sanction or outright ban their activities. Although they are introducing increasingly stringent measures, the promotion of illegal online casinos through influencers remains common.



The Romanian regulator has issued an audiovisual code that restricts gambling advertising through streams and also redefines the liability of influencers. However, there are concerns about whether the definition of influencers is too general and thus affects all forms.

In Brazil, where a regulated market is still taking shape, the state's focus on influencer liability is even stronger. Under the new rules, influencers and partners are directly responsible for the content they disseminate for the benefit of gambling companies. But the regulator wants to go further. Parliament is debating a bill that would ban influencers from promoting gambling altogether, allowing authorities to more easily crack down on domestic streamers.

Influencers have special credibility in the eyes of consumers and should therefore be held jointly responsible for the consequences of false or unclear advertising. If their content violates the principles of transparency and truthfulness, they should be penalised in the same way as the illegal operators themselves. These content creators often stream gambling games on popular platforms (Twitch, Kick, etc.), accompanied by bonus codes and links to unregulated operators, with easy access to such content for minors and those excluded from gambling. Kick, for example, warns viewers that certain streams are intended for people over 18, but requires only a simple tick-box

confirmation that the user is old enough to watch.

Some regulatory authorities have already committed to sanctioning. In July, Dutch regulator KSA fined influencer "LeftlanePapi" up to €75,000 for live-streaming illegal gambling. A Finnish influencer has already been fined €30,000 for promoting illegal gambling on social media. Two others have been warned to refrain from such promotion or they will be fined the same amount.

It is clear that states are aware of the contribution of influencers promoting illegal gambling sites to the development of the illegal market. It seems that the only solution is to sanction the influencers themselves, as so-called geo-blocking is easily circumvented by VPNs. A Google search on how to obtain a VPN and use it to access offshore online gambling sites shows thousands of results that quickly walk the reader through the entire process.

In the UK, the number of VPN downloads has increased dramatically in recent months in response to the passing of the Online Security Act. It aims to prevent underage users from accessing pornographic or dangerous content. In the days after the law came into force, VPNs accounted for half of the top ten most downloaded free apps from Apple.

A BAN ON GAMBLING ADVERTISING IS ONCE AGAIN HOVERING OVER THE SPANISH MARKET.
RULES FOR MANUFACTURERS ARE ALSO TIGHTENING.

The Spanish government is once again attempting to reinstate a ban on gambling advertising that was originally introduced in 2020, but was overturned by the Supreme Court last year on the grounds that such a fundamental measure must be passed directly into law.



This time, the proposed changes are attached to the Customer Service Act, a key project of the coalition government, which otherwise aims to improve consumer protection and the handling of consumer complaints. The aim is to use the political importance of this law to push through changes in the gambling sector quickly.

However, the amendment goes further than the original advertising ban. Spain is following the current trend of regulating the activities of gambling manufacturers and platforms as one of the tools in the fight against illegal gambling. The amendment wants to introduce a register of gambling content suppliers. Anyone operating in the Spanish market would have to register and comply with the rule that they must not supply products to illegal or unlicensed operators. Violations could lead to a fine of up to €1 million and suspension of the licence for up to six months.

The bill also includes:

- An obligation for operators to process all deposits and withdrawals through bank accounts held in Spain, which is intended to strengthen controls against money laundering.
- A central deposit limit system - each operator will have to offer it, but players will be able to decide voluntarily whether to use it;
- a new algorithm for detecting risky gambling to be launched in 2026, which all operators will have to use, although they can add their own additional tools.

Voluntary deposit limits may lead to players becoming more attached to their favourite brands, which could disadvantage smaller and medium-sized operators and contribute to further market consolidation. This is also confirmed by Patricia Lalanda Ordóñez, partner at Madrid law firm Loyra Abogados. *"There will be*

consequences. On the one hand, once you set up this tool, it can encourage players to use their favourite operators, and the favourite operator is likely to be the one you play with for a longer period of time, or the one that can reach you with ads," she explained. *"So this could be to the detriment of smaller or medium-sized operators in Spain. We might see more consolidation, more mergers and acquisitions."*

UK TIGHTENS GAMBLING ADVERTISING RULES AGAIN

Britain's Advertising Standards Authority (ASA) has announced a rule change that closes a long-standing legislative loophole in the regulation of gambling advertising. Until now, some large operators (such as Flutter Entertainment, Bet365 and Entain) have been able to exploit the loophole and avoid some of the regulation by being based outside the UK. The ASA has now closed this gap to strengthen consumer protection and ensure consistent oversight.

From 1 September 2025, the rules of *the Code of Non-Broadcast Advertising and Direct and Promotional Marketing* will apply **to operators licensed in the UK but registered abroad.** All UK licensees must therefore comply with the same advertising rules, regardless of whether they are registered in Gibraltar or Malta, for example.

Although the new rules are already in place, the ASA has called for comments and feedback on the impact of such a measure by 1 December. A formal review of the change will then take place.

According to experts such as Dr Raffaello Rossi of the University of Bristol, the move is "important, if long overdue". *"We have drawn attention to this huge loophole in the legislation - that gambling brands can simply move their headquarters abroad, thereby completely circumventing UK regulations on social media advertising - in several letters and meetings with the ASA over the past two years,"* he said. *"This is an important - if long overdue - step towards consumer protection and regulatory consistency."*

RECOVERY OF PLAYER LOSSES ACHIEVED WITH ILLEGAL OPERATORS IS UNDER THREAT

German courts continue to be faced with dozens of disputes over refunds of lost money claimed by players from foreign online casinos without a German licence, particularly those with a Maltese licence. They argue that the German ban on online gambling is not in line with EU law and they can operate under their Maltese licences.



While the opinion of the Advocate General of the European Court of Justice (ECJ) in the case at hand (C440/23 German gambler vs. Lottoland) has provided partial clarification, it has not removed the underlying legal uncertainty. According to this opinion, an action by a player against an operator without a German licence is not an abuse of EU law. A contract between a player and an unlicensed operator may even be considered

void. This strengthens the position of the claimants not only in Germany but also in Austria, where a number of similar proceedings are pending.

However, the fundamental question of whether Germany's total ban on internet gaming was compatible with European law remains unanswered. The regional courts are therefore continuing to postpone their decisions.

The legal community is now turning its attention to the upcoming case C530/24, involving the well-known operator Tipico. This should bring the first in-depth review of German legislation by the ECJ and could provide much awaited certainty as to whether German regulations are compatible with EU law (Treaty on the Functioning of the EU).