

Czech Republic Proceeds As EU Standstill Ends

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The Czech government is pushing ahead with a draft law to overhaul the online market after an extended EU standstill ended, even as the European Commission still has concerns about the proposed law.

The EU body took the unusual step of issuing fresh comments on the draft Gambling Act after first issuing a more critical [detailed opinion](#) at the end of last year.

That detailed opinion extended the standstill period to February 4, and the commission's new comments, which are confidential, raise questions about whether the Czech government has done enough to address the EU's concerns.

The Czech Ministry of Finance said it would now continue to push the bill through parliament after a six-month hiatus as "the commission sees virtually no conflict with European Union law".

Deputy finance minister Ondřej Závodský said the second reading is expected to take place at the beginning of March as the lower house had already started discussing the bill before the end of the standstill period.

The government said it hoped the new legislation would be passed by the "middle of the year" and enter into force by January 1, 2017.

Once the law has been passed, work will also commence to establish a new central monitoring system which will give the Ministry of Finance access to a database of players to prevent problem gambling.

Závodský said that amendments would be added as the bill progressed through parliament to address concerns from the European Commission.

"The government would prefer no or few changes which would not request another notification to the EC," said Jan Kozubek, a lawyer at Becker & Poliakoff law firm.

Kozubek added that the government's timeline was possible but might be too optimistic, as the bills also have to be passed by the Senate where further amendments can be made.

The government has previously warned that if parliament's amendments are of a technical nature the bill might have to be sent to Brussels again and implementation [could be delayed](#).

The bill was first expected to be in place by January 1, 2016, but after receiving detailed opinions from the commission and Malta and comments from Austria, the standstill period was extended by a full three

months in November, longer than the standard one-month period.

The proposed Gambling Act would regulate online gambling fully for the first time and allow more European operators to tap into the Czech market.

Online sports betting is currently licensed in the Czech Republic, but the bill would enable operators to offer all games online.

Internet service providers would be obliged to block access to unlicensed operators and payment providers would have to block illegal transactions.

Závodský said the Czech Republic would continue to work with Europe even though the notification process has now ended.

He said: "Negotiations with the European Union have not been completed. The Czech Republic is keen to improve cooperation between the countries of the European Union."

He added that cooperation is needed to "combat illegal gambling operators and other negative phenomena".

The Gambling Act is part of a package of three bills, of which the tax bill has already entered into force.

The tax rates on gambling were increased on January 1, 2016, with some operators saying the increase makes the market unviable.

Czech operator Synot decided to drop all its sports sponsorships in the country, claiming it could no longer afford to financially support the clubs.

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