

Czech Watchdog To Hold-Out Operators: 'Shut Down and Get Licensed'

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International corruption watchdog Transparency International (TI) has published a list of gambling operators that continue to be active in the Czech Republic without a licence and is calling on the Ministry of Finance to blacklist operators by the end of January.

In its [press release](#) published on Wednesday, the Prague office of the non-profit organisation named Unibet and Lottoland as “the worst sinners” among operators that continue to accept play from Czech customers despite the new law having been in force since January 1, 2017.

David Ondráčka, director of TI Czech Republic, told GamblingCompliance: “At the moment, offering online gambling is illegal so operators should shut down their website, apply for a licence and only re-open once they receive a licence. But that’s not what we see. They don’t switch their websites off even temporarily.”

“I can understand that some of the operators are trying to find a way to not shut down even temporarily. I believe it simply depends on the reading of the law. Our version is shut down and get licensed.”

Ondráčka added that some operators, such as Betfair and bet365, have taken measures to ensure no play is taken from local players without making their entire website inaccessible.

A spokesperson for Kindred (formerly known as Unibet) told GamblingCompliance: “Kindred Group has submitted a licence application for Unibet in due time and we are maintaining an open and constructive dialogue with the local regulator.

“Our ultimate aim is to channel our players to a local licence and contribute to a sustainable gaming policy that is to the benefit of everyone.”

In late December, the Czech deputy minister of finance stated that operators should “either legalise their activities by obtaining a licence or ... abandon the Czech internet, respectively to quit targeting players in the Czech territory”.

Jana Vydrova, a Czech gambling law expert at Allen & Overy, said: “In the words of the law, the operations should not even partially be targeting or focusing on the Czech residents. Mr Zavodsky [the deputy minister of finance] indicated that ... the MoF will look at the three following elements: whether the domain is in Czech language, whether it accepts Czech currency payments and whether it contains advertising targeting Czech users.”

She added that these statements were made in a newspaper interview and that the law may be interpreted more broadly in the future, "so that even those operators switch off their Czech language websites and stop accepting payments in Czech currency, might be eventually blacklisted".

Ambiguity persists over what is required from online operators to ensure they do not infringe the new law.

Jan Kozubek, an attorney with Becker & Poliakoff in Prague, told GamblingCompliance: "It's difficult to say but of course most importantly they should not offer gambling in Czech Republic without a licence. Some operators just informed players that they can't play anymore, some others made their website unavailable."

A [whitelist](#) published by the Czech Ministry of Finance shows 73 active licences as of January 1, 2017, with some operators, including Fortuna, utilising legacy 1990 odds betting licences that will remain valid until the end of this year.

According to Kozubek: "Local operators can continue operation online provided that the licences have been granted to them already under the former Lottery Act of 1990. But by December 31, 2017 they must implement provisions for online gambling as set forth in the new Gambling Act to their operation."

The Ministry of Finance responded to TI's report with a [press release](#), stating that they were doing their best to get websites blocked as soon as possible, but procedures required under Czech administrative law meant they could not do this immediately.

On Monday, the ministry also [published](#) methodical guidelines for blocking the blacklisted domains as well as payments associated with blacklisted operators.

Kozubek said that to block websites, the regulator would have to launch administrative proceedings against each individual operator and that these proceedings would take some time.

He said: "I think normally, if everything goes very quickly and smoothly it might be June before the first website will actually be blocked."

Vydrova explained that operators could also appeal the regulator's decision leading to further delays.

Meanwhile, Transparency International has announced that, together with local organisation Citizens Against Gambling, it will monitor which operators are active in the Czech market over the next 60 days and continue to put pressure on the Ministry of Finance to start enforcing the law.

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