GGI FRIDAY

WEEK 43

FRIDAY 23 OCT 2026

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IN THIS WEEK'S ISSUE:
FLUTTER LAYOFFS, UK TAX & MORE...



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THIS WEEK

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- REGULATORY NEWS FROM ACROSS EUROPE
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- THE LATEST FROM CANADA
- KENYA PREPS FOR PREDICTIONS
- GUEST INTERVIEW
  Felix Hohenthanner



FLUTTER RESTRUCTURING SPELLS MASS LAYOFFS



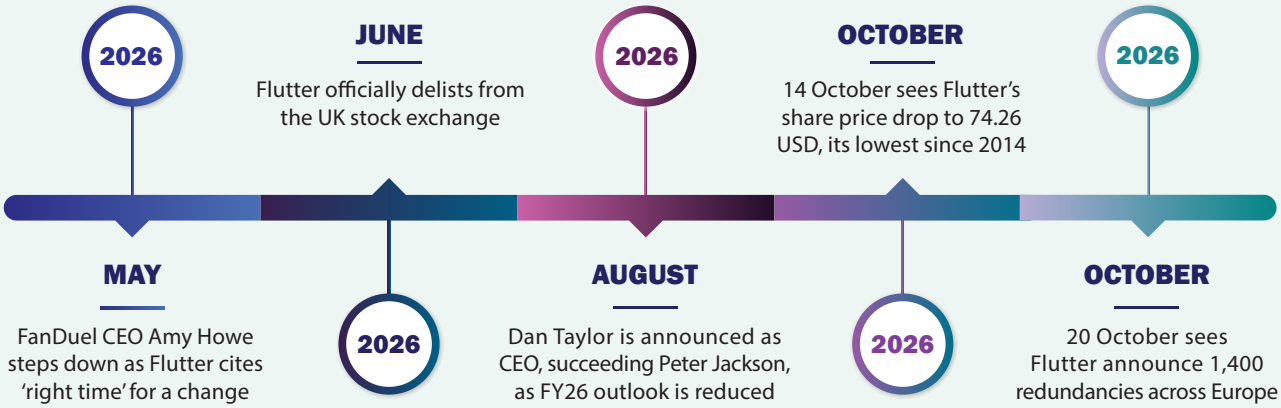
EXECUTIVE ROUND-UP: UK MGD, SPA, CROWN RESORTS & MORE...



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ONE BATTLE AFTER ANOTHER: FLUTTER TO LAY OFF THOUSANDS ACROSS EUROPE?

Flutter built its reputation on bigger and better. With up to 1,400 jobs now facing the axe, can its new CEO prove that scale still pays?



Flutter has spent years making scale its selling point. Now it's got to show what that scale is worth when the economics sail into stormy seas…

The proposed loss of up to 1,400 roles across the UK, Ireland, Portugal and Romania, announced on 20 October and subject to consultation, gives that question a painfully human dimension. With UK & Ireland restructuring costs amounting to between $80m and $90m, this is a substantial intervention, albeit one already reflected in its Q2 guidance.

If there was to be a honeymoon period for Dan Taylor, who became Group CEO on 1 October, it's certainly over already.

THE TAX BILL HAS CHANGED THE GAME

Flutter's explanation has substance. UK remote gaming duty rose from 21% to 40% in April. On an unchanged £1 ($1.34) of taxable gaming revenue, that leaves 60p after this duty, against 79p previously, before other costs. Even gambling's biggest operators can't make that sort of arithmetic disappear.

Flutter says reducing fixed costs will preserve investment in its customer proposition and support market-share gains. There's a credible competitive argument here: if smaller rivals have less room to absorb higher duties, Flutter's remaining investment could stretch further.

But necessary cost reduction doesn't automatically validate every cut. Execution matters – and weaker customer service or slower product delivery could undermine the very advantage management is scrambling to protect. An efficiency programme becomes rather less efficient if it's the customers that leave with the savings.

WALL STREET WANTS MORE THAN A SMALLER WAGE BILL

This explains why these redundancies alone can't repair Flutter's battered investment story. Q2 revenue increased 3% to $4.33bn, while adjusted EBITDA fell 45% to $508m. The group also reported a $296m net loss, including historical tax provisions, and lowered its full-year outlook.

Not everything be parked at the Treasury's door. US sportsbook revenue fell 15% in Q2, with adverse sports results contributing, while continued investment weighed on profitability. Prediction markets add a separate strategic uncertainty: how much must FanDuel spend to defend its position, and what will that defence earn?

Investors can tolerate investment when the eventual returns look persuasive, but repeated guidance reductions test that patience. The share-price struggle reflects a broader question about future earnings power; a cheaper UK operation supplies only part of the answer.

A NEW ERA NEEDS NEW EVIDENCE

Taylor's appointment offers an opportunity to reset expectations, although an internal successor with extensive Flutter experience represents considerable continuity. In any case, changing the name on the office door won't change the investment issue.

Indeed, Taylor's challenge is to make the group's competing priorities add up. Flutter's wider transformation programme targets $500m in gross savings by 2029, intended partly to offset inflation and tax increases while creating investment capacity. Gross savings, crucially, are not an equivalent promise of extra profit.

There is a plausible route forward: protect product quality, capture share as competitors retrench and demonstrate that US spending produces sustainable returns. But against that rosy image sits the risk of further tax pressure and an expensive competitive response that keeps pushing the payoff into next year.

The next era will be judged through margins, cash generation and delivery against guidance. Flutter has established that it can get bigger. Taylor now has to make the advantages of being bigger show up reliably in the accounts.



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THE WEEK IN NUMBERS

3.5%

Year-on-year decrease in Las Vegas Sands' Q3 revenue, settling at $3.2bn

€326.5m

Betsson Q3 revenue figure, up 10.4% ($366.8m)

15,571

Number of gambling ad messages recorded across the Premier League's opening weekend

BR 5bn

Amount reportedly moved through betting by Brazilian lawyer Willer Tomaz during 2025 ($965m)

$165.1m

Missouri reported casino revenue for September 2026, up 5% year-on-year

THIS WEEK'S EXECUTIVE ROUND-UP: UK MGD, SPA, CROWN RESORTS & MORE...

After a letter signed by 90 Labour MPs urged **UK** Chancellor of the Exchequer John Healey to raise **Machine Games Duty** in the upcoming Autumn Budget, concerns emerged that the tax on Category B gaming machines could double from 20% to 40%. The think tank Social Market Foundation recommended this increase, and the MPs' letter referenced it. However, the situation now seems less dire, as rumours surfaced this week that the duty will indeed be increased, but to a more modest 25%, up from 20%.

However, it cannot all be good news for the industry, particularly in recently shaken-up **Brazil**. The country's betting regulator, the **Secretariat of Prizes and Betting (SPA),** is being placed under an interagency enforcement committee coordinated by Casa Civil, the presidential chief of staff's office. The committee coordinates efforts to tackle illegal gambling and betting advertising following President Lula's September provisional measure banning betting operations. The move raises questions about the SPA's future, as regardless of whether the provisional ban comes to pass, the regulator may now be on its way out.

Meanwhile, in Australia, **Crown Resorts'** group revenue rose 2.8% to AU$2.9bn (US$2.01bn) for the FY26 period ending 30 June, while net profit declined to AU$67.1m from AU$142.2m in FY25. The earlier result had been boosted by asset sales, while underlying EBITDA increased by more than 6% to just over AU$500m during FY26, aided by cost reductions. Crown Perth's property revenue increased 2.5% to AU$961.2m.

Turning attention back to Europe, the Malta-based affiliate **Catena Media** reported preliminary Q3 2026 revenue of €8.3m ($9.34m), down 29% year-on-year, as weaker search performance and reduced operator marketing budgets weighed on the affiliate group's results. Adjusted EBITDA fell to €0.7m from €2.9m for Q3 2025. The latest figure includes a €0.7m reversal of employee bonus accruals, a benefit that matched the reported adjusted EBITDA total. Revenue for the first nine months was €30.1m, compared with €31m a year earlier, while adjusted EBITDA for that period was €4.6m, down from €5.2m in comparison to the same period of the prior year.

In the Great White North, **PointsBet Canada** settled with Ontario's Alcohol and Gaming Commission over its failure to disclose suspicious betting activity involving former NBA player Jontay Porter. Instead of a five-day suspension, the operator officially suspended its Ontario gaming site for 48 hours to conduct an independent audit, addressing any findings. As a result of match-fixing allegations, Porter was given a lifetime ban from the NBA and eventually pleaded guilty to a charge of conspiracy to commit wire fraud in July.

Finally, in the US, yet another week brought a fresh dispute over prediction markets. The State of **Utah** filed a lawsuit against **Kalshi** over what legislators described as a "brazen pattern of unlawful conduct," claiming the operator functions in a similar fashion to "the manager of a back-alley gambling den." Filed on 20 October, the lawsuit seeks to stop Kalshi from offering event contracts to Utah residents and recover its profits. Utah estimates that Kalshi has earned between $30.6m and $61.2m in trading fees from bets placed within the state, while residents have reportedly lost $5.5m in individual wagers.

THIS WEEK'S BIG QUESTION: Does Las Vegas Sands' difficult Q3 spell trouble for its MBS overhaul?

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GGI FRIDAY

OCEANIA ROUND-UP



M&A, ACMA, NZ & MORE...

AT A GLANCE

- The Press Association acquired Racing and Sports
- ACMA issued guidance ahead of 2027 celeb ad ban
- New Zealand problem-gambling spending rose 23.8%
- Australian Capital Territory proposed cashless gaming

The **Press Association (PA)** agreed to acquire Australian racing data and technology provider Racing and Sports (RAS) this week, in a deal valuing the company at approximately AU$49.8m (US$34.9). Indeed, the offer of AU$1.04 per share represents a 93% premium on RAS's closing price of AU$0.54 on 16 October. The transaction remains subject to approval by RAS shareholders and the Federal Court of Australia.

Australia is also finalising tighter restrictions on gambling marketing, with the **Australian Communications and Media Authority (ACMA)** publishing initial guidance pertaining to an upcoming ban on 'notable people' in wagering promotions. From 1 January 2027, gambling advertising across television, radio, websites, online games and social media must not feature prominent figures, including athletes, celebrities and influencers. Licensed wagering operators will also be prohibited from using 'notable people' in sponsorships or other promotional arrangements.

Across the Tasman Sea, **New Zealand** reported a rise in public spending on problem-gambling services. Indeed, the nation's Ministry of Health recorded NZ$25.4m (US$14.4m) in expenditure for the year ended 30 June 2026, up 23.8% from NZ$20.5m in FY25. Problem-gambling levy revenue also increased by 19.1% to NZ$26m. Inland Revenue collects the levy, while Health New Zealand delivers most of the funded services.

Meanwhile, the **Australian Capital Territory Government** introduced legislation requiring all poker machine venues to adopt account-based cashless gaming. The Gaming Machine (Harm Prevention and Reduction) Amendment Bill 2026 also proposes player pre-commitment measures, mandatory breaks, a ban on ATMs in gaming venues and a long-term reduction in poker machine numbers.

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THE WEEK IN QUOTES

EU REGULATION ROUND-UP

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HIPPOS ATG, ANJ & MORE...

> *There is no point in making a distinction between regulated and black-market operators to people who want to stop all gambling*

FORMER CONSERVATIVE MP SIR PHILIP DAVIES DURING BATTLE OF IDEAS FESTIVAL PANEL

> *In this challenging environment, the Group remains fully committed and is resolutely pursuing the implementation of its action and performance plans to swiftly regain a sustainable growth momentum*

FDJ CEO STÉPHANE PALLEZ REFLECTS ON DISAPPOINTING Q3 RESULTS

AT A GLANCE

- Hippos ATG received its Finnish licence
- Ukraine strengthened financial monitoring requirements
- 39% of French teens engaged with hybrid digital games

Helsinki-based operator **Hippos ATG** was awarded a Finnish gambling licence as the country prepares to open betting and online casino games to private operators. Until 30 June 2027, Finnish national operator, **Veikkaus**, will retain its exclusive right to operate in the country. However, this latest development will give Hippos ATG a route to market. Equally owned by Swedish betting group AB Trav och Galopp (ATG) and Finnish horseracing body Suomen Hippos.

Meanwhile, a study by Franch regulator **Autoritè Nationale des Jeux (ANJ)** found that 39% of adolescents played hybrid digital games and identified associations between these products and gambling-related problems. The research, conducted by **ARPEJ** in partnership with the **ANJ**, revealed that video games incorporating casino elements were the most common category (26.3%), followed closely by free gambling demos (18.1%) and social casinos (16.6%). Among adolescents engaging with social casino games, 19.4% reported monthly expenditure exceeding €50 ($56.2).

In other news, **Ukrainian** regulators strengthened financial monitoring requirements for the gambling sector, requiring operators to scrutinise repeated small deposits below monitoring thresholds, withdrawals to cards different from those used for deposits, third-party deposits, funds deposited and quickly withdrawn, and deliberate losses potentially used to transfer money between players.

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THE WEEK IN QUOTES

CANADA ROUND-UP

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NEW BRUNSWICK, ONTARIO & MORE...

> *We are building on the energy and excitement that Seneca Niagara Resort & Casino is known for and making it even bigger and bolder*

SENECA RESORTS & CASINOS PRESIDENT & CEO KEVIN NEPHEW SPEAKS ON NEW $8.9M EXPANSION

> *We are proud to enact regulations that require operators to offer resources, including live support if appropriate, to those struggling with problem gambling*

NEW JERSEY ATTORNEY GENERAL JENNIFER DAVENPORT REFLECTS ON STATE'S NEW RESPONSIBLE GAMBLING REQUIREMENTS

AT A GLANCE

- New Brunswick reviewed regulation options
- Ontario's international plans sparked protest
- iGaming Ontario accused of withholding RG study

New Brunswick is reviewing options to regulate private iGaming operators, potentially ending the Atlantic Lottery Corporation's monopoly. Finance Minister René Legacy confirmed the review, while government spokesperson David Kelly said the province was monitoring how other jurisdictions ensure safe and responsible gambling. The Atlantic Lottery warned that unregulated operators attract over CA$250m ($178m) annually from Atlantic Canada.

Concerns from the Atlantic Lottery also extended to **Ontario**, with the organisation – along with three other provincial lottery corporations – requesting that the **Supreme Court** of Canada reject the province's proposed international iGaming model. The dispute centres around whether players in Ontario can participate in games with people outside Canada, while the province continues to conduct and manage its regulated gambling scheme. Atlantic Lottery, British Columbia Lottery Corporation, Manitoba Liquor and Lotteries Corporation and Loto-Québec argue that Ontario's proposed sharing of player pools goes beyond the Criminal Code.

Elsewhere, **iGaming Ontario** was accused of withholding a concerning 2022 study on problem gambling rates, as the redacted records allegedly show executives discussing the study's findings and strategies to prevent leaks. The agency flagged the findings as "deviating significantly from other research," and later said the study's methodology did not meet the standards required to inform policy development.

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GGI FRIDAY THE DEBRIEF

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PREDICTION MARKETS: CAN KENYA TURN THE BUZZ INTO BUSINESS?

Prediction market operators scouting their next growth market may have a reason to look at Kenya: a country with a regulator prepared to discuss the paperwork. Admittedly, this sounds a little unglamorous, but for a sector whose legal identity can trigger full-blown courtroom battles, it's an attractive opening in one of the planet's fastest growing gaming economies.

Kenya's Gambling Regulatory Authority expects to introduce a dedicated licence class, with several businesses already expressing interest. No class has been issued, and application terms and timing remain unannounced. In other words, this is an invitation to watch closely rather than a starting gun.

The commercial logic, however, is certainly credible. GeoPoll's 2026 mobile survey found that 64% of Kenyan respondents had bet on football in the previous year. This is a finding about its sample, not a national participation rate, but it suggests an audience familiar with staking money on uncertain outcomes.

Kenya also has payment infrastructure that could make participation straightforward. The 2024 FinAccess Household Survey put mobile-money usage at 82.3% of adults. An accessible product accepting familiar local payments could have a better route to everyday users than one requiring them to acquire cryptocurrency first – though whether the eventual licence actually accommodates either route remains unresolved.

Now, of course, football betting and tech-literate payment systems are acquisition clues, not concrete proof that customers will want to trade inflation forecasts. Operators would need to establish which events attract repeat demand, explain how contracts work and demonstrate why trading them adds something to the existing betting menu.

The regulatory opportunity is equally interesting. The 2025 Act's provision for further categories offers a route to recognise the product without writing an entirely new law. Kenya could build a dedicated framework within gambling regulation that borrows the market-integrity disciplines of financial exchanges.

Age verification and self-exclusion would sit alongside clear settlement rules, safeguards against manipulation and insider dealing, as well as scrutiny of market-maker conflicts.

This would give substance to the idea of regulation sitting between familiar categories.

The US experience illustrates the stakes here: in April, the Commodity Futures Trading Commission (CFTC) sued Arizona, Connecticut and Illinois over their attempts to regulate its federally registered prediction markets.

Kenya has an opportunity to specify responsibilities early – although a dedicated licence alone can't necessarily settle every boundary question.

Then comes the even less glamorous commercial problem: liquidity. A trading platform needs enough willing buyers and sellers to offer usable prices and exits. A busy sportsbook customer base doesn't automatically supply both – and a prediction market with nobody on the other side is just an opinion with a login screen.

Locally relevant contracts could differentiate Kenyan platforms, but narrow audiences could also leave trading thin. Restricting participation geographically might strengthen oversight while reducing the available pool of counterparties. Allowing overseas participation would introduce further questions about supervision, payments and enforcement. These design choices will all help determine whether the business works.

The broader African opportunity should be assessed country by country. A Kenyan licence wouldn't confer automatic permission elsewhere, and demand for locally relevant events would need testing in each market.

Kenya could become a useful proving ground for prediction markets with local payments and explicit gambling protections. Its strongest selling point would be a workable, trusted regime.

The licence opens the conversation; liquidity, customer demand and execution will decide whether there's an industry behind it.

GGI FRIDAY MOVERS & SHAKERS

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JASON SCOTT
CEO
Amused Group
Australia

Following Matchday's acquisition of Amused Group, **Scott** has been appointed CEO. He previously led Booki Group and Racing Queensland and was part of Ladbrokes Australia's senior leadership team.



CHRIS KELLEY
CEO
Jamul Casino Resort
US

Before moving to Jamul, **Kelley** served as President of Hard Rock Casino Tejon, overseeing its November 2025 opening. He also served as President and COO of MGM Resorts International's Northeast Group.



WADE HOWK
CFO
Seneca Resorts & Casinos
US

Howk arrives from South Korea's Inspire Entertainment Resort, where he served as COO. He previously held the CFO position at Hard Rock Casino in Cincinnati and executive roles at Penn Entertainment.



NIKKI BEASLEY
Executive Director
Minnesota Alliance on Problem Gambling
US

Beasley joins from Minnesota's Conflict Resolution Center, where she was Executive Director, bringing nonprofit leadership and advocacy experience. She will lead efforts to strengthen problem gambling awareness across the state.



EVA SLÁMOVÁ
Chief People & Culture Officer
Allwyn
Allwyn

Joining from Barclays, where she served as Head of HR for Czechia, **Slámová** brings 15 years of experience across human resources and culture. She will focus on shaping Allwyn's local HR and culture strategy.

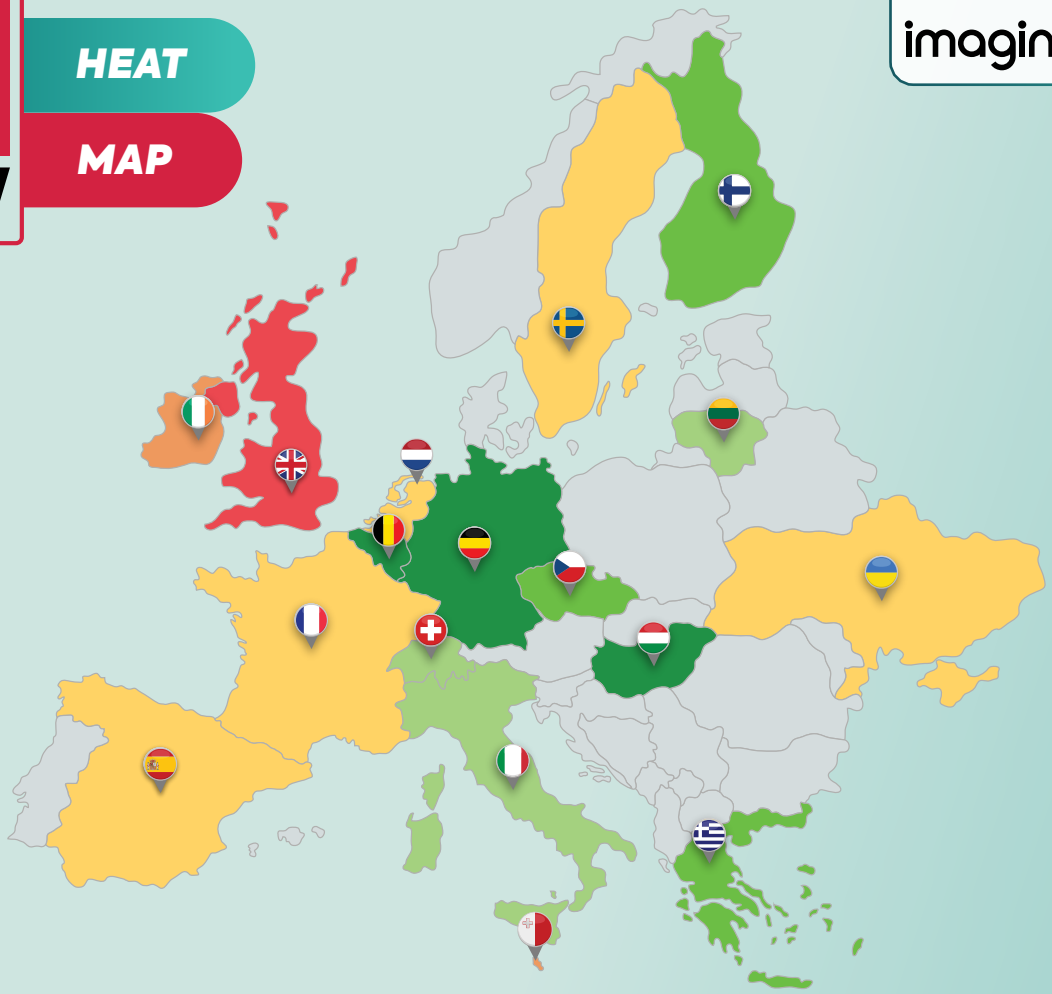


ANTHONY COLACURCIO
VP of Marketing
Hard Rock Hotel & Casino Atlantic City
US

Colacurcio has been with the casino since its opening in 2018, progressing from Director of Marketing Acquisition to Director of Marketing before this latest promotion. Previously, he also held digital media roles at Borgata Casino.

GGI FRIDAY HEAT MAP

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UK

With Labour MPs calling for a raise to Machine Game Duty, Flutter announced more than 1,400 redundancies pointing to the country's high gaming tax as a possible culprit

IRELAND

This week, Ireland was not spared from the fallout of Flutter's restructuring. Meanwhile, problem gambling in the country was found to have increased 121% since 2021

MALTA

In the Mediterranean Sea, the MFSA provided regulatory guidance on how European Union law applies to prediction markets

UKRAINE

This week, regulators issued new financial monitoring rules for operators. However, a study found more than half of gambling spending in the country went to illegal operators

SWEDEN

What comes around goes around, as Svenska Spel awarded SEK5m ($504,000) to studies on gambling harm, bet356 was forced to pay a SEK44m fine for breaching deposit-limit rules

FRANCE

In H12026, France's regulated online gambling operators generated €1.4bn ($1.62bn) in GGR. Nevertheless, a new report found 39% of teenagers played games with gambling-related features

LOW HIGH

NEW JERSEY SEPTEMBER 2026 GAMING REVENUE

LEGACY CASINO		
OPERATOR	**REVENUE ($M)**	**% CHANGE YEAR-ON-YEAR**
Bally's AC	9.38	–7.35
Borgata	55.69	–11.25
Caesars	17.33	+4.26
Golden Nugget	9.99	+0.28
Hard Rock	43.47	–4.32
Harrah's	18.47	+12.72
Ocean Casino	42.65	+7.57
Resorts	13.07	–3.70
Tropicana	17.75	+9.31
Total	**227.79**	**–1.27**

- **Legacy (traditional) casino revenue reached $227.8m in New Jersey during September, down 1.27%**
- **Despite its revenue falling 11.25% year-on-year, Borgata was the state's highest earner, reporting $55.7m**
- **Harrah's also saw the most significant revenue upswing of 12.72% year-on-year**



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NEW JERSEY SEPTEMBER 2026 GAMING REVENUE

IGAMING

OPERATOR	REVENUE ($M)	% CHANGE YEAR-ON-YEAR
Bally's AC	21.12	+96.88
Borgata	60.08	+10.32
Golden Nugget	78.76	+5.22
Hard Rock	21.77	+29.77
Ocean Casino	4.52	+4.41
Resorts	59.59	+6.98
Caesars Interactive	28.27	+11.19
Total	**274.78**	**+13.02**

- **New Jersey's iGaming revenues rose 13% year-on-year during September to $274.8m**
- **Bally's AC saw the highest revenue rise of 96.8% year-on-year to $21.12m**
- **Golden Nugget was the state's highest revenue earner, reporting $78.8m**
- **All operators reported revenue upticks in iGaming compared to last September**

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NEW JERSEY SEPTEMBER 2026 GAMING REVENUE

SPORTS BETTING

SELECTED OPERATORS	REVENUE ($M)	% CHANGE YEAR-ON-YEAR
Bally's AC	5.22	–25.86
Borgata	7.87	+77.97
Caesars	0.07	–46.86
Golden Nugget	0.07	+107.69
Hard Rock	9.09	+28.91
Harrah's	0.13	–15.08
Ocean Casino	0.18	–72.39
Resorts	22.99	–8.33
Tropicana	2.94	–17.61
Total	**76.98**	**–14.29**

- **Sports betting revenues dropped 14.3% in New Jersey during September, settling at $76.9m**
- **Despite only reporting $0.07m, Golden Nugget recorded the highest revenue rise of 107.7% year-on-year**
- **Meadowlands' revenue dropped 34.1% year-on-year but remained the highest at $26.3m**

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GGI FRIDAY GUEST INTERVIEW

FELIX HOHENTHANNER,
ASSOCIATE, RAPANI RECHTSANWALTE

Austria is moving to break up its two-decade online gambling monopoly and introduce a multi-licence system, but the transition is raising questions around market access, cooling-off periods, taxation and player migration. At the SBC Summit in Lisbon, Global Gaming Insider spoke with regular contributor and Austria expert Felix Hohenthanner from Rapani Law to find out why the "mistakes are in the details"...

You recently reviewed the latest version of Austria's Gambling Act reform. What are the main changes compared with the version you analysed earlier this year?
The main change is the opening of the online gaming regime. For two decades, there was an online gaming monopoly. Basically, only one operator was allowed to offer online gambling in Austria, Österreichische Lotterien, through the electronic lottery licence. That is the big topic now. There was a whole legislative process. I think the first draft that was leaked was in January and there were many issues in it. In the meantime, a lot changed, including the land-based topic and the cooling-off period.

It was a highly political topic in Austria. They discussed it in the background, so there were not many stakeholder opinions in the political discussion, only the parties themselves. The current draft is the one the Government agreed back in June. They pushed it through the legislative process, published it and ran a consultation phase with around 110 submissions from various stakeholders. They basically did not change anything in the draft and sent it to the European Commission.

Now it is under the TRIS procedure, with a three-month standstill period until November. If there is a comment from the Commission, and it is highly likely that there will be, the standstill period will be extended to December. That is the big issue regarding planning certainty for the new law. The legislation should be enacted on 1 January. And there are only, I think, two possible dates for Parliament to decide on the law, so it is a pretty tough schedule. If there are substantial comments from the Commission, the timetable will not hold.

Do you think there will be substantial comments?
I really don't know. Maybe one or two other member states will comment on the law, maybe Malta, maybe Germany. The Commission may also comment. It is a "we'll see" situation.

How does this look for international operators? What will the impact be?
That is exactly the point about planning certainty. For operators not currently active in the Austrian market, it is a little bit easier, because under the cooling-off phase you have to leave the market on 1 January 2027, until you get the licence. That is not a big issue if you are not active in the market, or if you are already out of it or never were in it.

The other two points are taxes and judgments. These are the big issues for operators who were active in Austria. They have to pay all those taxes, and that won't change. That will for sure be in there. What we would like to change is the transitional phase, the cooling-off period itself.

Why is the cooling-off period such a problem?
Because it basically gives the market to the operators who don't want to be regulated. Some estimates put the channelisation rate of the monopolist at 30%, some at 50%. So at least 50% of the market is currently unlicensed.

So where do their players go? I suppose one must assume that they won't go to the monopolist because they weren't there until now. Then you push them toward the companies that actively decided they don't want to be regulated. Some of them will decide: "We will stay in the market as of 1 January for sure." You basically give them half the market. That is a big issue.

Could this create a situation where the new system rewards operators that stayed away from Austria and penalises those that served Austrian players?
I think it penalises those who want to be regulated. Those who were active in Austria and decide "I want to have a licence in Austria" go off the market. They are no longer active. These operators will be penalised. ▶

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But also the operators that weren't active in Austria and want a licence will have a hard time getting players back from the operators unwilling to be regulated. The players will play elsewhere. That is for sure.

Could the cooling-off period become a model in other European regions?
I don't think so. Cooling-off in Austria may not be the best option. Some other European countries made the same mistake, but in a different way. In Austria, the idea was probably more to protect the existing market structure, and the unfortunate result is that player protection is weakened: if the licensed market opens late, players stay with unlicensed operators, where none of these safeguards apply.

Austria is one of the last monopoly systems in Europe. The issue exists only because of this constellation: they are breaking up the monopoly, but they also want to protect the monopolist a little, because it is partly state-owned and the state has an obvious interest in it.

Looking beyond the transition, what will determine whether Austria can bring players from the black market into the regulated market?
It is super hard. For me, a successful regulation is one where a player in Austria finds a legal product that is compatible with the offshore product, so he doesn't have to look at offshore sites. It is a pretty hard task for the legislator and the regulator to create a legal framework that foresees market wishes and market standards and produces an attractive legal product.

Right now there are some critical parameters in the law, like the deposit limit. It comes from the monopolist's offer. That product is already tested by the market and only gets a 30% to 50% channelisation rate, although it is the only legal product in Austria.



"The mistakes are in the details"

Taking those parameters, lifting them to primary law and binding all licensees to them is maybe not the best approach, but we will see how it works out. Maybe it is enough for a good legal product, and the deposit limit alone won't drive players to the black market. You have to look at the whole picture of the product. I think that is the biggest task for the regulator: to create an attractive product. It is also essential to evaluate the rules regularly and adapt them where necessary, and that is difficult once the parameters are written into primary legislation, as we have seen in Germany.

And isn't that ultimately the objective of the whole act?
Exactly. The legislator itself stated in the explanatory notes that the objective of the draft is channelisation and player protection. You only get player protection if you have good channelisation, because only the players in the regulated market will be protected.

A player of an operators which is not regulated won't receive any protection. That is the challenge for the regulator, but it is their own goal. I think the key product features will decide whether it is successful or not.

Finally, what is one part of the draft that you think the international gambling industry is underestimating?
If there is any, it is always taxation. Taxation is already high in Austria, at 45% of GGR. That is high compared with other European countries. On top of that, there is a whole new provision on the taxation of bonuses. I think this issue will come up once the smoke clears around the licensing process, deposit limits and cooling-off.

Those are the big and most obvious issues, but I think the bonus taxation is ridiculous. It makes no sense. It is not market standard, and it will be an issue for quite a few operators. They will have to adapt their whole product and bonus strategy.

So the end of the licensing process won't necessarily mean the end of the regulatory debate?
No. After January we will see other issues come up on various aspects of the law, like with the regulator, taxation and product parameters.

So there are exciting times ahead, at least for regulatory lawyers. We have had two decades of telling bad news to our clients. Now there is something positive. The breaking up of the monopoly is good news, and we all appreciate that as a group of regulatory lawyers.

The mistakes are in the details.

GGI FRIDAY

THE DEALMAKERS

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