

Reports claim PayPal to enter US market

PayPal is to return to processing payments for the US online gambling market in the "coming months," according to sources referred to by OnlinePokerReport's Chris Grove on 6 August.

"Customers' continued problems with credit card rejections in [Nevada, Delaware and New Jersey] may have led PayPal to believe there's a need in the market that it can fill," said Sarah Koch, Associate at Ifrah Law. "The prospect of PokerStars entering the NJ market could also be a factor - the companies have an established relationship. If PokerStars enters the NJ market it could attract a large number of users who would opt for PayPal."

PayPal, which departed from the market in 2002 following its acquisition by eBay, is yet to confirm the move.

Frank Catania, President of Catania Gaming Consultants, believes "PayPal will be a big boost to online gaming if it enters the market." "The more options players have for payment, the more legitimate the activity becomes in the eyes of the patron," adds Jennifer Carleton, Shareholder at Brownstein Hyatt Farber Schreck.

UK Gambling Commission reacts to public concerns

The UK's Gambling Commission (GC) launched a consultation on 7 August, which seeks views on proposed new social responsibility measures that gambling operators must provide. The consultation comes at a time when many of the revisions to the Licence Conditions and Codes of Practice (LCCP) have just come into force and operators are preparing for the new point of consumption regulatory regime to kick in on 1 October. The GC has commented in the accompanying press release 'that not all the proposals in this consultation are for specific changes to the LCCP at this stage, although many are.'

"The GC, like everyone else in the industry, is really busy with transition applications and the work involved in the run-up to 1 October, so they would probably not have chosen this particular time to launch this

consultation," said Audrey Ferrie, Legal Director at Pinsent Masons LLP. "FOBTs and the proliferation of betting shops are high on the political agenda as is pre-watershed TV advertising. The GC is therefore responding to public concern."

The Gambling Commission has explained that the consultation is a response to the heightened public concern about gambling and the risks posed by advances in technology. The GC also notes that the consultation comes at a key point for gambling regulation in Great Britain in that the 'new laws on online gambling mean that effective and proportionate harm prevention measures can be implemented across the board' as all operators will soon need a licence regardless of where they are located.

"The GC has described the recently imposed changes as having 'improved' the LCCP. It

seems apparent that further significant changes will be made in future that will be viewed as improvements by those who have expressed public and Parliamentary concerns that current social responsibility measures are inadequate," said David Clifton, Director at Clifton Davies Consultancy Ltd. "From the perspective of the operator, greater social responsibility compliance responsibilities will inevitably result in additional expense and, potentially at least, could seriously impact on the bottom line."

"The proposals are neither radically sweeping nor dramatic in light of existing provisions, but look to add detail to long-standing rules, with a clear emphasis on their importance," adds Neil Hawley, Associate at Taylor Wessing. "For operators, the most onerous consequence will be the need to train staff to implement the new rules."

Danish online poker Q2 GGR declines by 20% from 2013

The Danish Gambling Authority released on 6 August its figures for Q2 2014, which reveals that estimated gross gaming revenue (GGR) from Danish online poker has decreased to DKK 40M from DKK 50M in Q2 2013, a decline of 20 percent.

"Potentially part of the decline could be related to the World Cup, as betting revenues from Q2 2014 reached an all-time high since the market's liberalisation of sports betting," said Mark McGuinness, i-Gaming Futurologist at Mainstream

Marketing & Communications. Betting revenues were up 32 percent from DKK 335M in Q2 2013 to DKK 445M in Q2 2014.

This is the second decline in online poker Q2 GGR in two years: 2012's Q2 GGR was DKK 55M. However, Pernille Nørkær and Jesper Philip Schmidt of Moalem Weittemeyer Bendtsen note that "from Q4 2013 (DKK 45M) to Q1 2014 (DKK 50M) there was an increase in GGR for games with commission. We believe that we need to reevaluate whether online poker in Denmark is declining when we

have a larger sample size."

Nonetheless changes may improve the market. "The requirement of using the very cumbersome Nem ID system for log-in to player accounts is something that puts a lot of players off," said Morten Ronde, Chief Executive at the Danish Online Gambling Association. "New technology may provide the impetus to increase engagement and participation," adds McGuinness. "An example could be developing an Oculus Rift version which involves virtual reality headsets."

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