



2020: New sports betting licences in Germany

August 2019

Beginning in January 2020, new remote and land-based sports betting licences will be granted in Germany. The competent gambling authority of Hesse has already published the minimum licensing requirements that need to be fulfilled to qualify for a licence. Sports betting operators who wish to receive a licence can prepare the necessary documents for the application now.

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Overview

The intended amendments to the *State Treaty on Gambling (Glücksspielstaatsvertrag/GlÜStV)* will remove the cap for licences during the so-called experimental phase for sports betting, which runs until 30 June 2021, enabling a new sports betting licensing procedure. Provided that all 16 German states ratify the amended treaty by 31 December 2019, the amendment will enter into force on 1 January 2020 and the procedure for issuing new (remote and land-based) sports betting licences will start right away.

The amended State Treaty removes market entry barriers for sports betting operators that want to be licensed in Germany. It also provides some clarity, not only for sports betting operators but furthermore for third parties involved, including payment service providers, the media and sports clubs, increasing the potential to draw more operators from the grey market onto the regulated market.

Minimum requirements

The competent gambling licensing authority of Hesse, the Darmstadt Regional Council (*Regierungspräsidium Darmstadt*), has already published the minimum licensing requirements that need to be fulfilled to qualify for a licence. This comprehensive catalogue of requirements includes proofs, declarations and documents covering areas such as

- information about the applicant as well as its representatives,
- protection of minors and responsible gambling,
- payment processing and IT security.

Our translation of the “minimum requirements” is attached to this newsletter.

Licensing procedure

The procedure for granting the new licences will start at the beginning of 2020. Applications may already be submitted and they will be processed on a “first come, first served” basis – but the authority will not start to review the applications earlier than 2 January 2020.

All documents need to be translated into German and official documents must be submitted with a certified translation. Further, documents have to be submitted twice – once as hard copies and once as digital versions.

The licensing authority will review the licence applications on the basis of the “minimum requirements”. If necessary, the authority will request any missing information or documents.

Information to be provided

According to the “minimum requirements” the applicants need to provide general information about their business. This includes:

- The ownership and shareholder structure of the company;
- Criminal records for all legal representatives of the company;
- Proof by the respective fiscal authorities confirming that the company and its legal representatives have paid their taxes in the past;
- Other gambling licences the operator already possesses;
- An explanation of the origins of the funds to offer the sports betting service;
- The terms and conditions for the sports betting service in Germany.

In addition, the applicants must commit to not engage in illegal gambling in Germany neither directly nor indirectly through affiliated companies. The authority will publish a form with all necessary declarations that the applicant needs to sign.

Required concepts

The “minimum requirements” list several documents that need to be submitted to the authority. These documents that are called “concepts” need to explain the details of the specific sports betting business to the authority. The concepts are:

- *Social concept* specifying concrete responsible gambling measures to be implemented by the sports betting operator including information on the exclusion of underage and blocked players, measures to prevent addiction, dealing with problematic gambling behaviour and training of staff;
- *Payment processing concept* detailing all payment methods to be used including information of any third party involved (e.g. payment service providers);

- *IT security concept* that needs to be based on the ISO 27001 or a comparable IT security standard;
- *Sales concept* listing all websites and other distribution channels of the sports betting operator including information on the operator's brands and any intended bonuses or discounts.

Exclusion of minors

Sports betting operators are required to exclude minors (persons under the age of 18 years) from their services. In order to ensure the exclusion of minors, remote operators need to verify the age of the players and use identification and authentication methods in accordance with the "Internet requirements pursuant to Sec. 4 (5) GlüStV – Outlines" (*Internetanforderungen nach § 4 Abs. 5 GlüStV – Eckpunkte*), a document that is attached to the "minimum requirements" and that outlines several technical measures that have to be implemented in order to comply with this requirement.

Exclusion of blocked players

Sports betting operators are also required to exclude blocked players by using the central blocking system OAS/S from the time of granting of the licence. Two options are offered to connect to the blocking system: (1) a web service for larger and automated queries (OAS/S WS) or (2) a website for manual queries of the blocking system (OAS/S WEB).

Advertising licence

An additional advertising licence is needed if the applicant wants to advertise on TV or on the Internet. Other advertising channels, such as newspapers, magazines, posters or letters do not need an advertising licence. The advertising licence for the Internet and for TV is granted by the district government of Düsseldorf in North Rhine-

Westphalia (*Bezirksregierung Düsseldorf*). In order to apply for the advertising licence, the applicant needs to submit an *advertising concept* to the authority that includes samples of the advertisements he intends to use.

Penalties

The authority has emphasised that it requires all sports betting operators serving customers in Germany to apply for a licence. The authority will first request the sports betting operators to submit a licence application within a specific deadline. Sports betting operators who do not submit a complete licence application have to expect a prohibition order (*Untersagung*) by the authority for their German sports betting services.

Outlook for 2021

The new sports betting licences will be granted until 30 June 2021 at first. A further amendment of the State Treaty is envisaged for the period after 30 June 2021. This next amendment will most likely enable a renewal of the sports betting licences. In addition, it is intended to set up a new regulatory framework which, according to the wishes of Schleswig-Holstein as well as gambling associations in Germany, will enable granting of online casino licences in other German states. The negotiations for this next amendment are already on the way and the further development needs to be monitored.

Next steps

In order to successfully apply for a German sports betting licence, sports betting operators need to prepare all information and documents that are listed in the "minimum requirements". The licensing authority emphasised that a good application will speed-up the licensing process.

Attachment

[Translation of the "minimum requirements".](#)

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