

Swedish Limits Face Legal Battle Amid Regulator Response

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- **Gambling authority broadly supports government measures**
- **Concerns over channelisation and deposit limits persist**
- **Leading lawyer says restrictions breach Swedish, EU law**

As Sweden's gambling regulator responds to planned online bonus and deposit restrictions, the war of words between industry and government grows increasingly bitter.

The Swedish Gambling Authority (SGA) has delivered cautious approval to government plans to impose deposit limits and bonus restrictions on online gambling to protect consumers during the coronavirus pandemic, even as legal experts warn that the new regulations will be open to a court challenge.

Under plans [unveiled](#) in April by social security minister Ardalan Shekarabi, licensed gambling operators in Sweden will not be allowed to offer bonuses of more than 100 krona (€9) or let players deposit more than 5,000 krona (€470) a week.

The restrictions will kick in from June 1 and run until the end of the year.

In its response to the minister's proposals, the SGA said that despite some concerns, it broadly had "no objection" to the plan.

However, the regulator noted that the SEK5,000 deposit limit was significantly higher than the average player would spend in one week and only applied to individual operators.

"The fact that players change companies can also make it more difficult for companies to maintain their duty of care and also [our] supervision of it. This is because every individual company has no reason to react when information is missing about the player's behaviour with other companies," said the SGA.

The regulator also noted that "in practice, the proposed restriction will only have an effect on big players, who can also be expected to switch to other companies and also to unlicensed companies".

Disgruntled gambling CEOs have [complained](#) that the limits will drive online casino players offshore, with 12 having so far signed a letter to Shekarabi alleging that the plan threatens what they see as an already faltering level of channelisation.

Local trade group BOS commissioned a study by Copenhagen Economics that estimated around 81-85 percent of players are gambling on the licensed market, a figure which drops to 72-78 percent for online casino.

In a [statement](#) responding to the plans last week, BOS also argued its members had not seen the sharp increase in online casino play the minister cited as a motivation for the restrictions.

In its own response, the SGA noted it "has access to evidence showing that 13 companies licensed for commercial online [casino] alone have increased their turnover from February to March by a total of 21 percent". However, the regulator was careful to note it does not have enough information to say for certain that online casino play is increasing.

The SGA did admit to concerns about channelisation, and said its ability to combat the offshore market was "limited" and would require the full cooperation of law enforcement.

"It should also be emphasised that all unlicensed gambling is not illegal," the SGA noted.

"It is permissible to have Swedish gaming customers as long as the gaming operations are not directed at the Swedish market in the sense of the law. This is often forgotten in the debate."

Ola Wiklund, the lawyer who recently represented Ninja Casino in its [landmark](#) advertising case, said the government was likely to face a legal battle if it pushed forward with the plans.

"According to both the Swedish constitution and EU law, [the] restrictions violate the right to provide gambling services in the Swedish market and cannot be considered appropriate to achieve the goals invoked by the government.

"The restrictions lack necessity and coherence and represent a disproportional violation of the right to freely offer gaming services cross-border," he said.

Wiklund added: "The legal question will be if the deposit restrictions, bonus restrictions and login requirements could have any effects on public health. The burden of proof here lies firmly with the government.

"If the government fails to prove this, the regulation will be struck down as a violation of the freedom to provide services in the EU Treaty."

Wiklund also alleged that Shekarabi was using the crackdown on online gambling as a "political springboard" for his party leadership ambitions.

"I'm not sure if he realises that a court striking down the regulation would jeopardise this venture."

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