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Betfair lodges formal complaint on Cypriot gambling law

Betfair, the leading online sports betting company, will today lodge a formal complaint with the European Commission in relation to recently passed Cypriot gambling legislation. The law could lead to betting exchanges being prevented from operating in their current format in Cyprus.

The new law was adopted by the Cypriot Parliament on 6 July 2012 and also prohibits cash betting transactions by betting operators.

Betfair's formal complaint to the European Commission states that any attempted ban on betting exchanges is a discriminatory and disproportionate breach of EU law as it may apply only to exchange providers, with all other sports betting products remaining unaffected.

The Cypriot authorities have sought to justify the restriction based on unfounded and misinformed concerns relating to a supposed increased risk of money laundering as well as match-fixing. They have been unable to produce any evidence of increased risk of money laundering through exchanges, as required by EU law, to substantiate these claims.

To date, Betfair remains the only sports betting operator which has actively engaged on the issue of match fixing with a far reaching memorandum of understanding for exchange of information with the Cyprus Football Association in suspected cases.

Betfair will continue to attempt to operate in Cyprus while the complaint is heard by the Commission.

Commenting on the complaint, Martin Cruddace, Chief Legal and Regulatory Officer at Betfair said:

"Having played a constructive role in the preparatory phase of a draft Cypriot law, we were disappointed with the inclusion of elements within it which could unfairly discriminate Betfair and in any event are clearly incompatible with EU law. We have therefore asked the Commission to review the matter and engage with the Cypriot authorities, with the aim of addressing the concerns raised in our complaint.

"Betfair is a transparent and responsible operator, with a track record of working cooperatively alongside governments in any jurisdiction in which it operates. Current Cypriot law goes against European free market principles and we look forward to working with the Commission and the Cypriot government so we can continue to provide our Cypriot customers with Betfair's best-in-class Exchange product and odds value."

-ENDS-

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Notes to Editors

Betfair operations in Cyprus are currently run through Master Sub-Account agreements with local Cypriot partners and shop owners. Barring sub-accounts is disproportionate under EU law as the incumbent system could have been subject to effective controls by shop owners and online operators.

In addition, Betfair's complaint to the EU Commission will address the ban on cash transactions and sub-accounts. The subsidiary of the mostly privately held Greek gambling monopoly, OPAP Cyprus, remains unaffected by the law and any of its restrictions, demonstrating the inconsistencies inherent within the legislation.

The restrictions made in the original Cypriot draft law were subject to a "Detailed Opinion" by the Government of Malta in 2010 and the European Commission criticised several planned provisions of the law. The Cypriot Government and Parliament decided to carry many of these restrictions through, including the Exchange ban.

Betfair has played a major role in supporting Cypriot sports and demonstrated its commitment to investing in local sport in Cyprus through three sponsorship deals with championship football teams last year. It is now adding a fourth team to its sponsorship list for the 2012-2013 season.

Betfair is committed to protecting integrity in sport and has signed 55 Memorandum of Understandings to share information and data with sports governing bodies across a number of different codes and jurisdictions.

About Betfair: (www.betfair.com)

Betfair is one of the world's largest international online sports betting providers and pioneered the betting exchange in 2000.

Driven by cutting-edge technology, Betfair enables customers to bet at odds sought by themselves or offered by other customers. The company now processes over seven million transactions a day from its four million registered customers around the world. In addition to sports betting, Betfair offers a portfolio of innovative products including casino, exchange games and poker.

Betfair has twice been named the UK's "Company of the Year" by the Confederation of British Industry and has won two prestigious Queen's Awards for Enterprise, being recognised for Innovation in 2003 and most recently for International Trade in 2008. Betfair currently employs over 2,000 people worldwide. The company holds betting licenses in Gibraltar, the US, Tasmania, Italy, Denmark, Spain and Malta.