



Regulation

The moment of truce

Sweden has offered an olive branch to operators by hiring a black-market investigator, but do the country's gambling laws need rewriting?

Robert Simmons | 01 December 2020



Swedish market observers will know that what started out as a great opportunity following re-regulation has since degenerated into a bitter war of words between operators and an increasingly unsympathetic government – and all in the space of two years.

The feud developed further in November following the government's decision to press ahead and extend temporary **Covid-19 gambling restrictions** until July 2021, despite an overwhelming industry effort to halt these efforts due to decreasing channelisation rates.

However, peace may now be in touching distance after the government **appointed Gunnar Larsson**, director general of the Swedish Chamber of Commerce, to oversee a wide-ranging government investigation into unlicensed gambling on the black market.

The appointment, which will also see Larsson strive to combat match-fixing, drew many positive responses on both sides of the divide:

The Swedish Gambling Authority (SGA)

“We are very positive that the government has appointed an investigation to strengthen the work towards two important areas, unlicensed play and match-fixing. The tools the authority has today to combat illegal gambling are not sufficient, which we previously reported to the government in the reports.”

Paf deputy CEO Daniela Johansson

“It's a good thing that the Swedish government is looking at how they can improve the Swedish gambling market. We all know more now after two years running, so that is a good baseline for further development.

“We hope the authorities will keep a tight focus on responsible gambling measures for the customers and at the same time find ways on how to further improve the channelisation.

Svenska Spel CEO Patrik Hofbauer

“This is very gratifying, especially that Minister of Social Insurance Ardalan Shekarabi now so strongly emphasises the importance of cooperation between Swedish authorities.

“Now they are taking the collective grip that we from the gaming industry have called for. From Svenska Spel’s side, we are ready to assist the investigator with all the information he requests in his work to create conditions for an even healthier gaming market.”



Svenska Spel CEO Patrik Hofbauer

Positive responses were also issued by trade associations BOS and Sper, despite previous wide-ranging criticism of the Swedish government and Shekarabi.

Even Kindred Group, which last month **described the extension of the restrictions** as a step in the wrong direction, welcomed the appointment of Larsson. “We can see that it covers most of the topics that we have expressed and asked about for a long time,” said Kindred Group head of public affairs Peter Alling. “For example, today there is no co-ordination and information sharing when it comes to battling match-fixing which is without a doubt necessary.”

He added: “We are also pleased that the inquiry will investigate unlicensed operators, which is where the focus should be. But with the low channelisation that we experience today, this inquiry is something that should have been initiated yesterday.”

Despite the hopeful reaction, particulars of the so-called “Larsson inquiry” remain sparse, and as the adage goes, the devil is in the detail, as Wiklund law partner and practice principal Ola Wiklund knows only too well.

He said: “Minister Shekarabi suggests that a well-functioning gaming market presupposes that unlicensed gaming companies are excluded from the Swedish gaming market and wants to identify obstacles and propose solutions to enable more effective supervision of illegal gambling.

“His statement is indeed confusing. Unlicensed gambling is not illegal in Sweden, as long as the services aren’t directed to the Swedish market. The SGA has made this clear. It’s also important to point out that legal principles on jurisdiction and sovereignty create unsurmountable obstacles for Sweden to enforce sanctions against companies established in other EU states.

“The Swedish government is practically blocked from interfering in the marketplace of another sovereign state. This is the reality Mr Shekarabi has to live with,” Wiklund concluded.

The initial optimism of trade body BOS was tempered with a warning from CEO Gustaf Hoffstedt, who reiterated the “highlighted flaws” in Swedish gambling law as referenced by Wiklund.

He said: “One of the severe problems with the current legislation is that, despite the government’s rhetoric, most of the unlicensed gambling that Swedish punters are offered is in fact legal. I believe the new inquiry should start and solve that issue to begin with.”

Larsson’s task is an uphill one, but will he reach a New Year’s resolution?

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