

Mandate Report

Hengeler advises in German Federal Cartel Office proceedings on state lottery monopoly

The German Federal Cartel Office (GFCO) yesterday issued a prohibition order with immediate effect preventing the German state lottery companies constituting the German Lotto and Toto group from engaging in anti-competitive conduct towards commercial gambling providers in Germany. The GFCO also declared the regional market division (the so-called regionality principle) to be incompatible with German and European competition law.

This decision is seen as groundbreaking in forcing an opening in the hitherto monopolised German lottery market for reasons of European competition law. The total volume of the market for gambling in the German Lotto and Toto group affected by this decision amounted in 2005 to eight billion euros.

Hengeler Mueller advised FABER Lotto-Service KG in these proceedings. Advice was provided by partners Thorsten Mäger (Competition) and Dirk Uwer (Regulatory). FABER has been a market leader in commercial gambling brokerage for some 25 years and was involved in the GFCO proceedings as an interested third party.

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