

# Despite German Gambling Treaty, 76% of Affiliate Advertising for Online Casinos in Germany Illegal

[GambleBase.com](https://www.gamblebase.com)

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## Summary

The study conducted in June 2023 shows that despite the German State Treaty on Gambling (*Glücksspielstaatsvertrag*), 76% of German affiliate advertising for online casinos is still illegal. For this purpose, 1,384 affiliate links leading to online casinos were examined. Affiliate links are links that are used for commercial purposes. These advertising links were selected that are located on websites that are displayed via Google for the most frequently searched keywords in Germany on the topic of "online casino". In addition, advertising links from the 20 most visited affiliate websites for online casinos were examined. If an affiliate link linked to an online casino that did not have a German licence, the link was classified as illegal advertising. The result that 76% of affiliate advertising for online casinos remains illegal raises urgent questions about the effective protection of consumers and the enforcement of gambling regulation in Germany.

## Introduction

Online gambling has long been a grey area in Germany. This was supposed to change fundamentally from July 2021 with the introduction of the new German State Treaty on Gambling. Through consistent monitoring and regular controls, measures should have been taken to protect players and curb fraud, manipulation, gambling addiction and criminal activities.

Part of this criminal activity is illegal advertising of gambling. GambleBase asked the Gaming and Betting Law practice group of the commercial law firm MELCHERS for a legal definition of illegal and legal advertising of gambling. Here is the answer:

*As a rule, advertising for online poker, virtual slot machines or sports betting may only be carried out by gambling providers who have a valid permit to organise these games of chance pursuant to Section 5 (1) sentence 1 GlüStV 2021. All holders of a permit pursuant to the State Treaty on Gaming (GlüStV 2021) as well as their websites can be found in the so-called whitelist of the Joint Gaming Authority of the German States (Gemeinsame Glücksspielbehörde der Länder).<sup>1</sup> Permits from abroad (e.g., Malta) are not sufficient. The list thus quickly provides information on whether the respective gambling provider has a permit or not. For this reason, the whitelist is regularly updated - at least once a month pursuant to Section 9 (8) GlüStV 2021 - by the competent licensing and supervisory authority, the Joint Gaming Authority of the German States, and supplemented with new licence holders. No advertising may take place without permission - neither by the provider itself nor by commissioned third parties, such as so-called affiliates.*

*Active providers who are not on the whitelist either offer illegal gambling or they may still be in the licensing procedures with the Joint Gaming Authority of the German States and are tolerated if they actively participate in the licensing procedure. In any case, however, according to Section 5 (1) sentence 1 of the GlüStV, these providers are not permitted to advertise their virtual slot machine games, sports betting or online poker services aimed at the German market before the respective permit has been granted.*

In summary, all online casinos<sup>1)</sup> that do not have a German licence or are not on the gambling authority's whitelist may not be advertised or advertising for these casinos is illegal.

The first two studies by GambleBase, published in October 2022 and January 2023 showed that more than 95% of affiliate advertising in Germany for online casinos was illegal, even though the State Gambling Treaty was supposed to curb it.<sup>2,3</sup> What has changed since then? To answer that, this research was conducted in June 2023.

## Methodology

In this study, 1,384 affiliate links leading to online casinos were examined. Affiliate links are links that are used for commercial purposes.<sup>2)</sup>

Casinos that have a German license are officially allowed to offer online gambling on the Internet and advertise it under strict conditions. Providers who do not have a German license are not allowed to advertise their offers in Germany. Thus, if an advertising link linked to an online casino that did not have a German license, the link was classified as illegal advertising.

Advertising links were chosen that belonged to websites that are displayed on Google.de one of the most frequently searched keywords in Germany on the subject of "online casino". These keywords, with the corresponding approximate number of monthly searches, were as follows (as of June 2023):

- Online casino, 77,000
- Casino, 76,000
- Online Casino Germany, 12,000
- Online casino real money, 3,600
- Casino Bonus, 3,200

In addition, links from the 20 most visited online casino affiliate websites in Germany were

examined. To identify these websites, the online marketing tool Ahrefs.com was used, which creates traffic projections for websites.<sup>3)</sup>

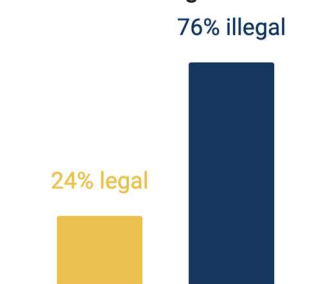
On the websites found via keyword research and the 20 most popular online casino affiliate websites, the first 20 links were examined. On the websites found via keyword research, 957 links were examined and on the top 20 casino affiliate websites, 391 links were examined. A total of 1,384 affiliate links were analysed.

In addition, the proportion of legal and illegal advertising of organic search results and paid search results from keyword research was examined. It should be noted that keyword research is a sample and organic and paid search results can change daily. In addition, the proportion of linked online casinos with a German license and without a German license was analyzed.

## Results

The results showed that 76% of the affiliate links displayed by the most popular online casino searches on Google constitute illegal advertising (Figure 1).

**Figure 1: Keyword research. Legal vs. illegal online casino advertising.**



*Casino advertising on affiliate websites in Germany, proportion of legal vs. illegal advertising, June 2023, n=957*

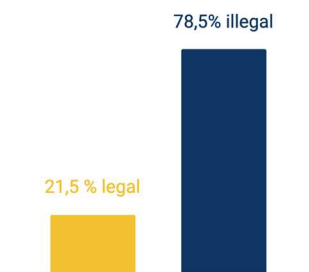
On the largest online casino affiliate websites, the proportion was slightly higher with 78.5% illegal advertising (Figure 2).

1) The use of the common word 'casino' is for editorial purposes only

2) GambleBase.com is an affiliate website with links to casinos with a German license

3) <https://ahrefs.com/blog/traffic-estimations-accuracy>

**Figure 2: Top 20 affiliate online casino sites. Legal vs. illegal online casino advertising.**

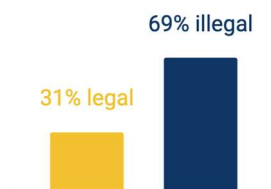


*Casino advertising on top 20 affiliate websites in Germany, proportion of legal vs. illegal advertising, June 2023, n=391*

That is, over 76% of advertising for online casinos on affiliate sites in Germany is illegal.

The data shows that 69% of links to online casinos that are on websites found via organic search are illegal (see chart 3). All websites that were found via paid advertising link exclusively, i.e., 100% to illegal casinos (see Figure 4).

**Figure 3: Affiliate links via organically found websites.**



*Affiliate links in Germany to websites found via organic search results on Google, proportion of legal vs. illegal links, June 2023, n=783*

**Figure 4: Affiliate links via paid-found websites.**



*Affiliate links in Germany to websites found via paid search results on Google, proportion of legal vs. illegal links, June 2023, n=174*

## Discussion

Fewer websites in Germany are placing illegal affiliate advertising for online casinos (76%) than in January 2023 (95%).<sup>2</sup> The reasons for the reduced incidence of illegal gambling advertising can be attributed to several possible factors.

In recent years, there has been a low level of criminal prosecution for illegal gambling advertising.<sup>4,5,6,7</sup> Illegal online casinos and advertisers have conducted their activities mainly from abroad, which has made law enforcement difficult. The use of anonymous domains with “Whois protection”<sup>4)</sup>, opaque company structures and servers abroad also contributed to the challenge of law enforcement.<sup>8</sup>

The online gambling market is a multi-billion-dollar industry, and the German market has been seen as a lucrative source of income by the profiteers. As a result, the start-ups of illegal online casinos have skyrocketed, and advertisers have made considerable profits from illegal gambling advertising.<sup>9th</sup>

With the implementation of the new State Treaty on Gambling, the Joint Gambling Authority of the Länder (Gemeinsame Glücksspielbehörde der Länder = GGL) was established as the new supervisory authority for combating illegal gambling. Since 2023, the GGL seems to be putting increased pressure on illegal online casinos, payment providers and advertisers, so GambleBase has contacted the GGL directly about its activities. The answer of the GGL:

The consistent action of the enforcement department of the GGL against advertising for illegal offers on various affiliate sites leads to the cessation of this prohibited advertising. However, as already known, the GGL cannot provide any information on specific procedures. However, it can be stated that any reported violation pursuant to Section 5 (7) GlüStV 2021 will be dealt with with all means available under the State Treaty.

4) Whois protection refers to a service that protects a domain holder’s personal information, which is usually available in the publicly available Whois database. Whois protection allows

domain owners to hide their personal information by displaying the domain registrar’s data instead of their own information.

Intensive research is also carried out on domain operators to make the persons behind them tangible as responsible persons. GGL receives a high number of complaints about affiliate sites and is always closely reviewed. In many cases, violations pursuant to Section 5 (7) GlüStV 2021 were found and administrative proceedings were initiated accordingly. In addition to administrative procedures, the means of combating illegal advertising activities include reporting to public prosecutors' offices.

Some illegal online casinos that were still included in the October 2022 and January 2023 study have apparently withdrawn from the German gambling market.

Popular payment providers among casino players, such as PayPal or Sofortüberweisung, have withdrawn due to the potential legal consequences of illegal casinos.<sup>10</sup> The deposit and withdrawal options play a crucial role in online casinos. An unattractive selection of payment methods can lead to a decrease in the number of players. Therefore, some casinos are switching to cryptocurrencies.<sup>11</sup>

In addition, many players may have become aware that playing in an illegal online casino can have legal consequences.

## Conclusion

The realization that 76% of affiliate advertising for online casinos remains illegal raises urgent questions about the effective protection of consumers and the enforcement of gambling regulation in Germany. For advertisers, however, the legal pressure seems to be increasing, and the fight against the illegal gambling market has picked up speed with the establishment of the joint gambling authority of the German states. Slowly, the market is shifting from an illegal to a legal market. Nevertheless, illegal casinos continue to be advertised illegally. There are still payment providers that work with illegal online casinos. In addition, affiliate websites abroad seem to feel safe from German law enforcement agencies. Whether this will change in the future remains to be seen.

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