

LEGAL UPDATE IN FRANCE

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eSport in France : clarification provided by the decree of May 9 2017

Anticipated by a number of players in the world of eSport, Decree n°2017-817 of May 9 2017 relating to the organization of video game competitions was published on May 10 2017.

Law n° 2016-1321 of October 7 2016 for a digital Republic had clarified the fate of video game competitions by officially recognizing them.

If on-line tournaments requiring players to pay an entrance fee and offering prizes to the winner remain illegal, organizing video game competitions, with an entrance fee and the chance of winning a prize, where the players are physically present (in a stadium or a hall, for example), no longer falls under the classification of prohibited gambling.

Decree n°2017-817 sets out the practicalities of organizing such competitions.

1/ Advance notification

The Department of the Interior in charge of racing and gaming must be given advance notice, using a teleservice system, of the competition, at least thirty days before the competition start date. Failure to comply with this obligation is punishable by a fourth class fine (up to a maximum of 75 Euros).

2/ Terms for the participation of minors

The decree prohibits minors under the age of 12 from taking part in video game competitions offering monetary prizes. Minors over the age of 12 can only take part if the organizer has received written authorization from a legal representative, which must be retained for a period of one year (this can be in dematerialized format). Any failure to comply with these provisions is punishable by a fifth class fine (1500 Euros or 3000 Euros for repeat offenders).

3/ Financial terms

The total amount in registration fees and other financial sacrifices by players in order to take part in the competition must not exceed 100% of total organizing costs (which include, in particular, the total value of prizes and winnings that are at stake). Any overrun must be declared to the Department of the Interior in charge of racing and gaming, no more than one month after the end of the competition.

Finally, if the total value of prizes and winnings at stake is more than 10 000 Euros, the organizers must provide the Department of the Interior in charge of racing and gaming with proof of a security, trust, insurance or an escrow account that guarantees payment to the winners.

For further information or queries please, contact us at contact@harlaylaw.com.



Harlay Avocats