



GMM Business Solutions hosted a specialised conference, on 21st November, to deal with legal and taxation issues effecting the nascent Italian online gaming scene .Italy has recently turned into a more user-friendly jurisdiction and last year issued an impressive set of remote gaming licenses. On the other hand UK tax regime is now prohibitive, given that the chancellor decided to set the online tax at a high 15%. So Italy like Malta stands out as an attractive jurisdiction with a tax burden which at 3% is well placed to beat the competition and start attracting cross-border trade. During the week of the conference the government empowered the degree legalising online poker as a skill game .

This conference is of direct interest to Malta, which as a competitor in this sector has amassed more online and gaming companies than any other Western European jurisdiction with a betting turnover exceeding euro 5 billion. The positive response GMM Business Solutions are getting from the Lotteries and Gaming Authority and from international



operators themselves has encouraged them to team up with Agicos, a Rome based media & P.R consultancy to launch the event at Sheraton Hotel Parco dei Medici, Rome - Italy .

The invitation to register was issued on a complimentary basis to our extensive database of lawyers, consultants, regulators and international investors. Situated next to Fiumicino airport away from the chaotic traffic in central Rome participants could enjoy the scenic

surroundings of a landscape golf backdrop.

The Sheraton hotel provided luxury conference and exhibition facilities to a whole range of gambling and gaming attractions for visitors and registered delegates. Keynote speakers included the Honourable Francesco Tolotti M.P & V.P of the Finance Commission in the Italian Lower House. To a packed hall he presented the government perspective on how a new taxation model will be shortly in place. The event comes at an opportune moment with Italian gaming and gambling markets opening up after the recent Placanica ruling in the European Court of Justice. Tolotti has confirmed that in the course of work of the reform taking place by the finance commission about the problems of the sector of gaming, the necessity of direct consultation leads to closer involvement in the sector starting from a series of criticisms announced by every operator of the games. The necessity for harmonisation of complex regulations which accumulated in a course of time which now need to be revised to suit the present dynamics of the market. New regulations must guarantee transparency and ease of application and improve transparency.



As in Malta where over 12,000 VLT's (video lottery terminals in bars and clubs) these are largely unlicensed and afford no player protection although recent attempts are in force to tax and regulate them. Equally so, in Italy over 100 thousand 'slot' machines need to be better controlled within a revised tax model. Another innovation is the proposed restructuring of the State regulator AAMS into new Agency of Gaming.

The transformation of the AAMS results in being an important and useful passage. However, it is wise not to rock the boat aggressively; in his words intervention in the sector includes a lot of problems. "Ritengo sbagliato mettere troppa carne al fuoco. The subject on taxation should be approached within medium-long term time.



Other speakers from the panel of operators included Betfair -Mr. Massimiliano Bancora, Microgame - Mr. Fabrizio D' Aloia, Playtech - Mr. Eyal Knaan, Betshop Group Italy - Mr. Riccardo Tamiro, Index - Mr. Gabriele Caliandro, Merkur - Mr. Johannes Mayr and many more experts .It is no coincidence that Italy is attractive as a gaming market.

Typically gambling operators from the UK are thought to be particularly interested in the lucrative Italian market with Stanley leading the way. Delegates at the Sheraton conference were offered a highly participative programme,

focusing on viable solutions on how to tackle the complex legal and regulatory hurdles. A formidable list of experts filled a highly participative programme which also included an expo from sponsors such as Playtech, Pentasia, GO, Betfair, Eurobet, Microgame and media sponsors such as Igaming Business, Bullet Business and Jamma.

A delegate from the audience posed the question whether in the near future Italy may fill-up the severe drop in business following the banning in USA of online bets under the unlawful Internet Gaming Enforcement Act (UIGEA). Billions of dollars in business were lost overnight by operators offering poker and sports betting to American citizens. Without any doubt the opening of the Italian poker market will soon address the problem.

A sign of this is the massive investment from giants such as Betfair, Ladbrokes ,William Hill, Playtech to name a few. Many expect some immediate solution to remove the total blockade against bets offered to Italian citizens originating from overseas sites including Malta 's own licensed sites which were unceremoniously declared as illegal. Both Dr Quirino Mancini and a well known expert Dr. Francesco Portolano, said that the event acted as a forum providing a unique opportunity for operators and regulators to discuss potential pitfalls in the legislation. This follows the implementation of proposals within the 'Bersani Decree' by which the Italian Government set to reform the Italian betting market, increasing the number of sports betting licences to 7,000, whilst reducing taxation on sports bets from 17% to between 2% and 8%, depending on turnover.



At another intervention Dr. Portolano augured a brilliant future for potential investors waiting in the long queue to penetrate the lucrative and exciting Italian market. On a cautionary point one recalls Charlie McCreevy the EU Commissioner for the Internal Market and Services who questioned the Italian government for persisting to impose a ban on European online operators' thereby blocking access to the Italian sport and horse-race betting markets. Dr. Marco Ripamonti, Partner, Studio Legale Ripamonti, argued that the ripple effect of the Placanica judgment will surely permeate to other jurisdictions. He expects this judgment has widened the horizons for liberalization in the European gaming markets, and hopes that the French and Italian authorities will finally toe the line. Dr Portolano reiterated that following the Placanica case the message to AAMS (the Italian State monopoly regulator) was clear. One needs to take proportionate measures when banning overseas online betting.



It is crystal clear that Italy's unilateral restrictions on "legitimate" operators were disproportionate. As a concluding remark the chairman augured that the gaming & lottery jurisprudence hoped for the emergence of a gradual de-regulation in Italy .

In his opinion this is a long and torturous road which may finally lead to the dismantling of the state gambling monopolies within Central Europe . Naturally with similar events of this calibre one cannot avoid discussing

responsible gambling. With the expansion of gambling services come serious considerations of the social costs to the young and vulnerable. The growth of interactive gambling intensifies the duties on industry's ability to ensure constructive measures to safeguard problem gambling and prevent underage gaming. To conclude with the comments from our super satisfied delegates, speakers & sponsors:

"Tutto perfetto .Si nota l'esperienza degli organizzatori.essendo avvocato privilegio l'aspetto giuridico e auguro di rincontrarvi in occasione di un prossimo convegno le confermo la mia disponibilita per future iniziative" Delegate: Dr. Giovanni M. Tognon - Advocate - Viti & Associati Studio Legale - Italy .

"This event was a great opportunity for Pentasia to meet with operators and suppliers in the growing Italian online gaming market. High level of international speakers, very good turnout of attendees, and all expectations met. Many thanks to the organizers keep up the good work and we look forward to the next event!" Silver Sponsor: Mr. Christopher Vella - Regional Director - Malta & Mediterranean - Pentasia iGaming Recruitment

"e' stato un ottimo congresso, il tema della tassazione deve essere affrontato in tempi medio-lunghi, penso che ci sia motivo per organizzare un altro convegno l'anno prossimo, in particolare quanto riguarda la reazione dell'industria sul sistema di tassazione". Guest of Honour: Hon. Francesco Tolotti - VP & MP of the Finance Commission in the Italian Lower House - Italy .

"Devo ringraziarvi per avermi dato l'opportunita' di essere presente al convegno. Il convegno mi e' stato di grande utilita'



specie per le informazioni di carattere giuridico/legale date dagli avvocati relatori. Speriamo di incontrarci in alter occasioni simili." Delegate: Mr. Tiziano Tredese - Director - Elmac Group - Italy .



"We found the conference impressive, as it served as a good platform for operators to discuss in an open manner the emerging problems of online gaming in Italy ." Speaker: Mr. Massimiliano Bancora - Betfair - Italy.