

Betting-Law-News from Italy



An article by guest author, Quirino Mancini, Attorney at Law and Partner, Sinisi Ceschini Mancini, Law Offices, Rom

Alert Memo

Mini-Liberalisation/Deregulation of Gaming & Betting Services in Italy

On 30 June 2006 the Italian Council of Ministers enacted a Law Decree ("LD") entailing an early mini-budget to cut its deficit by an ambitious EUR 11,2bn.

In presenting the LD to the media Mr Romano Prodi, the Prime Minister, announced far-reaching liberalisation economic measures in many sectors including legal and professional services, taxi licences, some medicines now tradable in supermarkets, class actions available to consumer associations and other interest groups, etc.

One the of the domestic industry sectors also substantially affected by the mini-budget is gaming & betting where provisions were introduced aimed at liberalising and somehow deregulating the offer of the relevant services.

Article 39 of the LD, entitled "Measures to tackle illegal gaming" delegates the gaming regulator ("AAMS") to implement the secondary legislation by no later than 31 December 2006 concerning, among others, the following services:

Interactive peer-to-peer remote betting on fixed odds

- Real-money remote skillgaming
- Offer of betting services other than horse racing by operators based in any EU and EFTA countries and even in other countries provided they comply with the reliability requirements to be set by AAMS

- Launch of a licence tender to launch a total no less than 7000 new land-based gaming shops and kiosks throughout the territory
- Fresh regulation of the offer of remote gaming services (including real-money skillgames) subject to payment to AAMS of a fee of no less than EUR 200,000

Tax-wise, the DL provides that with respect to skillgames the applicable rate is 3% of the wagered sum while for bets other than horse racing and peer-to-peer interactive betting, effective as from 1 January 2007 the following rates will apply:

- If the fixed odds bets net turnover recorded over the 12 preceding months is in excess of EUR 1.850mln, 3% per each bet up to 7 possible outcomes and 8% per each bet with +7 possible outcomes
- If the fixed odds bets net turnover recorded over the 12 preceding months is in excess of EUR 2.150mln, 3% per each bet up to 7 possible outcomes and 6,8% per each bet with +7 possible outcomes
- If the fixed odds bets net turnover recorded over the 12 preceding months is in excess of EUR 2.500mln, 3% per each bet up to 7 possible outcomes and 6% per each bet with +7 possible outcomes
- If the fixed odds bets net turnover recorded over the 12 preceding months is in excess of EUR 3.000mln, 2,5% per each bet up to 7 possible outcomes and 5,5% per each bet with +7 possible outcomes
- If the fixed odds bets net turnover recorded over the 12 preceding months is in excess of EUR 3.500mln, 2% per each bet up to 7 possible outcomes and 5% per each bet with +7 possible outcomes

The DL will enter into force on the day of its publication in the Official Legal Gazette and will have to be converted into law by the parliament within 60 days therefrom.

Given the crucial deficit-slashing goal pursued by the above mini-budget measures to bring Italy back in line with the EU parameters, it is expected that the Prodi-led centre-left ruling coalition will fully back and approve the DL in due course even if the very narrow parliamentary majority numbers do not allow to rule out possible setbacks and counter-lobbying coups.