

Finance Ministry investigates companies that operate Internet bets

Spanish The Tax Agency is investigating the growing Internet betting business. A sector which in 2006 generated 413 million euros in Spain, a 65% more than the previous year, which put the country on the top of the European ranking on online gaming.

The Finance Ministry controls the activity of these companies, considered illegal by the Law of General Budget of the State for 2007. The content of this regulation modified the legislation on the repression of smuggling and banned in the country, valid from January 1st 2007. The “sale, import, circulation and production of bills, tickets, seals or any other support of lotteries, bets and other games organized or issued by people or foreign entities”.

As companies that manage Internet bets in Spain are foreign (there are already 15 firms associated), the Ministry of Finance has decided to participate in the matter. Especially when the district attorney’s office has initiated a file to investigate if the sector should be punished for smuggling and if it asks the General Direction of Customs to act as a competent organ, according to legal sources.

On top of that, the ombudsman has decided to open another file after the reports issued by Femara, the federation that gathers slot machine businessmen.

The group of entities dedicated to online bets has its social headquarters in tax havens or European countries such as Malta. They do not have regulation or licenses, so they are not subject to fiscal taxes.