

A perspective on Internet gaming

The fight has been long and hard as jurisdictions around the world have sought to get the United States to ease up on restrictions against Internet gaming going as far as to suggest that what that country is doing must be illegal as far as consumer protection is concerned.

This, of course, is mostly from the perspective of those within the United States who have become used to a certain freedom when it comes to wagering.

It is not uncommon for Americans and other residents of that country to take off for days at a time to a place like Las Vegas where it is almost a free-for-all as far as various types of wagers are concerned including sports betting.

But there is something bothering the United States principals when these wagers are run through on-line facilities. They suggest that it allows Americans to circumvent various money laws as well as to evade taxes important to several aspects of the United States economy.

Many will advance that this is an obvious pitfall of the shrinking of the world especially through technological advancements. Further, Internet gaming has been seen as a way for several small nation states to earn capital and help with unemployment problems even though there are warnings that unscrupulous business people will gravitate to these less developed jurisdictions and try to flourish using those unacceptable methods that a country like the United States is so quickly to pick up on and move to eliminate.

So far, this is not saying much in the overall scheme of things as many of the smaller jurisdictions have put themselves in a position, with assistance from developed

countries, to effectively deal with the same concerns, thereby diluting some of the arguments of those who wish to see an end to cross-border gaming.

The argument was picked up recently and editorialised in newsday.com and we offer a reproduction below as we think it gives a very common sense view of the matter, not to mention the praise it gives to the role which has been played so far by Antigua and Barbuda in trying to get the US to comply to a World Trade Organisation ruling on the matter.

“Antigua and Barbuda, a tiny twin-island nation of 80,000 people in the Caribbean, is the mouse that roared on Internet gambling. It could force the elephantine United States (US) to reconsider laws prohibiting online wagering with offshore casinos.

Antigua challenged that prohibition before the World Trade Organisation and won – twice. Congress should accept that reality and replace the ban, with regulation designed to ensure the financial integrity of gaming in cyberspace, to screen out minors and to make sure that the US gets its cut in taxes. Legislation introduced by Rep. Barney Frank (D-Mass.) provides a good jumping-off point for debate in Congress.

Antigua is home to 32 online casino operations. It initiated a trade complaint in 2003, claiming that the US ban violates its rights as a member of the global free trade community policed by the WTO.

It won in 2004; again in 2005, after the US appealed; and the ruling was reaffirmed yet again this year. All that’s left is for the WTO to decide what damages to impose.

The organisation’s credibility is on the line. It can’t risk the rap that it aggressively enforces trade rules against small nations but timidly allows the world’s economic powerhouse to skate. The integrity of the United States is also at issue.

This country cannot respect trade rules that benefit us and ignore those that don't without undermining valuable free trade agreements.

Washington may be left with only two choices: Allow Americans to wager online with offshore casinos or ban all Internet gambling – including popular pastimes like fantasy sports leagues and off-track betting on horses, and maybe even the sale of lottery tickets online.

Antigua argued that by permitting some online wagering, while making it illegal for financial institutions to handle payments for Internet casinos abroad, the United States impermissibly discriminates against cyber-casinos. Washington should respect the WTO ruling, permit Internet casino gambling and do all it can to protect American consumers.”