

# National Commission cannot tender games in Paraguay

The National Games of Chance Commission (Conajzar) cannot tender games whose licenses have concluded, because the government did not release the decree in which it names new members, according to Law 1016/97.

The Representative of the Ministry of Finance, Cristhian Vera, stayed on his own after President Fernando Lugo took charge of the government last August 15th.

The commission cannot operate legally without the majority of its members, according to Law 1016/97, which creates Conajzar, comprised by members of the Finance Ministry, the regional and local governments, the Ministry of the Interior and the National Direction of Charity (Diben).

The commission has to start new games of chance tenders, among them, Asunción horse race-track. Jockey Club of Paraguay, whose president is ex Senator Gustavo Pedrozo, operates horse races temporarily, due to Regulation 171, from October 2nd, 2006.

Conajzar had granted the club an extension to the license, in order to keep operating the game in the horse race-track. The private entity had obtained its license through a public tender in April, 2001 (the legal tender lasts five years).

On September 11th, the Government's Watchdog Office points Conajzar president, Cristhian Vera, that the tender cannot be extended in a provisional way to Paraguay Jockey Club. That's why controller Octavio Airaldi demanded a tender process to be held.

One of the functions of Conajzar members is to elaborate the bases and conditions for public tenders for the games of

chance licenses. The government approves the granting by decree.

Besides, the Supreme Court of Justice did not release its resolution with regards to the preventive measure that left in suspense Article 6 of Law 2421/04, which modifies Article 83, d) of Tax Law 125/91.

Through A.I. 145, March 13th, 2006, members of the Supreme Court decided to consider the suspension of the effect of Law 2421/04, until the question is resolved.

The document has the signatures of Ministres Antonio Fretes, Víctor Núñez and José Altamirano. Among the economic activities that did not pay VAT, according to Law 125/91, there were "tickets, bills and other documents related to games and bets".

However, the new tax law eliminated the tax exception, so many companies turned to the Supreme Court of Justice, among them, SES SA (Asunción Worest), Bingopar SRL, Euro Golden SRL, Novomatic, Actividades Empresariales SA and Talismán.