

US Internet gambling laws breach WTO rules – EU

A US crackdown on European online gambling breaches World Trade Organization rules and would justify action at the WTO, the European Commission said this week.

The European Union executive, which oversees trade policy for the 27-nation bloc, said its draft report found that such US laws hampered trade and thus were inconsistent with WTO rules but stressed it would seek a negotiated solution.

„It is for the US to decide how best to regulate Internet gambling in its market, but this must be done in a way that fully respects WTO obligations,“ EU Trade Commissioner Catherine Ashton said in a statement. „I am hopeful that we can find a swift, negotiated solution to this issue,“ she said.

In 2006, the US Congress passed legislation making it illegal for banks and credit card companies to make payments to online gambling sites. The move hit European Internet gambling companies hard, slashing billions of euros off their market value.

While companies such as PartyGaming and 888.com subsequently withdrew from the United States, they face possible criminal prosecution for action prior to 2006. The Commission's report is based on its investigation that followed a complaint by the Remote Gambling Association.