

In view of the Senate vote on Spain's Gaming Regulation Bill

## **“This bill jeopardizes the common good, benefitting solely non-legalized companies”**

- The CODERE Group has addressed the members of the Senate Economy Commission to put forth the fact that the current text will give rise to the common good being rendered defenseless and the inadequate regulation of this major economic sector.
- Measures are incorporated favoring those online operators who – from Gibraltar and other tax havens – have not submitted to Spain's current legislation, thus discriminating against those who are listed on our stock market, are creating jobs and are paying taxes in Spain.

**Madrid, 3 May 2011.** The CODERE Group, a benchmarking Spanish multinational in the private gaming sector listed on the Madrid Stock Market, has addressed the different members of the Senate Economy Commission to put forth the fact that, following the amendments approved by Congress and in view of their current processing through the Senate, there are clauses in the future Law which are neither in keeping with the common good nor with a proper regulation of this major sector of the economy.

For the CODERE Group, this conviction is based on the grounds of the treatment this bill gives to the online gaming operators who have been carrying out this activity without submitting to Spain's laws and regulations, on not being licensed, not paying taxes in our company on their earnings and not guaranteeing the adequate protection of minors and vulnerable groups. *“These operators – as pointed out through CODERE – are going to be privileged by this new Law over those Spanish businessmen who have been abiding by Spanish legislation, have been paying their taxes on time and have been creating jobs and wealth in Spain”.*

In order to prevent jeopardizing the common good and set forth a viable Legal Framework, the text of this new Legislation must:

- Maintain the criminal penalty in force today for whomever operates gaming illegally in Spain, as is also the case in countries such as Italy and France.

- Incorporate the basic requirement of being up-to-date regarding one's tax obligations in order to be eligible for a license for operating gaming in Spain.
- Require that the technical systems serving support for gaming be resident in Spain so as to guarantee Government Agency supervision and control, a circumstance backed by the European Commission as the one single, fundamental means supporting true, effective control.
- Require that customer databases irregularly obtained, which would give rise to unfair competitive edges, be scrapped, this being a practice already in force under French legislation.

In addition to the above, CODERE points out that *"it would be highly unfortunate for a deliberately distorted, misguided view of Spain's legal obligations stemming from the European Treaties to prevent some of the amendments put forth by the Parliamentary Groups providing solutions to these shortcomings from being incorporated into the final text, thus imbuing this Industry's future with legal insecurity and a much to be anticipated high degree of litigation to the detriment of all involved"*.

The CODERE Group wants to contribute to championing the concerns of those who have been operating responsibly in Spain's Gaming Industry for over thirty years and showing the utmost willingness to cooperate with legislators in properly regulating this important activity.

### **The CODERE Group**

CODERE is Spain's only international company, a benchmarker in the private Gaming Industry in Europe and Latin America, listed on the Madrid Stock Market. CODERE employs over 20,000 people, its 2010 turnover having total 1.1 billion euros, paying gaming taxes amount to 350 million euros. CODERE is present in Argentina, Brazil, Colombia, Spain, Italy, Mexico, Panama and Uruguay and operates online gaming in Italy, where it holds licenses for this purpose.

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