

Gibraltar betting on US online gaming

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A man plays poker on his computer connected to an internet gaming site from his home in Manassas, Virginia on October 2, 2006

The tiny British territory of Gibraltar is bidding to snap up a giant slice of the nascent US online gaming market as states gradually begin to relax a ban on Internet betting.

Some 60 percent of all global business via online casinos and gaming

currently flows through Gibraltar, Chief Minister Fabian Picardo, the head of the territory's government, said Tuesday.

"Gibraltar is the largest jurisdiction in the world, the most successful jurisdiction in the world in the provision of online gaming," he argued.

"Online gaming is a burgeoning part of e-commerce and Gibraltar is at the forefront of that," he said during a trip to the Washington.

Gibraltar has 26 registered online casinos and gaming operators, including such giants as British bookmakers Ladbrokes, many of which were attracted to the rocky outcrop on the southern tip of the Iberian peninsula by low tax rates, and other economic advantages such as no value-added tax.

But Picardo stressed "they are the 26 biggest operators in the world, 26 most reputable operators in the world and subject to the most stringent regulations in the world."

Gibraltar had put in place strict rules to try to stop underage gambling, as well as to mitigate against any online addiction, he said.

And it had insisted as part of its licensing agreements, that all companies must steer clear of transactions from the US where [online gambling](#) remains banned in most [states](#).

But after a recent US legal opinion suggesting that the 1961 Federal Wire Act does not ban interstate online gambling, some states are now moving to open up their market.

"We believe that Gibraltar's in pole position to demonstrate to each of the states of the United States that we have been respectful of its laws and that this demonstrates how regulated the industry is in Gibraltar,"

Picardo said.

The Gibraltar-based 888 Holdings—which runs gaming sites in 19 languages in more than 150 countries—last month reached a deal with Wynn Interactive, a subsidiary of the gaming giant Wynn Resorts, to develop Wynn's online gaming offering as New Jersey and Nevada open up for business.

Telecommunications, e-commerce and e-gaming account for about 15 percent of the territory's \$1.9 billion economy, according to CIA statistics.

Reports suggest that some 2,500 people out of the 30,000 residents are also employed in the industry.

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