

## The expert Giovanni Carboni "Necessary upgrade but very slow process"

The point of view of Carboni & Partners's Giovanni Carboni is undoubtedly a privileged one. He is always going back and forth between State Monopolies and major gaming operators. This time, its contribution is even more important, given the sensibility and importance of the subject, both from a political and a technological point of view.

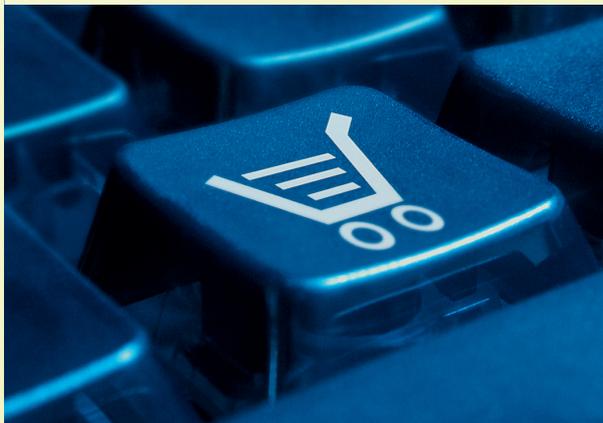
In fact, we are close to the first real and unique European online gaming market. It will be a historical fact. Is this the way to the future or will it be an experiment limited to some games? "Both of them are true. But above all, the second one, although poker liquidity is more important than the international horseracing experience, already in place for years. It is an upgrade compared to the cooperation level between regulators we have registered in recent years. It will set an acceleration in practices and in the adoption of the best ones. But it is still a small step in a very slow process and the hypothesis of a united and unique European online market and beyond the horizon."

Is Europe contributing to the operation or is it just controlling your work from afar? "This is an initiative of the 'spontaneous' group of seven regulators: Italy, France, Spain, Portugal, England and Austria, pursuing homogeneous goals but it has an independent program with easier and more operational ways of working than the expert group of 31 members of See, set up in 2012 with the Commission for the Internal Market of the European Community's action plan".

How will the tax system work? Will the taxes be standardized or everyone will pay according to its rate? "If we were to standardize taxes, the project wouldn't see the light. Taxes will remain the same, while we hope that adjustments will be made later, which should cover French poker cash. Taxes do not have to be the same. But the French tax gap, which is more than twice the Italian one, could cause serious problems. Operators par-



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ticipating both on the Italian and French market could be forced to raise the rake currently adopted in Italy, disappointing players, or lower it in France, restricting their margins already existing on that market. I expect the second one."

How will liquidity be concretely carried out at a technical level? "Technical problems are not as relevant as they are sometimes perceived. Poker is the same in all countries and platforms are already transnational. Regulations set some limits, in particular in the Italian case, they limit the buyin of tournaments at €250 and the initial cash stake at €1,000. This won't change, at least in short. Italian players simply won't have access to tables above the Italian limits, but they are a minimum market share. Reporting in Italy involves real-time connection with the Sogei system and for other countries the simplest model of 'Safes' gaming data storage. Each country will continue to do so by adapting its reporting system. The times to be ready could be different and maybe longer in Italy. Countries that will join the liquidity project should establish that all together, unless unacceptable delays. A delicate aspect of the project is the unavoidable alteration of competitive balances. There will be some advantage and some disadvantaged operators. But these impacts must be contained.

What are the critical aspects of the project that regulators of the participating countries should share, if not technical ones? "In my opinion, the aspects to share concern player protection and fight against frauds, money laundering and infiltration of organized crime. That is, right the themes that are strictly in the hands of the states. We don't need identical rules but "equivalent" solutions, ensuring comparable protection levels.

What are your evaluations about the growth of poker, bingo and casino games market? "International liquidity will have a positive but relatively small impact. Previous volumes remain unrepeatable. It will contribute to the recovery of poker market, we hope with a positioning towards entertainment. More generally, as regards Italy, we will have a considerable increase in the share of online gaming channel in next years, which is now of 5 percent, while it is 35 percent in the Uk, an abyss, and a level that isn't consistent with the spread of Internet use and smartphones. This is fine, because online gaming is named, controllable and controlled."