



Taxation

- The Members of the RGA are remote gambling companies with European and sometimes other licences who operate in a highly competitive international environment. Their business models have been developed to provide maximum value for consumers and do not provide margins for high levels of taxation.

However, where a jurisdiction has an overall regulatory and fiscal regime that is viable then it is possible for operators to pay taxes, although it cannot be stressed often enough that the key issue is not the level of gambling tax in a jurisdiction, but its overall tax burden including, for example, VAT and corporation tax.

- . Excessively high and uncompetitive taxes can have the result of pushing consumers to play in the black market, leading to lower revenue for the government and fewer safeguards for consumers.
- Additionally, the tax system for remote gambling can be improved through the use of an efficiently structured tax. A gross profits tax (GPT) is neutral across operators and games, resulting in greater competition and consumer choice. A GPT also allows for creativity and innovation to flourish as operators have the flexibility to provide different types of games with different revenue models to consumers. In contrast, an alternative such as a turnover tax – a tax on total stakes – would shift the market toward low-volume, high-margin games which are worse for consumers. Online poker, for example, is unworkable under a turnover tax as jurisdictions like Italy have recently discovered.