

## PRESS RELEASE

### **BETTING TAX ANTE 2011: AFTER THE JUDGMENT OF THE CONSTITUTIONAL COURT, THE STANLEY BETTING SHOPS PREVAIL ON ITALIAN AUTHORITY IN ALL JUDICIAL OFFICES.**

Liverpool, 10.05.2018 - The provincial and regional commissions accept the appeals of Stanleybet and its affiliated centers, defended by lawyers Daniela Agnello and Vittoria Varzi, on the subject of the Betting Tax.

Therefore around 750 notices of assessment are being canceled, which ADM - the Italian Authority - persists to avoid canceling by the application of self-protection.

Whenever the judgments regard the Stanley betting shops and the Betting tax for the tax year previous 2011, the judges currently conform to the judgment of the Constitutional Court and cancel the assessment notices challenged by Stanleybet and its affiliated betting shops.

Therefore, the Tax Commissions also began to sentence the Authority to repay the judgment costs.

As an example:

The Provincial Tax Commission of Bari has annulled the ADM assessment notice for the tax year 2010 accepting the appeal initiated by Stanleybet Malta, as a co-obligor in agreement with a betting shop landed in Bari.

The Provincial Tax Commission of Rome has annulled the ADM assessment notice for the tax year 2010 and has sentenced the Authority to pay court costs.

The Lazio Regional Tax Commission, fully compliant to the sentence of the Constitutional Court, canceled the assessment notice with reference to the 2007 tax year.

For the tax years after 2011, the sentences of the Commissions are sometimes favorable to Stanley, sometimes favorable to the Authority. But it is a fact that the tax courts are showing great interest in the way the lawyers who represent Stanleybet and/or their betting shops are debating during the judicial hearings. It is taken for granted that the subject will be referred to the European Court of Justice. In fact, the rule pertaining to the Betting Tax that applies to the betting shops, ratified by the 2011 Financial Budget, aimed to deter the opening of unlicensed betting shops. In fact, this is a more than legitimate regulation, if ruled against a generic illegal operator. But why should Stanley betting shop, an operator already legally bound by the judgments of the Court of Justice and already paying the tax on billing to the Maltese Authorities, had to be discouraged by the Italian Government? Is it not this same Government that has prevented Stanley, in violation of Union law (*Gambelli*, *Placanica*, *Costa Cifone* and *Laezza* sentences), to obtain a regular license for Retail?



It is clear that the 2011 Financial Budget represented a further form of 'fiscal discrimination' for Stanley, towards the Company and the betting shops in agreement. From this perspective, ADM officials were allegedly instrumental in the infringement of EU law, and this is the reason why Stanley has always been committed to prior and fully warn ADM and its officials.

In this context, Tax Courts are increasingly agreeing with the sentences of the ECJ. Therefore, their sentence is in favor of Stanley and their betting shops also for years after 2011, without the need for any new appeal to the Court of Justice.

Referring to this, the Tax Commission of Bologna - with a recent ruling dated 12.04.2018 - accepted the appeals lodged by Stanley and the affiliated betting shops represented by the lawyers Daniela Agnello and Vittoria Varzi. The sentence was based on the motivation that the claim to impose a double tax on an economic operation is not admissible only because it had (partial) performance in the Italian territory, because the same operation has been taxed in another country (Malta in that particular case). Moreover, the Judges wrote in the sentence that does not seem to be acceptable the opinion expressed by the opposing Authority that the betting shop manager would be a taxable subject, as a betting manager. Besides, the Judges also stated that the party that actually manages the bet, as well as the bettor, is not the betting shop (manager), but the foreign operator that appears the actual interested in the result of the game (see the Court of Justice of the EU, case C-89/05 13.07.2006, Criminal Casing sentence 26728/2015 and Council of State sentence 1992/2015).

The Tax Commission of Bologna therefore canceled the ADM assessment notices.



## **About Stanleybet**

Stanley was established in Belfast, Northern Ireland in 1958 and, after over 20 years of development in Ireland, relocated to England in 1979, setting up its headquarters in Liverpool.

In 1986, after the extraordinary expansion of its betting shops and casinos, the Company went public on the London Stock Exchange and changed its name to Stanley Leisure Plc. The Stanley Leisure share quickly joined the prestigious ranks of the market's 250 blue chips used each day to calculate the stock exchange index.

Stanley International, a 50/50 joint venture between Stanley Leisure Plc and an Italo-British player was established in July 1997 and immediately began overseas operations in Croatia and Italy.

In 1998, Stanley Leisure Plc requested authorisation from the Italian Ministry of Finance to participate, with its 100 betting shops, in the test phase for betting assigned to SNAI as a monopoly. The Ministry's response was that it could only tender once the test phase was complete. But the 1999 call for bids for 1,000 concessions included certain disqualification clauses: publicly listed companies were not eligible to tender. Following Stanley's complaint with the European Commission, a violation procedure was commenced against Italy. However, it was not until the rulings of Court of Justice Judges Gambelli (2003) and Placanica (2007) that Stanley's disqualification was found to be in violation of EU law.

In May 2005, Stanley Leisure sold all its betting shops in the UK (approximately 700) to William Hill, while remaining a leader in England with its casinos and focusing on significant development in Europe through its investee Stanley International.

The Italian government put nine-year concessions up for tender in August 2006, but the clauses on the distances between points-of-sale favoured the 1,000 winners of the 1999 call, from which Stanley had been unfairly excluded. Stanley took action and, in 2012, Judge Costa Cifone with the Court of Justice ruled that the Italian government had, with the clause in the invitation to tender (under the Bersani decree), once again violated EU law to Stanley's detriment.

September 2006: the Malaysian group Genting International launched a complete takeover bid on the London Stock Exchange for Stanley Leisure Plc. The bid was a success.

The following month, the Italo-British owner of 50% of Stanley International acquired the residual 50% from Genting International, assuming complete control of the English holding company that controls the entire group.

In 2012, Stanley and the Italian Regulator, ADM, met informally to discuss Stanley's participation in another invitation to tender for a nine-year concession. However, the Monti decree unexpectedly established a concession term of only three years and included a clause requiring the free transfer of the network at the end of the concession, making it impossible for high-profile companies to participate. Following the dispute that arose, the Court of Justice (Laezza's decision of 2016) yet again confirmed that the Italian government was in violation of EU law with the free network transfer clause.

Meetings were held with the Italian Regulator and an understanding was reached for Stanley to tender for online services. Since then, Stanley has run betting operations remotely in Italy with a valid ADM licence. Stanley hopes to reach an agreement as soon as possible for retail services as well, and is putting all its efforts in this direction.

In 2014, at the end of the long non-competition period agreed with William Hill, Stanley resumed operations in the United Kingdom: it opened its first shop in this new era on 14 February 2014 in Liverpool.

Stanley holds a licence for retail and/or online operations in the United Kingdom and many other European countries. Only its Italian operations are cross-border under a Maltese licence, due to the discrimination that Stanley has faced in accessing Italian concessions, in violation of EU law, as confirmed by multiple rulings of the Court of Justice and Italian judges, including at the highest levels.

The Stanleybet Group is currently a major European player in the gaming industry and operates in the United Kingdom, Denmark, Belgium, Germany, Italy, Croatia, Romania, Malta and Cyprus, with a total of over 2,000 shops and offices and 3,000 employees and freelancers.