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Italy blocks Maltese internet gaming sites

Matthew Vella

The Italian state will on Friday block 684 internet gaming sites which are considered to be illegal, to protect Italian gamers from "phishing" – the fraudulent acquisition of passwords and credit card details.

All sites licensed in Malta are included in the list, which was put into force following Italy's 2006 Budget, to block all online gaming sites which are not licensed in Italy. The law stipulates that ISPs in Italy should block the websites, otherwise they will be fined for every that they are in breach of the law.

The Italians have threatened ISPs in Malta with a daily fine of EUR180,000 in a unilateral move that has been described as a case of protectionism. According to the Financial Times, the legal director of gaming company Betfair, which also has a Maltese licence, said that Italy's move had unified the British gambling heavyweights to take legal action, and have already specialist legal firm Freshfields.

The Lotteries and Gaming Authority said it will not be pressing for any direct action with the Italian state since there are "a number of unclear factors" which



the Italy regulatory body, the AAMS, needs to clarify.

The authority said it will be taking steps to ensure Maltese licensees are not affected by the law. The authority said it has information that the whole list of websites has been blocked by an access list on ISP routers, although

this was tested last week "and two huge ADSL networks in Italy went down".

The LGA said it is carrying out a publicity campaign on Italian media and online gambling forums to encourage players to visit its website to access Maltese gaming sites.

The authority said it is possible that all Malta's IP classes are blocked at Italy's main internet exchange in Milan, through all Malta's international IP traffic passes through. The LGA said it was aware that such an action is being contemplated. "For this kind of action there is no quick solution as we need to tunnel through a foreign proxy of VPN tunnel outside Malta. The LGA is seeking to lease a server in London Docklands or Vienna."

The LGA said this kind of action would also affect non-gaming sites hosted in Malta, and that ISPs should advise their customers who may do business in Italy about this possible action.

The authority is now putting up a website with links to all licensees. Each link will go through a web anonymizer so the IP address is different from the original website. It instructed each ISP to make a number of IP addresses available as it is possible the anonymous proxy will also be blocked.

Licensees whose web pages are not hosted in Malta need to discuss their options with their ISP. The proxy must be ready by Thursday 23 February and details communicated to the authority.

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Malta gets pittance in tax from lucrative fish farms

Matthew Vella

The fish farm industry, a million-lira industry that has been vehemently criticised for its impact on marine ecology and tourism, has generated just Lm289,979 in tax in the last seven years.

Benefiting from incentives under the Business Promotion Act, the aquaculture industry generates millions every year, according to Eurostat indicators.

Data from the Food and Agriculture Organisation shows the total value of seabream (awrat) and seabass (spnotta) production in Malta at USD34.3 million (Lm12.4 million), between 1998 and 2003.

They are the two main species farmed in Malta's aquaculture industry, 95 per cent of which is aimed for the foreign market.

The tax benefits presented in parliament are so far inconclusive as to whether these pertain solely to the aquaculture industry, or whether this may include tuna penning farms.

"As such the statistics are unclear," Ivan Portanier, a spokesperson for Ta' Mattew Fisheries, an aquaculture farm, argued. "The majority of shareholders in the tuna industry are Japanese and Korean, which probably means they do not pay tax in Malta. If it does concern the aquaculture, one must say that turnover has been decreasing for the past six to seven years. However, today the industry has found new ways of containing any harmful effects from its operations." ▶ page 36

Fimbank's proposes scrap dividend of US\$1.50

Fimbank's Board of Directors are proposing that at the AGM, the shareholders approve a one for 5 bonus shares issues and a scrap dividend to those shareholders on the register at the close of trading at the end of this month.

The Board of Directors will recommend that the scrap dividend will be paid either in cash or by the issued new shares. The price set is

US\$1.14 per ordinary share whilst the price for calculating the scrap dividend will be established at US\$1.50.

In reviewing the performance of the Fimbank Group one finds that the after tax profit is US\$2.7million vs. US\$1.54 million in 2004.

The published results also show that the Bank is diversifying its geographical presence and prod-

uct offering leaving. Pre-Tax profit reached US\$3.25 million a remarkable increase from 2004 when it registered a figure of US\$1.42 million.

On the other hand the Group registered a decrease in net interest income but an increase in Group Net Trading income. The Group's Net Operating income grew by a healthy increase ▶ page 3

Maltacom at Lm42,500 profits a day but only Lm2 a share

Maltacom could be making Lm42,500 profit per day whilst HSBC makes up to Lm100,000 per day. This transpires from audited accounts for the first six month published by Maltacom. The revelation shows HSBC generates nearly twice and a half of the daily profit than Maltacom. However comparing the share prices; HSBC is at circa Lm11 and Maltacom at circa Lm2.

(See editorial comment: Maltacom Shares Page 27)

George Abela returns to haunt Tony Zarb

James Debono

Port workers have asked former General Workers Union legal advisor and former deputy leader of the Labour party Dr George Abela to act as their legal representative in negotiations with the government, on port reform.

Abela confirmed his appointment as the legal advisor of Port workers, when contacted by Business Today.

Abela had fallen out with MLP leader Alfred Sant before the 1998 election. Subsequently Abela had also fallen out with GWU secretary general Tony Zarb. ▶ page 3

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