

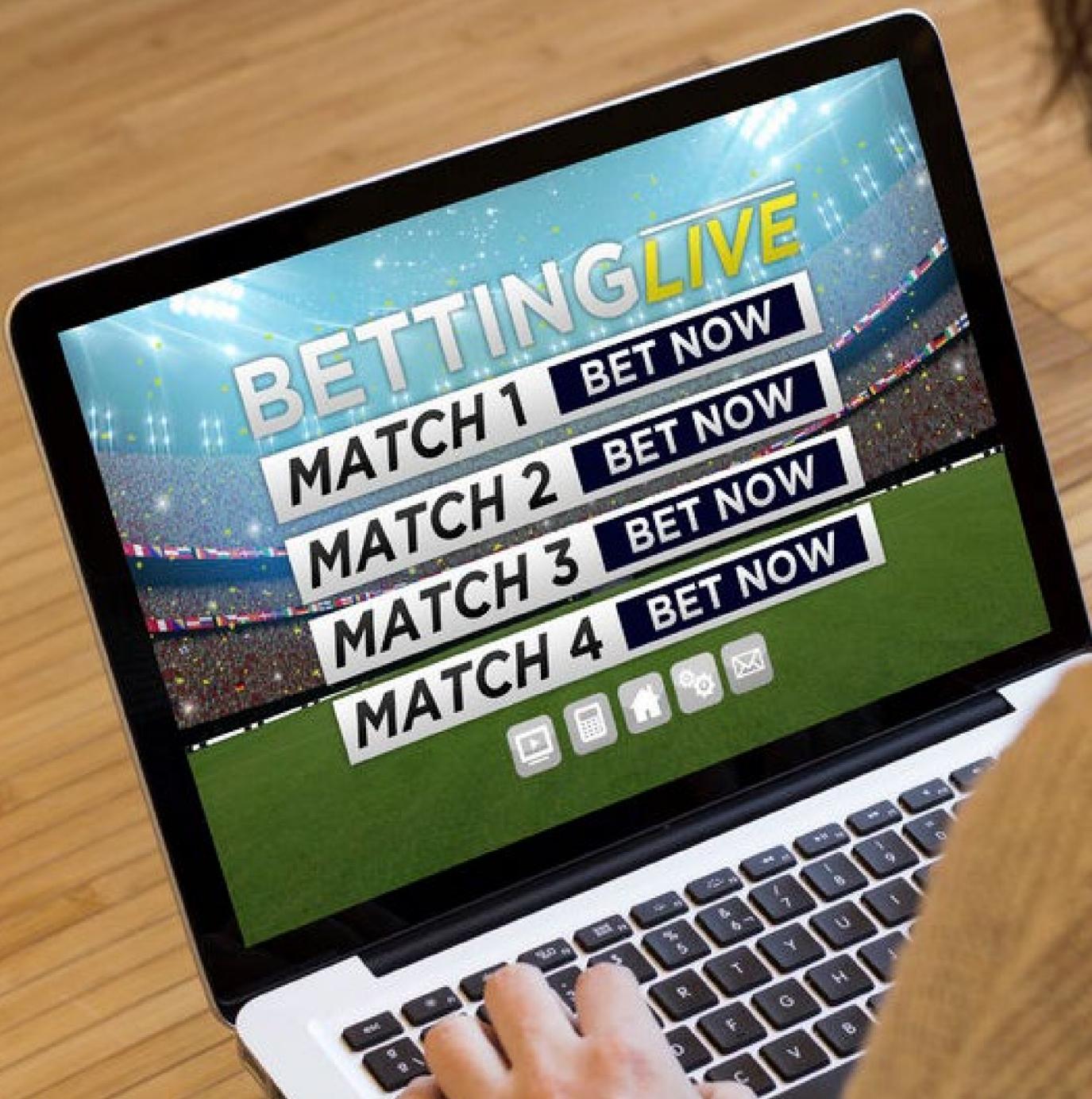
Gökçe

Objection!

September 2018

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**HIGH RATES, HIGH RISKS:
“ILLEGAL ONLINE BETTING”**



ILLEGAL BETTING AND FIGURES

Since competition in sports games is attracted great attention of masses, the contests of forecasting on what will happen in such games that allow the participants to make money, if they predicts correctly, have a history almost up to the history of the sport. Additionally, such contests of forecasting have created an economic sector since the games started to play. At the beginning, economic size of such contests has been relatively small, however, it has reached considerable dimensions globally due to the increase in the number of sporting events and expertness; such competitions have become popular worldwide; and technological developments that enable the masses to access instantly to such competitions.

Therefore, it is inevitable to make legal regulations for protecting the individuals and the social order in such sector which seriously affects the economy of the states and the individuals. In this respect, the related regulations have been introduced in our country to play betting games in the way determined by the licensed institutions, as well as to play bets in vendors or mediums determined by such licensed institutions. However, the illegal betting contrary to such regulations became widespread along with the Internet and reached a great volume that especially multiplied legal betting market volume.

In this context, it is stated that the legal betting industry in Turkey reached a volume of 10 Billion TL (Turkish Lira), whereas the illegal betting industry reached a volume of 50 Billion TL. On the other hand, the global volume is estimated to exceed \$ 500 Billion annually. The annual activity report issued by the "Financial Crimes Investigation Board" in 2017 has stated that illegal betting has played by nearly 5 million people in Turkey and illegal betting websites have been entered in 3,500 workplaces and 69.461 people has been mentioned in the investigations regarding such matter.

WHY IS ILLEGAL ONLINE BETTING PREFERRED?

Although the mediums and the games to be bet on sports games are legally determined, there are various motivations to affect the participant's preference for playing illegal online betting. Accordingly, the most important reasons are as follows: betting rates are lower than abroad and online channels; there is no possibility to play the betting games live; it is reduced the possibility to win due to there is a requirement which is betting on a minimum number of games; and the participants't efforts to keep their identities confidential since they do not prefer to disclose their identity.

CRIMES AND PENALTIES

Some of the acts in the context of illegal online betting have been defined as a crime under the Law numbered 7258 on Betting Activities Related to Soccer and other Sports Matches (Law). In this direction, without being based on the authority granted by Law;

- Those who cause to play or provide an opportunity to bet or gambling shall be sentenced for a period ranging between three years to five years and a judicial fine,

- Those who provide an access for bet or gambling websites abroad in Turkey via the Internet or other mediums shall be sentenced to imprisonment for a period ranging between four years to six years ,
- Those who act as intermediaries in money transactions in connection with betting or gambling shall be sentenced to imprisonment for a period ranging between three years to five years,
- Those who encourage individuals to illegal bet or gambling by advertising or any other action shall be sentenced to imprisonment for a period ranging between one years to three years and a judicial fine.

A NEW PERIOD IN ILLEGAL BET INVESTIGATIONS

With the Decree Law no. 694, entered into force on 15 August 2017, the Law no. 7258 has been amended that the provisions regarding the following measures might be applied during the investigation of the crimes mentioned above: “seizure of the immovable goods, rights and receivables”, “detection, wiretapping and recording of the communication”, “appointment of undercover investigator” and “surveillance with technical mediums”. In this respect, the effectiveness of the investigations is increasing day by day and such activities, which are generally seen in the form of organization, are interrupted especially with the possibility to seize the bank accounts of the suspects. In the investigations conducted after the enforcement of the Decree Law, it is stated that the income amounting to 15 Billion TL, which is supposed that it is arising from such crimes, has been seized.

THE SITUATION OF ILLEGAL BETTING PLAYERS

The key question arouses curiosity about the illegal online betting is whether the persons only betting on the games without conducting any criminal act mentioned above are sentenced.

Pursuant to the Law numbered 7258, the highest administrative local authority has right to impose administrative fine on illegal bet players and gamblers from 5,000 TL to 20,000 TL.

In light of the above, illegal online betting is deemed as a misdemeanor instead of a crime, and accordingly administrative fines shall be applicable instead of imprisonment or a judicial fine. However, during the illegal online betting, the transfer of money to many different accounts or the transfer of funds from such accounts causes thousands of players who are in fact only “players” to take part in the investigation as “suspect” for the types of crimes listed above.

Since the online betting is generally an organized activity, investigation methods related to organized crime must be applied in the investigations carried out regarding. As a consequence of such situation, almost all of the investigations are subject to confidentiality order, and the suspects or their representatives cannot reach any information in the investigation file until the end of the investigation.

Also, since it cannot be detected immediately who is involved in the online betting organization or who is only betting player in such process, all suspects who are mentioned in the investigation may be subject to a ban on leaving the country as a judicial control measure and all the bank accounts of them may be blocked as a protection measure, which leads the suspects to not use their bank accounts under no circumstances until the end of the investigation. In particular, such protection measure in the bank accounts might cause certain extremely serious economic

consequences for the merchant or company shareholder suspects. For instance, commercial loans might be adversely affected or as the money transfers through the bank become impossible, commercial exchanges might be completely ceased.

Moreover, as the prohibition of leaving the country prevents such suspects from going abroad until the investigation is ended up, the economic relations in connection with abroad may be damaged. Last but not least, since there are usually many suspects mentioned in the investigation, process might continue for a long time, and such extremely unfavorable situations can last for months or even years.

OVERCOMING THE PROBLEMS

While the country's economy is damaged due to the loss of resources arising from illegal online betting activities, at the same time public resources are being spent in order to reveal such acts.

Mainly, the solution of such problems might be achieved by removing the reasons lead people to prefer illegal betting. Especially after the tender process of betting, which is postponed to 2019, is concluded, it is expected that the rates on legal betting will increase with the increase of the amounts of the prizes. Additionally, there is an expectation that the diversity of the game will increase; and after that the betting system might be competitive with Europe in the future.

It is crucial to state that the problems will be solved substantially through the diversification of the licensed institutions, providing competition in service and application of the effective sanctions system.

Finally, it is important to carry out an effective investigation process to solve the economic problems caused by the prohibition of leaving country and blocking of the bank accounts of suspects who are only bet players. In such process, suspects and their representatives must have a responsibility to separate those who are only bet players in the illegal betting organization from the organizers.

Accordingly, by resorting to appropriate legal remedies, the suspects and their representatives must share all data they have with the investigating authorities in order to prove that they are only betting players and apply for the removal of such protection measures. Therefore, it would be possible to make shorter the investigation period and limit the possible adverse effects of the protection measures.

Answers. Not theories.

Gokce Attorney Partnership

Editors:



Av. Dr. Erkan Sarıtaş
erkan.saritas.@gokce.av.tr



Av. Hazal Algan
hazal.algan@gokce.av.tr



Av. Ozan Can Özbalçık
ozan.can.ozbalcik@gokce.av.tr



Av. Duygu Ercan
duygu.ercan@gokce.av.tr

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Please contact us at
contact@gokce.av.tr
0 212 352 88 33

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