

# Turkey to tax online gaming

In Turkey, the Telecommunications Directorate (TIB) watchdog has asked the Ministry of Finance to levy a tax on Internet gaming after an investigation allegedly produced irregularities within the sector.

According to a report from Zaman Istanbul, Fethi Simsek, the head of TIB, stated that his agency had watched the online gaming sector closely and decided to warn the Ministry about the need for a tax.

In addition, prompted by TIB and the Ministry of Interior, the Ministry of Finance earlier this week banned a game entitled Knight from being played at Internet cafes prompting the host company, K2Network Incorporated, to immediately appeal the move in court.

Simsek stated that K2Network's Turkish operations had produced large profits amounting to more than one million dollars per month last year. He said that the company had increased its profits in Turkey from almost four million dollars in 2006 to around nine million dollars in 2007.

'There are thousands of people becoming addicted to games and companies are earning profits without being taxed,' Simsek told the Anadolu Ajansi news service. However, Yusuf Andic from the All Internet Houses Association (TIEV) stated that while demanding a tax on such games is a 'good move', the ban was 'questionable' because 60 % of Internet gaming takes place in homes.