

Emergency Ordinance No 92 from 29 December 2014 regulating fiscal measures and modification of laws

Given the "Letter of formal notice - infringement no. 2013/4216" of the European Commission, by which "it draws attention to certain provisions of the Government Emergency Ordinance no. 77/2009 on the organization and operation of gambling, which appear to raise issues of compatibility with the fundamental principles of freedom to provide services covered by Article 56 of the Functioning Treaty of European Union, "and that makes' objections to the inconsistency of Romanian legal framework on gambling" the present emergency ordinance propose legislative regulations in order to avoid infringement of the European Union Treaty, but also to serve the interests of the state monopoly established on gambling.

However, given the need for fiscal measures for ensuring funding sources for economic development and taking into account that the authorization fee charged to the organizers of gambling activities is unchanged from 2009, it is required to amend the level of taxation of gambling operators.

Given the above circumstances, aimed at the business of gambling, it is necessary to improve the regulatory framework by promoting this ordinance.

In order to provide the conditions needed for the obligations of the National Company of Motorways and National Roads in Romania - SA under the authority of the Department of Infrastructure Projects, Foreign Investment, PPP and export promotion activities on national public interest in the administration of national roads and highways, pursuant to art. 115 para. (4) of the Romanian Constitution,

The **Romanian Government** adopt this Emergency Ordinance.

ARTICLE I.

The Government Emergency Ordinance No 77/2009, published in the Official Gazette of Romania, Part I, No 439 of 26 June 1999, approved with amendments and additions by Law No 246/2010, with subsequent amendments and additions, will be amended and supplemented as follows:

1. Article 1(5) will be amended to read as follows:

"(5) By way of exception to the provisions of paragraph 2, according to which games of chance will be operated directly by the license holder, games of chance may be operated, jointly or otherwise, by a gambling organizer and one or more gambling operators or natural persons, between whom a contract has been legally concluded, responsibility falling to the contracting parties.

2. A new paragraph 6 will be inserted after Article 1(5), reading as follows:

"(6) This Emergency Ordinance regulates the general conditions for:

(i) the organization of traditional or remote games of chance;

(ii) the organization of activities relating to the production, distribution, servicing, import, export, intra-Community purchase and intra-Community

delivery of equipment for games of chance and other related activities specific to games of chance;

(iii) the issue, extension, revocation and termination of licenses for the activities provided for in subparagraphs (i) and (ii) of this paragraph;

(iv) the monitoring and control of the activities provided for in subparagraphs (i) and (ii) above.”

3. After Article 1, three new articles will be inserted, Articles 11-13, reading as follows:

“Article 1¹

(1) For the purposes of calculating the fee payable for a gambling operator's authorization, a licensed operator's income from games of chance is calculated as the difference between the amounts received from players as the price of joining the game and the value of the prizes paid out (including the jackpot) for each type of game on one day/calendar month, in compliance with Point 1(II) of the Annex to this Emergency Ordinance.

(2) In the case of games of chance in which the organizer receives a commission from the participants/winners of the games of chance, for the purposes of calculating the fee payable for the gambling operator's authorization, a licensed operator's income from games of chance is equivalent to the sums received (commissions withheld from participants in the game) and the share of the sum received by the organizer, in compliance with the rules of the game on one day/calendar month, according to Point 1(II), of the Annex to this Emergency Ordinance.

Article 1²

Advertising and publicity for authorized games of chance on national territory will comply with the principles provided for in Article 10(3) of this Emergency Ordinance. The series codes and numbers of the organizer's license and of the authorization to operate games of chance will be displayed in a visible location on the promotion materials. Within the meaning of this paragraph, 'advertising and publicity' does not include any action undertaken by organizers directly on their premises or via the pages of their own website. Publicity in the form of unsolicited electronic messages that include information regarding a game of chance and are addressed to an unlimited number of recipients is forbidden.

Article 1³

(1) Within the meaning of this Emergency Ordinance, *licensed gambling operator* means the gambling organizer and the legal person that obtained a license to organize games of chance and authorization to operate games of chance from the Romanian National Gambling Office (ONJN) Monitoring Committee.

(2) Within the meaning of this Emergency Ordinance, the term 'games of chance' means all games of chance, whether or not provided for in this

Emergency Ordinance, that fulfil the conditions stipulated in Article 3 and which are played using gaming equipment installed on Romanian territory and which are not transmitted or played via any communication system (internet, fixed or mobile telephone system or any other transmission system).

(3) Within the meaning of this Emergency Ordinance, the term 'remote games of chance' or 'online games of chance' means all games of chance, whether or not provided for in this Emergency Ordinance, that fulfil the conditions stipulated in Article 3 and which are only played via a communication system (internet, fixed or mobile telephone system or any other transmission system).

(4) Communication equipment for the organization of remote games of chance' means ICT systems and networks, including the gambling organizer's server and all of its components, associated operating systems, mirror servers, the backup server and the gaming software."

4. Article 3 will be amended to read as follows:

"Article 3

(1) *Game of chance* means any activity which cumulatively fulfils the following conditions: material prizes, generally monetary, are awarded following a public offer of potential winnings by the organizer and acceptance of this offer by the participant, and direct or indirect payment of a participation fee, any winnings being awarded on the basis of game rules approved by the Romanian National Gambling Office, hereafter referred to as the ONJN or the Office, through random selection of the results of the events to which the game relates, regardless of how these results are achieved.

(2) This category also includes activities where prize winners are selected based on the results of events or competitions that do not involve the organizers.

(3) The organization of any activities involving any of the following elements must be approved by the ONJN Monitoring Committee: a game and/or round characteristic of games of chance, participation fee or stake, prize fund or prizes to be awarded to a winner/winners, gaming equipment specifically for games of chance (cards, dice, gaming tables, etc.), organizers of activities characteristic of games of chance, participants in these activities."

5. Article 5(1), (2), (5) and (7) will be amended to read as follows:

"Article 5

(1) *Gaming equipment* means any physical medium, including ICT systems (software and hardware), used to organize, play, or participate in games of chance. Gaming equipment may be basic or auxiliary.

(2) *Basic gaming equipment* means any physical medium, including ICT media, directly used to generate the random elements on which the games of chance are based. This category, for games of chance in which the winners are established on the basis of the results of events or competitions that do not

depend exclusively on luck, includes the software, servers or other similar ICT media consistently used by the organizer to organize and operate the games of chance in question. The software for the games of chance must incorporate a random number generator that determines the results of the games.”

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(5) Any payment methods used within the financial and banking system (payment orders, transfers, disbursement sheets, etc.), and any financial means including bank cards, may be used in the operation of the games of chance defined in Article 10(1), provided that all these methods of payment and financial means include information about the natural person who has operated using the payment instrument. For the remote (online) games of chance defined in Article 10(1)(h)-(m), the methods of payment and financial means used, including bank cards, must be operated by Romanian banks. Remote gambling organizers licensed in Romania will undertake all their transactions only via bank accounts held at banks on Romanian national territory.”

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“(7) *Technical equipment* for the monitoring and supervision of games of chance means the hardware, software and communication equipment or similar equipment that may be used to carry out activity specific to the ONJN.”

6. Three new paragraphs 8 to 10 will be inserted after Article 5(7), reading as follows:

“(8) Dedicated equipment for the organization of games of chance must be approved by the ONJN Monitoring Committee and may be manufactured by a resident or non-resident, provided that the producer holds a license in compliance with this Emergency Ordinance. The conditions that must be fulfilled, as well as the list of dedicated equipment for games of chance will be regulated by order of the President of the ONJN.

(9) The websites of organizers licensed in Romania to operate remote games of chance must include the following information in Romanian: the organizer’s data as registered with the Trade Register Office, including fiscal identification data and/or another identification number, the license issued by the ONJN Monitoring Committee, the rules applicable to the games of chance, a clear and unequivocal list of the procedures for accepting stakes, accumulating and paying out winnings, the amounts of stakes and winnings, support services, correspondence contact details - including a telephone number and email address for direct and prompt contact with the organizer, procedures for submitting complaints and information to the organizer and the ONJN, as well as other aspects that will be regulated under the implementing rules/norms of this Emergency Ordinance.

(10) Within the meaning of this Emergency Ordinance, specialized gambling premises are: dedicated slot machine venues, betting shops and lottery outlets, poker clubs, bingo halls and casinos. The conditions that must be fulfilled by

specialized premises will be regulated under the implementing rules/norms of this Emergency Ordinance.”

7. Article 6 will be amended to read as follows:

“Article 6

(1) *Gambling organizer* means a legal person licensed to organize and operate games of chance under the conditions of this Emergency Ordinance and related specific regulations. This quality may be acquired by a legally established Romanian legal person or a legal person legally established in an EU Member State, or in a state signatory to the Agreement on the European Economic Area, or in the Swiss Confederation.

(2) The quality of temporary gambling organizer may be acquired by a legal person, established under the conditions of paragraph 1, who organizes and operates games of chance for a period of three months in tourist resorts, as these are defined in Annex No 5 to Government Decision No 852/2008 approving the standards and criteria for the certification of tourist resorts, with subsequent amendments and additions.”

8. Article 7 will be amended to read as follows:

“Article 7

(1) *Participant in games of chance* means any adult physical person (i.e. over 18 years of age) wishing and legally entitled to participate in authorized games of chance under the conditions of this Emergency Ordinance and of the specific regulations. Participation in the game implies unconditional acceptance of the rules of the game of chance.

(2) It is forbidden for persons not carrying a photo ID document on their person to participate in traditional games of chance.”

9. A new paragraph 2 will be inserted after Article 8(1), reading as follows:

“(2) Gambling organizers will be required to pay out winnings and/or offer prizes in kind, within a maximum of three working days, in compliance with the established procedure and according to the conditions and rules approved for organizing the games of chance, to natural persons presenting tokens, coupons, tickets or other physical evidence of a win.”

10. Article 9 will be amended to read as follows:

“Article 9.

The term “fraudulent games of chance” means games of chance in which the construction, initial data or parameters of the approved gaming equipment have been modified to affect elements of chance or selection methods.”

11. Article 10(1) and (3) will be amended to read as follows:

“(1) Games of chance are classified as follows:

a) lottery games – traditional game – if they depend on the purely random outcomes of events consisting in the drawing of numbers, letters, tickets or symbols, regardless of the procedures used and of the characteristics of the equipment used to make the draw (drums, wheels, cups and other similar equipment), which may take place with or without the players being physically present. This category includes: lotteries, including the instant variety, and any game of chance that takes place with or without the players being physically present, and that consists in the drawing of numbers, letters, symbols, forms or tickets associated with various winnings determined by events that take place with or without the players being physically present, with the exception of the games of chance defined in the following categories;

b) betting – traditional game – if it depends on the outcomes of events that do not involve the organizers. Betting is a game of chance in which the participant must indicate the outcome of events that are to take place or that are randomly generated by a stand-alone computer system. This category includes:

(i) mutual betting, whereby the prize is distributed among the participants declared winners, in proportion to the number of winning options held by each, with the organizer involved only in the process of collecting the participation fees and distributing the amounts established as prizes, in compliance with the rules of the game in question;

(ii) fixed betting, whereby the organizer establishes the multiplication factors applicable to the stake in the event that the options played are declared wins, according to their own criteria, and informs the participants in compliance with the rules of the game in question. The value of each win is set by the rules (fixed amount or multiple of the stake) regardless of the total stakes (in the case of betting organized by the authorization holder);

(iii) counterpart betting organized in betting shops, an activity consisting in correlating bets between various players, accepting a bet placed by one player only insofar as another player can be identified who is placing a bet contrary to the initial bet. The value of each win is determined by the players (in the case of bets mediated by the organizer);

c) games of chance characteristic of casinos – traditional game – if the events take place with the aid of specific gaming equipment, with the participants physically present, with or without their direct participation. The specific gaming equipment used may be: playing cards, dice, roulette balls and gaming tables, gaming devices, including auxiliary installations, as well as other gaming equipment established under the implementing rules of this Emergency Ordinance;

d) games of chance characteristic of poker clubs – traditional game – games of chance with playing cards, known as 'poker', that take place exclusively between participants in specialized rooms (premises).

e) slot machine-type games: traditional games – of two types:

(i) slot machine, if the events are organized with the participants physically present, via specific machines, equipment and installations operated in

specialized premises in which games of chance may be played, and winnings are unlimited and dependent on chance, and

(ii) electronic devices offering limited-risk winnings, if the events are organized with the participants physically present, via specific machines, equipment and installations not operated in specialized premises in which games of chance may be played, and winnings are limited and dependent on chance;

f) bingo games played in gaming rooms – traditional game – with winnings generated by random elements, organized using complex lottery-type draw equipment, which are characterized by successive draws and prizes, with the players physically present;

g) bingo games organized via television networks – traditional game – with winnings generated by random elements, organized using complex lottery-type draw equipment, which are characterized by successive draws and prizes, without the players being physically present;

h) lottery games – remote – organized and transmitted via any communication system (internet, fixed or mobile telephone systems) consisting in the drawing of numbers, letters, tickets or symbols, regardless of the procedures used and the characteristics of the equipment used to make the draw (drums, wheels, cups and other similar equipment) including video lottery games, whereby the gaming equipment must be connected to a central server running the gaming software, which validates the win and without which the game cannot take place; these are lottery-type games in which wins are random and the result of participation in the game is revealed to the player via the video lottery terminal, with the dexterity or ability of the player having no influence on or relevance to the win;

i) casino-type games – remote – all of the games of chance defined in subparagraphs (c) and (d), played entirely without the players being physically present, organized by the same operator, on the same gaming platform, using a single internet domain, and which are organized and transmitted via any communication system (internet, fixed or mobile telephone system or any other transmission system), and for which a gambling organizer has obtained a license and authorization from the Romanian ONJN;

j) fixed betting – remote – the activity of fixed betting, played entirely without the players being physically present, organized and transmitted via any communication system (internet, fixed or mobile telephone system or any other transmission system), and for which a gambling organizer has obtained a license and authorization from the Romanian ONJN;

k) mutual betting – remote – the activity of betting, played entirely without the players being physically present, whereby the prize is distributed among the participants declared winners in proportion to the number of winning options held by each, with the organizer involved only in the process of collecting the participation fees and distributing the amounts established as prizes, in compliance with the rules of the game in question, organized and transmitted via any communication system (internet, fixed or mobile telephone system or any

other transmission system), and for which a gambling organizer has obtained a license and authorization from the Romanian ONJN;

l) counterpart betting – remote – the activity of betting, played entirely without the players being physically present, consisting in correlating online bets between various players, accepting a bet placed by one player only insofar as another player can be identified who is placing a bet contrary to the initial bet, organized and transmitted via any communication system (internet, fixed or mobile telephone system or any other transmission system), and for which a gambling organizer has obtained a license and authorization from the Romanian ONJN;

m) bingo and keno games – remote – the activity of bingo and keno, played entirely without the players being physically present, organized and transmitted via any communication system (internet, fixed or mobile telephone system or any other transmission system), and for which a gambling organizer has obtained a license and authorization from the Romanian ONJN;

n) a tombola is the activity of drawing numbers, letters or other symbols, regardless of the characteristics of the equipment used to make the draw (cups, drums, wheels and other similar equipment), whether or not organized with the players physically present, whereby the prizes are fixed and do not depend on the number or the price of the tickets sold, or of the stubs, tokens and other evidence of participation in the tombola. The winners – a predetermined number of participants – will be established by means of a random draw in compliance with rules posted in advance and approved by the ONJN Monitoring Committee. Tombola's may take the form of remote or traditional games of chance, while the prizes may only be issued in kind and must have a minimum value no lower than 50 % of the total value of the stakes paid to participate in the game.

o) any other type of games of chance, including new games or combinations of games defined in subparagraphs (a)-(n) and for which an organizer obtains a license and authorization from the Romanian ONJN Monitoring Committee;

p) temporary games of chance are the games of chance described in subparagraphs (c), (e) and (f) taking place in tourist resorts or on leisure crafts, for which a gambling organizer has obtained an organizer's license and an operator's authorization for a period of three months with the possibility of an extension of a maximum three more months; and also includes The Poker Festival – traditional game – temporary event consisting of a poker tournament which takes place exclusively between participants in rooms (premises) within accommodation establishments, in compliance with rules approved by the ONJN Monitoring Committee. This activity will take place only for a limited and well-defined period of time and only in operational premises situated in tourist resorts, as provided for in Annex No 5 to GD No 852/2008, with subsequent amendments and additions, and in compliance with the licensing and authorization conditions provided for in the implementing rules of this Emergency Ordinance.”

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“(3) Economic activity taking the form of games of chance, as defined in paragraph 1(a)-(p), will take place subject to the creation and implementation of a regulatory and monitoring framework for the provision and consumption of traditional and remote games of chance, under the implementation rules of this Law and other specific regulations, provided that the following principles are respected:

(i) protecting minors and preventing them from access to this type of games of chance;

(ii) ensuring the integrity and transparency of operations undertaken by or facilitated by the organizers of these types of games of chance, as well as an equitable, gaming system, constantly monitored and verified in terms of the security and correctness of the activities carried out;

(iii) preventing and combating such illegal activities as may be carried out via these types of games of chance;

(iv) ensuring the balanced and equitable development of the various types of games of chance, in order to avoid destabilizing the economic sectors in question;

(v) implementing a process continuously updating the rules in this field, with a view to reducing and restricting any possible vulnerabilities of this economic sector in respect of potential criminal activities, as well as reducing exposure to money laundering and the financing of acts of terrorism, tax fraud and cybercrime, and preventing offences relating to public order, national security and public health.”

12. Four new paragraphs 4 to 7, will be inserted after Article 10(3), reading as follows:

“(4) In order to protect the principles mentioned in paragraph 3, a Public Interest Foundation will be established, whose members will include, upon request, members of the Advisory Council from ONJN, whose main objective will be to uphold the measures adopted by the European Committee for Standardization regarding socially responsible gambling. Licensed gambling organizers will have to transfer the following annual contributions into the foundation's account:

(i) remote gambling organizers licensed in Class I – EUR 5 000 annually;

(ii) legal persons directly involved in the field of traditional and remote games of chance and licensed in Class II – EUR 1 000 annually;

(iii) State monopoly remote gambling Class III – EUR 5 000 annually.

(iv) traditional licensed gambling organizers – EUR 1 000 annually.

(5) The funds stipulated in paragraph 4 will be allocated to activities and programs for the protection of young people from gambling, the prevention and treatment of gambling addictions, responsible promotions and publicity, swift

and efficient resolution of disputes between gambling organizers and players, under the conditions and in compliance with the procedure established by order of the President of the ONJN.

(6) The deadline for the payment of the amounts stipulated in paragraph 4 is 15 December of each year, while the deadline for operators who have obtained a license after this date must be upon obtaining the license.”

(7) Providers of any type of service in the field of games of chance, including communication providers (internet service providers, fixed or mobile telephone service providers, radio or TV and cable service providers), as well as payment processors are required to comply with the decisions of the ONJN Monitoring Committee.”

13. Article 11 will be amended to read as follows:

“Article 11

(1) The following types of games are not considered games of chance and do not require authorization:

a) tombola organized in schools, kindergartens or other establishments, as well as those organized by non-profit organizations or foundations, that have an entertainment purpose or non-profit nature for the organizers. A tombola is considered non-profit when the total amount of participation fees is equal to the total value of prizes awarded; the same principle also applies in the case of prizes in the form of goods etc.;

b) games of an entertainment nature, operated via any kind of machines, apparatus, devices of any kind that do not involve wins based on random elements, but which are intended to test the participant's strength, intelligence or dexterity;

c) actions legally organized by various businesses in order to stimulate sales and which do not involve any participation fee or any additional expenditure for the participants, or any increase in the price of the product relative to its price before the promotion.

d) amusement or sporting games whereby players are required to demonstrate knowledge and skills and which are not based predominantly on chance.

(2) For promotional actions organized by various businesses under the conditions stipulated in paragraph 1(c), it will be necessary to acquire the prior approval of the ONJN Monitoring Committee.

(3) It is forbidden to use or install devices for amusement games in premises, or post them on websites where games of chance are organized. It is forbidden to adapt gambling equipment to use with amusement games.”

14. Article 12 will be amended to read as follows:

“Article 12

(1) Gambling operators fulfilling the conditions for organizing the activities to which this Emergency Ordinance relates will be granted a gambling organizer's license, which will be valid for 10 years from the date on which it is granted except for the games of chance defined in Article 10(1)(p), for which the validity will be three months for the temporary games of chance, provided that the authorization fee is paid in compliance with the provisions of Article 14.

(2) Gambling operators organizing games of chance will notify the Office within 48 hours for online submissions, or within five working days of the registration date for postal submissions or submissions via the Office registry, of any amendment to the data initially submitted when applying for the gambling organizer's license or the gambling operator's authorization, as applicable.

(3) The gambling operator's authorization is valid for one year from the date of its award, except in the case of the games of chance defined in Article 10(1)(p), where the validity is three months for temporary games of chance, as follows:

a) in the case of lottery games: for the entire activity involving the drawing of numbers, letters, tickets or symbols, regardless of the procedures used and the characteristics of the equipment used to make the draw (drums, wheels, cups and other similar equipment), where this does not take place with the players present;

b) in the case of betting: for the basic gaming equipment consistently used by the organizer to organize and operate each distinct activity;

c) in the case of games of chance characteristic of the activities of casinos and poker clubs: each organizer is granted a single gambling operator's authorization for the premises in which these activities are organized and take place;

d) in the case of bingo games taking place in gambling halls: for each premises in which these activities are organized and take place;

e) in the case of slot machine-type games: for each piece of gaming equipment;

f) in the case of the remote games of chance stipulated in Article 10(1)(h)-(n), for all organizing, running and operating activities and all the technical equipment involved;

g) in the case of poker festival-type games of chance, each organizer will be granted a single gambling operator authorization for all organizing, running and operating activities and all the technical equipment involved;

h) in the case of temporary games of chance, the authorization will be granted according to the type of game for which application is made:

(i) for casino-type temporary games, each organizer is granted a single gambling operator's authorization for the premises in which these activities are organized and take place;

(ii) for slot machine-type temporary games: for each piece of gaming equipment;

(iii) for bingo-type temporary games taking place in gambling halls: for each premises in which these activities are organized and take place.

(4) *Approval date* means the date of the first day of the month following that in which, after analysis, the documentation submitted by the gambling operator is approved and payment made of all outstanding amounts by the gambling operator, in compliance with the provisions of Article 14 of this Emergency Ordinance.

(5) In the event that a gambling operator no longer holds a valid gambling organizer's license, for whatever reason, their gambling operator's authorization will also cease to be valid on the same date and the gambling operator will be required to pay the relevant authorization fees in compliance with the provisions of Article 14.

(6) If a remote gambling organizer holds a valid license in an EU Member State or in a State party to the Agreement on the European Economic Area or in the Swiss Confederation, the facts and circumstances constituting requirements for the issue of a license under the legislation of the State in which the operator has been authorized may be considered to have been proven for the purposes of examination of their application by the ONJN Monitoring Committee. In such cases, the ONJN General Directorate of Gambling Authorizations will request the necessary information from the competent authorities in the State in question, in compliance with the information exchange agreement concluded between Romania and that State. In the absence of such an agreement, the applicant must present a certificate from the competent authority in the State in which the license was issued, attesting to the facts and circumstances having constituted requirements for the issue of the license, which cumulatively certifies the following:

(i) The requirements provided for in the legislation of the State in question regarding the issuance of a gambling license;

(ii) To demonstrate that the person to whom the license has been issued by the competent authority fulfils these requirements; as well as the documents on the basis of which the license has been issued.

(7) In the event that the applicant has not presented the certificate stipulated in paragraph 6 or that the certificate does not include the necessary information or does not certify the authenticity of the requirements for issuance of a license complying with the legislation of the State of origin of the competent authority, the ONJN Directorate-General of Gambling Authorizations will inform the applicant and request submission of the necessary documents pursuant to paragraph 6, in compliance with this Emergency Ordinance.

(8) To obtain a remote gambling license, it will be necessary to establish a fund to guarantee the amounts/deposits held in players' accounts, for each organizer, under the conditions provided for by order of the President of the ONJN.

(9) Licensed remote gambling operators are required to make payments to players (payment of winnings and return of money paid in by players) only via payment processors licensed by the ONJN."

15. Article 13 will be amended to read as follows:

"Article 13

(1) Fees will be payable for the issue of gambling organizer's licenses and gambling operator's authorizations. Gambling organizers are required to submit a monthly declaration to the ONJN, on the requisite date, using a standard form approved by order of the President of the ONJN and endorsed by the administrator of the company – for traditional games of chance, or by the authorized person – for remote games of chance. This declaration will give details of the incomes from games of chance as defined in Article 1¹ of this Emergency Ordinance, as well as the amount due for the license and authorization fees for each individual game of chance.

(2) For companies organizing fixed betting, mutual betting, counterpart betting, bingo organized via television networks, as well as remote games of chance as defined in Article 10(1)(h)-(m), the gambling operator's authorization fee will be established according to the incomes derived by the organizer from these activities, as defined in Article 1¹ of this Emergency Ordinance, in compliance with Point 1(II) of the Annex to this Emergency Ordinance.

(3) The fees levied in respect of the gambling organizer's license and gambling operator's authorization, the access fee stipulated in paragraph 4 of this Article and the other fees stipulated in this Emergency Ordinance, constitute state budget incomes. 5 % of the fees levied in respect of the gambling organizer's license and gambling operator's authorization and the access fee stipulated in paragraph 4 of this Article will be allocated annually under the State Budget Law as follows: 1.5 % to the Cinematographic Fund and 3.5 % to the National Historic Monument Restoration Program. These sums will be transferred monthly from the budget as a proportion of the revenues received.

(4) Organizers of traditional casino-type games and poker clubs will permit access to their authorized premises only on the basis of an entry ticket, valid for 24 hours, for each person. The price of the entry ticket will be established according to Point 4(B) of the Annex to this Emergency Ordinance.

(5) For casinos and poker clubs, entry tickets will be issued and paid for at the casino or poker club reception for each person entering, regardless of whether or not they will be participating in games of chance.

(6) People who have been issued an entry ticket are required to retain it for the full duration of the time that they remain inside the premises.

(7) Entry tickets will be issued according to the conditions established by order of the President of the ONJN."

16. Article 14(2) will be amended to read as follows:

"(2) The fees associated with activities in the field of gambling will be paid by gambling organizers as follows:

a) the gambling organizer's license fee:

(i) for the first year, by the 25th day (inclusive) of the month following that in which the documentation was approved;

(ii) for subsequent years, 10 days before the expiry of the previous year's license;

b) the gambling operator's annual authorization fee:

(i) for games of chance characteristic of the activity of casinos, the fee will be due for each piece of gaming equipment and be payable in four equal quarterly instalments, as follows:

A. for the first quarter – by the 25th day (inclusive) of the month following that in which the documentation was approved;

B. for the other quarters – by the 25th day (inclusive) of the last month of the quarter (i.e. 25 March, 25 June, 25 September and 25 December), for the following quarter;

C. making advance payment in full of the annual fee associated with the gambling operator's authorization for games of chance characteristic of casinos, and due for each piece of gaming equipment, will qualify the operator for a 10 % discount on the annual amount payable to the State budget.

(ii) for bingo games in gambling halls, the annual fee payable for each premises will be paid in full by the 25th (inclusive) of the month following that in which the documentation was approved;

(iii) for betting-type games (fixed, mutual and counterpart), bingo games of chance organized via television network systems, remote games of chance defined in Article 10(1)(h)-(n), organized via any communication system (internet, fixed or mobile telephone system or any other transmission system), the authorization fee will be due and be payable monthly, as follows:

A. the amounts resulting from application of the percentages provided for in the Annex to the estimated incomes of the gambling operator, for the first year of authorization, but not less than the minimum annual fee – by the 25th day (inclusive) of the month following that in which the documentation was approved;

B. in the event that, during the course of the authorization year, actual receipts exceed the estimated receipts provided in the documentation presented on the authorization date, the annual fee payable will be recalculated by applying the percentage rate provided for in the Annex to the cumulative actual receipts from the beginning of the authorization period. Recalculation will be carried out monthly, for the whole licensing period, beginning with the first month in which the estimated results are exceeded. The cumulative actual receipts and the fee paid from the beginning of the authorization period until the end of the month preceding that for which adjustment has been made will be declared and paid by the 25th day (inclusive) of the month following that in which the organizer's

revenues have been achieved, determined in compliance with Article 1¹ of this Emergency Ordinance, for the whole licensing period;

(iv) for games of chance characteristic of poker clubs the fee will be due and be payable monthly, as follows:

A. for the first month – by the 25th day (inclusive) of the month following that in which the documentation was approved;

B. for the other months – the fee will be payable in advance, by the 25th day (inclusive) of the current month, for the following month;

C. making advance payment in full of the annual fee associated to the gambling operator's authorization for games of chance characteristic of poker clubs, and due for each location, will qualify the operator for a 10 % discount on the annual amount payable to the State budget.

(v) for slot machine-type games of chance, the fee will be due for each piece of gaming equipment and be payable in four equal quarterly instalments, as follows:

A. for the first quarter period – by the 25th day (inclusive) of the month following that in which the documentation was approved;

B. for the other quarters – by the 25th day (inclusive) of the last month of the quarter (i.e. 25 March, 25 June, 25 September and 25 December), for the following quarter;

C. making advance payment in full of the annual fee associated to the gambling operator's authorization for games of chance characteristic of slot machine-type games, and due for each piece of gaming equipment, will qualify the operator for a 10 % discount on the annual amount payable to the State budget.

(vi) for poker festivals, the fee is due for the whole activity and is payable in four equal quarterly instalments, as follows:

A. for the first quarter – by the 25th day (inclusive) of the month following that in which the documentation was approved;

B. for the other quarters – by the 25th day (inclusive) of the last month of the quarter (i.e. 25 March, 25 June, 25 September and 25 December), for the following quarter;

C. making advance payment in full of the annual fee associated to the gambling operator's authorization for poker festival-type games of chance, and due for the entire activity, will qualify the operator for a 10 % discount on the annual amount payable to the State budget.

c) the gambling organizer's license fees, as well as annual fees for the gambling operator's authorization, due from *Loteria Romana SA*, the Romanian National Lottery Company, for lottery games – by 25 March (inclusive) for the current year. The gambling organizer's license fee for remote lottery-type games of chance due from *Loteria Romana SA*, the Romanian National Lottery Company, will be payable by 25 March (inclusive) for the current year, while the annual

charge for the operator's authorization for remote lottery-type games of chance will be payable according to the conditions stipulated in subparagraph (b)(iii).

d) the amounts received by gambling organizers in respect of the access fees stipulated in Article 13(4), will be transferred in full to the State budget by the 25th day (inclusive) of the following month, for the previous month."

17. Two new paragraphs 4 and 5 will be inserted after Article 14(3), reading as follows:

"(4) The fees for issuance of gambling organizer's licenses and gambling operator's authorizations for the temporary games of chance defined in Article 10(1)(p), are payable in full, in advance, by gambling organizers, when the organizer's license and gambling operator's authorization for temporary games of chance is granted, by type of activity.

(5) The special fees that must be deducted and/or paid by licensed gambling organizers are set out in Point 4 of the Annex to this Emergency Ordinance."

18. Article 15(1) will be amended to read as follows:

"Article 15

(1) The following conditions must be fulfilled in order to obtain a gambling organizer's license from the ONJN Monitoring Committee:

A. For traditional games of chance:

a) gambling operators must demonstrate:

(i) that the main purpose of their activity is "organizing games of chance";

(ii) that the police have granted their approval to the legal person's legal representatives under the conditions provided for in the implementing rules of this Emergency Ordinance;

(iii) that the amount of subscribed and paid-up share capital stipulated in the implementing rules of this Emergency Ordinance has been achieved;

b) the legal person's legal representatives will submit a self-declaration stating:

(i) that the gambling operator has no final convictions that have not been served;

(ii) that the gambling operator does not have any incompatible circumstances, as defined by law;

(iii) the identity of the real beneficiaries, as defined in Law No 656/2002 on prevention and sanctioning money laundering, as well as for setting up some measures for prevention and combating terrorism financing, republished, with subsequent amendments and additions, as well as the fact that these beneficiaries have no final convictions that have not been served, for infractions provided for in this Emergency Ordinance or for any other infraction committed with intent, for which a minimum custodial sentence of two years was handed down, and do not have any incompatible circumstances as defined by law.

(iv) that no administrative measures have been taken against the legal person or their representatives in the field of games of chance, nor are any administrative measures being applied, in compliance with this Law, for a period of one year prior to the date of submission of the license application;

(v) that for the last three years they were not shareholders and/or administrators for a company that has filed for bankruptcy;

c) the legal person's legal representatives will submit police disclosure or criminal record certificates or other documents issued by the competent authorities with jurisdiction in their last known place of residence / legal headquarters, showing that no court decision has resulted in a final conviction against any of the legal person's legal representatives that has not been served, in Romania or in a foreign State, for an infraction stipulated in this Emergency Ordinance or any other infraction committed with intent for which a minimum custodial sentence of two years was handed down;

B. For remote games of chance:

a) gambling operators must demonstrate:

(i) that the requirements stipulated in Point A have been met;

(ii) that they have a bank account with a bank licensed in Romania, or with an authorized bank in another EU Member State or in another State party to the Agreement on the European Economic Area or in the Swiss Confederation but which operates on Romanian territory, in which to deposit players' money and winnings payments;

(iii) that the organizer's central ICT system has a system for recording and identifying participants in the game, as well as a system whereby simultaneous gambling sessions, every participation fee paid by every player and the winnings paid out to every player are transmitted and saved in real time to a mirror server and a backup server on Romanian territory, both of which are made available to the ONJN free of charge. The central ICT system must automatically record every transaction, in real time, to the mirror server made available to the ONJN and transmit periodic summary reports to the backup server, according to the procedure regulated under the implementing rules

(iv) that the software used to run remote games of chance, as well as any new software version used to run remote games of chance, has been approved in advance by the ONJN on the basis of tests carried out by an authorized laboratory, in compliance with the list approved by the ONJN Monitoring Committee, as well as under the conditions and in compliance with a procedure established under the implementing rules of this Emergency Ordinance;

(v) the existence of an "authorized representative" for the company in the event that it is registered in another EU Member State or another State party to the Agreement on the European Economic Area or in the Swiss Confederation, a representative who must be resident on Romanian territory and have powers of representation to the extent that they are empowered to sign contracts in the name of the foreign party and to represent them before Romanian courts and

State authorities. The conditions that must be fulfilled by the authorized representative will be regulated under the implementing rules of this Emergency Ordinance;

(vi) that the game server and the mirror server store all data relating to the provision of remote gambling services, including records and identification of the players, the stakes placed and the winnings paid out. Information must be stored using data storage equipment (mirror server) situated on Romanian territory, in compliance with the procedure established under the implementing rules of this Emergency Ordinance. The data will be stored in the form in which it was created, for a period of five years following expiry of the limitation period, for the purposes of public debt recovery associated with this data.

(vii) that the communication equipment records the geographical location of a player's IP address, as well as the date, time and duration of their game session, once they have registered as a participant in a game on the organizer's website. The data will be stored for a period of no less than five years from the date of its collection and processing.

(viii) that the communication equipment and the central location at which the organizer's central ICT system is to be installed is on Romanian territory or on the territory of another EU Member State or another State party to the Agreement on the European Economic Area or in the Swiss Confederation;

19. Article 15(2)(f), (g), (i), (j) and (k) will be amended to read as follows:

"f) slot machine-type gaming equipment will be connected via stand-alone computer programs, only one of which may be used by any given organizer company, and the following information must be centralized within a central IT system located on Romanian territory: each piece of gaming equipment connected, the location in which it is being operated, total participation fees collected and total prizes awarded, including jackpots. The organizer will ensure that the central ICT system is connected to a terminal at the Office, made available free of charge by the organizer, and that it contains, reports and permits access to information regarding: the total in participation fees collected each day, the total in prizes awarded each day, and evidence of the interconnected terminals within the system (the number thereof and the address at which each one is being operated). Every piece of gaming equipment for which authorization is requested must be identified on the central ICT system at least five days before the meeting of the ONJN Monitoring Committee. Any subsequent modification will be communicated to the Office at least five days before being made operational. All slot machine-type gaming equipment will be connected to the ONJN's central ICT system. The deadline for connection, as well as the procedure that must be followed for connection of the slot machines will be established by order of the President of the ONJN."

g) gambling halls will be operated via stand-alone computer programs, only one of which may be used by any given organizer company regardless of the number of premises in which the activity in question is taking place, and the following information must be centralized in a central IT system located on Romanian territory: each piece of gaming equipment connected, total participation fees

collected and total prizes awarded. The organizer will ensure that the central ICT system is connected to a terminal at the Office, made available free of charge by the organizer, and that it contains, reports and permits access to information regarding: the total participation fees collected each day, the total prizes awarded on the day in question, and evidence of the interconnected terminals within the system (the number thereof and the address at which each one is being operated). Every space in which betting activities are to take place must be identified on the central ICT system at least five days before the meeting of the Monitoring Committee at which the organizer's application is to be processed. Any subsequent modification will be communicated at least five days before being made operational.

.....

i) ensure that all technical equipment providing support for the organization and transmission of these types of games of chance is held on Romanian territory, for the remote games of chance defined in Article 10(1)(h)-(n), with the exception of gambling operators authorized in this field in an EU Member State and who hold the technical equipment necessary for operations in an EU Member State, provided that this equipment is connected to a mirror central IT system connected to the ONJN. The organizer will ensure that the central ICT system is connected to a terminal at the Office, made available free of charge by the organizer, and that it contains, reports and permits access to information to be established by order of the President of the ONJN.

j) the additional conditions that must be fulfilled by the gambling operator in order to obtain the remote gambling organizer's license and operator's authorization stipulated in Article 10(1)(h)-(n) will be regulated under the implementing rules of this Emergency Ordinance.

k) gaming equipment used for bingo games of chance organized via television network systems, regardless of its construction or operation, will be approved by the Romanian Bureau of Legal Metrology or by companies specialized in the field, in compliance with the provisions of Article 19(1), of this Emergency Ordinance. The total participation fees collected and the total prizes awarded will be centralized in a central electronic system located on Romanian territory. The organizer will ensure that the central ICT system is connected to a terminal at the ONJN, made available free of charge by the organizer, and contains or will permit access to information regarding the total participation fees collected each day and the total prizes awarded;"

20. Two new subparagraphs (c) and (d) will be inserted after Article 15(4) (b), reading as follows:

"c) have operated games of chance as stipulated in Article 10(1)(h)-(n) in Romania and have declared and paid the amounts due in compliance with this Emergency Ordinance. Operators operating the games of chance stipulated in Article 10(1)(h)-(n), who have not paid the license and authorization fees, as well as other amounts owed, will be added to a blacklist of unlicensed organizers until the situation has been resolved and will only be removed from this list by decision of the ONJN Monitoring Committee. The conditions whereby operators

are added to or removed from the "blacklist" will be regulated by order of the President of the ONJN.

d) have been sanctioned with revocation of their license or have received a sanction for running gambling activities without a license."

21. Article 15 paragraph (6), letters (a), (d), and letter (h)(iii), will be amended to read as follows:

"(6) The minimum number of pieces of gaming equipment, premises or technical equipment for which authorization may be requested will be:

a) for slot machine-type games, the minimum number of pieces of gaming equipment that may be operated by the same gambling operator will be 100 slot machines, which may be operated in the same or different premises. Should the number of gambling operator's authorizations paid by the organizer fall below the number stipulated in this Emergency Ordinance, the gambling organizer's license will be summarily revoked without any other prior procedure. The number of slot machines for each premises will be:

(i) gambling hall - minimum 20 slot machines for the city of Bucharest or a minimum of 15 slot machines in locations other than the city of Bucharest. For spaces in which this type of activity is carried out as a main activity, other business activities may be carried out in these premises, including those stipulated in this Emergency Ordinance. For this category, a Class A authorization will be granted, in compliance with Point 1(II) of the Annex that is an integral part of this Emergency Ordinance;

(ii) three electronic devices offering limited-risk winnings, for spaces in which other business activities take place, with only a single organizer placing, organizing and operating the gaming equipment in question at the premises. For this category, a Class B authorization will be granted, in compliance with Point 1(II) of the Annex to this Emergency Ordinance;

(iii) maximum five slot machines, for premises authorized for betting activities. For this category, a Class A authorization will be granted, in compliance with Point 1(II) of the Annex that is an integral part of this Emergency Ordinance;

(iv) minimum 50 pieces of gaming equipment interconnected within the jackpot gaming system, where the gaming equipment is operated in at least two premises;

(v) minimum two gaming terminals (stations) for slot machine-type games that are built as a single entity and operated from multiple gaming terminals (stations);

(vi) minimum two slot machines for premises authorized for the gambling activity defined in Article 10(1)(p). For this category, a Class A authorization will be granted, in compliance with Point 1(II) of this Emergency Ordinance.

.....

d) organizers of casino-type activities will record the identification data of people entering premises in which this type of activity is only operated in electronic format. The database created by the organizer will be archived by the latter and retained for a minimum of five years following their creation;

.....

(iii) for the ONJN premises: a computerized registration, storage, approval and accounting reporting system for betting, comprising a terminal, a transmission security system and a data transmission system (internet, radio, telephone);”

22. Two new subparagraphs (m) and (n) will be inserted after Article 15(6), reading as follows:

“m) the minimum number of special gaming tables in premises authorized for the temporary games of chance defined in Article 10(1)(p), at which casino-type activities are organized will be two, to include at least one roulette table; direct games between participants may be organized to the total number of approved tables minus the number of roulette tables. The minimum number of special gaming tables for poker festivals is 15 tables on each day of the event;”

n) each premises authorized for the temporary games of chance defined in Article 10(1)(p), in which bingo activities in gambling halls are organized and operated must be equipped with the following minimum technical equipment: one random number drawing device, two illuminated display boards, four color TV monitors, one computer to coordinate the games, and devices and accessories specific to the game of bingo;”

23. Article 15(7) and (8) will be amended as follows:

“(7) For slot machine-type games that are built within a single entity and are operated from multiple gaming terminals (stations), the gambling operator's authorization will be granted for the entity as a whole or for each station, depending on the type approval that is to be granted by the Romanian Bureau of Legal Metrology or by companies specialized in the field, in compliance with the provisions of Article 19(1) of this Emergency Ordinance, while the authorization fee is payable for each individual terminal (station), each of which will be included in the calculation of the minimum number of machines stipulated in this paragraph.

(8) The gambling organizer’s license and gambling operator's authorization permit the gambling operator holding them to carry out their activity across the whole of Romanian territory without the need for authorizations, approvals, additional fees, endorsements or licenses from other authorities. Before beginning activity within a local administration, the gambling operator licensed under the conditions of this Emergency Ordinance will inform the relevant local public administration authority in writing, within five days, of the commencement of activity, informing them of the date on which their activity is to begin and attaching a copy of the gambling operator's license and authorization. The conditions that must be fulfilled by premises at which games of chance are operated, the technical requirements that must be met by the gaming equipment, the conditions relating to the game rules and the internal

rules for granting the gambling operator's authorization, as well as the organizers' obligations if this is to remain valid, will be established under the implementing rules of this Emergency Ordinance."

24. Article 16(1), (3), and (5) will be amended to read as follows:

"(1) Gambling operators who hold a gambling operator's license and operate slot machine-type games under a gambling operator's authorization may organize jackpot-type systems by interconnecting slot machine-type games in a premises if 'mystery-type' games systems are used, or by interconnecting devices of the same type if 'progressive-type' games systems are used. Organizers of jackpot-type systems, for each system, will notify the Office of this fact before beginning operation of the activity, will communicate the parameters defining the random algorithm for awarding prizes, as well as the maximum value of the prizes that may be won, the serial numbers of the slot machine-type games interconnected within the system and the premises in which they are operated. Gambling organizers must inform the Office of any movement of the gaming equipment for which they hold an operator's authorization before beginning operations.

.....

(3) The following minimum conditions must be cumulatively fulfilled for the organization of jackpot-type systems: all gaming equipment to be connected online via the same system, using the same communication protocol, specialized software and random algorithm for awarding the prize; it must also be impossible for the result from the jackpot system to be automatically transferred to the credit position of the gaming machine. To award the jackpot, the slot machine will lock and the cashier will request the player's data for the written statement to be issued when the prize is paid out.

.....

(5) For poker club and poker festival activities, the organizers will request a gambling organizer's license and gambling operator's authorization from the Office, in compliance with the legal provisions in force established under the implementing rules of this Emergency Ordinance"

25. Article 16(8) will be repealed.

26. Article 17(1), the introduction of Article 17(2), Article 17(2)(i) and Article 17(4) will be amended to read as follows:

"(1) The ONJNs Monitoring Committee may order the cancellation of the gambling organizer's license or gambling operator's authorization, as applicable, if it is found that the applicants have provided incorrect or inexact information which, had this been known, would have led to the non-issuance of the gambling organizer's license or gambling operator's authorization, as applicable. In this situation, a new authorization request may be submitted after at least five years from the date upon which the cancellation decision became final in the administrative review procedures, or from the date of a definitive and irrevocable court decision. The effects of the cancellation will not affect the prizes awarded to the participants in the games of chance, who have acted in

good faith. In the event of cancellation of the gambling organizer's license or authorization, the amounts received by the organizer will be confiscated and become state budget revenue.

(2) Depending on the resulting consequences, the Office Monitoring Committee may order the revocation of a gambling organizer's license in one of the following situations:

.....

i) failure to comply with any of the provisions of Article 5(8) and (9), Article 10(4) and (6), Article 12(2), (8) and (9), Article 14(2), Article 15 (2) and (6), Article 16 and Article 21."

.....

(4) The Office Monitoring Committee may order the suspension or revocation of the gambling organizer's license, as appropriate, upon the reasoned request of:

(i) The Romanian National Office for the Prevention and Control of Money Laundering (*Oficiul Național de Prevenire și Combatere a Spălării Banilor*, NOPCML) for failure to comply with legislation on the prevention and control of money laundering and the financing of terrorism, identified through administrative review procedures upheld by the administrative review system or by definitive and irrevocable court decisions

(ii) The Romanian National Agency of Fiscal Administration

(iii) The Directorate for the Investigation of Fraud of the Inspectorate General of the Romanian Police, within the Ministry of Internal Affairs."

27. Three new paragraphs 10 to 12 will be inserted after Article 17(9), reading as follows:

"(10) The ONJN Monitoring Committee will approve a list of the laboratories in Romania and in EU Member States, or in other States party to the Agreement on the European Economic Area, or in the Swiss Confederation, able to undertake tests on gambling equipment and the software supporting the online connections of games of chance, approve the types and modifications made to such equipment tested by these laboratories, which may be manufactured and imported for operational use in Romania. The legal conditions that must be fulfilled in order to be added to this list, the requirements for testing gambling equipment and gambling software, as well as the inspection procedures, will be established under the implementing rules of this Emergency Ordinance and by order of the President of the ONJN. Gambling equipment and software that has not been approved by the Committee may not operate on Romanian territory.

(11) The ONJN Monitoring Committee will create a "blacklist" of unlicensed gambling organizers in Romania. The blacklist of gambling organizers who are running or who have run unlicensed gambling activities will be drawn up on the proposal of the Specialist Directorates of the ONJN, while approval of additions

to and removals from the list will be in compliance with the provisions of this Emergency Ordinance and its implementing rules, and by order of the President of the ONJN. The ONJN will publish the up-to-date blacklist of these unlicensed organizers on its website.

(12) The ONJN Monitoring Committee will also take decisions regarding other aspects provided for in this Emergency Ordinance which have not been explicitly mentioned among its competences but which relate to the field of games of chance.”

28. Article 18(1) will be amended to read as follows:

“Article 18

(1) *Loteria Romana SA*, the Romanian National Lottery Company, will be entrusted, in the quality of sole organizer for the entire national territory, with organizing and operating lottery games and remote lotteries, as defined in Article 10(1)(a) and (h) of this Emergency Ordinance.”

29. Article 19(1), (4)-(6) and (8) will be amended to read as follows:

“Article 19

(1) Technical inspections of the machines, installations, devices, gaming tables and other gaming equipment, with the exception of those for which recognized certificates have been issued in an EU Member State, Turkey or a State party to the Agreement on the European Economic Area, or of computer programs that are not an integral part of the gaming equipment in question, will be undertaken by the Romanian Bureau of Legal Metrology or by RENAR accredited conformity evaluation bodies, hereafter referred to as “companies specialized in the field” and approved by the ONJN Monitoring Committee. The legal conditions that must be fulfilled by RENAR accredited conformity evaluation bodies will be established by order of the President of the ONJN.

.....

(4) The technical verification standards used by the Romanian Bureau of Legal Metrology and by the companies specialized in the field will be established by joint order of the President of the ONJN and the Minister of the Economy. The tariffs applicable to technical inspection activities in the field of games of chance will be established by joint order of the President of the ONJN and the Minister of Public Finance.

(5) The technical verification standards used by the Romanian Bureau of Legal Metrology and by the companies specialized in the field cover verification of usage rights for the computer programs used include clear documentation of the checks carried out and the results thereof in the documents issued by the Romanian Bureau of Legal Metrology and the companies specialized in the field.

(6) For the first year of application of this Emergency Ordinance, technical inspections of machines, installations, devices, gambling tables and other gaming equipment will be undertaken in compliance with the technical standards

in force at the time of this Emergency Ordinance, according to the tariffs applied by the Romanian Bureau of Legal Metrology on the same date.

.....

(8) Inspections of gaming equipment used for the operation of games of chance organized via television network systems, regardless of its construction or operation, will be carried out by the Romanian Bureau of Legal Metrology and by companies specialized in the field.”

30. Article 19¹ will be amended to read as follows:

“Article 19¹

(1) The technical inspection, monitoring and supervision of the games of chance stipulated in Article 10(1) of this Emergency Ordinance will be undertaken exclusively by the specialist Directorates of the ONJN.

(2) Remote gambling organizers licensed in Romania must provide the ONJN monitoring and inspection authorities with uninterrupted, secure, remote access to the mirror server and backup server situated on Romanian territory, including to the database on the organizer’s central server that contains information regarding the games and participants covered by this Emergency Ordinance.”

31. Article 20(1)- (3) and (6) will be amended to read as follows:

“Article 20

(1) Businesses involved in the following activities: production, distribution, repair and maintenance of gaming equipment, importation, exportation, intra-Community purchase, intra-Community supply or other activities involving gaming components or equipment, with a view to any kind of marketing or use on Romanian territory, are required to obtain a license from the ONJN Monitoring Committee. Correspondingly, they are required to declare this gaming equipment to the Office, in compliance with the provisions of the implementing rules of this Emergency Ordinance, within 15 working days of the accounting date for these production, importation, exportation, intra-Community purchase or supply operations, or of the date of any kind of marketing or use on Romanian territory, in compliance with the provisions of Accountancy Law No 82/1991, republished, with subsequent amendments and additions.

(2) Any operation involving the introduction of gaming equipment onto Romanian territory will be declared to the Office 15 working days in advance, as per the conditions established under the implementing rules of this Emergency Ordinance, and is only permitted if it may be demonstrated that the respective declaration has been recorded in the Office registry.”

(3) It is forbidden to produce, import, distribute, hold or install gaming equipment on Romanian territory for the purposes of organizing games of chance, as defined under this Emergency Ordinance, without a license and

without notifying the Office. A business is presumed to have the purpose of organizing games of chance if the gaming equipment is identified at the headquarters, the workplaces or their annexes, or on vehicles used by businesses describing themselves as organizers of games of chance, as well as in any public space in which gaming equipment may be found, regardless of who owns it.

.....

(6) Businesses involved in activities associated with the field of remote games of chance in Romania, for example businesses offering management and hosting facilities on their gaming platform, payment processors, software producers and distributors, affiliates, certifiers and auditors, are required to obtain a license from the ONJN Monitoring Committee in order to undertake this type of activity, in compliance with the provisions of the implementing rules of this Emergency Ordinance.”

32. Two new paragraphs 7 and 8 will be inserted after Article 20(6), reading as follows:

“(7) Within the validity period of their license, gambling organizers may sell gambling equipment only to a producer or importer - license holder in compliance with this Emergency Ordinance - or to a person outside Romanian national territory.

(8) Gambling equipment and communication equipment that is held or used to organize or operate unauthorised games of chance will be confiscated in favor of the State, regardless of ownership rights.”

33. A new paragraph 6 will be inserted after Article 21(5), reading as follows:

“(6) Partners, shareholders, members of the management team and the licensed gambling organizer’s control body, the owner or lessee of the premises used for games of chance, the gambling operator's employees and ONJN staff, may not participate in games of chance operated in Romania.”

34. Article 22, paragraph (1) will be amended to read as follows:

“Article 22

(1) Failure to comply with the obligations stipulated in Article 3(3), Article 7(1) and (2), Article 8(2), Article 12(2) and Article 11(e) and (f), constitutes an infraction and will be sanctioned with a fine of RON 20 000 to RON 40 000 .”

35. Article 22, paragraph (3), letters b), c) and d) will be amended, reading as follows:

“b) permitting, in the course of running the games of chance defined in Article 10(1), any kind of operation crediting the participants in the game of chance;

c) the promotion, by the remote gambling organizers defined in Article 10(1)(h)-(n), of bodies or mechanisms offering credit to players with a view to their participation in activities organized in this field, via any connection, participation, gambling transmission interface device or any other similar platforms or media;

d) the promotion, via the gambling activities defined in Article 10(1)(h)-(n), of any services, media and activities forbidden or not regulated under the implementing rules of this Emergency Ordinance or other specific regulations.”

36. Two new paragraphs (5) and (6) will be inserted after Article 22 (4), reading as follows:

“(5) Any failure to comply with the provisions of Article 10(7), constitutes an infraction punishable with a fine of RON 50.000 to RON 100 000.

(6) The participation of individuals (natural persons) on Romanian territory in remote gambling activities, as defined in Article 10(1)(h)-(n), that have not been authorized by the ONJN, constitutes an infraction punishable with a fine of RON 5 000 to RON 10 000.”

37. Article 25, letters h)-j) will be amended to read as follows:

“h) participates, as a participant, in a remote game of chance defined in Article 10(1)(h)-(n), via technical media and equipment or any other similar equipment, with the intention of concealing the identity of the real beneficiary of the associated financial operations;

i) participates as a player in a remote game of chance defined in Article 10(1)(h)-(n), despite being a staff or management member of a legal entity that is a contractual party with the licensed gambling organizer on Romanian territory, regarding any activity connected or associated with that game of chance, or being an associate or shareholder of this legal entity;”

j) influences or alters the results of a remote game of chance defined in Article 10(1)(h)-(n), regardless of whether or not they are an organizer or participant or whether they have any direct or indirect control over the gambling activity in question;”

38. Article 25(k) will be repealed.

39. Article 26 will be amended to read as follows:

“Article 26

(1) Any advertisement, publicity or activity of a promotional nature relating to activities and games of chance for which no license or authorization has been issued in compliance with this Emergency Ordinance, constitutes a contravention punishable with a fine of RON 50 000 to RON 100 000 and confiscation of the amounts derived from the contravening activity.

(2) Carrying out marketing, advertising, publicity or any other activity of a promotional nature relating to the remote games of chance defined in Article 10(1)(h)-(n), or associated activities and services, or for remote games that have not been authorized on Romanian territory, or carrying out such

activity in non-compliance with the provisions of Article 1² of this Emergency Ordinance, constitutes a contravention punishable with a fine of RON 50 000 to RON 100 000 and confiscation of the amounts derived from the contravening activity.

(3) Failure to comply with the provisions of Article 1² of this Emergency Ordinance constitutes a contravention punishable with a fine of RON 50.000 to RON 100.000 and confiscation of the amounts derived from the contravening activity.”

40. Article 26¹ will be amended to read as follows:

“Article 26¹

(1) Failure to comply with the provisions of Article 13(4), (5) and (6) constitutes a contravention punishable with a fine of RON 500 for natural persons and a fine of RON 10.000 to RON 25.000 for legal persons.

(2) The failure of a company administrator or any other person to attend when summoned by ONJN inspectors to clarify aspects associated with the checks in progress in the field of games of chance constitutes a contravention punishable with a fine of RON 5 000 to RON 25 000.”

41. Article 27 will be amended to read as follows:

“Article 27

In the event that a gambling operator holding a gambling operator's license valid on the date of entry into force of this Law should not wish to continue the activities for which they have been licensed, in order to cease activity, they must cumulatively fulfil the following conditions:

a) to notify the ONJN and the government bodies responsible with the fiscal administration, of the cessation of activity within 120 days of entry into force of this Emergency Ordinance

b) to annex to the notification a declaration by the gambling operator's administrator regarding the manner of storage, decommissioning or sale of the gambling equipment used for the purpose for which the gambling operator's authorization was issued.

c) to pay the gambling operator's authorization fee provided for under the legislation in force at the time the gambling operator's authorization was granted, at the amount and by the deadline established by decision of the ONJN Monitoring Committee.”

42. Article 29(8) s be amended to read as follows:

“(8) The deposits to cover the risk of non-payment are as follow:

a) EUR 167 for each electronic machine or station, as applicable, offering winnings and owned by the organizer, or EUR 300 for each electronic machine or station, as applicable, in the event that the organizer is otherwise the holder, as applicable, to a maximum of EUR 60 000 for a single organizer;

- b) EUR 10 000 for each gaming table in the casino, to a maximum of EUR 175 000 for a single organizer;
- c) EUR 5 000 for each hall in which bingo games are organized, to a maximum of EUR 7 000 for a single organizer;
- d) EUR 7 000 for gambling operators organizing fixed-rate betting, mutual betting and counterpart betting, and EUR 100 for each workplace (betting shop) from which they operate, to a maximum of EUR 100 000 for a single organizer;
- e) EUR 100 000 for the following types of games of chance: online fixed-rate betting, online mutual betting and online counterpart betting;
- f) EUR 100 000 for online bingo and keno games;
- g) EUR 100 000 for online casino-type games;
- h) EUR 250 000 for the online gambling certification or auditing operators defined in Article 20, paragraph (6) of this emergency ordinance;
- i) EUR 250 000 euros for the activities of gambling operators organizing bingo games of chance organized via television network systems;”

43. Point 1(I) of the Annex will be amended to read as follows:

”I. Gambling organizer’s license fees (annual):

- A. For lottery games: EUR 115 000
- B. For mutual betting: EUR 45 000
- C. For fixed-rate betting: EUR 25 000
- D. For counterpart betting: EUR 25 000
- E. For games of chance characteristic of casinos: EUR 95 000
- F. For games of chance characteristic of poker clubs: EUR 15 000
- G. For slot machine-type games: EUR 20 000
- H. For bingo games taking place in gambling halls: EUR 10 000
- I. For bingo games of chance organized via television network systems: EUR 70 000
- J. For remote games of chance, there are three categories of license as follow:

1st Class License: for the remote games provided for in Article 10(1)(i)-(n) of this Law. This is granted to operators organizing remote games of chance, who

have direct contracts with players, and is calculated according to the organizer's turnover as follows:

Turnover Annual license fee

Up to EUR 500 000/year: EUR 6 000

EUR 500 001/year to EUR 1 000 000/year: EUR 24 000

EUR 1 000 001/year to EUR 5 000 000/year: EUR 60 000

EUR 5 000 000/year to EUR 10 000 000/year: EUR 96 000

Over EUR 10 000 001/year EUR 120 000

2nd Class License: for legal persons involved in the field of traditional and remote games of chance, as well as RENAR accredited conformity evaluation bodies known as "companies specialized in the field".

This is granted to:

(i) businesses offering game platform management and hosting facilities
EUR 6 000/year;

(ii) businesses undertaking the activities provided for in Article 20(1) of this Law
EUR 6 000/year

(iii) payment processors EUR 6 000/year

(iv) companies producing and/or distributing specialized gambling software
EUR 6 000/year

(v) affiliates EUR 6 000/year

(vi) certifiers EUR 6 000/year

(vii) auditors EUR 6 000/year

(viii) RENAR accredited conformity evaluation bodies EUR 6 000/year

3rd Class License: for the State monopoly remote games provided for in Article 10(1)(h) of this Law. Operators of lottery-type games will be granted EUR 115 000

K. For poker festivals EUR 5 000

L. for temporary casino-type games (valid three months) EUR 23 750

M. for temporary slot machine-type games (valid three months) EUR 5 000

N. for temporary bingo-type games in halls (valid three months) EUR 2 500."

44. Point 1(II) of this Annex will be amended to read as follows:

"II. Gambling operator's authorisation fees (annual):

A. For traditional lottery-type games: EUR 180 000

B. For mutual betting – traditional: 16 % of the organizer's income from games of chance, as defined in Article 1¹ of this Law, but not less than: EUR 90 000

C. For fixed-rate betting – traditional: 16 % of the organizer’s income from games of chance, as defined in Article 1¹ of this Law, but not less than: EUR 90 000

D. For counterpart betting – traditional: 16 % of the organizer’s income from games of chance, as defined in Article 1¹ of this Law, but not less than: EUR 90 000

E. For games of chance characteristic of casinos:

(i) for each table, in the city of Bucharest: EUR 60 000

(ii) for each table, in other locations than the city of Bucharest: EUR 30 000

F. For poker clubs:

(i) for each premises, in the city of Bucharest: EUR 70 000

(ii) for each premises, in locations other than the city of Bucharest: EUR 30 000

G. For each slot machine-type piece of gaming equipment:

(i) Slot machine Class A EUR 2 600

(ii) Electronic devices offering limited-risk winnings, Class B EUR 1 500

H. For bingo games taking place in gambling halls: EUR 7 000 for each hall, as well as 3 % of the nominal value of cards purchased from *Imprimeria Națională SA*, the Romanian National Printing Company, which is paid in advance to the State Treasury; a payment order endorsed by the treasury is presented when the cards are collected.

I. For bingo games of chance organized via television network systems: 16 % of the organizer’s income, as defined in Article 1¹ of the present emergency ordinance, but not less than: EUR 115 000

J. For 1st Class remote games of chance: 16 % of the organizer’s income from games of chance, as they are defined in Article 11 of this Law.

K. For 3rd Class remote games of chance: 16 % of the organizer’s income from games of chance, as they are defined in Article 1¹ of this emergency ordinance.

L. For poker festivals EUR 20 000

M. For temporary casino-type games (valid three months) EUR 10 000

N. For temporary Class A slot machine-type games (valid three months) EUR 650

O. For temporary bingo-type games in halls (valid three months) EUR 1 750

for each location, as well as 3 % of the nominal value of cards purchased from *Imprimeria Națională SA*, which is paid in advance to the State Treasury; a

payment order endorsed by the treasury is presented when the cards are collected

45. Point 2 of the Annex will be amended to read as follows:

2. The minimum value of subscribed and paid-up share capital on the date of application for a gambling organizer's license*¹⁾

*¹⁾ In the event that the same organizer applies for a gambling organizer's license that implies the use of multiple categories of gaming equipment, the condition of a minimum value of subscribed and paid-up share capital on the date of application for a gambling organizer's license applies cumulatively.

A. For organizers operating lottery games: minimum RON 2 000 000 RON

B. For organizers operating mutual betting: minimum RON 1 000 000

C. For organizers operating fixed-rate betting: minimum RON 1 000 000

D. For organizers operating counterpart betting: minimum RON 1 000 000

E. For organizers operating games of chance characteristic of casinos: minimum RON 1 000 000

F. For organizers operating slot machine-type games: minimum RON 30 000

G. For organizers operating bingo games taking place in gambling halls: minimum RON 100 000

H. For organizers operating the online games of chance defined in Article 10(1)(h)-(m) of this Emergency Ordinance: minimum RON 1 000 000

I. For organizers operating bingo games of chance organized via television network systems: minimum RON 1 000 000

J. For organizers operating temporary games: minimum RON 1 000 000

K. For organizers of poker festivals: minimum RON 1 000 000

46. Point 3 of the Annex will be amended to read as follows:

"3. Poker tournament organization fee: EUR 20 000"

47. Point 4 of the Annex will be amended to read as follows:

"Special fees:

A. For video lottery (VLT): 2 % applied to the licensed operator's income from games of chance. The fee will be transferred in full to the State budget by the 25th day (inclusive) of the following month, in respect of the previous month. The fee collected is allocated annually by the State Budget Law to the Ministry of Youth and Sports to encourage national sports movement.

B. Access fee – entry ticket:

(i) for games of chance characteristic of casinos: RON 20

(ii) for games of chance characteristic of poker clubs: RON 10

C. Vice fee for games of chance characteristic of slot-machines:
EUR 400/authorized station/year, to be paid by the organizer together with the license fee.

D. Administration fees for the remote gambling license application:

(i) Documentation analysis fee: 2 EUR 500 paid upon submission of the application for a remote gambling license, together with submission of the documents provided for in this Law;

(ii) License fee: EUR 8 500/year/license

48. In the Annex, a Point 5. will be inserted after Point 4., reading as follows:

“5. The RON values of both the fees for games of chance and the deposits established in euros will be determined by converting the amounts expressed in euro equivalents at the exchange rate established on the first working day of October of the previous year, published in the Official Journal of the European Union. This exchange rate will be used throughout the whole of the following year.”

ARTICLE II.

(1) Gambling organizer’s licenses granted to gambling operators until the date of entry into force of this Emergency Ordinance will remain valid until their expiry date, provided that the gambling organizer’s license annual fees are paid on time and at the amount provided for in Emergency Ordinance no. 77/2009, as modified by the mean of the present Emergency Ordinance, fees due in the period between the entry into force of this ordinance and the licenses expiry date.

(2) Gambling operator's authorizations granted to gambling operators until the date of entry into force of this Law will remain valid until their expiry date, provided that the gambling operator's authorization fees are paid on time and at the amount provided for in this Emergency Ordinance.

“Within 30 days of the date of entry into force of this Law, the Government will accordingly update the implementing rules of Government Emergency Ordinance No 77/2009 regarding the organization and operation of games of chance.”

ARTICLE III

Law No 571/2003 regarding the Fiscal Code, published in the Official Gazette of Romania, Part I, No 927 of 23 December 2003, with subsequent amendments and additions, will be amended and supplemented as follows:

1. Article 75(2) will be amended to read as follows:

"(2) Incomes from games of chance include all receipts derived from games of chance, including those of jackpot type, defined in compliance with the implementing rules."

2. Article 76 will be amended to read as follows:

"Article 76: Establishing net income from prizes

The net income is the difference between the income from prizes and the amount representing untaxable income."

3. Article 77(2) and (4) will be amended to read as follows:

"(2) Incomes from games of chance shall be subject to a rate of 1 %, deducted at source, applied to all amounts received by a participant from a gambling organizer. Incomes from gambling exceeding the equivalent of EUR 15,000 is taxed by 16% and incomes exceeding the equivalent of EUR 100,000 is taxed by 25%."

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4. Three new paragraphs, (7), (8) and (9), will be inserted after Article 77(6), reading as follows:

"(7) Incomes derived from remote (online) games of chance, slot machines, scratch lottery tickets and poker festivals and received by individuals are not taxable at source.

(8) Individuals who receive income from gambling under conditions stipulated in paragraph (7), are required to submit a declaration on income to the tax authorities for each fiscal year until May, 25 of the following year the income was obtained. The competent fiscal authority is obliged to determine the tax due, related to the income received from gambling, on the statement of income on gambling, by issuing a tax decision.

(9) The tax rate on income from gambling under paragraph (7) is 1% for amounts up to the equivalent of 14,999 euros, 16% for amounts ranging from 15,000 to 99,999 euro and 25% for amounts exceeding the equivalent 100,000 euro. The organizer of gambling under paragraph (7) has the obligation to keep nominal records of individuals who obtained incomes from gambling exceeding 15,000 euros and to declare them to the competent fiscal authority until May, 25 of the following year the income was earned."

5. A new paragraph, (3), will be inserted after Article 93(2), reading as follows:

"(3) By exception from the provisions of paragraph (2), payers of income from gambling withholding at source, are required to submit, by the last day of February of the current year for the previous year, a summary statement on total revenues paid, and total taxes calculated, withheld and paid to the general consolidated state budget, without mentioning the identification of the beneficiaries of income. "

6. Article 115 (1), point p) is amended to read as follows:

"p) revenues from gambling practiced in Romania, all amounts received by a participant from a gambling organizer."

7. Article 116 (1), point c) is amended to read as follows:

"c) 1% for the incomes from gambling under Art. 115 paragraph (1) p), excepting gambling activities referred to in Article 77 paragraph(7)."

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ARTICLE IV.

A new subparagraph (i) will be inserted after Article 110(3)(h) from the Government Ordinance No 92/2003 regarding the Fiscal Procedure Code, published in the Official Gazette of Romania, Part I, No 513 of 31 July 2007, with subsequent amendments and additions reading as follows:

"i) the decision of the Romanian National Gambling Office Monitoring Committee, regarding the granting of gambling operator's licenses and authorizations, based on the provisions of Government Emergency Ordinance No 77/2009 regarding the organization and operation of games of chance with subsequent amendments and additions."

ARTICLE V

Government Emergency Ordinance No 77/2009 regarding the organization and operation of games of chance, published in the Official Gazette of Romania, Part 1, No 439 of 26 June 1999, with subsequent amendments and additions, as well as those brought by this present Law, will be republished in the Official Gazette of Romania, Part 1, with the texts renumbered.

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Article X

- Articles I and II of this Law were adopted in compliance with the notification procedure stipulated by Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations, published in the Official Journal of the European Union (L 204 of 21 July 1998), amended by Directive 98/48/EC of the European Parliament and of the Council of 20 July 1998, published in the Official Journal of the European Union (L 217 of 5 August 1998), as well as Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardization, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision 1673/2006/EC of the European Parliament and of the Council, published in the Official Journal of the European Union (L 316 of 14 November 2012).

Article XI

(1) Articles I-V of the present Emergency Ordinance shall come into force in 45 days after its publication in the Official Gazette of Romania, Part I.

(2) Within 30 days from the date of entry into force of Articles I-V of this Emergency Ordinance, its implementing Rules shall be approved by Government Resolution.

ROMBET