

Gambling Act

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Text in Bulgarian: Закон за хазарта

Chapter One GENERAL PROVISIONS

Subject

Article 1. This Act regulates the conditions and procedures for:

1. Organising of gambling games;
2. Organising of activities of manufacturing, distribution, and servicing and import, distribution, and servicing of gambling equipment;
3. Issuing, extending, revocation, and termination of licenses for activities under items 1 and 2;
4. Control over the activities under items 1 and 2.

Definition and Participants

Article 2. (1) Gambling is any game of chance whereupon a wager is made and there may be either winning or a loss of the wager.

(2) Participant in a gambling game is a person who has made a bet in order to participate in the game.

(3) Only legally capable individuals of age for which no restrictions are provided in this or in other acts may participate in gambling games. Persons with legal incapacity may receive tickets or tokens for participation in a conventional lottery, pools, and raffles only as a gift.

License

Article 3. (1) Each gambling game and activity under this act within the territory of the Republic of Bulgaria may be organised only under a license issued by the State Commission for Gambling.

(2) Only gambling games provided for in this act shall be subject to licensing and organising.

(3) A license shall give the right for organising only a game or activity explicitly stipulated in it and may not be transferred.

(4) Gambling games shall be conducted by wagers and winnings in Bulgarian leva and euro only. Gambling games with wagers and winnings in other foreign currencies may also be allowed in casinos after a preliminary permission by the State Commission for Gambling.

Organisers of Gambling games and Activities

Article 4. (1) Gambling games and activities under this act may be organised by:

1. Companies registered in the Republic of Bulgaria or in another EU Member State, another state signatory to the European Economic Area Agreement, or the Swiss Confederation, meeting the requirements of this act;
2. Sole proprietors - only gambling games on gambling machines and activities of manufacturing, import, distribution, and servicing of gambling equipment;
3. The state - only for supporting sports, culture, health care, education, and social services;
4. (Amended, SG No. 74/2016, effective 1.01.2018) Non-profit legal entities pursuing activities for public benefit, registered under the Non-profit Legal Persons Act – in the cases stipulated by this act;
5. Non-profit legal entities registered in another EU Member State, in another state signatory to the European Economic Area Agreement, or in the Swiss Confederation, through a branch designated to perform social work activity - in the cases stipulated by this act, with the exception of political parties.

(2) A license for organising gambling games in a casino may be issued only to a limited liability company or a joint stock company with registered shares.

Investments and Funds

Article 5. (1) Persons under Article 4, Paragraph 1, items 1 and 2, and under Article 14, who have been issued licenses under this act shall be obligated to submit to the State Commission for Gambling documents proving:

1. Investments made, amounting to not less than BGN 1,000,000 and funds for organising the game amounting to not less than BGN 1,000,000 - for the conventional lottery and numbers lottery games of pools and lotto;
2. Investments made, amounting to not less than BGN 1,000,000 and funds for organising the game amounting to not less than BGN 1,000,000 - for betting on outcomes of sports competitions and horse and dog races, betting on Chance Events and betting relating to right guessing of facts;
3. Investments made, amounting to not less than BGN 100,000 and funds for organizing the game amounting to not less than BGN 200,000 - for raffles, numbers lottery games bingo and keno, instant lottery, and gambling games with slot gambling machines;
4. Investments made, amounting to not less than BGN 600,000 and funds for organizing the game amounting to not less than BGN 600,000 - for gambling games in a casino;
5. (Amended, SG No. 1/2014, effective 1.01.2014) Investments made, amounting to not less than BGN 600,000 - for online betting, and in amount not less than BGN 300,000 - for gambling games via other electronic means of communication, and means for organizing the game amounting to not less than BGN 1,000,000;
6. Investments made, amounting to not less than BGN 600,000 - for manufacturing, distribution, and servicing of gambling equipment;
7. Funds for organizing activities of import, distribution and servicing of gambling equipment, amounting to not less than BGN 200,000.

(2) The investments under Paragraph 1 may be made in the territory of the Republic of Bulgaria or in the territory of another EU Member State, or in the territory of another state signatory to the European Economic Area Agreement, or the Swiss Confederation. Documents proving that the investments under Paragraph 1 have been made shall be submitted within 6 months after the date of the decision of the State Commission for Gambling for issuance of the initial license for operation under this act. The State Commission for Gambling shall confirm by a decision the placement of the investments under Paragraph 1 and shall order the issuance of the certificate under Article 34, Paragraph 1.

(3) Documents proving ownership of the funds under Paragraph 1 and the funds for making the investments under Paragraph 1, as well as their origin, shall be submitted together with the application for issuance of a license.

License for Online Betting

(Title amended, SG No. 1/2014, effective 1.01.2014)

Article 6. (1) (Amended, SG No. 1/2014, effective 1.01.2014) A license for organizing online betting may be issued to a person under Article 4, paragraph 1, item 1 and under Article 14 only if the following conditions are simultaneously met:

1. No instances of administrative enforcement measures applied under this act or under the repealed 1999 Gambling Act - for a period of five years prior to the date of filing of the application for a license;

2. The communication equipment and the central point where the central computer system of the organizer shall be located in the territory of the Republic of Bulgaria or in the territory of another EU Member State, on the territory of another state signatory to the European Economic Area Agreement, or in the Swiss Confederation;

3. An account for depositing of wagers and paying out winnings opened with a bank licensed in the Republic of Bulgaria, or with a bank licensed in another EU Member State, or in another state signatory to the European Economic Area Agreement, or in the Swiss Confederation, which operates in the territory of the Republic of Bulgaria in pursuance with the Credit Institutions Act;

4. (Amended and supplemented, SG No. 1/2014, effective 1.01.2014) The central computer system of the organizer shall have a system for registration and identification of game participants, as well as a system for keeping and submission in real time to a server of the Commission and of the National Revenue Agency, of the simultaneous gambling sessions, the wager made by each patron and the winning paid out to each patron. The central computer system shall mandatorily ensure online registration of each transaction in the system of the Commission and the National Revenue Agency according to a procedure and in a manner as set forth in an ordinance of the Minister of Finance after coordination with the Chairperson of the State Agency for National Security.

5. The gambling software, and any new software version shall have to be approved by the State Commission for Gambling based on tests made by an approved laboratory under Article 22, Paragraph 1, item 8, and under conditions and according to a procedure set forth in the ordinance under Article 42, Paragraph 2;

6. (New, SG No. 1/2014, effective 1.01.2014) The existence of an authorized representative of the company under Article 4, paragraph 1, item 1, where it is registered in another member state of the European Union, in another state signatory to the European Economic Area Agreement, or in the Swiss Confederation, with an address in the territory of the Republic of Bulgaria and having representative powers in an extent which allows him/her to conclude contracts on behalf of the foreign person and to represent it before the state authorities and courts of the Republic of Bulgaria. The authorised representative may not be a trade representative within the meaning of chapter six, section II of the Commerce Act.

(2) (Amended, SG No. 1/2014, effective 1.01.2014) The territory of the Republic of Bulgaria within the meaning of para 1, item 2 and paragraph 4, shall comprise only the geographical land territory of the country excluding the continental shelf, excluding the exclusive economic area, excluding all Bulgarian diplomatic and trade representations, and excluding the water-going vessels and aircraft under the Bulgarian flag.

(3) (New, SG No. 1/2014, effective 1.01.2014) The communication equipment for organizing online betting shall cover computer systems and networks, which shall include the game organizer's server and all components, operational systems and game software related thereto.

(4) (Renumbered from Paragraph 3, supplemented, SG No. 1/2014, effective 1.01.2014) The organizer shall have to ensure storing of all data in relation to offering gambling services in the territory of the Republic of Bulgaria, including registration and identification of patrons, wagers made, and winnings paid out. Storing of information shall be on data storage equipment (control local server) located in the territory of the Republic of Bulgaria according to a procedure and in a manner as set forth in the ordinance under paragraph 1, item 4. The data shall be stored in the way they were created for a term of 5 years after the expiry of the term of limitation for repayment of the public liabilities related to these data.

(5) (Renumbered from Paragraph 4, amended, SG No. 1/2014, effective 1.01.2014) The communication equipment should perform both geographical localization of the IP address, and identification of date, hour and length of the gaming session of the person, who has registered himself/herself as a participant in a game on the organizer's website. The data shall be stored for a period not less than 12 months from the date of their collection and processing.

Foreign Persons

Article 7. (1) Foreign persons may participate in the companies under Article 4, Paragraph 1, item 1, in the cases where in addition to all other requirements set forth by this act, those companies, directly or through companies under their control within the meaning of § 1 of the Additional Provisions of the Commercial Act meet at least one of the conditions below:

1. To organize gambling games in a casino at a hotel of three or more stars category where the hotel is owned by the company or a company under its control;
2. To have also invested in organizing other activities in the territory of the Republic of Bulgaria, funds not less than the lev equivalent of EUR 10,000,000 at the official exchange rate of the euro to the lev, and to have made available not less than 500 jobs.

(2) Paragraph 1 shall not apply to foreign persons that are registered in another EU Member State, another state signatory to the European Economic Area Agreement, or the Swiss Confederation, or are citizens of such a state.

Persons That Shall Not Be Issued a License

Article 8. (1) A license for organizing a gambling game, for manufacturing, distribution and servicing, and for import, distribution and servicing of gambling equipment for gambling games shall not be issued to a Sole Proprietor or a Legal Entity, including the cases of related persons within the meaning of § 1 of the Additional Provisions of the Commercial Act, where one the following conditions is present:

1. An owner, partner, shareholder with qualified interest, manager, member of a management or controlling body of a company or non-profit legal entity, who has been found guilty in intentional crime of general nature, except in cases where the same has been officially rehabilitated;
2. The applicant or any of the persons under paragraph 1 above have been declared bankrupt and any creditor has remained unsatisfied, and 3 years have not elapsed since the date of effectiveness of the court decision which has declared the bankruptcy;
3. The applicant or any of the persons under item 1 above have committed crimes against the financial, tax, or social security system and this has been established by an effective verdict, or they have overdue public liabilities exceeding in amount BGN 5,000, and no security amounting to the principal and interest has been provided;
4. The applicant or any of the persons under item 1 have performed activities as a sole proprietor and have participated in a company the license (permit) of which for organizing gambling activities has been permanently revoked, or against which a penalty has been enforced for performing gambling activities without a license.

(2) A license for organizing gambling games, for manufacturing, distribution and servicing, and for import, distribution and servicing of gambling equipment for gambling activities shall not be issued to a sole proprietor or a legal entity in case of unproven source of the funds for organizing games and activities under this act or of the funds for making the investments under Article 5, Paragraph 2, or in the case the owner or partner/shareholder is an unregistered partnership or a company registered

in an offshore area, including in the cases of related parties within the meaning of § 1 of the Additional Provisions of the Commercial Act.

(3) A license for organizing a gambling game shall not be issued also where a person directly involved in organizing the game or in the management of the gambling hall or the casino has been convicted of intentional crime of general nature, except in cases where the same has been officially recognized as reformed, and the circumstance under Paragraph 1, items 3 and 4 are not in place.

(4) A license for organizing a gambling game and for performing the activities under Article 1, item 2 of this act shall not be issued where the license for organizing gambling games or activities of the persons under Article 4, Paragraph 1, items 1 and 2, as well as of their owners, partners, shareholders with qualified interest, managers, members of a management or controlling body has been revoked in other EU Member States, in signatories to the European Economic Area Agreement, or in the Swiss Confederation, and this has been confirmed in official correspondence by the competent authorities of the respective state.

(5) (Supplemented, SG No. 103/2017, effective 1.01.2018) The persons under Article 4, paragraph 1, items 1 and 2, and the persons representing the persons under Article 4, paragraph 1, items 1, 4 and 5, and under Article 14, as well as partners and shareholders with qualified interest that are physical or legal persons shall file a notarized declaration regarding circumstances specified in paragraph 1, items 2, 3, 4, and paragraph 4, a certificate showing no previous conviction if the persons are not Bulgarian citizens, a declaration regarding property and financial position, and also other official documents required for obtaining a license which are determined in an ordinance of the Council of Ministers adopted on a motion by the Minister of Finance.

Prohibitions

Article 9. (1) (Supplemented, SG No. 61/2015, effective 1.11.2015) Organizing of gambling games shall be forbidden in public state-owned and municipally-owned buildings and in the land belonging to them, in sites of the Ministry of Defence, Ministry of Interior, the National Service for Protection, in buildings housing state administration structures, irrespective of the type of ownership over them, in educational, health care and medical institutions, and also in buildings which are co-owned, without having the prior notarized written agreement of all co-owners.

(2) Organizing of gambling games shall be forbidden by persons or in sites not having the respective license issued by the State Commission for Gambling, as well as the actual performance of the activity under an issued license not having obtained the Certificate under Article 34, issued by the Chairperson of the State Commission for Gambling shall be prohibited.

(3) Physical and/or legal persons are prohibited to install and/or use gambling equipment or communication equipment and/or accept wagers, and/or pay out winnings, or assist or intermediate in any other way for the actual performance of activities of organizing a gambling game without having a license issued under this act.

(4) Keeping of gambling equipment for organizing of gambling games outside the sites for which a license is issued under this act shall be prohibited. Keeping of gambling equipment for organizing of gambling games on not publicly accessible warehouse premises, as well on publicly accessible premises for the purposes of trade exhibitions and presentations shall be prohibited.

(5) Using of gambling equipment which is not approved by the State Commission for Gambling, or for which the tax due under the Corporate Income Tax Act is not paid shall be prohibited.

(6) Designating a gambling hall anything other than "Gambling Games Hall" shall be prohibited.

(7) The manufacturing, distribution and servicing, as well as import, distribution and servicing of gambling equipment without a license issued by the State Commission for Gambling, and also the actual performance of the activity under an issued license not having obtained the Certificate under Article 34, issued by the Chairperson of the State Commission for Gambling shall be prohibited.

(8) (Amended, SG No. 1/2014, effective 1.01.2014) Licensed organizers of gambling games may not engage in any activity of manufacturing, import, distribution and servicing of gambling games equipment, except for import of gambling equipment for their own needs.

(9) (Repealed, SG No. 1/2014, effective 1.01.2014).

(10) (Repealed, SG No. 1/2014, effective 1.01.2014).

Advertising

Article 10. (1) Direct advertising of gambling games, including advertising of such games targeted at minors and underage persons, as well as sending of unsolicited electronic messages containing information about a gambling game to an unlimited number of persons shall be prohibited.

(2) The following may be announced.

1. names of the games;
2. the organizer's registered trade mark;
3. game results and winnings;
4. conducted drawings.

(3) Gambling game organizers that have been licensed under this act shall have the right to sponsor events and activities in support of sports, culture, health care, education and social welfare.

(4) Publication, broadcasting and dissemination of information in relation to gambling games outside the ones stipulated under Paragraph 2 shall be prohibited.

(5) Legal entities and sole proprietors who publish, broadcast and disseminate information under Paragraph 2 shall be obligated at the time of signing of contracts to require documents proving that the organizer of the respective gambling game is a holder of a license issued for it under this act.

(6) As part of the National Ethical Standards of Advertising and Commercial Communication, special rules regulating advertising of gambling games are being developed. Legal entities and sole proprietors which publish, broadcast or disseminate advertisements shall be obliged to publish on their website the National Ethical Standards of Advertising and Commercial Communication, including those regulating advertising of gambling games. Legal entities and sole proprietors which publish, broadcast or disseminate advertisements shall be obliged to comply with the rules under the foregoing sentence.

Contributions of Socially Responsible Conduct

Article 10a. (New, SG No. 1/2014, effective 1.01.2014, amended, SG No. 105/2014, effective 1.01.2015) (1) Organizers of gambling games shall be obligated to make annual contributions for socially responsible behaviour in the following amounts:

1. for online betting organizers – BGN 50,000;
2. for organizers of gambling games in a casino – BGN 10,000;
3. for all other gambling game organizers – BGN 5,000.

(2) (Supplemented, SG No. 98/2016, effective 1.01.2017) The revenues from the annual installments under paragraph 1 shall be paid into the budget of the State Commission for Gambling and shall be transferred into the budget of the Ministry of Youth and Sports.

(3) The contributions under paragraph 1 shall be paid in by 31 March of the current year, and gambling game organizers who have obtained a license after that date shall pay in the annual contributions within 30 days from the date of obtaining of the license. An interest in the amount of the statutory interest shall be due for contributions not paid within the set term.

(4) (Amended, SG No. 74/2016, effective 1.01.2018, SG No. 98/2016, effective 1.01.2017) Funds to finance approved projects for youth activities shall be envisaged into and spent from the budget of the Ministry of Youth and Sports.

(5) (New, SG No. 98/2016, effective 1.01.2017) Activities referred to in paragraph 4 shall be financed up to the amount of

the funds received in accordance with paragraph 2, but shall not exceed the funds envisaged for this purpose in the state budget act for the respective year.

(6) (Renumbered from Paragraph 5, amended, SG No. 98/2016, effective 1.01.2017) The terms, conditions and procedure for financing the projects under paragraph 4 shall be determined in the ordinance under Article 8, paragraph 3 of the Youth Act.

Exceptions from Gambling Games

Article 11. (1) Games of amusement or sports nature in which demonstration of adroitness knowledge and skills are required from the participants, and which are not based prevalingly on chance, shall not be deemed gambling games. In the cases where a fee is paid for the purpose of accumulation of a prize fund, the latter shall be fully distributed among the patrons

(2) (Amended, SG No. 1/2014, effective 1.01.2014) Paragraph 1 shall not apply to games organized online or through another electronic means of communication.

Amusement Gambling machines

Article 12. (1) Amusement gambling machines shall be technical devices used for recreation, amusement, demonstration of adroitness knowledge and skills, and ones with cognitive purpose.

(2) Amusement gambling machines may award a prize in the form of an additional game, or a prize in kind of insignificant value.

(3) Prizes in cash, alcoholic beverages or tobacco products shall be prohibited.

Restrictions

Article 13. (1) The use or installation of amusement gambling machines on sites where gambling games are organized shall be prohibited.

(2) Adaptation of gambling game equipment into, and its use as, amusement equipment shall be prohibited.

(3) The equipment under Paragraph 2 shall be deemed to be gambling in nature and shall be taxed under the Corporate Income Tax Act.

Gambling Games Organized by the State

Article 14. (1) (Amended, SG No. 68/2013, effective 2.08.2013) The State may organize conventional lottery, numbers lottery games, instant lottery and wagers on outcomes of sports competitions and horse and dog races through the state-owned enterprise Bulgarian Sports Totaliser under the Minister of Youth and Sports, which is not a commercial company, and the rights in which are fully owned by the State.

(2) (Amended, SG No. 68/2013, effective 2.08.2013) The rules of organization structure of the enterprise under paragraph 1 shall be adopted by the Council of Ministers on a motion by the Minister of Youth and Sports. The management bodies of the state-owned enterprise Bulgarian Sports Totaliser shall be appointed and dismissed from office by the Minister of Physical Education and Sports.

(3) (Amended, SG No. 68/2013, effective 2.08.2013) The manner of spending of the revenues from the operation of the state-owned enterprise Bulgarian Sports Totaliser after taxation and deduction of the costs and of the winnings paid out shall be approved by the Minister of Youth and Sports in coordination with the Minister of Finance:

1. (amended, SG No. 1/2014, effective 1.01.2014) for the needs of physical education and sports;

2. for maintenance, repairs, reconstruction, complete renovation or construction of new sports projects and/or sports facilities;

3. state and municipal schools.

(4) (Amended, SG No. 68/2013, effective 2.08.2013) The Minister of Youth and Sports, in consideration of the availability of finances, shall provide the funds under paragraph 3, item 2, according to an annual programme proposed by the Minister of Education and Sciences.

(5) (Amended, SG No. 68/2013, effective 2.08.2013) The conditions and procedure of accounting for the funds under paragraph 4 shall be set forth in an ordinance issued by the Minister of Youth and Sports after coordination with the Minister of Education and Sciences and the Minister of Finance.

Gambling Games for Charitable Purposes

Article 15. (1) Non-profit legal entities may organize only for a charitable purpose one-off instant lotteries and raffles.

(2) Gambling games in accordance with Paragraph 1 may be arranged exclusively for a charitable purpose stated in advance and approved by the State Commission for Gambling. The license shall be issued on the basis of an application with an attachment thereto as provided for in an ordinance, which shall be accompanied by the proposed revenue and expenditure budgets. Expenditure of the net receipts after taxes for the declared charitable purpose shall be verified by the State Commission for Gambling.

Chapter Two

STATE SUPERVISION OVER GAMBLING

State Commission for Gambling

Article 16. (1) State supervision over gambling shall be exercised by the State Commission for Gambling (hereinafter referred to as "the Commission") under the Minister of Finance. The Commission shall be a legal entity financed from the state budget with its seat in Sofia.

(2) The activities of the Commission shall also be supported by the special purpose administration, the structure and organization of operation of which shall be set forth in the Rules of Organization Structure adopted by the Council of Ministers.

(3) The activities of the Commission shall be financed from the state budget through the Ministry of Finance.

(4) The Commission shall mandatorily insure its members and staff against accident at the expense of its budget.

Registers

Article 17. (1)

The Commission shall keep public electronic registers of:

1. organizers of gambling games;

2. organizers of activities of manufacturing, distribution, and servicing, and of import, distribution, and servicing of gambling equipment;

3. issued, extended, earlier terminated, rejected, and revoked licenses for organizing gambling games and for performing the activities under this act;

4. approved gambling equipment.

(2) Circumstances subject to registration, conditions and procedure of keeping and maintaining the registers under Paragraph 1 and of the electronic services provided shall be set forth by an ordinance issued by the Minister of Finance.

Membership of the Commission

Article 18. (1) (Amended, SG No. 68/2013, effective 2.08.2013, SG No. 1/2014, effective 1.01.2014, SG No. 105/2014, effective 1.01.2015) The Commission shall consist of a Chairperson and four members. The Chairperson and the members of the Commission shall be appointed by the Minister of Finance, as one of its members shall be from the National Revenue Agency, and the Chairperson of the State Agency for National Security, the Minister of Economy and the Minister of Justice shall each nominate one member.

(2) The Chairperson shall manage the activities of the Commission and shall represent it.

(3) The Chairperson and the members of the Commission may be only Bulgarian citizens with high professionalism and morals, who:

1. have higher education in law, or in specialities in areas such as economics, engineering, mathematics, physics, informatics or information technologies;

2. have at least 5 years length of service in their specialty area;

3. have not been convicted of crimes of general nature.

(4) Persons that have been on the management and controlling bodies of, or have been employed by, an organizer of gambling games in the recent 5 years, may not be appointed as a Chairperson and members of the Commission.

(5) In the absence of the Chairperson of the Commission, the latter shall designate by an order another of its members to exercise his/her powers in relation to the management and conducting of the sessions of the Commission.

Restrictions

Article 19. (1) The Chairperson, members and staff of the Commission may not, directly or indirectly, enter into any transactions or economic relations, whatsoever, with organizers of gambling games, with manufacturers and distributors providing service maintenance, nor with any importers and distributors providing service maintenance of gambling equipment for the purposes of organizing gambling games, with managers or employees of the above, including in the capacity of experts, consultants, or in any other form, whatsoever, for the whole term of performing their duties.

(2) Persons under Paragraph 1 shall not have the right to participate in organizing gambling games, to acquire interests and shares and/or participate in the management of companies - organizers of gambling games.

(3) Persons under Paragraph 1 may not incorporate or participate in non-profit legal entities organizing gambling games in accordance with the provisions of this act.

(4) The prohibitions under paragraphs 1 through 3 shall also apply to spouses and relatives of direct lineage of the persons under Paragraph 1.

(5) Persons under Paragraph 1 shall be obligated to not disclose circumstances and facts that have become known to them upon or with regard to performing their official duties under this act, except upon a request in writing by a state authority, where this is stipulated by an act. The persons shall sign a declaration according to a sample form, which specifically stipulates their responsibilities.

Obligation to Provide Assistance

Article 20. (1) The persons under Article 4 and their employees, as well as any other persons for whom there is information that they have violated the provisions of this act, shall be obligated to provide full assistance to the Commission, and to its officers in performing their statutory obligations. The assistance shall be in the form of ensuring their access to the premises, providing oral and written explanations, providing documents and other data carriers.

(2) In performing their powers, the members of the Commission and its staff shall have the right to perform counter inspections and to request from third parties information, documents and other data required for performing those inspection and/or necessary in relation to alerts, complaints or applications.

(3) (Supplemented, SG No. 1/2014, effective 1.01.2014) The staff of the Commission shall have the right to be provided assistance by the authorities of the Prosecutor's Office, Ministry of Interior, Ministry of Finance, the State Agency for National Security and the Bulgarian Institute of Metrology, who shall be obligated to immediately provide the requested assistance within their competences as provided for in an act.

Statements of Opinion and Information Sheets

Article 21. (1) (Supplemented, SG No. 1/2014, effective 1.01.2014) If required, the Commission shall require official positions and information sheets from the Ministry of Interior, Ministry of Finance, the State Agency for National Security and the Bulgarian Institute of Metrology.

(2) Upon a written request of the Chairperson of the Commission, for the purposes of the supervision exercised by the Commission, the National Revenue Agency shall be obligated to provide tax and social security information under Article 72, Paragraph 1 of the Tax and Social Insurance Procedure Code with regard to organizers of activities under this act, to their owners, partners or shareholders with qualified interest, to persons that have provided funds or assets to make the investments and/or to organize the games and activities under this act, as well as for other persons for whom information is available that they violate the provisions of this act.

(3) The procedure and manner of interaction of the Commission with other state authorities shall be set forth in joint guidelines.

Competencies of the Commission

Article 22. (1) The State Commission for Gambling shall:

1. issue, refuse to issue, terminate earlier and revoke licenses for organizing of gambling games to and from the persons authorized to organize them at particular sites;
2. issue, refuse to issue, terminate earlier and revoke licenses of manufacturers and distributors providing service maintenance, and to importers and distributors providing service maintenance of gambling equipment;
3. issue and refuse to issue permits for making amendments to already issued licenses under items 1 and 2;
4. adopt general mandatory gambling conditions and rules for the types of gambling games for which it issues licenses;
5. adopt general mandatory requirements to the gambling halls, casinos, the central point and the points of acceptance of wagers as regards the type of the premises or building, the minimum area, distribution of premises and the required technical equipment for control;
6. adopt general mandatory rules for the organization of activities and financial control over organizing gambling games and mandatory sample forms for accounting purposes for the types of gambling games;
7. (amended, SG No. 1/2014, effective 1.01.2014) adopt general mandatory technical requirements to the systems of control over gambling games and gambling equipment, as well as general technical and functionality requirements to the gaming software and communication equipment for online betting and games via other electronic means of communication;
8. approve a list of laboratories in the Republic of Bulgaria and in the other EU Member States, in the other states signatories to the European Economic Area Agreement, or in the Swiss Confederation, which may make tests of the gambling equipment and gambling software of communication equipment; shall approve types and modifications of such equipment tested by such

laboratories that may be manufactured and imported to be operated in this country;

9. approve mandatory samples of tickets, fills, tokens and other signs certifying participation in gambling games pursuant to the Ordinance on the Conditions of and Procedure for Printing and Control over Securities (promulgated in SG, issue 101 of 1994, as amended in issue 38 of 1995, issue 73 of 1998, issue 8 of 2001, issue 54 of 2008 and issue 22 of 2011);

10. (amended, SG No. 1/2014, effective 1.01.2014, supplemented, SG No. 105/2014, effective 1.01.2015) approve rules for storage of the information of the simultaneous gambling sessions, the wagers made and the formation of winnings, and to approve systems for automatic submission of information to a server of the Commission and of the National Revenue Agency for the following gambling games - lotteries, pools, lotto, wagers on outcomes of sports competitions and horse and dog races, bets on chance events, bets involving right-guessing of facts, as well as for online betting and games via other electronic means of communication; the systems for online betting and games via other electronic means of communication should ensure online registration of each transaction in the system of the National Revenue Agency according to a procedure and in a manner set forth in the ordinance under Article 6, Paragraph 1, item 4;

11. approve the rules provided by organizers of gambling games under items 4 - 7;

12. issue guidelines on the implementation of the act;

13. provide statements of opinion upon request by other authorities;

14. make decisions for determining websites through which gambling games are organized by persons that have not been issued licenses under this act as well as for putting an end to violations; on its website the Commissions shall publish, update and maintain a list of these websites;

15. exercise other powers explicitly provided for by law.

(2) The general mandatory conditions, rules and requirements under Paragraph 1, items 4 - 7 shall set the minimum mandatory content of the minimum requirements which should be met by the organizers' rules submitted for approval under Paragraph 1, item 11.

(3) Before the adoption by the Commission of the general mandatory conditions, rules and requirements under Paragraph 1, items 4 - 7, the draft of the respective regulatory administrative act and the grounds for its preparation shall be published on the website of the Commission. Interested parties shall be given at least 14-day term to provide written positions and proposals on the draft. The Commission shall consider the positions and shall adopt each administrative act after having discussed the draft and the positions and proposals provided. The adopted administrative acts under Paragraph 1, items 4 - 7 shall be published in the State Gazette and on the Commission's website.

(4) The decisions under Paragraph 1, item 14, shall be published on the Commission's website on the date of their issuance. Persons whom these decisions concern shall be deemed notified on the date of publication. If within a 3-day term from publication a person does not stop the violation for which a decision was made under Paragraph 1, item 14, the Commission shall petition the chairperson of the Sofia District Court to decree that all enterprises providing public electronic communications networks and/or services should stop the access to these websites. The chairperson of the Sofia District Court or a deputy chairperson authorised by him/her shall come up with a ruling regarding the petition within 72 hours from its receipt. The ruling issued by the Court shall be published on the website of the Commission on the day of its receipt. The enterprises providing public electronic communications networks and/or services shall be obliged to stop the access to the respective websites within 24 hours from the publication of the court ruling.

Sessions and Quorum

Article 23. (1) At its sessions, the Commission shall consider the proposals made by the Chairperson and shall make decisions on other issues relating to the Commission's activities.

(2) The Commission shall announce the date of each of its scheduled sessions and the agenda thereof on its website, as well as the minutes of the session within 3 days after it is held.

(3) Representative of interested parties, government departments, as well as representatives of the gambling industry

organizations may attend the sessions.

(4) Sessions shall be deemed regular where they are attended by the Chairperson or a member of the Commission who has been assigned to chair the sessions in the Chairperson's absence and at least three of the Commission members.

(5) (Supplemented, SG No. 82/2012) Unless provided for otherwise by a legislative act the Commission members, except for the Chairperson, shall receive for their participation in each session a remuneration in the amount of BGN 200, but not more than BGN 6,000 per annum.

Attending in person

Article 24. (1) The Commission may adopt a decision which requires from the applicant and his representatives to come in person to answer specific questions posed, or to submit additional information on the circumstances of importance for the decision on the application, warning them that failure to meet their obligations may result in rejection to issue a license or a certificate with a change entered therein.

(2) The Commission may refuse to issue a license or certificate with a change entered therein where a person has failed to come, has refused to answer the questions posed to him, or has failed to provide the requested information, and as a consequence some issues have remained unclear or some circumstances unproven, which are of importance for making the decision on the application filed.

Decision of the Commission

Article 25. (1) where the Commission concludes that the circumstances regarding the application are clear, it shall complete its consideration and make a decision. The decision shall be based on the circumstances regarding the application found by the Commission as established, and on the Act.

(2) The decision shall be adopted after a consultation in camera and an open vote with a majority of at least three votes.

(3) None of the Commission members may abstain from voting. A Commission member who does not agree with the majority position shall sign the decision expressing a motivated reservation.

(4) For making decisions under Article 22, Paragraph 1, item 14, the provisions of the Administrative Procedure Code regarding the explanations and rejections of interested parties shall not apply.

Requisites of a Decision and Term of a License

Article 26. (1) The decision of the Commission shall be issued in writing and shall contain:

1. Name of the issuing body;
2. Name of the act;
3. Addressee of the act;
4. Factual and legal grounds for issuance of the act;
5. Prescriptive part, which sets forth the rights and obligations, the manner and term of implementation;
6. To what authority and within what term the act may be appealed against;
7. Date of issuance and signatures of the Chairperson, members and secretary - the minutes-taker of the Commission.

(2) The prescriptive part of a decision for issuing an initial license for activities under this act shall stipulate the amount of investments under Article 5, Paragraph 1, the amount of funds under Article 5, Paragraph 1, and the deadline date for

submission of evidence under Article 5, Paragraph 2.

(3) The term of validity of the issued license shall be for one-off organizing for a period of 5 years or a shorter one, where the applicant has explicitly requested so.

(4) Licenses for activities under Article 1, items 1 and 2, shall be issued for a term of 10 years only where the investments proven in advance before the Commission exceed:

1. BGN 1,000,000 for organizing numbers lottery games bingo and keno;

2. BGN 2,000,000 for organizing gambling games in a casino;

3. BGN 400,000 - for organizing raffles, instant lottery, and gambling games with gambling machines;

4. BGN 10,000,000 - for conventional lottery, numbers lottery games such as pools and lotto, betting on outcomes of sports competitions and horse and dog races, betting on Chance Events and betting relating to right-guessing certain facts;

5. (Amended, SG No. 1/2014, effective 1.01.2014) BGN 2,000,000 for organizing online gambling games or gambling games via other electronic means of communication;

6. BGN 1,200,000 for manufacturing, distribution and servicing of gambling equipment.

(5) A license for import, distribution and servicing of gambling equipment shall be issued for a term of 10 years only where the funds for organizing the activity proven in advance before the Commission exceed BGN 400,000.

(6) Where the applicant has explicitly applied for a license for a shorter term, paras 4 and 5 shall not apply.

Announcing a Decision

Article 27. (1) The Commission shall announce the decision together with the rationale for it not later than within 7 days from its session by entering it in the respective register, and shall notify it to the interested parties under the procedure of Article 61 of the Administrative Procedure Code.

(2) Having announced its decision, the Commission may not repeal it or amend it itself.

(3) At its own initiative or upon an application of the interested party, the Commission shall rectify any obvious factual errors made in the decision, also after the expiry of the term for appeal. The decision on rectification of obvious factual errors shall be notified to the interested party and shall be subject to appeal under the procedure of Article 28.

(4) An interested party may apply for a decision to be supplemented if the Commission has not come up with a decision on the full coverage of the application. A request to this effect may be filed within 14 days from the date of notification of the decision.

Appeal

Article 28. (1) The Commission's decisions shall be appealed against with regard to their conformity with the law before the Sofia Administrative Court, Sofia city, within 14 days from their notification.

(2) Appeals shall be considered under the procedure of the Administrative Procedure Code.

Effectiveness of Decisions

Article 29. (1) Decisions of the Commission shall become effective when:

1. They were not appealed within the time limit;

2. The appeals filed were not upheld.

(2) A person under Article 4 may organize gambling games and activities under this act after receiving a certificate of issued license, issued by the Chairperson of the Commission.

(3) Within 7 days from the effectiveness of a respective decision of the Commission, the person under Article 4 shall pay the due state fee for issuance of a license or a certificate with a change entered therein. The certificate with a change entered therein shall be provided to the person under Article 4 within two business days after the fee has been received to the bank account of the Commission, and the certificate of issued initial license - within two business days after the decision of the Commission under Article 5, Paragraph 2 comes into effect.

State Fees and Stamp Duties

Article 30. (1) (Supplemented, SG No. 1/2014, effective 1.01.2014, amended, SG No. 105/2014, effective 1.01.2015) State fees and stamp duties as per a tariff of rates approved by the Council of Ministers upon a motion by the Minister of Finance shall be collected for consideration of documents in relation to filed applications for issuance of licenses or for making changes to issued licences, for issuance of licenses under this Act, with the exception of licenses for online betting, for issuance of certificates with changes entered therein, and for providing other administrative services.

(2) (Supplemented, SG No. 105/2014, effective 1.01.2015) Fees and stamp duties paid for consideration of documents in relation to filed applications for issuance of license or for making changes to issued licenses shall not be subject to reimbursement regardless of the decision made by the Commission.

(3) (New, SG No. 1/2014, effective 1.01.2014, supplemented, SG No. 105/2014, effective 1.01.2015) For maintaining of a license for organizing gambling games – conventional lottery, raffles, instant lottery, pools, lotto, bingo, keno and their variations, games of betting on outcomes of sports competitions and horse and dog races, betting on chance events, bets involving right-guessing of facts, with the exception of online betting, a state fee shall be collected, in the amount of 15 percent of the value of the bets made for each game, and for gambling games for which participation fees and commissions are collected – in the amount of 20 percent of the value of the fees and commissions received.

(4) (New, SG No. 1/2014, effective 1.01.2014) For issuance and maintaining of a license for online betting, a double-component composite state fee shall be collected, which shall comprise an one-off fee in the amount of BGN 100,000 and a variable fee in the amount of 20 percent of the difference between the value of the received bets and the paid out winnings, and for games for which participation fees and commissions are collected - in the amount of 20 percent of the value of the fees and commissions received.

(5) (New, SG No. 1/2014, effective 1.01.2014, amended, SG No. 105/2014, effective 1.01.2015) For gambling games, which are taxed by alternative tax under the Corporate Income Tax Act, only the fees under para 1 shall be collected.

(6) (New, SG No. 1/2014, effective 1.01.2014) Gambling games organizers which pay the fee under Paragraph 3 and the variable part of the fee under Paragraph 4, shall file with the Commission for each month, by the 15th day of the following month, a declaration, according to a sample form approved by the Minister of Finance, of the difference between the value of the received bets and paid out winnings, and for games for which participation fees and commissions are collected - a declaration of the value of the fees and commissions received.

(7) (New, SG No. 1/2014, effective 1.01.2014) After the filing of the declaration but before the expiry of the term under Paragraph 6, the gambling games organizer shall have the right to make changes in relation to the data in the declaration filed. The changes shall be made by filing a new declaration.

(8) (New, SG No. 1/2014, effective 1.01.2014) The one-off part of the fee under Paragraph 4 shall be paid into a bank account of the Commission prior to receiving the certificate of issued initial license for organizing gambling games.

(9) (New, SG No. 1/2014, effective 1.01.2014) The fee under Paragraph 3 and the variable part of the fee under Paragraph 4 shall be paid into the bank account of the Commission within the term for filing of the declaration under Paragraph 6.

Powers of the Chairperson of the Commission

Article 31. (1) The Chairperson of the Commission shall

1. at least twice a month convene and chair the sessions of the Commission also nominating a member of the Commission who is to monitor the checkup and investigation of each application for issuance of an initial license or license for a change in the cases of transformation of a company under Article 39;
2. propose for consideration by the Commission of filed applications with reasoned proposals on them;
3. propose for consideration by the Commission of reasoned proposals for revocation of issued licenses;
4. also make other proposals under Article 22, Paragraph 1, to the Commission in the process of drafting the agenda;
5. issue the certificates under Article 34;
6. determine the procedure and manner of keeping of various types of registers;
7. determine the procedure and manner of issuing of a monthly bulletin in which the Commission's decisions, legal practices, and other information relevant to the gambling business are published;
8. issue certified transcripts of documents;
9. organize, manage and control the activities of the Commission's administration;
10. assign by orders to officials having controlling functions to perform inspections for the compliance of this act;
11. issue penalty decrees on found out violations of this act;
12. make proposals under Article 94, para 2;
13. issue acts on determining the amount of costs under Article 94, Paragraph 4;
14. issue acts on the acquisition by the state of abandoned property;
15. (effective 30.03.2012 - SG No. 26/2012) require from the National Revenue Agency the information under Article 85, Paragraph 1, items 1 and 9 within the 30th day of the month following the respective quarter.
16. makes decisions on other issues as provided for in this act, which were not explicitly referred to within the competences of the Commission.

(2) The Chairperson of the Commission shall exercise control over the whole activity of organizing gambling games, and also on the activities of manufacturing, import, distribution, and servicing of gambling equipment.

Initiation of Administrative Proceedings

Article 32. Proceedings before the Commission shall be initiated on a motion by its Chairperson or on the grounds of a written request filed with annexes to it, as provided for by the ordinance under Article 8, Paragraph 5.

Checkups and Investigations

Article 33. (1) The Chairperson assisted by the administration of the Commission shall make checkups and investigations under proceedings initiated before the Commission.

(2) A checkup and investigation in relation to an application for issuance of an initial license, shall be completed within a 60-day period from the receipt of the application in writing. All other checkups and investigations in relation to filed applications shall be completed within a 30-day period from the receipt of the application in writing.

(3) In cases of particular factual and legal complexity and with the substantiated decision of the Commission, the time limit under Paragraph 2 may be extended by not more than 30 days.

(4) In the course of the checkups and investigations on a request, data are collected of the source of funds for the applicant's business, his investments, trade partners, financial relations, property rights, and other information.

(5) Where the supporting documents to a request are incomplete, non-compliant with the mandatory requirements, or additional information is needed, the Commission shall, within 14-day period from the receipt of the request, notify the applicant, set a 30-day term for elimination of the irregularities or submission of additional information, and shall notify him regarding the consequences under Article 24, Paragraph 2. In cases of particular factual and legal complexity, and with the Commission's reasoned decision, any of the timeframes under the foregoing sentence may be extended by not more than 30 days. The term under Paragraph 2, respectively Paragraph 3, shall stop counting from the date of the notification letter to the time of expiry of the term set for elimination of the irregularities and for submission of additional information.

(6) In case of applicant's failure to meet the obligation under Paragraph 5, the Chairperson shall submit to the Commission a reasoned proposal for refusal to issue a license, respectively to issue a certificate with a change entered therein.

(7) In the cases where an applicant has a valid license to engage in gambling activities issued by a competent authority of another EU Member State, another state signatory to the European Economic Area Agreement, or the Swiss Confederation, facts and circumstances that form the requirements for the issuance of a license according to the legislation of the state where he was licensed may be taken as proven in the proceedings for consideration of his application. In such a case, the Commission shall request the necessary information from the competent authority of the respective EU Member State, another state signatory to the European Economic Area Agreement, or the Swiss Confederation in line with the cooperation agreement of information exchange signed between them. In the absence of such an agreement, the applicant shall have to provide a certificate in proof of these facts and circumstances issued by the competent authority of the state where the license was issued, which shall certify, as follows:

1. The requirements set out in the legislation of this state in relation to issuance of a gambling license;
2. Proving that the person issued a license by the competent authority meets these requirements, and the documents based on which this was proven;

(8) Where the applicant has not submitted the certificate under Paragraph 7, or it does not contain the necessary information, or does not certify the authenticity of the requirements for issuance of a license under the law of the home state of the competent authority and under this act, the Commission shall notify the applicant and shall require the submission of the required documents under Paragraph 5.

(9) After completion of the checkups and investigations the Chairperson shall enter by a reasoned proposal a request in writing for consideration by the Commission.

Certificates of Issued License

Article 34. (1) With regard to effective decisions of the Commission, the Chairperson shall issue certificates of issued license for organizing gambling games under this act and for engaging in the activities thereunder. The activities of organizing gambling games or organizing the activities under Article 1, Paragraph 2, may be performed after submission of the certificate under the procedure of Article 29, Paragraph 3.

(2) A certificate of issued license for organizing gambling games shall contain:

1. name of the authority issuing it;
2. information of the organizer's commercial registration;
3. names of the person representing the organizer;
4. address of the site where games are organized, the central point and the points of acceptance of wagers and paying out winnings, respectively website of the organizer through which the games are organized;
5. type of game, draws and nominal value of the tickets and tokens for participation in the games under Article 49, item 1, 2, and 4;

6. name, type, factory number and number of gaming stations of gambling equipment, including the jackpot system(s), respectively the communication equipment, and the maximum number of simultaneous gaming sessions corresponding to the number of gaming stations of the virtual gambling equipment for the respective website;

7. territorial coverage - in the cases where such one is determined;

8. date of issuance of the certificate;

9. term of validity of the license;

(3) A certificate of issued license for manufacturing, distribution and servicing, as well as one for import, distribution and servicing of gambling equipment for organizing gambling games shall contain:

1. name of the authority issuing it;

2. information of the entity's commercial registration;

3. names of the person or persons representing the entity;

4. address of the site where the activities are performed;

5. date of issuance of the certificate;

6. term of validity of the license;

(4) The certificate shall be signed by the Chairperson of the Commission or by a person authorized by him/her.

Termination of a License

Article 35. (1) A license shall be terminated:

1. upon the expiry of its term;

2. with its permanent revocation;

3. with the winding up of the legal person or with the death of the physical person - sole proprietor to whom the license was issued;

4. before the expiry of its term upon the person's request;

5. upon issuance of a new license for the same activities to the same person for the same type of gambling game and at the same site.

(2) Upon termination of a license on the grounds under Paragraph 1, items 4 and 5, the organizer shall be obligated, within 7-day period from receipt of the notification of the Commission's decision, to return to the Commission the certificate of issued license, as a protocol shall be prepared for the purpose, and in the cases under Paragraph 1, item 4 - to also discontinue his activities within the same term.

Extending the Term of Validity of a License

Article 36. (1) Upon the written request of the organizer of activities under this act filed not earlier than 6 months and not later than two months prior to the expiration of the term of validity of an effective license, the Commission may make a decision by which it extends the term of effectiveness of an issued license for a term of validity of the same length, where the following conditions have been met simultaneously:

1. Within the term of validity of the license for activities of an organizer that has been granted a license for organizing gambling games under Articles 50, 52, 54, 59, 60, 62, or under Articles 57, 64, 71 for a respective site, there are no effective penal decrees of violations under this act; respectively - within the term of validity of a license for activities under Article 1, Paragraph

- 2, the organizer has no effective penal decrees of violations under this act;
 2. No enforcement administrative actions have been applied under this act;
 3. A notarized declaration was submitted that to the date of filing of the request for extension of the term of validity no circumstances have occurred that obstruct the development of gambling activities.
- (2) For extension of the term of validity of an issued license an organizer shall pay only the fee for issuance of a license.
 - (3) An organizer who fails to meet the deadline for filing a request under Paragraph 1, or for whom the conditions under Paragraph 1 have not been met, may file a request in writing for a new license. Only the documents in accordance with the ordinance under Article 8, Paragraph 5, in relation to which there is a change or a variation in the circumstances shall have to be attached to the application.

Changes in the Commercial Registration and in Ownership

Article 37. (1) Any person under Article 4, Paragraph 1, items 1, 2 and 4, shall be obligated, within 14 days of each entry or deletion of data and circumstances in the commercial register, respectively in the register of non-profit legal persons in its state of registration, which are entered in the certificate under Article 34 issued to him, to file a request in writing for issuance of a new certificate in which the change is entered.

(2) The documents provided for in the ordinance under Article 8, para 5, shall be attached to the request in writing.

(3) The Commission shall consider the request and shall come up with a decision according to the procedure under this chapter. Under an effective decision of the Commission, by which the entered change is approved, the Chairperson shall issue a new certificate in which the change is entered.

(4) In case of entering a change in the membership of a management or controlling body, and also of changed owner, partner or shareholder with qualified interest of a person under Article 4, Paragraph 1, items 1, 2, and 4, within 14 days from the entry in the commercial register, respectively from the change with regard to a shareholder, the respective organizer of activities under this act shall be obligated to file a request in writing to the Commission. The documents provided for in the ordinance under Article 8, para 5, shall be attached to the request. The Commission shall consider the request by checking up if the requirements of this act are met with regard to the new persons, and shall come up with a decision according to the procedure under this chapter.

(5) The provisions of paragraphs 1 through 4 shall apply respectively to state-owned enterprises under Article 14, Paragraph 1.

Other Changes in the Circumstances of an Issued License and in the Rules of Organization of Activities

Article 38. (1) A change in the circumstances entered in the license issued to an organizer of gambling games or of an activity under Article 1, item 2, , other than the change under Article 37, may be made only after filing a request and obtaining a new certificate with the change entered in it.

(2) A change in the rules for organizing of the activities of a gambling games organizer, for which he has a license issued, may be made by him only after approval of the rules according to the procedure under Article 22, Paragraph 1, item 11.

(3) Documents, as provided for in the ordinance under Article 8, Paragraph 5, shall be attached to the request in writing under Paragraphs 1 and 2.

(4) The Commission shall consider the request and shall come up with a decision under this chapter. Based on the effective decision of the Commission under Paragraph 1, a new certificate in which the change is entered shall be issued.

Transformation of an Organizer of Gambling Games and Activities

Article 39. (1) In case of transformation through a change in the legal form of an organizer of activities under this act, the license for organizing the respective activity shall be transferred to the newly incorporated company.

(2) (Amended, SG No. 1/2014, effective 1.01.2014) Transformation through merger or take-over shall be made only between organizers of gambling activities, respectively activities under Article 1, paragraph 2, subject to the requirements of Article 9, Paragraph 8.

(3) (Amended, SG No. 1/2014, effective 1.01.2014) In case of transformation through a splitting or spin-off, the transformation agreement may provide for the issued license for organizing of activities under this act to remain with the transforming company (in case of transformation through a spin-off) or to be transferred to the recipient company, if it is an existing company - organizer of activities under this act, and subject to the provisions of Article 9, Paragraph 8. Transferring of a license to a newly incorporated company in the process of splitting or spin-off shall not be permitted.

(4) In case of transformation under paragraph 3, the transformation agreement shall mandatorily provide for that part of the transforming company's property, corresponding to the investments and funds under Article 5, shall remain, respectively shall be transferred into ownership of the company which will be the holder of the license after the transformation.

(5) Within 14 days from the registration of the transformation in the Commercial Register, the organizer shall be obligated to file a request in writing for issuance of a license, which shall reflect the new holder of the license.

(6) Where resulting from a transformation, there is a change in the membership of a management or controlling body, as well as in case of change of owner, partner or a shareholder with qualified interest of the organizer, Article 37, Paragraph 4 shall apply.

Suspending and Resuming of Activities

Article 40. (1) An organizer of gambling games may suspend its activities for a certain period of time by filing an application to the Chairperson of the Commission and to the National Revenue Agency. The organizer shall be obligated to file the application at least 7 days prior to the date of discontinuation of the activity. Within 3 days from filing of the application, the organizer shall submit his certificate of issued license for safe-keeping by the Commission. In case of Force Majeure circumstances, the application shall be filed immediately upon the occurrence of the said circumstances.

(2) When resuming activities, an organizer shall be obligated to file an application to the Chairperson of the Commission and to the National Revenue Agency, which explicitly names the date of resumption of organizing gambling games. The organizer shall receive the certificate of issued license from the Commission in the day prior to the day of commencement of activities.

(3) In case of temporary suspension of activities at the central point or at the points of acceptance of wagers and paying out of winnings, an organizer of gambling games shall be obligated to file an application to the Chairperson of the Commission, which indicates the number of the license, the address of the point, and the period of suspension of activities. The application shall be filed not later than the day following the date of discontinuation of activities.

(4) Suspension and resumption of activities shall not have any impact on the term of validity of the issued license.

Chapter Three

GAMBLING GAMES

Section I

General

Types of Gambling Games

Article 41. (1) (Supplemented, SG No. 1/2014, effective 1.01.2014) Gambling games permitted under this act shall be: lotteries, betting on outcomes of sports competitions and horse and dog races, betting on Chance Events, and betting on guessing of facts, games played with gambling machines and casino games. The manner, technical means and electronic communication means or services, via which a gambling game is organized and offered, shall not change the type of the game.

(2) (New, SG No. 1/2014, effective 1.01.2014, amended, SG No. 105/2014, effective 1.01.2015) The gambling games under para 1, with the exception of raffles and instant lottery, may also be organized online – directly via Internet or via other electronic means of communication: mobile or stationary phone sets, radio, television, satellite or other means.

(3) (New, SG No. 1/2014, effective 1.01.2014, repealed, SG No. 105/2014, effective 1.01.2015).

(4) (New, SG No. 1/2014, effective 1.01.2014) The gambling games permitted under this Act, which are not organized in the ways stated in the foregoing paragraph, shall not be considered online gambling games.

(5) (Renumbered from Paragraph 2, SG No. 1/2014, effective 1.01.2014) The rules for organising of gambling games shall be approved in accordance with the provisions of Article 22, Paragraph 1, item 11. A gambling game organizer shall be responsible for the whole organisation of the activities and performance of accounting, which should ensure the accurate reporting of all operations related to the games in compliance with the existing legislation and its rules approved under the foregoing sentence.

Gambling equipment

Article 42. (1) Gambling games shall be organised with gambling equipment approved by the Commission, manufactured by a resident or a nonresident person - manufacturer, to whom a license is issued under this act.

(2) The procedure and method for including of laboratories in the list under Article 22, Paragraph 1, item 8, the requirements for testing of gambling equipment and gambling software, as well as the procedure for performing of inspections shall be determined by an Ordinance of the Council of Ministers on a proposal of the Commission.

(3) Gambling equipment for gambling games of type and modification, which are not approved by the Commission shall not be allowed for operation in this country.

General Requirements

Article 43. Gambling halls, casinos, and points for acceptance of bets and payout of winnings shall meet the requirements of Article 9, Paragraph 1 and health and safety requirements.

Particular Requirement

Article 44. (1) (Amended, SG No. 79/2015, effective 1.08.2016) Gambling halls and casinos may not be located at a distance less than 300 metres - from schools within the meaning of the Pre-school and School Education Act, as well as from orphanage homes for children deprived of parental care, unless they are housed in hotels of "four star" or "five star" categories.

(2) (Amended, SG No. 68/2013, effective 2.08.2013, SG No. 105/2014, effective 1.01.2015) The rules, methods, technical means and requirements for measuring the distance under paragraph 1 shall be determined by an Ordinance adopted by the Council of Ministers on a proposal of the Minister of Finance and the Minister of Regional Development and Public Works.

(3) The above distances shall be measured by qualified persons, who are authorised to perform activities involving cadastre, land surveying, and mapping. Such qualified persons shall issue for the measurements performed the necessary certificate together with an attached sketch of the cadastral map, on which the outlines are plotted.

Working Hours and Restrictions to Visitors

Article 45. (1) Gambling halls, casinos, and premises for acceptance of bets and paying out of winnings may be open 24 hours for visitors.

(2) The following individuals shall not be admitted into gambling halls and casinos:

1. Individuals under the age of 18;
2. Uniformed individuals, except for individuals attending in line of duty;
3. Armed individuals, except for attending in line of duty which require their armed presence;
4. Individuals without identity documents;
5. Individuals who have violated the order in the casino, including individuals in a state of intoxication or under the effect of drugs or other psychotropic substances;
6. Individuals who have jeopardised the order and have disturbed conducting of the games and who have been prohibited by the organiser to participate in gambling games.

(3) An information board shall be visibly placed Immediately next to the entrance of the places under Paragraph 1, on which the prohibitions under Paragraph 2, items 1, 2, 3 and 4 shall be displayed.

Ban on Granting of Loans and Credits

Article 46. Organisers of gambling games are prohibited from entering into any relationship, whatsoever, with gaming participants for the purpose of providing loans or credits under any form for participation in gambling games.

Payout of winnings

Article 47. (1) An organiser of gambling games shall be obligated within the set term and in accordance with the procedure set forth in the approved gambling conditions and rules to payout the winning and/or to give the prizes in kind to the natural person who has presented to him tokens, counterfoils of fills, tickets or other means to prove the winning, of which they are a material representation.

(2) Payment of each winning in cash shall be allowed up the amount of BGN 5,000.

(3) Where the amount of money winning is higher than the amount under Paragraph 2, the payment shall be effected into a bank account.

Registration of Participants in Online Bettings

Article 47a. (New, SG No. 1/2014, effective 1.01.2014) Participants in online betting shall be subject to individual registration according to a procedure and in a manner as provided for in the Ordinance under Article 6, Paragraph 1, item 4, and in compliance with the prohibition under Article 45, Paragraph 2, item 1.

Payments

Article 47b. (New, SG No. 1/2014, effective 1.01.2014) Payments for online betting related to betting and paying out of winnings shall be effected in a non-cash manner, mandatory via a bank account of the game organizer, opened under Article 6,

Paragraph 1, item 3, observing the organizer's approved rules as per Article 22, Paragraph 1, item 11.

Mandatory Information

Article 47c. (New, SG No. 1/2014, effective 1.01.2014) The organizer's website through which online betting is organized shall mandatory contain information in Bulgarian language regarding: organizer's data according to his trade registration, including tax and/or other identification number; license issued by the Commission; rules of the gambling game; clear and unequivocal enumeration of the ways of accepting bets, of accumulation and payout of winnings, the amount of bets and amounts of respective winnings, help desk services, correspondence data, including a telephone number and e-mail address for direct and timely contact with the organizer and with the Commission; the ways of filing complaints and alerts to the organizer and to the Commission.

Communication Equipment

Article 47d. (New, SG No. 1/2014, effective 1.01.2014) The software of the games shall contain a random number generator, which shall determine the results of the games, with the exception games with betting on outcomes of sports competitions and horse and dog races, betting on chance events and betting related to right guessing of facts.

Access to the Control Local Server

Article 47e. (New, SG No. 1/2014, Effective 1.01.2014, amended, SG No. 105/2014, effective 1.01.2015) An organizer of online betting shall provide to the control authorities of the Commission, the National Revenue Agency and the State Agency for National Security continuous remote access to the control local server under Article 6, Paragraph 4 located in the territory of the Republic of Bulgaria, including to the database of information regarding the games with participants from the territory of the Republic of Bulgaria.

Section II Lottery Games

Definition

Article 48. (1) Lottery games are gambling games, in which participation is effected by means of tickets, fills, tokens or other means certifying participation. The winning shall be payable when a particular number, combination of numbers, sign, figure, etc. are identified, or guessed correctly.

(2) The rules for organising of gambling games and their varieties, including the plan for distribution of winnings shall be approved by the Commission and shall be announced in advance in a suitable manner.

(3) Prior to issuing of tickets, fills, tokens and other means certifying participation in lottery games, the applicant shall submit to the Commission sample forms of the same for approval of their type and value. The samples shall not be deemed bearer securities.

Types of Lottery Games

Article 49. Lottery game types are as follows:

1. Conventional lottery - a lottery game where all issued tickets with consecutive serial numbers are run - it shall be organised at certain intervals of time;
2. Raffles - a lottery game, which is run only with tickets sold - it is organised one-off, or at certain intervals of time;
3. Lottery game with numbers - a lottery game where bet is made on a particular number, combination of numbers, sign, figure, etc. - it shall be organised at certain intervals of time;
4. Instant lottery - a lottery game which is run by tokens with consecutive serial numbers on which numbers, combinations of numbers, signs, figures, and other symbols are reflected, written down by type, order and sequence under protection cover - it is organised one-off.

Conventional Lottery

Article 50. (1) In the case of conventional lottery the prizes are fixed and do not depend on the number and price of the tickets sold and on the number of participants. The prizes shall be owed to the bearers of winning tickets, and shall be announced and distributed by drawing lots according to a scheme announced in advance approved by the Commission.

(2) Each ticket shall have a serial number, alphabetic series and a face value marked on it. All tickets issued shall participate in the draw.

(3) Printing, provision, and import of tickets for participation in a conventional lottery game shall be done in accordance with the provisions of the Ordinance on the Conditions and Procedure for Printing and Control over Securities. Destruction of unused tickets shall be done by the issuers in the presence of officials determined by an order of the Chairperson of the Commission and a Protocol shall be drawn to this effect.

Conducting Drawings of Traditional Lottery

Article 51. (1) Drawings shall be conducted in accordance with the rules approved by the Commission. At least 50 per cent of the total value of all tickets shall be distributed among the participants in the form of wins - in money and/or in kind.

(2) An organiser shall provide and guarantee the receipt of prizes in money or in kind.

Raffles

Article 52. (1) In the case of raffles the prizes are fixed and do not depend on the number and price of the sold tickets, fills, tokens and other means certifying participation in the raffles. The winners - a preset number of participants - shall be determined by drawing of lots in public in accordance with a scheme announced in advance and approved by the Commission.

(2) In the case of raffles prizes may be only in kind, and their value may not be less than 50 per cent of the total value of all tickets, fills, tokens or other means to prove participation in the raffles.

(3) The organiser shall provide and guarantee the receipt of prizes in kind.

(4) Printing, provision, import, and destruction of tickets, fills, tokens or other means to prove participation in the raffles shall be performed in pursuance with Article 50, Paragraph 3.

Organisers of Raffles

Article 53. Only non-profit legal entities may be organisers of raffles. The controlling authorities of the Commission shall monitor the expending of the proceeds from these games in conformity with the purposes announced and authorised in advance.

Types of Numbers Lottery Games

Article 54. The types of numbers lottery games are as follows: pools, lotto, bingo, keno, and their varieties.

Pools and Lotto Games

Article 55. (1) Pools and lotto games are gambling games in which bets are made on one or more combinations of numbers, and a definite number of numbers are drawn forming combinations of numbers. Participation in the games takes place through means certifying participation, and their sample forms shall be approved by the Commission.

(2) In the case of pools games and their varieties the amount of winnings of each drawing shall be formed as a preliminary determined percentage of the proceeds. The amount of each winning shall depend on the manner of forming of the groups for payout of prizes and on the number of prizes in each group.

(3) In the case of lotto games and their varieties the amount of winnings shall be determined by means of pre-set coefficients as the amounts of winnings shall not depend on the receipts. The amount of each winning shall be determined by the bet made and by the respective coefficient determined in advance.

(4) (Supplemented, SG No. 105/2014, effective 1.01.2015) Pools and lotto games should have in place approved by the Commission central computer systems, including systems for on-line submission of information for forming and distribution of winnings. The central computer systems should ensure the submission of information to the server of the Commission and of the National Revenue Agency mandatorily ensuring on-line registration of each transaction in the system of the National Revenue Agency according to a procedure and in a manner set forth in the ordinance under Article 6, Paragraph 1, item 4.

Conducting of Drawings of Pools and Lotto Games

Article 56. Conducting of drawings shall be done in accordance with the rules approved by the Commission. At least 50 per cent of the value of the receipts from the pools shall be distributed among the participants in the form of winnings.

Bingo and Keno Games

Article 57. (1) Bingo and Keno are gambling games in which a bet is made on one or more combinations of numbers and a definite number of numbers forming the winning combinations are drawn.

(2) In the case of bingo, bets shall be made with fills, on which combinations of numbers are marked in advance.

(3) (Amended, SG No. 105/2014, effective 1.01.2015) The fills for participation in bingo game shall be securities issued by the state. They shall be provided to the organisers by the Ministry of Finance against a requisition.

(4) The amounts of winnings in bingo shall be formed as a pre-set percentage of the proceeds. At least 50 percent of the proceeds from bingo and keno shall be distributed among the participants in the form of wins, which shall be provided immediately after their announcement.

(5) (Supplemented, SG No. 105/2014, effective 1.01.2015) Bingo and keno games should be equipped with approved by the Commission central computer systems, including systems for on-line submission of information for forming and distribution of winnings. The central computer systems should ensure the submission of information to the server of the Commission and of the National Revenue Agency mandatorily ensuring on-line registration of each transaction in the system of the National Revenue Agency according to a procedure and in a manner set forth in the ordinance under Article 6, Paragraph 1, item 4.

Varieties of keno games

Article 58. In the varieties of the keno game the amounts of winnings shall be determined by means of pre-set coefficients. The amount of each winning shall not depend on the amount of proceeds and shall be determined on the basis of the bet made and of the respective pre-set coefficient.

Instant Lottery

Article 59. (1) The instant lottery is a gambling game in which the amount and types of money and/or in-kind prizes are established after discovering the winning combination on the tokens.

(2) In the case of instant lottery the amounts of prizes are fixed and do not depend on the number and price of the tokens sold. The value of the winnings in money and in kind may not be less than 50 per cent of the total value of the tokens.

(3) The organiser shall provide and guarantee the receipt of the winnings in money and in kind.

(4) Printing, provision, import, and destruction of tickets, fills, tokens or other means certifying participation in the instant lottery game shall be performed in pursuance with Article 50, Paragraph 3.

Section III

Games by betting on outcomes of sports competitions and horse and dog races

Definition

Article 60. (1) Gambling games by betting on the outcomes of sports competitions and horse and dog races are games in which the winnings shall depend only on the true projection and correct guessing of such outcomes.

(2) Sports games include games of football, basketball, volleyball, tennis, boxing, hockey, etc. car and motorcycle racings, etc.

(3) In the games with wagers, the wager shall be certified by means of proving participation, issued by the organiser, which contain information of the projections made and of the amount of the wager of the participant. The sample forms of the means certifying participation shall be approved by the Commission.

(4) The amounts of wins shall be determined by:

1. The amounts of bets and the respective coefficients pre-set by the organiser or

2. The ratio between the number of the winning patrons and the amounts of bets at a pre-determined share of the winnings.

(5) (Supplemented, SG No. 105/2014, effective 1.01.2015) Games with wagers on the outcomes of sports competitions and horse and dog races should be equipped with approved by the Commission central computer systems, including systems for on-line submission of information for forming and distribution of winnings. The central computer systems should ensure the submission of information to the server of the Commission and the National Revenue Agency mandatorily ensuring on-line registration of each transaction in the system of the National Revenue Agency according to a procedure and in a manner set forth in the ordinance under Article 6, Paragraph 1, item 4.

Frequency of Wagers

Article 61. Betting on the outcomes of sports competitions and horse and dog races may be conducted in a definite period of time or for certain number of sports competitions and races, as well as one-off.

Section IV

Games with Betting on Chance Events and with Betting Involving Right Guessing of Facts

Definition

Article 62. (1) (Amended, SG No. 1/2014, effective 1.01.2014) Games involving bets on Chance Events shall be gambling games not otherwise provided for in this act, in which the winning shall exclusively depend on chance of occurrence of an event.

(2) Gaming with betting involving right guessing of facts shall be gambling games, in which the winning shall depend on right guessing or giving a true answer in relation to existing fact.

(3) (Supplemented, SG No. 105/2014, effective 1.01.2015) Games with betting on chance events and with betting involving right guessing of facts should be equipped with approved by the Commission central computer systems, including systems for on-line submission of information for forming and distribution of winnings. The central computer systems should ensure the submission of information to the server of the Commission and of the National Revenue Agency mandatorily ensuring on-line registration of each transaction in the system of the National Revenue Agency according to a procedure and in a manner set forth in the ordinance under Article 6, Paragraph 1, item 4.

Rules and Winnings

Article 63. (1) The rules of the games, wagers for participation therein, winnings, and manner of their determination shall be subject to approval by the Commission.

(2) The amount of the winning may be proportionate to the amount of the wager or may be determined otherwise, including on random basis. The winnings may be distributed at several levels - in such a case all the winning at the same level should be equal. At least 50 per cent of the amount of the accepted bets shall be distributed as winnings in money or in kind.

(3) (New, SG No. 1/2014, effective 1.01.2014) Where games with betting on chance events and betting relating to right guessing of facts are organized via electronic means of communications, the bet shall be expressed as the increase in the price of telephone or other electronic communication service. The provider of such a service should make sure in advance that the gambling game is permitted under to this Act.

(4) (New, SG No. 1/2014, effective 1.01.2014) In case of betting via electronic means of communication, the bet shall be deemed to have been made by the person - owner or lawful user of the electronic communication means.

(5) (New, SG No. 1/2014, effective 1.01.2014) It is prohibited to make bets from an electronic means of communication owned by a state or municipal organization or by a legal entity financed from the state budget, and the bet made via such means shall be null and void.

Section V

Games with Gambling machines

Definition

Article 64. (1) Games with gambling machines are gambling games, which are organised in gambling halls.

(2) A gambling machine is a device in which a bet is made by coin, banknote, token, push-button, magnetic card, or by any other means. The choice in the gambling machine between win and loss is made on random basis by a random number generator, which may be located physically in the gambling machine or in the gambling hall where the gambling machine is located. The gambling machine or the organiser shall payout the winning to the participant.

(3) In terms of structure the gambling machine may have more than one gaming station for participation in the game.

(4) Gaming tournaments with gambling machines shall be allowed to be organised in the hall in which gambling machines are located, registered in the organiser's current certificate of issued license. Rules of tournaments, rates for admission to participation, winnings, and manners of their determination shall be specified by the organiser in the gaming conditions and rules and shall be approved by the Commission.

Payout Percentage of Bets and Testing

(Title amended, SG No. 1/2014, effective 1.01.2014)

Article 65. (1) (Previous Article 65, SG No. 1/2014, effective 1.01.2014) The gambling machine should ensure to the participants a payout percentage of bets not less than 80 per cent of the total write, irrespective of the envisaged percentage of allocations for a premium jackpot. The gambling machine should have a factory in-built device for ongoing control by the organizer in relation to the bets made and the money winnings paid out.

(2) (New, SG No. 1/2014, effective 1.01.2014) Software of gambling machines used for organizing online betting should ensure payout percentage not less than 80 percent of the total amount of bets.

(3) (New, SG No. 1/2014, effective 1.01.2014) In case of change in the number, type of virtual gambling equipment and the jackpot system, only the game software shall be subject to testing according to a procedure and in a manner as provided for in the ordinance under Article 42, Paragraph 2.

Marking

Article 66. Each gambling machine should have a permanently fixed legible original marking showing the following data: manufacturer, factory number of the machine, year of manufacture, modification, or recycling data.

Gambling equipment Operation

Article 67. No gambling equipment shall be allowed in operation unless approved by the Commission.

Requirements

Article 68. (1) Depending on the number of inhabitants in a town or village in accordance with the official data of the National Statistics Institute, gaming seats in a gambling hall may not be less than:

1. fifty gaming seats in towns with population exceeding 500,000 inhabitants;
2. thirty gaming seats in towns with population exceeding 50,000 inhabitants and less than 500,000 inhabitants;
3. fifteen gaming seats in towns with population less than 50,000 inhabitants, as well as in settlements.

(2) The minimum area required for installation and operation of a gambling machine is 2 sq.m.

Gambling machines Jackpot and Pooled Jackpot

Article 69. (1) Gambling machines may be connected with each other for achieving a premium jackpot, which is an accumulation formed by allocations up to 5 percent of each bet.

(2) Jackpot systems may be mutually connected in a pooled jackpot.

(3) The amount of allocations and conditions for payout of a jackpot and of a pooled jackpot shall be specified in the gaming conditions and rules. Jackpot not won and pooled jackpot not won may not remain in favour of the organiser, except in the case of termination of his licence under Article 35.

Inspections

Article 70. Control authorities of the Commission shall perform inspections of the gambling machines.

Section VI Casino Games

Definition

Article 71. (1) Games in a casino shall be gambling games operated on gaming tables and gambling machines. A casino is a building or a separate part of a building.

(2) Gambling games on gaming tables are as follows: roulette wheel, card games, including poker, dice games and their varieties. Participation in the games is done by various bets, and the winnings within one game on one gaming table may differ. Winnings or losses shall depend mostly on chance.

Requirements

Article 72. (1) Gaming tables in a casino may not be less than five, of which at least two roulette wheels, and gambling machines may not be less than 15.

(2) The gambling machines in a casino may be connected with each other for achieving a premium jackpot in compliance with the requirement of Article 69, Paragraph 1.

(3) No operation of gaming tables and accessories thereof, and of gambling machines which are not approved by the Commission shall be allowed.

Tournaments

Article 73. Organizing of gambling tournaments in a casino shall be allowed. Such tournaments may be conducted only in casinos and only on gaming tables and gambling machines registered in the current certificates of issued license of the organiser. Rules of tournaments, rates for admission to participation, winnings, and manners of their determination shall be specified by the organiser in the gaming conditions and rules and shall be approved by the Commission.

Registration and Video Surveillance

Article 74. (1) All visitors to a casino shall be registered in a special register in accordance with a sample approved by the Commission. The register shall be kept on hard copy and on electronic carrier.

(2) In the casino the organiser shall be obligated to ensure a continuous video surveillance system over the gaming tables, gambling machines, staff, and participants in the games.

Contract and Qualification

Article 75. Each person directly involved in management of the casino and operation of gambling games in it should perform his/her activities on the basis of contract with the company organizer of the games, and should have the necessary qualification for exercising of the profession.

Restrictions

Article 76. Partners or shareholders with qualified interest, members of the management and supervisory bodies of the company - an owner or lessee of the casino, and casino employees, as well as spouses, relatives of direct lineage, and siblings of all mentioned persons may not participate in gambling games operated in the casino.

Section VII (Repealed, SG No. 1/2014, effective 1.01.2014) Remote Gambling Games

Article 77. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 78. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 79. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 80. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 81. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 82. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 83. (Repealed, SG No. 1/2014, effective 1.01.2014).

Article 84. (Supplemented, SG No. 54/17.07.2012, effective 1.07.2012, repealed, SG No. 1/2014, effective 1.01.2014).

Chapter Four ADMINISTRATIVE ENFORCEMENT MEASURES

Temporary Revocation of a License

Article 85. (1) The Commission may apply an enforcement administrative measure - revocation for a period of three to 6 months of the issued license for organising of gambling games or for activities under Article 1, item 2 in the following cases:

1. (Effective 30.03.2012 - SG No. 26/2012) Where the person under Article 4 or under Article 8, Paragraph 1, item 1 has overdue public liabilities exceeding in amount BGN 5,000 and no security amounting to the principal and interest has been provided;
2. Where the gambling game organiser assigns or makes advertising beyond the allowed one under Article 10, paras 2 and 3;
3. Where the organiser or its employees have failed to provide the necessary assistance under Article 20, Paragraph 1 to the Commission or to its staff in exercising their controlling functions.
4. Where the organiser performs activities in violation of Article 34, Paragraph 1;
5. Where the gambling game organiser violates the rules approved under Article 22, Paragraph 1, item 11;
6. Where a change of a partner or shareholder with qualified interest, respectively of registered, deleted, or declared circumstances in the commercial register would prevent issuing of a license;
7. Where the gambling game organiser makes a change of the type of gambling equipment, including of jackpot system/s, respectively of communication equipment without permission under Article 38;
8. Where the gambling game organiser fails to pay within the set time limit a winning amounting to more than BGN 5,000 to a winning participant;
9. (Effective 30.03.2012 - SG No. 26/2012) When using gambling equipment for which no due tax was paid;
10. Where the gambling game organiser allows a person directly involved in organising of games in a casino to perform his/her activities without having the necessary qualification or without a contract concluded with the organiser company;
11. Where a manufacturer or importer sells or leases out any gambling equipment without permanently fixed and/or legible original marking and where the payout percentage of the gambling machine is less than 80 per cent;
12. Where the trader providing service maintenance fails to fill in a service and maintenance sheet or fail to fix a company lead seal after completion of servicing;
13. (New, SG No. 1/2014, effective 1.01.2014) Where the organizer fails to file the declaration under Article 30, Paragraph 6 within the due time;
14. (New, SG No. 105/2014, effective 1.01.2015) Where the gambling games organizer fails to pay in due time the annual contribution under Article 10a.

(2) By the revocation decision under Paragraph 1 the Commission may order actions to be taken for elimination of the violations made and for removal of the detrimental consequences from them, as it shall fix a time limit for their implementation.

(3) Within 7 days from receiving of the notice of the Commission's decision the person whose license has been temporarily revoked shall be obligated to discontinue his activities and to return to the Commission the certificate for the license issued, and a report shall be prepared to this effect.

(4) After the expiry of the term of temporary revocation, the certificate of the issued license shall be returned, if the license term has not expired and the person has fulfilled the instructions given by the Commission under Paragraph 2.

Permanent Revocation of a License

Article 86. (1) The Commission shall apply the enforcement administrative measure - permanent revocation of license for organising of gambling games or for activities under Article 1, item 2 in the following cases:

1. In case of failing to submit the documents within the term under Article 5, Paragraph 2 and/or in case the submitted documents fail to prove making the investments in the full amount, specified in Article 5 Paragraph 1;
 2. In case of change of circumstances resulting in failing to fulfil the provisions under Article 7, Paragraph 1 and under Article 8;
 3. If found out that the gambling game organiser taxed under Article 220, 227 or 235 of the Corporate Income Tax Act performs also another activity under the Commercial Act;
 4. In case of transformation of an organiser without observing the provisions under Article 39;
 5. In case of finding out that the license was issued on the basis of presented untrue data or false documents;
 6. In case of continuation of the activities after returning of the certificate of issued license under Article 40, Paragraph 1;
 7. In case of failure to eliminate a circumstance which was the reason for temporary revocation of the license within the time limit determined in the decision under Article 85, Paragraph 2;
 8. In case of applying regarding the organiser for a third consecutive time an enforcement administrative measure under Article 85;
 9. In case of failing to fulfil the requirement under Article 44, para 1;
 10. Where a manufacturer or importer sells or leases out to a gambling game organiser licensed under this act any gambling equipment intended for operation in the country, which has not been approved by the Commission in pursuance with Article 22, Paragraph 1, item 8;
 11. Where a gambling game organiser uses for conducting of a gambling game tickets, fills or other securities, which are not issued in accordance with the established procedure.
- (2) The person whose license has been permanently revoked shall be obligated to terminate his activities within 7 days from receipt of the notice of the decision of the Commission and to return to the Commission the certificate for the license issued, and a report shall be prepared to this effect.
- (3) The enforcement administrative measures shall be applied irrespective of the penalties under Chapter Five.

Appeals

Article 87. The Commission's decisions of temporary or permanent revocation of a license issued, as well as the decisions under Article 22, Paragraph 1, item 14, shall be subject to appeal in accordance with the provisions of Article 28, Paragraph 1. The decisions under the forgoing sentence shall be subject to immediate implementation, whether appealed or not. The appeal shall not stop the implementation of the decision.

Sale of Gambling Equipment

Article 88. (1) When a licence is terminated under Article 35, a gambling game organiser may sell the gambling equipment owned by him to another organiser, to other person - a license holder under this act or to a person outside the territory of the country.

(2) In the period of validity of the issued license, a gambling game organiser may sell the gambling equipment owned by him only to a manufacturer or importer - a license holder under this act or to a person outside the territory of the country.

(3) Within 14 days after effecting of the sale the Commission should be informed about the same.

Chapter Five

CONTROL AND ADMINISTRATIVE AND PENAL PROVISIONS

Section I

Control

Inspections

Article 89. (1) By an order of the Chairperson of the Commission, on-site and off-site inspections for compliance with this act shall be made by Commission officials who have controlling functions.

(2) Official passes shall be issued to the officials under Paragraph 1, which they should show when making on-site inspections. During and for the purposes of the conducted inspection the officials shall:

1. find out administrative violations;
2. have the right of access to the sites subject to control;
3. require oral and written explanations;
4. examine the accountability of the controlled sites and the compliance of gambling equipment with the types and modifications under Article 22, Paragraph 1, item 8 approved by the State Commission for Gambling;
5. examine accounting, trade or other papers, documents and data carriers for the purpose of finding violations of the legislation regulating gambling activities and other activities under this act;
6. request and collect original documents, data, information, papers, things, statements of accounts, information sheets and other data carriers for the purpose of finding violations of the legislation regulating gambling activities and other activities under this act;
7. establish the property, cash and tangible valuables, receivables and papers owned;
8. proceed with the actions under Paragraph 3 to provide evidence, including sealing of cash vaults, offices, gambling halls, casinos, workshops, premises where gambling games are organized or conducted, or gambling equipment is kept, and other sites subject to control;
9. are provided free-of-charge access to registers kept according to law and free-of-charge issuance of officially certified transcripts of registrations in them or of copies of documents on the grounds of which they were made.

(3) In conducting inspections the officials under Paragraph 1 may take actions for securing the evidence by means of an inventory or by seizure according to an inventory of items of property, cash, securities, documents, papers and other data carriers, as well as by copying of information on technical carriers allowing for its retrieval, taking the necessary technical measures for preserving its authenticity. Provided the actions under the foregoing sentence cannot be pursued in a timely manner for the purposes of the inspection, the officials may seal the site for a period up to 48 hours. A protocol shall be prepared for the actions taken by the officials, a copy of which shall be provided to the employees or representatives of the inspected person.

(4) At the end of the first year and each third year of the period of validity of the license, comprehensive inspections shall be mandatorily made of the persons licensed under this act.

(5) The Chairperson and members of the Commission, as well as officials designated under the provisions of Paragraph 1 shall not bear financial liability for damages caused in exercising their controlling functions and powers, unless they have committed a crime or have acted intentionally.

Administrative Penalty

- Article 90.** (1) Violations under this act shall be established in pursuance with the Administrative Violations and Penalties Act.
- (2) Penalty notices shall be drawn by the officials under Article 89, Paragraph 1, for establishing the violations under this act.
- (3) Penalty decrees shall be issued by the Chairperson of the Commission and shall be appealed and enforced in accordance with the provisions of the Administrative Violations and Penalties Act.

Statute of Limitations

Article 91. With regard to the terms of limitation for initiation of administrative penal proceedings, the provisions of the Administrative Violations and Penalties Act shall apply.

Collection of Receivables

- Article 92.** (1) (Previous Article 92, supplemented, SG No. 1/2014, effective 1.01.2014) Pecuniary penalties and fines under effective penalty decrees issued by the Chairperson of the Commission and the fees for license issuing and maintaining shall be subject to collection in accordance with the provisions of the Tax-Insurance Procedure Code.
- (2) (New, SG No. 1/2014, effective 1.01.2014) In case of failure to pay within the set time the fee under Article 30, Paragraph 3 and the variable part of the fee under Article 30, Paragraph 4, interest in the amount of the statutory interest shall be charged and owed for the period of delay.
- (3) (New, SG No. 1/2014, effective 1.01.2014, amended, SG No. 105/2014, effective 1.01.2015) The annual contributions for socially responsible behavior and state fees, not paid in due time, and the interest for delay shall be subject to enforced execution by a public administrator according to the procedure set forth in the Tax and Insurance Procedure Code. The statement establishing the receivable shall be issued by the Chairperson of the Commission.

Seizure and Abandonment in favour of the State

- Article 93.** (1) Gambling equipment and communication equipment, which is used for organising or operation of a gambling game without a license shall be seized in favour of the state, irrespective of its ownership.
- (2) All cash funds received from persons who organise or implement a gambling game without a license shall be seized in favour of the state. If the funds under the foregoing sentence are missing, the person who has received the same shall owe their equivalent.
- (3) All cash found out when a violation is established shall be deemed received in or in connection with the organising or operation of a gambling game without a license and shall be seized in favour of the state.
- (4) Any gaming and communication equipment not sought for a period up to three months considered from the time of effectiveness of the Penalty Notice shall be deemed abandoned, and on the grounds thereof the same equipment shall be subject to return.
- (5) Things, including equipment and cash seized by officials of the Commission under Article 89, Paragraph 1, where their owner is an unknown person, and which have not been sought for a 3-month period from seizure shall be deemed abandoned.
- (6) After expiry of the terms under paras 4 and 5 the Chairperson of the Commission shall issue a deed for acquisition of the abandoned things by the state.
- (7) When a seizure or abandonment of cash and/or gambling and/or communication equipment, with the exception of software, which is subject to destruction, is decreed by a Penalty Decree, by a decision of a judicial authority or by other deed in favour of the state, the penalty decrees and decisions shall be forwarded for enforcement to the National Revenue Agency within 7

days from their coming into effect.

Destruction of Gambling Equipment

Article 94. (1) Any unfit gambling equipment and unfit communication equipment seized or abandoned in favour of the state shall be destroyed.

(2) Destruction under Paragraph 1 shall be performed by proposal of the Chairperson of the Commission, following authorisation by the Minister of Finance.

(3) All expenses incurred in relation to seizure, transportation, storage, and destruction of the equipment shall be on account of the offender or on account of the Commission when the equipment is abandoned in favour of the state or the offender is unknown person.

(4) The amount of expenses under Paragraph 3, when the same are on account of the offender shall be determined as of the time of implementation of destruction by a statement of findings concerning the amount of expenses, which shall be issued by the Chairperson of the Commission. The statement under the foregoing sentence shall not be subject to appeal and shall come into effect on the date of its issuing.

(5) Criteria for determining of the equipment as unfit, as well as the procedure and manner of rejection and destruction of the unfit equipment shall be provided for in an Ordinance of the Minister of Finance.

Independence of Penalties

Article 95. The fines and pecuniary penalties under Articles 96, 98, 104 and 106 shall be imposed notwithstanding the penalties provided for in other acts.

Section II Administrative Penalty Provisions

Article 96. (1) (Amended, SG No. 1/2014, effective 1.01.2014) For organizing gambling games or carrying out activities without having a license, the following sanctions shall be imposed:

1. a pecuniary penalty in the amount of BGN 1,000,000 to BGN 200,000,000, per a legal entity organizing online betting;
2. a pecuniary penalty in the amount of BGN 50,000 to BGN 200,000 per a legal entity for gambling games not organized online;
3. a fine in the amount of BGN 20,000 to BGN 50,000 per a physical person who engages in any of the activities of manufacturing, import, distribution, servicing of gambling equipment, or a pecuniary penalty in the amount of BGN 50,000 to BGN 200,000 per a legal entity which engages in any of the activities of manufacturing, import, distribution, servicing of gambling equipment.

(2) If the proceeds from the unauthorised gambling game exceed BGN 1,000,000, the fine shall be from BGN 200,000 to BGN 500,000, and the pecuniary penalty shall be from BGN 500,000 to BGN 1,000,000.

(3) If the proceeds from the unauthorised gambling game exceed BGN 5,000,000, the fine shall be from BGN 1,000,000 to BGN 3,000,000, and the pecuniary penalty shall be from BGN 2,000,000 to BGN 5,000,000.

(4) If any person installs and/or uses a gambling equipment or communication equipment and/or accepts bets and/or effects payouts of winnings or otherwise assists or intermediates in the actual performance of the activities for organizing gambling games without an issued license under this act, such a person shall be penalised by a fine in the amount of BGN 5,000 to BGN

10,000 or by a pecuniary penalty in the amount of BGN 10,000 to BGN 15,000.

(5) If the violation under Paragraphs 1 through 4 is committed repeatedly, the fine, respectively the pecuniary penalty shall be equivalent to double statutory amount.

Article 97. Any person who keeps gambling equipment for organising of gambling games in violation of the provisions of Article 9, Paragraph 4 shall be penalised by a fine in the amount from BGN 5,000 to BGN 10,000 or by a pecuniary penalty in the amount from BGN 10,000 to BGN 30,000.

Article 98. Any person who uses gambling equipment not approved by the Commission or for which the due tax has not been paid shall be penalised by a fine in the amount of BGN 5,000 to BGN 10,000 or a pecuniary penalty in the amount of BGN 10,000 to BGN 30,000.

Article 99. Any organiser who organises a gambling equipment or jackpot system without permanently fixed and/or without legible original marking shall be penalised by a pecuniary penalty in the amount of BGN 2,000 to BGN 5,000 for each gambling machine.

Article 100. (1) Any person who uses amusement equipment at the sites where gambling games are organised shall be penalised by a fine in the amount of BGN 500 to BGN 1,000 or by a pecuniary penalty in the amount of BGN 1,000 to BGN 3,000.

(2) Any person who adapts or uses gambling equipment as amusement one shall be penalised by a fine in the amount of BGN 10,000 to BGN 30,000 or by a pecuniary penalty in the amount of BGN 20,000 to BGN 50,000.

Article 101. Any organiser of gambling games or activities under Article 1, item 2 who makes a change in a circumstance under Article 38, Paragraph 1 without a certificate with a change entered therein issued to that effect shall be penalised by a pecuniary penalty in the amount of BGN 2,000 to BGN 5,000.

Article 102. Any person who manufactures and distributes in the country or imports and distributes in the country gambling equipment for gambling games of type and modification, which are not approved shall be penalised by a fine in the amount of BGN 2,000 to BGN 5,000 or by a pecuniary penalty in the amount of BGN 5,000 to BGN 20,000.

Article 103. An organiser of gambling games with gambling machines who designates a gambling hall by a name other than "Gambling Games Hall" shall be penalised by a pecuniary penalty in the amount of BGN 2,000 to BGN 5,000.

Article 104. (1) (Previous Article 104, amended, SG No. 1/2014, effective 1.01.2014) An organizer of online betting, who fails to store data in electronic format pursuant to Article 6, paragraphs 4 and 5, shall be penalised by a pecuniary penalty in the amount of BGN 500 for each day for which there is no stored information, but not exceeding BGN 50,000.

(2) (New, SG No. 1/2014, effective 1.01.2014) A gambling business organizer, who fails to file in time the declaration under Article 30, Paragraph 6, shall be penalized by a pecuniary penalty in the amount of BGN 5,000 to BGN 10,000.

(3) (New, SG No. 1/2014, effective 1.01.2014) A gambling business organizer, who fails to state, or states incorrect data or circumstances in his declaration under Article 30, paras 6 and 7, which results in assessing a smaller amount of the fee, shall be penalized by a pecuniary penalty in the amount of the fee that was not charged, but not less than BGN 5,000.

Article 105. (1) Legal entities and sole proprietors which publish, broadcast or disseminate advertisements of gambling games in violation of Article 10, Paragraph 4, or Paragraph 5, shall be penalised by a pecuniary penalty in the amount of BGN 10,000 to BGN 30,000.

(2) An enterprise providing public electronic communications networks and/or services which fails to meet its obligation under Article 22, Paragraph 4, shall be penalised by a pecuniary penalty in the amount of BGN 10,000 to BGN 30,000. Where the violation is committed repeatedly, the penalty shall be equivalent to double statutory amount.

(3) (New, SG No. 105/2014, effective 1.01.2015) A gambling games organizer who violates Article 10, paragraph 1 shall be penalised by a pecuniary penalty in the amount of BGN 3,000 to BGN 5,000.

Article 106. (1) Any person who fails to provide the required information or refuses to provide the required assistance to the officials under Article 20 shall be penalised by a fine in the amount of BGN 500 to BGN 2,000 or by a pecuniary penalty in the amount of BGN 1,000 to BGN 5,000.

(2) In case of repeated violation under Paragraph 1 the penalty shall be a fine, respectively a pecuniary penalty equivalent to double the statutory amount.

Article 107. An organiser of gambling games or of activities under Article 1, Paragraph 2 who fails to comply with his obligation under Article 37, Paragraph 1 or Paragraph 4 shall be penalised by a pecuniary penalty in the amount of BGN 1,000 to BGN 5,000.

Article 108. (1) An organizer of gambling games who violates the general mandatory gambling conditions and rules, general mandatory requirements, general mandatory rules, and general mandatory technical requirements under Article 22, Paragraph 1, items 4, 5, 6 and 7, shall be penalised by a pecuniary penalty in the amount of BGN 3,000 to BGN 10,000.

(2) An organiser of gambling games who violates his rules approved by the Commission under Article 22, Paragraph 1, item 11 shall be penalised by a pecuniary penalty in the amount of BGN 2,000 to BGN 5,000, except in the cases where the act is a violation under Paragraph 1.

Article 109. An organiser of gambling games who violates Article 40 shall be penalised by a pecuniary penalty in the amount of BGN 1,000 to BGN 5,000.

Article 110. (1) For violation of Article 45, Paragraph 2, any organiser of gambling games shall be penalised by a pecuniary penalty in the amount of BGN 5,000 to BGN 20,000.

(2) For violation of Article 45, Paragraph 3, an organizer of gambling games shall be penalised by a pecuniary penalty in the amount of BGN 500 to BGN 2,000.

(3) In case of a repeated violation under Paragraph 1 or 2, the penalty shall be double the statutory amount.

Article 111. An organiser of gambling games who has provided in any form, whatsoever, a loan or credit for participation in a gambling game shall be penalised by a pecuniary penalty in the amount of BGN 5,000 to BGN 20,000.

Article 112. Any organiser of gambling games who fails to pay out a winning within the fixed period or in accordance with the procedure shall be penalised by a pecuniary penalty in the amount equivalent to the double unpaid winning but not less than 1,000.

Article 113. Any person who organises a tournament in a gambling hall or in a casino in violation of Article 64, Paragraph 4 or Article 73 shall be penalised by a fine in the amount of BGN 2,000 to BGN 5,000 or a pecuniary penalty in the amount of BGN 5,000 to BGN 20,000.

Article 114. An organiser of gambling games who fails to keep the special register under Article 74, Paragraph 1 shall be penalised by a pecuniary penalty in the amount of BGN 5,000 to BGN 20,000.

Article 115. (Amended, SG No. 1/2014, effective 1.01.2014) For a website of an organizer of gambling games, which does not contain the whole mandatory information under Article 47c, the organizer shall be penalised by a pecuniary penalty in the amount of BGN 5,000 to BGN 20,000.

Article 116. (1) Any person, who fails to comply with the obligation to discontinue the activities and return the certificate of the issued license within 7 days from receiving of the notice of decision of the Commission for temporary or permanent revocation of the license, shall be penalised by a pecuniary penalty in the amount of BGN 5,000 to BGN 10,000.

(2) A pecuniary penalty under Paragraph 1 shall also be imposed on any organiser who fails to comply with the obligation to hand back to the Commission the certificate issued to him within the 3-day term under Article 40, Paragraph 1.

Article 117. (1) An organiser of gambling games or person licensed for activities under Article 1, item 2, who commences actual implementation of any activity in violation of Article 34, Paragraph 1 shall be penalised by a pecuniary penalty in the amount of BGN 1,000 to BGN 5,000.

(2) Where the actual performance of activities under an issued initial license has commenced without having obtained the certificate for such a license under Article 29, Paragraph 3, the organizer shall be penalised by a pecuniary penalty in amount determined according to the provisions of Article 96, Paragraphs 1 - 3.

Article 118. Any person who fails to observe the time limits for meeting his/her obligations or commits or allows the commitment of any other violation of the provisions of this act beyond the cases under Articles 96 through 117, shall be penalised by a fine in the amount of BGN 500 to BGN 2,000 or by a pecuniary penalty in the amount of BGN 1,000 to BGN 5,000. unless subject to a more severe punishment.

ADDITIONAL PROVISION

§ 1. Within the meaning of this act:

1. A "Bet" shall be any payment of money, directly or in any other form for participation in a gambling game with the aim to obtain a winning.

2. "Gambling equipment" shall be gambling machines with one or more gaming stations, gaming tables in a casino and gaming facilities for lottery game with numbers, pools, lotto, bingo, and keno.

3. "Virtual gambling equipment" shall be a simulation of a physical gambling equipment, which shall be implemented by a combination of hardware and software components, which under the control of a personal computer shall have the functionality of physical gambling equipment, shall process the full information of the game and the outcomes of it and shall visualise that information.

4. "Modification" shall be any technical hardware and/or software change of the gambling equipment, which shall have impact on the manner or mode of the game and of the theoretical hold percentage.

The above term shall not include:

(a) converting/conversion - substitution of an approved gambling equipment configuration for another also approved configuration;

(b) changes of the artistic appearance (design) of the equipment;

(c) a change of the theoretical hold percentage of the electronic gambling equipment as a result of progressive or mystery jackpot payouts, as the highest winning, which shall be paid down in cash and shall not be registered by the device.

(d) "Random Number Generator" shall be a mechanical, electrical and mechanical, or electronic device and/or software (computer programme) through which the chance of the game is achieved.

6. "Jackpot System" shall be an electronic system consisting of hardware, software and/or electronic display showing the cash amounts, and which is connected with more than one gambling machine.

7. "Premium Jackpot" shall be a winning, which may exceed many times the bet and it differs from the individual pay tables of the respective games.

8. "Pooled Jackpot" shall be jackpot systems interconnected in an electronic network between two or more gambling halls, respectively casinos.

9. (Amended, SG No. 1/2014, effective 1.01.2014) "Communication Equipment" for remote gambling games organized online or via another electronic means of communication shall be electronic, or electrical, or mechanical devices including a central computer system. The communication equipment may include computer or electronic hardware and software.

10. "IP address" shall be a unique address, which is used for designation of each computer and devices in the computer network using Internet.

11. (Amended, SG No. 1/2014, effective 1.01.2014) "Server" shall be the mainframe computer of the central computer system for gambling games organized online or via another electronic means of communication.

12. (Supplemented, SG No. 105/2014, effective 1.01.2015) "Central Computer System" shall be a combination of hardware and software, which registers players and carries out their financial transfers, determines the results of the game, registers and keeps the data of the game, data of the players and their accounts, provides information about separate games, and ensures supply of information to a server of the Commission and of the National Revenue Agency. The central computer system of an organizer of gambling games should mandatorily ensure online registration of each transaction in the system of the National Revenue Agency according to a procedure and in a manner as set forth in the ordinance under Article 6, Paragraph 1, item 4.

13. "Factory in-built devices for current control" shall be electrical and mechanical or electronic meters

14. "Manufacturer" shall be any person who manufactures, assembles, programmes, makes modifications, recycles gambling equipment, and is a holder of rights for use of industrial property of hardware or software in gaming facilities.

15. "Importer and Distributor" shall be any person who imports and offers for sale or use gambling equipment for gambling activities.

16. "Ancillary and Auxiliary Activities" shall be servicing activities of gambling organisers, such as maintenance and repairs of own gambling equipment, publication, broadcasting and publishing information other than advertising and which is related to the activities, coffee bars, etc.

17. "Repeated" shall be any violation committed after the person has been penalised for same violation by an effective penalty decree within the term of validity of the license issued.

18. "Partner or shareholder with qualified interest" shall be a person, who holds more than 33 per cent of the shares, respectively of the stocks of the company.

19. "Investments" shall be investments in fixed tangible and intangible assets related with organising of activities under Article 1, items 1 and 2. Investments should be related to acquisition and/or acquisition by a financial lease of the following assets:

(a) Gambling equipment;

(b) Jackpot systems (hardware and software);

(c) Communication equipment;

(d) Equipment and systems (hardware and software) for organising of activities under this act;

(e) premises for organising of activities under this act;

(f) Investments for acquisition of assets under financial lease agreements, for restructuring and furnishing of premises, in which

activities under this act are organised, as well as for technical infrastructure;

20. "Funds for organizing of the game" and "Funds for organising of the activities" shall be funds - short-term financial assets in the form of cash (cash and demand deposits) and/or cash equivalents (short-term, highly liquid investments, which are easily convertible in respective cash amounts and which contain insignificant risk of change of their value).

21. "Betting Point" shall be a place where bets are accepted and winnings are paid out.

22. "Winning insignificant in amount" shall be a money or in-kind prize of value up to BGN 20.

23. "Direct advertising of Gambling Games" shall be information disseminated in any form by any means which:

- directly invites users to participate in gambling games, including by creating impression that with their participation in the game the users will resolve their personal or financial problems or will achieve financial prosperity, or invites citizens to participate in the game with promises for big winnings.

24. (Amended, SG No. 1/2014, effective 1.01.2014) "Gambling session" in gambling games organized online is the game process starting with a wager made by a registered participant in the organizer's central computer system and ends with playing out of the wager or with paying out of winnings as a result of the wager made.

25. (New, SG No. 1/2014, effective 1.01.2014) "Online betting" shall be a way of organizing a gambling game, in which players bet directly via the Internet or via another electronic means of communication, whereas the communication between the player and the organizer of the gambling game shall be conducted directly electronically.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. This act repeals the Gambling Act (promulgated in SG, issue 51 of 1999, amended in issue 103 of 1999, issue 53 of 2000, issues 1, 102, and 110 of 2001, issue 75 of 2002, issue 31 of 2003, issue 70 of 2004, issues 79, 94, 95, 103, and 105 of 2005, issues 30 and 54 of 2006, issues 109 and 110 of 2007, issues 42, 74, and 82 of 2009, issue 50 of 2010, issues 35, 60 and 77 of 2011).

§ 3. (1) The State Commission for Gambling existing until coming of this act into effect shall keep its status and functions of a body for implementing of the state supervision on gambling, and it shall continue its activities under the conditions and in accordance with the provisions of this act.

(2) The Organisation Structure Rules of the State Commission for Gambling shall be brought in line with the provisions of the law in one month term from its coming into effect.

§ 4. (1) The secondary legislation for implementation of the repealed Gambling Act shall keep their validity to the extent they are not in conflict with this act.

(2) The Council of Ministers shall adopt regulations on the implementation of the act as well as amendments and supplements to the acts under Paragraph 1, if their revocation is not explicitly required, within three months from coming of the act into effect.

§ 4a. (New, SG No. 94/2012, effective 30.11.2012) (1) The types and modifications of gambling machines and other gaming facilities included in the endorsed list under Article 18, paragraph (1), item 7 of the repealed Gambling Act shall be considered approved types and modifications of gambling equipment under Article 22, paragraph (1), item 8 and the same may be manufactured and imported to be operated in this country.

(2) Prior to the entry into force of the ordinance under Article 42, paragraph 2.

1. The Bulgarian Institute of Metrology shall test gambling equipment produced by manufacturers holders of a license issued by the Commission, and shall approve the types and modifications of such gambling equipment under the procedure of the

repealed Gambling Act;

2. The Bulgarian Institute of Metrology shall perform initial and periodic inspections of gambling equipment under the procedure of the repealed Gambling Act;

3. The Commission shall approve types and modifications of gambling equipment under Article 22, paragraph (1), item 8 upon submission of certificates of approved types, issued by the President of the Bulgarian Institute of Metrology.

§ 5. Proceedings instituted in relation to requests filed for issuing of permits and for changes in issued permits shall be finalised under the procedure of the repealed Gambling Act.

§ 6. In relation to terms, which commenced prior to coming of this act into effect the provisions of the repealed Gambling Act shall apply.

§ 7. (1) Licenses issued in pursuance with the repealed Gambling Act shall remain valid, as after this act comes into effect, they shall have the effect of the respective license under Article 22, Paragraph 1, item 1 or item 2.

(2) Persons who have received permits under the repealed Gambling Act shall be obligated to bring their organisation and activities in line with this act within a term of 15 months from its coming into effect.

(3) Within the term under Paragraph 2, the persons shall submit to the Commission the documents provided for in the ordinance under Article 8, Paragraph 5 for issuing of the respective license under this act, which certify the implementation of the changes in the organization and/or the activity of the persons.

(4) The Commission shall consider the documents filed within three month period from their filing. No fees shall be due for consideration of the above documents.

(5) If it is found out from the documents filed that the organiser has failed to bring its organisation and activities in conformity with the provisions of the act, the Commission shall apply an enforcement administrative measure, and by a resolution it shall revoke for a period of three months the license issued and shall order implementing certain actions in relation to obligations under Paragraph 2.

(6) If within the term under Paragraph 4 the Commission has failed to adopt a decision under Paragraph 5, it shall be considered that the organiser has brought its organisation and activities in conformity with this act.

(7) The Commission shall permanently revoke the license issued under the repealed Act on Gambling, where within the term under Paragraph 2 the person under Paragraph 2 has failed to file the necessary documents or where it has failed to comply with the instruction of the Commission under Paragraph 5.

§ 8. (1) (Effective 30.03.2012 - SG No. 26/2012) Persons granted permits under the repealed Gambling Act shall be obliged within one-month term from the promulgation of this act to submit to the Commission a list containing the individualizing data (name, UIC, full name and Personal Identification Number) of their sole proprietors, respectively partners or shareholders holding more than 33 per cent of their capital, managers, members of management or controlling bodies.

(2) The Chairperson of the Commission shall request from the National Revenue Agency the information under Article 85, Paragraph 1, item 1, of the persons included in the lists under Paragraph 1 within 7 days from the expiry of the term under Paragraph 1.

(3) Within 14 days from the receipt of the request under Paragraph 2, the National Revenue Agency shall provide to the Commission the information under Article 85, Paragraph 1, item 1.

§ 9. (1) The Bulgarian Sports Totaliser State Enterprise, established in accordance with § 11 of the transitional and final provisions of the repealed Act on Gambling shall continue its activities and shall keep its status of a state-owned enterprise under Article 62, Paragraph 3, of the Commercial Act. The following circumstances, as well as any changes therein, shall be registered in the Commercial Register.

1. company name with the designation "State-owned Enterprise" or "SE";

2. the seat and registered address;

3. objects of activity;

4. members of the management body and the person representing it;

5. the transformation and/or winding-up;

6. other, as provided for in an act or in the Rules of Organization of the Bulgarian Sports Totaliser.

(2) (Amended, SG No. 68/2013, effective 2.08.2013, SG No. 1/2014, effective 1.01.2014) A targeted subsidy in the amount of the tax paid by the state-owned enterprise Bulgarian Sports Totalizer into the state budget for the previous year under the Corporate Income Tax Act, and the fee under Article 30, Paragraph 3, and the variable portion of the fee under Article 30, paragraph 4, shall be allocated on an annual basis in the budget of the Ministry of Youth and Sports.

§ 10. (1) The gambling equipment seized by the State Commission for Gambling until coming of this act into effect, which is abandoned in favour of the state shall be destroyed under the procedure laid down in Article 94.

(2) Any gambling equipment not sought within three months from coming of this act into force shall be deemed abandoned in favour of the state within the meaning of Paragraph 1.

§ 11. In the Limitation of Administrative Regulation and Administrative Control on Business Activities Act (published in SG, issue 55 of 2003, amended in issue 59 of 2003, amended in issue 107 of 2003, issues 39 and 52 of 2004, issues 31 and 87 of 2005, 24, 38 and 59 of 2006, issues 11 and 41 of 2007, issue 16 of 2008, issues 23, 36, 44, and 87 of 2009, issues 25, 59, 73, and 77 of 2010, issues 39 and 92 of 2011) in the annex to Article 9, Paragraph 1, item 2, in item 10 after the wording "gambling activity" a comma shall be inserted and the wording "activities for manufacture, distribution, and servicing of gambling equipment and activities for import, distribution, and service of gambling equipment" shall be added.

§ 12. (Effective 30.03.2012 - SG No. 26/2012) In the Tax and Social Insurance Procedure Code (promulgated, SG, issue 105 of 2005; amended, issues 30, 33, 34, 59, 63, 73, 80, 82, 86, 95 and 105 of 2006, issues 46, 52, 53, 57, 59, 108 and 109 of 2007, issues 36, 69 and 98 of 2008, issues 12, 32, 41 and 93 of 2009, issues 15, 94, 98, 100 and 101 of 2010, issues 14, 31, 77 and 99 of 2011) in Article 74, Paragraph 1, item 3, a comma is added after the wording "National Statistical Institute" and then the text "the Chairperson of the State Commission for Gambling".

§ 13. The Act shall come into effect three months after its promulgation in the State Gazette with the exception of Article 31, Paragraph 1, item 15; Article 85, Paragraph 1, items 1 and 9, § 8 and § 12, which shall come into effect from the date of the promulgation of the Act in the State Gazette.

The Act was passed by the 41-st National Assembly on 15 March 2012 and was rubberstamped with the official stamp of the National Assembly.

TRANSITIONAL AND FINAL PROVISIONS

to the Amendment and Supplement Act

to the Excise Duties and Tax Warehouses Act

(SG No. 54/2012, effective 17.07.2012)

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§ 85. This Act shall enter into force on the date of its publication in the "Official Gazette" except:

1. paragraph 83, which enters into force on 1 July 2012;
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FINAL PROVISIONS

to the Act to amend the Administration Act

(SG No. 82/2012)

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§ 16. Ministers and Ministers bring adopted respectively of their own regulations in accordance with this Act within one month of its entry into force.

FINAL PROVISIONS

to the Act to Amend the Youth Act

(SG No. 68/2013, effective 2.08.2013)

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§ 51. The following amendments shall be introduced in Physical Education and Sports Act (promulgated in State Gazette No. 26/2012; amended, SG Nos. 54, 82 and 94/2012):

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3. In the rest of the text of the Act the words "Minister of Education, Youth and Science" shall be replaced by "Minister of Education and Science", the words "Minister of Physical Education and Sports" and "the Ministry of Physical Education and Sports" shall be replaced by "Minister of Youth and Sports", and "the Ministry of Youth and Sports", respectively.
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TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend Gambling Act

(SG No. 1/2014, effective 1.01.2014)

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§ 29. Paid until December 31, 2013 tax on unused tokens certifying participation shall be refunded to the person under the repealed Article 233 of the Act on Corporate Income Tax, if after that date any of the following circumstances:

1. completion of (drawing) of lotteries or
2. termination of license organizer pursuant to Article 35, paragraph 1, item 4 of the Gambling Act.

§ 30. Chairman of the State Gambling Commission and chairman of the State Agency "National Security" within March 1, 2014 in a joint instruction determine how to interact with the implementation of measures for prevention, control and prevention of organizing illegal gambling activities, mediation and support of individuals and companies to organizers of illegal

gambling activities and measures in the field of information security.

§ 31. Pending proceedings for the issuance of licenses shall be completed under the terms and conditions provided in this Act.

§ 32. The budget of the Ministry of Culture annually translates targeted subsidy for the National Fund "Culture" in the amount of 10 percent of the amount paid in the previous year stamp duty under Article 30, paragraph 3 and the variable part of paragraph 4.

§ 33. (1) A person included in the list of Article 22, paragraph 1, item 14, which submitted a request for a license to organize gambling within March 31, 2014 is excluded from the list on the date of the request until the date of the decision of the Commission.

(2) In cases of adoption of the decision to refuse to issue a license, including the decision is appealed , the person included in the list of Article 22, paragraph 1, item 14, from the date of the judgment.

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FINAL PROVISIONS

to the Amendment and Supplement Act to the Gambling Act

(SG No. 105/2014, effective 1.01.2015)

§ 16. By 28 February 2015, the Council of Ministers shall develop a concept of taxation of gambling games, together with an assessment of its impact, and shall submit the required legislative amendments to the National Assembly.

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