

LAW FOR THE GAMBLING

Prom. SG. 51/4 Jun 1999, amend. SG. 103/30 Nov 1999, amend. SG. 53/30 Jun 2000, amend. SG. 1/2 Jan 2001, amend. SG. 102/27 Nov 2001, amend. SG. 110/21 Dec 2001, amend. SG. 75/2 Aug 2002, amend. SG. 31/4 Apr 2003, amend. SG. 70/10 Aug 2004, amend. SG. 79/4 Oct 2005, amend. SG. 94/25 Nov 2005, amend. SG. 95/29 Nov 2005, amend. SG. 103/23 Dec 2005, amend. SG. 105/29 Dec 2005, amend. SG. 30/11 Apr 2006, amend. SG. 54/4 Jul 2006, amend. SG. 109/20 Dec 2007, amend. SG. 110/21 Dec 2007

Chapter one.

GENERAL PROVISIONS

Subject

Art. 1. This law settles the conditions and the order of organising gambling games and the participation in them, as well as the control over these activities.

Definition and Participants

Art. 2. (1) Gambling is every game involving pawn, whereupon profit can be obtained or the betting can be lost.

(2) Participants in gambling games can be able individuals of age for which this law or other laws do not provide restrictions. Unable persons can obtain tickets or cards for participation in lotteries, toto and lotto games only by donation.

Exceptions

Art. 3. (1) Sport competitions with award fund for the participants in them shall not be considered gambling games.

(2) Gambling games shall also not be considered games of entertaining nature such as: entertaining gaming equipment, mini soccer, billiard or ping pong, darts, bowling, paintball and speedball, mini basketball, bridge, backgammon and others, although their using may require betting or it is usually understood that the loosing player must suffer the expenses for the games on condition that the betting and the winning are negligible.

(3) Gambling games are not the mind maze expressed in answering questions or demonstration of knowledge or skill, on condition that the awards are not for the account of the receipts from the participants - from tickets, telephone fees or in any other form.

Permit

Art. 4. (1) The gambling games on the territory of the Republic of Bulgaria shall be organised and held only by permit of the State Commission for the gambling.

(2) Organised can be and subject to permit shall be only the gambling games stipulated by this law.

(3) The permit shall give the right of organising only of the games explicitly stipulated by it, manufacturing and service activities and it cannot be transferred.

(4) (suppl., SG 70/04) Prohibited is the organising and holding of gambling games in the buildings and their adherent areas which are public state property, in the sites of the

Ministry of Defence, the Ministry of Interior, in the educational and medical establishments, as well as in own buildings without notary certified written consent of all co-owners.

Persons to whom permit shall not be issued

Art. 5. (1) Permit for organising gambling games, for manufacturing gambling equipment for gambling games, to importers and distributors of gambling equipment and for carrying out service shall not be given to sole entrepreneur or corporate body, including in the cases of "related persons" in the context of § 1 of the additional provisions of the Commercial Law when one of the following conditions is present:

1. owner, majority partner, manager, member of a managing body of a non-profit company or organisation has been convicted for crime of general nature, except when he is rehabilitated;

2. the persons under item 1 have been declared insolvent if unsatisfied creditor has remained and from the date of enactment of the court decision for declaring the insolvency 3 years have not elapsed;

3. (amend., SG 103/99; amend. - SG 105/05, in force from 01.01.2006) the persons under item 1 who have avoided taxation of income, revenue, profit, property and transactions with them and it has been established by enacted audit act or penalty decree and from the date of enactment of the act or the decree 3 years have not elapsed;

4. the persons under item 1, in their capacity of owner, partner, manager, member of managing or control body of a non-profit company or organisation have participated in a company (companies or as sole entrepreneur) of whom the permit for organising gambling activity has been revoked or who has been punished for carrying out gambling activity without permit, or who have unpaid liabilities to the budget, established by the order of item 3.

(2) Permit for organising gambling game shall also not be issued when a person directly related to holding the game or to the management of the gambling hall or casino, has been convicted for premeditated crime of general nature, unless he has been rehabilitated and the circumstances under para 1, item 3 and 4 are not present.

(3) (amend., - SG 79/05) Permit for organising gambling game shall not be issued when the persons under Art. 6, para 1, items 1-5 as well as their owners, partners, managers, members of managing or control body have been refused or of whom has been revoked permit for organising gambling games in the countries - members of the Organisation for economic cooperation and development and this has been confirmed by an official correspondence by the competent bodies of the respective country in the cases under Art. 20, para 4, as well as in cases of not proven origin of the capital.

(4) (amend., SG 103/99, SG 79/05) The persons under Art. 6, as well as the representatives of the persons under para 1, items 1-5 shall file notary certified declaration for the circumstances stipulated by para 1, item 3 and para 3, certificate of conviction, declaration for property and financial status, as well as other official documents necessary for obtaining permit, stipulated by ordinance, issued by the order of Art. 17, para 2.

(5) For untrue data the declarers shall bear criminal responsibility.

Organisers of gambling games

Art. 6. (1) Gambling games can be organised by:

1. Bulgarian trade companies meeting the requirements of this law;

2. (new – SG 79/05) trade companies registered in a Member State of the European Union, as well as in another state – member of the European economy space, meeting the requirements of this law;

3. (prev.2 – SG 79/05) sole entrepreneurs - only gambling games by gambling machines;

4. (prev. 3, amend., – SG 79/05) the non-profit legal persons, determined to perform social welfare activity, registered under the Law of the Non-profit Legal Persons – in the cases stipulated by this law.

5. (new – SG 79/05) the non-profit legal persons, registered in a Member State of the European Union, as well as in another state – member of the European economy space, through a branch, determined to perform social welfare activity – in the cases stipulated by this law.

6. (prev. 4 – SG 79/05) the state - only for assistance to the sport, the culture, the health care, the education and the social welfare.

(2) (amend. – SG 110/07, in force from 01.01.2008) The organisers of gambling games, levied by alternative tax according to Art. 220, 227 and 235 of the Law for the corporate income tax, cannot carry out other activity under the Commercial Law, including manufacturing of equipment for gambling games, except organisation of gambling games and auxiliary and accompanying activities thereof.

(3) The organisers, other the ones under para 2, can also carry out other activity according to the Commercial Law. They cannot carry out production and distribution of equipment for gambling games.

(4) The restriction under para 2 shall not regard non-profit corporate bodies regarding the registered purpose.

Foreign Persons

Art. 7. (1) (prev. Art. 7, - SG 79/05) Foreign persons can participate in the companies under Art. 6, para 1, item 1 in the cases when these companies:

1. organise gambling games in a casino in a hotel if the company has bought or built the hotel with a category of four and more stars, or

2. have invested in organising another activity on the territory of the Republic of Bulgaria within one year from the issuance of the permit resources not less than the lev equivalence of USD 10 000 000 according to the exchange rate of the Bulgarian National Bank and have provided no less than 500 occupations.

(2) (new – SG 79/05) Para 1 shall not be applied to persons who are registered in a Member State of the European Union, as well in another state – member of the European Economy space, or are citizens of such state.

Gambling games with charitable purpose

Art. 8. (1) (amend., - SG 79/05) The persons under Art. 6, Para 1, items 4 and 5 can organise only one-time lotteries and raffles with charitable purpose.

(2) The gambling games under para 1 can be organised exclusively by preliminary declared and accepted by the State Commission for the gambling charitable purpose.

(3) (Amend. SG 1/01, SG 102/01) The decision under para 1 shall be issued on the grounds of a request accompanied by a plan-account for the income and expenses. The

spending of the net income, after taxation for the declared charitable purpose, shall be checked up by the State commission for the gambling.

Gambling games organised by the state

Art. 9. (1) (amend. SG 53/2000; amend., SG 75/02; amend. – SG 103/05) The state can organise only lotteries, toto or lotto and betting about the results of sport competitions through state enterprises at the Ministry of Finance and the Bulgarian sport totaliser at the State Agency of Youth and Sport which are not commercial companies and the state possesses the capital in full.

(2) (amend. SG 53/2000; amend., SG 75/02) The structural statutes of the enterprises under para 1 shall be adopted by the Council of Ministers. The bodies of management of these corporate bodies shall be appointed by the Minister of Finance, and these of the Bulgarian sport totaliser - by the Chairperson of the State Agency of Youth and Sport.

(3) (Amend., SG 75/02) The using of the income after taxation and deduction of the expenses and the unpaid winnings shall be approved by:

1. (amend. – SG 103/05) Minister of Finance under schemes proposed under the Chairperson of the State Agency of Youth and Sport - for the receipts from the Bulgarian sport totaliser - for the needs of physical education and sport, as well as for maintenance, repairs and establishment of a new sport equipment in the schools; the Chairperson of the State Agency of Youth and Sport shall distribute the funds for the physical education and sport, as well as for maintenance, repairs and establishment of a new sport equipment in the schools upon proposal of the Minister of Education and Science;

2. (amend., - SG 79/05) the Minister of Finance - for the receipts from other enterprises under para 1 - for the remaining purposes under Art. 6, para 1, item 6.

Advertising gambling games

Art. 10. (1) Prohibited is the direct advertising of gambling games through the mass media.

(2) Admitted is the announcement of the order and the way of participation and the conditions of holding lotteries "Bingo" and "Keno", toto and lotto games, as well as betting on sport competitions, betting on chance events and for guessing facts and events and the results from them, as well as the broadcasting of the drawings by the television.

Betting and winnings, prohibition of credit loans

Art. 11. (1) (amend. SG 102/01) Gambling games shall be organised with betting and winning only in Bulgarian levs. Admitted in the casinos shall be organising of gambling games with betting and winnings determined in foreign currency by preliminary permit of the State Commission for the gambling.

(2) It is prohibited to the organisers of gambling games to grant, in any form whatsoever, credit to a participant(s) in the gambling games except payment by credit cards accepted by the organisers.

Betting through telecommunication equipment

Art. 12. (1) (amend. SG 102/01) The betting can be expressed in increase of the price of telephone or other telecommunication connection. The telecommunication operator must preliminary be assured that the game is permitted by the order of this law.

(2) When betting by telephone or other telecommunication means it shall be considered that the betting has been made by the individual or the corporate body, owner or legal user of the device.

(3) (amend. SG 102/01) Prohibited is the betting from the telephones and the other telecommunication devices of the state and municipal, including health, social and cultural establishments and enterprises and, in case of non-observance of the prohibition, the eventual winning shall be deposited in the respective budget.

Chapter two.

STATE SUPERVISION OVER THE GAMBLING

Section I.

Bodies

Art. 13. (Amend. SG 1/01, SG 102/01) The state supervision over the gambling shall be carried out by a State Commission for the gambling for control over the gambling at the Minister of Finance.

Restrictions

Art. 14. (1) (Amend. SG 1/01, SG 102/01) The members of the State Commission for the gambling and its employees for control over the gambling cannot, directly or indirectly, to conclude any transactions or economical relations with organisers of gambling games, manufacturers of equipment for gambling games, importers distributors or service organisations, their managers or employees, including as experts, consultants and in any other form.

(2) The persons under para 1 cannot participate in the organising and holding of gambling games directly or through an authorised person. They cannot acquire shares and stock of trade companies having a subject of activity participation in organising and holding gambling games or participate in their managing and supervisory boards.

(3) (amend. SG 102/01) The persons under para 1 cannot establish and be members of non-profit corporate bodies organising gambling games by the order of this law.

(4) The prohibition under para 1, 2 and 3 shall also regard the spouses and the relatives in ascending line without restriction of the persons under para 1 for the entire period of fulfilment of their obligations.

Section II.

State Commission for the gambling

Art. 15. (1) (amend. SG 102/01) Established at the Minister of Finance shall be State Commission for the gambling, called hereinafter the state commission. The state commission shall be a corporate body at budget maintenance with headquarters in Sofia.

(2) (amend. SG 1/01, SG 102/01) The state commission shall consist of a chairman and four members, of which at least three shall be lawyers with time of service not less than 5 years. The chairman and the members of the state commission, with exception of the Agency for supervision of the insurance and gambling shall be appointed by the Minister of Finance. The chairman shall manage the activity of the state commission and represent it.

(3) The members of the state commission can be only Bulgarian citizens with higher education, with high professional and ethic qualities, who have not been sentenced to imprisonment for premeditated crime of general nature.

(4) (amend. SG 1/01, SG 102/01) The activity of the state commission shall be assisted and implemented by general and specialised administration, which structure and organisation of work shall be determined with structural regulation, approved by the Council of Ministers.

(5) (new – SG 102/01) The number of the staff of the state commission shall be approved by the Minister of Finance upon proposal by the chairman of the state commission.

Financing (title amend. SG 102/01)

Art. 16. (amend. SG 102/01) (1) The activity of the state commission shall be financed by the state budget through the Ministry of Finance.

(2) The resources, collected from deductions in extent of 25 percent of the fees, collected under his law, as well as from the additional revenues for the budget, being fines, proprietary sanctions, gambling facilities, taken in favour of the state and pecuniary resources, established and collected with punitive decrees, issued under this law, shall be calculated and spent only for the development of the material base, for increase of the qualification and for stimulating of the employees of the state commission by an order, issued by the chairman of the state commission.

(3) The state commission shall obligatory insure its employees for accident for the account of its budget.

By-law acts (title amend. SG 102/01)

Art. 17. (amend., SG 1/01; revoked – SG 102/01).

(2) (amen d., SG 1/01) The Council of Ministers, at the proposal of the state commission shall adopt the ordinances and the tariffs under this law.

Competence

Art. 18. (1) The state commission for the gambling shall:

1. (amend. SG 103/99) grant, refuses to grant and revoke permits for organising gambling games to and from persons who have the right to organise them;

2. (amend. SG 103/99) grant, refuses to grant and revoke permits of organisers of gambling games under item 1 for development, respectively revoking and/or termination of their activities in individual sites;

3. (amend. SG 103/99) grant, refuses to grant and revoke permits of manufacturers of gambling equipment for gambling games, of importers and distributors and of the service organisations for repair and maintenance of this equipment;

4. (amend. SG 102/01) adopt general obligatory gaming conditions for the types of gambling games for which permit is issued, as well as the rules for organising and holding the individual gambling games;

5. (amend. SG 102/01) adopt general obligatory requirements for the gambling halls and casinos regarding the type of the premises or buildings, the minimal area, the location of the premises and the necessary technical control equipment;

6. (amend. SG 102/01) adopt general obligatory technical requirements for the systems of control over the gambling games, the gambling machines, the gambling tables and the other gambling equipment;

7. (amend. SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) approve a list of the types and modifications of gambling machines and other gambling equipment approved by the Bulgarian Institute of Metrology which can be manufactured, imported and exploited in the country, as well as the laboratories of art. 79, para 2;

8. approve the obligatory samples of tickets, slips, cards and other certifying signs for participation in gambling games;

9. approve obligatory samples for accountancy of the types of gambling games and obligatory rules for the organisation of the work and the financial control of holding gambling games;

10. (amend. SG 1/01, SG 102/01) approve a form of declaration by which the members of the state commission for control over the gambling shall be obliged not to spread facts and circumstances having become known to them in fulfilment of their official duties;

11. (new – SG 102/01; amend. - SG 105/05, in force from 01.01.2006) approve rules and systems for supplying of information about the formation and the distribution of the winnings; these systems must ensure the transfer of the necessary data to the information system of the National Revenue Agency according to mutually coordinated rules, before the carrying out of the subsequent drawing or before the occurrence of the event, determining the distribution of the winnings, when this is required under this law;

12. (new – SG 102/01) approve the rules, presented by the organisers of gambling games of items 4, 5 and 6;

13. (new – SG 102/01) keep registers.

(2) Permit under para 1, item 3 shall not be required for the organisers of gambling games who import gambling machines and equipment for their own needs.

(3) (new – SG 102/01) The State commission shall implement control over the whole activity for organising and conducting of the gambling activity, as well as over the activity of the producers of gambling facilities for gambling games, of the importers, the distributors and the servicing organisations for maintenance and repair of these facilities.

(4) (new – SG 102/01) The State commission shall accept the written applications for the issuing of the permissions under this law, implement checks and investigations about them and take motivated decisions, which are entered in the corresponding registers.

Grounds for opening proceedings

Art. 19. (1) (amend. SG 103/99) Proceedings before the state commission shall be opened on the grounds of written requests for issuance of the acts under Art. 18, para 1.

(2) (amend. SG 1/01, SG 102/01) The written requests with attachments to them, determined by an ordinance issued by the order of Art. 17, para 2, shall be submitted to the

state commission, and, upon carrying out the necessary check ups and inspections, the chairman presents with a motivated proposal for considering to the state commission.

(3) (amend. SG 1/01, SG 102/01) When the presented documents are not complete or they do not meet the obligatory requirements, or additional information is necessary, in 14 days term after receiving the written request the state commission shall notify the applicant and determine 30 days term after receiving the notification about removal of the irregularities or presenting of additional information.

(4) (new – SG 102/01) Within the term of para 3 the applicant should remove the irregularities or present the necessary additional information, and upon non fulfilment of this obligation the state commission shall refuse to give the required permission and the fees, paid for this by the applicant, shall not be returned.

(5) (prev. (4) – SG 102/01; amend. - SG 30/06, in force from 12.07.2006) For the proceedings before the state commission shall apply the provisions of the Administrative procedure code except in the cases when other terms are stipulated by this law.

Meetings of the state commission

Art. 20. (1) The meetings of the state commission can be attended by the interested parties and administrative bodies, including branch organisations of the organisers of gambling games who shall be informed about the date and the hour of the meeting during which the request shall be discussed. In all cases the decisions shall be announced publicly.

(2) (amend. SG 102/01) The state commission can oblige the applicant, his representatives and the persons under Art. 5, para 1, item 1 to appear personally in order to answer to concrete questions on circumstances of importance for the decision on the request.

(3) To the persons obliged to appear personally the state commission shall announce in writing the questions to which they must answer and the additional information which must be presented, warning them about the consequences under Art. 5, para 3 from failure to fulfil this obligation.

(4) The state commission can accept for clarification the circumstances under para 2 and refuse the issuance of permits if the person does not appear in order to present explanation, if he has created obstructions or has refused to answer, as well as when he has presented incomplete or unclear answers or has not presented the required information.

Quorum and taking decisions

Art. 21. (1) The meetings shall be considered regular when at least four of the members of the state commission are present.

(2) When adopting that the circumstances of the request are not clear the state commission shall conclude its consideration and shall take a decision. The decision shall be based on circumstances established by the commission and on the law.

(3) The decision shall be taken after a secret meeting by open vote of votes are cast by at least three of the members of the state commission who have participated in the meeting during which the consideration of the request was made.

(4) None of the members can abstain from voting.

(5) Member of the state commission who disagrees with the opinion of the majority shall sign the decision motivating separately his reserves.

(6) The state commission shall also take into consideration the facts having occurred after the filing of the request which are of importance for its settlement.

(7) The decision must contain:

1. name of the body who issues it;
2. name of the act;
3. factual and legal grounds for the issuance of the act;
4. order part (disposition) which determines the rights or the obligations, the way and the period of the fulfilment;
5. before which body and within what period the act can be appealed;
6. the date of issuance and signature of the chairman, the members and minutes secretary of the state commission.

(8) (amend. SG 102/01) The state commission shall announce the decision with the motives at latest in 7 days term after the session by entering in the corresponding register and announce it to the interested parties.

(9) Upon announcement of the decision the state commission cannot itself revoke or change it.

(10) The state commission, by its initiative or at the request of the interested person can correct only the obvious factual mistakes in the decision.

(11) The decision for the correction can be appealed by the order by which the appeal of the decision itself is subject.

(12) The interested person can request the supplement of the decision if the state commission has not taken decision on the entire request. Request for it can be filed within one month from the date of entering the decision by the order of para 8.

(13) The state commission shall consider the request and shall take additional decision which shall be subject to appeal by the general order.

Grounds for striking off

Art. 22. (1) Member of the state commission shall be obliged to request his striking off on the following grounds:

1. if he has had legal terms or civil terms of relations with the author of the request;
2. when, due to other circumstances, he can be considered prejudiced or interested, directly or indirectly, in the decision on the request.

(2) In the cases under para 1 the authors of the request can require writing off of a member of the state commission.

(3) The state commission shall take decisions on the request for striking off and the challenges by the order of Art. 21, para 3.

Obligation for assistance

Art. 23. (Amend. SG 1/01) (1) (amend. SG 102/01) The persons under Art. 6, para 1, their employees, as well as other officials, shall be obliged to render assistance to the state commission and to the employees in it for control over the gambling in fulfilment of their duties assigned to them by the law, expressed in providing access to premises, providing written and verbal explanations, as well as submitting documents and other information carriers.

(2) (amend. SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) When access is denied or information to the employees is not submitted the state commission and they shall be entitled to the assistance of the bodies of the prosecution, the Ministry of

Interior, the Ministry of Finance and the Bulgarian Institute of Metrology who shall be obliged to render the requested assistance within their competence, determined by a law.

(3) (amend. SG 102/01) In carrying out inspections or studies by the state commission for control over the gambling the officials cannot refer to official, manufacturing or trade secret, with exception of the protected intellectual property and professional secret.

Using the documentation and prohibition of spreading it

Art. 24. (1) (amend. SG 1/01, SG 102/01) Documentation and information obtained from the employees in the state commission, in the process of investigation, can be used by them only for the purposes of this investigation unless by written request by a state body, when it is stipulated by a law.

(2) (amend., SG 1/01, SG 102/01) The members of the state commission and its employees shall be obliged not to spread circumstances and facts having become known to them during or on occasion of their official duties according to this law, except by a written request of a state body when it is stipulated by a law.

(3) In connection with their obligations under para 2 the persons mentioned there shall sign declaration in a form which shall explicitly state their responsibility.

Appeal

Art. 25. (1) (amend. SG 102/01; amend. - SG 30/06, in force from 01.03.2007) The decisions of the state commission shall be appealed regarding their lawfulness before the Administrative court – city of Sofia within 14 days from their announcement.

(2) (amend. SG 102/01; amend. - SG 30/06, in force from 12.07.2006) The appeal of the decisions of the state commission shall be considered by the order of the Administrative procedure code.

Enactment of the decisions

Art. 26. The decisions of the state commission shall be enacted when:

1. they are not appealed within the set period;
2. the filed claim has not been honoured.

Fees

Art. 27. (1) Collected for carrying out the activities for every request for issuance of permits according to this law shall be state fees according to a tariff approved by the Council of Ministers.

(2) (amend., SG 103/99) The paid state fees under para 1 shall not be subject to redemption regardless of the decision of the state commission.

(3) (new, SG 103/99) Upon request of the persons the fees for issuance of permits can be paid in equal parts within a period of one year.

Section III.

(amend., SG 1/01) Activity of the Agency for supervision of the insurance and gambling

Art. 28. (revoked, SG 1/01)

Financing

Art. 29. (amend. SG 1/01, revoked SG 102/01)

Control functions

Art. 30. (amend. SG 1/01, revoked SG 102/01)

Announcement and appeal of the acts

Art. 31. (1) (amend. SG 1/01, SG 102/01) The penalty decrees of the chairman of the state commission for breaches of this law shall be announced and appealed by the order of the Law for the administrative offences and penalties.

(2) (amend. SG 1/01, SG 102/01) Every person who has acquired or lost a right as a result of an act issued by the chairman of the state agency or whose legal interest is affected by such an act can receive a certified copy of the act.

Coordination

Art. 32. (amend., SG 1/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) The state commission shall require, when necessary, statements from the Ministry of Interior, the Ministry of Finance and the Bulgarian Institute of Metrology. The order and the ways of coordinating shall be determined by the regulations for the structure and activity of the Agency for supervision of the insurance and gambling.

Bulletin

Art. 33. (amend. SG 1/01, SG 102/01) The state commission shall issue a monthly bulletin where it shall publish the issued and revoked permits under this law, shall announce the dates of the meetings of the state commission, shall publish decisions with the motives for issuance or refusal to issue permits and court practice on appealed decisions, as well as other information regarding the gambling activity.

Terms

Art. 34. (1) (amend. SG 1/01, SG 102/01) The inspections and the studies on requests for issuance of permits must be concluded by the state commission in one month term from the receipt of written request. In case of particular factual and legal complexity with a motivated decision of the chairman of the state commission can be extended to 2 months.

(2) The term of the permit issued by the state commission shall be up to five years except in the cases when the applicant has explicitly requested permit for one-time organising or a permit for a shorter period.

(3) (amend. SG 1/01, SG 102/01) When the proven before the state commission investments in long-term material assets and economic property exceed 500 000 levs the permit for the gambling games shall be issued for a period of ten years unless the applicant has explicitly requested permit for a shorter period.

(4) (amend. SG 1/01, SG 102/01) The state commission can revoke the issued permit for offences of the provisions of this law, the acts for its implementation or other acts settling gambling activity before the expiration of the term of the permit.

(5) Obligatory, after the issuance of the permit, besides the current inspections, at the end of the first and every third year, for the term of the permit, shall be carried out full inspection of the observance of the acting legislation settling the gambling activity if offences have not been established during this period.

Extension of the term

Art. 35. (amend. SG 1/01, SG 102/01) When, before expiration of the term for which the permit has been issued an application is filed for extension of the term of the permit and during the previous activity of this person have not been established breaches of this law, the state commission can extend the permit for the same period on condition that the person has paid half of the fee for issuing an initial permit and presents a declaration, certified by a notary, that till the submitting of the request for extension have not occurred circumstances, being hamper for development of gambling activity under this law.

Chapter three. GAMBLING GAMES

Section I. Types of gambling games

Art. 36. (1) Gambling games which can be permitted and organised according to this law are lotteries, raffles, toto, lotto, Bingo and Keno by gambling machines and other similar equipment, games on gambling tables in casino and betting on results from sport events and chance events.

(2) (amend., SG 103/99) The rules for organising and holding gambling games shall be approved by the order of Art. 18, para 1.

(3) Admitted for the gambling games shall be the formation and distribution of jackpot under conditions determined by the rules of the games according to the provisions of this law.

Section II. Lottery games

Art. 37. (1) The lottery games are gambling games for which the winnings are announced and distributed publicly through a lot by a preliminary announced scheme as the winning shall be due at the opening of a definite figure, combination of figures, sign and others or at drawing a winning ticket.

(2) The lottery games can be:

1. periodical - held in a definite time interval;
2. one-time.

(3) The rules for holding lotteries shall be announced in advance in a suitable way. The gaming plan must contain a definite number of tickets with serial numbers. If the tickets are divided into several series each of them must contain an equal number of tickets and each ticket must have an indicated series together with the serial number. The sale price of the

tickets for every lottery must be the same for all series. All issued tickets shall participate in the drawing.

(4) (amend. SG 103/99, SG 1/01, SG 102/01) The printing, the import and the destruction of the tickets for participation in lottery games shall be carried out according to the provisions of an ordinance for the conditions and the order of printing and control over the securities issued by the Minister of Finance and by a publishing house or importers of tickets or paper for them approved by his order. The destruction of the unused tickets shall be carried out by the publishers in the presence of the officials for control over the gambling appointed by an order of the chairman of the state commission for which written statements shall be issued.

(5) Before the publishing of forms, tickets or other certifying signs for participation in lottery games the applicant shall present to the state commission samples from them for approval of the type and the cost price.

(6) The tickets for participation in lottery games shall be securities of bearer.

(7) (amend. SG 102/01; amend. - SG 105/05, in force from 01.01.2006) The lottery games must be provided with approved by the state commission rules and systems for submitting information about the formation and the distribution of the winnings. These systems must ensure the transfer of the necessary data to the information system of the National Revenue Agency according to mutually coordinated rules before the conducting of the subsequent drawing or before the occurrence of the event, determining the distribution of the winnings.

Holding the drawings

Art. 38. (1) (amend. SG 1/01, SG 102/01) The holding of the drawings of the lottery games shall be public and in the presence of authorised representatives of the organiser and of the state commission as at least 50 percent of the value of the receipts shall be distributed among the participants in the form of winnings - cash or objects. The ratio of the winnings in cash and objects shall be determined by the rules of the game approved by the state commission.

(2) The receiving of the cash or object winnings shall be guaranteed by the organiser.

Section III.

Toto and lotto games

Definition

Art. 39. (1) Toto and lotto games are gambling games in which it is betted on one or more competitive digital combinations, drawn are a definite number of digits and premium is awarded to the participant who has correctly prognosticated these digits or combination of digits. The premium shall be calculated on the basis of the possible combinations, on the basis of the played digits and the number of the realised combinations or it shall be calculated in a sum which exceeds by a specifically determined number the single betting.

(2) The rules of holding toto and lotto games and in their variety shall be approved by the state commission and shall be announced in advance in a suitable way.

(3) The printing, the submitting and the destruction of the cards, forms and other certifying signs for participation in the games shall be carried out by the order of Art. 37, para 4.

(4) Before the issuance of cards, forms and other certifying signs for participation in the games under para 1 the applicant shall present for approval by the state commission samples of them. They shall not be considered security of a bearer.

(5) (amend. SG 1/01, SG 102/01; amend. - SG 105/05, in force from 01.01.2006) The toto and lotto games must be provided by an approved by the state commission rules and systems for submitting information about the formation and the distribution of the winnings. These systems must ensure the transfer of the necessary data to the information system of the National Revenue Agency according to mutually coordinated rules before the conducting of the subsequent drawing or before the occurrence of the event, determining the distribution of the winnings.

Drawing

Art. 40. (1) (amend. SG 1/01, SG 102/01) The drawing of the toto and lotto games shall be publicly held in the presence of authorised representatives of the organiser and of the state commission, as at least 50 percent of the receipts shall be distributed among the participants in the form of winning - cash or objects.

(2) (amend. SG 102/01) The receiving of the cash and object winnings shall be guaranteed by the organiser.

Section IV.

Lottery games "Bingo" and "Keno"

Definition and requirements

Art. 41. (1) The games "Bingo" and "Keno" are digital lottery games for which neither the number of the participants or the size of the betting are preliminary determined - the number of the issued tickets and the sale price of one ticket. The winning shall be calculated according to the number of the winners and preliminary determined share of the total sum of betting in the game.

(2) (amend. SG 102/01) The game halls for "Bingo" and "Keno" must be isolated from other types of gambling games, to comply with the provision of Art. 4, para 4, to have no less than 200 seats, to meet the hygienic and sanitary requirements, to be located in settlements with no less than 50 000 citizens, with exception of the tourist and hotel complexes in the border regions, and they cannot be distanced at less than 300 m, measured by a graphic method along the axis of the shortest pedestrian way, from secondary or high school or barracks, unless they are located in a hotel categorised by the Ministry of Economy by a category of three and more stars.

(3) (amend. SG 103/99, SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) The requirements for approval and testing the game equipment, as well as the order of the initial and periodical inspections shall be determined by the order of Art. 18, para 1, in coordination with the Bulgarian Institute of Metrology.

(4) (new – SG 102/01) The rules, the ways and the techniques and the requirements for measuring the distance of para 2 shall be determined with an ordinance, issued by the order

of art. 17, para 2 upon a proposal by the state commission and the Ministry of Regional Development and Public Works.

Talons for participation

Art. 42. (amend. SG 102/01) (1) The talons for participation are securities of bearer, issued by the state and regarding which the provisions of Art. 37, para 4 and 5 shall apply.

(2) (Revoked, SG 110/01)

Winner

Art. 43. Winner shall be the one who guesses variants of digits or digit combinations made up by using digits on preliminary purchased talon. The number of digits or their combination shall be preliminary approved by the order of Art. 18, para 1, item 4 and announced in the game hall in a suitable way.

Winning digits and payment of the winning

Art. 44. (1) (amend. SG 102/01) Winning digits or combinations shall be announced by a public drawing and the pecuniary or the object winnings shall be conceded immediately after their announcement.

(2) The sum subject to distribution as winning cannot be less than 50 percent of the total value of the talons.

Combined jackpot

Art. 45. (1) Admitted for the lottery games "Bingo" and "Keno" shall be the formation of combined jackpot.

(2) (amend. SG 102/01) In the cases under para 1 the organiser shall be obliged to provide the systems for submitting of information of art. 18, para 1, item 11.

(3) (amend. SG 102/01) The size of the deductions, the object rewards and the conditions of paying the jackpot shall be indicated in the game rules and it cannot remain in favour of the organiser.

(4) The order and the way of fulfilment of the obligations under para 3 shall be determined by the state commission.

Section IV.

Raffles

Definition

Art. 46. (1) The raffles are one-time or multiple games which are played by only sold tickets.

(2) The tickets for the raffles are securities of bearer. Applied for them shall be the provisions of Art. 37, para 4 - 6.

Winnings

Art. 47. (1) The winnings from the raffles shall be announced and distributed publicly through casting, according to preliminary announced scheme, and the winner shall be the participant who has discovered a sign or a figure or has fulfilled other requirements in drawing out the ticket. The tickets shall be sold and the winnings shall be paid or submitted by the order of Art. 18, para 1, item 4.

(2) The sum and/or the value of the object winnings, subject to distribution as winning, cannot be less than 50 percent of the total value of the tickets.

Organisation of the games

Art. 48. The raffles shall be organised publicly providing possibility for the public to control the rules of the game and for the distribution of the winnings.

Organisers

Art. 49. (amend., SG 1/01, SG 102/01) Organisers of raffles can only be non-profit organisations. The control bodies and of the state commission shall control the spending of the resources from these games according to preliminary announced and permitted purposes.

Section VI.

Gambling machines games

Definition

Art. 50. (1) (prev. art. 50 – SG 102/01) Gambling machine is an equipment which is enacted by a coin, token, button or other device. The choice of combination for winning or loss in the gambling machine shall be made by a chance principle by a mechanical, electric-mechanical or electronic device and the machine or the operator shall pay the winning to the participant.

(2) (new – SG 102/01) In the gambling machine can be used multi-channel interface with the participants in the games.

Requirements and restrictions

Art. 51. (1) (amend. SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) The requirements for approval and testing of the gambling equipment, as well as the order of the initial and periodical inspections shall be determined by an ordinance of the Council of Ministers at the proposal of the Bulgarian Institute of Metrology and of the state commission.

(2) Prohibited is the using of gambling equipment outside the gambling halls, the casinos and the halls for organising betting on results from sport competitions for which permit has been issued according to this law, as well as of such equipment which, after repair, have not been submitted for inspection by the order of para 1.

(3) (amend. SG 94/05) The gambling hall must meet the obligatory requirements under Art. 18, para 1, item 5 and it cannot be distanced closer than 300 m, measured by a graphic method, along the axis of the most direct pedestrian way from secondary or high school or barracks, unless they are in a hotel categorised by the chairman of the State commission for tourism by a category of three and more stars.

(4) (new – SG 102/01) The rules, the ways, the techniques and the requirements for measurement of the distance of para 3 shall be determined with the ordinance of art. 41, para 4.

Jackpot for the gambling machines

Art. 52. (1) The gambling machines can be interconnected for achieving jackpot which shall be formed by deductions from each betted sum on the interconnected machines which must be located in one gambling hall or in halls connected by an electronic network, respectively in gambling casino.

(2) Up to 5 percent of the betting can be used for forming and distribution of jackpot by the order and under the conditions of Art. 45, para 3.

(3) The size of the deductions and the conditions of payment of the jackpot shall be stipulated by the game rules and it cannot remain in favour of the organiser.

Returns from the betting

Art. 53. The gambling machine must provide returns to the players not less than 80 percent of the total amount of the betting and must have manufacturing built-in device for current control over the organiser and the bodies for control over the gambling.

Marking and conditions of holding games

Art. 54. (1) Each gambling machine must have readable original marking of its manufacturing number, the year of production or modification and recycling and the company of the producer.

(2) (amend. SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) Permitted shall not be the import and sale of gambling machines of a type which has not been preliminary approved by the state commission on the grounds of a written certificate by the Bulgarian Institute of Metrology, on a filed application for testing by the importer or the seller, except for single units for the purpose of testing for approval of the type.

Gambling halls

Art. 55. (1) The gambling hall must comply with the obligatory requirements under Art. 18, para 1, item 5 and with the other requirements of this law, to be isolated from other types of gambling games, to comply with the provisions of Art. 4, para 4 and with the sanitary and hygienic norms.

(2) The gambling machines in a gambling hall cannot be less than:

1. (amend. SG 102/01) twenty in settlements with over 50 000 citizens.
2. ten, in the remaining settlements, as well as in tourist complexes.

(3) The minimal area of mounting and exploitation of a gambling machine is 2 square metres.

(4) Prohibited is:

1. (amend. SG 102/01) the keeping in gambling halls and casinos of inoperative gambling equipment, for which excise has not been paid; all gambling equipment in the gambling hall or in the casino, including in warehouses to them shall be considered operative.

2. the using of gambling machines and equipment which are not approved by the state commission and which do not meet the requirements of Art. 51.

(5) (amend. SG 1/01, SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) The control bodies of the state commission, jointly with the Bulgarian Institute of Metrology, shall carry out periodical inspections for the fitness of the gambling machines.

Section VII.

Entertainment machines and equipment

Definition

Art. 56. (1) Entertainment gambling equipment are machines and other technical devices designated for recreation and entertainment, demonstration of skills and abilities or for cognitive purpose.

(2) The entertainment machines can pay prize in the kind of extra game at the same price, as well as object awards of insignificant value.

(3) Prohibited is the payment of the prizes in cash and tobacco and alcohol products.

(4) In the sites with gambling equipment under para 1 the turnover of the receipts from the games shall obligatorily be accounted by electronic cash register with fiscal memory.

Restrictions

Art. 57. (1) (amend. SG 102/01) Prohibited is the using and installation at the sites, where gambling games are organised and conducted, of entertainment equipment which resemble gambling equipment and machines, as well as the adaptation of gambling equipment and machines as entertaining.

(2) (amend. SG 102/01) Prohibited is the installation of entertaining equipment in sites, where gambling games are organised and conducted, unless the equipment is in independent premises of these sites.

(3) (new – SG 102/01) The equipment of para 1 shall be considered as gambling games equipment.

Section VIII.

Games in casino

Ways of organising the games

Art. 58. Organised in a casino shall be gambling games on gambling tables with roulettes, cards, dice and gambling machines. The games shall be of different betting and different winning for one game on one gambling table. The winning and the loss shall depend exclusively or mainly on the chance.

Requirements for exploitation

Art. 59. (1) Casino is a building or closed premises of a building in which are organised gambling games with gambling machines and on gambling tables.

(2) The gambling tables in the casino cannot be less than five, of which at least two shall be roulettes, and the gambling machines, if there are any, cannot be less than ten.

(3) The premises in the gambling casino and the location of the gambling tables and the gambling machines must provide possibility of constant control over the personnel, the gambling equipment and the participants in the games.

(4) (revoked SG 102/01)

(5) The gambling casino must meet the requirements of Art. 4, para 4.

(6) (amend. SG 102/01, SG 79/05, amend., SG 95/05, in force from 01.03.2006) Admitted for exploitation shall not be roulettes and their accessories and other similar gambling equipment which have not been tested in the Bulgarian Institute of Metrology and which are not registered in the state commission.

(7) (amend. SG 94/05) The gambling casino must meet the obligatory requirements of Art. 18, para 1, item 5 and cannot be closer than 300 m, measured by a graphic method along the axis of the shortest pedestrian way to a secondary or high school or barracks, unless they are in a hotel categorised by the chairman of the State commission for tourism by three or more stars.

(8) (new – SG 102/01) The rules, the ways, the techniques and the requirements for the measuring of the distance of para 7 shall be determined with the ordinance of art. 41, para 4.

Requirements for the servicing persons

Art. 60. (amend., SG 103/99) The person servicing the gambling table must carry out his activity on the basis of a contract with the company organising gambling games and to have the necessary qualification for exercising the profession stipulated by the order of Art. 18, para 1.

Restrictions

Art. 61. Games on gambling tables can be organised and held only in a gambling casino meeting the requirements of this law.

Section IX.

Games with betting on results from sport competitions or chance events

Definition

Art. 62. (1) The games with betting on results from sport competitions are gambling games in which the winning depends on the guessing of the results from sport competitions, horse races and others and depends only on the prognosis for these results. The winning shall be determined by a preliminary worked out coefficients for making the bets or by the ration of the number of winners and the size of the bets and preliminary established share of the winnings.

(2) The provisions of Art. 37, para 5 and 7 shall apply for the games under para 1.

Types of betting

Art. 63. The bets on results from sport competitions can be:

1. one-time;

2. periodical - made for a definite number of competitions or for a definite period of time; the winnings of the previous game can be used for the next one or for formation of funds for payment of jackpot.

Section X.

Games with betting on chance events

Definition

Art. 64. (1) Games with betting on chance events are gambling games in which the winning depends explicitly on the chance, it is not dependent on periodicity and which are not settled in any other way by this law.

(2) The rules of the game, the price for admission for participation and the winnings shall be approved by the state commission and shall be announced preliminary by the organisers.

Games of guessing facts and events

Art. 65. (1) Gambling games are the games of betting where the winning depends on the guessing of facts or events.

(2) The size of the winning can be proportional to the betted sum, respectively to the price of admission for participation or determined in another way, including by chance principle. The awards, respectively the winnings and the way of their determination must be announced in a suitable way.

(3) For games under para 1 and under Art. 64 shall be considered the telephone games with awards or winnings, organised by the media with the mediation of the Bulgarian Telecommunication Company Co., other telecommunication operators and "Bulgarian Post" Co.

Distribution of the winnings in levels

Art. 66. (1) The winnings can be distributed in several levels as all winnings from one and the same level must be equal.

(2) At least 50 percent of the value of the accepted bets must be distributed as awards or winnings. The part of the receipts to be distributed shall be announced in a suitable way.

Rules of the games

Art. 67. The provisions of Art. 64, para 2 shall respectively be applied for this section.

Chapter four.

REQUIREMENTS FOR ORGANISING GAMBLING GAMES

Section I.

Casino

Art. 68. The casino must meet the requirements for exploitation according to this law.

Requirements for issuance of permit

Art. 69. (amend., SG 103/99) Permit for organising gambling games can be issued only to a limited liability company or to a joint stock company with personal stock, which companies are with a capital no less than 500 000 levs which must be completely installed by the moment of filing the application and the company shall be responsible for the special requirements under this law.

Restrictions for work in the casino

Art. 70. Working in a casino cannot a person who is a member of a managing or control body of a bank, insurance company, pension fund, licensed investment mediator or investment company, a state employee, as well as a person carrying out guarding activity, except when he is a member of the guard of the casino.

Restrictions for participation in games in a casino

Art. 71. The majority partners and the members of the bodies of management of the company - owner or lessee of the casino and its employees, as well as their spouses, relatives on the direct line, brothers and sisters, cannot participate in the games organised by the casino.

Work time

Art. 72. (1) The casino can be opened for visitors round the clock.

(2) The visitors of the casino shall be entered in a special register in a form approved according to the rules of Art. 18, para 1, item 4.

Restrictions for visitors

Art. 73. (1) Admitted in the casino shall not be persons:

1. under 18 years of age;
2. uniform persons, with exception of those on duty;
3. armed persons, with exception of those who are present on duty and their duty requires it;
4. who have violated the internal order of the casino;
5. in obvious intoxicated condition or under the influence of narcotic or other intoxicating substances;
6. without identification documents.

(2) The persons responsible for the management of the casino can prohibit the access of a person whose presence in the hall of the casino creates danger for the order and upsets the games, other than the persons under para 1.

Section II. Gambling halls

Art. 74. (1) The gambling hall is an individual place where gambling games are organised and which meets the requirements of this law.

(2) Held in the gambling halls can be the lottery games "Bingo", "Keno" and games on gambling machines.

Requirements

Art. 75. Inasmuch as there no other requirements regarding the organisers, their employees and the participants in the games shall apply the provisions of Chapter Four, section I with exception of the provisions of Art. 69 and Art. 73, para 2.

Chapter five.

OBLIGATIONS OF THE ORGANISERS OF GAMBLING GAMES

Change of the activity and fulfilment of the investment conditions

Art. 76. (1) (amend. SG 1/01, SG 102/01; amend. - SG 30/06, in force from 12.07.2006) The organisers of gambling games shall be obliged, within 14 days from the occurrence of the change of the circumstances, reflected in the permit issued to them, notify the state commission and require entering of the new circumstances, as far as this is admissible under this law. The state commission shall consider the request and shall take decision in 14 days term by the order of chapter two. The refusal to enter the change of the circumstances can be appealed by the order of the Administrative procedure code in 14 days term after the announcement.

(2) The provision of para 1 shall also apply regarding the persons under Art. 18, para 1, item 3.

(3) (amend. SG 1/01, SG 102/01) The companies under Art. 7, with more than 51 percent of foreign participation shall certify before the state commission the fulfilment of the investment conditions and the opening of the required and additional occupations not later than the expiration of the one-year period from the issuance of the permit.

(4) (new – SG 102/01) At temporary stopping of the activity the organiser shall be obliged in advance in 14 days term to notify the state commission about the reason and term of stopping. In case of circumstances of force majeure the term for notification is 24 hours.

Obligation for payment of the winnings

Art. 77. (1) The organiser of gambling games shall be obliged to pay within the set period the prize to the winner against presentation of jetons, slips, cards and other similar documents for confirmation of the prize.

(2) The payment of every prize in cash shall be permitted in amount of up to 30 000 levs.

(3) When the size of the prize is larger than the one under para 2 the payment shall be made by a bank transfer or by an order determined by the state commission.

(4) The organiser of gambling games shall be obliged, upon request, to issue an accountancy document certifying the size of the paid prize. The second copy of the document shall be left for keeping by the organiser.

Fees

Art. 78. (amend. SG 1/01, SG 102/01) When filing the request to the state commission the applicant shall pay a state fee determined by the order of Art. 27.

Testing of gambling machines.

Art. 79. (amend. SG 102/01, amend., SG 95/05, in force from 01.03.2006) (1) The testing gambling machines and equipment, when this is provided with a law, shall be implemented by the Bulgarian Institute of Metrology.

(2) (amend., SG 95/05, in force from 01.03.2006) Gambling equipment, having certificate for testing by the approved laboratories in countries, members of the European Union, shall be considered approved for exploitation on the territory of the Republic of Bulgaria. The certificate shall be presented to the state commission, accompanied with legalised translation in Bulgarian of the accompanying documentation and certificate for registration at the Bulgarian Institute of Metrology.

Chapter six.

CONTROL AND REVOKING OF PERMITS FOR ORGANISING GAMBLING GAMES

Control

Art. 80. (1) (amend. SG 1/01, SG 102/01, SG 31/03, amend., SG 95/05, in force from 01.03.2006; amend. - SG 105/05, in force from 01.01.2006; amend. – SG 109/07, in force from 01.01.2008) The control over the observance of this law shall be carried out by officials of the state commission. If necessary, they shall be assisted by the bodies of the National Revenue Agency, the Bulgarian Institute of Metrology, the Ministry of Interior, the State Agency "National Security" and other state bodies determined by a law.

(2) (amend. SG 1/01, SG 102/01; amend. - SG 105/05, in force from 01.01.2006) Issued to the officials to whom control functions under this law are assigned shall be documents by which they shall identify themselves in carrying out inspections for which they shall have the authority of bodies of the National Revenue Agency.

(3) (amend. SG 1/01, SG 102/01) The inspections in exercising the control shall be carried out by an order of the chairman of the state agency.

Proposals for revoking and termination of permits

Art. 81. (1) (amend. SG 1/01, SG 102/01) For established offences under this law the chairman of the state agency can propose to the state commission to revoke temporarily or permanently the issued permit.

(2) (amend. SG 1/01, SG 102/01) Upon request of the persons who have obtained permits under this law the chairman of the state agency shall propose to the state commission the termination of the effect of the permit before the expiration of its term.

Independence of the sanctions

Art. 82. The sanctions under Chapter Seven shall be imposed regardless of the temporary or final revoking of the permit.

Temporary revoking of the permit

Art. 83. (1) The state commission for the gambling can revoke for a period from three to twelve months the permit for organising gambling games when the organiser guiltily:

1. admits for exploitation gambling machines, gambling tables or other gambling equipment which do not correspond to the obligatory requirements;

2. does not fulfil the obligation for informing under Art. 76, para 2 and 3;
3. does not pay within the set period the prize to the winner;
4. advertises personally or through another person gambling organised by him in the cases prohibited by the law;
5. admits offence of the obligatory rules for the organisation and the work on the financial and accountancy activity for the games approved by the state commission;
6. admits the using of gambling equipment outside the gambling halls, casinos and hall for organising betting on the results from sport competitions, having obtained permit according to this law, as well as of such equipment which, after repair, have not been presented for inspection according to this law;
7. (amend. SG 102/01) admits keeping in gambling halls or casinos inoperative gambling equipment, for which excise has not been paid;
8. admits the payment of prizes in cash above the size stipulated by this law or presenting as a prize alcohol or tobacco products;
9. admits the using and installation of entertainment equipment which resemble gambling equipment and machines, as well as the adjustment of gambling equipment and machines for entertainment purposes;
10. admits a person servicing gambling table without a contract with the company - organiser and without the necessary qualification required by this law;
11. admits in organising and holding the gambling activity a person for whom there is prohibition according to this law;
12. admits in a casino, as well as to participation in a gambling game a person for whom there is prohibition according to this law.

(2) (amend. SG 1/01, SG 102/01) Revoked shall be permit of manufacturers of gambling equipment for gambling games and the service organisations for the period under para 1 for offences of the obligatory conditions stipulated by the permit, as well as for failure to fulfil the obligation for notification of the state commission for occurred change of the circumstances on whose grounds the permit has been issued within 14 days from occurrence of the change.

(3) In the cases when offences are established according to para 1 the issued permit can be revoked temporarily if they are not eliminated within the period assigned by the state commission.

(4) Upon expiration of the term of penalty the revoked permit shall be returned if the organiser has eliminated the offence, paid the imposed fine or proprietary sanction and the term of the permit has not expired.

Permanent revoking of the permit

Art. 84. (1) The state commission can revoked permanently the issued permit for organising gambling games when the organiser guiltily:

1. commits or admits premeditated offence of the approved obligatory gambling conditions;
2. admits offence of the conditions and the requirements stipulated by a normative act or by the permit;
3. admits for exploitation gambling equipment which is not approved and registered by the state commission;
4. does not eliminate within the determined period the established offences;

5. admits repeated offence under Art. 83;
 6. has presented false data on whose grounds the permit has been issued;
 7. (amend. SG 102/01) refuses access or assistance for carrying out inspection to the officials to whom the control over the observance of this law is assigned by the order of art. 80, para 3;
 8. uses for gambling tickets, forms or other securities which are not published and certified by the established order.
- (2) Permanently revoked shall be permit of manufacturers of gambling equipment for gambling games and of the servicing organisations for repeated offence under Art. 83.
- (3) (amend., SG 103/99) The permit under para 1 and 2 shall also be revoked when after its issuance circumstances occur which are obstacle for its issuance according to this law, or one instalment is not paid according to Art. 27, para 3 unless these circumstances are not duly eliminated within the period set by the state commission.
- (4) (amend. SG 1/01, SG 102/01) The person whose permit issued according to this law has been revoked temporarily or permanently shall be obliged, within 7 days from the entering of the decision into force, to terminate his activity and to return to the state commission the issued permit, for which written statement shall be issued.

Enactment of the permits

- Art. 85. (1) (amend. SG 1/01, SG 102/01) The decisions for revoking the permits shall be enacted by the bodies of the state commission. In exercising their authorities under this Art. they can require assistance from other competent state bodies who shall be obliged to render assistance.
- (2) (revoked – SG 102/01).
- (3) (amend. SG 1/01, revoked SG 102/01).

Chapter seven.

ADMINISTRATIVE PENAL PROVISIONS

Art. 86. (1) Organiser of gambling games who violates Art. 76, para 1 and 2 shall be fined with 1 000 to 3 000 levs.

(2) For offences under Art. 76, para 3 shall be imposed proprietary sanction from 10 000 to 30 000 levs.

Art. 87. (1) Who, as an official, accepts request without collecting state fees, shall be fined with 400 to 3 000 levs.

(2) Who violates the provisions of Art. 24 shall be fined with the sanction under para 1.

(3) For repeated violation under para 1 and 2 the penalty shall be a fine in double amount.

Art. 88. (1) Who does not admit the respective control bodies for carrying out initial or periodical inspection of the gambling machines and equipment shall be fined with 5 000 to 20 000 levs.

(2) Imposed on corporate bodies and sole entrepreneurs who have committed the offence under para 1 shall be proprietary sanction in the same size.

(3) For repeated offence under para 1 the penalty shall be a fine, respectively proprietary sanction in double size.

Art. 89. (1) For violation of Art. 73, para 1 imposed to the organiser shall be proprietary sanction from 5 000 to 20 000 levs.

(2) For repeated violation under para 1 the penalty shall be proprietary sanction in double size.

Art. 90. (1) For violation of Art. 77, para 1 the individuals shall be fined and the corporate bodies and the sole entrepreneurs shall be imposed with proprietary sanction - the double size of the unpaid prize, but not less than 1 000 levs.

(2) For repeated violation under para 1 the penalty shall be a fine, respectively proprietary sanction in double size.

Art. 91. (amend. SG 54/06) (1) Who violates the general obligatory gambling conditions and rules, the general obligatory requirements for gambling halls and casinos and general obligatory technical requirements for the systems for control, adopted on the ground of Art. 18, para 1, item 4, 5 and 6, shall be punished by a fine amounting from 500 to 10 000 levs.

(2) Where the violation under para 1 is committed by a sole trader or a legal entity, a proprietary sanction amounting from 5000 to 10 000 levs shall be imposed.

Art. 91a. (new - SG 54/06) In case of violation of Art. 10, para 1 and Art. 11, para 2, the organiser shall be fined by proprietary sanction amounting from 5000 to 10 000 levs.

Art. 92. (1) Who uses not approved and not registered by the state commission gambling machines and equipment shall be fined with 10 000 to 20 000 levs.

(2) Who uses gambling machines and equipment or carries out gambling activity in buildings or on premises not meeting the requirements of this law shall be fined with 5 000 to 30 000 levs.

Art. 93. (1) (prev. art. 93 – SG 102/01) A person who manufactures, imports, distributes, repairs or maintains gambling equipment without holding permit for that shall be fined by proprietary sanction from 10 000 to 30 000 levs.

(2) (new – SG 102/01) Who organises and conducts gambling games without a permission, shall be punished with a fine or proprietary sanction in extent from 20 000 to 50 000 levs.

(3) (new – SG 102/01) When the breach of para 1 and 2 is repeated, the sanction shall be double.

(4) (new – SG 102/01) The sanctions of para 1 – 3 shall be imposed regardless of the sanctions, provided in another laws.

Art. 94. (1) (amend. SG 102/01) Official who has not observed the terms for fulfilment of his obligations or has made other breaches of this law, shall be fined with 1 000 to 5 000 levs unless subject to a more severe penalty.

(2) (amend. SG 102/01) Who does not fulfil the obligation for termination of the activity and returning the permit within the 7-day period from the entering in force of the decision for temporary or permanent revoking of the permit shall be punished by the sanction under para 1.

Art. 95. Organiser who does not keep a register under Art. 72, para 2 shall be punished by proprietary sanction from 10 000 to 20 000 levs.

Art. 96. Official who does not provide the necessary information or refuses the requested assistance within his competence to the officials under Art. 80, para 2 shall be fined with 500 to 5 000 levs.

Art. 97. (amend. SG 103/99) The gambling equipment used for gambling games without permit or the due tax for it has not been paid and the found available cash shall be confiscated in favour of the state.

Art. 98. The violations under this law shall be established by the order of the Law for the administrative offences and sanctions.

Art. 99. (amend. SG 1/01, SG 102/01) For establishing the violations under this law shall be issued acts by the officials under Art. 80, para 2 and the penalty decrees shall be issued by the chairman of the state commission.

Art. 100. (revoked SG 102/01)

Art. 101. (amend. SG 1/01, SG 102/01) The proprietary sanctions and the fines enacted by penalty decrees of the chairman of the State commission for gambling shall be subject to collection by the order of collecting the state receivables.

Art. 102. Proceedings shall not be instituted or the instituted proceedings shall be terminated if five years have elapsed from the commitment of the offence.

Additional provisions

§ 1. In the context of this law:

1. "Betting" is every payment of cash, directly or in the form of jetons, cards, forms, tickets, telephone impulses and others for participation in gambling games for the purpose of winning prize.

2. "Border regions" in the context of Art. 41 of this law are the regions of the settlements on the territory of the Republic of Bulgaria located up to 30 km from the state border.

3. "Negligible amount of the prize or object prizes" is the winning or prize amounting to 5 levs.

4. "Repeated" is the offence committed after the person has been sanctioned for the same offence by an enacted penalty decree for the period of the issued permit.

5. "Subsidiary and auxiliary activities" are the activities directly related and servicing the activity of the organisers of gambling games, such as maintenance and repair of own gambling equipment, permitted by this law advertising and issuance of bulletins and other printed matter which are not direct advertising of the activity, issuance and sale of tickets and other certifying signs for gambling games and the like.

6. (amend. SG 102/01) "Importer and distributor" is a sole entrepreneur or a corporate body who import and offer for sale or using gambling machines for gambling activity.

7. "Avoiding taxation" is failure to file tax declaration, as well as not including in it income or revenue subject to taxation.

8. "Manufacturing built-in device" is a device stipulated by the constructive documentation of the manufacturer, without which the exploitation of a gambling machine is inadmissible.

9. (new – SG 102/01) "Multi-channel interface" is a technical appliance, by which two or more systems of this appliance, independent from each other, are meeting, influence or communicate with each other.

10. (new – SG 102/01) "Register" of art. 21, para 8 is:

a) register of the issued and the withdrawn permissions for organising gambling games, incoming and outgoing register of the received and the outgoing applications and documents, alphabetical index of the organisers of gambling games and list of the persons with withdrawn permissions;

b) register of the issued and the withdrawn permissions of the producers of gambling equipment for gambling games, the importers, the distributors and the servicing organisations for maintenance and repair of this equipment, incoming and outgoing register of the received and the outgoing applications and documents, alphabetical index and list of the persons with withdrawn permissions;

c) register of the type, the number and the production number or other marking, ensuring the identification of the gambling machines, the gambling tables and the other gambling equipment in exploitation;

d) register of the approved obligatory samples of tickets, forms, talons and other certification signs for participation in gambling games.

Transitional and concluding provisions

§ 2. The edict for establishing State cash and object lottery (prom., Izvestiya, No 91 of 1958; amend., SG, No 110 of 1993, No 153 of 1998) is revoked.

§ 3. In the law for the physical education and sport (prom., SG, No 110 of 1996, No 53 of 1997 - Decision No 8 of the Constitutional Court of 1997; amend., No 124 of 1998) Chapter Eleven, Art. 52 - 56 is revoked.

§ 4. Art. 425 of the Penal Code is revoked.

§ 5. In Art. 34, para 2 of the Law for the administrative offences and sanctions after the word "damages" is added "as well as for offences of normative act settling the gambling activity".

§ 6. In Art. 2a of the Law for the corporate taxation para 4 is amended as follows:

"(4) The revenue from the subsidiary activity in the context of the Law for the gambling, instead of the profit tax and tax for the municipalities shall be levied with conclusive tax on their value determined for the respective type of gambling game. The tax shall be calculated and paid by the seventh of the month following the month of receiving the revenue."

§ 7. The following amendments and supplements are introduced to the Labour Code (prom., SG, No 26 of 1986):

1. New item 6 is created:

"6. participation in gambling games through telecommunication devices of the enterprise and the expenses shall be reimbursed in full;"

2. The previous item 6 becomes item 7.

§ 8. (amen d., SG 1/01) Within one month from the enactment of this law the Council of Ministers shall appoint the chairman, the members of the state commission and the chief director of the Chief Directorate of the control over the gambling. Until the appointment of the state commission its functions shall be fulfilled by the Commission for the gambling.

§ 9. (amend., SG 103/99) Within six months from the enactment of this law the Council of Ministers shall adopt, at the proposal of the state commission by-laws for the implementation of the law including the regulations under § 11.

§ 10. (amend., SG 103/99) The persons who have obtained permit for organising gambling games before the enactment of this law shall be obliged to bring their activity in compliance with the requirements of this law and request issuance of permit by December 31, 1999.

§ 11. (1) Established are "Bulgarian sport totaliser" (BST) and "State cash and object lottery" (SCOL) with a statute of state enterprises according to Art. 62, para 3 of the Commercial Law which shall be corporate bodies with headquarters in Sofia.

(2) Until the adoption of the structural regulations of the state enterprises under para 1 BST and SCOL shall organise the games by the previous order as the relations between SCOL

and "DSK bank" Co. shall be settled on the basis of a contract. The newly formed state enterprises under para 1 shall receive the assets and liabilities of the existing, prior to the adoption of this law, BST and SCOL.

(3) (amend SG 53/2000; amend., SG 75/02; amend.- SG 103/05; amend. – SG 110/07, in force from 01.01.2008) The budget of the State Agency of Youth and Sport shall annually provide expedient subsidy for the physical education and sport in amount of the tax paid to the state budget for the previous year according to Art. 220, 227 and 235 of the Law for the corporate taxation by VTS, as well as in amount of 10 percent of the same tax paid to the budget by the remaining organisers of toto and lotto.

§ 12. The fulfilment of the law is assigned to the State Commission for the gambling and to the Minister of Finance.

The Law was adopted by the 38th National Assembly on May 21, 1999 and was affixed with the official seal of the National Assembly. For Chairman of the National Assembly: Ivan Kourtev

Transitional and concluding provisionsone.

Transitional and concluding provisions (of the Law for amendment and supplement of the Law for the gambling – SG 102/01)

§ 51. (1) The Agency for supervision of the insurance and the gambling shall be closed. At the Minister of Finance shall be established State commission for the gambling and Agency for insurance control.

(2) The assets, the liabilities, the archives, as well as the other rights and obligations of the Agency for supervision of the insurance and the gambling shall be taken by the State commission for the gambling and the Agency for insurance control by an order, determined by the Minister of Finance, in one month term after this law enters into force.

(3) The employment and the service legal relations with the employees of the Agency for supervision of the insurance and the gambling shall be arranged by the Minister of Finance or an official, defined by him under the conditions of art. 328, para 1, item 1 of the Labour Code and art. 106, para 1 of the Law for the civil servant.

§ 52. (1) The authorities of the director of the Agency for supervision of the insurance and the gambling shall be terminated with the entering of this law in force.

(2) The Minister of Finance shall, in one month term after this law enters into force, appoint the chairman and the members of the State commission for the gambling as well as the director of the Agency for insurance control.

§ 53. (1) The State commission for gambling at the Council of Ministers shall be closed. The authorities of its chairman and members shall be terminated with the entering of this law in force.

(2) The archive, the rights and the obligations of the closed State commission for gambling at the Council of Ministers shall be taken by the State commission for gambling at the Minister of Finance.

§ 54. (1) The procedures for issuing of permits, started, but not finished with the closed State commission for the gambling, shall be considered by the order of this law.

(2) The procedures with the court, started, but not finished, shall be considered by the previous order, as far as not more favourable regime is provided for the persons under this law.

(3) The persons, who have received permission by the previous order, shall continue their activity till the elapse of their term.

§ 57. The law shall enter into force on January 1, 2002.

Additional provisions
(SG 79/05)

§ 6. Everywhere in the law the words "the State agency of standardization and metrology" shall be replaced by "the National agency of metrology and technical supervision"

Transitional and concluding provisions
TO THE TAX-INSURANCE PROCEDURE CODE

(PROM. – SG 105/05, IN FORCE FROM 01.01.2006)

§ 88. The code shall enter in force from the 1st of January 2006, except Art. 179, Para 3, Art. 183, Para 9, § 10, item 1, letter "e" and item 4, letter "c", § 11, item 1, letter "b" and § 14, item 12 of the transitional and concluding provisions which shall enter in force from the day of promulgation of the code in the State Gazette.

Transitional and concluding provisions
TO THE ADMINISTRATIVE PROCEDURE CODE

(PROM. – SG 30/06, IN FORCE FROM 12.07.2006)

§ 136. The following amendments shall be done to the Law for the gambling (prom. - SG 51/99; amend. - SG 109/99; 53/00; 01, 102 and 110/01; 75/02; 31/03; 70/04; 79, 94, 95, 103 and 105/05):

.....
2. The words "Law of the administrative procedure" shall be replaced by "Administrative procedure code".
.....

§ 142. The code shall enter into force three months after its promulgation in State Gazette, with the exception of:

1. division three, § 2, item 1 and § 2, item 2 – with regards to the repeal of chapter third, section II "Appeal by court order", § 9, item 1 and 2, § 15 and § 44, item 1 and 2, § 51,

item 1, § 53, item 1, § 61, item 1, § 66, item 3, § 76, items 1 – 3, § 78, § 79, § 83, item 1, § 84, item 1 and 2, § 89, items 1 - 4 § 101, item 1, § 102, item 1, § 107, § 117, items 1 and 2, § 125, § 128, items 1 and 2, § 132, item 2 and § 136, item 1, as well as § 34, § 35, item 2, § 43, item 2, § 62, item 1, § 66, items 2 and 4, § 97, item 2 and § 125, item 1 – with regard to the replacement of the word "the regional" with the "administrative" and the replacement of the word "the Sofia City Court" with "the Administrative court - Sofia", which shall enter into force from the 1st of May 2007;

2. paragraph 120, which shall enter into force from the 1st of January 2007;

3. paragraph 3, which shall enter into force from the day of the promulgation of the code in State Gazette.

Transitional and concluding provisions
TO THE LAW ON STATE AGENCY "NATIONAL SECURITY"

(PROM. - SG 109/07, IN FORCE FROM 01.01.2008)

§ 44. The Law shall enter into force from 1 January 2008.

Transitional and concluding provisions
TO THE LAW ON AMENDMENT AND SUPPLEMENTATION OF THE LAW
ON CORPORATE INCOME TAXATION

(PROM. - SG 110/07, IN FORCE FROM 01.01.2008)

§ 68. This Law shall enter into force from 1 January 2008, except Para 7, 21, 24, 38 – 45, 49, 50, § 54, Items 3 – 7, § 55, Items 1 – 4 and § 56 – 59, which shall enter into force from 1 January 2007.