

LAW ON GAMBLING

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Chapter one

GENERAL PRINCIPLES

Subject

Art.1 The present Law stipulates the conditions and the order for organization of gambling and for participation in gambling games, as well, as the control over these type of activities.

Definition and Participants

Art.2 (1) Gambling means any game, which includes stake and the possibility to receive earnings, or to loose the stake.

(2) Only active physical persons of legal age, which are not restricted by the present or any other Law, have the right to participate in gambling. The disabled ones have right to receive tickets for participation in lottery, Toto and Lotto games.

Exceptions

Art. 3 (1) Sports competitions with award fund for the participants are not considered as gambling.

(2) The following recreational or sport games, such as: recreational game constructions, minifutball, pool or table-tennis, darts, bowling, paint-ball and speed-ball, mini-basketball, bridge, trick-track and others are not considered as gambling, in spite of the fact, that the require stakes, or the usual practice is that the person, who lost should pay the expenses the game, providing, that the stake and the profit are not substantial.

(3) As not gambling games are considered the panel games, based on opening of the right answers or showing of knowledge and skills, providing, that the awards are not given for the account of the incomes deposited by the participants – tickets, phone taxes or in any other form.

Permission

Art. 4 (1) On the territory of the Republic of Bulgaria gambling may be organized only with the permission of the State Commission on gambling.

(2) Only gambling, foreseen in the present Law may be organized and permitted.

(3) The permission is issued for organizing of the games, which are namely pointed out, production and service activities, and can not be transferred to third persons.

(4) Organization of gambling inside the buildings and the attached area, representing state or municipality property, or objects, belonging to the Ministry of Defense, Ministry of Interior, inside the Educational or Health Institutions, as well as in co-owned buildings without notary certified agreement of all co-owners is forbidden.

Persons, who can not receive the permission

Art. 5 (1) Permission for organizing of gambling, for production of equipment for gambling, for import and distribution of gambling equipment and for exercising of service activities can not be granted to self insured persons (sole traders) or legal bodies, including cases of “related persons”, as stipulated in § 1 of the Additional Regulations of the Commercial Law, in case, that one of the following circumstances is presented:

1. The Owner, the Major Partner, the Manager, the member of the Board of Managers of the company or the organization with non-economic purposes has been sentenced for a crime of general nature, except the cases, when he had been rehabilitated;

2. The persons, mentioned in Item 1 have been declared as insolvent, if there is an unsatisfied creditor and the period after the issuing of the Court Verdict is less, than three years;

3. (Ammended – SG, issue 103, 1999) The persons, mentioned in Item 1 have concealed from taxes incomes, profits, property and transactions with them and the same had been confirmed with an enacted Act of Tax revision or enacted penalty Verdict and the period after the issuing of the Penalty Verdict is less, than three years;

4. The persons, mentioned in Item 1 in their capacity of the Owner, Partner, Manager, Member of the Board of Managers, or the Contral Body of a Company or Non-profit Organization have participated in a Company (Company or Sole Trader) with finally deprived rights for organization of gambling activities, or have been punished for organization of gambling activities without permission, or have liabilities to the Budget, stipulated in Item 3.

(2) The permission will not be granted in cases, when the person, engaged with the conducting of the gambling or management of the gambling house or the casino has been sentenced for a crime of general nature, except if the same had been rehabilitated and the circumstances, stated in Paragraph 1, Items 3 and 4 are not presented.

(3) The permission for organization of gambling will not be granted, in case, when the persons, mentioned in Art. 6, Paragraph 1, Items 1,2 and 3, as well as to their Owners, Partners, Managers, Members of the Board of Managers or Control Bodies had been rejected or deprived the right for organization of gambling activities in the countries – members of the Organization for Economic Cooperation and Development, and the same had been confirmed in the official correspondence of the competent Bodies of the respective country, in cases, stipulated in Art. 20 when the nature of the capital can not be proved.

(4) (Supplemented – SG, issue 103, year 1999) Persons mentioned in Art. 6, Paragraph 1, Item 2, as well as the representing persons, according to Article 6, Paragraph 1, Items 1 and 3 are supposed to present a Declaration, certified by a Notary Public, stating the circumstances, described in Paragraph 1, Items 2,3,4 and Paragraph 3, Certificate for previous Convictions, Declaration for the property and financial status, as well as other official documents, necessary for receiving of the permission, determined in Regulations No. 17, issued in accordance with Art. 17, Paragraph 2.

(5) The Declarers bear criminal responsibility for declaring of false data.

Organizers of Gambling

Art. 6 (1) Gambling may be organized by:

1. Bulgarian Trading Companies, corresponding to the stipulations of the present Law;
2. Sole Traders – only gambling with slaughter machines;
3. Legal Bodies with non-economic purposes, registered in accordance with the Family Law – in cases, stipulated in the present Law, excluding the political Parties;
4. The state – only for purposes of supporting of sport activities, culture, health care, education and social activities.

(2) The organizers of gambling, liable to final taxation as per Art. 2a of the Law for Corporative Income Taxation does not have the right to exercise any other activities according to the Commercial Law, including production of equipment for gambling, except organization of gambling and subsidiary activities related to them.

(3) The organizers, not included in Paragraph 2, may undertake other activities, according to the Commercial Law. They do not have the right to develop production and distribution of gambling equipment.

(4) The restriction, stipulated in Paragraph 2 does not concern Legal Bodies with non-economic purposes, with regard to their registered goals.

Foreign persons

Art. 7 Foreign persons have the right to participate in Companies, mentioned in Art. 6, Paragraph 1, Item 1, in cases, when these Companies:

1. Organize gambling in a Casino, situated inside a hotel, providing that the Company had built or purchased the hotel, which is a four-star or more hotel, or
2. had invested in organization of any other type of activities on the territory of the Republic of Bulgaria within one year, starting from the date of granting of the permission. The amount of the investment should be not less than 100.000 USD, according to the exchange rate of the Bulgarian National bank and should ensure not less, than 500 working places.

Gambling with charity purposes

Art. 8 (1) The Companies with non-economic purposes and Foundations have the right to organize only single lotteries and raffles for charity purposes.

(2) Gambling, as stipulated in Paragraph 1 here above, should be organized exclusively with the preliminary declared and accepted by the State Gambling Commission charity purpose.

(3) (Amended – SG, issue 102, 2001) The Permission in accordance with Paragraph 1 should be issued following to the Application, with attached calculations for incomes and expenses. Spending of the net profit after the taxation for the purposes of the declared charity goals is controlled by the State Gambling Commission.

Gambling, organized by the State

Art. 9 (1) (Amended – SG, issue 53, 2000, issue 75, 2002) The State has the right to organize only lottery, Toto or Lotto games related to the results of sports competitions, through state enterprises of the Ministry of Finance and the Bulgarian Sport Totalizer of the Ministry of Youth and Sports, which are not trading companies and are 100% owned by the State.

(2) (Supplemented – SG, issue 53, 2000, Amended Sg – issue 75, 2002) The Statutes of the Enterprises, mentioned in Paragraph 1 should be approved by the Council of Ministers. The Managing bodies of these enterprises should be appointed by the Minister of Finance and these of the Sport Totalizer – by the Minister of Youth and Sports.

(3) (Amended – SG issue 75, 2002) The use of the profit after taxation and deductions of the earnings are approved by:

1. The Minister of Youth and Sports in coordination with the Minister of Finance – for the incomes in the Bulgarian Sport Totalizer for the needs of the Physical training and Sports;
2. The Minister of Finance – for incomes from other enterprises in accordance with Paragraph 1, for purposes, determined in Art. 6, Paragraph 1, Item 4.

Advertising of gambling

Art. 10. (1) The direct advertising of gambling in the mass media is forbidden..

(2) The announcement and the television transmission of the way for participation and the rules of the games, such as “Bingo” and “Keno”, Toto, Lotto games, as well as, of the bets and

results of the sport events, betting on occasional events with knowledge of facts and events and the results of such bets are allowed.

Stakes and Earnings, Prohibition of credits

Art. 11. (1) (Amended – SG, issue 102, 2001) The gambling may be organized with stakes and earnings only in BGN. In the Casinos it is allowed to organize gambling with stakes and earnings in foreign currency, but only following to the approval of the State Gambling Commission.

(2) The organizers of gambling do not have the right to grant credits to the participants in the gambling in no form, except payment with credit cards, accepted by the organizers.

Betting through telecommunication facilities

Art. 12 (1) (Amended – SG issue 102, 2001) The stake may be represented as an increase of the telephone services or other telecommunication connection. The telecommunication operator should make sure in advance, that the game is allowed, according to the stipulations of the present Law.

(2) In case of stacking on the telephone or other telecommunication facility, it is considered that the stake has been laid down by a Physical or Legal Body, who is the legal owner of the telecommunication facility, or its legal user.

(3) (Amended – SG issue 102, 2001) Betting from state owned phones and other telecommunication facilities, as well, as from municipality facilities, facilities of the Health Institutions, Social and Cultural Institutions and Enterprises is forbidden. In case of non-observation of the above the eventual earning should be deposited in the relative budget.

Chapter two

STATE CONTROL OVER GAMBLING

Section I

Bodies

Art. 13. (Amended – SG, issue 102, 2001) The State Control over Gambling should be executed by the State Gambling Commission, managed by the Minister of Finance

Limitations

Art. 14 (1) (Amended and supplemented – SG, issue 102, 2001) The members of the State Gambling Commission and their employees does not have the right to enter in direct or indirect transactions or economic relations with the organizers of gambling, producers of gambling equipment, importers and distributors, or service companies, their managers or employees, either as experts, consultants or in any other form.

(2) The persons, mentioned in Paragraph 1 do not have the right to participate or organize directly or indirectly gambling games. They are not allowed to acquire shares in the Trading

companies, dealing with gambling, neither to participate in their Boards of Managers, or Control Bodies.

(3) (Amended – SG issue 102, 2001) The persons, mentioned in Paragraph 1 here above do not have the right to register or participate in Legal Bodies with non-economic goals, which are involved in organizing gambling, according to the stipulations of the present Law.

(4) The restrictions, stipulated in Paragraphs 1,2 and 3 is valid for the spouses and the relatives in a direct line of the persons, mentioned in Paragraph 1, without limitation of their number, for the whole period of service.

Section II

State Gambling Commission

Art.15 (1) (Amended – SG issue 102,2001) A State Gambling Commission, called here below State Commission, is organized under the jurisdiction of the Minister of Finance. The State Commission is a Legal Body, supported by the Budget, having its headquarters in Sofia.

(2) (Amended – SG issue 1, 2001, issue 102, 2001) The State Commission consists of the Chairman and four members, at least three of them should be Lawyers, all of them with at least 5 years practice. The Chairman and the members of the State Commission are appointed by the Minister of Finance. The Chairman manages the activity of the State Commission and represents the same.

(3) Members of the State Commission may be only Citizens of Bulgaria, with completed Higher Education, with high professional and moral motivation, who had not been convicted for intentional crimes.

(4) (Amended – SG, issue 1, 2001; issue 2 2001) The activities of the State Commission are assisted and executed by the common and special Administration, whose structure and the way of working are determined by the Regulations, accepted by the Council of Ministers.

(5) (New – SG, issue 102, 2001) The number of the staff of the State Commission should be approved by the Minister of Finance following to the suggestion of the Chairman of the State Commission.

Financing

Art. 16 (Amended – SG, issue 102, 2001) (1) The activities of the State Commission are financed by means of the State Budget through the Ministry of Finance.

(2) The means, collected from the payments, amounting to 25 percent of the taxes, collected in accordance with the present Law, as well additional incomes to the Budget, such as fines, property penalties, gambling equipment and money amounts, collected in favor of the State on the grounds of penalty enactments, issued in accordance with the present Law, should be accumulated and spent

only for the purposes of development of the material base, of increase of qualification and material stimulation of the staff of the State Commission on the grounds of the Order of the Chairman of the State Commission.

(3) The State Commission is obliged to insure all members of its staff against incidents for its own account.

Sub-Law Acts

(Name changed – SG, issue 102, 2001)

Art. 17. (Amended – SG, issue 1, 2001) (1) (Revoked – SG, issue 102, 2001)

(2) Following to the suggestion of the State Commission the Council of Ministers accepts the Regulations and tariffs for the present Law.

Competency

Art. 18. (1) The State Gambling Commission:

1. (Supplemented – SG, issue 103,1999) gives, refuses to give, or revokes permissions for organization of gambling activities to and from persons, authorized to execute such activities;
2. (Supplemented – SG, issue 103,1999) gives, refuses to give and revokes permissions to the organizers of gambling activities, mentioned in Item 1, respectively for revocation and/or termination of their activities in certain objects;
3. (Supplemented – SG, issue 103,1999) gives, refuses to give and revokes permissions to the producers of the gambling equipment, to the importers and distributors, and service organizations, repairing and maintaining this type of equipment;
4. (Amended – SG, issue 102, 2001) accepts the general compulsory gambling rules for the different types of gambling, for which the permission had been issued, as well as the regulations for the organization and the conducting of the relative gambling activities;
5. (Amended – SG, issue 102, 2001) accepts the general compulsory requirements for the gambling halls and Casinos, related to the type of the premises or the buildings, the minimal area required, the division of the separate premises and the necessary technical equipment for control;
6. (Amended – SG, issue 102, 2001) accepts the general compulsory technical requirements for the control systems over gambling, the slot machines, the gambling tables and other gambling equipment;
7. (Amended – SG, issue 102, 2001) accepts the list of the approved by the State Agency for Standardization and Metrology types and modifications of the slot machines and other gambling equipment, which may be produced, imported and used inside the country, as well as the laboratories according to Art. 79, Paragraph 2;

8. approves the obligatory form of the tickets, forms, talons and other signes, necessary for participation in gambling;

9. approves the obligatory forms for the accountancy reports for different types of gambling activities and the compulsory rights for the organization and the work of the financial control in gambling;

10. (Amended – SG, issue 102, 2001) approves the draft of the declaration, with which the members of the State Commission undertake not to divulge facts and circumstances, which became known to them during the execution of their work;

11. (New – SG, issue 102, 2001) approves the rules and the system for supplying of information for forming and distribution of the profit; these systems have to secure the transmission of the necessary information to the information system of the Tax Authorities according to the mutually approved rules, prior to conducting of the consequent drawing or prior to the event, requiring payment of earnings, when the above is required by the Law;

12. (New – SG, issue 102, 2001) approves the rules of gambling, presented by the organizers in accordance with Items 4,5 and 6;

13. (New – SG, issue 102, 2001) keeps registers.

(2) The organizers of gambling, who imports slot machines and equipment for their own purposes, do not need permission, as per Paragraph 1, Item 3.

(3) (New – SG, issue 102, 2001) The State Commission exercises control over the whole scope of activities, related to the organization and conduction of gambling activities, as well, as over the activities of the producers of the gambling equipment, of the importers, distributors and service companies, maintaining and repairing such equipment.

(4) (New – SG, issue 102, 2001) The State Commission accepts the written applications for granting of permissions according to the present Law, exercises checking and investigations in relation with these applications and takes motivated decisions, which should be entered in the respective registers.

Grounds for constitution of Legal Procedures

Art. 19. (1) (Amended – SG, issue 103, 1999) The procedure in front of the State Commission may be constituted on the grounds of written applications for issuing of Acts, following to the stipulations of Art. 18, Paragraph 1.

(2) (Amended – SG, issue 102, 2001) The written applications and the enclosures to them, determined by the Regulations, issued in accordance with Art. 17, Paragraph 2, should be deposited by the State Commission, and upon execution of the necessary checking and investigation the

Chairman, deposits them along with a motivated suggestion for considering by the State Commission.

(3) (Amended – SG, issue 102, 2001) In case, that the presented documents are not complete, or do not correspond to the compulsory requirements, or providing there is a need for additional information, within 14 days after the receiving of the written application the State Commission should give the Applicant a 30-days period for elimination of irregularities or presentation of additional information.

(4) (New – SG, issue 102, 2001) Within the term, determined in Paragraph 3, the Applicant has to eliminate the irregularities, or to present additional information. In case, that the Applicant fails to do this, the Commission will refuse to issue the permission, and the paid by the Applicant taxes will not be refunded.

(5) For the proceedings in front of the State Commission the regulations of the Law for Administrative proceedings are applicable, except the cases, when other terms are foreseen in the present Law.

Meetings of the State Commission

Art. 20 (1) All involved Parties and Authorities may attend the meetings of the State Commission. This includes the trade organizations of the organizers of gambling activities, which should be informed about the time and the place of the meeting, during which the deposited application will be considered. In all cases the decisions of the Commission should be announced in public.

(2) (Amended – SG, issue 102, 2001) The State Commission has the right to oblige the Applicant, his representative and the persons, mentioned in Art. 5, Paragraph 1, Item 1, to attend the meeting personally and to answer the questions, which may be important for the taking of the decision on the application.

(3) The State Commission should inform in written the persons, who are obliged to attend the meeting personally, about the questions, which they are supposed to answer and the additional information, which they have to present, and to warn them about the consequences, as per Art. 5, Paragraph 3, in case they don't fulfill their obligations.

(4) The State Commission may accept the circumstances, stated in Paragraph 2, as cleared and to refuse to issue the permission, providing the person didn't appear to give the required answers, created obstacles, or refused to give the answers, as well, as in cases when the answers were not complete or clear or the required information was not presented.

Quorum and taking of decisions

(1) The meetings of the Commission are considered as regular, providing that at least four of the members of the commission are attending the meeting.

(2) Upon taking the decision, that the circumstances, related to the application are clear, the State Commission terminates the consideration of the Application and takes its decision. The decision should be taken on the grounds of the circumstances, found out by the Commission and according to the Law.

(3) The decision should be taken after a closed session with an open vote, providing that at least three of the members of the Commission, who had attended the meeting, on which the consideration of the Application had been completed, had voted for it.

(4) No one of the members of the Commission can abstain from voting.

(5) The member of the State Commission, who disagrees with the standing of the majority, has to sign the decision, motivating his own special decision.

(6) The State Commission should take into consideration the facts, that appeared after the receiving of the Application.

(7) The decision should contain:

1. name of the issuing Body;

2. name of the Act;

3. factual and legal grounds for issuing of the decision;

4. Efficient part (dispositive), determining the rights or obligations, ways and terms of their execution;

5. the Body and the terms for appeal;

6. date of issue and signature of the Chairman, the members and the secretary of the State Commission;

(8) (Amended – SG, issue 102, 2001) The State Commission announces its decision and the motives within 7 days after the respective meeting by entering of the same in the register and announcing it to the Parties, concerned.

(9) After announcement of the decision the State Commission does not have the right to revoke it or to alter it by itself.

(11) The State Commission by itself, or following to the application of the concerned person has the right to correct only the evident factual mistakes in the decision.

(11) The corrections may be appealed within the same terms as the decision itself.

(12) The concerned person may apply for supplementation of the decision, providing that the Commission had not considered the entire application. The application for this may be deposited within one month, starting from the date of entering of the decision in accordance with Item 8.

(13) The State Commission considers the application and takes an additional decision, which may be appealed in a common way.

Reasons for challenge

Art. 22 (1) The member of the State Commission is obliged to be struck off the list of the Commission due to the following circumstances:

1. in cases, when he had labor or civil relations with applicant;
2. in other cases, when he may be considered to be biased or interested directly, or indirectly in the decision on the deposited application.

(2) In cases, described in Paragraph 1 the applicant has the right to ask for the challenge of the member of the State Commission.

(3) The State Commission decides on the struck off and the made challenges according to the stipulations of Art 21, Paragraph 3.

Obligations for assistance

Art. 23 (1) (Amended – SG, issue 102, 2001) The persons, mentioned in Art. 6, Paragraph 1, their employees and other official staff are obliged to render assistance to the State Commission and its members in the process of execution of the obligations, assigned to them by the Law. The assistance should include granting of access to the premises, giving of oral and written explanations, presenting of documents and other information sources.

(2) (Amended and supplemented – SG, issue 102, 2001) In case of rejection of access or non-deliverance of information to the employees of the State Commission, the same have the right to ask for the assistance the prosecutor's office, the Ministry of Interior, the Ministry of Finance and the State Agency on Standardization and Metrology, which are obliged to render the required assistance in the sphere of their competence, determined by the Law.

(3) (Amended - SG, issue 102, 2001) During the checking or investigation, undertaken by the state Commission the official staff can not rely on business, production or commercial secrets, excluding the protected intellectual property and professional secrets.

Use of the Documentation and restriction for divulge

Art. 24. (1) (Amended and supplemented – SG, issue 102, 2001) The documentation and information, received by the employees of the State Commission, during the investigation, may be

used by them only for the purposes of the investigation, except in the cases, when it is required by a State Body in accordance with the Law.

(2) (Amended and supplemented – SG, issue 102, 2001) The members of the State Commission and its employees are obliged not to divulge the circumstances and facts, which became aware to them during the execution of their official obligations, following to the stipulations of the present Law, except in the cases, when it is required by a State Body in accordance with the Law.

(3) In relation with the obligations, stipulated in Paragraph 2, the persons mentioned in this Paragraph, should sign a declaration, drawn up according to the approved draft and stating illegibly their responsibility.

Appeal

Art. 25 (1) (Amended– SG, issue 102, 2001) The decisions of the State Commission may be appealed with regard to their correspondence to the Law in front of the Sofia City Court within 14 days, after their announcement.

(2) (Amended– SG, issue 102, 2001) The appeals against the decisions of the State Commission are considered in accordance with the stipulations of the Law for Administrative procedures.

Enactment of the Decisions

Art. 26. The decisions of the State Commission are considered as enacted when:

1. they have not been appealed in due time;
2. the deposited appeal had not been taken into consideration.

Taxes

Art. 27. (1) For procedures related to each appeal and for issue of permissions, in accordance with the present Law should be collected state taxes, determined by the Council of Ministers.

(2) (Amended– SG, issue 103, 1999) The paid state taxes, mentioned in Paragraph 1 are not refundable, notwithstanding of the decision of the Commission.

(3) (New– SG, issue 103, 1999) Upon the requirement of the applicants the taxes may be paid in equal installments during the period of one year.

Section III

Activity of the Agency on the Control over the Insurance and Gambling

(Name changed – SG, issue 1, 2001)

Art. 28. (Amended – SG, issue 103, 1999, revoked Sg- issue 1, 2001)

Financing

Art. 29. (Revoked – SG, issue 102, 2001)

Control functions

Art. 30 (Amended– SG, issue 1, 2001, revoked Sg- issue 102, 2001)

Announcement and appealing of the Acts

Art. 31 (1) (Amended – SG, issue 102, 2001) The Penal decrees of the Chairman of the State Commission, for violation of the present Law should be announced and appealed according to the stipulations of the Law for Administrative infringements and penalties.

(2) (Amended – SG, issue 102, 2001) Each person, who had been granted, or had lost some right as a result of the decree of the Chairman of the State Commission, or had been legally affected by such a decree, has the right to receive a certified copy of this decree.

Co-ordination

Art.32 (Amended – SG, issue 1, 2001; issue 102, 2001) The State Commission should require if necessary the statements of the Ministry of Interior, the Ministry of Finance and the State Agency on Standardisation and Metrology. The ways and the terms of co-ordination are determined by the Regulations for the statute and the activities of the State Commission.

Bulletin

Art. 33. (Supplemented - SG, issue 1, 2001; Amended – SG, issue 102, 2001) The State Commission will issue a monthly bulletin, containing the issued and the revoked permissions as per the present Law, announcements for the dates of the forthcoming meetings of the State Commission, decisions with the motives for the issuance or refusal for issuance of permissions, as per the stipulations of the present Law and legal practice, related to the appellation of the issued decisions, as well, as other information, related to gambling activities.

Terms

Art. 34 (1) (Amended – SG, issue 102, 2001) The checking and investigations, related to the deposited applications for issue of permissions should be completed by the State Commission within one month after the date of depositing of the application. In case of special complication from the factual and legal point of view this term may be prolonged, following to the motivated decision of the Chairman of the Commission.

(2) The term of validity of the issued by the State Commission permission should be not longer, than five years, except the cases, when the applicant had illegibly applied for a one-time permission, or for a permission with a shorter term of validity.

(3) (Amended – SG, issue 102, 2001) When the Investments and the Assets, proved in front of the State Commission, exceed 500 000 BGN, the permission for gambling activities is issued for the period of ten years, except the cases, when the applicant had applied for a shorter period of validity.

(4) (Amended – SG, issue 102, 2001) The State Commission has the right to revoke the issued permission for violation of the Regulations of the present Law, of the Acts for its application, or

other Acts, relating to the gambling activities, before the expiry of the term of validity of the permission.

(5) In the end of the first and each third year after the issue of the permission, except the regular checks, should be made a full check of the observance of the actual legislation, regulating the gambling activities, providing, that until this date there were no violations of the Law.

Prolongation of the term of validity

Art. 35 (Amended – SG, issue 102, 2001) In case, that prior to the expiry of the term of validity of the permission, the respective person, which had no infractions according to the present Law during the previous period, deposits an application for extension of the period of validity of the permission, the State Commission may prolong the term of validity for the same period of time, providing that the person had paid half of the fee for issue of the initial permission and had presented a notary certified declaration, stating that prior to depositing of the application no circumstances, which may represent an obstacle for execution of gambling activities have occurred.

Chapter three

Types of Gambling

Section I

Types of gambling

Art. 36 (1) The gambling games, which may be organized and conducted under the stipulations of the present Law are: lotteries, raffles, Toto, Lotto, Numerical lotto games like "Bingo" and "Keno", games on sloter machines, or other similar equipment, games on gambling tables inside the Casinos and bets for the results of sports events.

(2) (Amended – SG, issue 103, 1999) Rules for organization and conduction of gambling are stipulated in Art, 18, Paragraph 1

(3) During gambling it is allowed to form and distribute the Jack-pot in accordance with the conditions, determined by the present Law.

Section II

Lottery games

Art. 37. (1) Lottery games represent gambling, where the earnings are announced and distributed in public through a lot, determined in advance, and the earning depends on finding out of the right number, combination of numbers, sign, figure, etc., or in case of drawing out of a winning ticket.

(2) The lottery games may be:

1. periodical – conducted from time to time;
2. single.

(3) The rules for the organization of lotteries should be announced in advance in a proper way. The plan of the game should contain respective number of tickets with consequent numbers. In case, that the tickets are divided in various series, each one of them should contain the same number of tickets and each ticket should have the mark of the respective series, along with the number of the ticket. The selling price of the tickets for each lottery should be the same for all series. All tickets participate in the drawing of the earnings.

(4) (Supplemented – SG, issue 103, 1999, Amended, issue 102, 2001) The printing, the import and the destroying of the tickets for participation in the lottery games should be done in accordance with stipulations of the Regulations for the conditions and the rules for printing and control over financial instruments, issued by the Minister of Finance and in the printing house, approved by him, or by importers of tickets, or printed on a paper, approved by him. The destruction of the tickets should be made by the Authorities, issued the tickets in the presence of the official representatives of the Authorities for control on gambling, appointed with the order of the Chairman of the State Commission for which should be drawn up a protocol.

(5) Prior to the issue of the forms, tickets and other certifying signs for participation in the lottery games, the applicant should present in front of the State Commission their drafts for approval of their look and their cost.

(6) The tickets for participation in lottery games represent instruments on bearer.

(7) (Amended – SG, issue 102, 2001) The lottery games have to be insured by rules and systems for supplying of information for the forming and the distribution of the earnings, approved by the Tax Authorities. These systems should assure the transmission of the necessary data to the information system of the Tax Administration according to the mutually agreed rules prior to the conduction of the consequent draw or prior to the determination of the earnings.

Conduction of the drawings

Art. 38 (1) (Amended – SG, issue 102, 2001) The conduction of the drawings of the lottery games should be public in the presence of the authorized representatives of the organizer, and at least 50 per cent of the cost of the incomes should be distributed among the participants as earnings – monetary or material. The correlation between the monetary and the material awards are determined with the rules, approved by the State Commission.

(2) The receipt of the monetary and material earnings should be guaranteed by the organizer.

Section III

Toto and Lotto games

Definition

Art. 39 (1) Toto and Lotto games are gambling with betting over one or more numeral combinations, a certain number of figures is drawn and the award is given to the participant, who gave the right prognosis for this figures or combination of figures. The award is calculated on the base of the possible combinations, on the grounds of the plaid figures and the number of the realized combinations, or is calculated as a strictly defined amount, exceeding several times the single stake.

(2) The rules for the Toto and lotto games and their verities should be approved by the State Commission and announced in advance in an appropriate way.

(3) The printing, the distribution and the distroying of the talons, slips and other signs for participation in the games should be made as stipulated in Art. 37, Paragraph 4.

(4) Prior to the delivery of the talons, slips and other signs for participation in the games, as per Paragraph 1, the applicant has to present them for approval by the State Commission. The drafts, presented for approval can not be considered as instruments, owned by a holder.

(5) (Amended – SG, issue 102, 2001) The Toto and lotto games should be ensured with rules and schemes for transfer of the necessary information to the information system of the Tax Authorities in accordance with mutually agreed regulations with regard to the formation and distribution of the earnings, approved by the State Commission. These systems should secure the transfer of the information prior to the consequent drawing or to the event, determining the distribution of the earnings.

Conduction of the drawings

Art. 40 (1) (Amended – SG, issue 102, 2001) The conduction of the drawings of the Toto and lotto games should be public in the presence of the representatives of the organizer and the State Commission, and at least 50 percent of the profit should be divided among the participants in the form of money or material awards.

(2) (Supplemented - SG, issue 102, 2001) The receipt of the monetary and material earnings should be guaranteed by the organizer.

Section Iv

Numerical lottery games “Bingo” and “Keno”

Definitions and requirements

Art. 41 (1) The games “Bingo” and “Keno” are numerical lottery games, which do not determine the number of the participants or the amount of the stake in advance – the number of the sold tickets and the price of the single ticket. The earning is calculated according to the number of the persons, who won and the total amount of the stakes for the game.

(2) (Amended – SG, issue 102, 2001) The playing halls for “Bingo” and “Keno” should be separated from other types of gambling and should correspond to the Stipulations of Art 4, Paragraph

4, they should be equipped with at least 200 sitting places, to correspond to the sanitary and hygienic norms, to be situated in built up areas with not less than 50 000 inhabitants, excluding the tourist and hotel complexes in the border regions, and to be situated not closer, than 300 meters, calculated with a graphic method along the shortest pedestrian way, from a military camp or a secondary school. This does not concern the hotels with category three stars or more.

(4) (New – SG, issue 102, 2001) The rules, the technical methods and the requirements for measuring of the distance, as per Paragraph 2 should be determined with Regulations, issued in accordance with Art. 17, Paragraph 2 following to the suggestion of the State Commission and the Ministry of the Regional development and Urbanization.

Talons for participation

Art. 42 (Amended - SG, issue 102, 2001) (1) The talons for participation represent financial instruments, issued to the bearer by the State and are subjects of the stipulations of Art. 37, Paragraphs 4 and 5.

(2) (Revoked- SG, issue 110, 2001)

Winning participant

Art. 43. The winner is the participant, who had guessed the variants of the numbers or combination of numbers, comprised from the ones, printed on the talon, priorly bought by him. The number of the figures or their combinations is preliminary approved according to the stipulations of Art 18, Paragraphs 1 and 4 and is announced in the gambling hall in an appropriate way.

Winning numbers and payment of earnings

Art. 44 (1) (Amended - SG, issue 102, 2001) The winning numbers or combinations are announced through public drawing and the monetary and material awards should be given immediately upon the announcement.

(2) The amount for distribution as earnings can not be less than 50 percent of the total cost of the talons.

Joint Jack-pot

Art. 45 (1) Formation and distribution of the Joint Jack-pot is allowed in “Bingo” and “Kano”

(2) (Amended - SG, issue 102, 2001) In cases, mentioned in Paragraph 1 the organizer is obliged to secure systems, mentioned in Art. 18, Paragraph 1, Item 11.

(3) (Supplemented - SG, issue 102, 2001) The amount of payment, the type of the material awards and the terms of payment of the jack-pot should be stated in the rules of the game and can not be left in favor of the organizer.

(4) The way and the terms of the undertaking of the obligations, mentioned in Paragraph 3 is determined by the State Commission.

Section V

Raffles

Definition

Art. 46. (1) Raffles are single or continuous gambling games, which are played only through distributed sold tickets.

(2) The tickets for the raffles are financial instruments, issued to a bearer. They are subject to the stipulations of Article 37, Paragraphs 4-6.

Earnings

Art. 47 (1) The earnings from the raffles are announced and distributed in public by the means of a lot, and the winner is the one, who had succeeded to find the necessary sign or figure, or had fulfilled any other condition together with the drawing of the ticket. The tickets are sold and the earnings are being paid or awarded in compliance with the stipulations of Art. 18, Paragraph 1, Item 4.

(2) The amount of the material earnings for distribution can not be less than 50 percent of the total cost of the tickets.

Organization of the games

Art. 48. Raffles are organized openly with the possibility of the public to watch the rules of the game and the distribution of earnings.

Organizers

Art. 49 (Amended – SG, issue 1. 2001, issue 102, 2001) The organizers of raffles may be only companies with non-economic goals. The control Bodies of the State Commission supervise the spending of the money, gained from these games in accordance with the preliminary announced and allowed purposes.

Section IV

Games with slot machines

Definition

Art. 50 (1) (Previous text of Art. 50 – SG, issue 102, 2001) Slot machine is a device, activated by a coin, jeton, push-button or otherwise. The choice of the winning combination in the slot machine is made by a mechanical, electric-mechanical or electronic device and the machine or the organizer pays the earnings to the participant.

(2) (New – SG issue 102, 2001) Use of a multi-channel interface with the participants in the game is possible with the slot-machines.

Requirements and limitations

Art. 51 (1) (Amended – SG, issue 102, 2001) The requirements for approval and testing of the gambling equipment, as well, as the order for the initial and the periodic checking are determined by the Regulations of the Council of Ministers, following to the suggestion of the State Agency for standadization and metrology and the State Commission.

(2) The use of the devices outside the gambling halls, Casinos and halls for organization of stakes over sport events, which have received permissions, according to the present Law, is forbidden. The same is valid for the devices, which after repair were not presented for checking, according to the stipulations of Paragraph 1.

The gambling hall should correspond to the requirements of Art. 18, Paragraph 1, Item 5 and to be situated not closer, than 300 meters, calculated with a graphic method along the shortest pedestrian way, from a military camp or a secondary school. This does not concerne the hotels with category three stars or more.

(4) (New – SG, issue 102, 2001) The rules, the ways and the technical methods and requirements for estimation of the distance, mentioned in Paragraph 3 are determined with the Regulations, according to Art. 41, Paragraph 4.

Jack-pot in the slot achines

Art. 52 (1)The machines can be interconnected in order to provide a special premium “jack-pot” – collection, formed from any single stake, made on the interconnected machines, which have to be placed in one and the same gambling hall or halls, connected with an electronic network, respectively in a casino.

(2) For formation and distribution of the jack-pot may be used up to 5 per cent of the stack, according to the rules and the conditions of Art. 45, Paragraph 3.

(3) The amount of the withdrawals and the terms of payment of the jack-pot are stated in the rules of the game and can not beleft for the favor of the organizer.

Repayment of the stakes

Art. 53. The slot mashine should provide to the participant repayment, which is not less than 80 per cent of the stakes and should be equipped with an incorporated devicefor current control by the organizer and the Authorities for control over gambling.

Marking and conditions of conducting of the games.

Art. 54. (1) Every slot machine should have a clear original marking with the production number, the date of production, repairor recycling and the name of the producer.

(2) (Amended – SG, issue 102, 2001) Import and sale of devices, which had not been approved by the State Commissionon the grounds of the certificate, issued by the State Agency for

Standardization and metrology, following to the application of the importer or the Seller, is not allowed. The above is not valid for single pieces, needed for testing.

Gambling hall

Art. 55. (1) The gambling hall should correspond to the requirements of Art. 18, Paragraph 1, Item 5 and to other requirements of the present Law, to be isolated from other types of gambling, to respond to the requirements of Art.4, Paragraph 4 and to the sanitary and hygienic norms.

(2) The slot machines in a gambling hall can not be less than:

1. (Amended – SG, issue 102, 2001) twenty pieces in residential areas with population 50 000 inhabitants and more;

2. ten pieces in other residential areas and tourist complexes.

(3) the minimal area for installment and exploitation of one slot machine is 2 sq. meters.

(4) It is forbidden:

1. (Supplemented – SG, issue 102,2001) to keep non-working equipment with non-paid excise-duty in the Casinos and the gambling halls, all gambling equipment, situated inside the Casino or the gambling hall, including stores;

2. use of slot machines and equipment, which are not approved by the State Commission, or do not correspond to the requirements of Art. 51.

(5) (Amended – SG, issue 102, 2001) The control Authorities of the State Commission together with the State Agency for standardization and metrology should undertake periodic checking of the slot machines.

Section VII

Entertainment machines and equipment.

Definition

Art. 56. (1) The entertainment gambling machines are machines and other technical devices for recreation and entertainment purposes, demonstration of skills or such ones with cognition purposes.

(2) The entertainment machines may pay awards under the form of an additional game for the same price, or minor material awards.

(3) Payment of the award in the form of money, alcohol or tobacco products is forbidden.

(4) Inside the objects with machines, mentioned in Paragraph 1, the turnover of the machines should be registered obligatory by a cash machine with fiscal memory.

Limitations

Art. 57. (Ammended – SG, issue 102, 2001) Inside the objects for gambling it is forbidden to use and install entertainment machines, or machines, similar to them, as well, as to adjust gambling equipment for entertainment one.

(2) (Ammended – SG, issue 102, 2001) It is forbidden to install entertainment machines inside the objects for gambling, except the cases, when they are not placed in a separate premises.

(3) (New – SG, issue 102, 2001) The premises, mentioned in Paragraph 1 are considered as gambling places.

Section VIII

Games in the Casino

Way of organization of the games

Art. 58. In the Casino maybe organized the following types of gambling: games on a gambling table with a roulette, playing cards, dice and slot machines. The games may be with different stakes and different earning on one and the same table, during one and same game. The earning or the loss are absolutely occasional.

Requirements for exploitation

(2) The gambling tables in the Casino can not be less than five, two of them at least should be for roulette, and the slot machines, if any, can not be less than ten.

(3) The separate premices in the casino and the situation of the gambling tables and the slot machines should allow constant control over the stuff, the gambling equipment and the participants in the games.

(4) (Revoked – SG, issue 102, 2001)

(5) The casino should correspond to the requirements of Art. 4, Paragraph 4.

(6) (Amended – SG, issue 102, 2001) The roulletes and appliances to them as well, as other similar gambling equipment, which was not tested by the State Agency for standardization and metrology and registered by the State Agency are not allowed to be used.

(7) The casino should correspond to the requirements of Art. 18, Paragraph 1, Item 5 and should be situated not closer, than 300 meters, calculated with a graphic method along the shortest pedestrian way, from a military camp or a secondary school. This does not concerne the hotels with category three stars or more.

(8) (New - SG, issue 102, 2001) The rules, the methods, the technical requirements for measuring of the distance, mentioned in Paragraph 7 are determined in the Regulations in accordance with Art. 41, Paragraph 4.

Requirements to the personell

Art. 60. (amended – SG, issue 103, 1999) The person, working on the gambling table should work on the grounds of a contract with the company, organizing the gambling activities, and to possess the necessary qualification for practicing of the profession, stipulated in Art. 18, Paragraph 1.

Limitations

Art. 61. The games on gambling tables may be organized and conducted only inside the casino, which corresponds to the requirements of the present Law.

Section IX

Games with bets on the results of sport events or occasional events.

Definition

Art. 62. (1) Games with bets on the results of sport events or occasional events, in which the earning is connected to the results of sport events, horse races and others, and depends only on the right prediction of these results. The earning is determined by preliminary prepared coefficients for the bets, or by the number of the winners and the amount of bets, considering the preliminary fixed share of earnings.

(2) For the games, mentioned in Paragraph 1 the stipulations of Art. 37, Paragraphs 5 and 7 are applicable.

Types of betting.

Art. 63. The bettings over the results of the sport events may be:

1. single

2. periodic – held out for a certain number of competitions or for a certain period of time; in that case the non-received earnings during the previous period may be used for the next one, or for forming of the jack-pot.

Section X

Games with bets on occasional events

Definition

Art. 64. (1) Games with bets over occasional circumstances are type of gambling, in which the earning depends only on chance, it is not connected with any periods and this type of games are not treated in the present Law.

(2) The rules of the game, the price for participation and the award have to be approved by the State Commission and announced by the organizers in advance.

Games with knowledge of fact and events

Art. 65. (1) These are games with bets, where the earning depends on knowledge of facts and events.

(2) The amount of the earning may be proportional to the staked amount, respectively to the amount for acceptance of the participant or may be determined otherwise, including the principle of occasion. The awards, respectively the way of their determination should be announced in a proper way.

(3) Telephone games with awards and earnings, organized through the mass media with the assistance of the “Bulgarian Post” EOOD and other telecommunication Companies, and the “Bulgarian Post” EOOD are considered as games, mentioned in Paragraph 1 and Art. 64.

Distribution of the profit on separate levels

Чл. 66. (1) Печалбите могат да се разпределят на няколко нива, като всички печалби от едно и също ниво трябва да са еднакви.

Art. 66. (1) The earnings may be distributed on different levels. All the earnings on one and the same level should be equal.

(2) Най-малко 50 на сто от стойността на приетите залози трябва да бъде разпределена като награди или печалби. Частта от постъпленията, която се разпределя, се обявява по подходящ начин.

(2) Not less than 50 per cent of the cost of the accepted stakes should be distributed as awards and earnings. The part of the incomes, which will be distributed should be announced in a proper way.

Rules of the games

Art. 67. The stipulations of Art. 64, Paragraph 2 are applicable for this section.

Chapter four

REQUIREMENTS FOR ORGANIZATION OF GAMBLING

Section I

Casino

Art. 68. The casino should correspond to the requirements for exploitation of the present Law.

Requirements for issue of the permission

Art. 69. (Supplmented – SG, issue 103, 1999) The permission for organising of gambling activities may be issued only to a Limited Liability or a Joint Stock Company with name shares, which capital is not less than 500 000 BGN and has been deposited in full as to the moment of applying, providing the company corresponds to the special requirement of the present Law.

Limitations for the work in the casino

Art. 70. A person, member of the Board of managers or the Control Board of a Bank, of an Insurance Fund, of a Pension Fund, licensed Investment Broker or member of the Investment

Company, state employee does not have the right to work in a casino. The person, executing security activities can work only like guards.

Restrictions for participations in the games in a casino

Art. 71. The major partners and the members of the Managing Boards of the Company – owner or lodger of the casino, the employees in the casino, their spouses and relatives, brothers or sisters are not allowed to participate in the games, organized in the casino.

Working time

Art. 72 (1) The casino may be opened for clients overnight.

(2) The clients of the casino should be entered in a special register, approved according to the stipulations of Art. 18, Paragraph 1, Item 4.

Restrictions for the clients

Art. 73. (1) The following persons are not allowed to enter the casino:

1. Persons under 18 years old;
2. Uniformed, except the ones, who are there of service
3. armed, , except the ones, who are there of service and their position allows it;

The ones, who had violated the internal rules of the casino;

5. ones, who are obviously not sober or are under the influence of drug;

6. people without personal documents.

(2) People, who are in charge of the management of the casino, have the right to refuse entrance to the casino of persons, whose presence there may create danger or to embarrass the games, except the persons, mentioned in Paragraph 1.

Section II

Gambling halls

Art. 74 (1) Gambling hall is a separate premises for organizing of gambling activities, which corresponds to the stipulations of the present Law.

(2) Numerical lottery games “Bingo” or “Keno” and games with slot machines may be organized in the gambling halls.

Requirements

Art. 75 As far as there are no further requirements, related to the organizers, their employees and the participants in the games the stipulations of Chapter four, Section 1, except Art. 69 and Art. 73, Paragraph 2 are applicable.

Chapter five

OBLIGATIONS OF THE ORGANIZERS OF GAMBLING ACTIVITIES

Change in the activities and execution of the investment conditions

Art. 71 (1) (Amended – SG, issue 102, 2001) Within 14 days from the appearance of a change in the circumstances, stated in the issued permission, the Organizers of the gambling activities are obliged to inform the State Commission and to apply for entering of new circumstances as far as the same is acceptable by the Law. The State Commission should consider the application and take decision within 14 days, as stated in Chapter two. The refusal for entering of the changes may be subject to appeal according the stipulations of the Law for Administrative procedures within 14 days after the date of information.

(2) The stipulation of the Paragraph 1 is applicable towards the persons, mentioned in Art. 18, Paragraph 1, Item 3.

(3) (Amended – SG, issue 102, 2001) The Companies, mentioned in Art. 7 with more than 51 per cent foreign participation should confirm in front of the State Commission the execution of the investment conditions and creation of the required additional working places not later, than one year after the date of issue of the permission.

(4) (New – SG issue 102, 2001) In case of temporary termination of the activities the organizer is obliged to inform the State Commission within 14 days about the reasons and the period of termination. In case of “Force Majeure” the period for information is 24 hours.

Obligations for payment of earnings

Art. 77. (1) The organizer of the gambling is obliged to pay in due time the earning of the winning person against presentation of the chips, slips, talons and similar documents, confirming the earning.

(2) Payment of each earning is allowed up to the amount of 30 000 BGN.

(3) In case, that the amount of the earning is bigger than, the one, stated in Paragraph 2, the payment should be made by Bank transfer, or in a way, determined by the State Commission.

(4) The Organizer of the gambling activities is obliged to issue a document, confirming the amount of the earning on request. The second copy of the document is kept with the Organizer.

Taxes

Art. 78. (Amended – SG, issue 102, 2001) Along with the deposition of the application the Organizer have to pay the tax, determined in Art. 27.

Testing of the slot machines

Art. 79. (Amended – SG, issue 102, 2001) (1) If required by the Law the testing of the slot machines and other equipment should be made by the State Agency for Standardization and metrology.

(2) The gambling equipment, accompanied with a certificate, issued by an approved laboratory, from the country of the European Union are considered as approved for use on the

territory of the Republic of Bulgaria. The Certificate should be presented to the State Commission, accompanied by a legalised translation in Bulgarian of the attached documentation and the certificate for registration in the State Agency for Standardization and metrology.

Chapter six.

CONTROL AND DEPRIVE OF THE PERMISSIONS FOR ORGANIZATION OF GAMBLING

Control

Art. 80. (Amended – Sg, issue 1, 2001; issue 102, 2001; issue 31, 2003) The control over the observation of the present Law is exercised by the employees of the State Commission. If necessary they may be assisted by the Authorities of the Tax Administration, the State Agency for Standardization and metrology, the Ministry of Interior, the Agency for Financial investigations and other State Auhtorities, determined by the Law.

(2) (Supplemented – SG, issue 1, 2001; issue 102, 2001) The persons, assigned to executecontrol functions according to the present Law will receive documents for legitimation during the checking, givingthem the rights of the Tax Administration.

(3) (Amended - SG, issue 1, 2001) The control checking should be made with the order of the Chairman of the State Commission.

Suggestions for deprive and termination of the permissions

Art. 81. (1) (Amended - SG, issue 1, 2001) In cases of violations of the present Law the Chaiman od the State Commission has the right to suggest to the State Commission to deprive for a certain period of time or finally the issued permission.

(2) (Amended - SG, issue 1, 2001) Following to the application of the persons, who had received the permission, following to the stipulations of the present Law, theChairman of the State Commission may suggest to the State Commission to terminate the permission prior to the date of its expiry.

Indipendence of the sanctions

Art. 82. The sanctions, mentioned in Chapter seven are imposed without regard of the temporary or final termination of the permission.

Temporary deprive of the permission

Art. 83. (1) The State Commission may deprive for the period of three to twelve months the permission for organization of gambling activities, in cases, when the organizer:

1. use for exploitation slot machines, gambling tables or other gambling equipment, which do not correspond to the compulsory requirements;
2. does not fulfill the obligation for preadvise, as stipulated in Art. 72, Paragraphs 2 and 3;

3. does not pay on time the earning to the winning participant;
4. advertise his gambling activities personally or through third persons in cases, prohibited by the Law;
5. violates the approved by the State Commission rules for the organization and the work of the financial and accountancy activities in gambling;
6. use the gambling equipment outside of the gambling halls, casinos and places for betting on sport results, which had received permission according to the present Law, as well, as devices, which were not checked after repair;
7. (Supplemented – SG, issue 102, 2001) keeps non- working equipment in the gambling halls and casinos;
8. pays in cash the earnings, exceeding the amounts, determined in the present Law, or offers alcohol or tobacco products as awards;
9. use or install entertainment equipment, similar to the gambling equipment and machines, or rearrange gambling machines for entertainment purposes;
10. allows the attending of the gambling table by a person without signed contract with the company – organizer or without the proper qualification, required by the present Law;
11. allows a person, who has restriction in accordance to the present Law, to participate in the organization of gambling activities;
12. allows the entrance to the casino and participation in gambling of a person, who has restrictions, according to the present law.

(2) (Amended – SG, issue 102, 2001) A permission, issued to the producers of gambling equipment and to service organisations may be deprived for the period, stated in Paragraph 1 in case of non-observation of the obligation to inform the State Commission about the changes of the circumstances, entered in the permission, within 14 days after the date of such change.

(3) In cases of violations, stated in Paragraph 1, the issued permission may be temporarily deprived, providing, that in the appointed by the State Commission period of time the infringements had not been eliminated.

(4) Upon the expiry of the penalty term the permission should be returned back, providing, that the organizer had eliminated the infringements, paid the respective penalty or the material sanction and the term of validity of the permission had not been expired.

Final deprive of the Permission

Чл. 84. (1) Държавната комисия може да отнема окончателно издаденото разрешение за организиране на хазартни игри, когато организаторът виновенно:

Art. 84. (1) The State Commission may deprive the permission finally if the organizer:

1. undertakes or allows deliberate violation of the approved compulsory gambling conditions
2. violates the requirements of a Normative Act or the permission;
3. use gambling equipment, not approved and registered by the State Commission;
4. not eliminate the determined infringements;
5. accepts second violation, as stipulated in Art. 83
6. presents non-correct data for issuance of the permission;
7. (Supplemented – SG, issue 102, 2001) refuses the access or the assistance for control, executed by the official persons, authorised in compliance with Art. 80, Paragraph 3;
8. uses for the conducting of the game tickets, slips and other instruments, not issued and approved in the agreed way.

(2) The permission of the producers of the gambling equipment is deprived forever in case of second violation, as per Art. 83.

(3) (Supplemented – SG, issue 103, 1999) The permission, issued in accordance with Paragraphs 1 and 2 is deprived in cases, when after its issue there may occur circumstances, representing an obstacle for the issuance or the fee, determined in Art. 27, Paragraph 3 was not paid, except, that all those circumstances were not eliminated within the period, determined by the State Commission..

(4) (Am. - SG, issue 102 as of 2001) The person, who has been disfurnished, temporarily or permanently, of the license issued under this Act, shall, in 7-days's time after the decision's coming into effect, terminate the activity and return to the State Commission the issued licence, for which he shall be issued a protocol.

Implementing the decisions

Art. 85. (1) (Am. - SG, issue 102 as of 2001) The decisions for license disfurnishing shall be implemented by the bodies of the State Commission. In exercising their entitlements under this article, they may request assistance from other competent state authorities and it shall be responsibility of these to provide such assistance.

(2) (Reversed - SG, issue 102 as of 2001).

(3) (Reversed - SG, issue 102 as of 2001).

Chapter Seven

REGULATION OF ADMINISTRATIVE-PENAL NATURE

Art. 86. (1) An organizer of gambling activities, who violates art. 76, par. 1 and 2, shall be fined or imposed a penalty payment varying from BGN 1000 to BGN 3000.

(2) For breaches under art. 76, par. 3 penalty payments shall be imposed varying from BGN 10 000 to BGN 30 000.

Art. 87. (1) Any official, who accepts a demand without the state charges having been collected in advance, shall be imposed a fine between BGN 400 and BGN 3000.

(2) Any person, violating the provisions of art. 24 shall be penalized by the sanction in par. 1 above.

(3) On occurrence of a repeated violation under par. 1 and 2, the fine imposed shall be double.

Art. 88. (1) Any person, who does not provide access to the relevant control bodies for conduction of initial or periodical checks of slot machines and gambling equipment, shall be imposed a fine varying from BGN 5000 to BGN 20 000.

(2) Legal persons and sole traders, who have conducted the violation under par. 1, shall be imposed a penalty payment as above.

(3) On occurrence of a repeated violation under par. 1 the fine/penalty payment imposed shall be double.

Art. 89. (1) For violating the provisions of art. 73, par. 1 the Organizer shall be imposed a penal payment varying from BGN 5000 to BGN 20 000.

(2) On occurrence of a repeated violation under par. 1 the penalty payment imposed shall be double.

Art. 90. (1) For violating the provisions of art. 77, par. 1 the natural persons shall be imposed a fine, whereas the legal persons/sole trader shall be penalized by a payment, amounting to the doubled value of the outstanding profit, but not less than BGN 1000.

(2) On occurrence of a repeated violation under par. 1 the fine/penalty payment imposed shall be double.

Art. 91. Whoever violates the obligatory gaming conditions for organizing and conducting gambling activities, as well as the conditions regulating the participation in games of chance shall be imposed a fine varying between BGN 400 and BGN 10 000.

Art. 92. (1) Whoever operates unapproved and unregistered by the State Commission slot machines and gambling equipment shall be imposed a fine varying between BGN 10 000 and 20 000.

(2) Whoever operates slot machines and gambling equipment or conducts gambling activities in buildings or rooms, which are non-compliant to the requirements under this Act, shall be imposed a fine varying between BGN 5000 and 30 000.

Art. 93. (1) (Previous wording of art. 93 - SG, issue 102 as of 2001) A person, who produces, imports, distributes, repairs or maintains gambling equipment without being appropriately licensed, shall be imposed a penalty payment varying between BGN 10 000 and BGN 30 000.

(2) (New - SG, issue 102 as of 2001) Whoever organizes and conducts games of chance without a license, shall be imposed a fine or penalty payment varying from BGN 20 000 to BGN 50 000.

(3) (New - SG, issue 102 as of 2001) On occurrence of repeated violation under par. 1 and 2, the penalty shall be doubled.

(4) (New - SG, issue 102 as of 2001) The penalties under par. 1 - 3 shall be imposed independently from other penalties provided for in other Acts.

Art. 94. (1) (Am. - SG, issue 102 as of 2001) An official, who has not observed the time-term of performance of his/her duties or has made other violations under this Act, shall be penalized by fine varying from BGN 1000 to BGN 5000, with the exception of the cases where such official is liable to a more serious sanction.

(2) (Am. - SG, issue 102 as of 2001) Whoever does not fulfil the obligation of terminating all gambling activities and returning the respective license within 7 days as from the coming into effect of the decision for a temporary or final licence disfurnishing, shall be imposed the penalty as in par. 1.

Art. 95. Any organizer, who does not keep a register as specified in art. 72, par. 2, shall suffer a penalty payment varying from BGN 10 000 to BGN 20 000.

Art. 96. Any official, who does not provide the required information to or withholds assistance within the frame of his/her competence requested by the officials mentioned in art. 80, par. 2, shall be fined (BGN 500 to BGN 5000).

Art. 97. (Supplemented - SG, issue 103 as of 1999) The gambling equipment utilized for gambling activities without license or which is not covered by a paid tax as due, shall be seized for the benefit of the State. The same refers to any available financial means found on the site.

Art. 98. The offenders under this Act shall be ascertained according to the provisions of the Administrative Infractions and Penalties Act.

Art. 99. (Am. - SG, issue 102 as of 2001) For ascertained violations under this Act, relevant statement of offences shall be issued by the officials as specified in art. 80, par. 2, whereas the penal orders shall be issued by the Chairman of the State Commission on Gambling.

Art. 100. (Reversed - SG, issue 102 as of 2001).

Art. 101. (Am. - SG, issue 102 as of 2001) The penal payments and fines related to penal orders issued by the Chairman of the State Commission on Gambling already taken into effect shall be subject to collection in accordance with the Government Collections Act.

Art. 102. If five years have expired from the date of the offence, judicial proceedings shall not be initiated. If proceeding has already been started, it shall be terminated in such circumstances.

ADDITIONAL REGULATIONS

§ 1. Within the meaning of this Act:

1. "Charge" shall mean any payment of a monetary sum, directly or in the form of tokens, stubs, slips, tickets, telephone impulses and others for participating in games of chance with the purpose of profit-making.
2. "Borderline regions" within the meaning of art. 41 of this Act shall mean the regions and settlements on the territory of the Republic of Bulgaria, located up to 30 km away from the state border.
3. "Profit/prize of an insignificant amount" is a profit or prize of less than BGN 5 in value.
4. "Repeated offence" shall mean an offence conducted after the person has been penalized for the same violation by a penal order taken into effect, issued for the term of validity of the granted license.
5. "Subsidiary and auxiliary activities" shall mean the activities directly related to and enhancing various undertakings of the organizers of gambling such as maintenance and repair of owned gaming equipment, incl. authorized by this Act advertisement and issuance of bulletins and other printed materials, which are not directly promoting the activity, issuance and selling of tickets and other specific tokens intended for gambling, etc.
6. (Am. - SG, issue 102 as of 2001) "Importer and distributor" shall mean a sole trader or legal person, who import and offer for selling or using various items of gambling equipment.
7. "Evasion of tax assessment" shall mean the failure to submit a tax statement, as well as the failure to include in the said statement earnings or incomes that are subject to tax assessment.
8. "Factory-built in device" shall mean a device, foreseen in the structural documentation of the Manufacturer, without which the operation of the slot machine is impermissible.
9. (New - SG, issue 102 as of 2001) "Multi-band interface" is a technical device, which enables two or more systems of this device, independent from one another, to interfere, interrelate or communicate with each other.
10. (New - SG, issue 102 as of 2001) "Register" under art. 21, par. 8 shall mean:
 - a) register of issued and withdrawn gambling organization licenses, register of incoming and outgoing applications and documents, alphabetically arranged list of gambling activities organizers and list of people whose licenses have been withdrawn;
 - б) register of issued and withdrawn licenses in regards to manufacturers of gambling equipment, importers, distributors and service organizations for maintenance and repair of such

equipment, incoming and outgoing register of incoming and outgoing applications and documents, alphabetically arranged list of people who have been disfurnished of their licenses;

b) register of the type, number and manufacture number or other labeling, guaranteeing the identification of slot machines, gambling tables and other items of gambling equipment in operation;

r) register of the approved obligatory specimen of tickets, slip, stubs and other tokens for participating in games of chance.

TRANSITIONAL AND FINAL REGULATIONS

§ 2. The Decree on establishing the State Monetary and Object Lottery (promulgated, Extraordinary issue 91 as of 1958 ; am., SG, issue 110 as of 1993 , issue 153 as of 1998) shall be disaffirmed.

§ 3. In the Physical Education and Sports Act (promulgated, SG, issue 58 as of 1996 , issue 53 as of 1997 - Decision No. 8 of the Constitutional Court as of 1997 ; am., issue 124 as of 1998) Chapter eleventh with articles 52 - 56 shall be disaffirmed.

§ 4. Article 425 of the Penal Code (promulgated, SG, issue 26 as of 1968 ; amended, issue 29 as of 1968; am. and suppl., issue 92 as of 1969, issue 26 and 27 as of 1973, issue 89 as of 1974 , issue 95 as of 1975, issue 3 as of 1977, issue 54 as of 1978, issue 89 as of 1979 , issue 28 as of 1982 ; amended, issue 31 as of 1982; am. and suppl., issue 44 as of 1984, issue 41 and 79 as of 1985; amended, issue 80 as of 1985; am. and supplemented, issue 89 as of 1986; amended, issue 90 as of 1986; am., issue 37, 91 and 99 as of 1989, issue 10, 31 and 81 as of 1990, issue 1 and 86 as of 1991 ; am., issue 90 as of 1991; am. and supplemented, issue 105 as of 1991, issue 54 as of 1992 , issue 10 as of 1993, issue 50 as of 1995; Decision No.19 of the Constitutional Court as of 1995 - issue 97 as of 1995 ; am. and suppl., issue 102 as of 1995, issue 107 as of 1996, issue 62 as of 1997, issue 85 as of 1997; issue 120 as of 1997 – Decision No.19 of the Constitutional Court as of 1997; am. and supplemented, issue 83, 85, 132, 133 and 153 as of 1998, issue 7 as of 1999) , shall be disaffirmed.

§ 5. In art. 34, par. 2 of the Administrative Infractions and Penalties Act (promulgated, SG, issue 92 as of 1969; am., issue 54 as of 1978, issue 28 as of 1982, issue 28 and 101 as of 1983, issue 89 as of 1986, issue 24 as of 1987, issue 94 as of 1990, issue 105 as of 1991; am. and supplemented, issue 59 as of 1992, issue 102 as of 1995, issue 12 and 110 as of 1996, issue 11, 15, 59, 85 and 89 of 1998) after the word "harm" , the following expression shall be added: "as well as for violating an enactment governing gambling activities".

§ 6. In art. 2a of the Corporate Income Tax Act (promulgated, SG, issue 115 as of 1997; amended, issue 19 as of 1998.; am. and supplemented, issue 21 and 153 as of 1998, issue 12 as of 1999) par. 4 shall be modified, as follows:

"(4) The incomes from auxiliary activities within the meaning of the Gambling Act shall not be charged with profit tax and municipal tax. Instead, they shall be charged with a definitive tax on their value, defined on a separate gambling game basis. The tax shall be assessed and paid in no later than the 7th day of the month following the month the incomes have been generated."

§ 7. In art. 190 of the Labour Code (promulgated, SG, issue 26 as of 1986 and issue 27 as of 1986 ; am. and suppl., issue 6 as of 1988, issue 21, 30 and 94 as of 1990, issue 27, 32 and 104 as of 1991, issue 23, 26, 88 and 100 as of 1992, issue 69 as of 1995 - Decision No. 12 of the Constitutional Court as of 1995 ; am., issue 87 as of 1995 , issue 2, 12 and 28 as of 1996 , issue 124 as of 1997 , issue 22 as of 1998 , issue 52 as of 1998 - Decision No. 11 of the Constitutional Court as of 1998 ; am., issue 56, 83, 108 and 133 as of 1998) the following modifications and additions shall take place:

1. A new item 6 shall be inscribed with the following wording:

"6. ...participating in gambling activities by telecommunication resources of the company. In such cases the expenses made shall be recovered in full;"

2. The former i. 6 becomes i. 7.

§ 8. In a month's time as from this Act's coming into effect the Council of Ministers shall appoint a Chairman and members of the State Commission, as well as a Manager-in-Chief of the General Directorate. Until the time of appointment of the State Commission, its functions shall be performed by the Commission on Gambling.

§ 9. (Supplemented - SG, issue 103 as of 1999) Within a six-month period as from this Act's coming into effect the Council of Ministers shall pass, following a proposal made by the State Commission, all bylaws on the application of this Act including the Rules specified in § 11.

§ 10. (Suppl. - SG, issue 103 as of 1999) The persons who has obtained a license for organizing gambling activities prior to the Act's coming into effect, shall render their activities in compliance with the requirements of this Act and request to be issued a new license by 31st December 1999 at the latest.

§ 11. (1) "Bulgarian Sports Totalizer" and "State Monetary and Object Lottery" shall be established as state-owned enterprises under art. 62, par. 3 of the Commercial Act. These two enterprises shall be legal persons with their seat in the city of Sofia.

(2) Until the time the governing regulations on state-owned enterprises under par.1 are adopted, the Bulgarian Sports Totalizer (BST) and the State Monetary and Object Lottery (SMOL) shall organize the games in the existing manner. The relationship between the SMOL and "Bank DSK" – EAD shall be arranged on a contract basis. The newly-established state-owned enterprises under par. 1 shall adopt the existing liabilities and assets of the former BST and SMOL

(3) (Am. - SG, issue 53 as of 2000 , issue 75 as of 2002) An annual grant in aid is foreseen in the budget of the Ministry of Youth and Sports to be utilized for the purposes of physical education and sports. This grant is generated from the tax under art.2 of the Corporate Income Tax Act paid in the state budget by the BST for the previous year, as well as from 10% of the same tax paid in the budget by other organizers of totalizer- and lotto-type games.

§ 12. The implementation of the Act shall be responsibility of the State Commission on Gambling and the Minister of Finance.

TRANSITIONAL AND FINAL REGULATIONS

to the Lev Re-denomination Act

(SG, issue 20 as of 1999 , suppl., issue 65 as of 1999 , into force as from 5.07.1999)

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§ 4. (1) (Suppl. - SG, issue 65 as of 1999) On the Act's coming into effect all figures in "old levs", specified in the Acts that have become effective before 5th July 1999 shall be substituted with figures of 1000 times diminished values, representing the so called BGN (new Bulgarian lev). The same substitution operation shall be applicable to all Acts, passed before 5th July 1999, which have come or will come into force after 5th July 1999.

(2) The bodies that have passed or issued subdelegated bylaws come into effect before 5th July 1999 and which include figures in levs, shall modify them in accordance with this Act in a manner allowing the said modifications to be applied from the date of the Act's coming into effect.

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§ 7. The Act shall come into effect as from 5th July 1999 onwards.

TRANSITIONAL AND FINAL REGULATIONS

to the Code of Taxation and Judicial Practise

(SG, issue 103 as of 1999)

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§ 13. (into force as from 30th November 1999) In the Gambling Act (SG, issue 51 as of 1999) the following modifications and supplements shall be introduced:

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15. In the entire Gambling Act the following words and expressions shall be replaced as given below: "directorate" with "General Directorate", "the directorate" with "the General Directorate", "director" with "General Director", "territorial units" with "territorial directorates" and "taxation bodies" with "bodies of tax administration".

.....

§ 20. (Into force as from 1st January 2000) (1) The proceedings related to taxation actions, which have been initiated and not concluded shall be examined in the hitherto prevailing manner.

(2) The unconcluded actions (*sub judice*) under the disaffirmed art. 83, par. 2 of the Collection of Government Claims Act shall be examined as per Chapter twelve "a" of the Code of Civil Procedure.

(3) By the time of adoption of a Regulation on the tax administration, the number and territorial scope of the tax directorates shall be determined by an order of the Minister of Finance to be promulgated in "State Gazette".

§ 21. (Into force as from 1st January 2000) For the cases not dealt with in this Code, the provisions of the Code of Civil Procedure shall apply.

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TRANSITIONAL AND FINAL REGULATIONS

to the Act to amend the Measures Against Money Laundering Act
(SG, issue 1 as of 2001)

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§ 27. The following amendments and supplements shall be introduced to the Gambling Act (promulgated, SG, issue 51 as of 1999 ; am., issue 103 as of 1999 , issue 53 as of 2000):

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11. In the entire Act, with the exception of § 8 of the transitional and final regulations, the title "General Directorate on Gambling Supervision" and "General Directorate" shall be substituted by "Insurance and Gambling Supervision Agency", whereas the expression "the General Director" shall be substituted by "the Director".

§ 28. (1) The Insurance Supervision Directorate and the General Directorate on Gambling Supervision shall transform into a unified Insurance and Gambling Supervision Agency.

(2) The assets, liabilities, the archive, as well as the other rights and obligations of the Directorates under par. 1 shall be undertaken by the Insurance and Gambling Supervision Agency

(3) The employment relations with the personnel of the Directorates under par. 1 shall be settled under the conditions and provisions of art. 123 of the Labour Code.

§ 29. The entitlements of the Director of the Insurance Supervision Directorate and the General Director of the Directorate on Gambling Supervision shall be terminated on the coming into effect of the decision of the Council of Ministers on the appointment of a Director of the new Insurance and Gambling Supervision Agency.

TRANSITIONAL AND FINAL REGULATIONS

to the Act to amend the Gambling Act

(SG, issue 102 as of 2001, into force as from 1st January 2002)

§ 51. (1) The Insurance and Gambling Supervision Agency shall be abolished. Respectively, State Commission on Gambling and Insurance Supervision Agency shall be established at the Minister of Finance.

(2) The assets, liabilities, the archive, as well as the other rights and obligations of the Insurance and Gambling Supervision Agency shall be undertaken by the State Commission on Gambling and Insurance Supervision Agency in a manner, determined by the Minister of Finance within a month's time as from this Act's coming into effect.

(3) The employment and official relations with the personnel of the Insurance and Gambling Supervision Agency shall be settled by the Minister of Finance or an official authorized by him/her under the conditions and provisions of art. 328, par. 1, i. 1 of the Labour Code and in accordance with art. 106, par. 1, i. 1 of the Civil Servants Act.

§ 52. (1) The entitlements of the Director of the Insurance and Gambling Supervision Agency shall be terminated on this Act's coming into effect.

(2) The Minister of Finance shall, in a month's time as from this Act's coming into effect, appoint a Chairman and members of the State Commission on Gambling, as well as a Director of the Insurance Supervision Agency.

§ 53. (1) The State Commission on Gambling at the Council of Ministers shall be abolished. The entitlements of its Chairman and members shall be terminated on this Act's coming into effect.

(2) The archive, the rights and obligations of the abolished State Commission on Gambling at the Council of Ministers shall be undertaken by the State Commission on Gambling at the Minister of Finance.

§ 54. (1) The initiated and uncompleted proceedings related to license issuance, examined by the abolished State Commission on Gambling shall be settled under the provisions of this Act.

(2) The initiated and uncompleted legal proceedings shall be examined under the hitherto prevailing procedure manner to the extent that the persons concerned are not subject to a more favourable arrangement under this Act.

(3) The persons, who have obtained licenses under the hitherto prevailing procedure manner, shall be entitled to continue their activity until the expiry of their license terms.

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*The undersigned Kiril Neykov Neykov certifies the veracity of the translation done by me from Bulgarian into English.
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Kiril Neykov - Translator