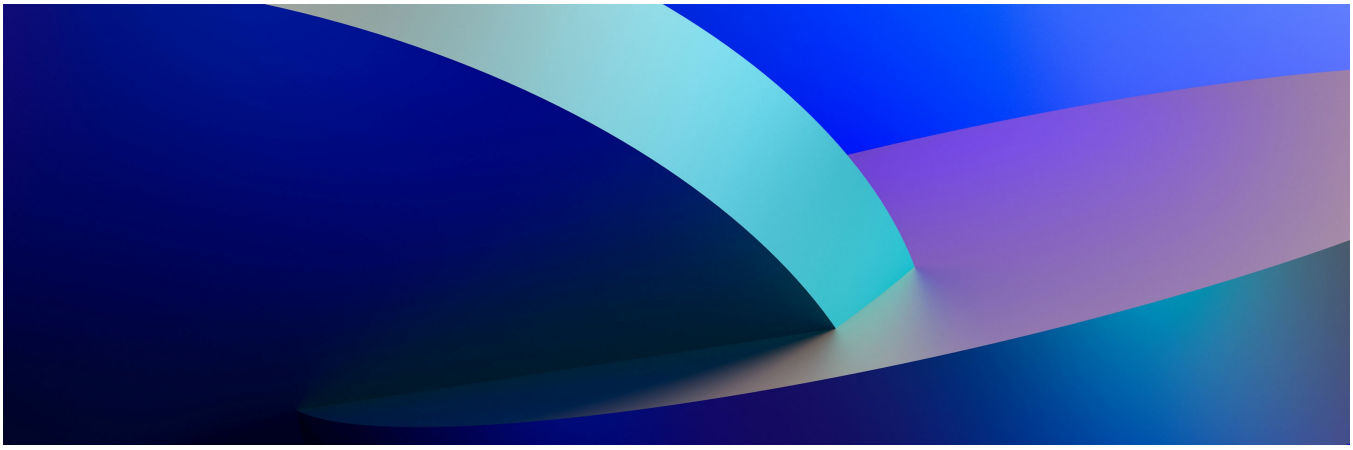


Gambling laws in Slovakia

1. Regulatory framework

1.1 Is there a Gambling Act (or equivalent) in place?

Yes.

Act No. 30/2019 Coll.

1.2 Is online gambling a regulated activity?

Yes.

1.3 Are there any regulators?

Yes.

Gambling Regulatory Authority (*Úrad pre reguláciu hazardných hier*) (the "**Authority**")

Website: www.urhh.sk

1.4 Is there a regulatory regime related to advertising gambling?

Yes.

The regulation of online gambling advertising is very limited and provides a broad space for advertising online gambling.

2. Structuring and corporate governance

2.1 Is a local presence necessary to run gambling activity?

Yes.

However, a licence may be granted to an entity established or resident in another EU Member State (EU), but such entity must have a Slovak-seated and registered representative.

2.2 If yes, are there any mandatory legal forms of business for gambling companies?

Yes.

2.3 Can a local subsidiary be formed by foreign shareholders?

Yes.

Foreign shareholders can only be persons established or resident in another EU Member State (EU) or OECD member state.

2.4 Are there foreign investment restrictions?

Yes.

Foreign shareholders can only be persons established or resident in another EU Member State or OECD member state.

A licence may be granted or issued only to a legal entity with its registered office in the Slovak Republic or in another EU Member State. A legal entity established in another EU Member State may be granted a licence if it has a registered foreign representation (*zahraničné zastúpenie*) in Slovakia on the list of foreign representations of the Authority.

2.5 Are there any minimum requirements for a gambling company's statutory capital?

Yes.

Depending on the type of licence, the range is from EUR 70,000 to 1,700,000.

2.6 Can management include foreign individuals?

Yes.

2.7 Are there any mandatory reporting requirements (beyond tax) regarding a gambling company's corporate governance matters?

Yes.

Monthly reporting obligations to the Authority on data set out by Decree No. 134/2019 of the Slovak Ministry of Finance.

Annual reporting obligation to the municipality where a gambling operator operates a gaming venue.

Annual obligation to provide the financial statements for the previous accounting period in the register of financial statements by 31 May.

3. Licensing

3.1 Do local regulations set out a clear licensing framework for gambling (including the licensing process, criteria, submission requirements, licensing conditions and ongoing compliance requirements)?

Yes.

3.2 Is gambling licensing specific to:

3.2.1 Betting?

Yes.

3.2.2 Sports?

Yes.

3.2.3 Skill games?

No.

3.2.4 Card Games?

Yes.

3.2.5 Casinos?

Yes.

3.2.6 Lotteries?

Yes.

3.2.7 Arcades?

Yes.

3.3 Is the creation of video games for gambling by a software developer subject to gambling licensing?

No.

However, if the created gambling videogame is going to be used for gambling by a licensed operator in Slovakia, it must be licensed. Developers of gambling games often undergo the process of licensing before the commercial release of the videogame, making the implementation of the videogame easier for operators.

3.4 What is the term of a licence/permit?

Depending on the type of licence, the term might differ and can be issued for two years, five years, ten years or an indefinite term.

3.5 How long does it take to obtain a licence/permit?

Approximately one to two months from all required documentation being obtained and provided to the Authority.

3.6 Is there any limit on the number of licences that can be granted?

No.

3.7 Are there any specific licensing requirements?

Yes.

These vary depending on the type of licence (registered capital amount, provision of ticket templates in the case of a lottery licence, etc.)

4. Compliance

4.1 Are there any mandatory AML rules generally and for gambling industry specifically?

Yes.

Slovak AML Act No. 297/2008 Coll.

In the case of operating gambling worth at least EUR 2,000, regardless of whether the gambling is carried out individually or as several successive bets which are or may be linked, the provider of the

gambling activity is obliged to perform a basic due diligence of the client. The obligation to identify and verify a client is triggered by a transaction with value of at least EUR 1,000.

4.2 Are there any specific reporting obligations for gambling companies in terms of AML and data protection?

Yes.

Gambling operators are required to report all unusual transactions, including attempted transactions, to the Slovak Financial Intelligence Unit. Gambling operators are required to report, without undue delay, a refusal to perform a requested unusual transaction.

5. Data Protection

5.1 Are there any specific Data Protection regulations in place?

Yes.

In general, the GDPR applies.

However, certain specific obligations related to the processing of personal data (e.g. mandatory identification and monitoring in casinos) are set out by the Gambling Act and Slovak Act on Personal Data Protection No. 18/2018 Coll.

5.2 If yes, do they apply extra-territorially?

Yes.

5.3 Is there a Data Protection Regulator?

Yes.

Office for Personal Data Protection of the Slovak Republic.

6. Currency control and other cross border issues

6.1 Are there any currency/exchange/finance controls at the present time to transfer cash out of and into the country?

No.

International sanctions should be considered separately.

6.2 Where currency/exchange/finance or capital controls do exist:

N/A

6.2.1 What is the approval regime and process in place?

N/A

6.2.2 Must permission be sought for each transaction, or can pre-approvals take place (subject to defined limitation, or otherwise)?

N/A

6.2.3 Other comments

N/A

7. Marketing and advertising

7.1 Is the advertising/marketing of gambling activity allowed in your country?

Yes.

Currently, there are only limited restrictions on online gambling advertising. We are not aware of any new legislation on gambling advertisement in the current legislative pipeline.

Gambling operators together with the Authority drafted and adhered to the Code of Conduct for Responsible Advertising. The Code of Conduct for Responsible Advertising is a voluntary framework on the regulation of gambling advertising. Any gambling operator and other entity involved in the promotion of gambling can adhere to the Code.

The code is available at: https://www.urhh.sk/documents/d/guest/kodex-zodpovednej-reklamy_01112023_final

The list of signatories is available at: https://www.urhh.sk/documents/d/guest/zoznam-pristupujucich-subjektov-ku-kzr_final

7.2 Are there any advertising methods which cannot be used by gambling companies?

No.

7.3 Can gambling companies be sponsors of sports events?

Yes.

7.4 Is it allowed to involve celebrities to advertise gambling activities?

Yes.

7.5 Are there any CSR requirements for gambling companies?

No.

7.6 Are there any other restrictions/limitations on advertising gambling activities?

Yes.

It is prohibited to promote gambling in the Latin alphabet and in the Latin font available from the Slovak Republic without a licence via an electronic communications network or an electronic communications service.

8. Tax

8.1 Is there any specific tax regime for gambling companies?

Formally, the Slovak regulatory framework does not recognise wagering contributions or contributions to the financing of the Authority as a tax or levy. However, wagering contributions and contributions to the financing of the Authority have a similar nature as a tax or levy.

The wagering contribution depends on the type of the gambling game operated by the operator and varies from 1% of the total bets placed on horse racing to 30% of the commission charged when players play against each other (with the commission being the amount players pay to participate in the game), or 30% of the difference between players' bets and winnings paid out, provided this total is at least 11% of the winnings paid out to the players in the same calendar month.

Gambling operators are obliged to pay the contribution to the financing of the Authority depending on the nature of gambling games. In the case of online gambling games in an online casino, the rate of the monthly contribution is 0.7% of the proceeds, fee and commission.

8.2 Is there a tax implication for transferring cash out of the country?

Yes.

8.3 Is there a tax implication for transferring cash into the country?

Yes.

8.4 Is there a tax implication for offering trading activities remotely in the country?

Yes.

The potential creation of a permanent establishment. Websites of gambling operators without a Slovak licence are blocked by the Slovak authorities.

8.5 Are there any other observations regarding the taxation of gambling activities (locally and remotely)?

No.

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