

Gambling Legalisation Framework. Bill 2285-D

1. Casinos

- 1) *To be located only inside at least 500 sq m premises of five-star hotels with a room capacity of:*
 - at least 150 rooms, for Kyiv; or
 - at least 100 rooms, for other populated areas; and
 - where investment projects are implemented to arrange for and conduct casino gambling and/or poker tournaments, including poker world championships, betting business, or lotteries (as resolved by the Ukrainian Cabinet of Ministers), the hotel-based location provisions will not apply. Those arranging for and conducting gambling under this section will hold a ten-year free-of-charge investment licence.
- 2) *Minimum quantity of gaming equipment:*
 - ten card tables, including two roulette tables, and 50 gaming machines for populated areas with a population above 500,000;
 - five card tables, including one roulette table, and 25 gaming machines for populated areas with a population below 500,000;
- 3) *Licence term and fee:*
 - \$11,000,000 for five years — for hotels with more than 200 rooms, based in Kyiv;
 - \$22,000,000 for five years — for hotels with at least 150 and up to 200 rooms, based in Kyiv;
 - \$5,500,000 for five years — for hotels with at least 150 rooms, based in other populated areas;
 - \$11,000,000 for five years — for hotels with at least 100 and up to 150 rooms, based in other populated areas; and
 - if a new five-star hotel with an appropriate room capacity is built, a ten-year licence will be issued free of charge.
- 4) *Licence fees for tables and gaming machines:*
 - \$60,000 annually, per roulette table;
 - \$30,000 annually, per card table; and
 - \$2,300 annually, per gaming machine.

2. Online Casinos

- 1) *Online casinos will be allowed if there are:*
 - a certified platform;
 - certified games; and
 - a connection to an online monitoring system.
- 2) *Licence term and fee:*
 - \$2,500,000 annually.

3. Betting

- 1) *Betting will be allowed:*
 - at betting points; and
 - online.
- 2) *Online betting:*
 - a certified platform; and
 - a connection to an online monitoring system.
- 3) *Betting at betting points:*
 - inside three, four or five-star hotels with at least 25 rooms; and
 - with an area of at least 50 sq m.
- 4) *Licence term and fee:*
 - \$23,000,000 for five years;
 - \$15,000 per betting point.

4. Gaming Machine Venues

- 1) *Only inside designated gaming machine venues:*
 - located in three, four or five-star hotels; and
 - a minimum area of 300 sq m per venue based in Kyiv; or
 - a minimum area of 150 sq m per venue based in other populated areas.
- 2) *The principle of a limited number of gaming machines:*
 - not more than 40,000 machines within Ukraine;
 - a right to host gaming machines will be sold at electronic auctions (1,600 lots of 25 gaming machines each); and
 - casino-based machines will be subject to no restriction.
- 3) *Licence fee:*
 - \$150,000 for five years;
 - plus auction fees (at least \$200); and
 - \$1,200 annually, per gaming machine.

5. Lottery

- 1) *Three operators who will obtain licences via an electronic auction will be allowed to run only a state lottery in Ukraine.*
- 2) *Operator requirements:*
 - licensed software;
 - licensed content;
 - a connection to an online monitoring system; and
 - lottery rules and ways of distribution to be approved by the regulator.
- 3) *Licence fee and other financial conditions:*
 - \$10,000,000 start bid at the electronic auction;
 - distribution of lottery ticket proceeds: 50% will be used to pay lottery prizes, and 50% will be split between the government (22%) and the operator (28%); and
 - the licence will be valid for five years.

6. Poker

- 1) *Poker gambling will be allowed in Ukraine:*
 - online poker.
- 2) *Licence term and fee:*
 - \$500,000 for five years.

7. B2B Licensing

- 1) *Ukraine will issue licences to producers of:*
 - gambling content; and
 - gambling platforms.
- 2) *Licence term and fee:*
 - \$50,000 for five years.

8. General

- 1) *Setting up a Gambling Development and Regulation Commission:*
 - accountable to the Cabinet of Ministers;
 - members: Chairperson and six members will be appointed by the Cabinet of Minister on recommendation from the Parliament's Committee on Finances, Tax and Customs Policies;
 - its function will be to license gambling and control an operator's activities;
 - it will have exclusive legal authority.

- 2) *Gaming equipment and software:*
 - it will be allowed to use only certified gaming machines; and
 - it will be allowed to use only certified, Ukraine-produced gaming content for gaming machines.
- 3) *Anti-gambling addiction measures:*
 - advertising restrictions;
 - standard design for gaming venues and betting points (a brand name sign will be allowed only);
 - identification of gamblers and visitors (a prohibition for those under 21 years of age); and
 - gamblers will be offered voluntary self-restraint measures or will be restrained by court order — sought by close relatives.
- 4) *Online monitoring system:*
 - all gaming equipment will be connected to monitor bets and wins;
 - tax monitoring; and
 - money laundering compliance monitoring.
- 5) *Establishing a dedicated fund within the state budget to use licence fees to finance:*
 - health care;
 - culture; and
 - sports.
- 6) *Location restrictions for gaming venues:*
 - gaming venues will not be allowed near educational and state institutions, cultural and religious properties;
- 7) *Taxes: (NB! The tax framework is under discussion)*
 - GGR tax rate: 7.5% for betting, 12.5% for gaming machines and online casinos, and 22% for lottery;
 - no personal income tax; and
 - income tax — general rules (18%).