

**Draft Law
for Modification and Amendment to the Law on Games of Chance and Entertainment
Games**

(Official Gazette of the Republic of Macedonia No 10/97 and 54/97)

Article 1

A comma follows the words "the conditions" in Article 1, and the words "the organization" are added.

Article 2

After the word "computers" in Article 3, the words "games' consoles" are added. In front of the word "payment", the words "cash and non-cash" are added.

Article 3

New paragraph 3 is added in Article 4, and shall read:

"The amount of assets assigned for the purpose in paragraph 2 of this Article, is determined at 50% of the total revenue of the games of chance and the entertainment games established in the previous calendar year, but not less than 60,000,000.00 denars (sixty million denars) and not more than 120,000,000.00 denars (one hundred-twenty million)."

Paragraph 3 becomes paragraph 4.

Article 4

After the word "are" in Article 5, the words "the holders of lottery tickets, tombola cards, coupons (stubs), chips, or certificates for the amount paid for participation in the game, i.e." are deleted.

Article 5

Article 6 is changed and shall read:

"The games of chance organizer is obliged to lay down a deposit in a bank with its main office in the Republic of Macedonia, for the purpose of providing payment of the gains to the participants in the games of chance.

The amount and method of utilisation of the deposit for each and every game of chance separately, are determined by the Minister of Finance by means of a Rulebook."

Article 6

The words "drawing games" in Article 9, paragraph A, item 1) are deleted.

Items 1), 2) and 3) after the words "General games of chance are:" in paragraph A are deleted, and are replaced by six new items and they shall read:

- 1) lotto
- 2) football pools
- 3) lottery
- 4) instant lottery
- 5) tombola and
- 6) prize games

New item 3) is added after item 2) in paragraph B and shall read:

"3) betting on sport matches"

Article 7

The new words "on time" are added in front of the word "deposited" in Article 10 items 1 and 2. After the word "deposited" the words "at least 24 hours before the draw" are added.

The words "which consists of three lines with five different numbers from the series of numbers from 1 to 90" in item 5, paragraph 1 are replaced by the words: "in which are inserted certain numbers in accordance with the rules of the game".

Paragraph 2 in item 5 is deleted.

Item 6 is changed and shall read:

"Betting on sport matches is a game in which the participant has got a ticket on which, in accordance with the rules of the game, by circling, performs betting - guessing scores of football and other sport matches announced by the organizer. The betting refers to: the final score, end of the first half, correct score, the goals aggregate, handicap matches, anticipated matches, mixture of several types of games, time of the goals scored, etc."

Item 7 is changed and shall read:

"7. Prize game is a game which, is organized by one or more trade companies together, for the purpose of advertising their products and services, by way of public announcement of the terms and conditions for participation in the game, determined by the rules of the game.

The gains of the prize game can be objects, cash or rights.

The aggregate prize fund cannot be higher than EURO100,000.

Each individual gain that is not part of the products and services in the basic activity of the trade company, cannot be higher than EURO10,000 in denar equivalence."

Article 8

The full stop in Article 11 paragraph 2 is replaced by a comma and the words "without the right of compensation for the returned quantities" are added.

Paragraph 3 is changed and shall read:

"The form of the lottery tickets and the tombola cards (standard and specific form) at a proposal of the organizer, is determined by the Ministry of Finance."

Article 9

After the word "rooms" in Article 12, "the hyphen and the words gaming houses" are deleted, and after the word "organizer" the words "and against each other" are added.

The words "which are applied in the famous worldwide gaming houses" in paragraph 3 are deleted and after the word "chance" the words "approved by the Minister of Finance" are added.

Article 10

After the word "company" in Article 13 paragraph 2, the words "and the state, establishing a state owned trade company" are added.

The words "technical culture" in paragraph 3 are deleted, the comma following the word "tombola" is replaced by the word "and", and the words "sports prognosis" are deleted.

After paragraph 3 a new paragraph 4 is added and shall read:

"In the course of occasional organizing the "tombola" game of chance the drawing of the gains can be done on television, or the radio."

After Article 13 a new Article 13a is added and shall read:

"Article 13a"

It is forbidden to organize games of chance and entertainment games within the duty free zones on the territory of the Republic of Macedonia."

Article 11

Article 15 is changed and shall read: "The holder of the Licence for permanent organizing of games of chance can participate in organizing games of chance abroad, under the conditions and criteria prescribed by the Minister of Finance".

Article 12

After the word "Macedonia" in Article 16 paragraph 1, the words "at a proposal of the Minister of Finance" are added.

Article 13

After the word "announcement" in Article 17 paragraph 1, the full stop is deleted and the words "by public bidding" are added.

After paragraph 2 a new paragraph 3 is added and read:

"For the received approval a payment in an amount determined by the Minister of Finance by means of a Rule Book is done."

Paragraph 3 becomes paragraph 4, it is changed and shall read:

"An approval for temporary organizing of games of chance from paragraph 2 of this Article, is issued for a period of up to nine months, and it cannot be renewed during the calendar year when it expired."

Article 14

In front of the word "company" in Article 18 in paragraph 1 the word "trade" is added, after the word "company" the words "with a main office in the Republic of Macedonia" are added. The words "to a limited company or to a joint stock company" are deleted, and the words "which fulfills the following conditions" are added:

Item 1) is changed and shall read:

"1) to have principal of at least EURO 2,500,000 in denar equivalence at a mean exchange rate of the National Bank of the Republic of Macedonia, the value of which is to be permanently maintained."

Article 15

Article 19 is changed and shall read:

"For "lottery", "lotto", "football pools", and for "instant lottery" can be issued two licences each, and three licences for "TV-tombola", to different organizers.

The state can independently organize all general games of chance, mentioned in paragraph 1 of this Article, with a permanent licence."

Article 16

After the word "citizens" in Article 20 paragraph 1, a comma is inserted and the words "in the domain of sport and physical culture and associations of disabled persons" are added.

The words "will provide" in paragraph 1 item 1 are replaced by the words "has provided".

The words "for which the approval is requested and" in item 1 after the word "chance" are deleted.

New paragraph 2 is added and shall read:

"Technical, technological, spatial and other conditions, data and documents needed for determining the necessity of organizing games of chance specified in paragraph 1 of this Article are prescribed by the Ministry of Finance in a special Rulebook."

Article 17

Article 21 is deleted.

Article 18

The words "and for the approval of temporary organization" are added after the word "license" in Article 22, paragraph 1.

New paragraph 4 is added after paragraph 3 and shall read:

"The holder of the approval shall pay the whole amount of funds for the issued approval of temporary organization of games of chance."

The existing paragraph 4 becomes paragraph 5, while "and 4" is added after number "3".

Article 19

Paragraph 1, in Article 23, is changed and shall read:

"Only the applicant fulfilling the conditions stipulated by this law is entitled to obtain license for organizing games of chance, while, if the issuing of the license is carried out through a public bidding, the right is granted to the one offering the most highest bid for paying the license".

Paragraph 2 is deleted.

Article 20

The full stop is replaced by a comma in Article 24, paragraph 1, and the words "and it is issued by the Ministry of Finance within a period of 30 days" are added.

The words "for a period up to six years" in paragraph 2 are replaced by the words "for a period not exceeding six years"

The words "one year" in paragraph 3 are replaced by "six months", the full stop is replaced by a comma and the words "without the right to reimbursement of the assets paid for the license" are added.

Article 21

The words "and in one of the daily newspapers" are added in Article 28.

Article 22

Paragraph 3 in Article 30 is changed and shall read:

"If the organizer of the game of chance has begun the sale of the stubs of any kind, has received payments and due to unpredicted circumstances is unable to complete the game, which is therefore canceled, he is obliged to reimburse the received payments to the participants within a period of thirty (30) days."

Article 23

The word "gains" in Article 31, paragraph 2, is added after:

"The organizer shall provide evidence of the deposit laid down in the bank with a head office in the Republic of Macedonia tantamount to the prize fund."

Article 24

The words "By issuing a license, that is an approval, the body that has issued the license" in Article 32 are deleted. The words "the Ministry of Finance" are added before the word "gives".

Article 25

Article 34 is deleted.

Article 26

The words "TV tombola" are added after the word "lottery" in Article 35.

Article 27

New paragraph 2 is added in Article 36 and shall read:

"The Minister of Finance gives consent for the selling posts determined by the organizer."

Article 28

The words "only in a gaming house " and the brackets are deleted in Article 37.
The words "With an exception of paragraph 1 from this Article" in paragraph 2 are deleted.
The words "gaming houses" are replaced by "casinos". The words "that is" are deleted.

New paragraph 3 is added and shall read:

"The betting on sports matches is organized in special rooms - betting places."

Article 29

New paragraphs 2, 3, 4 and 5 are added after the paragraph 1 in Article 38 and shall read:

"The organizer is obliged to run the cash book according to the accounting guidelines, standards and principles and according to the accounting practice.

The cash book may be made up of free sheets, bound sheets, or may be transferred to some of the media for automatic and micrographical processing of data, so that they can be printed or displayed on screen if necessary.

The cash book is kept for ten years at least.

On this basis, there is introduced an obligatory audit to be carried out by an entity authorized by the Minister of Finance .

Paragraph 2 becomes paragraph 6.

The subheading "gaming house" in item 1 is replaced by "casino"

Article 30

The words "a gaming house" and the brackets are deleted in Article 39, paragraph 1, while the words "and against each other" in line 5 are added after the word "game".

Article 31

The words "gaming house" in Article 40, paragraph 1, are replaced by the word "casino".

Paragraph 2 is changed and shall read:

"marked with 'four' stars."

Article 32

If the casino is in a specially built building - casino, it should provide catering services according to the standards of the restaurants and of other catering facilities providing first category food and drinks.

The words "gaming house" in Article 41, paragraph 1, are replaced by the word "casino".

Article 33

The words "gaming house" in Article 42, paragraph 1, are replaced by the word "casino". Paragraph 2 is changed and shall read:

"A license for organizing specific games of chance in a casino can be issued to a trade company, which, in addition to the conditions in Article 18 of this Law, also fulfils the following:

The words "DM 100,000" in item 1 are replaced by "EUR 100,000".

Items 2 to 10 remain unchanged.

New item 8a is added and shall read:

"There is a control system with a detector to prevent armed people from entering;"

Paragraph 3 and paragraph 4 are deleted.

Article 34

The words "gaming house" in Article 43 are replaced by the word "casino".

Paragraph 3 is changed and shall read:

"In addition to the request for issuing a license for organizing games of chance, evidence that the conditions stipulated by this Law are fulfilled should be submitted.

Article 35

Article 44 is changed and shall read:

"A foreign legal or physical person may organize specific games in a casino if he invests in the country an amount of at least five million Euro (EUR 5,000,000) during a period of one year and ensures employment for at least two hundred and fifty (250) persons, resident citizens."

Article 36

The words "gaming house" in Article 45 are replaced by the word "casino".

The words "Persons in uniform" in paragraph 1 are replaced by the words "uniformed persons".

The words "and it is regulated by the organizer himself according to the Rulebook" are added after the word "ticket" in paragraph 2.

Article 37

The words "to be present at or " are added after the word "participants" in Article 46, item 4.

The words "a time for playing" in item 5 are replaced by the words "a working hours".

Article 38

The words "shall previously request consent from" in Article 48 should be added after the word "is obliged", while the words "to inform" are deleted. The words "of the ownership capital higher than 20% and" should be added after the word "change", while the words "shares i.e. stakes in the principal of the company" are deleted. The words "the insurance company" are added after the words "the owners of".

Article 39

New paragraph 2 is added in Article 53, and shall read:

"In a slot machine club or a casino, the organizer is, for each slot machine separately, obliged to provide room of at least three square meters (3m²)."

Paragraph 2 becomes paragraph 3.

Article 40

The word "independently" in Article 54 paragraph 1 is deleted.

New paragraph 2 is added, and shall read:

"A foreign legal or physical person may organize specific games in a slot machine club with one licence if he invests in the country an amount of at least five hundred thousand EURO (EURO 500,000) during the period of one year, and ensures employment for at least ten (10) persons, resident citizens."

Article 41

After the word "licence" in Article 56 paragraph 1 a comma is placed, and the words "and approved by the Ministry of Finance" are added.

Article 42

New sub-paragraph 3 is added as a heading after Article 58, and shall read:

"3. BETTING ON SPORTS MATCHES"

Seven new Articles are added, and shall read:

"Article 58a"

Betting on sports matches is a specific game of chance in which the participant may realize a gain by betting – guessing sports results of various sports matches. The method of betting is performed by entering certain data on a stub, or otherwise, depending on the rules of the game and the equipment owned by the organizer of the games of chance.

The game rules are determined by the organizer, while the approval for them is given by the Ministry of Finance.

"Article 58b"

Betting on sports matches may be organized on the territory of the Republic of Macedonia, in a special room – betting place, which must not be smaller than 60 m² (sixty square meters), and the organizer may provide beverages in a separate space (stand).

The organizer of games of chance in a betting place is obliged to establish a Rulebook of the betting place, the structure and the method of working, and to present it to the visitors in an appropriate manner.

"Article 58c"

Foreign legal or physical person may organize specific games of chance in a betting place if he invests in the country an amount of at least one million EURO (EURO 1,000,000) during the period of one year, and ensures employment for at least fifty (50) persons, resident citizens.

"Article 58d"

The terms and the place for organizing the betting on sports matches as well as the terms for visiting the betting place are determined by the licence holder and approved by the Minister of Finance.

Persons under 18 are forbidden to participate in the betting place.

"Article 58e"

Each organizing of a betting place on another location is subject to new approval by the Minister of Finance.

"Article 58f"

The method of realizing the gains is determined by the organizer, and he is obliged to ensure a guarantee fund for securing the participants, the amount of which will be determined separately for each round, according to the criteria established with the Rulebook by the Minister of Finance.

"Article 58g"

The organizer determines the number of the employees in the betting place, which must not be less than four persons, three out of which should be Macedonian citizens, qualified for working in a betting place, and not convicted for premeditated criminal offence.

The employees are forbidden to participate in the games of chance in the betting place."

Article 43

New paragraph 2 is added in Article 59, and shall read:

"The approval for organizing entertainment games is issued by the Minister of Finance, the payment of which shall be closely determined by by-laws."

Article 44

Full stop is put after the word "games" in Article 60, while the other words are deleted.

Article 45

Paragraph 1 in Article 63 is deleted.

Article 46

The word "from 7,00 a.m." in the second line paragraph 3 in Article 66 is replaced with the word "from 9,00 a.m.", and the word "from 7,00 a.m. to 01,00 a.m." in the third line is replaced with the word "from 9,00 a.m. to 02,00 a.m.."

Article 47

The number "7,00" in Article 67 is replaced with "9,00", and the number "23,00" is replaced with "24,00".

Article 48

The number "50%" in paragraph 2 in the Article 73 is replaced with the number "70%".

New paragraph 3 is added, and shall read:

"The organizer deposits the assets allocated for the fund for gains on a special sub-account, until they are completely paid."

Article 49

The words "organized with licence" are added after the word "chance" in the first line paragraph 1 in Article 74, while the words after the word "appointed by" are deleted and instead the words "the Ministry of Finance" are added.

The words "the body that has issued the licence i.e. approval for organizing games of chance" in paragraph 2 are replaced with the words "the Ministry of Finance".

Article 50

The word "seven" in the second line in Article 75 is replaced with the words "three business".

Article 51

The word "has given" in Article 77 the last line is replaced with the word "gives".

Article 52

The words to the end of the sentence and the full stop after the word "according" in Article 78 are deleted, and the words "price list approved by the Ministry of Finance" are added.

Article 53

The first item in paragraph 2 Article 79 is changed and shall read:

"- in a casino: for a roulette table – DM 5,000
for a black jack and other types of tables – DM 3,000"

The number "DM 300" in the second item is replaced with the number "DM 800".

The number "DM 20" in the third item is replaced with the number "DM 40".

Four new paragraphs 5, 6, 7, 8, 9 and 10 are added after paragraph 4, and shall read:

"The organizers of games of chance and entertainment games shall pay a separate tax on games of chance and entertainment games, in amount of 15%, for each game separately on a separate account in the Republic of Macedonia.

The basis for calculation and payment of the tax from paragraph 5 of this Article, is the difference between the aggregate amount of the received payments for participation in the game minus the gains paid to the participants according to the rules determined for each game separately and according to this Law.

The organizers of the games of chance "lotto", "TV-tombola" and "football pools" perform the payment of the liability from paragraph 5 of this Article within 15 days after the termination of the round of the game of chance.

The fifteen-day calculation is final and does not influence the further result of the game, i.e. the next calculation period.

The organizers of the games of chance "lottery", "instant lottery", "betting on sports matches", the specific games of chance and the entertainment games, determine the basis from Article 5 each working day, and they carry out the payment of this liability after each 15 days.

The organizers of the prize games, determine the liability from paragraph 5 of this Article and calculate the basis which is an aggregate amount of the prize fund according to the rules of the prize game."

Article 54

The word "previous" in Article 80, paragraph 1 is replaced with the word "current".
The word "payment" in paragraph 3 is replaced with the words "the liabilities from Article 79".

Article 55

The words " that is the associates" in Article 82, paragraph 1, are deleted.

Article 56

New seventeen lines are added after line seven In Article 84 and shall read:

- control over the banking deposit in order to ensure the payment of the gains
- control over the organizers, for application of the criteria and conditions prescribed by the Minister of Finance.
- control over the payments for licenses and approvals.
- control over the organization of the games of chance while revoking the license i.e. the approval.
- control over the accessibility to the rules for organizing games of chance to the participants in the games
- control whether the games of chance are carried out under the supervision of bodies authorized by the Minister of Finance
- control over the posts where the tickets, tombola cards and stubs are sold
- control over the permanent existence of the legal conditions for work of the casinos
- control over the presence of minors in premises where specific games of chance are organized
- control over the Rulebook of the casino, betting place and slot machine club
- control over the employees engaged in the organization of specific games of chance
- control over the amount of the paid funds, their participation in the gain allocated for the participants in the game of chance ,as well as control over the putting of these funds on a special sub-account
- control over participation of the organizer's employees in the games of chance
- control of the entertainment clubs operations, and change of location of the gaming machines
- control over the working hours and the premises where the games of chance and the entertainment games are organized
- control over the publishing, payment and withdrawing of the gains by the winners in the games of chance
- control over non-violating confidential data for participation of the participants and the gains from the games of chance, by the organizer or the persons directly connected with him."

Line eight becomes line twenty-five.

Article 57

Article 85 is changed and reads:

"Surveillance and control should be carried out in any time in the casinos, slot machine clubs, and betting places".

Article 58

The words "have replaced" in Article 87, paragraph 1, are replaced with the words "is not in compliance with", while the words "i.e." in the fifth and seventh line are replaced with the word "or". The word "gaming house" in paragraph 1 and 2 is replaced with the word "casino".

The word "i.e." in the last line of paragraph 2, is replaced with the words "as well as ".

Article 59

The words "or the approval" are added after the word "the license" In Article 88 in paragraph 2.

Article 60

The words " committed criminal action or" are added after the words "that there is" in Article 89. "

New subtitle and new Article 89 a are added in head XII PENALTY PROVISIONS and shall read:

"Criminal Action"

"Article 89a"

"The person who acquire property for himself or for some other person illegally, or incurs a larger scope damage by organizing games of chance and entertainment games contrary to the provisions of this Law, shall be punished with one to five-year imprisonment.

Benefits in a form of money and property shall be taken away from the offender."

Article 61

New item 6 is added after item 5, paragraph 1, Article 90 and shall read:

"6) Issues a Certificate for proper functioning for dysfunctional slot machine i.e. entertainment machines (Article 70);"

Item 6) becomes item 7), and after it sixteen new items are added and shall read:

"7) who organizes games of chance and entertainment games not prescribed by this Law, or not considered as games of chance and entertainment games and their organization is prohibited. (Article 2).

8) who organizes prize game and acts contrary to the provisions of Article 10 from this Law for the amount of the separate gains and the aggregate prize fund.

9) who does not pay for the license or the approval, in accordance with the provisions of Article 22 of this Law

10) who, in the case of revoking the license or the approval, does not carry out the commenced game or games of chance until it is finished (Article 26)

11) who does not perform the sales of the tickets, the tombola cards and the stubs, only at the selling posts approved by the Minister of Finance (Article 36)

12) who, organizes betting on sports matches outside the betting place (Article 58b)

13) who has not integrated five six cipher counters in the slot machines according to the provisions from Article 50 of this Law

14) who allows participation of minors in the specific games of chance (Article 45, 56 and 58 d)

15) who does not determine the fund of gains in accordance with the provisions of this Law, and does not deposit them on a special sub account until they are entirely paid out. (Article 57 and 73)

16) who organizes games of chance on slot machines in an entertainment club (Article 62)

17) who, without prior approval, replaces the entertainment machines to another location (Article 64)

18) who organizes games of chance or entertainment games beyond the working hours determined in Articles 66 and 67 and acts contrary to the provisions of Article 68 of this Law

19) who applies technically dysfunctional slot machines and entertainment machines (Article 69, 70, 71 and 72)

20) who does not pay the monthly lump sum for the specific games of chance and the entertainment games, and does not comply with the provisions from Article 79 form this Law

21) who allows the person who has access to the official secret, to act contrary to Article 82

22) who carries out the games of chance without the presence of persons authorized by the Minister of Finance (Article 74)

The word "for" in paragraph 3 is replaced with the word "of", and the words " five-year **prohibition for performing the activity** for the legal person, and one-year **prohibition for performing the professional activity or duty** for the responsible person, and a security measure " are added after the word "security"

Article 62

The number "120,000" in Article 91, paragraph 1, is replaced with the number "200,000."

Item 5 is added after item 4 and shall read:

"5) who does not publish the report for determining the results and the gains from the games of chance, or does not perform the payment of the gains in a manner prescribed with a Law. (Article 75)"

New paragraph 2 is added after paragraph 1 and shall read:

"In addition to the fine, a security measure will be undertaken against the legal person from paragraph 1 – **five-year prohibition for performing the activity**, while against the responsible person from paragraph 2, a security measure - **one-year prohibition for carrying out the professional activity or duty.**"

Paragraph 2, becomes paragraph 3, and the words "35,000 to 40,000" are replaced with the words "45,000 to 50,000".

Article 63

The words "150,000 to 200,000" in Article 92, paragraph 1, are replaced with the words "200,000 to 250,000".

The words "non-certified and non-registered" in item 1), are deleted, and after the word "tickets", the words "contrary to the manner determined with this law" are added.

Item 4) is deleted.

New item 8) is added after item 7) and shall read:

"8) does not submit working reports to the Ministry of Finance on a monthly basis."

The words "30,000 to 35,000" in paragraph 2 are replaced with the words "45,000 to 50,000".

New paragraph 3 is added after paragraph 2, and shall read:

"For the violations determined in paragraph 1, in addition to the fine, a security measure will be undertaken against the legal person – **five-year prohibition for carrying out the activity**, and against the responsible person, security measure – **one-year prohibition for carrying out the professional activity or duty.**"

Article 64

The words "100,000 to 150,000" in Article 93, paragraph 1 are replaced by the words "200,000 to 250,000".

The words "25,000 to 30,000" in paragraph 2 are replaced by the words "40,000 to 50,000".

Article 65

The words "20,000 to 25,000" in Article 94 are replaced by the words "40,000 to 50,000".

New paragraph 2 is added after paragraph 1 and shall read:

"The security measure stipulating **one-year prohibition for performing professional activity or duty**" may be undertaken for committing the offences anticipated in paragraph 1.

Article 66

The words "25,000 to 30,000" in Article 95 are replaced by the words "40,000 to 50,000".

New paragraph 2 is added after paragraph 1 and shall read:

"The security measure stipulating **one-year prohibition for performing professional activity or duty**" may be undertaken for committing the offences anticipated in paragraph 1.

Article 67

The issued licenses for organizing games of chance will have to be adjusted to this Law in a period of 6 (six) months of their reinforcement. Otherwise they will be declared void.

Article 68

The Legal Legislation Commission of the Parliament of the Republic of Macedonia is authorized to determine a proof-read text of the Law on games of chance and entertainment games.

Article 69

This Law enters into force on the eighth day of its publishing in "The Official Gazette of the Republic of Macedonia".