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POLAND

I. INTRODUCTION

1. General Approach to Gambling

The Republic of Poland is a unitary civil law state. Principal Law for the regulation of the gambling industry is the **Law of 29 July 1992 on games and mutual wagering**.

Law of 29 July 1992 on games and mutual wagering defines the terms of organization and principles for pursuing economic activity within the scope of chance games, mutual wagering, slot machine games and slot machine games with low prizes:

2. Definitions

Chance games are according to this Law in Poland, those games where the prize is either money or awards and where the final result particularly depends on chance and the terms of which are stipulated in individual regulations. Among these games are the following:

- 1) **number games** where the main prize is won by choosing the correct numbers, signs or other marks and the amount of prizes depends solely on the total amount of the pre-paid stakes;
- 2) **cash lotteries** where participation is conditioned by the purchase of a special ticket or other participation receipt and the entity that organises the lottery offers only cash prizes;
- 3) **video lotteries** that are organised in the video terminal networks that are connected with a central reporting and monitoring system, participants must purchase a ticket or another participation receipt and they can choose numbers, signs or other marks and the entity that organises the video lottery offers only cash prizes;
- 4) **telebingo**, where participation is conditioned by the purchase of a participation receipt that contains the random sets of numbers or signs from the predefined sets of numbers or signs; the game is held nationwide with a drawing of lots which is broadcasted on television and the entity that organises the game offers cash prizes or awards;
- 5) **award lotteries**, where participation is conditioned by the purchase of a lottery tickets or other participation receipt and the entity that organises the video lottery offers only awards;
- 6) **cylindrical games**, where participation is conditioned by choosing the numbers, signs or others marks and the amount of a prize depends on the pre-determined stake-winnings ratio and where the result of the game is determined by means of rotary device;
- 7) **card games**: black jack, poker, baccarat;
- 8) **dice games**;
- 9) **cash bingo**, where participation is conditioned by the purchase of random sets of numbers and the entity that organises the game offers only cash prizes, the amount of which depends on the total amount of the pre-paid stakes;

- 10) **raffle bingo**, where participation is conditioned by the purchase of the random sets of numbers and the entity that organises the game offers only awards;
- 11) **promotion lotteries**, where participation is conditioned by the purchase of goods, services or other participation receipt and this way the participation in the lottery is non-payable and entity that organises the game offers cash prizes or awards;
- 12) **audiotele lotteries**, where participation is conditioned by the payable phone connection and the entity that organises the game offers cash prizes or awards.

Mutual wagering shall mean betting for cash winnings that are determined by guessing:

- 1) the results of a sports competition, in which the competitors are either people or animals, the participants pay stakes and the amount of the prize depends on the total amount of the pre-paid stakes- totalizator systems;
- 2) the occurrence of different events, where the participants pay stakes and the amount of the prize depends on the stake-winnings ratio that is agreed between the bookmaker and a stake payer bookmakings services.

The organisation and conduct of the economic activity within the scope of chance games, mutual wagering, slot machine games or slot machine games with low prizes is allowed only on the principles stipulated in the Law.

3. Taxes

The entities conducting their economic activity within the scope of the games and betting on the basis of the granted permit, and the entities organising games and lotteries that constitute the state monopoly shall be subject to the tax on games. Tax duty connected with the *tax on games* shall commence at the moment of commencing the conduct of business activity. Tax on games shall constitute the state budget income. Tax duty referred shall cease at the moment of the business activity cessation. The tax duty regarding the other taxes and fees shall be determined according other respective tax laws. Poland's corporate tax for the year 2005 is 19%.

The tax base regarding the tax on games shall be calculated as follows:

- 1) in lotteries and telebingo game the sum of receipts collected from the sale of lottery tickets or other participation receipts;
- 2) in number games the sum of all the pre-paid stakes;
- 3) in video lotteries the difference between the amount paid or credited in terminal memory and the amount of winnings gained by the participants of games;
- 4) in cash bingo game the nominal value of the cards purchased by the company;
- 5) in raffle bingo game the nominal value of the cards used for the game;
- 6) in cylindrical games, dice games and card games the difference between the cash payments in virtue of card exchange in a counter and on a game table and the amounts paid out for the returned tokens at the counter;
- 7) in slot machine games the difference between the amount collected from the tokens exchange or paid in at the counter and credited in the slot machine memory or paid into the slot machine and the amount of winnings gained by the participants of games;
- 8) in poker game, during which the participants play against each other and the casino organises the game the amount of casino receipts;
- 9) in mutual wagering the sum of all the pre-paid stakes.

The tax on games rate amounts to

- 1) 10% in case of award lotteries, raffle bingo games, cash bingo games and mutual wagering
- 2) 15% in case of cash lotteries and bingo games
- 3) 20% in case of number games
- 4) 45% in case of games organised in casinos and slot machines games salons and in case of video lotteries

The tax on games rate in virtue of conducting the economic activity in the scope of mutual wagering regarding the **sports competition of animals**, on the basis of permits granted exclusively for the organisation of such competitions amounts to 2%.

The tax payer who have the permits for the organisation of the **slot machine games** with low prizes pay the tax in a form of a lump sum amounting to the equivalent of:

- 1) 50 euro for the period until 31 December 2003,
- 2) 75 euro for the period from 1 January 2004 to 31 December 2004
- 3) 100 euro for the period from 1 January 2005 to 31 December 2005
- 4) 125 euro for the period from 1 January 2006

on a **monthly basis for the games on every slot machine.**

The euro exchange rate shall be set with the application of the foreign currencies buying rate that is announced by the National Bank of Poland, as of the last day of the month preceding the month during which the tax payment is to be made.

In the games which conduct of the economic activity within the scope of **number games, cash lotteries, video lotteries** and which is determined by the government monopoly the **editional payments** are established amounting to:

- 1) 25% of a stake or a price of a ticket or other participation receipt in **number games,**
- 2) 10% of a stake or a price of a ticket or other participation receipt in **video lotteries, cash lotteries and telebingo.**

The obligation of collection and transferring the additional payments in virtue of conducting a video lottery shall arise 6 month after the date of commencement of the economic activity in this area. **The entities organising the games referred above are obliged to transfer the revenue from the additional payments onto the separate special receipts accounts operated by**

- 1) the minister responsible for the cultural matters and national heritage protection amounting to 20%
- 2) the minister responsible for physical education and sport amounting to 80%.

The receipts from the additional payments referred to above shall be assigned exclusively for the promotion and support for:

- 1) nationwide and international artistic events, inclusive of educational events,
 - 2) literary creation and periodicals, as well as for the activities in favour of the culture of Polish language and developing the reading habit, supporting the cultural magazines and low-impression publications
 - 3) activities in favour of the Polish national heritage protection,
 - 4) young writers and artists,
 - 5) activities undertaken to enable the access to cultural values for handicapped persons.
- The receipts from the additional payments referred above shall be assigned exclusively for the modernisation, overhauls and financing the investments connected with sports building and the promotion of sport among children, teenagers and the handicapped.

II. LISTING**A) LEGISLATION ENACTED****Act of 29 July 1992 on games and mutual wagering**

Regulation of 3 June 2003 on the conditions concerning the organisation of games of chance and mutual wagering

Regulation of 3 June 2003 on the execution of some provisions of the act on games of chance and mutual wagering

Rozporządzenie Ministra Kultury z dnia 28 stycznia 2005 r. w sprawie szczegółowych warunków uzyskiwania dofinansowania realizacji zadań z zakresu kultury, trybu składania wniosków oraz przekazywania środków z Funduszu Promocji Kultury (Dz.U. 2005 nr 24 poz. 200) - Decree of the Ministry of finance on financial requirement in connection with gambling activities

Rozporządzenie Ministra Finansów z dnia 15 grudnia 2004 r. zmieniające rozporządzenie w sprawie wykonania niektórych przepisów ustawy o grach i zakładach wzajemnych (Dz.U. 2004 nr 272 poz. 2691) - Decree of the Ministry of finance on requirement in connection with gambling activities

Rozporządzenie Ministra Finansów z dnia 8 grudnia 2003 r. zmieniające rozporządzenie w sprawie wykonywania niektórych przepisów ustawy o grach i zakładach wzajemnych (Dz.U. 2003 nr 217 poz. 2133) - Decree of the Ministry of finance on requirement in connection with gambling activities

Rozporządzenie Ministra Finansów z dnia 3 czerwca 2003 r. w sprawie wykonania niektórych przepisów ustawy o grach i zakładach wzajemnych (Dz.U. 2003 nr 102 poz. 948) - Decree of the Ministry of finance on requirement in connection with gambling activities

Rozporządzenie Ministra Finansów z dnia 12 grudnia 2002 r. zmieniające rozporządzenie w sprawie wykonania niektórych przepisów ustawy o grach losowych, zakładach wzajemnych i grach na automatach (Dz.U. 2002 nr 221 poz. 1859) - Decree of the Ministry of finance on financial requirement in connection with gambling activities

Rozporządzenie Ministra Finansów z dnia 18 grudnia 2001 r. zmieniające rozporządzenie w sprawie wykonania niektórych przepisów ustawy o grach losowych, zakładach wzajemnych i grach na automatach (Dz.U. 2001 nr 151 poz. 1707) - Decree of the Ministry of finance on financial requirement in connection with gambling activities

B) DRAFT LEGISLATION

No entries (on the basis of information currently available)

C) SELF-REGULATION

No entries (on the basis of information currently available)

D) JURISPRUDENCE

No entries (on the basis of information currently available)

III. BARRIERS

a) Panorama

The **permits** for the organisation and conduct of chance games, mutual wagering or slot machine games shall be granted by the minister responsible for public finance. The permits for the organisation and conduct of the slot machine games with low prizes shall be granted by the taxation chamber, within the jurisdiction of which such games are organised and conducted. If more than one entity, complying with requirements specified in the Law applies for the permit, the minister responsible for public finance shall announce and conduct a tender. The minister responsible for public finance can, by means of a resolution, authorize the specific taxation chamber and revenue offices for issuing the permits for the organisation of award lotteries, raffle bingo games, promotion lotteries and audio-tele lotteries, organized within the area of one voivodship and can determine a detailed description of the way of their issuing, providing for the protection of the participants rights and the necessity of a proper control regarding the conduct of games.

The permit for the organisation and conduct of chance games, mutual wagering or slot machine games shall not be issued if: 1) the founder or stockholder (shareholders) of the companies that conduct their business activity in the scope of chance games and mutual wagering that have at their disposal the stocks (shares) whose value exceeds one hundredth of their capital or the members of the management board, supervisory board or the board of control in these companies are the natural persons, legal persons or the companies without legal personality, towards which there are justified **reservation from point of view of state security or public order**, 2) the members of the management board, supervisory board or board of control in the companies conducting their business activity within the scope of chance games and mutual wagering are the natural persons who are not Polish citizens or the citizens of one of the EU Member States, European Economic Area or Organization for Economic Co-Operation and Development or 3) the legal proceeding have been initiated in the administration of justice institutions against the persons mentioned above due to the commitment of the crimes referred to in Art. 299 of the Penal Code (money laundering).

The activity in the scope of cylindrical games, card games, dice games, cash, bingo, mutual wagering, slot machine games or slot machine with low prizes can be **conducted exclusively in the form of joint stock company or a limited liability company with its seat on the territory of the Republic of Poland**. The stocks (shares) in the companies referred above can be purchased or taken over by 1) a legal person or a company without legal personality with the seat on the territory of a Member State of EU or European Economic Area 2) a natural person who is a citizen of a Member State of EU or European Economic Area. The companies must comply with the regulations set out in the Polish Commercial Partnerships Code.

Award lotteries, raffle bingo, promotion lotteries and audio-tele lotteries can be organised by natural persons, legal persons and organisational units without legal personality on the basis of the granted permit. The games referred above can be organised as single events nationwide or locally. **Profit gained from award lotteries or raffle bingo shall be assigned in whole for the realisation of the socially-useful purposes**, in particular for charity purposes that are determined in the permit and regulations.

The organisation of cylindrical games, card game sand dice games is allowed exclusively in casinos and the organisation of the slot machine games is allowed exclusively in casinos or in slot machines salons. The organisation of the slot machine games with low prizes is

allowed exclusively in casinos or in slot machines games with low prizes. The organization of cash bingo is allowed exclusively in cash bingo salons. Mutual bets may be made exclusively in bet making points.

Casinos can be localized only in towns with the population up to 250.000 inhabitants

1 casino. The number of casinos can be increased by 1 for each newly commenced number of 250.000 inhabitants.

Slot machines salons and cash bingo salons can be localized in towns with the population up to 100 thousand inhabitants - 1 salon. The number of salons can be increased by 1 for each newly commenced number of 100 thousand inhabitants.

The number of inhabitants referred to above is determined on the basis of the data gathered by the Main Statistical Office for the purpose of keeping the record and statistics for the year preceding the year during which the organizer of the games submitted the application for granting the permit for the organisation and management of the casino, the cash bingo salon or the slot machine games salon.

Casinos and slot machine games salons can be also **localized on the seagoing passenger vessels and passengers ferries of Polish nationality**, upon condition that a given game is organised during a voyage, it commences not sooner than 30 minutes after leaving the port and finishes not later than 30 minutes prior to the arrival at the port of destination.

The stands for the slot machine games with low prizes can be situated in gastronomic posts, commercial and service-rendering institutions that are situated at least 100 m from schools, educational institutions, social and medical welfare institutions and religious cult centres.

The advertising of video lotteries, cylindrical games, card games, dice games, mutual wagering, slot machines games and slot machine games with low prizes within the meaning of encouraging to the participation on these games, convincing about their advantages, informing about the places they are held and the possibility of participation **shall be prohibited on the territory of the Republic of Poland**. The prohibition shall be exclusive of the advertising and information at the game salons and bookmaking points.

b) Table

A) LEGISLATION ENACTED

Applicable Laws and specifically relevant provisions	Barriers to the Free Movement of Gambling Services	Justifications for Continuation of Barriers
<p>Law of 29 July 1992 on games and mutual wagering</p> <p>Art. 5. The activity in the scope of cylindrical games, card games, dice games, cash, bingo, mutual wagering, slot machine games or slot machine with low prizes can be conducted exclusively in the form of joint stock company or a limited liability company with its seat on the territory of the Republic of Poland. The stocks (shares) in the companies' referred above can be purchased or taken over by 1) a legal person or a company without legal personality with the seat on the territory of a Member State of EU or European Economic Area 2) a natural person who is a citizen of a Member State of EU or European Economic Area. The companies must comply with the regulations set out in the Polish Commercial Partnerships Code.</p>	<p>The activity in the scope of cylindrical games, card games, dice games, cash, bingo, mutual wagering, slot machine games or slot machine with low prizes can be conducted exclusively in the form of joint stock company or a limited liability company with its seat on the territory of the Republic of Poland.</p>	<p>The information that is currently available to us about Polish law affecting gambling activities does not provide any indications of one or more justifications having been advanced in support of the maintenance of this barrier to a free internal market for gambling services.</p>
<p>Law of 29 July 1992 on games and mutual wagering</p>	<p>The organisation of cylindrical games, card game and dice games is allowed exclusively in casinos and the organisation of the slot machine games is allowed exclusively in casinos or in slot machines salons.</p>	<p>Refer above, this point</p>

<p>Art. 7. The organisation of cylindrical games, card game and dice games is allowed exclusively in casinos and the organisation of the slot machine games is allowed exclusively in casinos or in slot machines salons. The organisation of the slot machine games with low prizes is allowed exclusively in casinos or in slot machines games with low prizes. The organization of cash bingo is allowed exclusively in cash bingo salons. Mutual bets may be made exclusively in bet making points.</p>	<p>The organisation of the slot machine games with low prizes is allowed exclusively in casinos or in slot machines games with low prizes.</p> <p>The organization of cash bingo is allowed exclusively in cash bingo salons. Mutual bets may be made exclusively in bet making points.</p>	
<p>Law of 29 July 1992 on games and mutual wagering</p> <p>Art. 8 The advertising of video lotteries, cylindrical games, card games, dice games, mutual wagering, slot machines games and slot machine games with low prizes – within the meaning of encouraging to the participation on these games, informing about their advantages, informing about the places they are held and the possibility of participation shall be prohibited on the territory of the Republic of Poland. The prohibition shall be exclusive of the advertising and information at the game salons and bookmaking points.</p>	<p>The advertising of video lotteries, cylindrical games, card games, dice games, mutual wagering, slot machines games and slot machine games with low prizes – within the meaning of encouraging to the participation on these games, convincing about their advantages, informing about the places they are held and the possibility of participation shall be prohibited on the territory of the Republic of Poland.</p>	<p>Refer above, this point</p>
<p>Law of 29 July 1992 on games and mutual wagering</p> <p>Art. 27b The permit for the organisation and conduct of chance games, mutual wagering or slot machine games shall not be issued if: 1) the</p>	<p>The permit for the organisation and conduct of chance games, mutual wagering or slot machine games shall not be issued if: 1) the founder or stockholder (shareholders) of the companies that conduct their business activity in the scope of chance games and mutual wagering that have at</p>	<p>Refer above, this point</p>

<p>founder or stockholder (shareholders) of the companies that conduct their business activity in the scope of chance games and mutual wagering that have at their disposal the stocks (Shares) whose value exceeds one hundredth of their capital or the members of the management board, supervisory board or the board of control in these companies are the natural persons, legal persons or the companies without legal personality, towards reservation from point of view of state security or public order, 2) the members of the management board, supervisory board or board of control in the companies conducting their business activity within the scope of chance games and mutual wagering are the natural persons who are not Polish citizens or the citizens of one of the EU Member States, European Economic Area or Organization for Economic Co-Operation and Development or 3) the legal proceeding have been initiated in the administration of justice institutions against the persons mentioned above due to the commitment of the crimes referred to in art. 299 of the Penal Code (money laundering).</p>	<p>their disposal the stocks (shares) whose value exceeds one hundredth of their capital or the members of the management board, supervisory board or the board of control in these companies are the natural persons, legal persons or the companies without legal personality, towards which there are justified reservation from point of view of state security or public order, 2) the members of the management board, supervisory board or board of control in the companies conducting their business activity within the scope of chance games and mutual wagering are the natural persons who are not Polish citizens or the citizens of one of the EU Member States, European Economic Area or Organization for Economic Co-Operation and Development or 3) the legal proceeding have been initiated in the administration of justice institutions against the persons mentioned above due to the commitment of the crimes referred to in art. 299 of the Penal Code (money laundering).</p>	
<p>Law of 29 July 1992 on games and mutual wagering Art. 29/1 Casino can be localized only in towns with the population up to 250.000 inhabitants – 1 casino. The number of casinos can be increased by 1 for each newly commenced number of 250.000 inhabitants.</p>	<p>Casino can be localized only in towns with the population up to 250.000 inhabitants – 1 casino. The number of casinos can be increased by 1 for each newly commenced number of 250.000 inhabitants.</p>	<p>Refer above, this point</p>

<p>Law of 29 July 1992 on games and mutual wagering</p> <p>Art. 29/2 Slot machines salons and cash bingo salons can be localized in towns with the population up to 100 thousand inhabitants - 1 salon. The number of salons can be increased by 1 for each newly commenced number of 100.000 inhabitants.</p>	<p>Slot machines salons and cash bingo salons can be localized in towns with the population up to 100 thousand inhabitants - 1 salon. The number of salons can be increased by 1 for each newly commenced number of 100.000 inhabitants.</p>	<p>Refer above, this point</p>
<p>Law of 29 July 1992 on games and mutual wagering</p> <p>Art. 29/3 Casinos and slot machine games salons can be also localized on the seagoing passenger vessels and passengers ferries of Polish nationality, upon condition that a given game is organised during a voyage, it commences not sooner than 30 minutes after leaving the port and finishes not later than 30 minutes prior to the arrival at the port of destination.</p>	<p>Casinos and slot machine games salons can be also localized on the seagoing passenger vessels and passengers ferries of Polish nationality, upon condition that a given game is organised during a voyage, it commences not sooner than 30 minutes after leaving the port and finishes not later than 30 minutes prior to the arrival at the port of destination.</p>	<p>Refer above, this point</p>
<p>Law of 29 July 1992 on games and mutual wagering</p> <p>Art.30 The stands for the slot machine games with low prizes can be situated in gastronomic posts, commercial and service-rendering institutions that are situated at least 100 m from schools, educational institutions, social and medical welfare institutions and religious cult centres.</p>	<p>The stands for the slot machine games with low prizes can be situated in gastronomic posts, commercial and service-rendering institutions that are situated at least 100 m from schools, educational institutions, social and medical welfare institutions and religious cult centres.</p>	<p>Refer above, this point</p>

B) DRAFT LEGISLATION

No entries (on the basis of information currently available)

C) SELF-REGULATION

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D) JURISPRUDENCE

No entries (on the basis of information currently available)