



Institut suisse de droit comparé
Schweizerisches Institut für Rechtsvergleichung
Istituto svizzero di diritto comparato
Swiss Institute of Comparative Law

SLOVAKIA

I. INTRODUCTION

1. General approach to Gambling

According to its Constitution Slovakia is a law-governed state with civil law system. The territory of Slovakia is united and indivisible. **The Act No 171/2005 on Gambling Games regulates in unity main aspects of gambling industry in Slovakia.** The Act on Gambling Games amends the conditions for the operation of gambling games, the rights and duties of the operators of gambling games and gamblers, the conditions for the use of technical equipment designated for the operation of gambling games, some conditions of the establishment and activity of the National Lottery Company, the engagement of the public administration and municipality bodies in the field of gambling games, supervision over the operation of gambling games. The purpose of the Act is in the public interest to create the conditions for the protection of public order during the operation of gambling games and securing community compensation of risks ensuing the operation of gambling games and participation in them.

Gambling games are according to the Act on Gambling games the games in which a gambler may obtain a winning in cash, material prize, or prize in rights, if he fulfils the conditions prescribed by the game plan beforehand. A result of a gambling game depends solely or largely on luck or a previously unknown result of a certain circumstance or incident. The result of a circumstance or incident that determines the result of a gambling game must not be known to anyone beforehand and must not be tamper able by anyone and must not be at variance with the rules of a gambling game.

2. Definitions

Lotteries and other similar games shall include competitions, public inquiries, and other events for prizes wherein the operator or provider of the goods, service, or other consideration (hereinafter referred to as provider) undertakes to pay or to provide pecuniary prizes to participants through the specified drawings or other random choice, and wherein the participation is conditioned by the purchase of certain goods, service, or other consideration, and furnishing the evidence of the purchase to the operator, or by the entry into the contractual relation with the provider; or participation in the promotional or advertising event of the operator or provider, doing so also indirectly through other person (hereinafter referred to as consumer lottery). Pecuniary prizes shall also include prizes in the form of a security or real estate, deposit on the deposit passbook, insurance policy winnings, or other similar benefits.

Gambling games may be operated only on the basis of a license issued or granted according to the Act and under conditions stipulated by the Act on Gambling Games.

Gambling games are not considered to be sports competitions with prizes for participants, games of a relaxation or sport character, even if a stake is necessary for participation in them, which is not refundable if the participant loses; entertaining games with material prizes by means of a gambling device, if the stake does not exceed the sum of SKK 10 (approx. 0,3); games by means of a gambling device in which a winning is another game on the same gambling device; quizzes based on answers to questions or proving knowledge and skill, if the result is determined primarily on the basis of proving knowledge and skill; other games and raffles, if the gambling principal does not exceed the sum of SKK 50,000 (approx. 1.350). Also promotional contests that are not an independent business activity and serve only for sales promotion of goods and services and during a payment of which a stake is not the

condition according to this Act are not considered to be gambling games. Promotional contests are understood as contests, games, inquiries and other campaigns, in which the participants selected by random sampling obtain winnings and during which the purchase of certain goods, service or other fulfilment and a proof of this purchase to the organizer of the promotional contest or conclusion of a contractual relation with the provider of winnings to the promotional contest or participation on the promotional or advertising campaign is the condition for participation, and that is also indirectly through another person. The payments made for the purposes of obtaining the fulfilment from the organizer of the promotional contest or provider of winnings to promotional contest are not according to the Act on Gambling Games considered to be stakes.

Games that do not guarantee equal conditions to all gamblers including the possibility of winning -especially pyramid games or chain games- are prohibited.

The operation of foreign gambling games on the territory of Slovakia is prohibited. Also individual sale of lots, taking bets and payout of winnings, including mediation of such activities, the operator of which is a foreign entity and during which the stakes are paid abroad, are prohibited on the territory of Slovakia.

Gambling games are according to the Act on Gambling Games

1. **lottery games,**
2. **casino gambling games,**
3. **bet games,**
4. **gambling games operated by means of gambling machines,**
5. **gambling games operated by means of technical equipment operated directly by gamblers or operated by means of telecommunication equipment, and video games,**
6. **gambling games operated by means of the Internet,**
7. games that are not gambling games according to letters 1) to 6) above, if they fulfil the conditions stipulated in the Act on Gambling Games.

Ad 1) Lottery games are gambling games, during which the winnings are announced and allotted according to the rules stipulated by the game plan beforehand, whereas a winning is a consequence of guessing a certain number, several numbers, combination of numbers, numerical order, symbol, picture (hereinafter referred to as number) or acquisition of a voucher, coupon, ticket, or other document, which contain a value, which will be compared with a value determining a result of a gambling game, and acquisition of which is a condition of participation in a gambling game in accordance with the conditions of a gambling game (hereinafter referred to as lot).

The value determining a result of a lottery game is set by a random determination of a number or lot (hereinafter referred to as drawing of lots).

Lottery games are especially

- a) **draw lotteries,**
- b) **raffles,**
- c) **numerical lotteries,**
- d) **bingo,**
- e) **instant lotteries.**

Ad 1a) Draw lotteries are lottery games in which the operator of a gambling game issues the number of lots with serial numbers stipulated by the game plan and which enables a multilevel game. A multilevel game is understood as such manner of implementation of a

gambling game, in which gamblers have apart from one possible winning also a possibility of further winning. If lots are allotted to several series, each series must contain identical numbers of lots and each lot must be marked besides a serial number also by the specification of a series. The selling price of each draw lottery lot must be identical in all series. All issued lots are included in the drawing of lots.

Draw lotteries are divided according to the subject of winning especially to draw pecuniary lotteries, draw pecuniary-in-kind lotteries and draw in-kind lotteries

Ad 1b) Raffles are lottery games, in which only sold lots are included in the draw. Winnings from raffles are drawn publicly according to the previously determined and declared rules, whereas a winner is a gambler that holds a lot with a number or another designation identical with a drawn number or another designation of a lot. The lots are sold and winnings from raffles are announced and issued on the day and in the place of drawing of lots.

Ad 1c) Numerical lotteries are lottery games, in which the operator of a gambling game is obliged to provide a gambler with a winning stipulated according to the rules stated in the game plan, if he submits a certificate of stake on a bet made, whereas these rules determine a winner according to the fact, whether the bet corresponds with drawn numbers from a limited number of publicly drawn numbers. During numerical lotteries neither the number of gamblers nor amount of gambling principal is determined beforehand. The winning is calculated according to the number of winners and aggregate amount of stakes by a proportion previously determined by the game plan, possibly it is determined by a stake multiple. One gambler can also make more bets, whereas also the stake amount that must be paid increases with the number of bets.

Numerical lotteries are especially lotto, beano, and complementary game, whereas

lotto is a numerical lottery, in which the prize is calculated according to number of winner and aggregate amount of stakes by a proportion previously determined by the game plan, total sum appointed for winnings is allotted in more sequences and all winnings of that identical sequence must be of the same amount,

beano is a numerical lottery, in which the winning is determined by a stake multiple according to the rules stated in the game plan,

complementary game is a numerical lottery, which may be operated only together with another numerical lottery, in a public drawing of lots one winning number is drawn and the winners are those gamblers that have a completely or partially identical number on a lot, the total sum appointed for winnings is allotted in more sequences and all winnings of identical sequence must be of the same amount.

Ad 1d) Bingo is a lottery game operated in gambling houses, in which previously non-determined number of lots is drawn from a closed numerical sequence whereby the gamblers and gambling principal amount are not determined beforehand. The amount of individual winnings is determined according to aggregate amount of stakes, prize principal, type of prize of bingo category and results of drawing of lots.

Special bingo is a specific type of bingo. Special bingo is a bingo, in which the stakes are taken and winnings are paid out in the collection points. The drawing of lots and the entire course of a special bingo is realized centrally in one place, whereas its course and results are generally released by mass media means.

Ad 1e) Instant lotteries are lottery games in which a gambler finds out a possible winning after the purchase of a lot by rubbing down its marked, covered part. The lots must be marked with a serial number and the number of a series.

Ad 2) Casino gambling games are board games, during which the gamblers play against the casino representative or against each other on gambling tables; board games are especially **roulette, card games and dice games**. Casino gambling games are also gambling games operated by means of technical equipment operated directly by gamblers and by means of gambling machines.

Ad 2a) Roulette is a casino gambling game during which, by determination of numerical combinations, symbols or other signs a position in which a ball thrown into a mechanically rotating device stops. The winning is calculated from the amount of stakes and winning proportion according to the rules determined in the game plan beforehand.

Ad 2bc) Card games and dice games are casino gambling games, during which the winner or the amount of the winning is determined on the basis of the dealt cards symbols or achieved number of points on dice, or a combination of values on dice.

Ad 3) Bet games are gambling games, in which the winning depends on guessing a result of a sports betting event or non-sports betting event or related circumstance. Sports betting event is sports competition, races, horse racing. Non-sports betting event is a social, political or another event of a public interest, if its good manners are not contradicted. Betting event can have at least two different results, which are not impacted in any way by the operator of a bet game. **Bet games are especially totalizator, exchange bets and horse racing bets.**

Ad 3a) Totalizator is a bet game in which the winning amount depends on the number of winners to the total amount of stakes ratio and previously determined proportion of winnings. Total sum appointed for winnings is allotted in more sequences; all winnings of the same sequence must be equally high.

Ad 3b) Exchange bets are bet games, in which the winning amount depends on a winning ratio and stake amount; the winning ratio is understood as an exchange rate, in which a bet was taken.

Ad 3c) Horse racing bets are bet games, in which the winning depends on guessing a sequence in performance tests of racing race horses and the winning amount depends on the number of winners to the total amount of stakes ratio in a previously determined proportion of winnings and on the winning to stake amount ratio.

Ad 4) Gambling games operated by means of gambling machines are gambling games, during the operation of which gambling machines are used. A gambling machine is electronically, electronic-mechanically or mechanically controlled device and makes a compact, functionally indivisible and program-controlled technical equipment with the control meant for one gambler only, which enables to obtain a winning according to the conditions stipulated by the Act. If a gambling machine has software enabling a simultaneous game in more gambling points and these gambling points can function independently and separately from each other, then each such point is regarded as an independent gambling machine.

Ad 5) During gambling games operated by means of technical equipment, operated directly by gamblers or operated by means of telecommunication equipment or during the operation of video games the number of gamblers is not determined beforehand and neither is the amount of stakes known beforehand; the winning is calculated from the amount of stakes or according to the conditions determined in the game plan. Technical equipment operated directly by a gambler- is such equipment that has at least

three gambling points and enables such maximum number of gamblers to play a game, which is equal to the number of gambling points interconnected with a scoring unit. Gambling points are found in the same place as the scoring unit, they are connected with it continuously and it is not possible to use it separately. All gamblers of a gambling game operated on single technical equipment operated directly by a gambler, always play the same gambling game.

Gambling games operated by means of telecommunication equipment are gambling games in which the use of telecommunication equipment, determined in the game plan, is the condition for participation. The stake is charged through a payment remitted by a gambler to the operator of telecommunication equipment.

Video game is a gambling game in which gamblers are connected by terminal by means of electronic communication networks to a central computer system of a gambling game operator. Each gambler plays a specific gambling game and gamblers can not play gambling games against each other. In the event of disconnection from the central computer system of a gambling game operator, the terminal is not functional.

Ad 6) Gambling games operated by means of the Internet are gambling games, in which a gambler participates through connection to the Internet to the game server of the operator of a gambling game or a subject authorized by him, on which game systems are placed in software way, through which a gambling game is operated, whereas a gambler always plays against this game system. The transmission and collection of data and information connected with the operation of gambling games realized by means of the Internet is not considered to be a gambling game by means of the Internet.

3. Taxes

Operator of a gambling game must pay beneficial tax, which amount is as follows:

- for ticket lotteries 15 % of the financial guarantee⁷⁵⁸ to the state budget,
- for raffles 15 % of the sum calculated as the product of the number of tickets issued and price for one ticket to the state budget,
- for number lotteries 17 % of the financial security to the state budget,
- for instant lotteries 20 % of the sum calculated as the product of the number of tickets sold and the price for one ticket, minus the total amount of pay-off during the whole period of instant lottery ticket sales, to the state budget,
- for betting games, except for horse racing, 5 % of the financial guarantee, while in the case of course bets 4.5 % of the financial guarantee to the state budget and 0.5 % to the town budget,

⁷⁵⁸ Financial guarantee must be kept by the operator of a gambling game during the whole period of validity of the license at the minimal amount set by the Law:

Minimum financial guarantee is as follows

- for ticket lotteries and raffles 5 % of the sum calculated as the product of the number of tickets issued and price of one ticket,
- for bingo, with the exception of special bingo, SKK 500,000 (approx. 13.500.-) for one operation of bingo,
- for betting games except for course bets, SKK 1,000,000 (approx. 27.000.-),
- for course bets, SKK 10,000,000 (approx. 270.000.-),
- for gambling machines, SKK 10,000 (approx. 270.-) for each machine,
- for gambling games in a casino, SKK 15,000,000 (approx. 405.500.-),
- for gambling games operated by means of technical equipment operated directly by gamblers or operated by means of telecommunication equipment, and video games SKK 3,000,000 (approx. 81.100.-).

for bingo 4.5 % of the financial guarantee, of which 4 % of the financial guarantee to the state budget and 0.5 % of the financial guarantee to the budget of the town in which the bingo game room is located,
for special bingo 4 % of the financial guarantee to the state budget,
for horse racing 1 % of the financial guarantee to the state budget,
for betting games in a casino 27 % of the financial guarantee, of which 24 % of the financial guarantee to the state budget and 3 % of the financial guarantee to the budget of the town in which the casino is located,
for gambling games operated via gambling machines SKK 45,000 (approx. 1.216) per calendar year and per machine to the state budget,
for gambling games operated via technical devices operated directly by gamblers and for video games 27 % of the financial guarantee, of which 24 % of the financial guarantee to the state budget and 3 % of the financial guarantee to the budget of the town,
gambling games operated via telecommunication devices, 10 % of financial guarantee to the state budget,
gambling games operated on the internet 27 % of the difference between accepted bets and pay-offs to the state budget.

In the case of gambling games that are not mentioned above, the amount of tax will be set by the ministry of finance. When doing so, the ministry must take into consideration the tax amount set out above for the game that resembles the most the gambling game for which the tax is being evaluated.

Income from the beneficial tax is used to finance public services, for example health-care, social work and assistance, humanitarian care, production, development and protection of cultural heritage, support for art and cultural activities, education, development of sport, environment protection and public health.

The town administration that issued a license for operating gambling games in the form of gambling machines and that subsequently revoked the license can decide that after the tax liability is fulfilled and beneficial tax is paid by the operator of gambling machines, the earnings from gambling will be contributed to the budget of the town, the same decision can be made in the case of natural person or legal person that has operated gambling machines without license and the town would have been able to issue the license. Ministry that issued or granted a license and subsequently revoked it, can decide that earnings from gambling games will be contributed to the state budget. Earnings from gambling mean the difference between bets placed by gamblers during the year and pay-offs.

The tax duty regarding the other taxes and fees shall be determined according other respective tax laws. **The standard 2005 corporate tax in Slovakia is fixed at 19%.**

II. LISTING**A) LEGISLATION ENACTED****The Act of March 16, 2005 on Gambling Games and on Amendment and Supplement to Some Acts No. 171/2005**

Money Laundering Act - Zákon o ochrane pred legalizáciou príjmov z trestnej činnosti a o zmene a doplnení niektorých zákonov č. 367/2000 Z.z.

Decree of Ministry of Finance concerning certain requirements in connection with gambling activities - Vyhlá ka Ministerstva financií Slovenskej republiky č. 463/2000 Z.z z 15. decembra 2000, ktorou sa ustanovujú podrobnosti o spôsobe a obsahu oznámenia prevádzkovania súťa í, ankiet a iných akcií o ceny, ktoré sú spotrebiteľskými lotériami

Tax Act - Zákon č. 595/2003 Z.z. zo 4. decembra 2003 o dani z príjmov

Act No 71/1967 Coll. on Administrative Procedure

Act No. 48/2002 Coll. on the Residence of Foreigners

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

According to the Act No. 171/2005 Coll. on Gaming Games an **operation of foreign gambling games on the territory of Slovakia is prohibited**. Also individual sale of lots, taking bets and payout of winnings, including mediation of such activities, the operator of which is a foreign entity and during which the stakes are paid abroad, are prohibited on the territory of Slovakia (Section 3/7 of the Act).

A gambling games license may be granted or issued only to a legal person with a registered office on the territory of Slovakia. If legal persons with foreign property participation are concerned, a license may be granted or issued only to a legal person with foreign property participation with the registered office or permanent residence in a member state of the European Union or a member state of the Organization for Economic Cooperation and Development (Section 17 of the Act).

An application for granting an Individual License may be filed only by **a joint-stock company or limited-liability company, if the application is filed by a joint-stock company, its shares must be issued as registered shares.**

The national lottery company is a joint-stock company based in the territory of Slovakia whose founder and shareholder is Slovakia. The trade name of the national lottery company must contain the identification «national lottery company» or the abbreviation «n.l.s.» The identification «national lottery company» or its translations must not be used by any legal person or natural person. Any transfer of shares of the national lottery company to other legal persons or natural persons is prohibited (Section 52 of the Act).

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>The Act of March 16, 2005 on Gambling Games and on Amendment and Supplement to Some Acts No. 171/2005 Coll.</p>	<p>The operation of foreign gambling games on the territory of Slovakia is prohibited. Also individual sale of lots, taking bets and payout of winnings, including mediation of such activities, the operator of which is a foreign entity and during which the stakes are paid abroad, are prohibited on the territory of Slovakia (Section 3/7 of the Act).</p>	<p>The information that is currently available to us about Slovak 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>The Act of March 16, 2005 on Gambling Games and on Amendment and Supplement to Some Acts No. 171/2005 Coll.</p>	<p>A gambling games license may be granted or issued only to a legal person with a registered office on the territory of Slovakia. If legal persons with foreign property participation are concerned, a license may be granted or issued only to a legal person with foreign property participation with the registered office or permanent residence in a member state of the European Union or a member state of the Organization for Economic Cooperation and Development (Section 17 of the Act).</p>	<p>Refer above, this point</p>

<p>The Act of March 16, 2005 on Gambling Games and on Amendment and Supplement to Some Acts No. 171/2005 Coll.</p>	<p>An application for granting an Individual License may be filed only by a joint-stock company or limited-liability company, if the application is filed by a joint-stock company, its shares must be issued as registered shares (Section 20 of the Act).</p>	<p>Refer above, this point</p>
<p>The Act of March 16, 2005 on Gambling Games and on Amendment and Supplement to Some Acts No. 171/2005 Coll.</p>	<p>The national lottery company is a joint-stock company based in the territory of Slovakia whose founder and shareholder is Slovak. The trade name of the national lottery company must contain the identification «national lottery company» or the abbreviation «n.l.s.» The identification «national lottery company» or its translations must not be used by any legal person or natural person. Any transfer of shares of the national lottery company to other legal persons or natural persons is prohibited (Section 52 of the Act).</p>	<p>Refer above, this point</p>

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)