



ASOCIATIA ORGANIZATORILOR SI PRODUCATORILOR DE JOCURI DE NOROC DIN ROMANIA (A.O.P.J.N.R.)

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ROMANIA

Country report 2008 - 2009

Dynamics of the gambling activity

The total number of gambling machines:

2008 – 36.679 units (Jan.2008)

2009 – 56.328 units (March 2009)

The growth rate of the sector was of 53.5%.

The medium number of machines per sites: 8.5 units in Bucharest (March 2008)
3.5 units in territory (March 2008)

Average GGR/machine/month: RON 1.710 (450 EUR)

The number of public operators in the field of lotteries: 1 (National Lottery)

The number of private operators in the field of gambling:

Betting – 26 operators with 930 locations

Bingo – 15 operators with 16 locations: 1 in Bucharest
15 in territory

Casino – 22 operators with 22 locations: 11 in Bucharest
11 in territory

Gambling machines – 1137 operators with 10.300 locations

Revenue from Gaming Licenses (2007) – 110.722.900 RON

Social stamp tax (2007) – 105.388.197 RON

Players income tax (2007) – 55.960.967 RON (€1= 3.33 RON)

Fees

The licenses having a validity of one year are granted against of some annual fees as follows:

1. For each mechanical or electronic gambling machine : RON 1,669.5; (€398)
2. For each gambling table from the casino:
 - a) in Bucharest:
 - Roulette-type table: RON 99,124.4; (€23,601)
 - Table of game of cards or dice: RON 66,800; (€15,905)

- b) in province:
Roulette-type table: RON 53,200; (€12,667)
Table of game of cards or dice: RON 33,400; (€7,952)
3. For a gambling hall BINGO-type, KENO-type and other alike: RON 20,870; (€4,970)
7% from the nominal value of the game cards acquired from the Public Corporation Imprimeria Nationala [*National Printing Office*].
 4. For sports betting: 5% from the estimated receipts, but no less than RON 10,400; (€2,476)
 5. For prognostics, lotteries, tombola, contest - games and others organised through telephone lines or other means of telecommunication: 15% from the annual estimated receipts but no less than RON 33,400; (€7,952)
 6. For the media gambling transmitted through television networks or other assimilated mean of transmission: 18% from annual estimated receipts but no less than RON 53,200. (€12,666)

In addition to the authorisation fees, the gambling organisers pay:

I. A monthly fee "Social stamp", as follows:

1. Mechanical and electronic gambling machines : 10% from the monthly balance of the machine (GGR), representing the difference between the gambling credit and the prize granted by the same machine;
2. Casino: USD 1,000 for each gambling table;
3. Bingo: 10% applied over the total sale of game cards.
4. Betting: 10% applied over the total sale of game tickets.
(EUR 1=RON 4,20)

II. An annually fee of 4% from the profit for the National Movies Center.

III. A monthly fee of 10 RON/machine for the National Historic Monuments Office.

IV. The general taxation for the gaming companies is:

- 16% from the profit for gaming machines and bingo halls;
- 16% from the profit but not less than 5% from the income for betting and casino

New legislation in the gambling field

In 2007 a new gambling law draft was elaborated, which is currently under discussion. This new law will bring a series of novelties as for example:

- A new classification of the gambling activities and the apparition of a new category of machines similarly to AWP;
- The introduction of the license for gambling activities (with validity of 5 years) simultaneously with the obligation of having authorisations of exploitation (with validity of 1 year), granted for each mean of game or location, as the case may be;

- The establishment of a compulsory minimum number of gambling machines exploited by an organiser (75 units) and of the minimum number of gambling machines placed within a location (10 units);

Our association's proposal for the minimum number of gambling machines/organiser is 50-80 units and for the minimum number of gambling machines/location is 5-8 units. Our proposals will have beneficial effects for the activities of medium-sized organisers.

- The compulsoriness from the organisers to have a minimum value of the subscribed and paid-up share capital at the date when they apply for the license and constitution of some money guaranties;
- The increase of the authorisation fees:

I. Tax due gambling organising License (for the whole valid period):

- A. for the lottery: RON 500,000 (€119,047)
- B. for mutual bets: RON 200,000 (€47,620)
- C. for bets in fixed quota: RON 200,000 (€47,620)
- D. for gambling specific to the casinos' activity: RON 200,000 (€47,620)
- E. For slot-machine games type: RON 50,000 (€11,905)
- F. for bingo games carried on into game halls: RON 50,000 (€11,905)

II. Taxes due gambling exploitation Authorisation (annual):

- A. for the lottery: RON 500,000 (€119,047)
- B. for mutual bets: RON 200,000 (€47,620)
- C. for bets in fixed quota: 5% of the effective collects accomplished at the organiser's level, but no least of RON 100,000 (€23,809), on the ground of the technical-economical documentation for efficiency showed by the economical agent
- D. for gambling specific to the casinos' activity:
 - I. for each special table with balls from the casino:
 - In Bucharest: RON 200,000 (€47,620)
 - In territory: RON 100,000 (€23,809)
 - II. for each special table from the casino, other than the special tables with balls:
 - In Bucharest: RON 120,000 (€28,571)
 - In territory: RON 60,000 (€14,285)
- E. For each slot-machine type gambling mean: RON 3,500 (€833)
- F. For bingo games carried on into game halls: RON 45,000 (€10,714)

For each hall, as well as 5% of the nominal value of the acquisitioned cartoons from the "National Printing" National Company S.A., this is paid in advance at the state's treasury, with showing the payment order approved by the treasury when the cartoons are picked up.

2. MINIMUM VALUE OF THE SUBSCRIBED AND PAID REGISTERED CAPITAL ON THE DATE OF REQUESTING THE OBTAINING THE GAMBLING ORGANISING LICENSE

- A. For the organisers who exploit lottery: RON 2,000,000 (€476,190)
- B. For the organisers who exploit mutual bets: RON 500,000 (€119,047)
- C. For the organisers who exploit bets in fixed quota: RON 300,000 (€71,428)

D. For the organisers who exploit gambling specific to the casinos activities: RON 1,000,000 (€238,095)

E. For the organisers who exploit slot-machines: RON 100,000 (€23,809)

F. For the organisers who exploit bingo games carried on within game halls: RON 100,000 (€23,809)

Our association propose an increase of the authorisation fee for the gambling machines not greater than 1,7 from the actual fee and for bingo games carried on into game halls: RON 30,000 (€7,143) for each hall, as well as 3% of the nominal value of the acquired cartoons from the “National Printing” National Company S.A.

- The inclusion as offences of some facts and the growth of the applied penalties;
- The obligation of the organisers to pay the authorisation fees in advance or in four equal quarterly instalments, from which the first instalment will be paid in advance;
- The exploitation of gambling machines only with the organisers' own personnel ;
- The betting organisers are obliged to use a unique computer program at the level of the company;
- The technical control of the gambling machines, installations, devices, gambling table and of other means of game is exercised by the Romanian Office of Legal Metrology. The technical norms of verification used, as well as the tariffs charged for the activities of technical control are approved annually by the Minister of Public Finance.
- The prohibition of on-line games organised by internet-type or intranet-type communication systems, of the games organised through the telephony communication systems, of the ones organised through the television, through the radio stations or other assimilated transmission means, of the betting that have as technical support the results of some clandestine contests, of the white-black-type games, which results can be influenced by the dexterity of the game organisers or of the handler of the means of game, as well as of the games, regardless their naming, through which a proposition is made to some persons to depose or to collect money or to enter their names on a list, making them hoping to financial gains resulted from the increase of the number of recruited or entered persons, regardless how this collection or entering on a list is made (“pyramidal”-type games).

Additionally, the Romanian government modified the taxation system for the gaming sector. Back in January 2008, the government applied a gaming tax to players' income above RON 600 (about €143) .This tax is 20% for the income until 10,000 RON (€2,381) and 25% for the income over 10.000 RON. There is therefore concern that such a change in tax policy will result only in a loss of customers for operators in Romania, with no possibility to be applied. A.O.P.J.N.R. proposes to be maintained the actual system which impose only the jack-pot wins.

The increase of the fees together with the compulsoriness of owning a higher share capital and of some money guarantees will lead to a more rigorous selection of the organisers operating on the gambling market.

The enforcement of the new legal provisions will have as effect an estimated reduction by 50% of the number of gambling organisers, an extension of the market for the medium-sized organisers and a more efficient control of the authorities upon this field with beneficial effects regarding the control of unfair competition.

For our association the major objectives at the legislative level for the year 2008 are the finalisation of the negotiations regarding the new law, the replacement of the

social stamp percentage fee with a fixed fee and the elimination of the gaming organisers compulsoriness to use in this activity the fiscal electronic machines.

Regarding the social problems connected with the gambling we mention the fight of the authorities for the reduction of the dependence towards the gambling by introduction of some restrictions in connection with the location placement, interdiction of the access of the minors in the gaming sites and of the participation to credit-based games. Besides these measures, there is also the interdiction of gambling's transmitted through the television networks except the extractions of the National Lottery.

Industry News



- Expo 24 Romania invites you to Entertainment Arena Expo, an international exhibition that will have gathered producers and distributors of mechanical games, games of chance, casino games, video games distributors, video consoles, pool, flippers, and fun fairs' endowments and generally speaking anything related to the entertainment chapter.
- The event will be held for 3 days, between 25 and 27 August 2009, at the Romexpo fair ground.
- Entertainment Arena Expo is structured in 2 sections depending on its themes.
- Extreme Arena that includes distributors and producers of gambling games, roulette, jackpots, slot machines, components and accessories, live casino games and bets.
- Fantasy Arena has as its theme the amusement games, pool, flippers, video games, consoles, video simulators and darts.
- Entertainment Arena Expo is conceived as an exhibition addressed to the experts in the entertainment domain, but also for the public, for which will be organised a series of tombola with prizes referring to the Fantasy section. The first day of the exhibition will be exclusively dedicated to the business sector, the entrance being restricted for the public. The access will be made by invitation.
- The exhibition space will be arranged correspondingly to an event addressed to the entertainment industry, organisers contribute by constructing custom stands, specific to each of the domains (casino, electronic games)
- The promoting campaign of the event includes: television, radio, specialised press, general press, outdoor publicity (street banners and AMTB* banners) and specialised sites.

<http://www.earena.ro/indexen.htm>

Magazines

New gaming magazines have been launched:

- REVISTA JOCURILOR de NOROC
- MIZA

CASINO