

## BULGARIA COUNTRY REPORT

### Size of industry for 2008

- Number of amusement machines

Total number of gambling machines (2008): more than 16 000 units

Total number of gaming arcades (till 31<sup>st</sup> of December 2008): 939

Private and public operators in the field of gambling:

Casino operators (private) – 24, in with more than 180 gaming tables

Gaming arcades operators (private) – 545

Bingo halls (private) – 32

Lottery (public) – 1

Toto (public) – 1

Toto (private) – 1

Bookmakers (private) – 1

### - Machines per sites

Subject to the requirements of the Gaming Act the minimum number of gaming machines per gaming arcade is 20 units, in population centres with more than 50,000 residents and 10 units for other population centres, as well as in the tourist resorts centres. The minimum required floor space for installation and operation of a gaming slot machine is 2 square metres.

There is no limitation regarding the maximum number of machines allowed per site.

### - Activities involved

Gaming operators may perform any other commercial activity, except manufacturing of gaming equipment.

### - Total licences granted for 2008

The number of the total licenses granted in 2008 is 6 for casino locations and 207 for slot arcades, 2 for Bingo locations.

- Cost of the various licences

Stamp duty is payable for application and license issuance as follows:

- For consideration of applications for organization and conduct of games of chance, the following stamp duties/fees apply:

- Casino games	35 000 BGN
- Lotteries	20 000 BGN per game
- Toto and Lotto	20 000 BGN per game
- Bingo and Keno number lotteries	20 000 BGN
- Betting on outcome of sports competitions	20 000 BGN per game
- Betting on uncertain events	15 000 BGN per game
- Gaming slot machines	7 500 BGN
- Raffles –	2 000 BGN

- For consideration of applications for licenses of the importers, distributors, manufacturers and the service providers, engaged in the maintenance and repair of gaming devices, the following stamp duties/fees apply:

- Manufacturers & distributors	10 000 BGN
- Importers & distributors	10 000 BGN
- Service organizations	10 000 BGN

- For the issuance of licenses for organization of games of chance, the following stamp duties/fees apply:

- Casino games	35 000 BGN per each location
- Lotteries	20 000 BGN per game
- Toto and Lotto	20 000 BGN per game
- Bingo and keno number lotteries	20 000 BGN per each location
- Betting on outcome of sports competitions	20 000 BGN per game
- Betting on uncertain events	20 000 BGN per game
- Gaming slot machine arcades:	gambling arcade, equipped with 20 gaming machines – 10 000 BGN and 100 BGN for any additional slot machine
- Raffles –	5 000 BGN

- For the issuance of licenses of the importers, distributors, manufacturers and the service providers, engaged in the maintenance and repair of gaming devices, the following stamp duties/fees apply:

**BULGARIAN TRADE ASSOCIATION  
OF THE MANUFACTURERS AND OPERATORS  
IN THE GAMING INDUSTRY**

- Manufacturers & distributors	5 000 BGN
- Importers & distributors	10 000 BGN
- Service organizations	5 000 BGN

#### - Gaming Revenue

Due to the specific taxation in the sector, there is no actual data for the gross gaming revenue for gambling machines, but the analysis of the information, provided by the gaming operators shows that the average gross revenue of a gambling machine is 25 (twenty five) EURO per day or 750 (seven hundred and fifty) EURO per month.

#### - Growth of industry

The approximate industry growth for the 2008 year was more than 20 %. According to data of National Revenue Agency the total fiscal revenue collected in 2008 is 112 million BGN which more than 30 % of the fiscal revenue collected in the previous year. This might be looked at as indirect sign for the growth in the sector.

#### New Legislation

No changes in the legal framework of gaming in Bulgaria have been approved in 2008, nor have any amendments in other Laws that directly affect gaming industry in the country been passed.

Although it has been recently considered that the Gambling Act needs revision, no recent proposals have been promoted for consideration so far.

The regulation of the online gambling is on the Agenda of the Legislator but no official document or proposal for the scope, method, licensing have been set for official discussion.

#### Taxation

Toto, lotto games, sports betting and betting on chance events are taxable at 10 % on the value of bets made. The tax is payable within 3 to 7 days (depending on the game duration cycle) from result determination but before the result determination of the next cycle.

Lotteries, rattles, Bingo and Keno are taxed at 12 % on the nominal value of the bets on slips, talons, tickets or other documents for participation. The tax is payable upon completion of each drawing of the lottery game.

Media Games through Telecommunication Connection are taxed at 12 % on the increased price of telecom rate. The tax is payable by the licensed telephone operator or the licensed telecommunication operator until the 15th day of the following month.

Games in slot arcades are taxable with a final tax of 1 200 (one thousand two hundred) BGN per gambling seat. It is due quarterly, until 15<sup>th</sup> day of the month following the expired quarter.

The organizers of gambling with devices for making bets on the results of horse racing, dog racing are taxable with a final tax 1 200 (one thousand two hundred) BGN.

## Industry News

1. **The first edition of BEGE - BALKAN ENTERTAINMENT & GAMING EXPO** took place on 30 September – 2 October 2008, at the Expo Convention Center, Sofia, Bulgaria.

The event was organized by the Bulgarian Trade Association of the Manufacturers and Operators in the Gaming Industry (BTAMOGI) and under the patronage of Bulgarian State Commission on Gambling as a response to the dynamic growth of the entertainment and gaming industry in Bulgaria and the Balkans. During recent years both gaming manufacturers and gaming operators have been increasingly interested in the region's potential, which is also a result of increased investor confidence after a number of Balkan countries joined the EU.

Following the event the organizers are more than satisfied with the results. The show was attended by more than 2000 visitors from 40 countries. The exhibition floor (over 5200 square meters) was fully booked by 78 companies from 18 countries. The majority of exhibitors were from Slovenia, Bulgaria, Czech Republic, Serbia and Russia. There were also exhibitors from the United Kingdom, Australia, USA, Canada and Dubai. Internationally recognized companies such as WMS, Aristocrat, TCS John Huxley, Shuffle Mater, SUZO, JCM, MEI, Fair Play, Casino Technology, EGT, Alfastreet, Gold Club, etc. demonstrated their latest products.

All visitors had a unique opportunity to explore the latest achievements of regional and world leaders in the entertaining business, the equipment, systems and specialized techniques for entertainment and theme complexes, hotel and resort projects and entertainment centers.

Held in parallel with the 1st Balkan Entertainment and Gaming Expo was the 1st Eastern European Gaming Summit. The aim of the events was not only to consolidate companies for the trade show, but also to present the opportunity to gain expertise and experience from the professionals in the Gaming Industry, along with the chance to learn more about the situation in Bulgaria from the most reliable sources with the presentations from the

Chairmen of Bulgarian Institutions such as the Bulgarian State Commission on Gambling and the Bulgarian Institute of Metrology.

The first 3-day edition of EEGS 2008, focused on Gaming Legislation, Casino Marketing, Integration of Gaming and Tourism and Best business practices, calling together 46 Speakers from countries including Austria, Belgium, Germany, Estonia, Greece, Macedonia, (FYROM), Netherlands, Russia, Italy, Latvia, Serbia, Spain, Switzerland, Slovenia, UK and USA.

The 2nd Balkan Entertainment and Gaming Expo will be held from 5th October to 7th October at Inter Expo & Congress Centre Sofia. The majority of the current participants have already confirmed their participation in BEGE 2009 and it is anticipated the number of the exhibitors will almost double. The exhibition floor will take 3 halls in the modern and spacious Inter Expo Center in Sofia

## **2. Game Spectrum – the first gaming magazine in Bulgaria**

In October 2008 was launched the first Bulgarian business-to-business gaming magazine GAME SPECTRUM, aimed at covering all aspects of local and international gaming business, and focusing mainly on Eastern Europe and the Balkans. The magazine is bi-monthly, bi-lingual (in English and Bulgarian) and offers news, articles, analysis, research, legal reference and loads of information in order to be an useful manual for everybody involved or interested in gaming nowadays.

GAME SPECTRUM is aimed to cover all the aspects of the Game Business and to be a useful tool for everybody who is involved, informing about everything important that happens within the gaming. This is a magazine orientated towards casino and gaming hall operators, slot managers, gaming equipment manufacturers and distributors, legislative institutions as well as everybody who finds some challenge and fun in the game.

There have been published 3 issues so far, each one of them containing a range of exclusive stories and interviews covering the most important topics of the day within the industry, including: legal and social aspects of the online gaming, the gaming situation in time of crisis, the synergy between gaming and tourism as one of the most perspective ways for the future of the entertainment business at the Balkans.

**3. BTAMOGI Calendar for the business year 2008-2009** sets a range of campaigns and initiatives, including educational courses and qualification programs. The Association initiates and supports a new project, involving the institutions of higher education the Bulgarian University for National and World Economics and the University of Las Vegas, Nevada in order to set a joint master's program at the University in Sofia for training specialists in the gaming field.

Another issue will be the establishment of a council on responsible gaming policy and a council on copyright policy issues as official bodies at the association and industry-wide level.

#### 4. New Products

During 2008 a range of innovative gaming products and systems were launched at Bulgarian market. All the leading local manufacturers came out with new developments.

Casino Technology launched their latest upright model GEMINI SENSA - the next generation of the classic GEMINI slot cabinets, featuring revolutionary technological improvements and patented solutions, capable to bring to players a totally new experience in terms of interaction, accessibility and ergonomics.

By the end of the year they also demonstrated their new successful solution in the slant top range TANGRA TOUCH. The new cabinet features two wide screen monitors and additional screen designed for promotional and live streaming or player tracking.

The company enriched their video slot games range with more than 20 successful new releases, based on PC game platform, including: Golden Bird, Bush Explorer, Acropolis Treasure, Carnival King, Carnival Princess, Deep Water Fishing, Kilimanjaro Treasure, and many more. On the multi-game range they offered second version of the popular multi-game Gamopolis 2, a few more versions of their popular Multi Gemini series – Multi Gemini VII and VIII, as well as a new version of the bestseller Mega Jack, featuring a range of improvements in terms of connectivity, functionality and security. The company also offered the next models from their multi-player series PlayMe, developing further its unlimited options and multifunctional use DUELING PIANO roulette (dual grand-piano configuration) and PLAYME VIDEOSLOT (multi-station platform completed with video-slot games).

Euro Games Technology continued developing their Vega Vision+ series with the wide-screen Vega Vision+ Slant Top, featuring main 22" monitor and second 26 " monitor. Among their latest successful video slot products stand out their new 10-line, 5-reel releases The Great Egypt and Lucky Buzz from Vega Vision® series especially developed in wide-screen format. The other new impressive titles are The White Wolf and Queen of Rio. They also launched an electronic roulette model featuring 22" main screens, and additional screens for statistic information and promotional videos, as well as a new semi-electronic Black Jack table.

Gaming Technologies launched some new multi-games developments, within series Lucky 4 Cash and The 5 Jewels. The 4-level system Lucky 4 Cash, which includes 1 progressive and 3 mystery jackpots, is working together with 7 Lucky Gold, featuring 4 video slot games and 3 American pokers; it is also compatible with the latest product from the same series 7 Lucky Platinum, featuring 7 different games.

The other JP system, The Five Jewels, is linked to two multi-games from the series 5 Lucky Diamonds. The products from that series are allowing the players to choose between 5 different games, while playing for winning the jackpot.

Apart from video games the company offered new developments of their semi-automatic roulette Casino Life and the automatic roulette Automatic Wild Roulette.