

Romania Backs Updated Internet Gambling Bill

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Romania is tipped to have "all the tools in place" by February next year to regulate online gambling after its parliament voted overwhelmingly in favour of a newly amended internet gambling bill.

The bill, passed the Romanian Chamber of Deputies by 171 votes to 1 late last month having also received tacit approval from the Senate, is expected to be rubberstamped by president Traian Basescu in the next two weeks.

Once it receives the president's formal approval the bill will be published in the official gazette and come into force three days later, with the secondary legislation set to follow in January, so long as there is no further [hold-up from the European Commission](#).

"At the beginning of February we should have all the tools, all the means in place," Bogdan Mararu, a gaming specialist at Romanian law firm Mararu and Mararu, said.

Mararu expects the licensing process to take some time, during which the Ministry of Finance will get up to speed on various technical regulations, but before then the main interest will centre around the partner that state monopoly Loteria Romana chooses for its online platform.

He added that he saw no reason why the Romanian presidency would decide to send the bill back to parliament, but should instead follow the normal constitutional path and promulgate the bill by 14 December.

The [earlier draft](#), which combined last year's Emergency Ordinance 77/2009 with clarifications that legalise online gambling, was hit with a detailed opinion from the European Commission that suggested it was potentially discriminating against foreign operators.

Romanian legislators have since re-drafted some [disputed sections](#) to reduce the financial burden on operators and water down the requirement to put technical equipment on Romanian soil.

Remote operators will no longer be required to set up servers or other gaming equipment in Romania as long as they are licensed in another EU member state, and can demonstrate that they have a server located there which can be monitored effectively from Romania.

The new draft makes fewer concessions to the Commission's other main quibble, though, with operators still required to set up at least one subsidiary business in Romania.

Nevertheless, many of the steep upfront payments and differential licence fees, which came in for particular criticism from remote operators, have now been pared back.

In some cases the fees have been slashed by as much as 75 percent after the EC noted the charges could restrict companies' freedom to provide services, and Romania's tax committee cast its eye over the proposed rates.

The 4 million Romanian Lei asked for in the previous draft as a financial security from online gaming companies, not including lotto, bets or bingo, has been lowered to a 1 million Lei (€230,000) guarantee.

The annual licence fee for online fixed odds betting and bingo companies has been halved from 200,000 Lei to 100,000 Lei, while other online gambling providers, not including the monopolised lottery or mutual bets, will pay 400,000 Lei, down from 800,000 Lei.

Operators will still be charged an annual authorisation fee on top of this, but bingo operators will now be expected to pay just 10 percent of income and online gaming companies no less than 400,000 Lei rather than 1 million Lei.

For the first time the annual licence fees that state monopoly Loteria Romana will face have been made public, namely 500,000 Lei for online lottery and 200,000 Lei for mutual betting.

Foreign observers will note that the legalisation of online gambling paves the way for a highly lucrative tie-up with the incumbent operator, as it shops to acquire an internet gaming platform to compete in the new market.

“This new law has created the promise of one of the biggest battles in the Romanian gaming marketplace – winning Loteria Romana’s joint venture contract for online mutual bets and, even more lucrative, lottery sales,” Mararu said.

Romanian casino and bingo operators also stand to gain from the new internet gambling market, with certain ‘norms’ in the secondary legislation giving them a helpful leg- up.

Under the supplementary legislation roulette games can only be broadcast live from Romanian casinos and bingo draws from authorised locations in Romania.

The ‘norms’ were submitted last week to the European Commission, and British operator Stanleybet, which has over 300 betting shops in Romania, said it would welcome the online regulations as long as they are compliant with EU law.

Mararu, though, pointed out that there were certainly some positive measures in there, including permission for Romanian gamblers to play in shared liquidity tournaments with non- Romanian customers and the suggestion that private companies might help the Finance Ministry monitor the online market.