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## ACT

### **No. 186/2016 on gambling**

Parliament has adopted the following Act of the Czech Republic:

#### **PART ONE PRINCIPAL PROVISIONS**

##### **Chapter I General Provisions**

##### **§ 1 Subject of the Act**

This Act regulates games of chance and their types; conditions governing their operation; measures for responsible gambling; and, jurisdiction of administrative authorities over the gambling operation.

##### **§ 2 Scope of the Act**

(1) This Act applies to the operation of gambling in the territory of the Czech Republic.

(2) Gambling carried out by the use of remote communication using the internet (“Internet game”) shall be deemed operated in the territory of the Czech Republic even where only partially focusing on or *inter alia* targeting individuals residing in the Czech Republic.

(3) Provisions of the Act shall be not applied to a contract entered into on a commodities exchange; on a regulated market; within a multilateral trading system; to another contract having as its subject an investment instrument under an act regulating capital market undertaking; or, to a contract having insurance as its subject.

##### **§ 3 Gambling**

(1) “Gambling” means a game of chance; betting; or, a lottery in which the participant wagers a bet, while no return on such bet is guaranteed, and, the winning or loss on which is entirely or partly subject to chance or unknown circumstance.

(2) The following gambling types are regulated by this Act:

- a) a lottery;
- b) an odds bet;

- c) a totalizator game;
- d) bingo;
- e) a technical game;
- f) a live game;
- g) a raffle; and
- h) a small size tournament.

§ 4

**Gambling participant, bettor, deposit and bet**

(1) For the purposes of the legal provisions on gambling,

- a) “gambling participant” means an individual who has registered to participate in gambling or has paid in a deposit for that purpose;
- b) “bettor” means a gambling participant who has paid a bet;
- c) “deposit” means any consideration entitling to take part in gambling and including, without limitation
  - 1. one or multiple bets; or
  - 2. other considerations as the operator may determine to serve, in addition to representing a bet, as an entitlement for the gambling participant to take part in gambling;
- d) “bet” means a non-refundable consideration determined voluntarily by the bettor that will be compared to the outcome of gambling, including
  - 1. a difference of the offered price of the good or service and their normal price; the normal price is deemed to be a value determined according to the law regulating measurement of assets; and
  - 2. an amount in excess of the charge for a telephone call or for sending a text or multimedia message, under a contract between the gambling participant and the electronic communication provider.

(2) Regarding internet game, the gambling participant is limited solely to an individual as per Section 1(a) who is a resident within the territory of the Czech Republic.

(3) Unless the gambling operator proves that the individual participating in internet game in the Czech Republic territory is a resident in another country, such individual shall be deemed to be a resident in the Czech Republic.

§ 5

**Gambling operation**

“Gambling operation”: means the performance of activities consisting in execution of gambling for the purpose of earning profit; such activities include, without limitation, the receipt of bets and deposits for gambling; payouts of winnings; other activities that are organizational, financial and technical in nature, while related to launching a game into operation and providing for the operation alone, as well as activities required for terminating and settling of the game.

§ 6

**Operator**

(1) A gambling operator, except for a small size tournament, may be only one of the following:

a) the Czech Republic;

b) a corporation with

1. a registered office in the Czech Republic; in another EU Member State; or in a state that is a party to the Agreement on the European Economic Area;

2. an organizational chart that sets clear and comprehensive definitions of realms and decision-making powers;

3. an established board of directors, management board or a similar control body (the “control body”);

4. its equity totaling at least EUR 2 000 000;

5. a transparent and unobjectionable origin of its resources;

6. a transparent ownership structure, clearly identifying its beneficial owner according to the law regulating measures against the legitimization of proceeds of crime and financing of terrorism (the “beneficial owner”); and

7. the substantive, personnel and organizational capacity required to carry out its activity in the extent to which it foresees to operate gambling.

(2) A raffle operator may also be a person different from that specified in foregoing Section 1 that has its registered office in the Czech Republic; in another EU Member State; or, in a state that is a party to the Agreement on the European Economic Area.

(3) A small size tournament operator may be only a corporation with

a) a registered office in the Czech Republic; in another EU Member State; or in a state that is a party to the Agreement on the European Economic Area;

- b) its core activity not representing a business; and
- c) its business activities carried out as non-core, their proceeds — should the corporation carry out such activity — serving only to support its core activity.

§ 7

**Legal restrictions**

(1) The operator shall not enable gambling participation to individuals aged under 18.

(2) Following gambling is prohibited:

- a) whose type has not been stipulated by this Act;
- b) for which no license has been issued or that has failed to be duly notified under this Act;
- c) that fails to ensure fair conditions and fair chance to win to all gambling participants;
- d) that contravenes moral standards or public order;
- e) at which, prior to its start, the gambling participant's age cannot be reliably verified;
- f) at which the winning chance is dependent — whether partly or fully — on a deposit invested by a subsequent gambling participant;
- g) that does not enable the gambling participant to terminate the game at any time prior to wagering the bet;
- h) that uses national emblems of an EU Member State or a state that is a party to the Agreement on the European Economic Area, the European Union emblems, or their imitations;
- i) at which the win or loss is decided — whether partly or fully — by a chance or unknown circumstance that may be influenced by the bettor or the gambling operator; or
- j) whose outcome has been known in advance.

(3) The operator is prohibited to provide any benefits to the gambling participant in connection with a gambling operation, be it foodstuffs, drinks, tobacco products or stimulating substances.

(4) The operator is prohibited to accept any non-monetary deposits or bets as part of gambling.

(5) Any individual that performs an activity or a task related to a gambling operation for the operator is prohibited to take part in gambling within the gambling premises where he/she carries out such activity or task.

Chapter II  
**General terms and conditions of gambling operation**

§ 8

**Game plan**

(1) The operator shall set up a game plan for any gambling, laying down at least the following requisites:

- a) the game rules;
- b) a procedure for the drawing or for identification of facts that determine the wining;
- c) an amount of the wining or method of its determining;
- d) a payment method and terms of the winning.

(2) If so enabled by the gambling features, the operator shall lay down the following requisites in the game plan:

- a) an amount of the maximum bet, maximum winning and maximum hourly loss;
- b) a minimum payout percentage;
- c) the probability of winning.

§ 9

**Language of information**

Any and all information and data related to a gambling operation shall be easily accessible to anyone in Czech language.

§ 10

**Wining**

(1) The gambling winning object may include only money, while excepted from the rule are in-kind lotteries; instant win lotteries; supplemental lotteries; and, raffles.

(2) The in-kind lottery or raffle object may include only tangible items or services, the following being excluded: money; stamps and vouchers; securities and other investment instruments.

(3) The instant win lottery or supplemental lottery object may include only money; tangible assets; or, services.

(4) The winning object must not include tobacco products; smoker accessories; plant products designated for smoking; electronic cigarettes; or, alcoholic beverages.

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(5) The operator shall pay out the winning within the term set in the game plan, however no later than 60 days from the winning claim presentation by the bettor.

(6) The bettor may present his/her winning title with the gambling operator no later than 1 (one) year from the date of the betting event evaluation; no later than 1 (one) year from the final date of lottery ticket sales — otherwise the title to the winning is forfeited.

(7) The value of the non-monetary winnings will be determined according to the law regulating measurement of assets.

## § 11

### **Confidentiality**

(1) The operator shall maintain confidentiality regarding the gambling participants and their participation in gambling. The obligation to maintain confidentiality does not apply to the instances where it has been waived for the gambling operator by the gambling participant. The operator cannot be exempted from the confidentiality obligation until it becomes known if the bettor has achieved a winning in accordance with the game plan.

(2) Moreover, the operator is required to maintain confidential any individual listed in the register of individuals barred from the participation in gambling.

(3) Moreover, the operator may not resort to the obligation of confidentiality as stipulated in Sections 1 and 2 in relation to the following:

- a) administrative authorities exercising jurisdiction under this Act;
- b) courts, for the purposes of court proceedings;
- c) law enforcing agencies; or
- d) probation and mediation service, for the purposes of the performance of its activity.

## § 12

### **Generally applicable decree**

(1) A municipality may, based on another law<sup>1</sup> issue a generally applicable decree laying down that bingo, technical games, live games or small size tournaments may be operated only at the places and times specified by the generally applicable decree, or, laying down the places and times at which operation of the above games is prohibited, or, laying down that operation of such games is completely prohibited throughout the municipality territory.

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<sup>1</sup> § 10(a), Act No 128/2000 Coll., on municipalities (municipal system).

§ 44(3)(a), Act No 131/2000 Coll., on the City of Prague.

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(2) The municipality is obliged to send a generally applicable decree adopted according to foregoing Section 1 to the Ministry of Finance (the “Ministry”) without undue delay, however no later than in 5 calendar days of its publication date.

### § 13

#### **Premises on which a gambling operation is not permitted**

(1) No gambling operation is permitted at schools and schooling facilities; leisure facilities for the children and youth; social care service facilities; health-care facilities providing outpatient, day or inpatient care; on the premises serving the purposes of churches or religious societies; and, at the member facilities of the integrated rescue system.

(2) No operation of odds betting and totalizator game is permitted on the premises defined in foregoing Section 1 and at the facilities designated for public authorities.

### Chapter III

#### **Measures for responsible gambling**

### § 14

#### **Self-restricting measures**

(1) Where technically enabled relating to the game, especially for the lottery mentioned in § 3 Section 2 point. b) to f), the operator shall offer to and enable for the gambling participant to either set by himself individual self-restricting measures or individually refuse such settings.

(2) If the gambling participant makes use of the measures defined in foregoing Section 1, the operator must not allow him to participate in the game, should such participation represent a violation of a measure set up by that gambling participant.

(3) If the gambling participant loosens his self-restricting measure(s), the operator shall execute such change effective at the earliest as of the seventh day of the self-restricting measure change by the gambling participant.

(4) If the gambling participant tightens his self-restricting measure(s), the operator shall execute such change immediately, however not later than within 24 hours from the time point of the self-restricting measure change by the gambling participant.

### § 15

#### **Types of self-restricting measures**

(1) Regarding odds bets, the operator shall enable the gambling participant to set the maximum amount of the

a) bets per day;

b) bets per calendar month;

- c) net loss per day;
- d) net loss per calendar month.

(2) Regarding technical games and Internet games, the operator shall enable the gambling participant to set the maximum

- a) amount of bets per day;
- b) amount of bets per calendar month;
- c) amount of net loss per day;
- d) amount of net loss per calendar month;
- e) number of logins to the user account per calendar month;
- f) daily login time spent on the user account until its automatic logout;
- g) time during which the gambling participant will be disabled to take part in a game provided by the operator, counted from the participant's logout from the user account.

(3) Regarding bingo and live games, the operator shall enable the gambling participant to set the maximum

- a) amount of net loss per day;
- b) amount of net loss per calendar month;
- c) number of visits to the gambling premises per calendar month.

(4) "Net loss" means, for the purposes of gambling, an amount of the difference between the aggregate all bets of the bettor and the total of all winnings *and* the total of all losses within one type of gambling. Included in the net loss shall be only the bets on a game in which the win or loss of the bettor is decided within a day or within a calendar month for which the bettor has set the self-restricting measure.

## § 16

### **Register of individuals barred from the participation in gambling**

(1) A register of individuals barred from the participation in gambling (the "Register") is a non-public information system of the public administration, serving to prevent access to gambling by any barred individuals. The Ministry is the Register administrator.

(2) The following information is entered in the Register:

- a) Identification data of individuals barred from the participation in gambling;
- b) Date of entry of the individual in the Register; and



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c) Reason of entry of the individual in the Register.

(3) Information entries and deletions as per Section 2 are performed by the Ministry.

(4) Users of information specified in Section 2 include gambling operators, subject to conditions stipulated below in Section 9, and the customs administration.

(5) The Ministry, by virtue of office, will enter the following individuals in the Register:

- a) those in receipt of material destitution assistance benefits, except for extraordinary immediate assistance, in accordance with the law regulating assistance in material need and law regulating the living and subsistence minimum,;
- b) aged more than 18 who, together with the individual according to a), is jointly evaluated in accordance with the law regulating assistance in material need and law regulating the living and subsistence minimum;
- c) who has been conclusively found bankrupt according to the law regulating bankruptcy and methods of its resolution;
- d) who has been imposed an interim order prohibiting gambling and betting according to the law regulating the criminal procedure; or
- e) who has been imposed a reasonable restriction and reasonable obligation to abstain from gambling, from playing slot machines and from betting; or has been imposed protective medical treatment consisting in treatment of compulsive gambling as laid down by the Criminal Code.

(6) The Ministry will enter into the Register an individual at his own request.

(7) In the cases specified in foregoing Section 5, the Ministry will immediately delete an individual from the Register once the reasons for such entry have ceased and, regarding an individual found conclusively bankrupt, immediately after the insolvency proceedings have been concluded. Regarding an entry at one's own request, the individual entered in the Registry may apply for being deleted from it after one year will have elapsed from the entry date; the applicant must be advised on the fact.

(8) An entry or deletion under this provision represent acts according to Part Four, Rules of Administrative Procedure.

(9) At verifying an individual's identity, the Ministry is obliged to ensure uninterrupted remote access to the Register for the gambling operator, limited to information whether or not such specific individual has been entered in the Register.

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§ 17

**Consequences of the individual's entry in the Register**

The operator shall not allow an individual entered in the Register (from that time point on) to enter any gambling premises and/or use a user account as per § 29, 44 or 76 of this Act.

PART TWO

**TYPES OF GAMBLING, CONDITIONS GOVERNING THEIR OPERATION**

Chapter I

**Lotteries**

Sub-chapter 1

**Lottery types**

§ 18

**Lottery**

(1) “Lottery” means a numerical lottery, cash prize lottery, in-kind prize lottery and instant lottery.

(2) “Numerical lottery” means a game in which a win is subject to guessing a particular number, several numbers, a combination of numbers or a sequence of numbers. Neither the number of bettors, nor the game receipts are defined in beforehand in the numerical lottery, while the prize is calculated based on the number of the winners; or on the total amount of received bets as a predetermined percentage; or is determined as a multiple of the bet, graded according to how many numerals of the drawn count defined by the game plan were guessed by the bettor out of the limited count drawn at the drawing.

(3) “Cash prize lottery” and “in-kind prize lottery” means a game in which a win is subject to drawing a particular lottery ticket. For the cash and in-kind lottery, the operator issues a particular number of tickets bearing serial numbers. If the tickets are arranged in multiple series, each such series shall contain the same number of the tickets, while each ticket shall bear a series code in addition to its serial number. The selling price of the ticket within a single lottery must be the same across its the series. All tickets issued shall be included in the drawing.

(4) “Instant win lottery” means a game in which a win is subject to a winning combination revealed once the coating on the concealed part of the ticket is scratched off. In an instant win lottery, the bettor will learn the winning (if any) instantly after having uncovered the marked field on the ticket, coated until the time of purchase.

§ 19

**Joint lotteries**

(1) A lottery may be operated also jointly with other operators or persons licensed to operate a lottery in another EU Member State, or in a state that is a party to the Agreement on the European Economic Area, based on the joint receipts and joint drawing principle.

(2) Regarding joint lottery operations, the operator that has received the bet shall pay out the winnings, as well as perform the other obligations under this Act.

§ 20

**Supplemental lottery**

A supplemental lottery may be also operated as a lottery type, in order to meet the conditions laid down below in § 21; it is a lottery played for the prizes generated from a portion of the bets received from the bettors, under the game plan conditions, while the provisions of § 18 shall apply accordingly.

Sub-chapter 2

**Joint provisions on lotteries**

§ 21

**Prize fund and probability**

(1) The prize fund shall neither drop below 40 %, nor exceed 80 % of the game receipts.

(2) In a numerical lottery, the game receipts represent the number of bets placed and the amount of the deposit for a bet, supplemented (if applicable) with the unearned winnings from the previous betting periods.

(3) In a cash prize lottery, in-kind lottery or instant win lottery, the game receipts represent a multiple of the number of the issued tickets by the selling price per ticket.

(4) The probability of winning in a cash prize, in-kind or instant win lottery shall not drop below 1:200.

§ 22

**Lottery ticket**

The lottery ticket must include at least

- a) identification data of the operator;
- b) number of issued tickets and their selling price;
- c) serial number, or, a series code (where applicable);
- d) type and number of prizes and the prize fund;

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- e) method, place and date of the drawing, or, an circumstance decisive for the winning;
- f) publication method of the winning;
- g) designation of the place where the prize will issued.;
- h) deadline by which the operator must issue the prize; and
- i) protective elements to prevent forgery or alterations.

§ 23

**Lottery ticket checks**

The operator, prior to marketing the lottery tickets, shall check the tickets for their quantity and, regarding the in-kind and cash prize lotteries, for the correctness of the ticket serial numbers, or (where applicable), for the correctness of the series codes. Such a check must be authenticated by means of notarial deed.

§ 24

**Notification on operation launch**

The operator shall notify the customs administration of the time point from which the lottery operation starts, no later than five business days ahead of the lottery operation launch date.

§ 25

**Lottery drawing**

(1) A lottery drawing is done publicly, in the presence of a notary who will authenticate the course of the drawing by a notarial deed.

(2) The operator, prior to the drawing, shall provide for the depositing of any unsold lottery tickets, wrapped up in sealed packets, in a suitable and secure place in order to prevent any abuse of the tickets returned by the dealer.

§ 26

**Lottery commission**

(1) Performance of the operator's obligations under foregoing §§ 21–25 is controlled by the commission appointed by the operator and consisting of minimum three members, who must have a clean criminal record. The provisions of § 92(2),(3) and (4) shall apply accordingly.

(2) The lottery commission ensures the integrity of the lottery drawing procedure.

(3) The lottery commission prepares a record of the drawing course, including without limitation identification data of the commission members; information on the course of the

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drawing; a list of the winning ticket numbers or, for numerical lotteries, a list of the winning numbers. The notarial deeds as per §§ 23 and 25 shall be annexed to the drawing record.

(4) The lottery commission prepares a record of the instant lottery course, including without limitation identification data of the commission members; a list of the winning ticket numbers; and, information on the unsold tickets. The notarial deed as per § 25 shall be annexed to the instant lottery record.

(5) The operator shall send a copy of the record to the customs administration within 20 days from the drawing date or termination date of the ticket sales.

## Chapter II

### **Odds betting and totalizator game**

#### Sub-chapter 1

#### **Odds bets**

##### § 27

(1) “Odds bet” means a game in which a win is subject to guessing a betting event.

(2) “Betting event” means in particular a sport result or a public attention event.

(3) The amount of the winning is directly proportionate to the winning probability ratio, i.e. the odds (the “odds”), at which a bet has been accepted, and to the wagered amount.

##### § 28

#### **Live odds betting**

(1) Live (also known as “in-running”) betting is an odds bet type where the bets are accepted while the betting event unfolds.

(2) A live betting ticket must include a precise time at which the bet on the event was received.

(3) The operator shall make a data record, together with an exact time record, of each betting event on which the operator has accepted a live odds bet. The operator is required to archive the record for one year.

##### § 29

#### **Participation in odds betting**

(1) A registration is required for participation in odds betting, except for betting on animal racing.

(2) The registration is provided for by the operator.

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(3) The registration includes identification and authentication of the identity and age of the registration applicant; assignment of access data or other means of access; and, activation of a user account on which the funds are recorded, such as deposits, bets and winnings, separately from the funds of other gambling participants and of the operator.

(4) Each gambling participant may have only one user account with one operator.

(5) The gambling participant actually takes part in the game from the time point at which he/she has entered the user account access data or once he/she has submitted another access means.

### § 30

#### **Registration**

(1) For the registration purposes, the registration applicant is required to

- a) provide his/her identification and contact information to the operator; and
- b) either set the participant's own individual self-restricting measures according to § 15(1) or individually refuse such settings.

(2) The registration is accomplished by activation of a permanent user account, as soon as the information specified in foregoing Section 1 has been verified and confirmed.

(3) The registration cannot be completed without

- a) setting or refusing the self-restricting measures according to § 15(1), following the procedure as per Section 1(b);
- b) verifying and confirming the data specified in Section 1(a); and
- c) verifying whether or not the registration applicant has been entered in the Register as per § 16.

### § 31

#### **Prohibition on transfers between user accounts**

The operator shall not enable any transfer of the recorded funds and other game related instruments between user accounts.

### Sub-chapter 2

#### **Totalizator game**

### § 32

(1) "Totalizator game" means a game in which a win is subject to guessing a betting event.

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(2) "Betting event" means in particular a sport result or a public event.

(3) The winning amount depends on a ratio of the number of winners vs. the total amount of wagered bets and the predetermined payout percentage.

§ 33

**Prize fund**

(1) The prize fund of a totalizator game shall neither drop below 40 %, nor exceed 80 % of the game receipts.

(2) The game receipts represent a multiple of the number of the sold betting tickets by the deposit wagered per betting ticket.

Sub-chapter 3

**Joint provisions on odds betting and totalizator game**

§ 34

**Notification on operation launch**

The operator shall notify the customs administration of the time point from which the odds betting or totalizator game operation starts, no later than five business days ahead of such games launch date.

§ 35

**Centrally determined odds and bets**

(1) The operator shall use an electronic communication device to

- a) centrally determine the odds in the event the odds bets are accepted by the operator at multiple places; or
- b) record separate bets in the event the bets in a totalizator game are accepted by the operator at multiple places.

(2) The operator shall provide for a telecommunication data connection of such electronic communication device as per foregoing Section 1 with the gambling operation information system.

§ 36

**Records of accepted odds bets and totalizator game bets**

(1) The operator shall keep records with regard to every betting event. Such records shall include

- a) accepted bets;
- b) paid out winnings; and

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c) all odds, their changes, closed odds and time specifications clearly showing when the respective odds was determined, changed or closed.

(2) The operator shall archive the records as per foregoing Section 1 for two years.

§ 37

**Prohibition to accept bets**

(1) The operator shall not accept any bets on a betting event in which it has a direct participation.

(2) The operator shall not accept any bets on a sports competition for children.

(3) The operator shall not accept any bets on races, matches and competitions in which

a) an animal takes part held by the operator based on the ownership; lease; usufructuary lease; or, similar contractual relationship,

b) an individual takes part with whom the operator has an employment or similar contractual relationship; or

c) a competing team takes part members of which have an employment or similar contractual relationship with the operator.

(4) Foregoing Section 3 does not apply to the owners; lessees; and, usufructuary lessees of the race animals, except for lay bets (i.e. bets on the animal to lose).

§ 38

**Prohibition to bet**

(1) An individual authorized to accept bets is prohibited to participate in any betting with the operator for whom he/she accepts the bets.

(2) An individual determining odds is prohibited to participate in any betting with the operator for whom he/she determines the odds; such an individual is likewise prohibited to take part in betting with any operator licensed under this Act.

(3) An individual directly involved in the betting event on which the operator accepts bets, or an individual that is able to influence the result of such betting event, is prohibited to place bets on that betting event.

(4) An individual directly involved in the sports event on which the operator accepts bets is prohibited to participate in any betting on the events occurring during the races, matches or competitions in which he/she either participates or is otherwise involved, or in those participated by the sports club in which he/she holds an office (or, position).



### Chapter III

#### **Bingo**

##### § 39

(1) “Bingo” means a game in which a win is subject to achieving the full prefixed pattern of numbers in the betting ticket, such pattern in the ticket being marked off by the bettor based on the randomly drawn numbers that are called out in succession, while neither the number of the bettors, nor the game receipts amount are determined in advance.

(2) A game of bingo may be operated only on the gambling premises.

(3) In the game plan, the operator shall determine the pattern that should be created in the betting ticket in order to achieve the win.

(4) The numbers in every betting ticket must be arranged differently.

(5) The betting tickets may only be sold at the casino cash desk.

##### § 40

#### **Prize fund**

(1) The prize fund shall neither drop below 40 %, nor exceed 80 % of the game receipts.

(2) The game receipts represent a multiple of the number of the sold betting tickets per game by the selling price per betting ticket.

##### § 41

#### **Daily gambling log**

(1) The operator shall keep a daily log showing clearly the course of the game and movement of funds related to the bingo operation.

(2) The operator shall send the daily gambling log for each calendar month to the customs administration no later than 10 days from the respective month's end.

### Chapter IV

#### **Technical game**

##### § 42

#### **Types of technical games**

(1) “Technical game” means a game operated through a technical device directly handled by the bettor. Technical games include, without limitation, reel slot machines, electromechanical roulette and electromechanical dice.

(2) Technical games may be operated only on the gambling premises.

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(3) “Technical device” means a functionally inseparable, programme controlled mechanical, electromechanical or similar technical device directly handled by the bettor.

(4) Furthermore, “technical device” means a device constituting a functionally inseparable unit together with a server, with a predefinable number of terminal devices directly handled by the bettor; the terminal device becomes disabled upon its disconnecting from the server and cannot be used standalone.

(5) The server as per the foregoing Section 4 must be located in an EU Member State; or in a state that is a party to the Agreement on the European Economic Area.

(6) “Terminal device” — for the technical game purposes, as well as for the purposes of the rights and obligations related to such game — means also a technical device under the Section 3.

(7) Furthermore, “technical device” — for the purposes of a technical game operated as an online game — means the server to which separate bettors connect via the internet at any time, using a standalone device that does not constitute an inseparable unit with the server.

#### § 43

#### **Game point**

(1) The bettor takes part in technical game through a game point.

(2) “Game point” means an access point to a technical game; such point enables to handle (or, control) the game, while it is, except for § 42(7), integrated in the terminal device.

(3) A terminal device may be fitted with multiple, simultaneous game points.

#### § 44

#### **Participation in technical game**

(1) A registration is required for participation in a technical game.

(2) The registration is provided for by the operator.

(3) The registration includes identification and authentication of the identity and age of the registration applicant; assignment of access data or other means of access; and, activation of a user account on which the funds are recorded, such as deposits, bets and winnings, separately from the funds of other gambling participants and of the operator.

(4) Each gambling participant may have only one user account with one operator.

(5) The gambling participant actually takes part in the game from the time point at which he/she has successfully entered the user account access data in the software gambling system of the operator or once he/she has submitted another access means.

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(6) A user account must not enable participation in a technical game on multiple technical devices simultaneously.

§ 45

**Registration**

(1) For the registration purposes, the registration applicant is required to

- a) provide his/her identification and contact information to the operator; and
- b) either set the participant's own individual self-restricting measures according to § 15(2) or individually refuse such settings.

(2) The registration is accomplished by activation of a permanent user account, as soon as the information specified in foregoing Section 1 has been verified and confirmed.

(3) The registration cannot be completed without

- a) setting or refusing the self-restricting measures according to § 15(2), following the procedure as per Section 1(b);
- b) verifying and confirming the data specified in Section 1(a);
- c) verifying whether or not the registration applicant has been entered in the Register as per § 16.

§ 46

**Authentication of the identity and age**

(1) The Ministry, for the registration purposes, shall provide for remote authentication of the identity and age of the registration applicant.

(2) If the identity and age of an individual who is not a citizen of the Czech Republic cannot be remotely authenticated according to the foregoing Section 1, the identity of such registration seeking individual may be authenticated only in the physical presence of the individual to be identified, based on an identity document submitted by him.

(3) At the identification of the individual applying for the registration as per Section 2, the operator shall record the identification and contact data and shall authenticate them against the identity document if the data are set out in it, and, shall record the identity document type and code, the country; and (where applicable), also the issuing authority; and, validity period. At the same time, the operator shall authenticate a likeness with the portrait in the identity document.

(4) The registration applicant — for the identification purposes according to the foregoing Section 2 — shall provide to the operator any information as may be necessary for the identification performance and shall also submit relevant documents. The operator may —

for the purposes of this Act — make copies or extracts of the submitted documents and process information obtained that way.

(5) The operator shall archive for 10 years identification information obtained in accordance with the foregoing Section 3; copies (if made) of documents submitted for the identification; and, information who and when carried out the initial identification of the gambling participant.

§ 47

**Temporary user account**

(1) Where authentication of the identity and age was done according to the foregoing § 46(2), the operator will establish only a temporary user account that may stay active for 90 days at maximum.

(2) Activation of a temporary user account requires that the conditions specified in § 45(3) be also satisfied.

§ 48

**Prohibition on transfers between user accounts**

The operator shall not enable any transfer of the recorded funds and other game related instruments between user accounts.

§ 49

**Information duty applicable to technical games**

(1) The operator shall publish (or, display) on the technical game at each game point a legible and visible warning that participation in gambling may be harmful.

(2) The operator — throughout the entire span of the gambling participant's participation in the technical game — shall publish (or, display) at each game point a legible and visible indicator of the elapsed time of participation in the technical game and an overall listing of the net losses since the user account activation.

(3) The operator is obliged to publish (or, display) at each game point in a manner accessible at all times for the gambling participant the following:

- a) the balance on the gambling participant's user account; and
- b) an amount of a maximum bet, maximum win and maximum hourly loss.

(4) The user shall alert the gambling participant, at each login to the user account, to the range of self-restricting measures offered for use and the status of their setup.

§ 50

**Technical game spin**

(1) A technical game spin is a completed process during which, as a result of one it's triggering, a random process of the game result is generated and a bet wagered for one spin is subtracted from the deposit at the latest before the game is closed.

(2) During a single spin, making of any additional bets is not permitted, while a single spin duration shall be at least two seconds.

(3) Participation in a technical game by the same one gambling participant must be interrupted after every elapsed 120 minutes for at least a 15 minute break during which such gambling participant shall be not enabled to participate in any technical game.

§ 51

**Payout percentage**

(1) A technical game design must not enable setting of the payout percentage below 75 % and beyond 100 %.

(2) "Payout percentage" means a statistical value of the average proportion of the amount of wins vs amount of wagered bets calculated from the set of at least 100 000 game sessions. Furthermore, "payout percentage" means a mean value of the payout percentage.

§ 52

**Maximum bet and maximum win**

(1) A bet in a technical game performed in a gambling room shall not exceed CZK 100 on one spin, while a win on one spin shall not exceed CZK 50 000.

(2) A bet in a technical game performed in a casino shall not exceed CZK 1 000 on one spin, while a win on one spin shall not exceed CZK 500 000.

(3) A bet in a technical game performed as an online game shall not exceed CZK 1 000 on one spin, while a win on one spin shall not exceed CZK 500 000.

§ 53

**Maximum hourly loss**

(1) "Maximum hourly loss" means an amount of the funds that the bettor may lose at a single game point in one hour time. It is a multiple of the maximum admissible bet on one spin by the maximum admissible number of spins per hour and one hundredth of the difference of one hundred and the set payout percentage.

(2) The hourly loss in a technical game must not exceed the amount of the maximum hourly loss calculated according to the foregoing Section 1.

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§ 54

**Win payout**

(1) A terminal device of the operator must not pay out a win in cash as banknotes and coins.

(2) A win shall be paid out to the bettor by the technical game operator or by an individual authorized by the operator upon verifying the win amount on the respective electronic indicator.

§ 55

**Technical device**

(1) The operator may use for operating technical games only technical devices that have a valid certificate proving their professional assessment and approbation.

(2) The operator shall arrange for the remote transmission of the data providing an overview of cash flows and gambling processes related to the respective game (the “gambling and financial data”); and, for the telecommunication data connection of each technical device with the gambling operation information system. Any technical device for which the remote transmission and data connection has not been arranged must not be used in a gambling operation.

§ 56

**Prohibition to participate in technical game**

The operator shall neither participate in gambling on any of the terminal devices licensed for the operator, nor is allowed to authorize any other person to such participation.

Chapter V

**Live game**

§ 57

**Live game types**

(1) During a live game, the bettors are seated opposite either to the croupier or to each other at the live game tables, while the number of bettors and amount of bet at one spin are not fixed in advance.

(2) “Live game” means, without limitation, roulette; a game of cards (including also such games organized as tournaments); and, a game of dice.

(3) Live games may be operated only on the gambling premises.

§ 58

**Cheques and chips**

(1) Cheques are used for a live game. They are marked with denominations of their values and a formal abbreviation of their currency (the “cheques”). Cheques must be in a tangible form. Cheques marked with the same designation may be used only in the casinos operated by he/she same operator. The operator shall use the same set of cheques in all the casinos it operates.

(2) Chips may be furthermore used for a live game. Chips may be obtained by their exchanging for cheques at the live game table. Chips must be in a tangible form. After the game is finished, the live game table operator will exchange the chips for cheques for the gambling participant.

(3) For live games operated as an online game, only cheques are admitted to be used. The foregoing Section 1, second clause shall not apply here.

(4) Purchases and exchanges (or, cashing out) of cheques may only be done at the casino cash desk or, at the live game table.

(5) The operator shall keep records of all payment transactions related to purchasing and exchanging (cashing out) of cheques, including entries of time and date of the transaction and identification data of the gambling participant executing such transaction. The operator shall archive the records for 10 years.

(6) Where the operator enables the cheques to be purchased both at the cash desk and the live game table, the operator shall use an electronic communication device to execute and record all payment transactions and cheque exchanges.

(7) The operator shall pay out the win against the cheques presented at the casino cash desk. Where the win is paid out by a cashless transfer, the operator must issue to the bettor a confirmation slip of the win.

(8) Cheques or chips are prohibited to be used for settling any debt that has not originated from gambling.

(9) The operator shall take a record of any non-returned or lost cheques on the same day it becomes aware of such fact.

§ 59

**Live game operated as tournament**

A live game operated in the format of a tournament with a predetermined minimum amount of winnings can only be operated when deposits of the players in a live game equals at least 50% of the predetermined minimum amount of winnings. In the event that the deposits will be higher than a predetermined amount or the live game will be a tournament

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without a predetermined amount of the winnings, the operator shall not pay out in wins more than 95 % of the total received deposits.

§ 60

**Daily gambling reporting**

(1) The operator shall keep its daily gambling reporting clearly showing movements of cheques and funds in relation to the games operated in the casino.

(2) The operator shall keep daily gambling reporting in an electronic format and structure as required by the Ministry decree and shall send the same to the customs administration for each calendar month no later than 10 days from the respective month's end.

Chapter VI

**Raffle**

§ 61

(1) "Raffle" is a game the wins in which are distributed based on a draw that includes only the sold betting tickets.

(2) The betting tickets may be sold and the wins issued only on the date and at the place of the draw.

(3) Provisions of the foregoing §§ 6, 7(1), 7(2) (b) and (e), 7(3), 8, 10, 62, 63 and 105 to 108 shall not apply to the raffle with the game receipts not exceeding CZK 100 000.

§ 62

**Prize fund**

(1) The prize fund shall neither drop below 40 %, nor exceed 80 % of the game receipts.

(2) The game receipts represent a multiple of the number of the sold betting tickets per game by the selling price per betting ticket.

(3) The probability of winning in a raffle shall not drop below 1:200.

§ 63

**Raffle draw**

(1) A raffle draw is done publicly, in the presence of a notary who will authenticate the draw process by a notarial deed.

(2) The operator shall ensure, immediately following the close of the raffle, that a record is prepared stating the raffle place and date of its performance; a list of received deposits; and, a list of paid out wins. This record shall be archived for at least five years.



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(3) The operator shall send a copy of the record to the municipal authority of the municipality to which the raffle was notified, within 20 days from the raffle close date.

Chapter VII  
**Small size tournament**

§ 64

(1) “Small size tournament” is a knockout type card game tournament where the number of the game participants has been fixed in advance. A total deposit by one gambling participant wagered in one tournament shall not exceed CZK 500 in 24 hours.

(2) The number of a small size tournament participants is three at the minimum and 90 at the maximum.

(3) The operator shall not pay out in wins more than 95 % of the total received deposits at a small size tournament.

(4) The operator shall ensure, immediately following the tournament close, that a record is prepared stating the tournament name; tournament duration; tournament place and date of its performance; a list of the names of the gambling participants, including their identification data and amounts of their deposits; and, a list of wins paid out respective to the place achieved in the small size tournament. This record shall be archived for at least five years.

(5) The operator shall send a copy of the record to the municipal authority of the municipality to which the tournament was notified, within 20 days from the tournament close date.

PART THREE  
**GAMBLING PREMISES**

Chapter I  
**General Provisions**

§ 65

(1) “Gambling premises” mean a gambling room or a casino.

(2) Gambling on the gambling premises may be carried out only by a single operator who has been appropriately licensed under this Act.

(3) No unauthorized technical device for technical games and no unauthorized live game table for live games may occur on the gambling premises.

§ 66

**Information duty**

- (1) The operator shall place on the gambling premises, in a visible place,
- a) identification and contact data of the operator;
  - b) identification and contact data of the institution engaged in prevention and treatment of problems related to pathological gambling;
  - c) information on the prohibition to participate in gambling for individuals aged under 18;
  - d) a warning that participation in gambling may be harmful;
  - e) a range of self-restricting measures offered to be used;
  - f) a game plan;
  - g) amounts of a maximum bet, maximum win and maximum hourly loss, where so enabled by the design of the operated game; and
  - h) a time indicator visible during the entire duration of participation in gambling.

(2) No advertising, message or any other promotion vehicle for gambling or for winning opportunities including, without limitation, textual, audio, moving, static, light or graphic types of the foregoing, may be placed on the exterior or within the publicly accessible interior of the building where the gambling premises are located.

(3) The gambling premises display windows, windows and entrances must be secured in a manner preventing viewing of the premises interior.

§ 67

**Gambling room**

(1) “Gambling room” means standalone, structurally separated premises on which a technical game is operated as a core activity.

(2) A gambling room must be visibly designated by a name that shall contain the word “gambling room.”

(3) A gambling room must be closed for operation from 03:00 (am) to 10:00 (am).

(4) Only technical games are permitted to be operated in the gambling room.

(5) A minimum of 15 licensed game points of a technical game shall be available for operation in the gambling room.

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§ 68

**Casino**

(1) “Casino” means a standalone, constructionally separated premises on which a live game is operated as a core activity.

(2) The gambling room must be visibly designated by a name that shall contain the word “casino.”

(3) Only the following are permitted to be operated in the gambling room casino:

- a) a live game;
- b) a live game jointly with a technical game;
- c) a live game jointly with bingo; or
- b) a live game jointly with a technical game and bingo.

(4) Gambling at three live game tables at minimum shall be available for operation in the casino throughout the casino's entire opening hours.

(5) In a casino where a technical game is operated, there must be at least 30 technical game licensed game points.

(6) In a casino where a technical game is operated, for each additional live game table above the minimum number specified in paragraph 4, there can be a maximum of 10 technical game licensed game points operating. It does not apply for a casino, where gambling at a minimum of ten live game tables shall be available for operation in the casino throughout the casino's entire operating hours.

§ 69

**Prohibition to access gambling room and casino**

The operator shall not enable access to the gambling premises to individuals aged under 18.

§ 70

**Notification on operation launch**

The operator shall notify the customs administration of the time point from which the gambling operation launches on the gambling premises, no later than five business days ahead of the gambling operation launch date.

## Chapter II

### **Identification and monitoring within gambling room and casino**

#### § 71

##### **Identification in gambling room and casino**

(1) The operator of a gambling room or casino shall carry out identification of the visitor upon his/her entry of the gambling room or casino; verify the visitor's age; and, verify whether or not the visitor has been entered in the Register as per § 16.

(2) The operator of a gambling room or casino shall keep daily records of all visitors.

(3) The visitor shall prove his/her identity for the purposes of keeping the records. The method of the identification performance and of identification data archiving is governed by the law regulating certain measures against the legitimization of proceeds of crime and financing of terrorism.

#### § 72

##### **Monitoring in gambling room and casino**

(1) The operator shall fit out the gambling room or casino with a monitoring system that enables real time recording of the entrance to the gambling room or casino throughout the full opening hours. Such monitoring shall be operated as a non-slow motion and uninterrupted recording that enables subsequent reproduction.

(2) The gambling room operator shall fit out the gambling room with a monitoring system that enables real time monitoring, during the full opening hours, of the entire space within the gambling room that is used for gambling, particularly the area where identification is performed of the individuals applying for registration in accordance with § 46(2).

(3) The casino operator shall fit out the casino with a monitoring system that enables real time monitoring, during the full opening hours, of the entire plane of all the game tables placed in the casino including, without limitation, the complete roulette wheel; complete roulette table; cash desk for cheques/chips supply; cash desk for banknotes and coins; cash desk for tipping money; as well as the cash desk and entire space within the casino that is used for gambling, so that such monitoring covers separate game tables and all areas where transactions take place with banknotes and coins; cheques/chips; cards; dice or other instruments used for live game. The monitoring recording must clearly show numbers on the roulette table and on the game tables; markings on the cheques/chips; card values; quantities of the cheques/chips; and, values of the banknotes and coins.

(4) The monitoring system according to the foregoing Sections 2 and 3 must be equipped with the time and data functionality, while the taken recordings must be in colour, clear, distinct and identifiably detailed. Sound shall be recorded concurrently with recorded image. The sound recording must not be distorted compared to the monitored reality.

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(5) The operator shall archive for two years the recordings taken by the monitoring system according to the foregoing Sections 1 to 4 and the backup of the same, in a manner preventing their abuse, theft or destruction. Moreover, the operator shall comply at handling the recordings with the requirements laid down by the act regulating the processing of personal data.

(6) The operator shall check on the functionality of the monitoring system every 24 hours and shall make a written record on the check, while it shall notify the customs administration on every breakdown of the system, together with a deadline of its removal; such notification to be made within 24 hours from the time point at which the breakdown was identified. The customs administration competent to be notified on the breakdown is the customs administration with jurisdiction over the territory of a higher territorial self-government unit (region) in which the gambling premises are located. In the event of the monitoring system breakdown, no live game operation run is permitted on the game table affected by the monitoring system breakdown. If the monitoring system breakdown affects the cash desk; entrance; or, concurrently all the game tables placed in the casino, the casino shall be closed until the time of the breakdown removal.

(7) The customs administration must be enabled access into the space where the monitoring system has been located. The operator shall make available to the customs administration — also outside the gambling room or casino premises — the recordings taken by the monitoring system.

## **PART FOUR REMOTE ONLINE ACCESS**

### **Chapter I Online game**

#### **§ 73**

(1) Gambling as per § 3(2)(a) to (f) may be operated also as an online game — using remote access via the internet — subject to the conditions laid down by this Act for separate types of gambling, provided it is not excluded by the design of the respective game operation.

(2) At an online game, the gambling participant plays against the software-based gambling system of the operator or, against another individual mediated by that system. An online game enables participation in gambling to multiple individuals whose number has not been predetermined.

(3) The software-based gambling system of the operator as per the foregoing Section 2 must generate a randomized process of the game result, while this provision shall not apply to the numerical lottery; odds betting; and, totalizator game.

(4) The online game operator is prohibited to either offer or provide — whether by itself or through a third party — any device enabling participation in the online game.

§ 74

**Online game operation**

(1) The online game may be operated only via a webpage available in the Czech language.

(2) The online game server and device(s) used to operate a numerical lottery as an online game must be located in an EU Member State; or in a state that is a party to the Agreement on the European Economic Area.

§ 75

**Information duty applicable to online games**

(1) The operator is obliged to publish (or display) the following on the webpage where the online game is operated, in a manner that is legible and available at all times:

- a) identification and contact data of the operator;
- b) identification and contact date of the government authority that has licensed the respective game, including the license number;
- c) identification and contact data of the institution engaged in prevention and treatment of problems related to pathological gambling;
- d) prohibition to participate in gambling for individuals aged under 18;
- e) a game plan; and
- f) a warning that participation in gambling may be harmful.

(2) The operator is obliged to publish (or, display) the following on the webpage where the online game is operated, in a manner that is legible and visible throughout the entire span of the gambling participant's participation in the online game:

- a) an indicator of the elapsed time of participation in the gambling, visible throughout the participation duration; and
- b) a warning that participation in gambling may be harmful.

(3) The operator is obliged to publish (or display) the following on the webpage where the online game is operated, in a manner legible and available for the gambling participant at all times:

- a) the balance on the gambling participant's user account as per § 76; and

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b) amounts of a maximum bet, maximum win and maximum hourly loss, where so enabled by the design of the operated game; and

(4) The user shall alert the gambling participant, at each login to the user account, to the range of self-restricting measures offered for use and the status of their setup.

#### § 76

#### **Participation conditions**

(1) A registration is required for participation in an online game, except for the cases according to § 77(4).

(2) The registration is provided for by the operator.

(3) The registration includes identification and authentication of the identity and age of the registration applicant; assignment of access data or other means of access; and, activation of a user account on which the funds are recorded, such as deposits, bets and wins, separately from the funds of other gambling participants and of the operator.

(4) Each gambling participant may have only one user account with one operator.

(5) The gambling participant actually takes part in the game from the time point at which he/she has entered the user account access data into the software-based gambling system of the operator.

#### § 77

#### **Registration**

(1) For the registration purposes, the registration applicant is required to

a) provide his identification and contact information to the operator; and

b) either set the participant's own individual self-restricting measures according to § 15(2) or individually refuse such settings.

c) provide required information to the operator on the payment account or payment card as per § 78.

(2) The registration is accomplished by activation of a permanent user account, as soon as the information specified in the foregoing Section 1 has been verified and confirmed.

(3) The registration cannot be completed without

a) setting or refusing the self-restricting measures according to § 15(2), following the procedure as per Section 1(b);

b) verifying and confirming the data specified in Section 1(a); and

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c) verifying whether or not the registration applicant has been entered in the Register as per § 16.

(4) Until the registration time point, the operator shall establish a temporary user account for the gambling participant.

(5) The registration shall not be executed after 30 days have elapsed since the date on which the individual applied for the registration.

(6) The Ministry shall provide for remote authentication of the identity and age of the registration applicant.

## § 78

### **Registered payment account and payment card**

(1) For the registration purposes, the registration applicant is required to set out

- a) a number or another unique identifier of the payment account of which he/she is the owner and from which solely, with the exception as specified in §§ 79 and 80, he/she will transfer funds to the user account, and, to which solely he/she will receive funds from the user account (the “registered payment account”); or
- b) a number or another unique identifier of the payment card or other means of payment, of which he/she is the holder and from which solely, with the exception as specified in §§ 79 and 80, he/she will transfer funds to the user account, and, to which solely he/she will receive funds from the user account (the “registered payment account”), so based on this number or identifier, the user can be identified as the owner or the registered holder of the payment account or a registered credit card.

(2) Registered payment account can only be a payment account with a person who is authorized to provide payment services in the European Union Member State or a State party to the Agreement on the European Economic Area

(3) Registered credit card may be the only payment card issued by a person authorized to provide payment services in the European Union Member State or a State party to the Agreement on the European Economic Area

## § 79

### **Multiple source funding of online games**

(1) Cash deposits may be also made in or cash payouts may be also made from the user account, however up to CZK 5 000 in 24 hours.

(2) The operator is obliged to make a record on each such cash transaction executed in accordance with the foregoing Section 1. The record shall include, without limitation, identification data of the gambling participant; transaction amount; and, transaction execution date.



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(3) The operator shall archive the record as per the foregoing Section 2 for 10 years.

§ 80

**Temporary user account**

(1) A temporary user account may be maintained active for a maximum of 30 days.

(2) During the period of the temporary user account being active, the total deposit (including also the total of separate deposits) on it shall not exceed the amount of CZK 3 000.

(3) Withdrawals of any deposits or wins paid in the temporary user account are not permissible.

(4) If a gambling participant has been registered, the operator shall transfer any recorded funds or gambling instruments from the participant's temporary user account to his user account.

(5) If a gambling participant has not been registered, the operator shall return any undrawn deposit to him/her no later than seven days from the date of termination of his temporary user account.

§ 81

**Prohibition on transfers between user accounts and temporary user accounts**

The operator shall not enable any transfer of recorded funds or gambling instruments between user accounts or between temporary user accounts, with the exception as per § 80(4).

Chapter II

**Unauthorized online games**

§ 82

**Blocking of unauthorized online games**

(1) Internet connection providers on the territory of the Czech Republic are obliged to prevent access to any of the webpages included in the list of the webpages with unauthorized online games (the “list of unauthorized online games”).

(2) Entered in the list of unauthorized online games shall be any webpage on which an online game is operated contrary to § 7(2) (b).

(3) The internet connected providers are obliged to comply with the requirement as per the foregoing Section 1 within 15 days from the publication date of the webpage in the list of unauthorized online games.

§ 83

**Blocking of payments related to unauthorized online games**

(1) Providers of payment services shall not execute payment transactions, whether credited or debited to the payment accounts included in the list of unauthorized online games.

(2) Entered in the list of unauthorized online games shall be any payment account that is used for the purposes of operating an online game contrary to § 7(2) (b).

(3) The payment service providers are obliged to comply with the prohibition as per the foregoing Section 1 no later than commencing the fifteenth day from the publication date of the payment account unique identifier in the list of unauthorized online games.

§ 84

**List of unauthorized online games**

(1) The list of unauthorized online games is maintained and entries in it decided on and made by the Ministry, by virtue of office.

(2) The list of unauthorized online games includes

- a) the address of a webpage on which an online game is operated contrary to § 7(2) (b);
- b) the unique identifier of a payment account that is used for the purposes of operating an online game contrary to § 7(2) (b); and
- c) the date of entry and deletion of the data set out under the foregoing clauses a) and b).

(3) The Ministry shall forthwith delete a webpage or a payment account from the list of unauthorized online games as soon as the reasons cease of their entry in the list.

(4) Information from the list of unauthorized online games as per the foregoing Section 2(a) and (b) is published by the Ministry on its webpages.

(5) Under the procedure according to Section 1, the document is served to the party of the procedure by means of public decree, while it is also sent for information to the party whose residence or registered office is known.

PART FIVE  
**LICENSING PROCEDURE AND NOTIFICATION**

Chapter I  
**Licensing procedure**

Sub-chapter 1  
**Gambling operation license**

§ 85

The following gambling types are subject to licensing:

- a) a lottery;
- b) an odds bet;
- c) a totalizator game;
- d) bingo;
- e) a technical game; and
- f) a live game.

§ 86

**Basic license**

(1) “Basic license” means a decision awarding a permission to operate a certain type of gambling.

(2) The Ministry shall decide on the license issuance based on an application.

(3) Regarding the basic license application for a joint lottery, each applicant shall submit its individual application.

§ 87

**Basic license issuance**

(1) The Ministry will issue the basic license providing that

- a) the applicant has satisfied the conditions specified in §§ 6, 91 and 92;
- b) the applicant has provided a surety under § 89;
- c) the applicant has neither entered liquidation at the time of the decision issuance or within the last three years, nor has been found conclusively bankrupt within the last three years;

- d) the gambling operation will not disturb public order; and
- e) proper operation of the gambling is guaranteed and appropriate technical equipment ensured.

(2) In the basic license, the Ministry shall specify the gambling permitted under the issued license; type of the game; conditions of its operation; and, shall approve the game plan and equipment with the help of which the gambling should be operated.

(3) The basic license is issued for a maximum period of six years.

(4) A license under this Act is unassignable.

## § 88

### **Requisites of application for basic license**

(1) An application for the basic license, in addition to the general requisites of a submission according to the Rules of Administrative Procedure, shall set out the gambling type that is the subject of the application, while the applicant must annex also documents required by this Act. The documents shall not be older than three months at the time of the submission.

(2) The applicant shall annex to the basic license application

- a) a list of persons who
  - 1. are members of the applicant;
  - 2. are members of the applicant's statutory body;
  - 3. are members of the applicant's supervisory body;
  - 4. are authorized to serve as a procurator; and
  - 5. are the beneficial owner of the applicant.
- b) a document on provision of the surety, while applications for bingo, technical games and live games are excepted;
- c) a document of proof of the debt free status;
- d) identification data of the individuals to whom the clean record requirement applies, or, a document proving the clean record for foreign citizens;
- e) a game plan;
- f) a document certifying a professional assessment and approbation of service worthiness; and

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g) a document identifying the server location in the event of a game during which the chance is not generated at the place of the gambling participation.

(3) With the application for a live game, the applicant shall annex also a set of defaced specimen cheques and chips.

(4) With the application for a cash prize lottery, in-kind lottery or instant win lottery, the applicant shall annex also a specimen lottery ticket that must be marked off as a specimen; and, documents proving that the lottery tickets are secured against abuse; or, documents on their production specifications.

(5) With the application for odds betting or a totalizator game, the applicant shall annex also a list of places (premises) where the participation in odds betting or in a totalizator game will be enabled; and, a contract signed with the person who will monitor influencing of the sport results.

## § 89

### **Surety**

(1) The applicant for the basic license issuance is obliged to provide a surety for each gambling type and for each online game type as follows:

- a) by depositing funds to a special account of the Ministry; or
- b) as a bank guarantee that will be accepted by the Ministry.

(2) The surety deposited on the special account of the Ministry must remain on the account at its full amount during the entire validity period of the basic license.

(3) A bank guarantee may be issued only by a bank, savings bank or credit union; by a foreign bank with its registered office in another EU Member State or in a state that is a party to the Agreement on the European Economic Area; and, by a foreign bank with its registered office in a state other than an EU Member State or other than a state that is a party to the Agreement on the European Economic Area, provided such bank carries out its activity through its branch on the territory of an EU Member State or a state that is a party to the Agreement on the European Economic Area. The bank guarantee must be provided for a determinate time period that, however, must be at least one year longer than the period applied for as the operation period.

(4) The surety may be only used to pay

- a) a tax on gambling and its interest and charges;
- b) fines imposed for an administrative offence in accordance with this Act; and
- c) wins that have not been paid out to a bettor.

(5) The surety amounts shall be as follows:

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- a) CZK 5 000 000 for odds betting on animal races and for totalizator games operated at animal races;
- b) CZK 30 000 000 for games as per § 3(2)(b) and (c); and, for games as per § 3(2)(b) to (d) operated as an online game; and
- c) CZK 50 000 000 for games as per § 3(2)(a); and, for games as per § 3(2)(a)(e) and (f) operated as an online game.

(6) The applicant shall prove the origin of the funds used for depositing the surety.

(7) Provisions of the Tax Code shall apply accordingly to the surety payment administration.

## § 90

### **Surety use**

(1) If a basic license is conclusively withdrawn or ceases, the deposited funds become an overprovision of the operator. If the overprovision originated that way qualifies as a refundable overprovision, the Ministry shall refund it to the operator within 20 days from the overprovision origination date.

(2) The term specified in the foregoing Section 1 shall suspend to run for the period during which either a body under this Act or the tax administrator conduct proceedings

- a) an outcome of which may be a decision assessing a tax, charge or a similar consideration in cash; or
- b) that have been entered into within 90 days from the date of the conclusive withdrawal or cessation of the basic license.

(3) If the basic license has been withdrawn or has ceased, the Ministry shall call upon the bank guarantee issuer to pay any underprovision recorded as at the ninetieth day from the date of such withdrawal or cessation, such payment to be credited to

- a) either the customs administration; or
- b) the administrator of the tax on gambling.

(4) The call upon the bank guarantee issuer to pay the underprovision will be made by the Ministry not earlier than 90 days, however, not later than six months, from the date of the basic license withdrawal or cessation.

(5) If the surety is not sufficient to cover the underprovision, the liabilities shall be paid in accordance with § 89(4) in proportion to their amount(s).

§ 91

**Debt free status**

(1) The following subjects must be debt free:

- a) the applicant for the basic license;
- b) the person that is a member of the applicant's statutory body. If such a member is a corporation, then also the individual who represents the corporation in the body;
- c) the person that is a member of the applicant's supervisory body. If such a member is a corporation, then also the individual who represents the corporation in the body;
- d) the procurator; and
- e) the beneficial owner of the applicant.

(2) A person having a debt free status, for the purposes of this Act, shall be deemed a person from whom no underprovision has been recorded

- a) with the Czech Financial Authority branches and with the Czech customs administration branches, except for an underprovision regarding which a suspended payment or split repayment by installments has been allowed;
- b) with respect to the insurance premium and penalties under the national health insurance scheme;
- c) with respect to the insurance premium and penalties under the national social security scheme and contribution to the national employment policy, except for an underprovision regarding which split repayment by installments has been allowed, provided the person has not fallen behind on such installments; and
- d) with respect to the cash considerations similar to the considerations specified in clauses a) to c), in the country where the person has its registered office, place of business or residence, or, in the country in which the person stayed and developed activities for more than three months in the last five years preceding the submission date of the basic license issuance application.

(3) The debt free status, with regard to the facts as per the foregoing Section 2(a) to (c), shall be proved by a confirmation issued by the respective financial authority, respective customs administration, respective health insurance company, and, respective social security administration district office. Such confirmation shall be not older than 30 calendar days preceding the submission date of the basic license issuance application.

(4) The debt free status, with regard to the facts as per the foregoing Section 2(d), shall be proved by a debt free status confirmation, or, an equal foreign document, issued by the authority of the country in which the person as per the foregoing Section 1 has its permanent residence or registered office; and, also, by an equal foreign document, issued by the authority

of the country in which the person without interruption stayed or developed activities for more than three months in the last five years preceding the submission date of the basic license issuance application. If the respective country does not issue any equal foreign documents, the person as per Section 1 shall submit its self-declaration of the debt free status, made either before the notary or an authority of the country of its citizenship, or before the notary or an authority of the country of its most recent stay (residence). The foregoing documents shall be not older than three months preceding the submission date of the basic license issuance application. Any debt free status documents made in other than the Czech language shall be submitted in their original language accompanied by their Czech translation; in case of doubt, the Ministry is entitled to require a formally authenticated translation.

## § 92

### **Clean record**

(1) The following subjects must have a clean record:

- a) the applicant for the basic license;
- b) the person that is a member of the applicant's statutory body. If such a member is a corporation, then also the individual who represents the corporation in the body;
- c) the person that is a member of the applicant's supervisory body. If such a member is a corporation, then also the individual who represents the corporation in the body;
- d) the procurator; and
- e) the beneficial owner of the applicant.

(2) A person with a clean record, for the purposes of this Act, shall exclude a person conclusively sentenced for a deliberate criminal offence, or for an economic criminal offence, or for a criminal offence against property, unless such person should be regarded as not sentenced.

(3) The Ministry, based on other legislation, will request an extract from the Penal Register to support the fact of a clean record of the persons defined in the foregoing Section 1. The request for being issued an extract from the Penal Register records and the extract from the Penal Register records are delivered in an electronic format, in a mode enabling remote access.

(4) The clean record status of the foreign citizens shall be proved by a Penal Register record, or, an equivalent foreign document, issued by the authority of the country of which the person as per the foregoing Section 1 is a citizen, or where such person has their permanent residence or registered office; and, also, by an equivalent foreign document, issued by the authority of the country in which the person without interruption has stayed or developed activities for more than three months in the last five years preceding the submission date of the basic license issuance application. If the respective country does not issue any equivalent



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foreign documents, the person as per Section 1 shall submit their self-declaration of clean record status, made either before the notary or an authority of the country of their citizenship, or before the notary or an authority of the country of their most recent stay (residence). The foregoing documents shall be not older than three months preceding the submission date of the basic license issuance application. Any clean record status documents made in a language other than Czech shall be submitted in their original language accompanied by their Czech translation; in case of doubt, the Ministry is entitled to require a formally authenticated translation.

### § 93

#### **Notification on changed facts**

(1) The operator shall notify to the Ministry without undue delay any changes of the facts based on which the basic license has been issued, and, shall submit documents on such changes within 30 days from the date on which the change occurred.

(2) The notification duty of the operator does not apply to data available to the Ministry, or data whose change may be retrieved by the Ministry in an automated mode from the registers and records to which it has established automated access. The Ministry shall publish the range of such data on its webpages.

### § 94

#### **Basic license change**

(1) The Ministry will replace the existing basic license for a new one if

- a) the operator submits an application proposing to change certain data whose change is actually possible only based on a change of the basic license;
- b) other data change that are set out in the basic license; or
- c) it modifies or amends the terms and conditions of the proper gambling operation defined in the basic license, in cases justified by the Ministry.

(2) A new basic license as per the foregoing Section 2 shall be issued for a period that shall not exceed the life of the legal effects under the original basic license.

(3) The Ministry will replace the existing basic license only if the terms and conditions governing the basic license issuance continue to be satisfied.

(4) The justification substantiating the new license shall provide only explanations of the changes modifying the existing license.

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§ 95

**Basic license withdrawal**

(1) If the Ministry finds out that the operator ceased to comply with the terms and conditions stipulating the basic license issuance it will call upon the operator to comply with them by a deadline determined by the Ministry, providing the substance of such terms and conditions enables such compliance and no threat of delay arises.

(2) The Ministry shall withdraw the basic license by virtue of office if

- a) the operator, while called upon by the Ministry, fails to comply with the terms and conditions set for the basic license issuance;
- b) facts come to light subsequently due to which the basic license issuance would have been impossible;
- c) the operator breaches, repeatedly or grossly, the obligations laid down by the Act; by the act regulating the tax on gambling, or, by the basic license; or
- d) the operator ceases to comply with the terms and conditions of the basic license issuance as laid down by the Act and if the procedure under the foregoing Section 1 cannot be applied.

(3) The Ministry will withdraw the basic license at the operator's request.

§ 96

**Basic license cessation and assignment**

(1) The basic license shall cease

- a) when the term has expired for which it was issued; or
- b) if the operator to whom the basic license was issued is dissolved.

(2) If, due to the transformation of the operator to whom the basic license was issued, such operator is dissolved, the basic license shall be assigned to the successor corporation, providing the Ministry has approved of such transformation in advance.

Sub-chapter 2

**Gambling premises location license**

§ 97

**Gambling premises location**

(1) A license for the gambling premises location is required for bingo, technical game and live game operations. Such license is issued, under delegated jurisdiction, by the municipal authority of the municipality within whose territorial jurisdiction the gambling premises intended for the respective gambling type are to be located.

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(2) The foregoing Section 1 does not apply to bingo; a technical game; and, a live game operated as an online game.

(3) Only the operator to whom the basic license for the respective game operation has been issued is eligible to apply for the gambling premises location license.

#### Sub-chapter 98

### **Gambling premises location license issuance**

(1) The municipal authority will issue a license for the gambling premises location if

- a) the applicant satisfies the conditions defined in § 97(3) and § 99;
- b) the applicant has provided a surety under § 100; and
- c) if the gambling premises location does not contravene a generally applicable decree of the municipality.

(2) In the gambling premises location license, the municipal authority will approve of the gambling room or casino location; operation of the respective gambling type; opening hours of the gambling premises; and, the number of the terminal devices through which the game will be operated, including their types, serial number(s) and the precise quantity of the game access points.

(3) The gambling premises location license is issued for the period of life of the legal effects under the basic license, however for three years at maximum.

#### Sub-chapter 99

### **Requisites of the application for gambling premises location license**

(1) In its application for the gambling premises location license, in addition to the general requisites as per the Rules of Administrative Procedure, the operator shall set out the type, address and opening hours of the gambling premises; type of gambling intended for operation on such gambling premises; type, serial number(s) and the precise quantity of the game access points of the terminal device through which the game will be operated; and, shall also annex documents required by this Act. The documents shall not be older than three months at the time of the submission.

(2) The operator shall annex to the application for the gambling premises location license the following:

- a) the basic license for gambling operation;
- b) a document of the deposited surety;
- c) a certificate of the operational worthiness of each technical device through which the game is operated;

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- d) a document of the legal grounds for use of the premises intended for the gambling operation; the foregoing does not apply if the legal grounds may be found in the public administration information system or its subsection serving as public records, a register or list; and
- e) a closed circuit TV scheme.

#### § 100

#### **Surety**

(1) The applicant for the gambling premises location license is obliged to provide a surety as follows:

- a) by depositing funds on a special account of the Ministry; or
- b) as a bank guarantee that will be accepted by the Ministry.

(2) The surety deposited on the special account of the Ministry must remain on the account at its full amount during the entire validity period of the gambling premises location license.

(3) A bank guarantee may be issued only by a bank, savings bank or credit union; by a foreign bank with its registered office in another EU Member State or in a state that is a party to the Agreement on the European Economic Area; and, by a foreign bank with its registered office in a state other than an EU Member State or other than a state that is a party to the Agreement on the European Economic Area, provided such bank carries out its activity through its branch on the territory of an EU Member State or a state that is a party to the Agreement on the European Economic Area. The bank guarantee must be provided for a determinate time period that, however, must be at least one year longer than the period applied for as the operation period.

(4) The surety amounts shall be as follows:

- a) CZK 1 000 000 for each gambling room, however CZK 10 000 000 at a minimum and CZK 50 000 000 at a maximum for all gambling rooms of one operator;
- b) CZK 10 000 000 for each casino, however, CZK 20 000 000 at a minimum and CZK 50 000 000 at a maximum for all casinos of one operator.

(5) §§ 89 and 90 shall apply to the surety payment, administration and use.

#### § 101

#### **Notification on changed facts**

(1) The operator shall notify to the municipal authority without undue delay any changes of the facts based on which the gambling premises location license has been issued, and, shall

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submit documents on such changes within 30 days from the date on which the change occurred.

(2) The notification duty of the operator does not apply to data

- a) available to the municipal authority; or
- b) whose change may be retrieved by the municipal authority in an automated manner from the registers and records to which it has established automated access. The Ministry shall publish the range of such data on its webpages..

#### § 102

##### **Gambling premises location license change**

(1) The municipal authority will replace the existent gambling premises location license for a new one if

- a) the operator submits an application proposing to change certain data whose change is actually possible only based on a change of the gambling premises location license; or
- b) other data change that are set out in the gambling premises location license.

(2) A new gambling premises location license as per the foregoing Section 2 shall be issued for the period that shall not exceed the life of the legal effects under the original gambling premises location license.

(3) The municipal authority will replace the existent gambling premises location license only if the terms and conditions governing the gambling premises location license issuance continue to be satisfied.

(4) The justification substantiating the new license shall provide only explanations of the changes modifying the existing license.

#### § 103

##### **Gambling premises location license withdrawal**

(1) If the municipal authority finds out that the operator has ceased to comply with the terms and conditions stipulating the gambling premises location license issuance it will call upon the operator to comply with them by a deadline determined by the authority, providing the substance of such terms and conditions enables such compliance and no threat of delay arises.

(2) The municipal authority shall withdraw the license for the gambling premises location by virtue of office if

- a) the operator breaches, repeatedly or grossly, the obligations laid down by the Act; by the act regulating the tax on gambling, or, by the basic license; or

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- b) the operator ceases to comply with the terms and conditions of the gambling premises location license issuance as laid down by the Act and if the procedure under the foregoing Section 1 cannot be applied.

(3) The municipal authority will withdraw the license for the gambling premises location at the operator's request.

#### § 104

### **Gambling premises location license cessation**

The license for the gambling premises location shall cease

- a) when the term has expired for which it was issued; or
- b) if the basic license has been withdrawn or has ceased.

#### Chapter II

### **Notification of gambling**

#### § 105

The following gambling types are subject to notification:

- a) a raffle whose game receipts exceed CZK 100 000; and
- b) a small size tournament.

#### § 106

### **Notification to the municipal authority**

The gambling shall be notified to the municipal authority of the municipality on whose territory the respective gambling operation is intended, no later than 30 days ahead of the envisaged launch date of the gambling operation.

#### § 107

### **Requisites of notification**

(1) A notification shall include the following, in addition to the general requisites of submissions under the Rules of Administrative Procedure:

- a) the name and description of the notified game;
- b) the address of the premises on which the notified game will be operated;
- c) the time period over which the notified game will be operated, defined by its precise launch date and termination date;

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- d) specification of the person who will provide for a due run of the game and for complying with the terms and conditions lay down by this Act;
- e) a game plan; and
- f) regarding raffles, identification data of the notary who will authenticate the draw process.

(2) A separate notification must be submitted for each separate game.

#### § 108

### **Prohibition of notified gambling operation**

(1) The municipal authority may prohibit a gambling operation being notified if the terms and conditions laid down by this Act have not been satisfied. Such a decision as per the first sentence means the first act of the procedure.

(2) The municipal authority shall forthwith decide on the prohibition of the game being notified, however no later than in 15 days from the date of the notification accompanied with all the requisites as per § 107.

(3) A decision on the prohibition of a notified gambling operation shall be announced by its posting on the official board of the municipal authority, while it shall be concurrently sent for information to the notifying party by the municipal authority.

#### PART SIX

### **TECHNICAL REQUIREMENTS AND THEIR PROFESSIONAL ASSESSMENT AND CERTIFICATION**

#### § 109

### **Requirements for gambling and installations which are operated gambling**

(1) The gambling operator shall ensure that the game defined in § 3(2)(a) to (e); the online game; and, the device through which such games are operated satisfy the requirements under this Act.

(2) The provision of the foregoing Section 1 affects neither any technical requirements applicable to the devices and equipment, nor the supervision of compliance with them as laid down by the law regulating electronic communications<sup>2</sup> and by the legal provisions regulating technical requirements applicable to products<sup>3</sup>.

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<sup>2</sup> Act No 127/2005 Coll., on electronic communications and the amendment to certain other acts

<sup>3</sup> Act No 22/1997 Coll., on technical requirements for products and on the modifications and amendments to certain other acts, as subsequently amended.

§ 110

**Appointment to professional assessment and certification**

(1) The output documents of the professional assessment and certification, whose object is to verify whether the obligation as per § 109(1) has been satisfied, shall be issued by a corporation with its registered office in the Czech Republic or in another EU Member State or in a state that is a party to the Agreement on the European Economic Area, duly appointed by the Ministry (the “appointed person”).

(2) The issuance of credentials for professional assessment and certification (hereinafter referred to as "the authorization ") the Ministry shall decide on the request.

(3) The Ministry shall issue the credential

- a) if the applicant meets the conditions set out in § 92,
- b) if the applicant is accredited vocational assessment, testing and technical inspection of gambling devices and
- c) if it is to ensure the satisfactory performance of expertise and certification.

4) The authorization is issued for a maximum period of five years

(5) The output documents of the professional assessment and certification are issued for a maximum period of five years.

§ 111

**Withdrawal of appointment to professional assessment and certification**

(1) If the Ministry finds out that the appointed person has ceased to comply with the terms and conditions stipulating the award of the appointment to professional assessment and certification it will call upon the appointed person to comply with them by a deadline determined by the Ministry, providing the substance of such terms and conditions enables such compliance and no threat of delay arises.

(2) The Ministry shall withdraw by virtue of office the appointment to professional assessment and certification if

- a) the appointed person, while called upon by the Ministry, fails to comply with the terms and conditions stipulating the award of the appointment to professional assessment and certification;
- b) facts subsequently come to light due to which the appointment to professional assessment and certification award would have been impossible;



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- c) the appointed person breaches, repeatedly or grossly, the obligations laid down by the Act; or
- d) the appointed person ceases to comply with the terms and conditions of the award of the appointment to professional assessment and certification as laid down by the Act and if the procedure under the foregoing Section 1 cannot be applied.

(3) The Ministry will withdraw by virtue of office the appointment to professional assessment and certification at the appointed person's request.

#### § 112

### **Cessation and assignment of appointment to professional assessment and certification**

(1) Appointment to professional assessment and certification shall cease

- a) when the term has expired for which it was awarded; or
- b) if the appointed person is dissolved.

(2) If due to the transformation of the appointed person such appointed person is dissolved the appointment to professional assessment and certification shall be assigned to the successor corporation, providing the Ministry has approved of such transformation in advance.

## PART SEVEN

### **GOVERNMENT AUTHORITIES**

#### § 113

The following are the authorities executing national administration of the gambling operations under this Act:

- a) the Ministry;
- b) the municipal authority; and
- c) the customs administration.

#### § 114

### **Ministry**

The Ministry

- a) decides on the issuance, change or withdrawal of the basic license for gambling operation;
- b) executes the supervision of compliance with
  1. this Act;

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2. the terms and conditions set down in the basic license and in the gambling premises location license; and
  3. the requisites set out in the notification;
- c) deals with administrative offences relevant to the online games;
  - d) is the administrator of the Register as per § 16;
  - e) is the administrator of the gambling operation information system;
  - f) decides on awarding of appointments to professional assessment and certification; and
  - g) executes the supervision of fulfillment of obligations of the appointed person;
  - h) maintains the list of unauthorized online games; and
  - i) serves as the custodian of the sureties.

#### § 115

#### **Municipal authority**

The municipal authority

- a) decides on the issuance, change or withdrawal of the gambling premises location license;
- b) is the body competent to accept notifications on the gambling.

#### § 116

#### **Customs administration**

The customs administration

- a) executes the supervision of compliance with
  1. this Act;
  2. the terms and conditions set down in the basic license and in the gambling premises location license; and
  3. the requisites set out in the notification;
- b) deals with administrative offences relevant to the gambling, except for online games.

#### § 117

#### **Provision of information**

(1) The municipal authority in whose territorial jurisdiction the gambling is operated is obliged to forthwith provide to the Ministry all information as may be necessary for the execution of supervision.

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(2) The customs administration is obliged to forthwith provide to the Ministry and to the municipal authority in whose territorial jurisdiction the gambling is operated all information as may be necessary for the execution of supervision.

(3) The Ministry is obliged to forthwith provide

- a) the customs administration with all information as may be necessary for the execution of supervision; and
- b) the municipal authority in whose territorial jurisdiction the gambling is to be operated with all information as may be necessary for the execution of supervision.

(4) Information described in the foregoing Sections 1 to 3 shall be provided either as separate documents or to the extent and in the manner as agreed between the information provider and recipient.

## PART EIGHT SUPERVISION AND ADMINISTRATIVE OFFENCES

### Chapter I Supervision

#### § 118

#### **Supervisory authority**

The supervision of compliance with the obligations laid down by this Act is executed by the Ministry and customs authorities (collectively the “supervisory authority”).

#### § 119

#### **Right of entry of supervisory body**

A person authorized by the supervisory authority shall have the right — for the purposes of entering the premises that it has been authorized to enter when executing the supervision according to the Inspection Code — to open the premises or otherwise provide for access onto them, even forcefully if necessary.

#### § 120

#### **The right to test play equipment**

Supervisory authority in the gambling premises may carry out tests of technical equipment.

#### § 121

#### **Seizure of items**

(1) The person authorized by the supervisory authority is obliged to seize an item should a grounded suspicion exist that violation of this Act has been committed in relation to such

item. The person authorized by the supervisory authority shall notify the seizure of the item verbally to the person in possession of the item at the time of the seizure, and, shall forthwith prepare an official record stating, without limitation, the reason for the seizure; description of the seized items; and, their quantity. The person authorized by the supervisory authority shall pass a copy of the official record to the person in possession of the item at the time of the seizure, and, shall deliver its counterpart to the supervised person.

(2) The supervisory authority has the right to put into custody the items seized as per the foregoing Section 1, out of reach of the supervised person. The supervised person or the person in possession of the item at the time of the seizure is obliged to surrender the seized items to the person authorized by the supervisory authority. Should the former refuse to surrender them, the items shall be seized. The person authorized by the supervisory authority shall prepare an official record of the surrender or seizure. The person authorized by the supervisory authority shall pass a copy of the official record to the person in possession of the item at the time of the seizure, and, shall deliver its counterpart to the supervised person. The custody storage expenses shall be borne by the supervised person from whom the item has been seized.

(3) The supervised person may file a written objection against the imposed decision on the seizure of the item within three business days from the date on which it was familiarized with the imposed measure. Such objections shall have no dilatory effect. The director of the customs administration shall decide on the objections without undue delay. The decision concluded by them is final. The supervised person shall be served in writing on the decision on the objections.

(4) The seizure of the item shall continue until the time at which either a conclusive decision is made on its forfeiture or confiscation, or, until the time point the item in question is proved to have not been causing any violation of the Act in connection with its use. The director of the customs administration will repeal in writing the measure on the seizure of the item. The supervised person shall be served the document. If a measure on the seizure is repealed, the respective seized item must be returned to the supervised person without undue delay and in intact condition. The person authorized by the supervisory authority shall prepare a written record of the return.

## Chapter II

### **Administrative offences**

#### Sub-chapter 1

#### **Misdemeanors**

#### § 122

(1) An individual commits a misdemeanor if

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- a) he/she enables a person to participate in gambling contrary to § 7(1);
- b) he/she operates gambling contrary to § 7(2);
- c) he/she enables access to games that have not been licensed or duly notified, or if he/she facilitates a meeting for the purpose of organizing such a game with an aim to gain enrichment either for himself/herself or for another from such organization or meeting;
- d) contrary to § 7(3), he/she provides any advantage to a gambling participant in connection with the gambling operation, such as meals, beverages, tobacco products or stimulating substances;
- e) contrary to § 7(5), being a person performing for the operator an activity or a task related to a gambling operation, he/she takes part in gambling within the gambling premises where he/she carries out such activity or task;
- f) contrary to § 38(1), being a person that accepts odds bets, he/she takes part in odds betting with the operator for whom he/she accepts such bets;
- g) contrary to § 38(3), being a person directly involved in the betting event on which the operator accepts bets, he/she wagers bets on the same betting event;
- h) contrary to § 38(4), being a person directly involved in the sports event in which he/she either participates or is otherwise involved, or in which a sports club participates in which he/she holds an office (or, position), he/she wagers bets on the same sports event; or
- i) contrary to § 73(4), he/she offers or provides a device enabling participation in an online game.

(2) The following fines may be imposed for a misdemeanor:

- a) up to CZK 1 000 000 if the misdemeanor qualifies under Section 1(a) (b) (c) or (i); and
- b) up to CZK 500 000 if the misdemeanor qualifies under Section 1(d) (e) (f),(g) or (h).

(3) In the ticket procedure, a fine up to CZK 40 000 may be imposed for a misdemeanor qualified under Section 1(a) to (f).

(4) Conjointly to the fine or in the replacement of such fine, the penalty specified in § 125 or a safeguard measure specified in § 126 may also be imposed.

## Sub-chapter 2

### **Administrative offences of corporations and individual-entrepreneurs**

#### § 123

(1) A corporation or an individual-entrepreneur commits an administrative offence if

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- a) he/she enables a person to participate in gambling contrary to § 7(1);
- b) he/she operates the gambling contrary to § 7(2);
- c) he/she operates a game contrary to the terms and conditions of its proper operation as defined in the basic license; contrary to the approved game plan; or, operates a game using a technical device model that is different from the one approved in the basic license;
- d) he/she operates a game contrary to the gambling premises location license;
- e) he/she operates a game contrary to the notification or the operating conditions of the notified games;
- f) he/she enables access to the game that has not been licensed or duly notified, or if he/she facilitates a meeting for the purpose of organizing such a game with an aim to gain enrichment either for himself or for another from such organization or meeting;
- g) contrary to § 7(3), he/she provides any advantage to the gambling participant in connection with the gambling operation, such as meals, beverages, tobacco products or stimulating substances;
- h) contrary to § 7(4), he/she accepts an in-kind deposit or bet as part of the game;
- i) contrary to § 9, he/she does not provide information and data related to the gambling operation in a manner making them easily accessible for everyone in the Czech language;
- j) he/she provides a win from the game contrary to § 10(1) (2) or 3;
- k) contrary to § 10(4), he/she places a tobacco product; smoker accessory item; plant product designated for smoking; electronic cigarette; or, alcoholic beverage as an object of the game win;
- l) he/she fails to pay out a win within the term as per § 10(5);
- m) he/she violates the confidentiality requirement as per § 11(1) or (2);
- n) he/she operates a game on the premises contrary to § 13;
- o) he/she does not offer or enable the gambling participant to either set the participant's own individual self-restricting measures according to § 14(1) and § 15(1)(2) or (3), or, individually refuse such settings;
- p) he/she enables gambling to a participant contrary to § 14(2);
- q) contrary to § 14(3) or (4), he/she does not make a change to the measures for responsible gambling;
- r) contrary to § 17, he/she admits into the gambling room or casino a person entered in the Register under § 16;

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- s) contrary to § 17, he/she enables the establishment or use of a user account to a person entered in the Register under § 16;
- t) he/she fails to check the lottery tickers prior to their issue according to § 23;
- u) contrary to § 24, he/she does not notify the customs administration of the time point from which the lottery operation starts, no later than five business days ahead of the lottery operation launch date;
- v) he/she performs a lottery draw contrary to § 25;
- w) he/she fails to satisfy his obligations as per § 26;
- x) contrary to § 28(2), he/she does not set out in a live odds betting ticket a precise time at which the bet was received;
- y) contrary to § 28(3), he/she does not make a data record, stating an exact time record, of each betting event on which he/she accepted a bet; or
- z) contrary to § 29(1), he/she enables participation in odds betting without a registration.

(2) A corporation or an individual-entrepreneur commits an administrative offence if

- a) contrary to § 29(4), the operator establishes more than one user account for one gambling participant;
- b) contrary to § 30(3), as the operator, he/she registers a person applying for a registration;
- c) contrary to § 31, he/she enables a transfer of the recorded funds and other game related instruments between user accounts;
- d) contrary to § 34, he/she does not notify the customs administration of the time point from which the odds betting or totalizator game operation starts, no later than five business days ahead of the foregoing games launch date;
- e) he/she fails to satisfy his/her obligations as per § 35;
- f) contrary to § 36, he/she does not maintain or archive records of all received bets;
- g) he/she accepts bets on a betting event contrary to § 37;
- h) contrary to § 39(2), he/she operates bingo outside a gambling room;
- i) he/she sells betting tickets contrary to § 39(5);
- j) he/she fails to satisfy his obligation as per § 41;
- k) contrary to § 42(2), he/she operates a technical game outside the gambling premises;
- l) contrary to § 44(1), he/she enables participation in a technical game without a registration;

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- m) contrary to § 44(4), as the operator, he/she establishes more than one user account for one gambling participant;
- n) contrary to § 44(6), he/she enables a gambling participant to participate through the participant's user account in a technical game on multiple technical devices simultaneously;
- o) contrary to § 45(3), as the operator, he/she registers a person applying for a registration;
- p) he/she performs a registration contrary to § 46;
- q) contrary to § 47(1), he/she allows a temporary user account to remain active for more than 90 days;
- r) contrary to § 48, he/she enables a transfer of the recorded funds and other game related instruments between user accounts;
- s) he/she fails to publish (or, display) required information in a required manner at each game access point in accordance with § 49(1)(2) or (3);
- t) contrary to § 49(4), he/she does not alert the gambling participant to the range of self-restricting measures offered for use and the status of their setup;
- u) he/she does not interrupt participation in a technical game in accordance with § 50(3);
- v) he/she pays out a win contrary to § 54(1);
- w) he/she does not arrange for the remote transmission of the gambling and financial data, and, for the telecommunication data connection of each technical device with the gambling operation information system according to § 55(2);
- x) contrary to § 56, as the operator, he/she participates in gambling on any of the terminal devices licensed for him, or authorizes another person to such participation;
- y) contrary to § 57(3), he/she operates a live game outside the casino; and
- z) contrary to § 58 (4), he/she enables a purchase or exchange (or, cashing out) of the cheques elsewhere than at the casino cash desk or at the live game table.

(3) A corporation or an individual-entrepreneur commits an administrative offence if

- a) he/she does not maintain or archive records according to § 58(5);
- b) he/she does not execute and record all payment transactions and cheque exchanges according to § 58(6);
- c) he/she does not take a record of any non-returned or lost cheques according to § 58(9);
- d) he/she does not keep daily gambling reporting according to § 60;



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- e) he/she breaches his/her obligations under § 65 or 66;
- f) he/she operates a gambling room contrary to § 67;
- g) he/she operates a casino contrary to § 68;
- h) he/she enables access to the gambling premises to individuals aged under 18;
- i) contrary to § 70, he/she fails to notify the customs administration of the time point from which the gambling operation starts on the gambling premises, no later than five business days ahead of such gambling launch date;
- j) he/she does not carry out identification of the visitor upon the visitor's entry to the gambling room or casino, according to § 71;
- k) he/she performs monitoring in the gambling room or casino contrary to § 72;
- l) contrary to § 73(4), he/she offers or provides a device enabling participation in an online game;
- m) he/she does not publish (or, display) required information in a required manner on the webpage where the online game is operated, in accordance with § 75;
- n) contrary to § 76(1), he/she enables participation in an online game without a registration;
- o) contrary to § 76(4), as the operator, he/she establishes more than one user account for one gambling participant;
- p) contrary to § 77(3), as the operator, he/she registers a person applying for a registration;
- q) contrary to § 77(5), he/she executes a registration after 30 days have elapsed since the date on which the individual applied for the registration;
- r) he/she registers a payment account or payment card contrary to § 78(2) and (3);
- s) he carries out multiple source funding of an online game, contrary to § 79;
- t) contrary to § 80(1), he/she allows a temporary user account to remain active for more than 30 days;
- u) contrary to § 80(2), he/she enables the total deposit during the activation period of a temporary user account to exceed CZK 3 000;
- v) contrary to § 80(3), he/she enables withdrawing of the deposits paid in or the wins from the temporary user account; or
- w) contrary to § 80(4), he/she does not transfer the recorded funds or gambling instruments from the temporary user account to the user account.

(4) A corporation or an individual-entrepreneur commits an administrative offence if

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- a) he/she does not return an undrawn deposit to the gambling participant in accordance with § 80(5);
- b) contrary to § 81, he/she enables a transfer of recorded funds or gambling instruments between user accounts or between temporary user accounts, with the exception as per § 80(4);
- c) contrary to § 93, he/she does not notify changes of the facts based on which the basic license has been issued, or does not submit documents on such changes within 30 days from the date on which the change occurred; or
- d) contrary to § 101, he/she does not notify changes of the facts based on which the gambling premises location license has been issued, or does not submit documents on such changes within 30 days from the date on which the change occurred.

(5) Internet connection providers on the territory of the Czech Republic commit an administrative offence if they fail to take measures within the set term to prevent access to the webpages as per § 82.

(6) A person licensed under the law regulating the payment system to provide payment services and issue electronic money on the Czech Republic territory commits an administrative offence if they fail to take measures within the set term to prevent payment services in relation to the payment accounts included in the list of unauthorized online games as per § 83.

(7) The following fines shall be imposed for the administrative offences defined in the foregoing Section 1:

- a) up to CZK 50 000 000 if the administrative offence qualifies under clauses a), b), c), d), e), f), n) or r);
- b) up to CZK 3 000 000 if the administrative offence qualifies under clauses h), j), k), l), m), o), p), q), s), v), w) or z); and
- c) up to CZK 500 000 if the administrative offence qualifies under clauses g), i), u), t), x) or y).

(8) The following fines shall be imposed for the administrative offences defined in the foregoing Section 2:

- a) up to CZK 3 000 000 if the administrative offence qualifies under clauses a), b), h), l), n), p), w) or y);
- b) up to CZK 1 000 000 if the administrative offence qualifies under clauses c), e), f), g), k), m), o), q), r) or t); and
- c) up to CZK 500 000 if the administrative offence qualifies under clauses d), i), j), s), u), v), x) or z).

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(9) The following fines shall be imposed for the administrative offences defined in the foregoing Section 3:

- a) up to CZK 50 000 000 if the administrative offence qualifies under clause l);
- b) up to CZK 3 000 000 if the administrative offence qualifies under clauses e), f), g), h), j), k) or n);
- c) up to CZK 1 000 000 if the administrative offence qualifies under clauses a), b), c), o), p), q), or t);
- d) up to CZK 500 000 if the administrative offence qualifies under clauses d), i), m), r), u), v) or w).

(10) The following fines shall be imposed for the administrative offences defined in the foregoing Section 4:

- a) up to CZK 1 000,000 if the administrative offence qualifies under clauses c) or d);
- b) up to CZK 500 000 if the administrative offence qualifies under clauses a) or b);

(11) A fine up to CZK 1 000 000 shall be imposed for the administrative offence defined in the foregoing Sections 5 and 6.

(12) Conjointly to the fine or in the replacement of such fine, the penalty specified in §§ 124 or 125 or a safeguard measure specified in § 126 may also be imposed.

### Sub-chapter 3

#### **Injunction on operation; forfeiture and confiscation of item**

##### § 124

#### **Injunction on operation**

(1) An injunction on operation may be issued for the administrative offences qualified under § 122(1)(c) and (f) and § 123, for the maximum term of two years.

(2) Included in the operation injunction period shall be also the time during which the administrative offender was already restrained from practicing the respective operation pursuant to the measure taken by the supervisory authority in connection with the administrative offence.

(3) No waiving is permissible for serving any remaining portion of the operation injunction period.

##### § 125

#### **Forfeiture of items**

The supervisory authority may decide on a forfeiture of an item if

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- a) such item is the property of the administrative offender; and
- b) such item has been used to commit an administrative offence; or, has been gained from an administrative offence; or, has been acquired in exchange for an item obtained from an administrative offence.

§ 126

**Confiscation of items**

(1) Unless the administrative authority has decided on the forfeiture of the item used to commit an administrative offence; or, obtained from an administrative offence; or, acquired in exchange for an item obtained from an administrative offence, the administrative authority may decide on the confiscation of the item.

(2) The administrative authority will decide on the item to be confiscated if

- a) the item is owned by an offender who cannot be prosecuted for the administrative offence;
- b) the item is not owned, or, is not fully owned by the administrative offender; or
- c) the item owner is not known.

§ 127

**Joint provisions on forfeited and confiscated items**

(1) Forfeited and confiscated items shall be assigned to the State.

(2) The authority that has tried the administrative offence shall rule if the forfeited or confiscated item should be destroyed; or, where such item is suitable for charitable purposes, the authority may rule to provide the item for such purposes, free of charge.

(3) If the decision as per the foregoing Section 2 is conclusive and if the authority that has tried the administrative offence has ruled that the forfeited or confiscated item should be destroyed by the customs administration, such destruction shall take place officially, supervised by a three-member commission appointed by the director of the customs administration. The commission shall prepare a record of the destruction, signed by all its three members. The destruction shall be performed at the expense of the person for whom the item has been forfeited or from whom it has been confiscated.

(4) The administrative offender who has been imposed the item forfeiture, or, the person from whom the confiscated items have been seized, shall be obliged to compensate the State for the costs related to the administration and destruction of the items.

(5) No appeal is admissible against the decision on the duty to compensate the State for the costs related to the administration and destruction of the forfeited or confiscated item.

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#### Sub-chapter 4

### **Joint provisions on administrative offences**

#### § 128

#### **Administrative offence liability**

(1) The corporation shall be not liable for an administrative offence if it proves that it has used its best endeavors as may have been reasonably required to prevent the breach of the legal obligation.

(2) The administrative offence liability of the corporation ceases if the administrative authority does not institute the procedure on the offence in two years from the date on which the authority became aware of it, however no later than in five years from date of committing the offence.

(3) The provisions of this Act on the liability and penalty of corporations shall apply to the liability for the acts that occur during the entrepreneurial activities of an individual or directly related to such activities.

#### § 129

#### **Jurisdiction and penalties**

(1) Administrative offences related to online gambling under this Act shall be dealt with by the Ministry in the first instance. The other cases of administrative offences under this Act shall be dealt with by the customs administration in the first instance.

(2) On determining the penalty type and its assessed amounts for corporations, the following shall be considered without limitation: the degree of seriousness of the administrative offence, in particular the manner in which it was committed, its consequences and circumstances.

(3) The fine is due and payable in 30 days from the date of the legal effect of the decision by which it was imposed.

(4) Receipts for the fines are state budget receipts.

### PART NINE

## **JOINT, TRANSITIONAL AND FINAL PROVISIONS**

### Chapter I

#### **Joint provisions**

#### § 130

#### **Identification and contact data**

The terms below shall have the following meanings for the purposes of the gambling industry:

a) Identification data

1. regarding an individual: first, or also middle name; surname, or also maiden surname; residential address; citizenship; birth certificate number, or the date and place of birth if no birth certificate number has been assigned;

2. regarding a corporation: name; registered office; company ID (“IČO”) if assigned;

3. regarding an individual-entrepreneur: first, or also middle name; surname; birth certificate number; place of business; business ID (“IČO”) if assigned;

b) contact data: mailing address; telephone number; email delivery address; data box identifier.

§ 131

**Gambling operation information system**

(1) The authorities under the Act are entitled to process information/data required for execution of the licensing procedure; for supervision of the gambling operation; and, provision for proper operation of gambling, including personal data in an electronic format and in a mode enabling remote access, while at the same time securing personal data protection.

(2) The Ministry is the administrator of the gambling operation information system which contains and processes, without limitation, information on the operators; gambling; gambling participants; as well as on the technical devices; gambling premises; and, supervisory activities.

§ 132

**Use of data from the basic register of inhabitants and from other public administration information systems**

(1) In exercising its jurisdiction under this Act, the Ministry uses data from the basic register of inhabitants to the following extent:

a) surname;

b) first, or also middle name;

c) residential address;

d) date, place and district of birth; regarding individuals born abroad: date, place and country of birth;

e) date, place and district of death; regarding individuals deceased outside the Czech Republic: date of death; place and country of death; if a court ruling on declaration of death has been issued: date set out in the ruling as the date of death, or, as a date of non-survival, and the date of legal effect of such ruling;

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f) citizenship, or, multiple citizenships;

(2) In exercising its jurisdiction under this Act, the Ministry uses data from the inhabitant records information system to the following extent:

a) name, or also middle name; surname, or maiden name;

b) date of birth;

c) place and district of birth; regarding individuals born abroad: date, place and country of birth;

d) birth certificate number;

e) citizenship, or, multiple citizenships;

f) permanent residence address;

g) date, place and district of death; regarding individuals deceased outside the Czech Republic: date, place and country of death;

h) date set out in the court ruling on declaration of death as the date of death, or, as a date of non-survival.

(3) In exercising its jurisdiction under this Act, the Ministry uses data from the foreigner information system to the following extent:

a) name, or also middle name; surname;

b) date of birth;

c) place and country of birth;

d) birth certificate number;

e) citizenship, or nationality;

f) residential address;

g) date, place and district of death; regarding individuals deceased outside the Czech Republic: country of death, or date of death;

h) date set out in the court ruling on declaration of death as the date of death, or, as a date of non-survival of the foreigner declared dead.

(4) In exercising its jurisdiction under this Act, the Ministry uses data from the register maintained by the Ministry of Labor and Social Affairs, to the following extent:

a) surname, or also maiden name;

- b) first, or also middle name;
- c) residential address;
- d) birth certificate number; regarding individuals born abroad: date of birth.

(5) In exercising its jurisdiction under this Act, the Ministry uses data from the insolvency register maintained by the Ministry of Justice, to the following extent:

- a) surname, or, also maiden name;
- b) first, or also middle name;
- c) residential address;
- d) birth certificate number; regarding individuals born abroad: date of birth.

(6) Data maintained as for-reference data in the basic register of inhabitants will be used from the inhabitant records information system or from the foreigner information system only if in the format preceding the current status.

(7) In concrete cases, only data necessary for completion of the respective task may be used from within any provided data.

### § 133

#### **Mandate for issuance of implementing legislation**

(1) The Ministry shall lay down the following by way of decree:

- a) the method of notification and sending information and data transmissions by the operator to the authorities executing national administration of the gambling operations under this Act; the scope of the transmitted data; and, other technical parameters of data transmission;
- b) the scope of technical parameters for the devices through which gambling is operated; requirements for the gambling and financial data protection and archiving, as well as their technical parameters;
- c) requirements for minimum requisites of the output documents of the procedural assessment and certification, and, for their provision to the authorities executing national administration of the gambling operations under this Act;
- d) the scope of the technical parameters of the gambling operation information system; requirements for the protection and archiving of the gambling and financial data, requirements for the transmitted data, methods of data transmission, providing for the telecommunication data connection and for their technical parameters.

(2) Where so required for due operation of the gambling, the Ministry may lay down the following by way of decree:



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- a) additional annexes to the application for the basic license; and
- b) other requisites that the operator shall address in the game plan.

§ 134

### **Notification**

This Act has been notified in accordance with the Directive 98/34/EC of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations, as amended by Directive 98/48/EC.

## **Chapter II**

### **Transitional provisions**

§ 135

Administrative procedures in accordance with Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, that were not conclusively closed prior to the effective date of this Act shall be finalized under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act.

§ 136

(1) A lottery or a similar game as per § 2 (a) (c) and (d) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a gambling type according to § 3(2)(a). A license for the lottery, or similar game, operation under § 2(a) (c) and (d) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a basic license for the gambling operation according to § 3(2)(a), while the operator who is a holder of such license shall operate the respective game compliant with this Act; compliant with § 6(3) and § 11 of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act; and, in accordance with the terms and conditions set down in the license.

(2) A lottery or a similar game as per § 2(b) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a gambling type according to § 3(2)(g). A license for the lottery, or similar game, operation under § 2(b) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a basic license for the gambling operation according to § 3(2)(g), while the operator who is a holder of such license shall operate the respective game compliant with this Act; compliant with § 6(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act; and, in accordance with the terms and conditions set down in the license.

(3) A lottery or a similar game as per § 2(e)(l) and (n) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act; and, a lottery or a similar game as per § 2(j) (m)(2) and § 50(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, operated through a technical device, are deemed a gambling type according to § 3(2)(e). The operator who is a holder of a license under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, shall operate the respective game compliant with Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, excluding §§ 41 to 41i, in accordance with the terms and conditions set down in the license. Such operator shall comply with its obligations under §§ 44 to 48 no later than in one year from the effective date of this Act; and, shall comply with its obligations under § 54(2) no later than in one year from the promulgation date of the technical specifications by the Ministry. For gambling tax purposes, an operator who — according to this section — operates a type of gambling under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, excluding §§ 41 to 41i; and, in accordance with the terms and conditions set down in the license, is deemed a basic license holder, while the respective operated game is deemed a gambling type for the operation of which the basic license is required. A licensed device and equipment as per § 41b(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a game access point of the licensed terminal device set out in the gambling premises location license. For the purposes of the budgetary assignment of the tax on gambling, the device and equipment licensed as per § 41b(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a game access point of the licensed terminal device set out in the gambling premises location license, however only on the condition that the municipal authority or regional authority which has licensed the foregoing, provides information to the Ministry by the end of the month in which this Act takes effect, specifying the number of the devices and pieces of equipment licensed as at the effective date of this Act; and, the municipality territory on which such devices and equipment have been licensed; and, until when such devices and equipment have been licensed. The municipal authority and regional authority are obliged to forthwith provide information to the Ministry on a license newly issued by them. The municipal authority and regional authority are obliged to forthwith provide information to the Ministry on a license change executed by them, by which data as per sentence six or seven is modified; or, on a license withdrawal executed by them regarding a device or equipment as per § 41b(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act.

(4) A lottery or a similar game as per § 2(f) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a gambling type according to § 3(2)(c). A license for the lottery, or similar game, operation under § 2(f) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a basic license for the gambling operation according to § 3(2)(c), while the operator who is a holder of such license shall operate the respective game compliant with this Act, excluding the obligations as per §§ 35 and 36 that such an operator shall comply with in one year from

the effective date of this Act; and, excluding the obligations as per § 33(1); and, in accordance with the terms and conditions set down in the license.

(5) A lottery or a similar game as per § 2(g) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a gambling type according to § 3(2)(d). A license for the lottery, or similar game, operation under § 2(g) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a basic license for the gambling operation according to § 3(2)(d), while the operator who is a holder of such license shall operate the respective game compliant with this Act, excluding the obligations as per §§ 39(5) and 41(1); and, in accordance with the terms and conditions set down in the license.

(6) A lottery or a similar game as per § 2(h) and (k) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act; and, a lottery or a similar game as per § 50(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, operated as online odds betting, is deemed a gambling type according to § 3(2)(b). A license for the lottery, or similar game, operation under § 2(h) and (k) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a basic license for the gambling operation according to § 3(2)(b), while the operator who is a holder of such license shall operate the respective game compliant with this Act, excluding the obligations as per §§ 29 to 31, 35(1) and 36 of this Act that such an operator shall comply with no later than in one year from the effective date of this Act; and, excluding the obligation as per § 35(2) that such operator shall comply with no later than in one year from the promulgation date of the technical specifications by the Ministry; and, in accordance with the terms and conditions set down in the license. If the gambling under this section is operated as an online game, the operator shall operate such gambling compliant with this Act, excluding the obligations as per §§ 75(1) to (3), 76, 77 and 80 of this Act that such an operator shall comply with no later than in one year from the effective date of this Act; and, excluding the obligation as per § 75(4) that such an operator shall comply with no later than in one year from the promulgation date of the technical specifications by the Ministry; and, in accordance with the terms and conditions set down in the license.

(7) A lottery or a similar game as per § 2(i)(m) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act; and, a lottery or a similar game as per § 50(3) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, operated as an online card game, is deemed a gambling type according to § 3(2)(f). The operator who is a holder of a license under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, excluding §§ 41 to 41i, shall operate the respective game compliant with Act No 202/1990 Coll., in the version effective prior to the effective date of this Act; and, in accordance with the terms and conditions set down in the license. Such operator shall comply with the obligations as per § 58(5) and (6) no later than in one year from the effective date of this Act. If the gambling under this section is operated as an online game, the operator shall operate such gambling compliant with this Act, excluding the obligations as per §§ 75(1) to (3), 76, 77 and 80 of this Act that such operator shall comply

with no later than in one year from the effective date of this Act; and, excluding the obligation as per § 75(4) that such operator shall comply with no later than in one year from the promulgation date of the technical specifications by the Ministry; and, in accordance with the terms and conditions set down in the license. For gambling tax purposes, an operator who — according to this section — operates a type of gambling under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, excluding §§ 41 to 41i; and, in accordance with the terms and conditions set down in the license, is deemed a basic license holder, while the respective operated game is deemed a gambling type for the operation of which the basic license is required.

(8) A lottery or a similar game as per § 2(j) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, is deemed a gambling type according to § 3(2)(a). The operator who is a holder of a license under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, shall operate the respective game compliant with Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, excluding §§ 41 to 41i, in accordance with the terms and conditions set down in the license. For gambling tax purposes, an operator who — according to this section — operates a type of gambling under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, excluding §§ 41 to 41i; and, in accordance with the terms and conditions set down in the license, is deemed a basic license holder, while the respective operated game is deemed a gambling type for the operation of which the basic license is required.

(9) Licenses as per the foregoing Sections 1 to 8 shall cease no later than in six years from the effective date of this Act.

(10) The operator as per the foregoing Sections 1 to 8 is deemed an operator under this Act, providing it satisfies the conditions required for operators under Act No 202/1990 Coll., Sb., in the version effective prior to the effective date of this Act.

#### § 137

(1) One year after the promulgation date of the technical specifications by the Ministry, the operator is not obliged to comply with the obligations as per § 14, § 15(3), § 17, § 30(3)(c), § 35(2), § 45(3)(c), § 55(2), § 75(4) and § 77(3)(c).

(2) “Promulgation date of the technical specifications by the Ministry” means the date on which the Ministry posts on its official board and on its webpages a complete technical specification of the gambling operation information system.

§ 138

(1) As of the effective date of this Act, any licenses for the lottery, or similar game, operation, issued under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, are not permitted to be expanded, amended or their validity periods extended.

(2) Generally, applicable decrees issued compliant with § 50(4) of Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, are deemed generally applicable decrees issued compliant with § 12.

(3) If the Specialized Financial Authority or a financial authority with local jurisdiction are stated as the government supervision authority in a lottery, or similar game, operation license issued under Act No 202/1990 Coll., in the version effective prior to the effective date of this Act, such authorities are understood to be the customs authority as of the effective date of this Act.

§ 139

Regarding the levy liabilities relevant to the levies on lotteries and similar games, as well as the rights and obligations related to them, originated prior to the effective date of this Act, Act No 202/1990 Coll., in the version effective prior to the effective date of this Act shall apply.

Chapter III  
**Repealing provisions**

§ 140

The following are hereby repealed:

1. Act No 202/1990 Coll., on lotteries and other similar games.
2. Act No 70/1994 Coll., modifying and amending the Act of the Czech National Council No 202/1990 Coll., on lotteries and other similar games.
3. § I of Act No 149/1998 Coll., modifying and amending the Act of the Czech National Council No 202/1990 Coll., on lotteries and other similar games, as amended by Act No 70/1994 Coll., and on the modifications and amendments to certain other acts.
4. Part One of Act No 63/1999 Coll., modifying and amending Act No 202/1990 Coll., on lotteries and other similar games, as subsequently amended and on the modifications and amendments to certain other acts.

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5. Part Six of Act 353/2001 Coll., modifying Act No 563/1991 Coll., on accounting, as subsequently amended and certain other acts.
6. Part One of Act No 320/2002 Coll., amending and repealing certain acts in connection with the termination of regional authorities.
7. Part Two of Act No 284/2004 Coll., amending Act No 61/1996 Coll., on selected measures against the legitimization of proceeds of crime and on the amendment of related legislation, as subsequently amended and certain other acts.
8. Part Twenty-Nine of Act No 377/2005 Coll., on supplementary supervision of banks, savings banks and credit unions, insurance companies and investment firms in financial conglomerates, and on amendment of some other acts (Act on Financial Conglomerates).
9. Part Twelve of Act No 254/2008 Coll., amending certain acts in connection with the enactment of the Act on the Selected Measures against the Legitimization of the Proceeds of Crime and Financing of Terrorism.
10. Part One of Act No 300/2011 Coll., modifying and amending Act No 202/1990 Coll., on lotteries and other similar games, as subsequently amended and certain other related acts.
11. Part Four of Act No 420/2011 Coll., on amendment of certain acts in connection with the enactment of the Act on Criminal Liability of Legal Entities and Proceedings against them.
12. Part One of Act No 457/2011 Coll., amending selected acts in relation to the adoption of the Act on the Tax Administration of the Czech Republic.
13. Part Four of Act No 458/2011 Coll., on amendment of certain acts in connection with the establishment of a single collection point, and other amendments of tax and insurance acts.
14. Act No 215/2013 Coll., amending Act No 202/1990 Coll., on lotteries and other similar games, as amended, and Act No 586/1992 Coll., on income taxes, as amended.
15. Act No 380/2015 Coll., modifying and amending Act No 202/1990 Coll., on lotteries and other similar games, as subsequently amended and certain other related acts.
16. Decree of the Ministry of Finance No 223/1993 Coll., on gambling devices.
17. Decree of the Ministry of Finance No 285/1998 Coll., on monitoring casino activities and on archiving their records.
18. Decree of the Ministry of Finance No 315/1999 Coll., on the notification methods of lotteries, pools and other events played for prizes that do not qualify as a consumer lottery.

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**PART TEN**  
**EFFECT**

§ 141

This Act shall take effect as of 1 January 2017, excluding §§ 86 to 89, 91, 92, 97 to 100 and 109 to 112 which shall take effect as of the date of the Act promulgation.