

Decree

No .../2022 (...) of the President of the Supervisory Authority of Regulatory Affairs (SZTFH)

amending SZTFH Decree No 20/2021 of 29 October 2021 on the implementation of tasks relating to the licensing, operation and control of certain games of chance

Pursuant to the authorisation granted under Article 38(2)(g) of Act XXXIV of 1991 on gambling operations and acting within the scope of my duties as defined in Article 13(i) and (n) of Act XXXII of 2021 on the Supervisory Authority of Regulatory Affairs, I hereby order the followings:

Section 1

In SZTFH Decree No 20/2021 of 29 October 2021 on the implementation of tasks relating to the licensing, operation and control of certain games of chance (hereinafter referred to as: Implementing Decree), the following subheadings 9/A–9/C are added to Chapter IV:

‘9/A Detailed personal conditions for organising remote gambling

Section 16/A

(1) An application for the authorisation to organise remote gambling may be submitted by a company which is a business company or a company whose affiliated undertakings (any one of them) within the meaning of Section 4(23) of Act LXXXI of 1996 on corporation tax and dividend tax have at least five years of experience as gambling operators. For the purposes of this provision, activities related to the organisation of remote gambling and online casino games in the licensing State shall be considered as experience in organising gambling, whereby such activities are performed by holders of the relevant authorisation issued by the competent authority of an EEA State (hereinafter: licensing State).

(2) The experience in organising gambling referred to in paragraph 1 and its conformity with the category of remote gambling and online casino games shall be certified by the applicant by means of an official certificate issued by the competent authority of the licensing State, except as provided for in paragraph 3. The gambling supervisory authority shall decide whether any such acquired experience can be regarded as experience in organising gambling for the purposes of the licensing of the games of chance that are intended to be organised.

(3) In the case of an applicant who is or has been authorised by the gambling supervisory authority to organise remote gambling, the existence of the experience in organising gambling referred to in paragraph 1 and its conformity with the category of remote gambling shall be established by the gambling supervisory authority on the basis of the public register kept in accordance with Section 2(2) of the Gambling Act.

9/B Detailed economic conditions for organising remote gambling

Section 16/B

(1) The company established for the organisation of remote gambling must have an initial (share) capital of at least HUF 1 billion.

(2) A company incorporated in an EEA State other than Hungary which organises remote gambling through its branch (hereinafter: an EEA State-based company) shall provide its branch with assets corresponding to the level specified in paragraph 1 on an ongoing basis.

(3) In the case of remote gambling, the minimum amount of security that is to be provided by the gambling operator shall be HUF 250 000 000.

(4) A company authorised to organise remote gambling, as specified in paragraph 1, shall pay a remote gambling organising fee of HUF 600 000 000 for the entire duration of the licence. The remote gambling organising fee shall be paid to the appropriation (utilisation framework) account No 10032000-00362887-000000000 of the gambling supervisory authority, which is held with the Hungarian State Treasury, within 30 days from the date of the finalisation of the licence.

9/C Other conditions for organising remote gambling

Section 16/C

(1) The gambling supervisory authority shall authorise the organisation of remote gambling for a maximum period of seven years.

(2) On the basis of a licence to organise remote gambling, the gambling operator may operate a website relating to the organisation of remote gambling.

(3) The EEA State-based company may organise remote gambling through its Hungarian branch.

(4) The representative of a branch referred to in paragraph 3 may be a person who:

- a)* is a Hungarian citizen,
- b)* has a domicile in Hungary,
- c)* has a master's degree in law or economics or an equivalent university degree,
- d)* has capacity to act, and
- e)* has no criminal record.

(5) The EEA State-based company shall establish its branch referred to in paragraph 3 within 90 days of the issue of the licence to organise remote gambling and shall notify it to the gambling supervisory authority by proof of registration in the commercial register.

Section 16/D

(1) The EEA State-based company's application for authorisation to organise remote gambling may be submitted by its representative, who shall be authorised in a public document and registered by the Authority;

in such proceedings, in relation to the Authority the company may make a legally valid declaration only through its representative.

(2) The Authority shall keep a register of the representatives referred to in paragraph 1. As a representative, on the basis of the application submitted by the EEA State-based company, the Authority shall register the person who:

- a) is a Hungarian citizen,
- b) has a domicile in Hungary,
- c) has a master's degree in law or economics or an equivalent university degree,
- d) has capacity to act, and
- e) has no criminal record.

(3) The application for the registration of a representative referred to in paragraph 1 shall be submitted to the gambling supervisory authority by using the form prescribed by the gambling supervisory authority before the request for the organisation of remote gambling is submitted to the gambling supervisory authority.

(4) An EEA State-based company shall attach to its application for the registration of its representative the documents specified in *Annex 2/a*, which are necessary to prove compliance with the conditions set out in paragraph 2, and it shall also provide the data specified in *Annex 2/a*.

(5) Any request to remove a representative from the register shall be submitted to the gambling supervisory authority by using the form prescribed by the gambling supervisory authority. In this case, the EEA State-based company shall attach to the application the documents specified in *Annex 2/b* and provide the data specified in *Annex 2/b*.

(6) The gambling supervisory authority shall ex officio remove the representative of an EEA State-based company from the register if:

- a) the licence for the organisation of remote gambling was granted to the EEA State-based company by the gambling supervisory authority,
- b) a fact, data or circumstance which would have enabled the rejection of the registration request arises after the registration,
- c) the representative has passed away,
- d) the representative's capacity to act has been limited, or
- e) the representative's right to represent has ceased to exist.

(7) If the representative of an EEA State-based company is removed from the register on request, the termination of the right of representation against the gambling supervisory authority shall take effect from the date of receipt of the application by the gambling supervisory authority, with the proviso that, on the date of receipt of the application, the representative shall still be regarded as a person entitled to represent the EEA State-based company.

Section 16/E

(1) The organiser of remote gambling shall, in relation to its remote gambling organisation activities, prepare an annual player protection action plan in order to organise gambling in accordance with the principle of responsible gambling organisation and to protect the players,

and shall send it to the gambling supervisory authority for the first time within 30 days of the finalisation of the decision that authorises the organisation of remote gambling, and thereafter annually by 31 October of the year preceding the reference year.

(2) The player protection action plan shall be drawn up by the organiser in advance for one calendar year, and for the first time for a fraction of the year starting from the date of the finalisation of the authorising decision.

(3) In the player protection action plan, the remote gambling organiser shall present its planned measures, which are based on legal obligations and have been voluntarily undertaken. The minimum mandatory content of the player protection action plan is set out in *Annex 2/c*.

(4) The remote gambling organiser shall inform the gambling supervisory authority of the implementation of the player protection action plan in writing by 31 March of the year following the reference year, with a qualitative and quantitative assessment of the content of the action plan, and thereafter by means of a personal consultation. The date of the personal consultation shall be set by the gambling supervisory authority within 30 days of receipt of the written information. The personal consultation shall take place at the seat of the gambling supervisory authority and shall be attended by the organiser's beneficial owner and manager in accordance with the Act on the Prevention and Countering of Money Laundering and Terrorist Financing.'

Section 2

The following paragraphs 3 and 4 shall be added to Section 78 of the Implementing Decree:

'(3) The validity of the licenses issued prior to the entry into force of the SZTFH Decree amending SZTFH Decree No 20/2021 of 29 October 2021 on the implementation of tasks relating to the licensing, operation and control of certain games of chance (hereinafter: R1), with the exception of paragraph 4, shall not be affected by the entry into force of R1.

(4) Section 16/B(2) and Section 16/E, as established by R1, shall also apply to any entity who organises remote gambling under a licence issued prior to the entry into force of R1, with the proviso that this entity shall, for the first time, submit to the gambling supervisory authority the player protection action plan, as specified in Section 16/E, for the year 2023 by 31 October 2023, and its compliance with the conditions for the minimum amount of the security that is to be provided pursuant to Section 16/B(2) until the 60th day after the entry into force of R1.'

Section 3

The following are added to the Implementing Decree:

- a) *Annex 2/a* pursuant to *Annex 1*,
- b) *Annex 2/b* pursuant to *Annex 2*, and
- c) *Annex 2/c* pursuant to *Annex 3*.

Section 4

This Decree shall enter into force on 1 January 2023.

Section 5

The requirement for the prior notification of this draft Decree, as stipulated in Articles 5–7 of Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services, has been met.

Annex 1 to SZTFH Decree No .../2022 (...)

'Annex 2/a to SZTFH Decree No 20/2021 of 29 October 2021

Documents and other information that need to be attached to the application for the registration of a representative of an EEA State-based company

1. Documents

- a) the memorandum of association of the EEA State-based company and its certified translation,
- b) a proxy in a public document or an equivalent foreign document giving rise to the right of representation pursuant to Section 16/D(1), and a certified translation thereof,
- c) a certified copy of the certificate of qualifications referred to in Section 16/D(2)(b), or an equivalent foreign document and a certified translation thereof,
- d) an official certificate attesting the condition laid down in Section 16/C(2)(d).

2. Details

- a) for the representative:
 - (aa) name and birth name,
 - (ab) place and date of birth,
 - (ac) mother's birth name,
 - (ad) place of residence;
- b) For an EEA State-based company:
 - (ba) name,
 - (bb) tax number,
 - (bc) head office.'

Annex 2 to SZTFH Decree No .../2022 (...)

'Annex 2/b to SZTFH Decree No 20/2021 of 29 October 2021

Documents and other data that need to be attached to the request for the removal of the representative of an EEA State-based company from the register

1. Document

a legal declaration in a public document or an equivalent foreign document terminating the right of representation pursuant to Section 16/D(1), and a certified translation thereof.

2. Details

a) for the representative:

(aa) name and birth name,

(ab) place and date of birth,

(ac) mother's birth name,

(ad) place of residence;

b) For an EEA State-based company:

(ba) name,

(bb) tax number,

(bc) head office.'

Mandatory content of the player protection action plan

1. Organising measures to implement the provisions of SZTFH Decree No 5/2021 of 21 October 2021 on the detailed rules of responsible game organisation: fulfilment of the obligation to provide information on the harms of excessive gambling and on the dangers of addiction.
2. The most important strategic objectives defined in the framework of implementation and their enforcement by the organiser in order to prevent the development of excessive and pathological gambling,
3. Trainings, awareness-raising campaigns and other events provided by the organiser to employees and other stakeholders involved in the prevention of the harmful effects of excessive gambling.
4. Support by the organiser to providers providing persons with pathological gambling behaviour with psychiatric care, to providers providing people with compulsive and pathological gambling behaviour with community care, or to the activities of non-governmental organisations engaged in the protection of players and in the prevention and reduction of the harmful effects of gambling.
5. Possibilities for further improving the practical application of the player protection measures and the functioning of the principle of responsible game organisation.'