

Draft Act relating to Gambling Games

Chapter 1. Introductory provisions

Section 1 *Purpose*

The main purpose of the Act is to prevent gambling problems and other negative consequences of gambling games, and to ensure that such games take place in a responsible manner.

The Act is also intended to facilitate a system whereby the profit from gambling games primarily goes to non-profit-based activities.

Section 2 *The scope of the Act*

The Act applies to gambling games where, in return for a stake, participants can win prizes of financial value, and where the outcome is wholly or partly random.

Section 3 *Where the Act applies*

The Act applies in Norway, including Svalbard, and on facilities and installations on the Norwegian continental shelf.

The Act applies to Norwegian aircraft and Norwegian ships. The Ministry may issue regulations containing special rules, including exemptions from parts of the Act, for Norwegian vessels that operate scheduled services between Norwegian and foreign ports and for foreign vessels moored in Norwegian ports.

Chapter 2. General provisions applicable to all gambling activities

Section 4 *Gambling games must have a permit*

It is prohibited to offer gambling games that target the Norwegian market without holding a permit pursuant to this Act, with the exception of gambling games that fall under the scope of Section 23. It is also prohibited to contribute to gambling games being offered without a permit.

Section 5 *Mediation of payment transactions*

It is prohibited to mediate payment transactions in the form of payments to and disbursements from gambling games without a permit pursuant to this Act, cf. Section 4.

The Ministry may issue regulations containing more detailed rules relating to the prohibition against mediating payment transactions.

Section 6 *What gambling games operators may offer*

Norsk Tipping and the operator that holds a permit pursuant to Section 16 have sole right to offer gambling games that require special public control because they have a high turnover, high prizes or the highest risk of causing gambling problems.

Others may offer gambling games of limited scope pursuant to the provisions of Chapter 6.

Section 7 *Marketing of gambling games*

The marketing of gambling games shall be limited to what is necessary to inform the public about the games offered, and to channel people's desire to gamble towards safe and responsible games.

It is prohibited to market or contribute to the marketing of gambling games that are not permitted pursuant to this Act. It is also prohibited to target the marketing of gambling games at minors or directly at players who have opted out of such marketing.

The Ministry may issue regulations containing more detailed rules on the marketing of gambling games.

Section 8 Measures to prevent gambling problems and ensure responsible gambling

Gambling games shall be subject to a minimum age requirement of 18 years.

Operators offering gambling games that require a permit shall ensure that measures are put in place to ensure responsible gambling, and that they can be adapted to the type of game in question.

The Ministry may issue regulations setting out what is meant by measures necessary to ensure responsible gambling, and on exceptions from the age limit for specific gambling games.

Section 9 Measures to ensure safe and fair gambling

Providers of gambling games must ensure that the games are conducted in a fair manner that is capable of gaining consumers' trust.

Providers of gambling games shall take the steps necessary to prevent gambling games that require a permit from being exploited for economic crime and to prevent other crime arising in gambling circles.

The Ministry may issue regulations on security requirements, the conducting of gambling games and the right to complain in connection with certain gambling games, as well as measures to prevent crime.

Chapter 3. On the company Norsk Tipping AS in particular

Section 10 The object of Norsk Tipping

The object of Norsk Tipping is to facilitate the provision of responsible gambling games and prevent the negative consequences of gambling in accordance with the provisions of this Act.

Within these limits, the company shall operate efficiently so that as much as possible of the revenues from the company's gambling games go to the causes that follow from Section 14.

Section 11 Form of incorporation and relationship to the Limited Liability Companies Act

Norsk Tipping AS is a limited liability company.

The Limited Liability Companies Act applies insofar as it is appropriate, with the exception of Sections 3-2 and 3-3 concerning reserves, Sections 3-6 and 3-7 concerning distributions and Section 6-35 concerning the corporate assembly.

Section 12 Ownership

The shares in the company are owned by the State alone and are not negotiable.

Section 13 Instructing the company outside the context of the general meeting

The Ministry may give written instructions to the company outside the context of the general meeting on matters that concern compliance with the primary purpose of the Act, cf. Section 1 first paragraph.

Section 14 Allocation of Norsk Tipping's profit

The profit from Norsk Tipping's gambling games is allocated by the company's general meeting in the following manner and order:

- a) The profit from Norsk Tipping's bingo terminals is allocated to clubs and organisations that receive the profit from other bingo games played in bingo halls.
- b) Funds are set aside for measures to combat gambling problems.
- c) Funds may also be transferred to undistributable equity.
- d) Of the rest of the profit, 6.4% is first allocated to health and rehabilitation purposes. Thereafter, 64% is allocated to sporting purposes, 18% to cultural purposes and 18% to socially beneficial and humanitarian organisations.

The Ministry may issue regulations containing more detailed rules on allocations. The King decides the allocation of funds that are not allocated pursuant to regulatory provisions.

Section 15 Relationship to other legislation

The Public Administration Act does not apply to Norsk Tipping's activities.

Chapter 4. Permit to offer gambling on horse races

Section 16 Sole right to offer gambling on horse races

The King may grant a permit to one operator to offer gambling on horse races. The object of this operator must be to facilitate the provision of responsible gambling and to prevent the negative consequences of gambling in accordance with the provisions of this Act. The operator's object must also include supporting horse husbandry, equestrian sports and horse breeding. The State must have a majority on the operator's board of directors. A permit is granted for five years at a time.

The Ministry may give written instructions to the operator about matters that concern compliance with the primary purpose of the Act, cf. Section 1 first paragraph.

The profit from gambling on horse racing shall go to parties that promote equestrian sports, horse husbandry and Norwegian horse breeding. The Ministry of Agriculture and Food may issue regulations containing more detailed rules on the allocation of the profit.

Chapter 5. Gambling games offered by operators with sole rights

Section 17 Gambling games offered by operators with sole rights

The operators with sole rights are those that have a sole right to offer gambling games as mentioned in Section 6 first paragraph.

The King issues regulations stipulating which categories of gambling games operators with sole rights may offer. The Norwegian Gaming Authority grants permits to individual gambling games within these categories. The Gaming Authority may to a limited extent permit the testing of new gambling games and other initiatives that fall outside the categories mentioned in the first sentence.

The operators with sole rights may not offer or market gambling games on behalf of others.

The Ministry issues regulations containing more detailed rules for when the Gaming Authority can grant a permit pursuant to the second paragraph.

Section 18 Rules concerning the games offered

In order to prevent negative consequences of gambling games offered by the operators with sole rights, the Ministry shall issue regulations setting out overarching rules for

the gambling games offered. The operators with sole rights shall stipulate rules for their gambling games within the bounds of these rules.

Section 19 Grassroots share

Those who play one of Norsk Tipping's gambling games can choose to donate a share of their stake as a grassroots share. By grassroots share is meant a share that goes directly to a voluntary organisation chosen by the players themselves, and that engages in activity at the regional or local level. The organisation must be an entity in the Register of Non-Profit Organizations and it must be registered as a participant in the Grassroots Share scheme.

The Ministry may issue regulations containing more detailed rules on the Grassroots Share scheme.

Chapter 6. Gambling games that may be offered by parties other than the operators with sole rights

Section 20 General provisions on gambling games pursuant to this chapter

The gambling games that are offered pursuant to this chapter shall be a supplement to the games offered by the operators with sole rights. These games shall have a low turnover and prizes of limited value.

The Ministry may issue regulations concerning how such games take place, including what turnover and what prizes are permitted, how payment and draws shall take place, requirements relating to premises and the owners of premises, and requirements relating to the duty to keep accounts and financial reporting.

Section 21 Permits permitting non-profit organisations to offer gambling games

Non-profit organisations that are registered in the Register of Non-Profit Organizations may be granted a permit to offer gambling games. Voluntary efforts must play an important part in the organisation's activities. The organisation must not be reserved for a closed circle of people or engage in activity that generates private financial gain.

The profit from the gambling games shall go towards the organisation's own non-profit activity. The profit from the gambling games cannot be used to fund what are typically public tasks or recreational activities for adults.

The Ministry may issue regulations containing more detailed rules on the conditions for being granted a permit.

Section 22 Permits for local radio and television channels to offer gambling games

Local radio and television channels may be granted a permit to offer gambling games.

The Ministry may issue regulations concerning which types of gambling games can be offered pursuant to this provision, and setting out more detailed conditions for being granted a permit.

Section 23 Gambling games that do not require a permit

A permit is not required to offer gambling games with an annual turnover of less than NOK 200 000, when the income goes towards non-profit purposes. Such gambling games may not be offered on electronic platforms and may only have a local or regional scope.

Section 24 Using an assistant to organise gambling games

An assistant must be approved to be allowed to organise gambling games on behalf of a party that may be granted a permit pursuant to Section 21 or 22. The assistant shall pay a share of the profit to the party holding the permit.

The use of an assistant is not permitted for gambling games offered pursuant to the provisions of Section 23.

The Ministry may issue regulations containing more detailed rules on the conditions for assistants, including a requirement to submit a criminal record certificate, and the duty of approved assistants to keep accounts and have them audited.

Chapter 7. Case processing and supervision

Section 25 Who may grant a permit

The Gaming Authority grants permits and approval unless otherwise provided for by the Act.

The Ministry may issue regulations concerning digital communication between the Gaming Authority and operators in connection with the processing of applications and reporting.

Section 26 Supervision

The Gaming Authority exercises supervision and may make such decisions as are necessary to ensure compliance with provisions set out in, or in pursuance of, this Act.

Section 27 Access to information and premises

Everyone shall give the Gaming Authority such information and access to documents and documentation as the Gaming Authority requires to be able to fulfil its duties under this Act. The Gaming Authority decides whether information shall be given in writing or orally, and by what deadline.

The Gaming Authority shall have unobstructed access to locations and premises where there is reason to believe that activity takes place that is covered by this Act. The Gaming Authority may carry out such investigations as it finds necessary. When necessary, the personnel at the location or premises shall assist with the investigations. If necessary, the police may be requested to assist.

The Gaming Authority may require that equipment used in connection with the organisation of gambling games be examined for the operator's account.

A duty of secrecy that follows from a law, order or agreement is not an obstacle to fulfilling the duty to provide information or the right of access to locations and premises pursuant to this provision. This does not apply, however, to information, documents, objects or other matters that are covered by the duty of secrecy mentioned in the Criminal Procedure Act Sections 117 to 120, with the exception of Section 118 first paragraph first sentence.

The duty to provide information pursuant to the first paragraph does not apply to the police except what follows from the Police Register Act Section 30, cf. the Police Register Regulations Section 9-6 first paragraph (5).

Section 28 Register of operators, permits and approvals

The Gaming Authority shall register permits and approvals granted in accordance with Sections 16, 17, 21 and 23 in a register of gambling games. The same applies to decisions on the revocation of permits or approvals pursuant to Section 35.

Information in the register is available to the public, with the exception of confidential information and information about individuals' names, addresses, email addresses and phone numbers, or personal ID numbers.

The register may also contain other information than that mentioned in the first paragraph. The Ministry may issue regulations containing more detailed rules on the content of the register.

Section 29 Fees and sector tax

The Gaming Authority may require operators offering gambling games to pay a fee and sector tax to cover the cost of processing applications and exercising supervision to ensure compliance with the Act or with decisions made in pursuance of the Act.

The fee and sector tax shall cover the Gaming Authority's relevant costs, and they form the basis for distraint proceedings.

The Ministry may issue regulations containing more detailed rules on fees and sector tax.

Section 30 Appellate body

The Gaming Board is the appellate body for decisions made by the Gaming Authority pursuant to provisions set out in, or in pursuance of, this Act.

The Gaming Board shall have a chair and two members, all with personal deputies. The members are appointed by the Ministry for a period of four years and can be re-appointed once. The Ministry may relieve a member of his/her office if the member so requests for personal reasons, or because he or she has been in gross breach of the duties that follow from the office. In special cases, the Ministry may relieve one or more members of their office if this is necessary for the Board to fulfil its duties.

The Gaming Board shall have a secretariat that prepares cases.

The Gaming Board may only make decisions when all its members have expressed an opinion. Decisions are made by simple majority. The Board may decide that certain types of cases can be decided by the chair of the Board or by the Board's secretariat.

The Ministry is the appellate body for decisions made by the Gaming Board concerning disclosures to parties pursuant to the Public Administration Act and decisions in cases pursuant to the Freedom of Information Act.

If the Gaming Board decides that the costs of a case will be awarded pursuant to the Public Administration Act Section 36, the costs shall be paid by the Gaming Authority.

Section 31 Independence

The Ministry may give the Gaming Authority and the Gaming Board general instructions, but it may not instruct them in individual cases.

Chapter 8. Enforcement and penal sanctions

Section 32 Orders to rectify unlawful matters and close down unlawful activities

If any person contravenes provisions set out in, or in pursuance of, this Act, the Gaming Authority may order the person responsible to rectify the unlawful matter, or order that the unlawful activity cease or be closed down.

Section 33 Orders to post a warning message on the internet

If a website that offers gambling games targets the Norwegian market without a permit pursuant to this Act, the Gaming Authority may order an internet provider to post a warning message informing users that the gambling game has neither been granted a permit nor is supervised by the Norwegian authorities. In its order, the Gaming Authority may set more detailed conditions for the content and form of the warning.

Section 34 *Coercive fines*

The Gaming Authority may decide to impose coercive fines in order to ensure compliance with orders issued pursuant to Sections 32, 33 and 36. A coercive fine is imposed on the operator to whom the order is addressed.

The coercive fine can be imposed as a daily fine or as a lump sum. Coercive fines in the form of lump sums fall due when the deadline for complying with the order has expired. Daily fines can be set at the same time as the order is issued. In such case, the fine applies from the time when the deadline for complying with the order has expired. If a daily fine is not set at the same time as the order, a separate date shall be set for when the fine begins to accrue.

If, when it discovers a contravention, the Gaming Authority finds particular reason to believe that new contraventions of the same kind will occur, it may set a coercive fine in advance that applies from such time as a new contravention takes place. Such pre-defined coercive fines can be set for up to one year.

Section 35 *Revocation of a permit or approval*

If repeated or serious contraventions of provisions set out in, or in pursuance of, this Act are committed, the Gaming Authority may set conditions for continued operation or revoke a permit or approval. If the permit has been granted by the King pursuant to Section 16 or 17, the decision to revoke it shall be confirmed by the King before it can be effected.

The same applies if

- a) the gambling activities have given rise to repeated or serious breaches of the peace and public order, or led to other serious breaches of the law, or
- b) public authorities document repeated or serious contraventions of provisions set out in the Money Laundering Act Section 49(1).

A decision to revoke a permit or approval pursuant to the first or second paragraph shall apply for a limited period of maximum two years.

The Gaming Authority may also revoke a permit or approval granted pursuant to Section 21, 22 or 24 if an operator no longer meets the conditions for the permit or approval, or is subject to liquidation proceedings.

If a permit or approval is revoked, the Gaming Authority may decide how affected gambling games shall be wound up.

Section 36 *Cessation of payments*

If there is reason to believe that an organisation does not meet the conditions of the Act or that funds are being used in contravention of the provisions of the Act, the Gaming Authority may halt payments from gambling games to

- a) organisations that receive funds as mentioned in Section 14 first paragraph letter (a),
- b) organisations that participate in the Grassroots Share scheme pursuant to Section 19, or
- c) organisations with a permit pursuant to Section 21.

The same applies to organisations that are under investigation for possible misuse of public grant schemes.

In such cases, the Gaming Authority may order the organisation to repay funds in whole or in part. Claims for repayment form the basis for distraint proceedings.

The Ministry may issue regulations containing more detailed rules on the cessation of payments and on the use of confiscated funds from gambling games.

Section 37 *Infringement fines*

The Gaming Authority may impose infringement fines on any person who, intentionally or through negligence, infringes the provisions of Section 4, 5, 7 second paragraph, 8, 9 or 27, if the infringement is serious or has been committed repeatedly. If a provision has been infringed by someone acting on behalf of an undertaking, the infringement fine may be imposed on the undertaking even though no individuals have acted culpably.

The fine falls due for payment four weeks after the decision to impose an infringement fine was made. The right to impose an infringement fine is time-barred three years after the infringement ceased. The limitation period is interrupted when the Gaming Authority gives advance notification of a decision to impose an infringement fine.

The Ministry may issue regulations containing more detailed provisions on infringement fines, including provisions on the stipulation and calculation of the fine.

Section 38 *Penal sanctions*

Any person who intentionally or through gross negligence:

- a) contravenes the prohibition in Section 4 against offering gambling without a permit, or
- b) contravenes provisions set out in, or in pursuance of, Section 7 second paragraph on the prohibition of certain types of marketing of gambling games, shall be liable to fines or imprisonment for a term of up to one year.

Gross contraventions of the provisions mentioned in the first paragraph are punishable by fines or imprisonment for a term of up to three years. When deciding whether a contravention shall be deemed to be gross, particular emphasis shall be placed on whether the act concerns a substantial amount of money, targets children, has been committed several times or over a prolonged period, or for other reasons must be deemed to be particularly harmful.

Chapter 9. Miscellaneous provisions

Section 39 *Suitability requirement*

Board members, managing directors, general managers and other persons who are part of the de facto management of an operator that has a permit or approval to offer gambling games covered by the Money Laundering Act must be suited to hold such a position. For organisations and assistants that have a permit or approval pursuant to Chapter 6, those who in reality hold the rights must also be suited to hold such a position.

A person is not suited if the person

- a) has been convicted of a criminal offence that gives cause to assume that he or she will not be capable of filling the position in an acceptable manner, or
- b) has, when carrying out the duties of a position or office, behaved in a manner that gives cause to assume that he or she will not be capable of filling the position in an acceptable manner.

The Gaming Authority assesses the suitability of persons mentioned in the first paragraph. These persons shall submit a criminal record certificate pursuant to the Police Register Act Section 40. The operator that holds the permit or approval shall notify the Gaming Authority in writing of any changes in the positions mentioned in the first paragraph.

Section 40 *Processing of personal data*

In order to ensure that gambling takes place in a responsible manner and to prevent negative consequences of gambling, cf. Section 1 first paragraph, operators with sole rights

may process customers' personal data by registering, analysing and monitoring customers' gambling behaviour.

Chapter 10. Final provisions and transitional provisions

Section 41 *Entry into force*

The Act shall apply from such date as the King decides. From the same date, the Act of 1 July 1927 No 3 on betting using a totalisator (the Totalisator Act), the Act of 28 August 1992 No 103 on gaming schemes etc. (the Gaming Schemes Act), and the Act of 24 February 1995 No 11 on lotteries etc. (the Lotteries Act) shall be repealed.

Regulations issued pursuant to the Gaming Schemes Act and Lotteries Act shall continue to apply after this Act has entered into force.

Section 42 *Transitional provisions*

The Ministry may issue regulations setting out transitional arrangements for permits and approvals granted pursuant to the acts repealed by Section 41.

Section 43 *Amendments to other legislation*

1

The Act of 26 March 1999 No 14 relating to the taxation of net wealth and income (Taxation Act) Section 5-50 second paragraph shall read:

(2) Gains from the following shall not be classified as income, irrespective of whether payment is made as a lump sum or in instalments over a period:

- a) *gambling games falling within the scope of the Act on Gambling*
- b) gaming and lotteries in another EEA state which are documented to correspond to the gaming or lotteries that may lawfully be provided in Norway, and which are subject to government supervision and controls in the state of residence. The Ministry may lay down regulations to supplement and implement the present provision.
- c) initiatives that are organised by mass media and open to the general public. The Ministry may lay down regulations to supplement the preceding sentence.

2

The Act of 19 June 2009 No 58 on value added tax (VAT Act) Section 3-14 shall read:

Section 3-14 Gambling games services

The supply or brokering of *gambling games services* shall be exempt from the Act.

3

The Act of 23 May 2003 No 35 on certain aspects of electronic commerce and other information society services (e-Commerce Act) Section 2 first paragraph letter f shall read:

f) *gambling games services, cf. Act [dd.mm.yyyy] No [xx] relating to Gambling Games*

4

The Act 1 June 2018 No 23 on measures against money laundering and terrorist financing
Section 2 letter k shall read:

- k) provider of gambling services: a natural or legal person offering *gambling games* which require a permit pursuant to *the Act relating to Gambling Games*. When an assistant offers gambling games on behalf of an organisation or association, the assistant is considered to be the provider of the gambling service.

5

The Act 13 June 1924 No 4 on the access for the government to issue premium bond loans
Section 1 shall read:

§ 1. Act [dd.mm.yyyy] No. [xx] relating to *Gambling Games* shall not prevent loans taken out on behalf of the Treasury from being issued as premium bond loans upon issuance and offering for sale of bearer bonds with premiums.