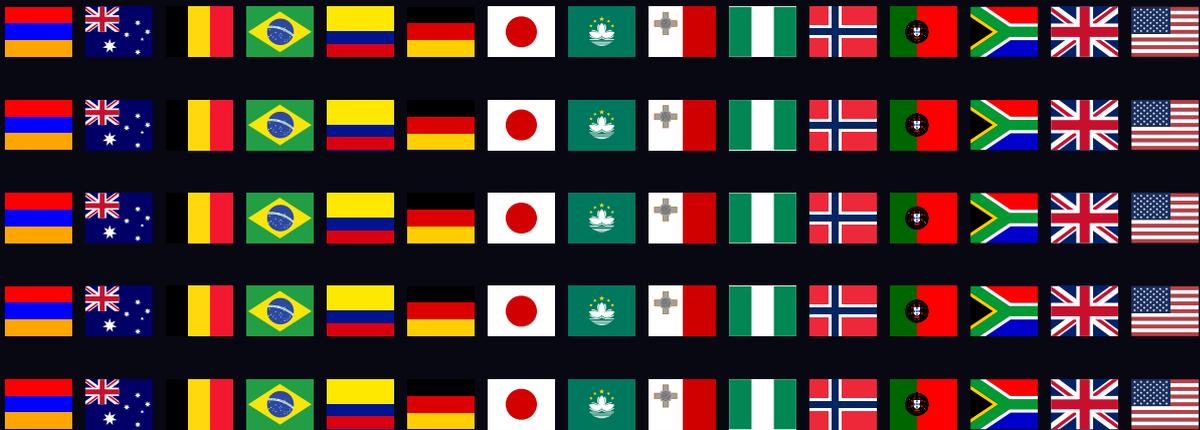


GAMING

Armenia



Gaming

Consulting editors

Behnam Dayanim

Paul Hastings LLP

Quick reference guide enabling side-by-side comparison of local insights into land-based and remote gambling and quasi-gambling activities, including legal definition; age restrictions; penalties; social and non-profit gambling; regulatory authorities; anti-money-laundering regulations; establishment, director, officer and owner licensing; casino development; passive/institutional ownership; responsible gambling; taxes; cross-border and internet gambling; patents; trademarks; advertising; supplier licensing and registration; wage and hour and collective labour issues; change of control and bankruptcy considerations; recent litigation; and recent trends.

Generated 23 May 2022

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information. © Copyright 2006 - 2022 Law Business Research

Table of contents

GENERAL LEGAL FRAMEWORK

Legal definition of 'gambling'
Remote activity
Age restrictions
Penalties
Social and non-profit gambling
Regulatory authorities
Anti-money-laundering regulations

LAND-BASED GAMBLING

Types
Establishment licensing
Director, officer and owner licensing
Location
Casino development
Passive/institutional ownership
Responsible gambling
Taxes

REMOTE GAMBLING

Types
Licensing
Cross-border gambling
Taxes

INTELLECTUAL PROPERTY

Patents
Trademarks

ADVERTISING

Restrictions

SUPPLIERS

Licensing
Registration

LABOUR AND EMPLOYMENT

Wage and hour rules

Collective labour

ACQUISITIONS AND CHANGES OF CONTROL

Change of control

Bankruptcy

QUASI-GAMBLING

Regulation

Licensing

Other restrictions

LITIGATION

Recent cases

UPDATE AND TRENDS

Key developments of the past year

Contributors

Armenia



Aram Orbelyan
aram.orbelyan@dialog.am
Concern Dialog Law Firm



Lilit Karapetyan
lilit.karapetyan@dialog.am
Concern Dialog Law Firm



Mary Tovmasyan
mary.tovmasyan@dialog.am
Concern Dialog Law Firm



GENERAL LEGAL FRAMEWORK

Legal definition of 'gambling'

What are the legal elements required for an activity to be regarded as gambling?

There is no specific definition of 'gambling' in the legislation of the Republic of Armenia (RA) and the term can only serve as an umbrella term that encompasses the entirety of the various types of legally defined activities in this context. The most fundamental distinction in gaming law is drawn between 'games of chance' and 'lotteries'. The conditions under which the organisation and operation of activity will be considered as gambling are outlined in the following normative acts:

- RA Law on Games of Chance, Internet Games of Chance and Casino; and
- RA Law on Lottery.

According to the above-mentioned laws, there are three types of games in Armenia.

- Games of chance (games organised on gaming tables and gaming machines) – games in which the outcome depends on chance and/or games in which the outcome depends predominantly on the skills or abilities or knowledge of the player (poker, etc), and that are played by means of a mechanical or electronic device or by mediation of the organiser of the game.
- Lotteries – games in which an operator holds a prize pool draw among the participants, and winnings are not based on the actions and the will thereof, but exclusively on chance; and
- Totos – games in which the outcome depends on the occurrence, non-occurrence or manner of the event predicted by the player, where the event on which the player is betting is beyond the control of the gambling operator. The winning of a prize depends on whether the bet turns out to be true or not and the amount of the prize depends on the amount of the bet and the winning coefficient determined before the making of the bet (betting) or percentage of the total amount of the bets as determined by the gambling operator, the number of people who bet correctly and the amount of their bets (totalisator).

Thus, the following three elements of gambling can be distinguished in RA legislation:

- consideration – a customer of the service gives, or agrees to give, consideration to play or enter the game;
- chance – the outcome of the game is determined by chance or a mix of chance and skill; and
- prize – the game is played for money or anything else of value.

Law stated - 05 April 2022

Remote activity

With respect to remote or other cross-border activity, where is the wager deemed to take place?

According to RA legislation, the location of operator is crucial in determining where is the wager deemed to take place.

Law stated - 05 April 2022

Age restrictions

What is the minimum age for participating in lawful gambling?

The minimum age for participating in lawful gambling is 21. However, for participation in the lottery the minimum age is 18, except for the totalisator, in which only persons over 21 years of age have the right to participate.

Law stated - 05 April 2022

Penalties

What are the penalties for offering unlawful gambling?

The organisation of gambling without state registration of a legal entity or without a licence will be considered as illegal entrepreneurship for which the RA legislation envisages both administrative and criminal liability.

In particular, the RA Code on Administrative Offenses envisages a fine of 15,000 to 30,000 Armenian dram for engaging in illegal entrepreneurship.

The Criminal Code of the Republic of Armenia provides for a fine in the amount of 500,000 dram to 1 million dram, or arrest for a period of one to three months, or imprisonment for a term not exceeding one year with deprivation of the right to hold certain positions or engage in certain activities for up to one year, if significant damage (between 500,000 dram and 1 million dram) to an organisation or the state was caused as a result of this person.

In the case of major damage (from 1 to 2 million dram), the organisation of illegal gambling will be punished with a fine between 1 and 2 million dram, or imprisonment for the term of one to three years, depriving the perpetrator of the right to hold certain positions or engage in certain activities for the term of one to two years.

In the case of large damage (exceeding 2 million dram), the organiser of the illegal gambling would be punished by imprisonment for a term of two to six years, depriving him or her of the right to hold certain positions or engage in certain activities for a term of one to three years.

In addition, for violation of requirements established by the RA Law on Games of Chance, Internet Games of Chance and Casino and RA Law on Lottery, the following sanctions can be applied with respect to the operator:

- warning, and assignment to eliminate the infringements;
- fine;
- suspension of the licence; or
- termination of the licence.

Law stated - 05 April 2022

Does the law penalise the gambler directly for participating in unlawful gambling?

In RA legislation, there is no specific liability for the gambler for participating in unlawful gambling.

Law stated - 05 April 2022

Social and non-profit gambling

Are there exceptions for social gambling, or charitable or non-profit gambling?

There are no specific regulations concerning social, charitable or non-profit gambling.

Law stated - 05 April 2022

Regulatory authorities

What entity regulates land-based and remote gambling, and what are the regulator's powers?

The entity supervising the operation of lotteries, games of chance, internet games of chance and casinos is the State Revenue Committee of RA, which exercises its supervision through carrying out on-site inspections and desk audit, and, based on the results thereof, applies sanctions provided by the law. The State Revenue Committee of RA supervises the fulfillment of the requirements of the Law of the Republic of Armenia 'On Combating Money Laundering and Terrorist Financing' by the organisers, based on the legal acts adopted on its basis, through on-site inspections and documentary control. Documentary control is carried out by studying the information (reports) submitted to the Committee in the manner prescribed by the law.

As regards the licensing process for gambling, the responsible authority is the Ministry of Finance.

Law stated - 05 April 2022

Anti-money-laundering regulations

Are gambling licensees considered financial institutions for purposes of anti-money-laundering and similar financial services regulatory requirements or are they otherwise subject to such requirements?

In the context of the RA Law 'On Combating Money Laundering and Terrorist Financing', the organisers of casinos, games of chance, including internet games of chance, lotteries are obliged to submit reports. Reporting entities shall file reports with the Central Bank of RA on suspicious transactions or business relationships and (or) on transactions subject to mandatory reporting.

Reports on transactions subject to mandatory reporting for organisers of casino, games of chance, including online games of chance, shall be filed for the transactions at an amount above 20 million dram, except for transactions of buying and selling real estate, which shall be reported if concluded at an amount above 50 million dram. Transactions made in cash shall be reported if concluded at an amount above 5 million dram.

For organisers of casino, games of chance, including online games of chance and lotteries, reporting requirements apply only when they:

- sell or buy back casino tokens (lottery tickets);
- accept wagers;
- pay out or provide winnings; or
- make financial transactions related to sub-clauses a to c.

Organisers of casino, games of chance, including online games of chance shall undertake customer due diligence. At that, organisers of casino, games of chance, including online games of chance and lotteries, shall undertake it in connection with any transaction (linked occasional transactions) referred to in the same part and exceeding 1 million

dram (except when there are suspicions with regard to money laundering or terrorism financing, in which case customer due diligence shall be undertaken irrespectively of the amount involved).

Law stated - 05 April 2022

LAND-BASED GAMBLING

Types

What types of land-based gambling are permitted in your jurisdiction, and is gambling regulated at a national or subnational level?

There are three types of games in Armenia.

- Games of chance (games organised on gaming tables and gaming machines) – games in which the outcome depends on chance and/or games in which the outcome depends predominantly on the skills or abilities or knowledge of the player (poker, etc), and that are played by means of a mechanical or electronic device or by mediation of the organiser of the game.
- Lotteries – games in which an operator holds a prize pool draw among the participants, and winnings are not based on the actions and the will thereof, but exclusively on chance;
- Totos – games in which the outcome depends on the occurrence, non-occurrence or manner of the event predicted by the player, where the event on which the player is betting is beyond the control of the gambling operator. The winning of a prize depends on whether the bet turns out to be true or not and the amount of the prize depends on the amount of the bet and the winning coefficient determined before the making of the bet (betting) or percentage of the total amount of the bets as determined by the gambling operator, the number of people who bet correctly and the amount of their bets (totalisator).

These games are offered mainly by private actors. According to article 4 of the Law on Games of Chance, Internet Games of Chance and Casino these games in RA can be operated by commercial organisations registered in the Republic of Armenia based on a relevant licence issued by the Ministry of Finance. According to the RA Law on Lottery only commercial organisations registered in the Republic of Armenia, having founders who are citizens of the Republic of Armenia and (or) legal entities registered in the Republic of Armenia, can organise lotteries in the RA.

Law stated - 05 April 2022

Establishment licensing

Please describe the licensing criteria and procedures to operate land-based gambling of each type or classification. Does your jurisdiction limit the number of available licences?

The requirements for organisation of Games of Chance, Internet Games of Chance and Casino in RA are mainly regulated by the RA Law on Games of Chance, Internet Games of Chance and Casino and the Decision of the Government of RA N 1164-N of 29 July 2004.

According to article 4 of the Law on Games of Chance, Internet Games of Chance and Casino, these games in RA can be operated by commercial organisations registered in the Republic of Armenia based on a relevant licence issued by the Ministry of Finance.

For obtaining a licence, the applicant submits an application to the Ministry of Finance of RA, which states name of the applicant, location of the organiser's servers in case of organising internet winning games, state registration number of

the applicant; the type of activity subject to licensing (gambling or internet gambling or casino organisation) that the applicant intends to carry out; and the list of documents attached to the application.

A licence for games of chance, internet games of chance and casinos is issued within 23 working days of the submission of the application to the Ministry of Finance, which may be extended by 23 if the documents attached to the application contain information that needs further study. If a decision on satisfying an application for a licence has been adopted, the licence shall be issued to the applicant not later than one month after the first annual payment of the state duty specified by law is made.

The requirements for organising lottery are defined by RA Law on Lottery and the Decision of the Government RA N 987-N of 1 July 2004.

According to the RA Law on Lottery only commercial organisations registered in Armenia, having founders who are citizens of Armenia and (or) legal entities registered in Armenia, can carry out activities on the organisation of lotteries in Armenia, based on the corresponding licence.

The requirements for obtaining the licence for lottery are mostly the same as for the licence for games of chance, internet games of chance and casinos. The annual payment of the state duty is 600 million dram. In addition, you must show a deposit amount of 1.2 billion dram on your bank account.

Law stated - 05 April 2022

Director, officer and owner licensing

Must individual directors, officers or owners of licensees also be licensed or reviewed for suitability?

According to the RA law on Games of Chance, Internet Games of Chance and Casinoz, only commercial organisations registered in the Republic of Armenia may operate games of chance and casinos in Armenia on the basis of a respective licence issued by the authorised body.

According to the RA law on lottery-only commercial organisations, the founders of which are citizens Armenia or legal entities registered in Armenia, may operate lotteries in the Republic of Armenia on the basis of a relevant licence.

A natural person cannot be an organiser's substantial shareholder, stakeholder or participant, or its beneficial owner, or their related person, if that person:

- has a criminal record for a deliberately committed crime, and the respective conviction has not been expunged or cancelled;
- has been deprived by a court verdict, which legally entered into force, of the right to hold positions in financial, commercial, economic and legal areas;
- has been recognised as bankrupt and has outstanding (non-forgiven) liabilities;
- has previously caused the bankruptcy of an activity organised in the gaming business;
- has not presented sufficient and comprehensive justification (documents, information, etc) on the sources of invested funds; and
- has been the shareholder of a legal entity, whose licence for organising lottery has been terminated within the past three years as a responsibility measure.

A legal entity cannot be an organiser's substantial shareholder, stakeholder or participant, or their related person, if that entity:

- has a substantial shareholder, stakeholder or participant or a head of executive body non-compliant with certain conditions and requirements;
- undergoes a bankruptcy proceeding;
- has previously had operations, which caused the bankruptcy of an organiser of lottery or other entity;
- has had its licence for organising lottery terminated within the past three years as a measure of responsibility; and
- has not presented sufficient and comprehensive justification (documents, information etc) on the sources of invested funds.

These persons, as well as anyone related person to them, cannot hold managerial positions with an organiser.

Law stated - 05 April 2022

Location

May a gambling location be part of a resort, restaurant or other multi-purpose location? What limitations apply?

According to RA legislation, bookmakers and betting centres in the capital Yerevan should be 150 metres away from educational, historical and cultural centres, administrative buildings of local governments and hospitals. The distance for the administrative centre of the Kotayk region and the administrative boundaries of the Tsaghkadzor community, the administrative centre of the Gegharkunik region and the Sevan community, the administrative centres of Ararat, Armavir, Aragatsotn, Lori and Shirak regions is 100 metres; the distance for the administrative centre of Vayots Dzor region and Jermuk community, the administrative centre of Syunik region and Meghri community and the administrative centre of Tavush region is 50 metres. A casino can be organised only in the building and can occupy the buildings mentioned in full or occupy a separate part of them. The casino may be located in hotels and motels that meet at least four-star eligibility requirements.

Law stated - 05 April 2022

Casino development

What considerations arise in developing a casino resort project that are not typical to other resort development?

A casino resort project can be organised only:

- within the administrative borders of Tsakhkadzor community of Kotayk region, within the administrative borders of Jermuk community of Vayots Dzor region, within the administrative borders of Sevan community of Gegharkunik region, within the administrative borders of Meghri community of Syunik region, in areas that meet the criteria of distance from educational, historical and cultural centres;
- in the areas of Yerevan 'Zvartnots' airport ☐ 'Yerevanfree economic zone'; and
- in the case of an investment programme of more than 40 billion drams approved by the government of the Republic of Armenia, in places defined by the government of the Republic of Armenia.

A casino can be organised only in the building and can occupy the mentioned buildings in full or occupy a separate part of it. Casinos can be organised only in the building, which in Tsakhkadzor and Sevan is at least 100 metres, and in

Jermuk and Meghri at least 50 metres away from any educational, historical and cultural institutions, state, local government buildings areas.

In Tsakhkadzor and Sevan, a building should be at least 250 sq.m., in Meghri and Jermuk it should be at least 200 sq.m. metres, and at least 50 per cent and a maximum 70 per cent of the building should be occupied by the gaming hall. In the rest of the area, the organisers of the casino are obliged to have at least a lobby, cash register and bathroom.

The entrance hall should be located in a separate hall adjacent to the main entrance of the building, where customers should be identified to exclude the entry of individuals under the age of 21.

Notwithstanding the above-mentioned restrictions, casinos may be located in hotels and motels that meet at least four-star eligibility requirements.

Law stated - 05 April 2022

Passive/institutional ownership

Are there provisions for passive or institutional ownership that allow for exemption or modification of licensing requirements?

No such requirements exist.

Law stated - 05 April 2022

Responsible gambling

What responsible gambling obligations apply to licensees?

In the case of limitation of the legal capacity of a citizen who has put his family in a difficult financial situation due to gambling, the latter's participation in gambling is prohibited. The list of the above-mentioned persons is maintained by the Ministry of Finance of the Republic of Armenia, which provides this list to the organisers, who in any case undertake an obligation to check whether anyone wanting to participate in gambling is included on it.

Law stated - 05 April 2022

Taxes

What type of tax and what tax rate applies to each form of lawful land-based gambling activity?

Gambling activities are exempt from nearly all taxes due to the high level of an annual payment of the state duty. The only tax payable under RA legislation is profit tax, which is calculated at a rate of 18 per cent to the tax base.

Also, according to RA law on state duty, the annual fee for organising games of chance is 180 million dram in Tsakhkadzor, 150 million dram in Sevan, 100 million dram in Jermuk, 35 million dram in Meghri, and elsewhere - 5.5 million dram.

Law stated - 05 April 2022

REMOTE GAMBLING

Types

Is remote gambling permitted and, if so, what types?

The requirements concerning online gambling in RA are mainly regulated by the RA Law on Games of Chance, Internet Games of Chance and Casinos and the RA Law on Lottery. The analysis of the above-mentioned laws shows that the following main types of online gambling are available in RA:

- Internet winning games (creating an opportunity for an independent player to participate in a game with winning (granting the right to participate in any way, except for the internet totalisator) directly (in a gambling hall) and (or) via the internet or any other global system and through any coordinated network channels, except for data transmission services provided via terrestrial mobile network and (or) through interactive short messages. (See article 2 of RA Law on Games of Chance, Internet Games of Chance and Casinos.)
- Internet totalisator (creating an opportunity for an independent player to participate in a game directly (in a gambling hall) and (or) via the internet or any other global system and through any coordinated network channels, except for data transmission services provided via terrestrial mobile network and (or) through interactive short messages, where participants predict the possible outcome of gaming, sports or other event of social significance, and the winning is determined by fact of partial or full match with the prediction of the outcome. (See article 2 of RA Law on Lottery.)

In the light of the above, sports betting as an internet totalisator, casino and poker as internet winning games are available verticals of online gambling in RA. Moreover, as there is no defined list of online gambling verticals available in RA, any activity that meets the above-mentioned requirements will be possible to carry out in RA.

Law stated - 05 April 2022

Licensing

What are the criteria for obtaining a licence to operate remote gambling?

The requirements for the organisation of internet winning games in RA are mainly regulated by the RA Law on Games of Chance, Internet Games of Chance and Casino and the Decision of the Government RA No. 1164-No. of 29 July 2004.

According to article 4 of the Law on Games of Chance, Internet Games of Chance and Casinos, internet winning games in RA can be operated by commercial organisations registered in the Republic of Armenia based on a relevant licence issued by the Ministry of Finance. Internet gambling is considered to be organised in the territory of the Republic of Armenia if the servers of the internet gambling organiser are located in the territory of the Republic of Armenia, have the relevant internet protocol (IP) address and information resources are in the 'AM' domain space.

For obtaining a licence, the applicant submits an application to the Ministry of Finance of RA, which states the name of the applicant, location of the organiser's servers in case of organising internet winning games, state registration number of the applicant; the type of activity subject to licensing (gambling or internet gambling or casino organisation) that the applicant intends to carry out; and the list of documents attached to the application.

The licence for internet gambling is issued within 23 working days after the submission of the application to the Ministry of Finance, which may be extended by 23 if the documents attached to the application contain information that needs further study. If a decision on satisfying an application for a licence has been adopted, the licence shall be issued to the applicant not later than within a period of one month after the first annual payment of the state duty specified by law is made. The annual payment of the state duty is 600 million dram.

The requirements for organising an internet totalisator are defined by RA Law on Lottery and the Decision of the

Government RA N 987-N of 1 July 2004.

According to the RA Law on Lottery only commercial organisations registered in the Republic of Armenia, having founders who are citizens of the Republic of Armenia and (or) legal entities registered in the Republic of Armenia, can carry out activities on the organisation of lotteries in the Republic of Armenia, based on the corresponding licence. Internet betting is considered organised in the territory of Armenia, if the servers of the internet totalisator organiser are located in the territory of the Republic of Armenia.

The requirements for obtaining the licence for sports betting are mostly the same as for the licence for internet gambling. The annual payment of the state duty is also 600 million dram. In addition, you must show a deposit amount of 1.2 billion dram on your bank account.

Law stated - 05 April 2022

How do the licensing criteria for remote gambling operators differ from those applicable to land-based operators?

The licensing process for both remote gambling operators and land-based operators is the same. There is no limitation on the number of available licences.

Law stated - 05 April 2022

Cross-border gambling

May operators located in other countries offer internet gambling to consumers in your jurisdiction without obtaining a licence there?

There is no legal prohibition on such activities and the requirement to obtain a licence is only for organisers, whose servers are located in the territory of the Republic of Armenia. However, according to the RA Law on Advertising, organisers of online gambling who have not received the relevant licence in accordance with the procedure established by the legislation of RA have no right to advertise the relevant activity in the country.

Law stated - 05 April 2022

May operators licensed in your jurisdiction offer internet gambling to consumers in other countries?

There is no prohibition to offer internet gambling to consumers in other countries. However, there are no specific regulations concerning limitations and other rules applicable to that activity.

Law stated - 05 April 2022

Taxes

What tax rate applies to each form of remote gambling?

Gambling activities are exempt from nearly all taxes due to the high level of an annual payment of the state duty. The only tax payable under RA legislation is profit tax, which is calculated at a rate of 18 per cent to the tax base.

Also, according to RA law on state duty, the annual fee for organising internet gambling is 600 million dram. The annual

payment of the state duty for organising lottery (totalisator) is also 600 million dram.

Law stated - 05 April 2022

INTELLECTUAL PROPERTY

Patents

Are gambling games – land-based or remote – patentable in your jurisdiction?

Intellectual property rights (authoring rights) are not applicable to the games in general and rules of games. These cannot be patented either. In the meantime, the name of the game, the logo and the graphical solutions can be registered as trademarks and, so, be protected. The graphics of the game can also be registered as productional design and be protected under the laws of Armenia.

Law stated - 05 April 2022

Trademarks

Are there limitations on how brands, logos or other types of marks may be used in promoting gambling games?

The only regulation concerning using of brands, logos or other types of marks in promoting gambling games concerns the use of the words khaghatun (casino), khaghasrah (gambling hall) and shahumov khagher (games of chance) and vitchakakhagh (lottery).

According to these regulations, casino operators may use the words khaghatun , khaghasrah and shahumov khagher (games of chance), the derivatives and translations thereof in their names or posters. Operators of games of chance may use the words khaghasrah and shahumov khagher , the derivatives and translations thereof in their names or posters.

Operators of games of chance may not use the word khaghatun , the derivatives and translations thereof in their names or posters.

Only lottery operators may use the word vitchakakhagh , the derivatives or translations thereof in their names, lottery tickets, posters and advertisements, except for cases where the use of the word implies that the matter does not concern the operation of lotteries.

Law stated - 05 April 2022

ADVERTISING

Restrictions

What types of restrictions apply to advertising gambling games?

The RA Law on Advertising envisages some restrictions related to gambling advertising.

It is prohibited to advertise any kind of game of chance (except for internet game of chance) or casino or gambling hall or their organisers, including through radio, television or the internet, except on its official website or in casino buildings or halls, at border checkpoints of the Republic of Armenia, as well as at least four-star hotel accommodation.

According to article 15 of the RA Law on Advertising there are certain time limits for advertising of lotteries on TV and radio (correspondingly 22:00-07:00 for TV and 08:00-20:00 for radio). Also, there is a limit on the duration of advertising

– it cannot exceed three minutes

The lottery organiser also has the right to advertise the lottery through the internet. However, it cannot be carried out through children's, educational or medical websites. Advertising on news sites is allowed between 22:00 and 07:00.

During sporting events, the lottery organiser also has the right to advertise it through the side panels of the stadiums or on the sportswear of the teams participating in those events. It should be noted that when advertising sports betting '21+' marking must be visible. Advertising of lotteries must also contain warning information about the inadmissibility of playing in a drunken or mentally suppressive state.

Outdoor advertising should not exceed 5 square metres and should contain only the organisers' brand name (logo). Outdoor advertising should not exceed 0.5 square meters at the entrances of lotteries, totalisators, internet gambling venues, buildings or halls and shall contain only its trademark (logo). Advertising of lotteries, internet games and gambling is prohibited in the elevators of buildings, entrances, as well as in public catering areas.

The '21+' sign must be visible when advertising bookmakers, online games or casinos and the '18+' sign when advertising lottery.

During the gambling advertising it is prohibited:

- to address minors in any way;
- create the impression that participation in the game provides an opportunity to receive periodic income (profit) or is an alternative to work;
- create the impression that the receipt of income (profit) is guaranteed;
- instill that with the help of the game you can achieve social, professional or sports success; and
- criticise non-participation in a lottery or a game with internet winnings:

In addition, the advertisement of the lottery, winning game, internet winning game, casinos or lottery must contain the following warning: 'Warning: participation in the game carries a risk of material damage' or 'Warning: you can suffer material damage by participating in the game.' Moreover, the warning should be no less emphasised than the rest of the information contained in the advertisement.

Law stated - 05 April 2022

SUPPLIERS

Licensing

What types of suppliers to gambling operators require licences?

Within the framework of the RA legislation, there is no diversity of certification requirements for this type of activity. The only basic requirement established is that the programs used for organising internet (online) gambling must meet the certification requirements of 27000 series of international, independent ISO /IEC standards (the ISO/IEC 27000-series (also known as the ISMS Family of Standards or ISO27K for short) comprises information security standards published jointly by the International Organization for Standardization and the International Electrotechnical Commission. Correspondingly non-Armenian test labs certificates will be applicable for use in case of meeting applied standard requirements.

Law stated - 05 April 2022

Registration

If licensing is not required, is there a registration or other process suppliers are subject to, and what triggers that process?

Not applicable.

Law stated - 05 April 2022

LABOUR AND EMPLOYMENT

Wage and hour rules

Are there particular rules governing hours and wage treatment for casino employees?

The labour legislation does not envisage regulations that are sector-specific to casino employees. However, the Labour Code of the Republic of Armenia regulates the concept of 'cumulative' calculation of working hours (article 143 of the Labour Code of Armenia), where for works that have specific nature and when it is not possible to organise the work the daily or weekly duration of working hours, it is possible to exercise the cumulative method of calculation of hours, provided that it does not exceed the normal working hours. This concept can be applied when organising the work of casino employees.

Law stated - 05 April 2022

Collective labour

Must casino employees be members of labour unions or similar organisations?

In RA legislation, there is no mandatory requirement for casino employees to be members of labour unions or similar organisations. However, there is no restriction for casino employees to be members of labour unions.

Law stated - 05 April 2022

ACQUISITIONS AND CHANGES OF CONTROL

Change of control

How are licensee changes of control, and substantial changes in shareholdings of licensees, addressed?

The general rule under the RA Law on Licensing is that the change of control is not subject to reporting to the overseeing or licensing authorities. No further specific requirements are established under the rules relating to gambling or lotteries either.

Law stated - 05 April 2022

Bankruptcy

How are gambling licences treated in bankruptcy?

It must be highlighted that the licence cannot be subject to a lien or pledge: it is directly connected to the licensee and

cannot be transferred to a third person whether it is within the bankruptcy proceedings or not. As regards taking over the licensee itself, the bankruptcy administrator would not need to undertake any further actions other than established under the standard process of bankruptcy law to take over.

Law stated - 05 April 2022

QUASI-GAMBLING

Regulation

How are forms of 'quasi-gambling' regulated? Are any treated as 'gambling', and what triggers such treatment?

A game constitutes a gambling service if the following three elements are present:

- prize element;
- chance element; and
- consideration element.

Fantasy sports are not expressly regulated under Armenian gambling legislation. If this activity does not fulfil the mandatory conditions of gambling, then fantasy sports should fall outside the purview of the gambling legal framework.

Social gaming is not expressly regulated under Armenian gambling legislation. However, generally, the prize element or consideration element will not be present in a social game; in those circumstances, social games would not constitute a gambling service under the RA legislation and would not require a licence to be offered.

Skill gaming, for example, poker, is regulated and is included in the category of games of chance.

Law stated - 05 April 2022

Licensing

Does your jurisdiction license quasi-gambling operators?

A quasi-gambling operation would be subject to licensing if it meets the requirements necessary for the activity to be considered as gambling under the RA jurisdiction, otherwise there is no need to obtain a licence.

Law stated - 05 April 2022

Other restrictions

Does your jurisdiction impose other restrictions on the conduct of quasi-gambling activity, including restrictions on advertising, age of participation, limitations on prizes, etc?

There are no specific restrictions applicable for quasi-gambling activity.

Law stated - 05 April 2022

LITIGATION

Recent cases

What, if any, significant litigation involving the gambling or quasi-gambling sectors has your jurisdiction seen in recent years?

To the best of our knowledge, there has not been any significant judicial or arbitral disputes, that may materially affect the market or its participants.

Law stated - 05 April 2022

UPDATE AND TRENDS

Key developments of the past year

Highlight any noteworthy developments or trends in the gambling or quasi-gambling sectors (legal or business) and their potential implications.

There are two major drafts of laws that regulate the relevant sector, which have not yet been adopted. The first one regards new limitations to the advertisement of online gambling products, which in the past was not prohibited. The draft has been widely discussed by the public and the stakeholders, but still has not been adopted. After this enters into force, the providers of online gambling products will have to remove any advertisements they have throughout the country, limiting it to a very narrow scope of permitted ads (similar to the limitations that existed for the casinos).

Another major change that was discussed at the end of 2021 has a much wider coverage, mainly concentrating on the establishment of monitoring mechanisms over the licensees, extending their liabilities and obligations in the sector. The draft is still in the process of development, and no official consideration by the parliament has occurred.

Law stated - 05 April 2022

Jurisdictions

	Armenia	Concern Dialog Law Firm
	Australia	Addisons
	Belgium	Vlaemminck.law
	Brazil	Maia Yoshiyasu Advogados
	Colombia	Asensi Abogados
	Germany	SKW Schwarz Rechtsanwälte
	Japan	Anderson Mōri & Tomotsune
	Macau	Rato, Ling, Lei & Cortés Advogados
	Malta	GTG Advocates
	Nigeria	Law Allianz
	Norway	Brækhus Advokatfirma
	Portugal	Rato, Ling, Lei & Cortés Advogados
	South Africa	Herbert Smith Freehills LLP
	United Kingdom	Harris Hagan
	USA	Paul Hastings LLP