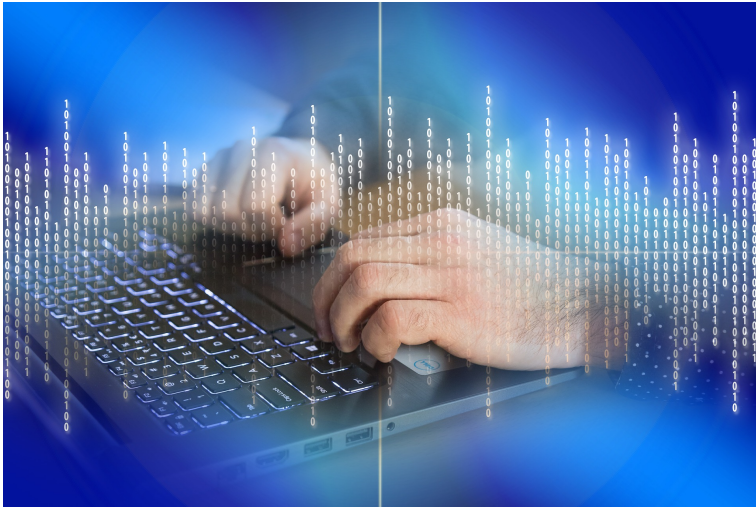


Romanian Government issues financial and fiscal measures favourable to the gambling industry



The coronavirus (COVID-19) pandemic has brought important challenges for the Romanian gambling industry, with significant impact on the land-based operations in general, and on the sports betting segment in particular.

On 16 March 2020, the Romanian President formally declared a state of emergency due to the COVID pandemic. Immediately thereafter, the Romanian Government took the first set of measures to help contain the virus, and for the gambling industry, that meant an immediate closure of land-based gambling venues until further notice. With no foresight as to the consequences of such a clampdown, this measure affected the growth of the land-based market, all while encouraging many customers to switch to online.

Online operators, on the other hand, also expect lower revenues in the sports betting segment, as the sports world was brought to a standstill with most of the major sporting events cancelled. However, with an increase in online slots, poker, casino gaming and virtual sports, the shutdown of almost all major sports is not expected to have too large an impact.

Fiscal and financial support in the context of the COVID-19 pandemic

The COVID-19 pandemic affects not only private operators, but also impacts public functions. Already the Romanian National Office for Gambling (the “NOG”) has seen its operations impacted as a result of the pandemic, with a number of NOG officials being confirmed COVID-19 positive.

To address potential delays, or even unavailability of such public functions, on April 16, 2020, the Government issued Emergency Ordinance no. 48/2020 (“EGO 48”). EGO 48 clarifies that (in line with Emergency Government Ordinance no. 1/1999 on the state of siege and state of emergency, which provides that the validity of documents issued by public authorities – such as licenses and authorisations – is maintained during the state of emergency) operators whose gambling license or authorization are due to expire in 2020, during the state of emergency, are protected, being granted an extension to apply for re-authorization within the 90 days following cessation of the state of emergency.

With respect to land-based operators in particular, EGO 48 provides as follows:

→ during the state of emergency, payment obligations related to the gambling authorizations are suspended;

- the legal sanctions regarding the non-payment of the taxes related to the gambling authorizations shall not apply, if the payment of such taxes is made within no more than 30 working days from the termination of this state of emergency;
- they do not owe fees related to gambling authorizations, for the entire period of the state of emergency.

What next

There have been recent assurances that the restrictions generated by the COVID-19 pandemic will be gradually relaxed as from the 15th of May 2020. We will update this note as further news become available. In the meantime, gambling operators should consider the following:

- *Conducting marketing responsibly* - given the growth of the online gambling sector, online operators are expected to on-board new customers in a socially responsible way. This means that both operators and their affiliates are required to strictly comply with the applicable marketing regulatory requirements, such as to ensure protection of minors and consumer protection (including responsible gambling) and to prohibit advertisements of bonuses outside of the gambling operators' or their affiliates' own websites.
- *Acting responsibly in consumer protection issues* - The COVID-19 crisis may affect operators' capabilities in many ways but ensuring timely responses with the Customer support services (via e-mail and telephone, as minimum legal requirements) is paramount. Operators are expected to be mindful that customers may be vulnerable and experiencing financial uncertainty, whilst others may be experiencing other effects of being isolated including, for example, feelings of anxiety, loneliness or boredom.
- *Anticipate and factor in delays for regulatory approvals* - According to the media, one of the senior officers in the NOG was recently confirmed COVID-19 positive.

For this reason, the authorities are now testing other NOG employees who may have been in contact with him and if this results in a number of NOG employees being quarantined/isolated, then there may be delays in the pre-approval/submission review process that goes on behind the scenes before each NOG Supervisory Committee meeting.

For more information on this topic, please contact [Cristina Popescu](#) and [Sorin Predescu](#).