

Czech Lower House Approves Tax Cut In Bill Package

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The lower house of the Czech parliament has voted through a package of gambling bills after adopting a series of amendments, including a reduction in the tax rate for the majority of games.

The Czech House of Deputies on Wednesday approved three gambling bills that will overhaul the market in the country and enable foreign operators to apply for an online licence.

The bills still need to be considered by the Senate and need sign off from the Czech President before they enter into force.

Jan Kozubek, a lawyer at Prague-based Becker & Poliakoff, said the bills will be delivered to the Senate "soon", which will then have 30 days to consider the proposed laws.

Several amendments were adopted before the vote, including a change in the tax rate to 23 percent of gross gaming revenue (GGR) for all games apart from "technical games" such as slot machines, which would be set at 35 percent.

The government had proposed three different GGR tax rates ranging from 25 to 35 percent and the adoption of the amendment upset finance minister Andrej Babiš, who said the state and local municipalities would lose out on CZK450m (€16.5m) every year as a result of the reduction.

The Chamber of Deputies also approved provisions that would allow the blocking of illegal gambling websites, which several opposition parties had opposed.

Czech Prime Minister Bohuslav Sobotka said the proposed legislation was "modern and well-regulated" as it strengthened the government's powers to control gambling.

As well as regulating the online gambling sector, the bills include reforms for the casino and slot machine industry.

Provisions that would have prohibited slot machines and bingo games in certain locations, such as train and bus stations or close to sports and cultural facilities, were removed before the bills were adopted, according to Kozubek.

Kozubek said further amendments proposed by the Budget Committee to respond to criticism from the European Commission were all adopted.

Online gambling is currently partially regulated in the Czech Republic, with only ten domestic operators

offering sports betting and card games online, including Fortuna, Sazka and Synot Tip.

The government aims to have the law implemented by January 1, 2017, a year later than originally intended.

Before that, a central information system will be set up to allow the regulator to monitor the financial data from gaming machines and online gambling to prevent money laundering.

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