

## UKRAINE'S PARLIAMENT REVOKES 2009 BAN ON GAMBLING

On July 14, the Verkhovna Rada (Parliament) of Ukraine lifted the ban on gambling by adopting the draft law "On state regulation of activities in the organization and conduct of gambling" (2285d) in the second reading and as a whole. The introduction of the ban in 2009 had not lead to the disappearance of gambling, but instead simply created "grey" and "black" gambling markets in Ukraine, amidst growing criminalization (*the gambling business was bypassing prohibition by using gaps in legislation. Various types of gambling were acting under the guise of forms allowed by the legislation, primarily lotteries and similar betting games*).

### Background

The drive for the legalization of gambling had been signposted as part of Ukrainian President Volodymyr Zelensky's economic plan. After his election in mid-2019, Zelensky had promised to legalize the gambling business in order to secure additional budget revenue. The adopted law reflects the compromise reached between the State and market players who were actively engaged in the development of this legislative initiative and its improvement.

### Key Provisions of the Law

The newly adopted law creates the legal basis for the State regulation of economic activity in the field of organization and holding of gambling in Ukraine, and determines the legal, economic, social and organizational conditions for the functioning of gambling. In particular, the law provides for:

- an exclusive list of activities in the field of gambling that are allowed in Ukraine, including:
  - organization and holding of games of chance in casinos and gambling establishments;
  - organization and holding of games of chance by casinos online;
  - organization and holding of betting activity in bookmakers' facilities and online;
  - organization and holding of games of chance in slot machines halls;
  - organization and holding of games of chance in poker online.
- the mandatory licensing of activities in the field of gambling (license fees depend on the type of activity, location of the gambling establishment, etc.);



- special requirements towards gambling equipment that can be used in Ukraine as well as criteria (incl. financial) which entities operating in the sphere of gambling should meet;
- requirements for players and their identification (gambling services are not allowed to be provided to persons under 18, etc);
- administrative and criminal liability for the violation of the Law;
- the establishment of a new state body responsible for gambling market – the Commission for the development and regulation of gambling and lotteries (subordinate to the Government).

### Next Steps

- **Consideration by the Parliament of draft resolutions repealing the Verkhovna Rada’s passing of the Law.** The relevant draft resolutions were submitted by MPs from the political parties “Batkivshchyna” and “Opposition Platform – For Life” as well as the political group “For Future”: [2285D-P](#), [2285D-P1](#), [2285D-P2](#). The lead Parliamentary Committee shall prepare its opinion on the suitability for their approval or rejection no later than three days after submission of these draft resolutions and the Verkhovna Rada shall consider them at the plenary meeting without a vote to include the matter on the agenda;
- **Signature of the Law by the Chairman of the Verkhovna Rada.** The text of the law shall be submitted for signing by the Chairman of the Verkhovna Rada **within ten days**. The Chairman shall sign a law **no earlier than two days and no later than 5 days** after its submission. The Chairman shall send a signed law to the President to Ukraine without delay. Thus, the law shall be forwarded to the President of Ukraine for signing no later **than July 29**.
- **Consideration of the Law by the President of Ukraine.** The President of Ukraine shall sign the law **within fifteen days of its receipt**, accepting it for execution, and shall officially promulgate it or return to the Verkhovna Rada with substantiated and formulated proposals for reconsideration. Thus, the law shall be signed by the President Ukraine no later **than August 13**.

Given the new Bill to end gambling prohibition was promoted by the Presidential party “Servant of the People”, we do not expect the President veto to be applied. Rather, we can expect the Bill to pass smoothly in the coming weeks, signaling the re-birth of a major industry expected to contribute significantly to the State Budget via tax revenues.

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*For further information on this draft law, for advice on how to accommodate and engage with the relevant authorities around the subject of this memo, please contact: Roman Sukhyy: Counsel, Kyiv – [r.sukhyy@kesarev.com](mailto:r.sukhyy@kesarev.com)*



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