

UPDATE ON UKRAINE'S NEW GAMBLING LEGISLATION: POSSIBLE DELAYS TO IMPLEMENTATION

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Despite securing Parliamentary approval and being adopted as law, last minute developments before its enactment could possibly delay the implementation of new legislation revoking Ukraine's 2009 ban on gambling (*see Kesarev's full memo on this subject [here](#)*).

In order to delay the enactment of the Law, the political parties 'Batkivshchyna' and 'Opposition Platform – For Life', as well as the political group 'For Future', stated that a violation of Parliamentary procedure took place during the Law's adoption¹. As a result, they appealed to the Chairman of the Verkhovna Rada with a request for an annulment of the vote for the Law (*the draft resolutions [2285D-P](#), [2285D-P1](#), [2285D-P2](#)*). 'Batkivshchyna' was founded and is led by former Prime Minister Yulia Tymoshenko, who initiated the original 2009 ban on gambling and has been a long-time opponent of the sector.

In addition to these objections, the new law on gambling (adopted by the Parliament on July 14) has since been shown to contain contradictory and non-reconcilable requirements on the appointment of the members to the new body responsible for the regulation of the gambling market: the Commission for the Development and Regulation of Gambling and Lotteries.

One of the provisions of the law stipulates that the the selection of candidates for the Commission is due to be conducted by the Commission on Senior Civil Service (a government body) while another demands that the procedure is to be held by the Commission formed by the Parliamentary Committee on Finance, Taxation and Customs Policy (the Parliament).

Actions taken to implement the law

- On July 21, Parliament held the extraordinary sitting at which the draft resolutions repealing the Verkhovna Rada's passing of the Law were considered and rejected. This clears the path for the Chairman of the Verkhovna Rada to sign the Law and send it on for signing to the President of Ukraine, which he must do no later than July 29.

¹ Resolutions requesting to repeal the Verkhovna Rada's decision to adopt the draft law on Gambling stated that during the consideration of the Law the Articles 102 and 123 of the Rules of Procedure of the Parliament were violated. According to these articles, a draft law may be passed as a law immediately following completion of the first or second reading if the draft law requires no exceptions and no substantive remarks were made by the people's deputies. However, it was alleged that substantive remarks were expressed during the consideration of the Law.



- A motion for the Verkhovna Rada's consideration to eliminate the above discrepancies in the Law was submitted to the Chairman of the Parliament, but for reasons unknown this issue was not considered by Parliament.

Next steps & possible scenarios

1. **The convening of an extraordinary session of the Verkhovna Rada (upon request of 150 MPs) to eliminate the Law's contradictions.** Given the new Law to end gambling prohibition was promoted by the Presidential party "Servant of the People" and the President of Ukraine, the chances of the enhanced Law being supported by the President are very high.
2. **The current text of the Law is sent to the President for signature.** The President of Ukraine must either sign the law **within fifteen days of receipt**, accepting it for execution, or use his Presidential veto and return it to the Verkhovna Rada with substantiated and formulated proposals for reconsideration:
 - If the President signs the Law in current wording: the Law will become, *de jure*, operational, but, *de facto*, the ban on gambling will not be lifted as the creation of the market regulator would not be possible.
 - If the President decides to improve the Law: he would be forced to veto the Law **(despite the President's support for the legislation generally) and send it to the Parliament for improvement.** So while a Presidential signature this month is still possible, it seems more likely that Parliament will have to review the legislation again on its resumption in September.

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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

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