

Ministry of Finance

Information
on the implementation
of the Gambling Law
in 2017

Warsaw, 2018

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1. INTRODUCTION

This document presents the fulfilment the order by the Council of Ministers imposing the obligation on the minister competent for public finance to inform the Council, in annual cycles, about the status of the implementation of the Act of 19 November 2009 - Gambling Law (Journal of Laws of 2018, item 165, as amended).

The purpose of this information is to present the facts and figures on the situation of the gambling market in Poland and the measures of the state, both in terms of legislation and control, streamlining this market in the eighth year of effectiveness of the aforementioned Act. Moreover, the document contains information on the implementation of the aforementioned Act in the context of income due to gambling tax and execution of budgetary assumptions, the analysis of the behaviour of the gambling industry against the backdrop of the economic, legislative and social developments.

2. LEGAL STATUS

In 2017, the principles of the functioning of the gambling market in Poland were regulated by the Act of 19 November 2009 - Gambling Law (Journal of Laws of 2018, item 165, as amended), hereinafter referred to as the “Gambling Law” and the implementing regulations thereto.

The Gambling Law was amended by the Act of 15 December 2016 amending the Gambling Law and certain other acts (Journal of Laws of 2017, item 88), effective from 1 April 2017.

The amending Act introduced the following significant changes:

- state monopoly in organising games on gaming machines outside the casino in games arcades;
- possibility to organise games on the Internet by a company exercising the state monopoly (with the exception of betting and promotion lotteries);
- obligation to prepare and apply regulations of responsible gaming by entities arranging gambling games on the Internet;
- establishment of the Register of domains intended for offering gambling games incompatible with the Gambling Law;
- possibility to organise poker tournaments also outside the casino;
- possibility to advertise betting for which a permit was granted (pursuant to the terms defined in the Gambling Law);
- raising penalties for arranging games on gaming machines without the required licence and extending the catalogue of entities subject to fine for violating the provisions of the Gambling Law;
- ban on holding gaming machines (save for the exceptions indicated in the Gambling Law);
- liquidation of exams and professional certificates related to supervising and conducting gambling games;
- obligations for Internet service providers and payment service providers (effective as of 1 July 2017):
 - blocking access to websites using names of Internet domains entered in the Register of domains intended for offering gambling games incompatible with the Gambling Law,

- ban on collaboration by payment service providers with entities which organise illegal gambling games on the Internet on websites entered in the Register.

2017 was the eighth year of effectiveness of the Gambling Law. In the same year, the following legal regulations shaping this area were promulgated:

1. Regulation of the Minister of Development and Finance of 22 February 2017 on the appointment of the head of the tax office competent to issue forms of prize certificates (Journal of Laws item 362);
2. Regulation of the Minister of Development and Finance of 22 February 2017 concerning the competence of tax offices and revenue administration regional offices in the scope of gambling tax (Journal of Laws item 370);
3. Regulation of the Minister of Development and Finance of 23 February 2017 amending the Regulation concerning prize certificates and as well as records of certificates and records of prizes paid (issued) (Journal of Laws item 382);
4. Regulation of the Minister of Development and Finance of 24 February 2017 amending the Regulation concerning the detailed conditions of registering and maintenance of gaming machines and devices (Journal of Laws item 389);
5. Regulation of the Minister of Development and Finance of 24 February 2017 concerning areas of local jurisdiction of heads of customs and tax control offices competent for accepting raffle lottery and raffle bingo notifications (Journal of Laws item 398);
6. Regulation of the Minister of Development and Finance of 27 February 2017 on the appointment of heads of customs and tax control offices competent for the registration and maintenance of gaming machines and gaming devices and determining their areas of local jurisdiction (Journal of Laws item 421);
7. Regulation of the Minister of Development and Finance of 24 February 2017 concerning customs and tax control performed in the scope of arranging and operating gambling games (Journal of Laws item 438);
8. Regulation of the Minister of Development and Finance of 28 February 2017 concerning areas of local jurisdiction of directors of revenue administration regional offices concerning granting permits to arrange a raffle lottery, an audiototele lottery, a raffle bingo and a promotional lottery (Journal of Laws item 439);
9. Regulation of the Minister of Development and Finance of 29 March 2017 concerning

records of slot machines (Journal of Laws item 698);

10. Regulation of the Minister of Development and Finance of 30 March 2017 concerning the principles of deploying games arcades on the territory of a municipality (Journal of Laws item 701);

11. Regulation of the Minister of Development and Finance of 30 March 2017 on the appointment of heads of Customs and Tax Control Offices competent for the matters of registration and maintenance of gaming machines, lottery drawing machines and gaming devices and determining their areas of local jurisdiction (Journal of Laws item 702);

12. Regulation of the Minister of Development and Finance of 31 March 2017 amending the Regulation concerning the documentation to be maintained by gambling operators (Journal of Laws item 705);

13. Regulation of the Minister of Development and Finance of 10 April 2017 concerning the template of the application for issuing the decision referred to in Article 2(6) of the Gambling Law (Journal of Laws item 792);

14. Regulation of the Minister of Development and Finance of 25 April 2017 concerning the templates of gambling tax return forms (Journal of Laws item 853);

15. Regulation of the Minister of Development and Finance of 25 April 2017 amending the Regulation concerning the template of the information on surcharges in number games, cash lotteries and telebingo (Journal of Laws item 866);

16. Regulation of the Minister of Development and Finance of 18 May 2017 concerning the method and scope of archiving the data related to gambling games arranged via the Internet (Journal of Laws item 1018);

17. Regulation of the Minister of Development and Finance of 1 June 2017 concerning the ICT system registering and archiving the data related to the process of games on gaming machines in games arcades (Journal of Laws item 1096);

18. Regulation of the Minister of Development and Finance of 8 June 2017 concerning lottery drawing machines, gaming devices and gaming machines, securing information related to arranged lottery as well as gaining, calculating and paying prizes (Journal of Laws item 1171);

19. Regulation of the Minister of Development and Finance of 28 June 2017 concerning the submission of information on the functioning of entities arranging and pursuing activity

in the scope of gambling games (Journal of Laws item 1304);

20. Regulation of the Minister of Development and Finance of 20 July 2017 concerning the appointment of the National Revenue Administration body to which the registering system is made available by an entity exercising the state monopoly in the scope of games on gaming machines arranged in games arcades (Journal of Laws item 1441);

21. Notice of the Minister of Development and Finance of 29 August 2017 promulgating the uniform text of the Regulation of the Minister of Finance concerning prize certificates and as well as records of certificates and records of prizes paid (issued) (Journal of Laws item 1723);

22. Notice of the Minister of Development and Finance of 8 September 2017 promulgating the uniform text of the Regulation of the Minister of Development and Finance concerning the template of the information on surcharges in number games, cash lotteries and telebingo (Journal of Laws item 1770);

23. Regulation of the Minister of Sports and Tourism of 25 September 2017 concerning the transfer of funds from the Physical Development Fund (Journal of Laws item 1801);

24. Regulation of the Minister of Development and Finance of 27 September 2017 concerning the audiovisual game control system (Journal of Laws item 1833);

25. Act of 15 September 2017 on the National Institute of Freedom – Centre for the Development of Civil Society (Journal of Laws item 1909, as amended);

26. Regulation of the Minister of Health of 31 October 2017 concerning raising co-financing for the implementation of tasks from the resources of the Fund for Resolving Gambling Problems (Journal of Laws item 2029).

3. DESCRIPTION OF THE GAMBLING MARKET

3.1. Gambling games for the arrangement of which the minister competent for public finance shall grant a licence or a permit

The table below provides a quantitative illustration of the gambling market as at the end of 2016 and 2017 in the segment of games arranged in casinos, games arcades and bet making points.

Games	Number of existing licences/ permits		Number of existing game centres/ points with licences/ permits		Number of licences/ permits issued	
	as at 31.12.2016	as at 31.12.2017	as at 31.12.2016	as at 31.12.2017	2016	2017
Casinos	46	49	46	49	10	16
Cash bingo halls	0	0	0	0	0	0
Betting and bet making points	26	28	2355	2510	5	6
Betting via the Internet	7	7	X	X	2	0

Casinos

In 2017, 38 applications for a casino operating licence were filed, which was associated with the publication of information on the expiry dates of 18 licences granted in the years 2011 – 2012 and available locations in the Małopolskie, Dolnośląskie and Śląskie Provinces. From 1 January to 31 December 2017, the minister competent for public finance granted 16 casino operating licences, including 4 licences issued under a non-tender procedure. The remaining 12 licences were awarded as a result of tendering procedures launched in 2016.

Betting

In 2017, 33 applications for a permit for arranging betting were filed (including 15 applications for arranging betting via the Internet).

As at 1 January 2017, 26 permits for arranging betting were effective, which covered a total of 2355 bet making points. As at 31 December 2017, 28 permits for arranging betting were effective, which covered a total of 2510 bet making points.

In relation to the existing stationary bet making points, the rise in their number compared to 2016 was affected by granting a permit to a new operator and new permits to operators already pursuing the activity.

As at 1 January 2017 7 permits for arranging betting via the Internet were effective. In 2017,

the minister competent for public finance did not grant any permits for arranging betting via the Internet.

As at 1 January 2017, 8 operators held permits for arranging betting. As at 31 December 2017 the said permits were held by 9 entities.

Poker tournaments

Until 1 April 2017, poker tournaments could have been arranged in casinos and the minister competent for public finance, as the licensing authority, was also competent to issue permits for their arrangement. Entities operating casinos pursuant to the licence granted were eligible to apply for a permit. In 2017, 4 permits for arranging a poker tournament were issued to two entities holding a casino operating licence.

In accordance with the amended Gambling Law, since 1 April 2017, the minister competent for public finance has ceased to grant permits for arranging poker tournaments. A game of poker in the form of a tournament can be organised on the basis of a notification of such a tournament submitted to the director of the revenue administration regional office competent for the venue of the tournament to be arranged, subject to fulfilling the terms and conditions defined in the Gambling Law.

3.2. Permits issued by directors of revenue administration regional offices and notifications submitted to heads of customs and tax control offices

Pursuant to the Gambling Law, the arrangement of the following games required a permit of the competent director of the revenue administration regional office:

- 1) promotion lotteries;
- 2) audiotele lotteries;
- 3) raffle lotteries;
- 4) raffle bingo.

In 2017, directors of revenue administration regional offices (from 1 January 2017 to 28 February 2017 - directors of customs chambers):

- 1) issued in total:
 - a) 355 permits for arranging promotion lotteries to 132 operators;
 - b) 101 permits for arranging audiotele lotteries to 18 operators;
 - c) 2 permits for arranging a raffle lottery to 2 operators;
- 2) have not issued any permits for arranging raffle bingo.

Comparing the number of permits issued in 2016 and 2017, the following developments were noted:

- 1) in the scope of promotion lotteries – a decline in the number of permits granted by 21;
- 2) in the scope of audiotele lotteries – a rise in the number of permits granted by 5;
- 3) in the scope of raffle lotteries – a rise by 1 permit;
- 4) in the scope of raffle bingo – no permits were issued, as in 2016.

In 2017, heads of customs and tax control offices (from 1 January 2017 to 28 February 2017, heads of customs offices) received 1286 raffle lottery arrangement notifications and 0 raffle bingo arrangement notifications.

Pursuant to Article 7(1a) of the Gambling Law, the organisation of raffle lotteries or raffle bingo – where the prize pool did not exceed the base amount (PLN 4,244.58 in 2017) – was possible after a prior notification.

Pursuant to Article 7(1b) of the Gambling Law, in force since 19 December 2014, public benefit organisations were eligible to arrange raffle lotteries and raffle bingo, where the prize pool exceeded the base amount but was not higher than fifteen times the base amount, subject to a prior notification.

Pursuant to Article 6a(1)(2) of the Gambling Law, a poker tournament can be organised outside a casino subject to notifying the director of the revenue administration regional office competent for the venue of the tournament of such a tournament and after fulfilling the terms and conditions defined in the provisions of the Gambling Law.

3.3. Key indicators characterising the gambling market

The presented data were compiled on the basis of the information concerning the operation of entities arranging and pursuing the activity in the scope of gambling games, i.e. data from IGH forms (Gambling Operator Information forms)¹, data from the KRAG (Electronic Register of Gaming Machines) system, and the data supplied by Totalizator Sportowy Sp. z o.o.

¹ Information on the functioning of entities - Regulation of the Minister of Development and Finance of 28 June 2017 concerning the submission of information on the functioning of entities arranging and pursuing activity in the scope of gambling games (Journal of Laws item 1304);

Number of existing entities, game centres and bet making points and the number of arranged number games, cash lotteries, audiotеле and promotion lotteries in the years 2016 - 2017

Item	Number of entities			Number of arranged number games, cash lotteries, audiotеле and promotion lotteries, and the number of game centres and bet making points		
	2016	2017	Change 2017/2016 (%)	2016	2017	Change 2017/2016 (%)
Number games (monopoly)	1	1	0%	8	7	-12.5
Cash lotteries (monopoly)	1	1	0%	79	85	7.6
Casinos	7	8	14%	53	49	-7.5
Games arcades	5	0	-100%	6	0	-100
Betting	8	9	12.5%	1 948	2 510	29
<i>stationary points</i>	8	8	0%			
<i>via Internet</i>	7	7	0%			
Audiotеле lotteries	16	18	12.5%	43	101	135
Promotion lotteries	224	132	-41%	459	355	-22.7

The data presented in this table refer to all entities operating in the particular reporting period, even if their activity started during the reporting period or was terminated before the lapse of the reporting period, i.e. before the end of the year.

According to the above data compilation, the number of entities arranging audiotеле lotteries and the number of arranged lotteries increased in 2017 compared to 2016 by 2 and 58, respectively. In relation to promotion lotteries, both the number of entities arranging such lotteries and the number of promotion lotteries themselves fell by 92 and 104, respectively.

In relation to 2016, the number of entities operating casinos and the number of entities arranging betting increased by 1, on the other hand, the number of entities arranging betting increased by one with a simultaneous growth in the number of bet making points by 562.

Pursuant to Article 5 of the Gambling Law, pursuing the activity in the scope number games and cash lotteries is subject to state monopoly. The state monopoly is exercised by Totalizator Sportowy Sp. z o.o. The number of arranged cash lotteries rose by 6 compared to 2016, whereas the quantity of number games fell by 1.

3.3.1. Number of gaming devices operated in casinos and games arcades

The table below presents the number of gaming devices operated in casinos and games arcades in the years 2016 - 2017.

Device types	Number of gaming devices (average per period)			
	In casinos		In games arcades	
	2016	2017	2016	2017
Cylindrical game tables	156	141	X	X
Card game tables	228	218		
Dice game tables	1	1		
Gaming machines	2 920	2 673	92	0

3.3.2. Economic and financial results of entities pursuing activity in the scope of gambling games

The economic and financial results of entities pursuing activity in the scope of gambling games in the years 2016 - 2017 are presented in the table below.

Specification	2016	2017	Change 2017/2016 (%)
	(in PLN '000)		
Revenue on games*	10,575,904	12,901,922	22
Prizes won by players*	7,320,075	9,175,050	25
Gambling tax due**	1,406,925	1,640,203	17
Surcharges arising from Article 80 of the Gambling Law **	986,050	959,039	-2,7

*Source: IGH forms

**Source: budgetary data

Note: the amount of the revenue on games for 2016 has been adjusted due to the adjustment of the revenue on audiototele lotteries presented in the table in section 3.3.3.

The above specification shows that in 2017 the revenue on gambling games rose by PLN 2,326,018 thousand, i.e. by 22% compared to 2016 and the amount of gambling tax due also increased by PLN 233,278 thousand, i.e. by 17%.

In 2017, the prizes won by gamblers amounted to PLN 9,175,050 thousand and in relation to 2016, they rose by PLN 1,854,975 thousand, i.e. by 25 %. In 2016, the amount of prizes reached PLN 7,320,075 thousand.

On the other hand, in 2017 the amount of surcharges decreased by PLN 27,011 thousand, i.e. by 2.7 % compared to 2016.

3.3.3. Revenue on gambling games recognised by entities pursuing activity in this scope and its structure by game types in the years 2016 - 2017

The table below presents the revenue on gambling games recognised by entities pursuing activity in this scope in the years 2016 – 2017 and its structure by game types.

Specification	2016		2017		Change in revenue 2017/2016 (%)	
	Revenue (in PLN thousand)	Structure (%)	Revenue (in PLN thousand)	Structure (%)	Structure (%)	
Monopoly	4,576,334	43.3	4,641,623	36	1.4	
	<i>Number games</i>	<i>3,604,431</i>	<i>34.1</i>	<i>3,475,827</i>	<i>27</i>	<i>-3.6</i>
	<i>Cash lotteries</i>	<i>971,903</i>	<i>9.2</i>	<i>1,165,796</i>	<i>9</i>	<i>20</i>
Casinos	4,265,460	40.3	4,823,043	37.4	13	
Games arcades	38,509	0.4	-	-	-	
Betting	1,660,169	15.7	3,407,276	26.4	105	
Audiotele lotteries*	35,432	0.3	29,980	0.2	-15	
Total	10,575,904	100%	12,901,922	100%	22%	

**The information on the amount of revenue on audiotele lotteries was based on data sources (IGH forms) which turned out incomplete, accordingly, resulting it was necessary to adjust the data for 2016. The adjusted amount was calculated on the basis of tax data.*

The specification presented above indicates that 2017, compared to 2016, saw an increase in the revenue generated on betting (an increase by PLN 1,747,107 thousand, i.e. by 105 %) and in casinos (an increase by PLN 557,583 thousand, i.e. by 13 %).

In the case of gambling games subject to the state monopoly, an increase in the revenue – by PLN 65,289 thousand, i.e. by 1.4 % was recorded (cash lotteries – an increase by PLN 193,893 thousand, i.e. by 20 %), whereas in the case of number games – a decline by PLN 128,604 thousand, i.e. 3.6 % was noted.

In the case of audiotele lotteries, a decrease in the revenue by PLN 5,452 thousand, i.e. by 15 % was recorded.

4. RECEIPTS FOR THE STATE BUDGET

4.1. Gambling tax revenue

In 2017, the receipts for the state budget on account of gambling tax were forecast at a level of PLN 1,709,000 thousand. They were accomplished in the amount of PLN 1,640,203 thousand, which means that in relation to the forecast they were lower by PLN 68,797 thousand, i.e. 4 %. Compared to 2016, these receipts were higher by PLN 233,278 thousand, i.e. by 16.6 %.

The scope and level of detail of the data concerning the state budget revenue on account of gambling tax is stems from the Regulation of the Minister of Finance of 2 March 2010 concerning the detailed classification of income and expenses, revenues and expenditure and funds originating from foreign sources (Journal of Laws of 2014, item 1053, as amended).

In accordance with the aforementioned regulation, revenue from gambling tax is disclosed in the budgetary classification in Section 756, Item 75614 –receipts from games.

Consequently, the revenue on account of gambling tax gained from individual games and betting is not presented in the state budget as a separate position.

Nevertheless, it is possible to determine the level of declared individual tax amounts arising from the aforementioned title on the basis of forms filed by taxpayers.

4.1.1. Gambling tax for the years 2016-2017

The table below presents amounts of tax declared by taxpayers for individual types of gambling games in the years 2016 – 2017.

Specification		Gambling tax (in PLN thousand) (due – declared by taxpayers)		
		2016	2017	Change 2017/2016 (%)
Monopoly		866,665	870,032	0.4
	<i>Number games</i>	720,886	695,165	-3.6
	<i>Cash lotteries</i>	145,779	174,867	20
Casinos		339,096	372,134	10
Games arcades		2,724	-	-
Betting		196,596	407,367	107
	<i>stationary points</i>	108,489	128,142	18
	<i>via the Internet</i>	88,107	279,225	217
Audiotele lotteries		8,858	7,495	-15
Raffle lotteries		12	32	166
Total		1,413,951	1,657,060	17

The estimated amounts due (declared by taxpayers) on account of gambling tax in 2017 reached PLN 1,657,060 thousand and exceeded the amount due for 2016 by PLN 243,109 thousand, i.e. by 17 %.

Compared to 2016, the growing dynamics of amounts declared in the following game segments had the greatest impact on the level of gambling tax gained in 2017:

- betting (in stationary points and via the Internet) – an increase by PLN 210,771 thousand, i.e. by 107 %,
- games in casinos – an increase by PLN 33,038 thousand, i.e. by 10 %,
- cash lotteries – an increase by PLN 29,088 thousand, i.e. by 20 %,
- raffle lotteries – an increase by PLN 20 thousand, by 166 %.

In 2017, a decline in the amount of declared gambling tax occurred in the case of audiotele lotteries (a decrease by PLN 1,363 thousand, i.e. by 15 %) and number games (a decline by PLN 25,721 thousand, i.e. by 3.6 %), whereas in the case of games on gaming machines arranged in games arcades, due to the expiry of the last games arcade permit on 7 June 2016, no gambling tax receipts were recorded.

4.1.2. Structure of gambling tax for the years 2016 – 2017

The table below presents the structure of tax for individual types of gambling games in the years 2016 - 2017.

Specification	Structure of e gambling tax (%)	
	2016	2017
Monopoly	61.3%	52.5%
	<i>Number games</i>	<i>51%</i>
	<i>Cash lotteries</i>	<i>10.3%</i>
Casinos	24%	22.4%
Games arcades	0.2%	0
Betting	13.9%	24.6%
	<i>stationary points</i>	<i>7.7%</i>
	<i>via the Internet</i>	<i>16.8%</i>
Audiotele lotteries	0.6 %	0.5%
Raffle lotteries	0.0008%	0.002%
Total	100%	100%

The analysis of the structure of gambling tax declared in 2017 indicates that, compared to 2016, its share in the total amounts of gambling tax declared from the following segments of the gambling market increased:

- 1) betting - by 10.7 percentage points;

2) raffle lotteries - by 0.001 percentage points.

At the same time, in other segments, a decline of share in the total amounts of declared gambling tax decreased. The greatest decline was recorded in number games – by 9 percentage points, casinos - by 1.6 percentage points, cash lotteries - by 0.2 percentage points, audiotele lotteries - by 0.1 percentage point.

4.2. Tax arrears

As at 31 December 2017, tax offices recorded tax arrears amounting to PLN 101,579 thousand, which means that their increase by PLN 15,681 thousand, i.e. by 18 % compared to the status as at 31 December 2016.

Gambling tax arrears (in PLN '000)

Specification	As at 31.12.2016	As at 31.12.2017
Amount of arrears	85,898	101,579*

** the increase of the balance of gambling tax arrears was affected by the arrears of one entity (in the amount of PLN 19,976 thousand) who, as at the date of preparing this report, had already settled the liabilities.*

Pursuant to Article 63 of the Gambling Law, an entity arranging games was obliged to provide financial security in the following amounts in order to secure tax liabilities on account of gambling tax:

1. PLN 1,200,000 – in the case of casino operation;
2. PLN 600,000 - in the case of cash bingo hall operation;
3. PLN 40,000 - in the case of bet making points;
4. PLN 480,000 - in the case of arranging betting via the Internet.

In the case of failure to pay the assessed or declared amount of gambling tax on time, the liability was satisfied out of the security provided. In 2017, the number of pending instruments permitting enforcement on account of gambling tax amounted to 351, 264 were settled . The amount covered by instruments permitting enforcement reached PLN 2,532 thousand, including PLN 355 thousand of enforced tax arrears.

4.3. Receipts from fees in 2017

In accordance with the Gambling Law effective in 2017, entities arranging gambling games paid the fee:

to the bank account of the Ministry of Finance:

- 1) fee for the granting licences and permits, change of licences or permits – pursuant to Article 68(1)(1) and (4) of the Gambling Law. The amount of PLN 19,224.9 thousand was

transferred to the MF account;

2) examination fee – Article 68(1) (2) of the Gambling Law repealed by the Act of 15 December 2016 amending the Gambling Law and certain other Acts which entered into force as of 1 April 2017. In 2017, seven exams were held; accordingly, the MF account was credited with the amount of PLN 249.2 thousand;

3) fee for issuing a professional certificate – Article 68(1) (3) of the Gambling Law repealed by the Act of 15 December 2016 amending the Gambling Law and certain other Acts which entered into force as of 1 April 2017. In 2017, 136 professional certificates were issued, accordingly, the MF account was credited with the amount of PLN 76.2 thousand.

4) fee for examining the request for resolving the nature of games referred to in Article 2(6) – accordingly, the MF account was credited with the amount of PLN 68.2 thousand;

to the bank account of the Nowy Targ Tax Office:

1) for issuing permits for promotion lotteries, raffle lotteries, audiotele lotteries, bingo games– PLN 32,119.4 thousand;

2) for registration of a gaming machine – PLN 761.8 thousand;

3) for a lottery drawing machine – PLN 46.7 thousand;

4) for registration of a gaming device – PLN 44.6 thousand.

In total, in 2017, on account of the aforementioned fees the bank accounts of the Ministry of Finance were credited with the amount of PLN 19,618.5 thousand whereas the bank account of the Nowy Targ Tax Office was credited with the amount of PLN 32,972.5 thousand. **The total receipts on account of the aforementioned fees determined under the Gambling Law amounted to PLN 52,591 thousand.**

4.4. Surcharges

Pursuant to Article 80(1) of the Gambling Law, the following surcharges were established for games subject to the state monopoly:

1) 25% of the stake, price of the coupon or another game ticket – in number games;

2) 10% of the stake, price of the coupon or another game ticket – in cash lotteries and telebingo.

In accordance with the Gambling Law, the surcharges are transferred in the following way:

1) 75% - to the Physical Culture Development Fund operated by the minister competent for physical culture;

2) 20% to the Fund for the Promotion of Culture operated by the minister competent for

culture and national heritage;

3) 1% to the Fund for Resolving Gambling Problems operated by the minister competent for health matters;

4) 4 % to the Fund for the Support of Civil Society Development, operated by the Chairman of the Committee for Public Benefit Affairs.

Surcharge amounts transferred to individual funds in 2017

Specification	Amount (in PLN thousand)		
	2016	2017	Difference 2017 – 2016
Physical Culture Development Fund	759,696	723,938	-35,758
Fund for the Promotion of Culture	197,324	191,694	-5,630
Fund for Resolving Gambling Problems	29,030	15,239	-13,791
Fund for the Support of Civil Society Development	-	28,168	+28,168
TOTAL	986,050	959,039	-27,011

Source: budgetary data

In 2017, the amount of surcharges decreased by PLN 27,011 thousand, i.e. by 2.7 % compared to 2016.

5. SUPERVISION AND CONTROL OF ACTIVITY DETERMINED UNDER THE GAMBLING LAW

5.1 Bodies authorised to exercise control and forms of control

The Act of 16 November 2016 on the National Revenue Administration (Journal of Laws of 2018 item 508, as amended)² provided basis for the control of the gambling market in 2017. The tasks of the National Revenue Administration included: performing customs and tax inspections in the area of gambling games in the scope of compliance of entities pursuing such activity with to the provisions of the Gambling Law, compatibility of this activity with the notification, granted licence or permit and with the approved game regulations, control of compliance with the obligations in the scope of gambling tax and surcharges, control of gaming machine holding as well as the production and trade in gaming machines. Moreover, the tasks of the National Revenue Administration included the identification, detection, counteracting and combating tax crime and tax offence against the organisation of gambling games and the prosecution of perpetrators.

The bodies authorised to perform the aforementioned tasks in 2017 were the heads of customs and tax control offices³. Control powers with regard to the accuracy of declared taxable amount and the correctness of gambling tax assessment and payment were also exercised by revenue control authorities⁴.

Inspections in the area of gambling games comprise:

- 1) compliance with the provisions regulating the arrangement and conducting of gambling games referred to in the Gambling Law and compatibility of such activity with the notification, granted licence or permit and the approved regulations;
- 2) accuracy and timeliness of gambling tax payments; these inspections were performed under the rules defined in Chapter 3 of the Act of 27 August 2009 on the Customs Service (Journal of Laws of 2016, item 1799, as amended), by heads of customs offices⁵;
- 3) fulfilment of the entities' obligations in the scope of gambling tax and surcharges.

Furthermore, in connection with the entry into force on 1 April 2017 of the Act of 15 December 2016 amending the Gambling Law and certain other Acts which introduced changes in the scope of the currently effective model of the gambling market, the following areas are

² In the period from 1 January to 28 February 2017 the tasks were performed by Customs Service bodies pursuant to the Act of 27 August 2009 on Customs Service .

³ In the period from 1 January to 28 February 2017 - heads of customs offices and directors of customs chambers

⁴ Refers to the period from 1 January to 28 February 2017

⁵ Since 1 March 2017, the inspections have been carried out pursuant to the Act of 16 November 2016 on the National Revenue Administration by heads of customs and tax control offices

also subject to customs and tax control:

- 1) compliance with the provisions in the scope of holding gaming machines;
- 2) production and trade in gaming machines.

5.2. Conducted inspections in the area of the legal gambling market and their outcome

5.2.1. Inspections of arrangement of gambling games in 2017

In 2017, the National Revenue Administration conducted the total of 552 inspections of arrangement of gambling games, i.e. 245 more inspections than in 2016. As a result of 69 inspections of arrangement of gambling games performed by bodies of the National Revenue Administration various types of irregularities were disclosed, which consequently indicates that the effectiveness of these inspections reached 12.5%. The increased number of inspections was associated with the emerging signals of occurring irregularities, among others, in bet making points, including the intensification of control measures in sectors of potential non-compliance risk.

5.2.2. Number of performed inspections of arranging games and irregularities found in entities holding a license/ permit for arranging gambling games and in entities notifying such games

The table below presents the number of inspections of arranging individual types of games in areas of the legal gambling market carried out by bodies of the National Revenue Administration.

Game type	Number of inspections performed		Number of inspections during which irregularities were found
	2016	2017	2017
Games on gaming machines in games arcades	3	0*	0
Games in casinos	76	119	6
Betting	74	297	30
Number games (lottery offices)	18	26	5
Lotteries (raffle, promotion, audiotele)	118	97	27
Cash lotteries	18	13	1
Total	307	552	69

* In 2017, no games arcades operated

Casinos

In 2017, 119 inspections were performed in casinos.

During 6 inspections of arranging gambling games irregularities were disclosed which consisted, among others, in:

- failure to record a visitor's entry in the casino in the register;
- incorrect assessment of the taxable amount and tax calculation on a game of poker played in the form of a tournament;
- lack of validation of the records of certificates by the head of the customs and tax control office.

Betting – bet making points

In 2017, 2,510 bet making points operated. During 297 inspections performed by the National Revenue Administration bodies, irregularities were disclosed in 30 cases. The irregularities were, among others related to:

- failure to publish the rates and the results of betting at a bet making point;
- lack of validated records of prizes paid out (issued) with a value of at least PLN 2,280;
- failure to display a warning on the ban on participation of minors in the game;
- lack of consent of the national organiser of sports competitions to use the results of events;
- untimely issue of certificates of prize;
- violating the conditions of the permit by arranging betting in the manner incompatible with the regulations;
- arranging betting at a point located in a venue which does not fulfil the requirements of the Gambling Law;
- prohibited advertising of betting.

Promotion and audiotele lotteries

In 2017, 27 inspections of arranging promotion lotteries and audiotele lotteries were conducted.

In 14 cases, various types of irregularities were found, related in particular to:

- arranging a lottery without a permit;
- failure to send a notification of the commencement of the lottery;
- failure to properly secure the lottery drawing machine against tampering (incorrect seal placement).

Number games

In 2017, 26 inspections of arranging number games were conducted. During 5 inspections an irregularity was found consisting in the lack of warning concerning the ban on minors' participation in the game.

Raffle lotteries

In 2017, 70 inspections of raffle lotteries were performed. Results of 13 inspections indicated various types of irregularities. The irregularities were, among others related to:

- lack of validated records of prize certificates;
- arranging a raffle lottery without a permit;
- failure to notify the destruction of coupons;
- failure to settle the lottery within the determined time limit;
- the value of prize in gambling games (the value of the prize was lower than the price of the coupon, the total value of the prizes won was lower than 30% of the total price of the coupons for sale);
- notifying a lottery with the infringement of the statutory deadline.

Cash lotteries

In 2017, 13 inspections of lottery offices offering cash lotteries were performed. During one inspection, an irregularity consisting in the lack of access to the lottery regulations was found.

5.2.3. Tax inspections performed by the National Revenue Administration in the area of gambling games

Tax inspections

In 2017, heads of customs and tax control offices conducted 8 inspections in the scope of gambling tax. As a result of all tax inspections, reduction of receipts for the state budget on account of gambling tax by PLN 774,224 was disclosed. The irregularities included incorrect assessment of the taxable amount and calculation of the tax due on a poker game in the form of a poker tournament and (in the case of 2 inspections), the failure of an entity arranging a poker tournament to file gambling tax returns.

Inspections of the accuracy and timeliness of gambling tax payments

In 2017, heads of customs and tax control offices conducted 14 inspections of the accuracy and timeliness of gambling tax payments referred to in Article 30(3)(1) of the Act of 27 August 2009 on the Customs Service⁶. One inspection revealed the irregularity related to

⁶ Since 1 March 2017, inspections have been performed pursuant to the Act of 16 November 2016 on the National Revenue Administration by heads of customs and tax control offices

underestimation of the gambling tax taxable amount. This irregularity did not affect the reduction in the amount of gambling tax due to the loss incurred by the casino in the period when the irregularity occurred.

5.3. Inspections in the area of the illegal gambling market, i.e. in relation to entities arranging and conducting gambling games without a licence, a permit or a notification

In 2017, the National Revenue Administration (KAS) continued its activities aimed at combating tax offence consisting in the illegal arrangement of games.

As a result of performed control measures, the KAS bodies detected the following irregularities:

- arranging 10 promotion lotteries without a permit;
- arranging 2 audiotele lotteries without a permit;
- arranging 2 raffle lotteries without a permit.

In 2017, the National Revenue Administration carried out intensive control of the market with regard to arranging games on gaming machines without a required permit, holding of gaming machines as well as production and trade in gaming machines.

In 2017, 27,635 gaming machines were seized. This number results from maintaining the level of control effectiveness based on risk analysis and counteracting illegal activity undertaken in locations where gaming machines registered as low-value-prize machines formerly operated .

In the scope of illegal operations, intensified measures were continued in the area of illegal arranging of games on gaming machines, i.e. arranging illegal games using electronic media, skill with prizes (SWP) and arranging games without a permit on traditional (classic) gaming machines. Additionally, in 2017, activities were also carried out in the scope of unlawful possession of gaming machines. These actions, conducted also in collaboration with the Police, were targeted at disclosing the arrangement of illegal games on gaming machines or illegal holding of gaming machines.

Irrespective of the foregoing, as a result of the activities performed in 2017, over 45,000 interventions were undertaken in order to verify the locations identified as having arranged illegal games on gaming machines in the past, or where a likelihood of such activities existed.

The number of devices seized by the National Revenue Administration was slightly higher than in 2016. This is associated with additional seizure of gaming machines on account of their unauthorised holding in 2017. In 2017, bodies of the National Revenue Administration seized 14,738 gaming machines which were used to arrange games and 12,897 gaming machines

on account of their unauthorised holding (including 11,721 gaming machines stored in warehouses). In connection with the intensified activities of the National Revenue Administration bodies, the number of gaming machines used for illegal games on gaming machines seized in 2017 was lower by 43.8 % compared to 2016.

The table below presents the number of devices seized for the purpose of proceedings in tax penal cases :

Device type	2010	2011	2012	2013	2014	2015	2016	2017
Low-value--prize machines operated without a permit	1,030	70	60	169	13,864	29,855	x	x
Traditional gaming machines	1,074	631	459	2,554			24,699	24,503
SWP machines	87	1,856	2,474	1,574				
Internet terminals	102	672	288	1,649	393	393	1,532	3,132
TOTAL	2,293	3,229	3,281	5,946	14,257	30,248	26,231	27,635

Internet terminals

The first area of illegal arranging of games on gaming machines was the arrangement of illegal games using electronic media. In 2017, during inspections of locations where the aforementioned games were illegally arranged, bodies of the National Revenue Administration seized 3,132 of such machines.

Such devices, via the Internet, enabled their users to play gambling games analogically to the traditional gaming machines within the meaning of the Gambling Law. In the course of conducting illegal games using Internet terminals, the fee for the game was paid at the venue where the Internet terminal was located, through a banknote or coin reader installed in the machine itself or with the help of staff who, using another computer connected to the Internet, would pay the fee for the game, corresponding to the amount received from the player in cash. The operators also paid out prizes for points won on the machine. Such machines were usually deployed in premises to be treated as Internet cafes as well as in places where liquidated game points operated in the past.

In 2017, the phenomenon of introducing “Knowledge quiz” and “CSANI” devices to operation was still popular.

In this respect, on 29 November 2016, the Minister of Development and Finance issued the first decision concerning the nature of games arranged on such machines, recognising that they should be treated as games on gaming machines. Additionally, on 14 September 2016,

the Ministry of Finance published a notice on its website concerning the appearance of CSANI terminals (internet kiosks) and so-called “Quiz machines” on the market, whereas on 26 May 2017, the Ministry published a notice reminding the public of the definition of games on gaming machines within the meaning of the Gambling Law and the meaning of an ‘element of chance’ with regard to gambling games.

On 28 October 2014, the Minister of Finance issued a decision, in which it ruled that games organised on CSANI Money Transfer Kiosk devices were regarded as games on gaming machines within the meaning of the Gambling Law.

This position was shared by the Supreme Administrative Court in its judgment of 8 February 2017, case ref. II GSK 5293/16, which ruled that the players using the CSANI platform on Money Transfer Kiosk devices did not enter into a purchase/ sale transactions of financial instruments, currency options, but they were playing gambling games offered by the device.

Additionally, on 12 February 2018, the Internet domains csani.com and www.csani.com using Internet addresses <http://www.csani.com> and <http://csani.com> to arrange games via the Internet were entered in the Register of domains used to offer gambling games incompatible with the Gambling Law, referred to in Article 15f (1) of the Gambling Law..

Skill with Prize Machines (SWP)

Another area of the illegal arrangement of games on gaming machines was the arranging of illegal games using skill with prize machines. They are gaming machines where prizes are paid outside the machine, e.g. by the staff of the premises or a bartender. The operators arranging and conducting gambling games on skill with prize machines for the purpose of fraudulent disguise of their illegal operation, displayed notices on the device informing that the machine was a play device only and did not pay out prizes. Moreover, there were other elements installed in the devices to fake their legality, such a time limiters and skill elements.

Traditional (classic) gaming machines

The third and most common area of illegal arranging of games on gaming machines was the arranging such games using traditional (classic) gaming machines, where cash or in-kind prizes were possible (the prize is paid out by the machine). In 2017, during inspections of the locations where games on SWPs and traditional gaming machines were illegally arranged, the National Revenue Administration seized 24,503 gaming machines. In most cases they were machines previously used as low-value-prize gaming machines which, after small alterations, returned to the market as gaming machines used for games arranged illegally.

5.3.1. Activities of the National Revenue Administration in the scope of combating arranging games on gaming machines without a permit

The greatest risk of irregularities was identified in the following areas:

- arranging games on gaming machines without using any electronic media (traditional gaming machines);
- arranging gambling games using electronic media.

Due to the fact that the market of games on gaming machines was remodelled to permit arranging of games on gaming machines in casinos and games arcades operated by an entity exercising the state monopoly in this scope only, a substantial number of gaming machines which used to arrange games on low-value-prize gaming machines are being re-introduced into the market as gaming machines used for illegally arranged games after minor alterations.

The National Revenue Administration authorities will continue to eliminate that hazard, including by further exercising of their intensified control measures, especially by inspecting the locations where illegal arrangement of gambling games had been already disclosed in the past. The National Revenue Administration, within its activities, obtained information on location of illegal points of games on gaming machines, in particular from the Municipal Guards, the Police, local authorities, schools, from the Customs Service hotline⁷, the powiadom.clo e-mail box (currently at: powiadomKAS@mf.gov.pl), and the National Hotline of the National Revenue Administration 800 060 000 – line open 24h a day, the same number for the entire territory of Poland). It also continued the collaboration with the Chief Commander of the Police in the scope of cooperation with regional / capital city, district, municipal and local police departments in the identification of locations where illegal gambling operations were taking place with the violation of the provisions of the Gambling Law, including by conducting joint inspections.

Additionally, in 2017, combating the arrangement of games on gaming machines without a permit/ licence was implemented through:

- focusing the inspections on locations which are socially vulnerable and exposed, especially in city centres, bazaars, passages and commercial centres, surroundings of trunk roads, in the vicinity of schools, medical facilities, places of worship;
- criminal analysis aimed at linking facts in order to detect the perpetrators or identify new directions which have to be explored in order to disclose irregularities;

⁷ From 1 March 2017, the National Revenue Administration

- cooperating with local authorities; if illegal games on gaming machines are found to be arranged in locations offering alcohol, the licensing authority will receive information on organising gambling games on the premises without a permit required by law;
- conclusion of an agreement between the Head of the National Revenue Administration and the Chief Building Supervision Inspector on cooperation in identifying locations where operations were carried out with violation of the provisions of the Building Law and the Gambling Law;
- elaboration and submission of information on new legal regulations in the area of gambling games in connection with the entry into force of the Act amending the Gambling Law and certain other acts:
 - a) to the Minister of the Interior and Administration, with a request to disseminate it in subordinated local administration units, including paying special attention to issues connected with letting premises to operators under agreements concluded by those units;
 - b) to the Presidents of the Polish Chamber of Liquid Fuels and the President of the Polish Industry Organisation, with a request to disseminate it among their members operating in the fuel sector present mainly in the Polish retail market of liquid fuels and distributing liquid fuels or lubricating oils, including indicating that the dissemination of the information might contribute to avoid potential criminal or administrative liability.

5.4. Activities of bodies of the National Revenue Administration in the scope of violation of the provisions of the Gambling Law on the Internet

The technological development enabling comprehensive use of the Internet, available to anyone and practically at any location, also triggers changes in the structure of gambling games. These changes consist in relocating and undertaking activities in the scope of arranging gambling games to the Internet. The Internet as well as new communication methods are frequently used as a tool to conduct illegal activities through the range of options they offer, i.e. arrangement of gambling games via the Internet, their advertising and promotion and information on sponsoring contrary to the provisions of the Gambling Law as well as participation in illegal games.

5.4.1. Arranging illegal gambling games on the Internet

Due to the entry into force, on 1 April 2017, of the Act of 15 December 2016 amending the Gambling Law and certain other acts which introduced changes in the scope of the current

model of the gambling market intended to achieve the objective of highest level of player protection and limiting the phenomenon of the “shadow economy”, the activities of the National Revenue Administration bodies focused on illegal gambling games arranged via the Internet.

The main area of activity was the monitoring of the Internet and identification of websites in terms of infringement of the provisions of the Gambling Law, including for the purpose of entering their names in the Register of domains used to arrange gambling games against the Gambling Law.

The premises for entering a domain name in the Register have been listed in Article 15f (4) of the Gambling Law. A domain name is entered in the Register if the domain is used for arranging gambling games without a license, a permit or without a notification required under the Law, especially if the websites which used the names of such domains are:

- available in Polish,
- advertised on the territory of the Republic of Poland.

Entry in the Register, amendment to the entry or its striking-off is performed on an *ex officio* basis following the approval by the minister competent for public finance or an authorised secretary of state or undersecretary of state, in the office of the minister competent for public finance.

In 2017, as a result of undertaken measures 1,277 domains were entered in the Register.

5.4.2 Advertising and promoting gambling games on the Internet

The National Revenue Administration implemented measures in the scope of counteracting prohibited advertising and promotion of games and informing of sponsoring on the Internet taking into account the provisions of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (OJ L 178 from 17.07.2000, p. 1) and Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376 from 27.12.2006, p. 36). Within the legal framework effective in 2017, the measures concerning the area under discussion were implemented pursuant to the Act of 18 July 2002 on the Provision of Electronic Services (Journal of Laws of 2017, item 1219, as amended), which implemented (in principle) the provisions of the Directive on electronic commerce, and pursuant to the Act of 10 September 1999– Fiscal Penal Code (Journal of Laws of 2017, item 2226, as amended).

In 2017, as a result of a systematic review of the Internet by the National Revenue Administration bodies in the scope of posting illegal advertising and promotion of gambling games, among others on servers managed by domestic providers of hosting services (entities offering space on their servers to consumers for the purpose of saving their data), 66 domains were identified, where hosting services of the particular website were provided by Polish entities. 68 URLs were identified in 66 domains, with content which violated Article 29(1) and (2) of the Gambling Law. Providers of hosting services removed/ blocked access to forbidden content located in 64 domains.

In the current practice, which is evident from the above data on the proceedings conducted and the number of blocked Internet domains, results can be noted indicating the effectiveness of the National Revenue Administration in this respect.

5.4.3. Activities in the scope of cooperation of the National Revenue Administration bodies with the aim of counteracting violation of provisions in the area gambling games on the Internet

The following measures were undertaken in order to counteract crime in the area of gambling games arranged via the Internet:

- cooperation was started with several dozens of hosting service providers which improved the communication and the effectiveness of implemented tasks;
- drafting and providing the Chairman of the Polish Financial Supervision Authority with information in the scope of new legal regulations in the area of gambling games in connection with the entry into force of the Act amending the Gambling Law and certain other acts, especially concerning the blocking of illegal operators' websites and blocking payments to entities arranging illegal gambling games via the Internet, with a request to disseminate this information among providers of payment services in the face of administrative sanctions against the entities failing to observe the prohibition on the provision of payment services;
- working out a method for cooperation between the Polish Financial Supervision Authority and the National Revenue Administration in the scope of enforcement of the prohibition to act as an intermediary in payments for participation in gambling games arranged via the Internet on the territory of Poland to entities illegally arranging gambling games via the Internet;
- establishing collaboration with the Ministry of Health with regard to launching an information and education campaign in the area of arranging illegal gambling games

via the Internet under the programme of Counteracting Behavioural Addiction, operational objective no. 2: *Prophylaxis and resolving problems related to using psychoactive substances, behavioural addictions and other risky behaviour* of the National Health Programme for the years 2016 – 2020, and launching measures aimed at conducting scientific research on the participation of the society in gambling games via the Internet, the results of which would make it possible to define a profile of a typical on-line gambler in order to define effective methods for resolving gambling addiction problems and develop adequate preventive measures appropriate for that group of persons.

Measures undertaken against players participating in illegal gambling games via the Internet

In 2017, 13 proceedings were initiated against persons who participated in illegal gambling games on the Internet, in 12 cases charges were presented to suspects. The courts issued criminal conviction in 7 cases, sentencing the defendants to fines in the total amount of PLN 9,280,00. Moreover, in 4 cases the courts issued judgments as a result of voluntary subjection to penalty, with total fines amounting to PLN 2,440.00.

5.5. Tax crime and tax offence against the organisation of gambling games

Tax crime and tax offence against the organisation of gambling games is described in Title 1 Section 2 Chapter 9 (detailed part) of the Act of 10 September 1999– Fiscal Penal Code. As of 1 March 2017, bodies authorised to conduct proceedings concerning these issues are the heads of customs and tax control offices which form a part of the National Revenue Administration. In the period from 1 January to 28 February 2017, the Customs Service was competent for conducting proceedings in the aforementioned scope.

The table below presents the number of proceedings concerning tax crime and tax offence against the organisation of gambling games, conducted by the Customs Service in 2016 and by Customs and Tax Control offices in 2017

Tax crime and tax offence in the scope of:	Preparatory proceedings		Fine ticket proceedings	
	2016	2017	2016	2017
Games on gaming machines and betting	8,747	9,709	11	8
Raffle lotteries, raffle bingo, promotion lotteries and audiotele lotteries	85	45	0	2
Advertising and promoting gambling games and information on sponsoring	95	159	9	3
Other violations of provisions regulating the organisation of gambling games	62	52	6	2
Total	8,989	9,763	26	15
The total amount of fines imposed in closed cases (in PLN)	1,667,089	24,641,423	22,500	11,552

In 2017, the courts imposed a fine in 2331 fiscal penal cases against perpetrators of tax crime and tax offence for the total amount of PLN 24,641,423, which constitutes a rise in the total amount of fines by 1,378 % compared to 2016. In cases concluded in ticket proceedings, a fine was imposed in 15 fiscal penal cases for a total amount of PLN 11,552. In aggregate, the fines were imposed on perpetrators in 2,346 fiscal penal cases for non-compliances in the area of gambling games for the total amount of PLN 24,652,975, which constitutes an increase in the amount of fines by 1,359 % compared to 2016.

In 2016, customs offices, as fiscal authorities competent to conduct preparatory proceedings, undertook investigations not only against persons who arranged and conducted illegal gambling activities and participated in illegal gambling games, but also against persons who contributed and enabled the illegal procedure, e.g. by letting premises and rooms, providing services, etc. Starting from 1 March 2017, the tasks in this area were taken over by heads of Customs and Tax Control offices.

The number of fiscal penal proceedings in the area of games on gaming machines and betting increased by 11 %. On the other hand, in the scope of raffle lotteries, raffle bingo games, promotion lotteries and audiotele lotteries, the number of cases fell significantly – by 47 %, which proves that the scale of irregularities in this area is markedly lower. The activities undertaken by customs and tax control offices also included combating prohibited advertising

and promotion of gambling games: the number of such cases increased by 64 in 2017, i.e. by 67 % compared to 2016. The number of other types of cases involving tax crime and tax offence conducted in 2017 fell by 10, i.e. by 16 % compared to 2016.

Achievement of these results in combating tax crime and tax offence against the organisation of gambling games was possible, among others, as a result of the collaboration between the National Public Prosecutor's Office and the Ministry of Finance in eliminating so-called "shadow economy" in the environment of gambling games. The activities of the National Public Prosecutor's Office in 2017 significantly affected developments in the practice of prosecuting economic and financial and tax crime.

5.6. Application of administrative sanctions for the infringement of the provisions of the Gambling Law

A financial penalty is a financial sanction for the failure to comply with the obligations stipulated in the Gambling Law imposed pursuant to Article 89 of the Gambling Law. A financial penalty can be imposed both on an organiser of gambling games without a licence or a permit or a notification, without the required gaming machine or device registration, on an organiser of gambling games on gaming machines outside a casino as well as on a participant in a gambling game which is arranged without a licence or a permit.

As a result of conducted proceedings concerning the infringement of the provisions of the Gambling Law and imposing fines as a consequence of inspections carried out by the National Revenue Administration, the total amount of financial penalties imposed under Article 89(1) of the Gambling Law (in the first instance decisions) amounted to PLN 237,429.9 thousand.