



GAMBLING



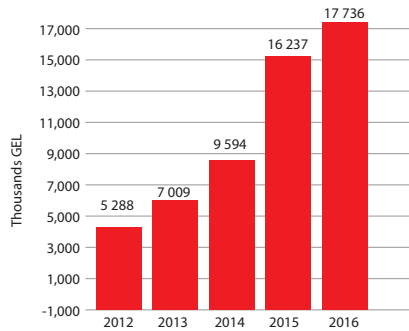
CASINO INDUSTRY OVERVIEW

Casino is one of the most profitable components of hotel business and the main driving force for attracting investments in the tourism industry.

Currently, 11 casinos are operating in Ajara and over 7 casinos are planned to open by the end of 2017.

In 2016 more than 680 000 gamblers visited the casinos.

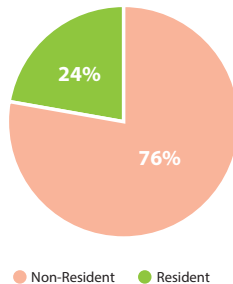
Contribution of Casinos to the Batumi Municipal Budget



Source: Batumi City Hall.

In 2016, total contribution of gambling business to the Batumi Municipal Budget was GEL 17 735 700.

Distribution of Resident and Non-Resident visitors of the casinos (percentage, 2016)



Source: Batumi City Hall.



ADVANTAGES OF

GAMBLING BUSINESS

- ▶ Supportive gambling business legislation
- ▶ Attractive investment climate
- ▶ Liberal visa policy
- ▶ Ban on gambling businesses in neighboring countries
- ▶ Proximity of Batumi (administrative center of Ajara) to the airport, sea port, railway and international border
- ▶ High level of security
- ▶ Developed transport infrastructure
- ▶ Less regulations and restrictions in the gambling industry
- ▶ Tax and permits preferences



ESTABLISHING A CASINO

Gambling and casino businesses are allowed by the Georgian Law.

On 25 March 2005 the Parliament of Georgia adopted Law on “Holding Lottery, Gambling and Other Profitable Games”.

The Law stipulates state regulations for gambling business and legal protection clients’ interests and rights.

The license on gambling and other profitable games business is issued by the Ministry of Finance of Georgia www.mof.ge, which is also authorized to reject, make changes and amendments, extend or terminate issued licenses.

Gambling business is allowed only on the casino grounds and gaming machine areas. Casinos shall have at least 7 tables including the roulette one



STEP I

Registering a business entity is the compulsory procedure for starting a business and lasts one day.

For more information on registering a business, refer to the brochure ‘Doing Business in Batumi’.

STEP II

Issuance and revocation of permits, amendments and registry of gambling and profitable games are implemented by the Revenue Service of the Georgian Ministry of Finance.



GAMBLING INDUSTRY FOR ESTABLISHING

- ▶ Slot Machine Saloon
- ▶ Casino
- ▶ Gambling Club
- ▶ Bookmaking
- ▶ Lotto
- ▶ Bingo
- ▶ Promotional Draw

Permit seekers shall submit a scanned version of the required documentation through the Revenue Service web page www.rs.ge

STEP III

An entrepreneur seeking a permit for establishing Casino/ Slot machine Club/Gambling Club must submit the following documentation:

- Extract from the Public Registry
- Confirmation of the permit fee payment

Documents for the Slot Machine Saloon application shall include the following:

- ▶ Date and place of holding gambling games
- ▶ Description and number of slot machines (name, type of modification, factory number, date of manufacture, country of origin), maximal and minimal number of bets and possible gains per machine
- ▶ Slot Machine Saloon operating regulations, internal regulations, rules of gaming, and terms and conditions for claims.



CASINO

- ▶ Description and number of gambling tables (name, factory number, date of manufacture, country of origin), maximal and minimal number of bets
- ▶ Casino operating regulations; internal regulations, rules of gambling, and terms and conditions for claims
- ▶ Samples of casino chips

GAMBLING CLUB

- ▶ Description and number of gambling tables (name, factory number, date of manufacture, country of origin), amount of commissions, regulations for gambling club operating
- ▶ Internal regulations, rules of gambling, samples of casino chips (if any)

ELECTRONIC GAMBLING

- ▶ Actual address
- ▶ A list and description of gambling activities, place and terms and gains received

- ▶ For Internet Gambling: web address, terms of players' registration
- ▶ Rules of handling deposit/balance
- ▶ Full name of an operating company, legal address, telephone number, permit number, descriptions and regulations for gambling activities; information about gambling restrictions for persons under 18 shall be published on the web page in Georgian language
- ▶ For telephone gambling: telephone number registered in Georgia

PERMITS VALIDITY PERIOD

- ▶ Permit for opening Slot Machine Saloon / Casino / Bookmaker's / Lotto / Bingo is valid for 5 years
- ▶ Permit for having promotional draw is valid for one year
- ▶ Permit for opening a gambling club is valid for the duration of the permit issued for opening a casino or a slot machine saloon
- ▶ The permits listed above shall not be issued if an applying entity has tax debts



FEES

PERMIT ISSUANCE TIMEFRAMES & FEES:

1 working day	GEL 2 000
5 working days	GEL 800
10 working days	GEL 400
20 working days	Charge-free

Source: Ministry of Finance of Georgia

- ▶ Gambling and lottery business taxing and bookkeeping shall be regulated by the Georgian Law. Licenses for casinos and other profitable games shall be issued for the period of one year. Owner of a hotel with at least 100 rooms is exempted from paying for casino (located on the hotel premises) license fee for 10 years from the date of the casino license acquisition (applicable only to Batumi, Kobuleti and Khelvachauri areas)
- ▶ Gambling business is exempted from VAT payment.



ANNUAL FEE FOR LICENSE OF LOTTERY, GAMBLING AND OTHER PROFITABLE GAMES

GEL

Permits	Batumi	Kobuleti	Khelvachauri
Slot Machine Saloon	200 000	100 000	100 000
Casino	250 000	250 000	5 000 000
Gambling Club	30 000	10 000	10 000
Bookmaker's	80 000	40 000	40 000
Lotto/Bingo/Promotional draw	15 000	15 000	15 000

Source: Batumi, Kobuleti and Khelvachauri Municipalities.

GAMBLING FEE

FEES FOR GAMING ARE DIFFERENTIATED AS FOLLOWS:

GEL

	Batumi	Kobuleti	Khelvachauri	Period
Slot Machine	2 600	2 000	2 400	quarterly
Table game	24 000	21 000	23 000	quarterly
Electronic game	250 000	40 000	250 000	quarterly
Cashbox for bookmaking, bingo, lotto	6 000	4 000	6 000	quarterly
Promotional Drawing (prize fund)	10%	10%	10%	

Source: Batumi, Kobuleti and Khelvachauri Municipalities.

Fees for establishing gambling business shall be paid while receiving respective license and purchasing Fee Payment Mark. The mark indicates the right of the owner to open casino, bingo, lotto, bookmaking (betting) or any other type of gambling business. Purchasing, registering, fixing and changing damaged marks and also sealing dysfunctional premises shall be regulated by the Ministry of Finance of Georgia.



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