

Albania: a frosty climate for overseas gaming operators

Albanian government takes action against overseas sites

As of October 2013, the newly established Albanian government, resulting from the June 2013 election, has already shown that gambling per se might very well not be welcome anymore. The Prime Minister said in his press release of 25 October 2013 that Albanian society and families are suffering from gambling in general, and overseas online gambling in particular, and are 'exporting' annually amounts as high as 500 – 700 million USD. Taking into consideration the fragile public finances, exports of amounts as those mentioned above are a luxury that cannot be afforded.

In fact, the government soon started identifying and blocking overseas websites providing online gambling that were accessible to Albanian players, as well as supervising all means of electronic gambling. The blocking of overseas online gambling websites was based on the lack of operators of such websites obtaining the respective authorisation from the Albanian Gambling Monitoring Unit (the 'Unit').

By virtue of Law 10033/2008 'On gambling' (the 'Law On Gambling'), only operators of sports betting, the national lottery and distance electronic casino may organise online gambling, provided, however, that they meet the legal requirements on technical standards for the technology and equipment used. These requirements aim to ensure, *inter alia*:

- proper identification of the player, in order to enforce preventive measures imposed by the Law On Gambling;
- no manipulation of the gambling mechanisms by operators; and
- no tax evasion by means of modifying the transactions registered in the players' accounts.

Currently, the preventive measures that gambling operators must observe are the following:

- Minors (younger than 18 years of age) must not be employed by the gambling sector, enter into and/or otherwise engage themselves in gambling;
- Operators should not allow the entrance or participation in gambling of persons whose family members have requested to the Unit, and the latter has accepted, to be forbidden by gambling operators due to their difficult economic situation;
- Gambling operators must place in a visible spot a notice on the negative impact of gambling;
- Gambling operators must be located a certain distance from educational, religious, health and banking institutions; such distance varies from 15 metres if on the same side of the street to 40 metres if in front, etc, and
- Gambling advertisements must not be addressed to minors or promote such games as a solution to financial problems.

The general criteria for obtaining the authorisation includes *inter alia* establishment of a new company in Albania, unless it is an existing company, meeting minimal capital requirements and, in the case of online gambling, using only dedicated and certified registered servers that can be monitored by the Unit.

The servers used for online gambling must be in Albania; however, should the main servers be abroad, operators must make available all relevant data on the players and on their gambling activity in Albania to a dedicated server in Albania or in another jurisdiction, which should be approved in advance by the Unit.

Notwithstanding the above, according to the Unit, with the exception of the operator of the national lottery, which has not started any online gambling activities yet, no Albanian gambling operator is authorised for online gambling, and no request has been filed for such authorisation.

On the other hand, a hybrid formula has been applied in practice by sports betting operators offering the possibility to open personal online accounts, either by paying the operators directly or depositing a given amount in a bank account of the latter, allowing the placing of online bets for amounts of up to approx. 3,000 – 4,000 USD. In the case of a losing bet, the lost amount is then debited to the prepaid card account or bank account where the amount was deposited by the player, while in the case of a winning bet, the player must personally withdraw the winnings at the desks of the operators.

According to the Unit, not all Albanian banks provide banking services for gambling purposes. Law 9917/2008 'On prevention of money laundering and financing of terrorism' provides that Albanian banks may reject transactions involving gambling (placing of bets or retaining of winnings) and also denounce such cases to the General Directorate for the Prevention of Money Laundering in the case of suspicious activities carried out by clients of the banks, such as unusual overseas transactions, missing identification data of the person making the deposit for the bank's beneficiary, or transactions for amounts exceeding approx. 10,000 USD.

In light of the above, the Government of Albania has already started to draft the amendments to the current legal framework for regulating gambling, expected to explicitly ban, *inter alia*, overseas online gambling. However, no draft has been prepared yet and nothing has been submitted to the group of interests for their input.

In the meantime, due to the lack of relevant authorisations, the Gambling Monitoring Unit in collaboration with the Electronic and Postal Communications Authority and internet service providers have already blocked during November more than 5,000 websites offering online gambling, and are expected to keep a close eye on new gambling websites.

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