On 7 July 2025 the Government has assumed responsibility for the adoption of the Draft Law on certain fiscal-budgetary measures (the "Draft Law"). The Draft Law shall enter into force if the motion of no confidence filed by the parliamentary opposition is rejected.

Among other measures, the Draft Law envisages bringing several amendments on the taxation regime on the players income from gambling activities as well several amendments to the Government Emergency Ordinance 77/2009 on the organization and operation of games ("GEO 77/2009"). These measures will be implemented if the motion of no confidence will be rejected by the legislator.

This article highlights the key changes brought by the Draft Law (as envisaged in the updated version submitted by the Government in the Parliamentary approval procedure)1 that are relevant to online gambling organizers holding a Class 1 gambling license and service suppliers holding a Class 2 gambling licenses.

I. EXTENDED SCOPE OF THE BLACKLIST OF THE UNLICENSED GAMBLING ACTIVITIES

The concept of "blacklist" is already provided for under GEO 77/2009 and the Methodological Norms for the application of GEO 77/2009. However, we note that there is a misalignment between GEO 77/2009 and the Methodological Norms for the application of GEO 77/2009 in terms of defining the blacklist concept. The Draft Law aims to address this gap and, as per the amended version of GEO 77/2009, the National Office of Gambling ("NOG") will henceforth maintain a second blacklist, which will include any natural or legal persons who carry out or have carried out gambling-related activities without holding a license in Romania (including a license for gambling supply services).

Furthermore, with a view to strengthening the fight against unlicensed gambling, the NOG will provide the public with a method to report websites/locations/persons that offer the possibility to participate in gambling activities in Romania without holding a valid operating license and authorizations issued by the NOG.

The NOG will publish on its own website and regularly update the lists, indicating the date of the last update.

The approval for inclusion in or removal from the 'blacklist' will be carried out in compliance with GEO 77/2009, it's the Methodological Norms for the application of GEO 77/2009, and the NOG President order.

The removal procedure from the blacklist has been, since the introduction of the backlist concept, a veritable test of fire. Since, neither GEO 77/2009 nor the Methodological Norms for the application of GEO 77/2009 contain provisions regarding the procedure for the removal from the blacklist, the removal may be carried out only based on the order of the NOG President order which hasn't been ever enacted. Hopefully, the new President of the NOG, who has already implemented several measures to close existing regulatory gaps since taking office, will also address this matter in the near future.

II. IMPACT ON THE HOLDERS OF ONLINE CLASS 1 GAMBLING LICENSES

A. Withholding tax on players gains

The Draft Law shall increase the tax on players' gains from gambling activities. More precisely, the following rates shall apply starting from 1 August 2025:

Gross Income – RON –

- up to and including 10.000

- over 10.000 - up to and includin 66.750

- over 66.750

Tax – RON –

- 4%

- 400 + 20% of the amount exceeding 10,000

- 12,350 + 40% of the amount exceeding 66.750

B. Increases authorisation fees for online gambling activities

The authorisation fee for the holders of Class 1 remote (online) gambling license shall amount to 30% of the gambling revenues generated at the level of the organizer, but not less than EUR 480,000.[2]

The updated annual authorization fee outlined above will take effect on the first day of the month following the entry into force of the law. For annual authorisations that are still valid at the time the Draft Law enters into force, the authorization fee for the remaining period shall be recalculated according to the new taxation level.

III. IMPACT ON SERVICE SUPPLIERS HOLDING A CLASS 2 TECHNICAL GAMBLING LICENSES

A. New regulatory approach on the restriction of services to non-licensed gambling entities

A.1. Overview

The current version of GEO 77/2009 already prohibits Class 2 license holders from providing services to operators who do not hold a valid Class 1 license and who allow access to players located in Romania or to Romanian citizens who are not tax residents in another country. Class 2 providers are also required to implement any available technical measures to block such access until further ONJN guidelines are issued.

This measure has been criticized by the industry as lacking sufficient clarity in terms of its application. Therefore, as per the Draft Law, the provisions regulating the restrictions of Class 2 license

holders from providing services to unlicensed gambling operators have been overhauled.

Therefore, pursuant to the Draft Law, all Class 2 license holders will be prohibited from offering services to:

a) entities included on the NOG blacklist, this also applies to the services which benefit to the domain names included on the NOG blacklist;

b) entities which, on a domain or subdomains:

a. offer any gambling content in whole or in part in the Romanian language; and/or

b. allow access from Romanian IP addresses; and/or

c. accepts RON or other currencies, such as cryptocurrencies, and/or

d. allow access to players located in Romania or to Romanian citizens who are not tax residents in another country.

While the Draft Law aims to combat unlicensed gambling activities in Romania, the wording selected by the legislator is overly ambiguous and could potentially lead to interpretations that exceed the intended scope.

For instance, the restriction appears to extend to services provided to entities that, on their domains or subdomains, display any gambling-related content in the Romanian language. However, the term "gambling content" lacks sufficient legal clarity. It remains uncertain whether this restriction also applies to websites that merely present information in Romanian on their front-end, but do not allow Romanian users to register or participate in gambling activities.

Due to the broad and imprecise wording of the Draft Law, one could interpret that the restriction applies even where Romanian-language content is used for informational purposes only, regardless of whether the platform allows access to players from Romania (e.g., Romanian IP addresses). As such, this provision risks imposing a disproportionate and unnecessary limitation on Class 2 license holders, particularly considering that foreign gambling operators may still legally offer services to Romanian-speaking individuals residing (and paying taxes) in other jurisdictions.

Additionally, the restriction concerning the provision of services to operators or platforms that accept deposits in RON or in other currencies—such as cryptocurrencies—fails to clearly specify that the limitation should apply only when such deposits are made by players located in Romania or by Romanian citizens who do not have tax residency elsewhere. This lack of clarity reflects a legislative drafting flaw that ought to be remedied to prevent abusive or unintended interpretations.

A.2. Sanctioning regime

As per the Draft Law, the breach of the restrictions shall now qualify as a criminal offense, punishable, in the case of legal entities, by a criminal fine ranging from RON 10,000 to RON 100,000, together with the complementary penalty of dissolution of the legal entity. In addition, the criminal sanction is accompanied by the mandatory revocation of the Class 2 license.

B. Additional requirements applicable to certain Class 2 service providers aimed at enforcing the illegal gambling

In addition to the general restriction mentioned in Section A above applicable to all Class 2 gambling suppliers, the Draft Law imposes additional requirements to gambling suppliers holding Class 2 gambling licenses for the following activities:

a) production and distribution of gambling software,

b) management and hosting facilities on the gaming platform, or

c) payment processing services.

Thus, such entities will be required to implement stand-alone technical solutions in order to determine the real-time geographical location of Romanian players accessing gambling services not licensed by the NOG. It is important to note that this geolocation functionality must be integrated directly into their own IT infrastructure and must operate independently of any data or location details offered by the operators of the gambling platforms. Also, these Class 2 license holders must draft a detailed report, which must be made available to the NOG upon request, containing the following information:

a) a list of the countries from which their IT systems are accessed by players, and

b) the identification details of gambling operators that provide access to Romanian players, based on the gambling agreement concluded between them and the Class 2 license holder.

Furthermore, when a Class 2 license holder that provides the services mentioned above becomes aware that their services are being used by operators who do not possess a valid Class 1 gambling license, and these operators permit access to players from Romania, the Class 2 license holder will be required to immediately:

a) Block the access of identified Romanian users to the IT system; and

b) Notify the gambling operator of the non-compliance and request prompt remedial action. This provision shifts the responsibility of enforcing the blocking measures and places a greater burden on suppliers who may have limited control over gambling operators' activities.

Additionally, these Class 2 license holders offering the aforementioned services are required to submit a monthly report to the NOG by the 10th day of each month, covering the activity of the preceding month. The report must include the following information:

a) The number of users whose access to the IT

systems was blocked by the Class II license holder;</p> <p>b) The internet domains, platforms, and mobile applications through which these users attempted to access gambling services.</p>