

The Lithuanian State Gaming Control Commission updates its gaming stats for 2004 and explains its progress to date

The Lithuanian State Gaming Control Commission took its first breath in July 2001 when the current Gaming Law came into force and gaming was legalised in the country for the first time. Over the course of the next three years, the specialists within the Control Commission have gained qualifications and experience through participation in various conferences and seminars, collaborating with colleagues in foreign gaming control bodies, to give serious consideration to the qualifications and professional skills needed in the future. As the gaming business in Lithuania develops, so too is the Control Commission's activity in this area both expanding and spreading. Two new functions have been delegated to the Control Commission within the last year, which includes the administration of the Lithuanian Register of Gaming Devices and regulation of National Lotteries. Having come into effect in 2003, each gaming device operated in Lithuania must be entered into the Lithuanian Register of Gaming Devices. The Control Commission has been nominated as the institution for the administration of the Lithuanian Register of Gaming Devices according to the decree of the Government of the Republic of Lithuania. The certification of these gaming devices ensures the conformity of gaming machines and gaming tables to the requirements of the country's legal acts. The Control Commission already recognises certificates proving the conformity of gaming devices to the established requirements, issued by five foreign test laboratories: GLI Europe (Netherlands), Software & Messtechnik Institut (Austria), LGAI Technological Center S.A. (Spain), NMI Certin (Netherlands) and most recently KEMA Quality (Netherlands). The Control Commission, in cooperation with these foreign test laboratories, paid serious consideration to the issue of cashless gaming and to the installation of IGT ExPay TITO (Ticket-In Ticket-Out) system in gaming machines operated in casino gaming establishments in Lithuania, and also to the question of certification and conformity to the requirements of the Gaming Act. The IGT EzPay TITO system is already utilised by the Olympic Casino Group Baltija in Estonia, and Lithuania is the



LITHUANIA - STREETS AHEAD

second country where this system has been implemented. Since January 1, 2004 after the Lottery Act came into effect, the licensing of National Lotteries, supervision and organisation, and the preparation of legal acts regulating national lotteries became one of the main functions of the Control Commission. Currently there are three companies organising national lotteries in Lithuania. In addition, with the introduction of the new edition of Money Laundering Prevention Law, January 1, 2004, the Control Commission also became one of the institutions responsible for the prevention of money laundering in the country. The Control Commission continues to implement measures that reflect not only control, but also concern. As technological innovations filter into the gaming market the Control Commission faces issues of

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Control Commission.

implementation and of conformity to the requirements of the Lithuanian law. Serious consideration is now being paid to the issue of Internet gaming in particular. The growing popularity of virtual gaming means that Lithuania will inevitably have to confront and deal with the issue. The task the Control Commission faces is to avoid infringing the rights of operators and players while ensuring community protection against the possible negative impact of Internet gaming, the danger of which is growing due to the accessibility of this form of gaming. The Control Commission is gathering information on worldwide practice in the Internet gaming sphere and is considering possibilities of implementation and regulation of this type of gaming in regards its national legislation. Lithuanian Gaming



Law at present does not provide for the organisation of Internet gaming, but since May, operators in Lithuania are permitted to enable a player, after contract with a wagering company, to submit information to the company through the Internet, which is necessary to place a bet. The contract is made and monetary stakes performed in the wagering location of the company. One of the underlying briefs of the Control Commission is prevention of pathological gambling. The conclusion of the Control Commission is that as a consequence of the development of gaming activities in the country, gambling addiction within the population is unavoidable. It is a practice proven in foreign countries. Therefore, the Control Commission has sought to evaluate these threats with consideration that the prevention of pathological

MARKET FEATURES AND DEVELOPMENT

Lithuanian gaming market was growing rapidly in the period of 2003-2004, quite a few new gaming establishments (casinos), gaming machine halls and wagering stations have been opened in the country.

NUMBER OF COMPANIES

Companies organising wagering	3
Companies organising gaming in gaming establishments (casinos)	8
Companies organising gaming in gaming machine halls	4

Most companies with the intention to organise gaming in Lithuania have already entered the market and they are actively expanding the number of gaming locations. The expansion is reflected in the table below (number of gaming locations operated by the end of each year up to the present).

NUMBER OF GAMING LOCATIONS

	2002	2003	21-09-2004
Category B gaming machines halls (of limited winning)	3	21	32
Gaming establishments (casinos)	4	11	13
Wagering stations	3	58	114
Bingo hall	-	1	-

NUMBER OF GAMING DEVICES

	2002	2003	21-09-2004
Gaming devices			
A category gaming machines (gaming machines of unlimited winning, operated in casinos)	175	522	626
B category gaming machines (gaming machines of limited winning operated in gaming halls)	55	363	502
Gaming tables (operated in casinos)	29	100	110

In year 2003 gaming operators paid 8 841 900 LTL (1 euro = 3.4528 litas) gaming taxes and fees into the State budget. During seven months of the year 2004 it has been collected about LTL9m gaming taxes and fees into the state budget. Under preliminary calculation the gaming operators will pay near LTL11m of gaming taxes and fees in 2004.

Information supplied by the Lithuanian State Gaming Control Commission

gaming in Lithuania is a totally new and undeveloped activity. The Commission has organised a working group of representatives from several state institutions (not governmental organisations) in 2003, which was tasked with addressing the issue of the prevention of pathological gambling. This group has prepared a programme of pathological gaming prevention measures, including those whereby teenagers' problems caused by gaming are under research. The material gathered from this research will be used to draft a national prevention programme for pathological gaming. Furthermore, the Control Commission is to distribute information to the community regarding pathological gaming, its causes and the harm it inflicts, and will also be coordinating the implementation of a self-restriction program. In 2004, it is

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The Lithuanian State Control Commission.

planned in collaboration with legal institutions and officials of the State tax office to continue the implementation of common measures directed towards the minimisation of Lithuania's illegal gaming business. The Control Commission is executing control acts throughout gaming locations in the whole country that are actively struggling against illegal operators. The Control Commission, as only one state institution supervising organising of gaming and national lotteries in Lithuania, takes part by preparing legal acts regulating gaming and lotteries and actively provides proposals to the valid legal acts in Lithuania seeking to satisfy interests and demand of gaming operators and players at the maximum, ensuring adherence of the law, to make it convenient and inviting to operators and to potential market players.