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**Standard
of the Government Supervision over Betting Games and Lotteries**

**Standard of the Ministry of Finance
to Operate Lotteries and Other Like Games under Act No. 202/1990 Coll.,
as amended (Lottery Act),
via the public network Internet**

Effect: 27 December 2012

I. Introduction

For the sake of proper operation and public order, the Ministry of Finance – Government Supervision over Betting Games and Lotteries hereby sets, in accordance with other legal regulations, the conditions for the operation of lotteries and other like games via the public network Internet under Act No. 202/1990 Coll., on Lotteries and Other Like Games, as amended, (referred to as the “Standard” henceforth).

The Standard was drawn up by the Ministry of Finance in order to set the minimum requirements for the operation of lotteries and other like games via the public network Internet. The target group of the Standard, i.e. the circle of persons to which the Standard applies, consists of applicants for the issue of the relevant licence and operators (referred to as “operators” henceforth), competent authorised persons and other entities whose activities may be connected with the operation of lotteries and other like games through the public network Internet.

II. Requirements for the operation of lotteries and other like games via the public network Internet

1. Technical requirements

1.1. Technical requirements for the operator’s system

- a) The basic prerequisite is the securing of a functional comprehensive structure of the associated hardware and software elements (referred to as the “system” henceforth) through which the lottery or other like game is operated.
- b) The whole system must meet the conditions of data integrity, confidentiality and availability.
- c) The system must be comprised of a server that makes it possible to archive data (“archiving server”).
- d) The server(s) must be located in the territory of the Czech Republic.
- e) The server(s) must be located in specialised premises designed for uninterrupted operation and intended for the location of information (computer) and communication equipment. These premises must allow trouble-free and stable operation of the servers and other technological equipment without ambient influences (referred to as the “data centre” henceforth). The data centre premises must meet the criteria in the field of data protection. The requirements for the data centre premises are advanced physical security and protection of equipment from the risks of the environment (e.g. dust, water, fire and natural disaster). The operator must have a description of the building and technical security or provide a reference to other documentation (e.g. approved security design of the building) that must be available for the competent authorised person. The system must provide for the data saving security (e.g. by the method/technology RAID (Redundant Array of Independent Disks), except for RAID 0, i.e. it must use several independent hard disks in the disk field and save the data in several hard disks at once).
- f) The data centre premises must be inspected by a competent authorised person.
- g) The data contained at/in the server(s) must be secured and encrypted.

- h) The operator is obliged to make backup copies of the data in a manner that must make it possible to restore the database completely in the event of a collapse of the whole system. The interval between backups must not be longer than 48 hours.
- i) The system must archive all data for no less than 5 years. The financial data must be archived in accordance with the legal regulations governing accounting.
- i) The software of the game(s) to be licensed must be inspected by a competent authorised person.
- j) The government supervision authorities must be informed about planned outages of the system (e.g. inspection of the transformer station, hardware replacement).

1.2. Security of the public system Internet

- a) Data transmission must be secured and encrypted.
- b) The operator holds liability for all the services provided by the operator.

2. *Specific requirements*

2.1 Web (website, Internet portal)

- a) A lottery or other like game operated via the public network Internet may be operated only under the domain assigned by the Czech domain authority from the system of domain names.
- b) The website through which the lottery or other like game operated via the public network Internet is accessible to the participants must be in Czech language.
- b) The website through which the lottery or other like game operated via the public network Internet is accessible to the participants must show the company's name, registered office, identification number and other contact data, if required, in a legible manner in a visible place.
- c) The website through which the lottery or other like game operated via the public network Internet is accessible to the participants must contain the information that the game is prohibited for persons below 18 years of age, and this information must be shown in a visible and legible manner.
- d) The website through which the lottery or other like game operated via the public network Internet is accessible to the participants must create the conditions of responsible gambling (see point II.2.3.)
- e) The website through which the lottery or other like game operated via the public network Internet is accessible to the participants must show the commercial conditions and the gambling scheme in a visible and legible manner.
- f) The website through which the lottery or other like game operated via the public network Internet is accessible to the participants must show the information about the minimum technical (system) requirements for starting the application.

2.2. Registration

- a) Registration shall mean verification of the identity and verification that the participant has reached 18 years of age, assignment of the access data and activation of the betting game participant's account in the operator's system according to the gambling scheme.
- b) Registration of the participants of a lottery or other like game operated via the public network Internet must comply with the provision of Article 4(5) of the Lottery Act.

- c) Within the scope of registration, the following identification data must be required: name, surname, date of birth / birth registration number, address of permanent residence and citizenship.
- d) All identification data of the participants must be kept and archived in accordance with the Act governing personal data protection. All changes of the given registration data must be recorded and archived.
- e) The identification data of a participant may be made available only if requested by a government supervision authority during a procedure involving administrative wrongs.

2.3. Responsible gambling

The following requirements must be met for responsible gambling:

a) the following information must be published at the website in a visible and legible manner:

- warning that the participation in a betting game may be harmful,
- simple test that allows identifying a risk of development of problem and pathological gambling
- identification data or other contact data of (an) organisation(s) aimed at the prevention and treatment of gambling-related problems
- time indicator – must be available and visible for the player throughout the time when the player is connected

b) it must be secured that the participant can set self-limiting measures. A self-limiting measure shall mean the participant's option to set exclusion from participation in the game for a certain period of time and/or an option to set the amount of funds that may be deposited in the game for a certain period of time (referred to as the "time and financial limit" henceforth). If the time determined by the participant for the duration of which the participant wishes not to be allowed to participate in the game does not expire, and/or if the financial limit set by the participant is exceeded, the participant's participation in the game must be made impossible. The time limit set by the participant cannot be shortened by the operator even if the participant requests so. The financial limit may be increased no earlier than 24 hours after the receipt of the participant's request for a change of the self-limiting measures.

2.4. Gambling scheme

a) Each type of a lottery or other like game operated via the public network Internet must have a separate gambling scheme.

b) The gambling scheme must contain at least the following essentials:

i. General part

- identification and contact data of the operator;
- basic terms and their definitions;
- conditions of registration and verification of the identity of participants;
- specification of a player's account, information shown by the player's account, activation/deactivation/blocking of a player's account;
- method of the receipt and payment of funds;
- determination of the acceptance of individual bets, refusal to accept an individual bet;
- complaints;
- confidentiality obligation;
- changes of the gambling scheme;

ii. Special part

- specification and conditions of participation in a lottery and other like game operated via the public network Internet;
- rules of the lottery and other like game operated via the public network Internet;
- if the nature of the lottery and other like game operated via the public network Internet allows so, other necessary data (e.g. types of gambling tables and their limits, card combinations and tournaments) shall be stated.

2.5. Protective measures (AML)

- a) When operating a lottery and other like game operated via the public network Internet, the legal regulations governing the limitation of cash payments and the legal regulations governing the measures to prevent money laundering and terrorism financing must be observed.
- b) When operating a lottery and other like game operated via the public network Internet, the risk assessment and elimination (“risk management”) must be secured. Risk management shall mean a mechanism assessing the information about customers and identifying the risks and weak links of the system including those that may arise from new technologies.
- b) When operating a lottery and other like game operated via the public network Internet, it must be possible to identify risk situations, notify them to the competent organisation and block the gambling account.
- c) Individual participants of a lottery and other like game operated via the public network Internet must not transfer funds one to another.
- d) The operator must not grant a credit or loan to a participant of a lottery and other like game operated via the public network Internet in order to pay the participant’s deposit in the lottery and other like game operated via the public network Internet.
- e) If it is revealed that a participant deposits or collects money without actual gambling, the account of such participant must be suspended, the circumstances must be investigated and, if appropriate, such case must be reported to the competent authority.
- f) All payment transactions of a participant exceeding the amount of CZK 50,000 CZK must be monitored and such transactions must be recorded.

3. *Consumer protection*

3.1. *Gambling accounts and funds*

- a) Each participant may only have one gambling account.
- b) All gambling accounts of participants must be kept in the records.
- c) All changes of the gambling accounts (user name and password) must be recorded and archived.
- d) The method and reason(s) of blocking and deactivating a gambling account must be defined.
- e) The method of depositing funds into a gambling account and the method of their payment from the gambling account must be defined.
- f) When operating a lottery and other like game operated via the public network Internet, it must be secured that the participants shall always have access to the information about their current deposit and all types of transactions including the history of transactions. This information must be available for the participant from the gambling account for a period covering no less than the last 90 days. If requested by

the participant, such information covering the period of the last 12 months must be made available.

g) When operating a lottery and other like game operated via the public network Internet, it must be secured that the participant shall always have all information about the limits applying to the gambling account, deposit and transactions, and information about all fees applying to the gambling account, deposit and transactions.

h) All funds of the participants must be kept and administered separately from the operator's funds.

i) It is not allowed to accept a bet in the amount that is not deposited on the gambling account of the participant or if the participant does not have the minimum sum for the participation in the game on the gambling account.

3.2. Complaints and other matters

a) Communication channels between the operator and the participant must be set.

b) Participants must be allowed to make complaints.

c) Within the scope of a complaint procedure, at least the method of making a complaint, reason(s) for a complaint, and the time and method of settlement of a complaint must be set.

d) It must be specified how interruption of the connection during a game shall be solved and how the funds deposited in the game shall be handled in such case.

4. **Government supervision authorities**

4.1. Specification of the authority

A government supervision authority is

a) the Ministry of Finance and

b) the competent financial administration authority that is competent to carry out government supervision over betting games and lotteries (from 1 January 2013 this authority is determined in accordance with the Act governing the financial administration).

4.2. Remote uninterrupted and secured on-line passive access (referred to as the "passive access" henceforth)

a) Government supervision authorities must have a passive access.

b) The passive access must have the following essentials:

- clear arrangement of gambling and financial data according to the types of games and a practical option of displaying gambling and financial data separately according to the types of games;

- it must be possible to display all data according to the time (i.e. according to days, hours, minutes or even seconds, if appropriate);

- securing time variability of the financial and gaming data (the data must be displayed on-line);

- allowing the access to the financial and gambling data; in the passive access such data must be retraceable at least for 3 years in the history;

- securing the compatibility of the transfer of financial and gambling data into a saveable and identifiable format for the government supervision authorities;

- securing the records of registered participants that will show their number and user names;

- securing the displaying of a particular identification (user name or another identifier) of a participant in individual games;
 - securing the direct monitoring of the ongoing games.
- c) If the software through which the lottery or other like game is operated via the public network Internet has been updated, the passive access must be updated to correspond to the new version of the software; the government supervision authorities must be notified in advance of the update including the update scope, i.e. to what the planned changes will apply.

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