

GOVERNMENT

No. 175/2016/ND-CP

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Hanoi, December 30, 2016

DECREE

**ON AMENDMENTS TO CERTAIN ARTICLES OF THE DECREE N^o 86/2013/ND-CP
DATED 29 JULY 2013 BY THE GOVERNMENT ON THE BUSINESS OF PRIZE-
REWARDING ELECTRONIC GAMES FOR FOREIGNERS**

Pursuant to the Law of Government Organization dated June 19, 2015;

Pursuant to the Enterprise Law dated November 26, 2014;

Pursuant to the Law of Investment dated November 26, 2014;

At the request of the Minister of Finance;

The government promulgates the Decree on amendments to certain articles of the Government's Decree No. 86/2013/ND-CP dated July 29, 2017 on the business of prize-rewarding electronic games for foreigners.

Article 1. *Amendments to certain articles of the Government's Decree No. 86/2013/ND-CP dated July 29, 2017 on the business of prize-rewarding electronic games for foreigners*

1. Section 1 and Section 2 of Article 4 as follows:

“1. Operation of a prize-rewarding electronic game business without a certificate of business eligibility, except the companies defined in Article 51 of this Decree.

2. Operation of a prize-rewarding electronic game business in violation of the content of the business license issued by the competent state management agency pursuant to the laws.”

2. Section 1 of Article 5 is amended as follows:

“1. A company operating the prize-rewarding electronic game business (hereinafter referred to as the company) can operate prize-rewarding electronic games at solely one business location licensed by the competent state management agency pursuant to the laws.”

3. Section 2 of Article 13 is amended as follows:

“2. Gaming devices

a) Prize-rewarding electronic gaming machines used at the business location shall be entirely new, adhere to the technical specification announced by their manufacturers and certified by independent certifying organization(s) operating in member state(s) of the G7;

b) The programmed minimum flat rate of payout of a slot machine is 90% (inclusive of the accumulated prize). The payout rate, when changed by the company, shall not be lower than the minimum payout rate regulated; hence, the company shall have the machines re-certified prior to their resumption and specify the payout rate in the gaming rules.”

4. Section 1 and Section 6 of Article 14 are amended as follows:

“1. The companies possessing the certificate of business eligibility and those defined in Article 51 of this Decree are permitted to purchase tokens and prize-rewarding electronic gaming machines. The purchase and importation of tokens and prize-rewarding electronic gaming machines pursuant to the legislation on import and export, relevant laws, this Decree and the guidelines of the Ministry of Culture, Sports and Tourism.

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6. The company has the right to maintain and repair the prize-rewarding electronic gaming machines that malfunction or require periodical maintenance during their service; however, the payout rate setting shall not be interfered. If the maintenance or repair of the prize-rewarding electronic gaming machines involves components that alter the payout rate setting, the company shall have the machines re-certified prior to their resumption by an independent certifying organization pursuant to Section 2, Article 13 of this Decree.”

5. Point a, Section 1 of Article 18 is amended as follows:

“a) Organize the business of prize-rewarding electronic games pursuant to the laws and this Decree.”

6. Section 1 and Point dd, Section 3 of Article 19 are amended as follows:

“1. A company shall only qualify for the certification of eligibility for prize-rewarding electronic gaming business after being licensed by competent authorities to establish and operate a tourist accommodation establishment and registering for conducting the prize-rewarding electronic gaming business pursuant to the Law of Investment and the Enterprise Law.

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3. The conditions for certification of business eligibility include:

dd) Possession of the charter capital of no less than VND 200 billion.”

7. Section 6 of Article 20 is removed and Section 2, Section 3 and Section 10 of Article 20 are amended as follows:

“2. The certified copy or the copy with the original, for comparison, of the certificate of investment registration or the certificate of company registration, in which the prize-rewarding electronic gaming business is registered, as issued by the competent state management agency pursuant to the Law of Investment and Enterprise Law.

3. The certified copy or the copy with the original, for comparison, of the written decision on ranking of tourist accommodation establishment as issued by the competent state management agency.

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10. The list, resumes and the copies certified by competent state management bodies or copies with the originals, for comparison, of the degrees and diplomas of managerial personnel as evidence of their expertise”.

8. Point d is added to Section 3 of Article 21:

“d) After being certified by the Ministry of Finance to possess business eligibility, the company shall be responsible for completing the formality to add the prize-rewarding electronic gaming business to its certificate of eligibility regarding security and order pursuant to the laws before organizing the activities of prize-rewarding electronic gaming business.”

9. Article 24 is amended as follows:

“Article 24. Licensing fee

The fees for licensing, re-licensing, amendment and extension of a certificate of business eligibility shall be subject to the Law of fees and charges and the Ministry of Finance’s guidelines.”

10. Article 27 is amended as follows:

“Article 27. Advertisement

1. Only the companies certified to possess business eligibility and the companies defined in Article 51 of this Decree can advertise the activities of prize-rewarding electronic gaming business.

2. The content of advertisement includes:

a) Name and address of the company that conducts the prize-rewarding electronic gaming business;

b) Name of the prize-rewarding electronic games;

c) Business location;

d) Admissible players defined in Article 9 of this Decree.

3. Location and form of advertisement

The company can only place advertisements on panels and boards inside the tourist accommodation establishment licensed by the competent state management agency for prize-rewarding electronic gaming business; however, such advertisements shall be neither audible nor visible to the people outside the establishment.

4. The company cannot advertise the activities of prize-rewarding electronic gaming business in any forms, except the circumstances defined in Section 1, 2 and 3 of this Article, and is subjected to other legal regulations on advertisement.”

11. Point d, Section 1 and Point c, Section 8 of Article 32 are removed.

12. Section 3 and Section 4 of Article 33 are amended as follows:

“3. Ministry of Finance shall lead and cooperate with the Ministry of Planning and Investment, Ministry of Public Security, Ministry of Culture, Sports and Tourism, relevant bodies and People’s Committees of the provinces where the companies operate their business activities in inspecting, once every 3 years, the companies’ capacities to maintain their activities or in revoking the companies’ certificates of business eligibility or in requesting competent state management agencies to consider and carry out actions pursuant to the laws. Such inspection consists of:

a) The inspection of the compliance with all requirements for certification of business eligibility as stated in Point a, b, c and d, Section 3, Article 19 of this Decree.

The companies defined in Article 51 of this Decree shall be subjected to inspection of their abidance by all conditions of their prize-rewarding electronic gaming business licensed by the competent state management agency pursuant to the laws.

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4. Provincial People's Committees or chiefs of district-level or higher police units shall decide to conduct ad hoc inspection of the companies that show signs of violating the regulations on admissible players, assurance of safety, security and social order when receiving denunciations of crimes concerning such companies.”

13. Section 3 of Article 38 is amended as follows:

“3. A fine of VND 90,000,000 to VND 100,000,000 shall be levied on an individual who runs a prize-rewarding electronic gaming business without a certificate of business eligibility. An organization committing the violation defined in this Section shall incur double such fine, except for the companies defined in Article 51 of this Decree.”

14. Section 2 and Section 4 of Article 39 are amended as follows:

“2. A fine of VND 180,000,000 to VND 200,000,000 shall be levied on a company conducting the prize-rewarding electronic gaming business at a location different from that licensed by the competent state management agency pursuant to the laws.

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4. Remedial measure:

Enforce the reinstatement of the business location that adequately meets the conditions defined by the laws and is licensed by the competent state management agency pursuant to the laws.”

15. Section 3 of Article 45 is amended as follows:

“3. A fine of VND 90,000,000 to VND 100,000,000 shall be levied on a company that deploys prize-rewarding electronic gaming machines in violation of Article 13 of this Decree.”

16. Article 51 is amended as follows:

“Article 51. Transition

The companies in possession of a certificate of investment registration or certificate of company registration, which registers the prize-rewarding electronic gaming business, or a written permit of prize-rewarding electronic gaming business from the competent state management agency prior to the effective date of this Decree can continue their prize-rewarding electronic gaming business according to such certificate or written permit. A company, on its demand, can apply certification of business eligibility under the following procedure:

1. The application for certification of business eligibility consists of:

- The certified copy or the copy with the original, for comparison, of the valid certificate of investment registration or the valid certificate of company registration, which registers the prize-rewarding electronic gaming business, or the written permit of prize-rewarding electronic gaming business as issued by competent state management agency;
- The documents that indicate the actual quantity, type and model of prize-rewarding electronic gaming machines that the company is operating as defined in legal regulations prior to the effective date of this Decree or the written permit of the competent state management agency (if available);
- The dossier defined in Section 1, 3, 4, 5, 7, 8, 9 and 10, Article 20 of this Decree. If possessing no tourist accommodation establishment, the company shall not be required to submit the documents defined in Section 3 and 4, Article 20 of this Decree.

2. The company shall submit 01 application for certification of business eligibility to the Ministry of Finance. In 30 working days upon receiving the full and valid application, the Ministry of Finance shall issue the certificate of business eligibility to the company in the following manner:

a) The quantity, type and model of prize-rewarding electronic gaming machines that the company is allowed to operate are based on its certificate of investment registration or certificate of company registration or the actual quantity, type and model of its prize-rewarding electronic gaming machines in operation as defined in legal regulation prior to the effective date of this Decree or the written permit of the competent state management agency. If there is a difference in the quantity of prize-rewarding electronic gaming machines, the company is allowed to operate the highest permissible number of machines.

The quantity of prize-rewarding electronic gaming machines permissible for a company that has not operated the prize-rewarding electronic gaming business shall be based on its certificate of investment registration or certificate of company registration or the written permit of the competent state management agency. If the certificate of investment registration or certificate of company registration or written permit of the competent state management agency does not specify the allowable quantity of prize-rewarding electronic gaming machines, the company's permissible number of machines shall be subject to Section 1, Article 7 of this Decree.

b) The term of validity of the certificate of business eligibility shall be equal to the remaining duration of operation defined in the certificate of invest registration or certificate of business registration or written permit of the competent state management agency. If the certificate of investment registration or certificate of company registration or written permit of the competent state management agency does not specify the duration of business, the validity term of the certificate of eligibility for prize-rewarding electronic gaming business shall be subject to Article 22 of this Decree.”

Article 2. Implementation

1. This Decree comes into force as of February 15, 2017.

2. The companies having applied for certification of business eligibility and having been notified by the Ministry of Finance of the adequacy and validity of their applications pursuant to Section 1, Article 21 of the Decree No. 86/2013/ND-CP prior to the effective date of this Decree shall continually qualify for certification of business eligibility pursuant to the Decree No. 86/2013/ND-CP.

3. Minister of Finance shall lead and coordinate with relevant bodies and agencies in guiding the implementation of this Decree.

4. Ministers, heads of ministerial-level agencies, heads of governmental agencies, Chairpersons of provincial People’s Committees and relevant organizations and individuals are responsible for implementing this Decree./.

**FOR THE GOVERNMENT
PRIME MINISTER**

Nguyen Xuan Phuc

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