

CMS | Romania issues new regulations for business transfers by licensed online gambling operators



Following the adoption of EGO no. 82/2023 by the Romanian Government on 26 October, the President of the National Office for Gambling (NOG) issued Order 181/2023, which concerns the approval of conditions for the merger process, spin-offs, or the transfer of business for online gambling operators who do not meet the conditions outlined in EGO no. 82/2023.

Order 181/2023 provides the framework in which these mergers, spin-offs, and business transfers can take place, allowing operators to transfer their licences and authorisations granted under EGO no. 82/2023. Importantly, the provisions of Order 181/2023 are only applicable for a limited period, specifically for six months from the date EGO no. 82/2023 came into force on 6 October 2023.

According to this Order, online gambling operators licensed by NOG and registered or headquartered in an EEA state or the Swiss Confederation must notify NOG of their intention to merge, spin-off, or transfer their business. They must also request NOG's preliminary approval for the transfer of licences and authorisation to operate their activities to either an existing or newly established Romanian company. Applications reflecting these intentions will be reviewed by the specialists at the General Directorate for Gambling Authorisation within five working days of receipt. These specialists will then provide presentation notes with proposals for either preliminary approval or rejection of the merger, spin-off, or business transfer to the NOG Supervisory Committee. Approval in principle from the NOG Supervisory Committee is required for the transfer of licences through the merger, spin-off, or business transfer process.

The application for the transfer of the licence and the authorisation to operate the business resulting from a merger, spin-off, or business transfer can be submitted within 45 days from the date of the present Order's entry into force. The transfer will only be approved by NOG if the draft agreement for the merger, spin-off, or business transfer includes the following conditions:

- ◆ Continuation of the online gambling activity.
- ◆ Transfer of all rights and obligations from the company registered in an EEA state or the Swiss Confederation under contracts with suppliers of related services to the existing or newly established Romanian company.
- ◆ Transfer of all rights and obligations from the company registered in an EEA state or the Swiss Confederation under contracts with gambling participants registered under EGO no. 77/2009 to the existing or newly established Romanian company.

A merger, spin-off, or business transfer based on the licence and authorisation to operate the business can only proceed if the Supervisory Committee of the NOG approves the intention to merge, spin-off, or transfer the business in principle.

Even though the date of the transfer of the licence and authorisation to operate the business corresponds to the date of registration of the merger/spin-off in the trade register or the date of the business transfer contract's entry into force, online gambling operators registered or headquartered in an EEA state or the Swiss Confederation can continue their activities during the merger or division process.

Once the procedure is completed, the already existing or newly established Romanian company must submit the series of documents mentioned in the present Order to NOG in order to amend the licence and authorisation to operate remote gambling activities. NOG is required to issue the decision within 30 days from the date of submission.

While it is clear what online gambling operators must do to continue their activities, it is uncertain whether the short timeframe provided by Order 181/2023 is sufficient for the entire merger, spin-off, or business transfer process.

For background, see this Law-Now article (<https://cms-lawnow.com/en/alerts/2023/10/romania-changes-rules-for-online-gambling-operators>).

For further details on the changes introduced by EGO 82/2023 and the process outlined in Order 181/2023 and how these developments may impact your business, contact your CMS client partner or local CMS experts, **Cristina Popescu** and **Sorin Predescu**.