



Ministry of Finance of the Republic of
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**Request for Information on the
Legal Framework for Goods and
Services Lotteries**

Dear Mr Ilmārs Šņucins

In the Republic of Estonia, the organisation of gambling is regulated by the [Gambling Act](#). The requirements of the Gambling Act are not applied to commercial lotteries with the value of the prize pool of up to 10,000 euros (the Gambling Act § 2, subsection 5, clause 5). The prize pool of a commercial lottery may be up to 100,000 euros (the Gambling Act § 47, subsection 5). The market value of the prizes, not the acquisition price, must be considered when calculating the prize pool.

To organize a commercial lottery with the value of the prize pool of over 10,000 euros, a notice of economic activities shall be submitted (the Gambling Act § 48, subsection 1). If the value of the prize pool is less than 10,000 euros, the requirements of the Gambling Act do not apply and there is no obligation to submit the notice of economic.

The obligation to pay a state fee does not apply to the organization of a commercial lottery if the gambling operator submits a notice of economic activity to the register. If the gambling operator submits a notice of economic activity through the Tax and Customs Board, a state fee of 10 euros shall be paid (the State Fees Act § 345).

The gambling tax is charged in the event of organising a commercial lottery, the prize pool if the value of the prize pool exceeds 10,000 euros (the Gambling Tax Act § 1, subsection 1 clause 3). The rate of gambling tax is 22% of the value of the prize pool (the Gambling Tax Act § 6 clause 5).

The income tax is not charged on winnings from gambling organised on the basis of an operating permit or registration (the Income Tax Act § 19, subsection 3, clause 7).

The prizes of commercial lotteries with a prize pool of up to 10,000 euros are considered as the gift (the Income Tax Act § 49, subsection 1) and the taxable income of natural person does not include the gifts (the Income Tax Act § 12, subsection 2).

Any lottery which is linked in the instructions, description, advertising or elsewhere to an alcoholic beverage or its trademark shall be deemed to be prohibited advertising (the Advertising Act § 28, subsection 8, clause 4).

Communication of information on commercial lotteries with a prize fund of up to 10,000 euros, to the public is not deemed to be advertising gambling (the Advertising Act § 29², subsection 10).

State supervision over the organisation of gambling is exercised by the Tax and Customs Board (the Gambling Act § 66). The Tax and Customs Board may apply special state supervision measures provided for in the Law Enforcement Act (the Gambling Act § 67). No special procedures have been established for the supervision of commercial lotteries compared to other types of gambling. During internal procedures, the Tax and Customs Board also checks the payments of taxes and fees of the gambling operator.

If You have any additional questions, we will be happy to answer them.

Yours sincerely,

(signed digitally)

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