



Order HAP/1370/2014, of 25 July, approving the basic regulations for betting on online slot machine games.

The primary purpose of the Gambling Regulation Act, Law 13/2011 of 27 May, is the creation of a suitable legal framework for the development of the gambling sector at the national level, which offers legal security to operators and participants, avoids and prevents the participation of minors and of people whose access to gambling is limited voluntarily or by court order, protects the public interest and avoids and prevents money laundering and the funding of terrorism.

The passing of this Law established a regulatory framework for access to the operation and development of gambling activities at national level, permitting the opening of the market to multiple operators.

This opening of the market took the form of issuing permits that authorise gambling operators to operate the modes of gambling covered by the Law through general licences, on the one hand, and, on the other, to operate each individual type of gambling game regulated by the Law through individual licences.

On 17 November 2011, as part of the gambling regulation process, several Ministerial Orders were published approving the basic sets of regulations for different types of games of chance.

This Order complements the process of regulation of the different gambling activities and ensures compliance with the requirements of previous regulations, which, for the awarding of individual licences, are established in article 11 of Law 13/2011, of 27 May, the Gambling Regulation Act.

This new regulation establishes the basic regulations for gambling with online slot machines. It is intended to make the establishment of the cautionary measures required by the game compatible with respect for the operator's freedom to make commercial decisions when configuring the basic variables of its commercial operation. Notably, the lack of any obligation to establish programming requirements for the random cycles will permit the operation of games similar to those of physical Category C slot machines.

At the same time, these new regulations are designed to align with the regulations for this type of gaming in neighbouring European countries such as Denmark, Italy and the United Kingdom, where the prizes from such machines are not legally limited but set by the gambling operator, as are the maximum and minimum amounts of each game.

These basic regulations can be implemented by the Directorate General for the Regulation of Gambling and will be complemented by the specific private rules that the different operators must draft and propose together with their application for an individual licence, which will govern gambling operations and the operator's relations with participants.

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In short, this Order implements regulations designed principally to protect participants and public interests affected by gambling activities, particularly the protection of minors and dependent people, the prevention of compulsive gambling and compliance with the provisions of Law 10/2010, of 28 April on the prevention of money laundering and the funding of terrorism. Thus, certain measures are established to encourage responsible gambling, such as that described in Article 14, in which jackpots can only be progressive, or the obligation on the participant to configure his gambling session before he starts, which is specifically for slot machine games; the obligation on the operator to notify the participant at regular intervals of how much time he has spent in the gambling session; or determining the minimum duration of each game. Similarly, Article 8 on the operator's obligations to inform provides further encouragement of responsible gambling, establishing other obligations to inform about certain points for other types of game; in particular, on the maximum and minimum amounts of each game, the amount wagered and prizes won in each session, the course of each game, the description of the winning combinations and the prizes assigned to each combination; and keeping participants informed at all times of their account balance and their money movements.

This Ministerial Order is divided into four chapters, fifteen articles, and three final provisions.

Chapter I covers the general provisions and incorporates the definitions which are useful for understanding the text.

Chapter II refers to the licences which must be held by the operators interested in providing and operating slot machine games, establishing that they must obtain a general licence for "Other Gaming", and the corresponding individual licence. This Chapter also establishes a validity period of five years for the individual licence, which can be extended for further five-year periods, and empowers the Directorate General for the Regulation of Gambling to determine by resolution the guarantees linked to this licence.

Chapter III establishes a framework for the relationship between the operator and the participants. It also refers to the procedure for customer service and the resolution of complaints and claims implemented by the operator and made available to participants. It specifies different obligations which the gambling operator has to the participant, authorises the promotion of the games in the terms established by Article 7 of Law 13/2011, of 27 May, the Gambling Regulation Act, and governs the channels and means of participation.

Chapter IV establishes guidelines for the course of slot machine games, setting economic limits on participation and the course of the game, and the determination, allocation and payment of prizes.

The Appendix to the Order approves the limits to the amounts of the guarantees



linked to each individual licence for the operation of this type of gaming, to be set at 5% to 12% of the operator's net revenue for the previous year from the activity governed by the individual licence.

Finally, this Ministerial Order contains three final provisions. The first relates to the empowerment of the Directorate General for the Regulation of Gambling to issue provisions as needed for the implementation and application of this Order; the second relates to the services provided by licensed technical system providers; and the third relates to the entry into force of the Order.

This Ministerial Order has been submitted to the report of the National Markets and Competition Commission and to the information procedure of the standards, technical regulations and regulations related to information society services, regulated in Royal Decree 1337/1999, of 31 July, for the purposes of compliance with European Parliament and Council Directive 98/34/EC, of 22 June 1998, amended by the European Parliament and Council Directive 98/48/EC, of 20 July 1998.

This regulatory provision is issued by the Ministry of Finance and Public Administrations, in accordance with Articles 5 and 19 of Law 13/2011, of 27 May, the Gambling Regulation Act, and additional provision 9 of Royal Decree 1614/2011, of 14 November, implementing Law 13/2011, of 27 May, the Gambling Regulation Act, in relation to licences, authorisations and gambling registers.

By virtue of which, I hereby decree:

Chapter I.

General provisions

Article 1. Object.

These Regulations are intended to establish basic rules for the provision and operation, at national level, for online slot machine games, and for the drafting of particular rules for such gaming, without prejudice to the competences of the Autonomous Regions.

Article 2. Definitions.

For the purposes of these basic regulations, the terms used herein will have the meaning established in this article.

1. Online slot machine game. A game in which, in exchange for the price of the individual game, the user is given a period of use in which he can



attempt to obtain a combination of symbols or graphic representations which in accordance with the particular rules of the game, will win a given prize. A game where the essential elements are those of other gaming which are already regulated will not be considered to be a slot machine game.

2. Individual game. Each time the participant pays to activate the system and obtains a combination of symbols or graphic representations, including any adjustments to that combination. The individual game will end when the result is determined and, where applicable, the allocation of the previously established prize.
3. Slot machine game session. Set of individual games played by the participant using one or more slot machines, during the limited time period set for each login to the gambling operator's slot machine game.
4. Progressive jackpot. The accumulated prize which the gambling operator configures based on the money obtained from participants' participation.

Chapter II.

Authorising permits

Article 3. Licences required.

Operators interested in providing and operating slot machine games must have a general licence for "Other Gaming", as defined in Article 3.f of Law 13/2011, of 27 May, the Gambling Regulation Act, awarded by the Directorate General for the Regulation of Gambling, and must apply for and obtain the corresponding individual licence for marketing "slot machine" games, in accordance with the procedure established for this purpose in the implementing regulation of Law 13/2011, the Gambling Regulation Act.

Article 4. Validity period and extension of individual licences.

1. The individual licence for providing and operating slot machine games will be valid for 5 years, and the interested party may apply to extend the licence for successive periods of the same duration until the general licence by which it is covered expires.

2. The application to extend the individual licence should be sent to the Directorate General for the Regulation of Gambling in the year before its expiration date and at least four months before it expires, accrediting:

a) Compliance with the requirements and conditions for obtaining the individual licence.



b) The uninterrupted use of the licence for at least three fifths of the validity period of the individual licence.

c) Payment of the tax on gambling activities and the fees for the administrative management of the game.

For the purpose of paying and settling the fee for the administrative management of the game, established in Article 49.5.d) of Law 13/2011, of 27 May, the Gambling Regulation Act, the extension of an individual licence shall be equivalent to awarding a new licence.

3. If the above conditions are met, the Directorate General for the Regulation of Gambling will award the requested extension and will agree to its entry in the General Register of Gambling Licences unless it believes there are reasons relating to safeguarding public interests, protecting minors or preventing cases of compulsive gambling, that justify its refusal to award the requested extension.

Article 5. Guarantee linked to the individual licence.

1. The Directorate General for the Regulation of Gambling may establish the general obligation to provide an additional guarantee linked to the award of the individual licence for the provision and operation of slot machine games.

Where applicable, the Directorate General for the Regulation of Gambling will determine by resolution the amount of the guarantee linked to the individual licence for the provision and operation of slot machine gaming, which all operators must meet, in the framework established in the Appendix to this Order.

2. The guarantee linked to the individual licence for the provision and operation of slot machine gaming is subject to compliance with the general obligations of the operator and, in particular, the specific obligations relating to the payment of gambling prizes for the slot machine gaming operated by the operator, and to compliance with any other obligation relating to the individual licence in question imposed by the Directorate General for the Regulation of Gambling, respecting where applicable Article 77 of Law 58/2003, of 17 December, the General Law on Taxation, within the framework of article 14 of Law 13/2011, of 27 May, the Gambling Regulation Act, and its implementing regulations.

3. The additional guarantee referred to in this article will be constituted in the form and under the conditions established in the implementing regulations of Law 13/2011, of 27 May, the Gambling Regulation Act.

Chapter III.

Relations between the operator and the participants.



Article 6. Particular rules for slot machine gaming.

1. The provision and operation of slot machine gaming requires the previous publication of particular rules, which are private and drafted by the gambling operator, without prejudice to the supervisory powers of the Directorate General for the Regulation of Gambling.

The particular rules will establish the rules for the slot machine gaming operated by the operator, and in particular, the programme and the categories of prizes associated with the game. The particular rules will also establish the principles and rules governing the relationship between the operator and the participants.

2. The specific rules for slot machine games must be published by the operator on its website and must be easily accessible to participants permanently and free of charge, using techniques appropriate to the medium.

3. The operator will notify the Directorate General for the Regulation of Gambling of the date of publication of the particular rules, and of any changes made to them.

Article 7. Participant claims.

1. The operator must offer a customer assistance service and must have a system for dealing with and resolving any possible complaints or claims made by participants or any other person who may be affected by the operator's actions, and within the particular rules of the game, should establish the procedures and means to enable participants to present claims and, in particular, the address or addresses to which said claims should be sent, the time period for presenting claims and the time period in which the operator must respond.

The customer assistance, complaints and claim system should be easily accessible to anyone who may need to use it and should, as a minimum, offer electronic access via the operator's website, which will record the date and time of receipt of any claims presented via this channel.

Assistance for participants must be provided free of charge and at least in Castilian Spanish.

2. The deadline for presenting claims will be set in the specific rules of the game and will be no less than three months from the date the session or game in which the claimant took part, or which resulted in the reason for the claim, took place.

The operator shall issue a notification to the claimant, in which it acknowledges receipt of the claim, and which shall state the identity of the operator and the time period in which the claimant will be informed of the decision reached in respect of their claim.

The operator will reach a decision on the participant's claim within a period of



one month from the date the claim is received at the address or addresses established for this purpose, and this will be communicated to the claimant.

3. If the claim has been resolved by the operator and the claimant has not been informed of the decision one month from receipt of the claim, the participant can send a claim to the Directorate General for the Regulation of Gambling, which will resolve the situation within two months from the date the claim is entered in their register, without prejudice to the opening of the corresponding sanction procedure if the operator should have committed any of the infractions listed in Title VI of Law 13/2011, of 27 May, the Gambling Regulation Act.

4. The expiry date of the prizes will be put on hold from the date the claim is received by the operator until the date on which the operator communicates its decision to the claimant, or until notification is given of the decision reached by the Directorate General for the Regulation of Gambling, where applicable.

Article 8. Obligations of gambling operators.

1. Gambling operators must:

1.1. Publish the particular rules.

1.2. Provide participants with clear, complete, true and up-to-date information, in at least Castilian Spanish, on at least the following items:

a) The identity of the gambling operator and, in particular, information on its licences awarded by the Directorate General for the Regulation of Gambling and their periods of validity, trade name, business name, registered address and, where applicable, the address of its representative in Spain.

b) The claims assistance system implemented by the operator as referred to in the previous article. The information must contain at least: postal and email address to which the claims can be sent, deadlines for presenting claims and, where applicable, standard forms and time period for communicating the decision. They must also provide information on the operator's duty to issue a reply for each claim received. The operator is obliged to inform claimants of the identity of the staff they will communicate with.

c) Particular rules for the games offered and the forms of participating in them. This information must be truthful and easily available before participation begins and at any time during participation.

d) The operator's Responsible Gambling Policies.

e) Mathematical calculation of the expected returns of the game over one year, and the real percentage of prizes won per amounts played on each of the games in each of the previous six months. This percentage will not include prizes resulting from a jackpot, without prejudice to any additional



information the operator may provide on these.

- f) The maximum and minimum amount of each individual game.
- g) The form in which each game is played, which may be automatic or manual.
- h) Description of the winning combinations and the prizes allocated to each winning combination.
- i) During the course of each session, the balance of the session assigned to the slot machine game, broken down to show the amounts spent on participation and any prizes won. This information will be visible on the game interface from the start of the slot machine gaming session.
- j) Records of the amounts wagered and prizes won in each slot machine game session, and the balance from previous games.
- k) Percentage of the amount spent by the participant to take part which goes towards making up the jackpot.

Information on the slot machine game, its name and the way it is presented should be offered in such a way so as to prevent any resemblance or confusion with any other gaming, and to ensure the participant is not confused about the nature of the game.

2. Without prejudice to the actions to prevent compulsive gambling set out in its Operating Plan, the operator will tell the participant how much time has passed and the amount he has spent during the slot machine game session by an alert on the game interface. This alert will be provided through mechanisms which ensure the participant will be aware of it, at regular intervals set by the participant when configuring the slot machine game session, as established in Article 14 of this Order.

Article 9. The promotion of slot machine games.

1. Under the terms established in Article 7 of Law 13/2011, the Gambling Regulation Act, a gambling operator may publicise, sponsor or promote gambling activities, and publicise or promote itself, in accordance with the following criteria:

- a) Advertising should be easily identifiable by the target audience.
- b) Advertising should be socially responsible, paying due attention to the protection of minors and other particularly vulnerable groups. Also, in the case of minors, they must avoid directing advertising at them or creating advertising which is particularly appealing to children and young people under the age of 18, or involving minors to a significant extent in a promotional activity.
- c) If the advertising is broadcast via audiovisual media, it must also respect the provisions that apply to commercial and self-promotional communications



contained in Law 7/2010, of 31 March, the General Law on Audiovisual Communication, and in particular the provisions of Article 7 on the rights of minors. Equally, they must pay special attention to the times that the gambling advertising is broadcast and must take into account the age ratings of the programmes the advertisements are broadcast alongside or are inserted into.

2. Furthermore, the operator may undertake promotional activities to promote the range of games they market and to offer bonuses for participants to sign up or participate, provided said practices:

a) Are not contrary to the provisions of these basic regulations or the regulations governing the game.

b) Do not contravene the terms established in Law 34/2002, of 11 July, on Information Society Services and eCommerce and Law 7/2010, of 31 March, the General Law on Audiovisual Communication.

c) Do not alter the course of the game.

d) Do not lead to confusion among participants regarding the nature of the game.

3. The operator is responsible for publishing on their platform the conditions of application and validity periods of all promotional initiatives they offer and the terms and conditions of said initiatives.

4. The Directorate General for the Regulation of Gambling can set a maximum limit on the amount an operator may spend on promotional initiatives and bonuses for participants under the terms established in Article 7 of Law 13/2011, of 27 May, the Gambling Regulation Act, and in the regulations implementing it.

5. Gambling operators may offer free gambling applications on their platforms, under the terms of the regulations implementing Law 13/2011, of 27 May, the Gambling Regulation Act.

Article 10. Participation channels and methods.

1. Participation in the gambling governed by these basic regulations, in accordance with Article 1 of Law 13/2011, of 27 May, the Gambling Regulation Act, may be carried out via electronic, online and interactive channels, wherein any potential in-person methods are incidental in nature.

Participation may also take place via additional physical terminals, which require authorisation by the competent Autonomous Region of the territory prior to installation, according to the regulations applicable in that region. These additional physical terminals must previously be endorsed by the Directorate General for the Regulation of Gambling and may only be installed in the physical locations where the regulations of that region permit the type of game in question.



The terminals referred to above may only offer games which respect the technical specifications, and in particular, the limits on the prices of individual games, prizes and returns to the participants set out in the applicable regional regulations.

2. Individuals may take part in this type of gaming using any mechanism, installation, equipment or system that can produce, store or transmit documents, data and information, including any open or restricted communication networks such as television, internet, landlines and mobile telephony or any others, or interactive communication, either in real time or with store-and-forward.

Chapter IV.

The provision of slot machine gaming.

Article 11. Game operation.

1. Slot machine gaming will be operated in accordance with these basic regulations, the provisions issued to implement them, in the terms of the corresponding individual licence and the particular rules.

2. When the Directorate General for the Regulation of Gambling has proof, through direct knowledge or through a notification or report by a third party, that a sign or symbol in the game offered by the operator does not comply with the regulation, the Directorate General may demand it be suspended and withdrawn, without prejudice to exercising its sanctioning power.

Article 12. Economic limits on participation in slot machine gaming.

1. The maximum and minimum amount played in each session will be established by the operators in their particular rules, and expressed in euros.

2. Without prejudice to the content of Article 14.1 of this Ministerial Order, the amount of money a given participant can allocate on participation in a slot machine game cannot exceed the amount of the balance in the participant's gambling account at the time he begins the slot machine gaming session, plus the amount of any prizes won during that session.

Article 13. Participating in the game.

1. Participants may take part in slot machine gaming via the medium or media established by the operator in its particular rules for the game, from among those listed in Article 10.2 of these Basic Regulations.



2. Operators will issue an accrediting document at the end of each slot machine gaming session, which must be made available to each participant via the same means used to participate in the session, giving a summary of the amounts bet, and the results obtained.
3. Operators will establish, in the particular rules of the game, a measure for cases when a session is unexpectedly interrupted. They will also establish the cases in which the amounts wagered will be held or cancelled due to such interruptions. In all cases they should guarantee the right to any prizes that may have been won by the participants in a session or individual game prior to the interruption. Similarly, if a participant's connection is cut off during the course of an individual game due to causes other than reaching the limits established in the first paragraph of Article 14, the operator must guarantee that the game will continue automatically until the combination of symbols or graphic representations is determined, and the participant will have the right to be paid the amount corresponding to a winning combination, if any.
4. The full sum corresponding to participation in a game which, once formalised, is cancelled by the operator in application of the specific rules should be refunded or made available to participants in the form established in said specific rules, always at no additional cost to the participants and with no additional obligations.

Article 14. Implementation, determination and allocation of prizes.

1. Before beginning his slot machine game session, the participant must establish the maximum time he wants to spend, and the maximum amount of money he wants taken from his gambling account in that session. These limits must be specified each time he logs into a slot machine gaming session, and cannot be set as default options or saved from previous sessions.

The configuration of the session cannot be changed once it has begun. However, the session can be ended before reaching the set limit time or amount of money described above. Once the pre-set time or money limit, or the money limit set when configuring the slot machine gaming session, has been reached, the session will end automatically, logging out of the session at the end of the current individual game, including any adjustments to it.

In all cases, the gambling operator must inform the participant in advance that he will soon reach the limits set when configuring the session, so that the participant can stop playing in an orderly fashion if he prefers.

When the participant starts a new session within 60 minutes of ending a slot machine gaming session, before allowing him to log in, the operator must activate an alert which mentions the advisability of responsible behaviour when gambling, and the effects of gambling too frequently from the point of view of compulsive or pathological gambling. For this purpose, the operator will include a link in the alert to information on the actions to prevent compulsive gambling



in its Operating Plan, and if applicable, to information provided by the Directorate General for the Regulation of Gambling.

2. When configuring his slot machine gaming session, the participant may temporarily restrict his access to a future session if the current session should terminate automatically due to reaching any of the limits established in Section 1 of this Article.

3. Before beginning the session, the participant will set the frequency of the alert referred to in Section 2 of Article 8 of this Ministerial Order, with the minimum interval being 15 minutes from the start of the slot machine game session or from the last alert.

4. Participation in the slot machine game can be manual or automatic.

In the manual mode, the individual game will begin as soon as the participant manually activates the function which determines the combination of symbols.

In the automatic mode, the individual game will begin as soon as the game mode is configured. No more than 100 individual games may be configured in automatic mode, and in all cases, the participant can opt to leave automatic mode at any time.

5. Individual games will have a minimum duration of 3 seconds.

6. Once the random combination has been determined, it will be checked whether it has won any of the prizes previously established by the gambling operator. If so, the prize corresponding to that combination will be allocated to the participant.

7. Operators may only offer progressive jackpots. In no case can they offer guaranteed jackpots, understood to be those drawn fully or partly from the gambling operator's own funds or from sources other than payments to participate in the game.

Article 15. Paying prizes.

1. Prize winners are any participants who have taken part in slot machine gaming and who are deemed the winners in accordance with the result of the games and the particular rules of the game.

2. The operator is obliged to pay out any prizes obtained in the game from the moment each prize-winning game is completed, and will pay the prizes to the winning participants in accordance with the terms and conditions set in the specific rules of the game.

3. The operator will pay the prizes as provided for in the particular rules of the game and, in their absence, by the same payment means used by the participant to participate. Under no circumstances should payment of the prize entail any costs or additional obligations for the prize winning participant.



The right to receive payment of the prize will expire on the date set in the particular rules of the game and should not be less than three months from the day after the conclusion of the game that gave rise to the prizes.

4. The Directorate General for the Regulation of Gambling will establish any additional procedures and obligations deemed necessary in relation to the payment of prizes in order to better protect participants' and public interests.

First final provision. Authorisation of the Directorate General for the Regulation of Gambling.

The Directorate General for the Regulation of Gambling is authorised to establish the procedure that regulates the awarding of permits for occasional gaming activities, as provided for in this Ministerial Order and in the implementing regulations of Law 13/2011, of 27 May, the Gambling Regulation Act. This procedure will establish the requirements that must be met by operators and the documentation proving they meet these requirements which will have to be presented.

Second final provision. The transfer of technical systems by licensors to the providers of gambling activities in the territory of Spain.

The holders of an individual licence for slot machine games will adopt the necessary measures to ensure that their products and services, including their platforms, gaming software and other elements of their technical system are not offered outside Spanish territory by third parties who do not hold the corresponding licence.

The resolutions awarding the corresponding licences may specify the terms and conditions in which the operator must fulfil the obligation established in the previous paragraph, and establish obligations on the operator to communicate the relevant measures it adopts, whether at the time they are adopted, periodically, or at the request of the Directorate General for the Regulation of Gambling.

Third final provision. Entry into force.

This Order will come into force on the day of publication of the Ministerial Order which approves the bases and specifications governing the new call for applicants for general licences for the provision and operation of gambling activities, in accordance with Article 10 of Law 13/2011 of 27 May.

Madrid, July 2014. The Minister for Finance and Public Administrations, Cristóbal Montoro Romero.



APPENDIX

Limits on the guarantees associated with the individual licence for operating slot machine games.

One.

The Directorate General for the Regulation of Gambling, by a resolution amending Appendix II of the Resolution of 16 November 2011 by the Directorate General for the Regulation of Gambling, approving the provision implemented in Title II, Chapter III of Royal Decree 1614/2011 of 14 November and the determination of the amounts of the operator's guarantee to be linked to the individual licences corresponding to the different types of games, will determine the amount of the guarantee linked to the individual licence for the provision and operation of slot machine games, which will be an amount from 5% to 12% of the operator's net revenue from the activity of the individual licence in the previous year. For this purpose, the net income of the operator will be understood to be as established in Article 48.6 of Law 13/2011, of 27 May, the Gambling Regulation Act.