



**COUNTRY  
COMPARATIVE  
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# **The Legal 500 Country Comparative Guides**

## **Finland**

### **GAMBLING LAW**

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This country-specific Q&A provides an overview of gambling laws and regulations applicable in Finland.

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# FINLAND

## GAMBLING LAW



### 1. What is the legal definition of gambling?

According to the Finnish Lotteries Act (1047/2001) ("**Lotteries Act**") *lottery means an activity in which participants may win a prize of monetary value based in full or in part on chance and in which there is a charge for participation. Gambling means a lottery in which players can win money.*

### 2. What legislation applies to gambling? Please provide a summary of the legal/regulatory framework.

The Lotteries Act lays down the main provisions and it is complemented by the following legislation:

- Government Decree on Lotteries (1345/2001).
- Government Decree on Games Operated by Veikkaus Oy (1414/2016).
- Government Decree on the Advisory Board on Gambling (658/2017).
- Ministry of Interior's Decree on rules of Veikkaus' games (7593/2022)
- Lottery Tax Act (552/1992).
- Criminal Code (39/1889).
- Consumer Protection Act (38/1978).
- Act on Electronic Communication Services (917/2014).
- GDPR and Data Protection Act (1050/2018).
- Act on Preventing Money Laundering and Terrorist Financing (444/2017)
- Act on the Autonomy of Åland (1144/1991)
- Åland's Provincial Law on Lotteries (10/1966).
- State Shareholdings and Ownership Steering Act (1368/2007).
- Act on the Financing of Education and Culture (1705/2009).
- Act on Discretionary Government Transfers (688/2001).
- Act on Virtual Currency Providers (572/2019).
- Limited Liability Companies Act (624/2006).

### 3. Which body/ies regulate gambling?

The Ministry of the Interior is responsible of regulating the gambling sector in Finland while the National Police Board ("**NPB**") is responsible of the supervision of Lotteries Act.

### 4. Are licences available? If so: a) What is the duration of a licence? b) What types of licences are available? c) Are there different types of licences for B2C and B2B operators? d) Do software suppliers need to be licensed?

Gambling licenses are not available. Finland has a gambling monopoly in place, under which the state-owned operator Veikkaus Oy ("**Veikkaus**") is the only entity allowed to provide gambling services in mainland Finland and to market them. Ålands Penningautomatförening ("**PAF**") has similar position in the Åland Islands.

### 5. Are any types of gambling products prohibited?

No gambling product is prohibited per se though there are product specific limitations in place (e.g., maximum stake, RTP and game speed). It should be noted that the limitations only apply to the legal offering i.e., Veikkaus.

### 6. What is the headline application procedure? Please include any eligibility and other application requirements, including approximate application costs and any need to establish a local presence.

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Islands.

**7. Do individuals within the business need to be personally licensed or authorised? If so, please provide headline requirements.**

Gambling licenses are not available. Finland has a gambling monopoly in place, under which the state-owned operator Veikkaus is the only entity allowed to provide gambling services in mainland Finland and to market them. PAF has similar position in the Åland Islands.

**8. Is advertising of gambling permitted and, if permitted, how is it regulated?**

Veikkaus is the only entity allowed to advertise gambling in mainland Finland. They must comply with the marketing restrictions laid down in the Lotteries Act.

Veikkaus may market gambling and themselves only if the marketing is moderate in quantity, scope, visibility, frequency and necessary to direct the demand for gambling to activities conducted under the Lotteries Act. Marketing shall not promote gambling that causes economic harm, social harm and/or health related harm. Marketing shall not be directed at minors or otherwise vulnerable persons and neither shall minors and vulnerable persons be used in marketing. Games which have been identified as presenting a specific risk of gambling harm (e.g., slot-games) may not be marketed outside the gaming premises, casinos and racetracks in which those games are available. The marketing of gambling must always include information on the age limit for gambling and where to find information on gambling control tools and service providers offering help with gambling problems. Marketing must not be directed at a player who has placed an all-gambling ban on him or herself. If a player has placed a gambling-specific block, he may only be targeted by marketing for a gambling game which he has not blocked himself from playing.

**9. Are marketing affiliates permitted? If so, are they licensed or regulated?**

Veikkaus is the only entity allowed to advertise gambling in mainland Finland. The use of affiliates in the traditional sense is not allowed even for Veikkaus.

**10. What are the penalties for offering,**

**facilitating or marketing unlawful gambling, and can the gambler be penalised for participating in unlawful gambling?**

The Criminal Code (39/1889) ("**Criminal Code**") Chapter 17 includes sections applicable for gambling related offences. Section 16 includes criminalization of organized gambling, Section 16(a) lottery offence and 16(b) raffle offence.

According to the Section 16 a person who unlawfully arranges gambling or keeps a room or other premises for gambling, or as the proprietor of a hotel or restaurant establishment allows gambling to take place, shall be sentenced for organised gambling to a fine or to imprisonment for at most one year. Section 16 is not relevant in regards of online gambling operators, as it only applies to situations where the gambling has been physically organized in Finland.

According to the Section 16(a) a person who arranges gambling without a permit, sells or purveys lottery tickets for a lottery that is not organized in accordance of the Lotteries Act or markets such a lottery in violation of the Lotteries Act's prohibitions, sells or purveys Veikkaus lottery tickets or winnings illegally abroad or without a permit in Finland, or provides premises for slot machines or casino games in violation of the Lotteries Act, shall unless a more severe penalty has been provided elsewhere in the law be sentenced for a lottery offence to a fine or to imprisonment for at most two years. In regard of the gambling operators, the lottery offence is applicable mostly against the directors, board members and marketing managers, who are directly responsible of operator's illegal activities.

According to the Section 16(b) a person who arranges non-money lottery without a permit, violates Lotteries Act's prohibitions on running a lottery not covered by Section 16(a), uses the lottery profits in violation of the Lotteries Act, neglects an accounting obligation, organizes a petty lottery without fulfilling the license criteria, essentially or repeatedly violates the Government Decree on Lotteries (1345/2001) or Government Decree on Games Operated by Veikkaus Oy (1414/2016), or violates the marketing restrictions laid down for Veikkaus in the Lotteries Act, shall, unless a more severe penalty has been provided elsewhere in law for the act, be sentenced for a raffle offence to a fine or to imprisonment for at most six months. Section 16(b) is not relevant in regards of online gambling operators as it mostly concerns offences related to Veikkaus and non-money/petty lotteries.

Participation in gambling organized abroad and

authorised by the law of the country concerned is not punishable under the Finnish Criminal Code or any other law or statute. However, participation is subject to compliance with, e.g., the tax regulation.

### **11. Briefly detail key requirements for licensees.**

Gambling licenses are not available. Finland has a gambling monopoly in place, under which the state-owned operator Veikkaus is the only entity allowed to provide gambling services in mainland Finland and to market them. PAF has similar position in the Åland Islands.

### **12. Briefly detail key anti-money laundering requirements.**

According to the Act on Preventing Money Laundering and Terrorist Financing (444/2017), Veikkaus is obliged to fulfil certain anti-money laundering requirements. These requirements include e.g., the customer due diligence, risk-based assessment, customer identification and identity verification, ongoing monitoring, obligation to obtain information, obligation to report suspicious transactions, retention of information concerning suspicious transactions and suspension and refusal of suspicious transaction.

### **13. Briefly detail key responsible gambling (or safer gambling) requirements.**

As Veikkaus is the only entity allowed to organize gambling in Finland, the listed responsible gambling requirements only apply to them.

At the time of registration or at the latest before the first transfer of funds, the player must set a limit on the amount of money that the player can transfer from his/her bank account to his/her gaming account per day and per month (daily and monthly transfer limit). A player may not transfer money to his/her account between 24:00 and 06:00. No more than EUR 20,000 may be held into a player's account at any one time. The player must set daily and monthly loss limits for fast-paced games. Veikkaus electronically transmitted gambling services shall be equipped with a time recall function. The time-of-play reminder shall inform the player every 60 minutes of the time spent playing by means of an on-screen message. The player may set a gambling block to prevent the player from playing electronically transmitted gambling games. All electronically transmitted games shall always display and have accessible to the player a quick disconnect

functionality (Stop Play button). The use of this button shall prevent the player from purchasing credits for games until the end of the day following the day on which the button is used.

Please note that the advertising restrictions are covered in the section 8 above.

### **14. Briefly detail shareholder reporting and approval threshold(s).**

Veikkaus is a state-owned limited liability company bound by ordinary requirements when it comes to shareholder reporting.

### **15. Briefly detail the regulator's enforcement powers, including sanctions.**

The NPB's enforcement powers include prohibition orders, administrative penalties, conditional fines and blacklisting for PSP-blocking.

The NPB may impose prohibition orders against entities offering gambling services illegally in Finland or marketing such services. Prohibition orders may set for a maximum of 12 months per time extendable by 12 months per time.

If a prohibition order has been imposed against a gambling operator, it will be automatically added to the PSP-blocking list for the duration of the prohibition order. PSP-blocking scheme includes money transfers from mainland Finland to gambling operators put on the list.

Prohibition order may be reinforced with a conditional fine, which is enforceable if the infringement continues. The maximum and minimum amounts of a conditional fine have not been defined in the legislation. When considering the amount of the conditional fine, the NPB must take into account e.g., the infringer's ability to pay and other relevant factors.

Administrative penalty may be imposed on a gambling operator, other legal entity or natural person who intentionally violates the Lotteries Act marketing prohibition. Administrative penalty shall be a maximum of 4% of the entity's annual turnover or natural persons income, with the minimums of EUR 500 for natural person and EUR 10,000 for an entity and maximums of EUR 40,000 for natural person and EUR 5 million for an entity. When considering the amount, the NPB must take into account 1) the nature, extent, seriousness and duration of the infringement; 2) the benefit derived from the infringement; 3) the action taken by the infringer to mitigate or remedy the damage and 4) any previous

infringements from the same infringer.

## 16. What is the tax rate?

As Finland has gambling monopoly in place, the gambling tax rate is relevant only in regards of Veikkaus and PAF. The tax has for years been 12% but due to the Covid-19 pandemic it was temporarily lowered. In 2022 the tax rate was 3,4% and 5,0% in 2023. From 2024 onwards the tax rate of 12% will be applied.

## 17. Are there any proposals for changing gambling laws and regulations in the next 12-24 months? If so, please provide an overview of the proposed changes and likely timing.

A law diminishing the link between gambling proceeds and the current beneficiaries will enter into force in the beginning of 2024. According to the law, the gambling proceeds will be part of the normal state budget procedure from the beginning of 2024 while under the current law the gambling proceeds are designated for certain good causes.

Finland's government programme for the term of 2023-27 was published on June 20, 2023. It is a crucial document that outlines the policy priorities, goals and strategies of the Finnish government for their term. The government programme sets the aim to reform Finland's gambling system and open it to competition using a licence model by 1 January 2026 at the latest.

According to the government programme, as a rule, the licence system would cover online casino games and online betting. The monopoly activities remaining with Veikkaus and the activities in the competitive market will be separated into different companies within the same group. The aim of the reform is to prevent and reduce economic, social and health-related harm resulting from gambling and to improve the channelling rate of the gambling system. When the licence system is introduced, the supervision of the gambling industry will be enhanced and the Government will ensure sufficient resources to for supervision and for preventing gambling related harm.

## 18. What key regulatory developments are proposed or on the horizon in the next 12-24 months?

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## 19. Do you foresee any imminent risks to the growth of the gambling market in your jurisdiction?

During the Covid-19 pandemic, the GGR of the regulated market decreased from EUR 1.63 billion in 2019 to EUR 1.26 billion in 2020 and has continued to decrease (EUR 1.07 billion in 2022). During the same time period, the unregulated digital market has been estimated to have increased from EUR 0.31 billion in 2019 to EUR 0.47 billion in 2022. According to the available forecasts, the total market size is expected to rise from EUR 1.54 billion in 2022 to the level of EUR 1.7 billion in the near future, with most of the growth going to foreign gambling operators while Veikkaus' GGR is expected to remain at level.

## 20. If a gambling start-up was looking for a jurisdiction in which to commence its activities, why would it choose yours?

The GGR per capita in Finland is among the highest in the world. It is legal for Finnish inhabitants to use the services of foreign gambling operators, even though Finland has a gambling monopoly in place. The GGR leakage to foreign licensed gambling operators is

growing at a fast pace, and it has been estimated to continue growing in the future. As Finland currently has a monopoly system in place, foreign operators are not required to pay license fees, gambling taxes, or equivalent expenses from Finnish GGR. Furthermore, as Finland plans to transition to a licensing system within a

few years, it is important for operators aiming to obtain a license in the future to establish a foothold and become familiar to Finnish customers before the change actually takes place. At that point, it will become much less cost-efficient to acquire Finnish customers and successfully enter the market.

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