



THE TREND OF DEVELOPMENT OF  
GAMES OF CHANCE IN SERBIA

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Globalization, the development of technology and communication services, the dependence on internet services, the world pandemic, and the fast-paced lifestyle, have led to major changes in the behavior of consumers in modern society and to the rapid growth of certain industries, such as the entertainment industry and the industry of games of chance. Special expansion is experienced in the area of games of chance which are organized through the internet.

The history of games of chance is not new, it goes back a long way. The games of chance are as old as the origin of civilization and they have always caused conflicting opinions. From Mesopotamia, Egypt, and ancient China, various tiles and cards were made from bones, wood, or paper and time was spent in entertainment and games, along with the desire to get rich quickly. The ancient Greeks and Romans were known to bet on fights and try their luck that way. Those who visited the Baths of Caracalla, during their visit to Rome, must have noticed the cavities in the stones, which were, as it is told, used for some kind of game of chance. For as long as games of chance exist, the harmful effects of gambling addiction that some people can develop have been pointed out.

Therefore, today, games of chance are strictly legally regulated area. In the Republic of Serbia, games of chance are legally defined as games in which participants are offered the opportunity to gain money, things, services, or rights for a certain fee, while the gain or loss does not depend on the knowledge or skill of the participants in the game, but from chance or some other uncertain event.

In Serbia, the first games of chance were organized during the reign of Prince Miloš Obrenović at the beginning of the 19th century. The prince allowed games of chance as a way to help economic development. Once in every two weeks, there was a drawing of prizes, and the prizes were valuable goods, such as gold watches, a horse, and a saber. This lottery lasted for four years. It was only at the end of the 19th century that the Serbian Class Lottery Administration was established, and thereafter, although with interruptions during wartimes, the development of lottery games began. Today, the activity of games of chance is fully regulated by the Law on Games of Chance of the Republic of Serbia, and the law that is currently in force was adopted in 2020. Together with bylaws that regulate individual issues in more detail, it fully regulates the right to organize games of chance, types of games of chance, terms of organization, as well as the rights and obligations of organizers of games of chance and supervision over the organization of games of chance.

Up until July 10, 2021, the organizers were obliged to harmonize their operations related to the amount of the initial capital, the securing the payment of winnings and collection of public revenues and certain new technical conditions that had to be met, whereby such new obligations and required financial investments that had to be made were actually increased, in comparison with the law that was previously in force. However, this had not prevented the expansion in this industry, especially in the field of games of chance that are conducted through electronic communications, but also in the increase in the number of betting shops and slot machine clubs. The gambling industry is a rapidly growing, high-grossing, entertainment-based industry that, on the other hand, also provides significant state and local revenues through licensing and organizing fees. Part of the funds which are the revenue of the budget of the Republic of Serbia, in the amount of 40%, is used to finance the Red Cross of Serbia, organizations helping people with disabilities, institutions of social protection, sports and youth, local self-governing units and treatment of rare diseases.

Games of chance should be distinguished from quizzes, video games, sweepstakes, or other similar games in which there is no element of uncertainty. Victory or gain in such games must not depend on chance or an uncertain event but on the knowledge and skill of the participants. Thus, according to the legal definition, games of chance are not considered games that are organized in front of the public, in which one or more qualified participants compete in knowledge and skills from various fields, in accordance with the rules of the organizer and with direct participation of the participants in the game, whereby the final outcome depends exclusively on the results that are achieved in the given area. Games on computers, simulators, video machines, pinball machines, and other similar devices, which are put into operation with the help of money or chips, as well as darts, billiards, and other similar games, in which participation is paid for and in which the participants cannot win money, things, services or rights, but the right to play one or more free games of the same type (entertainment games) are not considered games of a chance either.

Games of chance include classic games of chance, special games of chance, and games in which prizes are goods and services.

- Classic games of chance, such as lottery, lotto, keno, and bingo can only be organized by the State Lottery of Serbia;

- Special games of chance include games of chance in gambling houses - casinos and today we have two casinos in Serbia. This category also includes games of chance on automatic equipment (slot games) and betting.
- Games in which prizes are goods and services are games organized for advertising and other purposes by a legal entity or an entrepreneur, in which all participants are given an equal opportunity to win a prize in goods or services, which must be determined in advance;
- Special games and prize games can be organized by domestic legal entities, upon obtaining approval and consent from the regulatory body of the Games of Chance Administration. In the process of obtaining the necessary approval, it is necessary to fulfill various conditions in the form of initial capital, deposits or bank guarantees, and technical, spatial, and other requirements depending on the type of approval.

According to the data available from the website of the Games of Chance Administration, a total of 20 betting approvals and 60 approvals for games of chance on slot machines have been issued. The total number of betting shops in Serbia is 2,274, and the total number of slot machine clubs is 2,706, with a total of 34,400 slot machines.

Currently, 22 legal entities have permission to organize games through means of electronic communication, the so-called online gambling.





This industry contributes significantly to the income of the state budget because every organizer pays fees for obtaining approval and fees for organizing games of chance. Indirectly it can also contribute to the development of the economy because it has an impact on other industries such as sports, media, and advertising industry, the food and beverage industry, the supply of technology and computer equipment, and leases.

Online gambling is gaining more and more popularity in the consumer-orientated, modern world which has imposed a fast pace of life, the development of technology and a constant presence on the internet. Additionally, the global pandemic has encouraged its development and directed businesses towards games of chance organized through internet. The way of gambling is also changing, people are more and more interested to have quick and easy access to games, for example, via mobile phones, and to have quick and easy payment options for participation in the game, as they are getting more and more used to new digital solutions.

In the last two or three years, many foreign organizers of online games of chance have shown increased interest in the Serbian market and in obtaining approval for organizing games of chance through electronic means of communication. As it is forbidden to participate in games of chance that are organized abroad, for which bets are paid on the territory of the Republic of Serbia, as well as enabling the payment of bets in Serbia for participation in games that are organized abroad, some foreign organizers of games of chance, who see the potential of players from Serbia, are showing interest in entering the Serbian market and obtaining the necessary approvals in Serbia.

On the other hand, with games of chance, there is a risk of developing a gambling addiction, which is especially devastating for minors and certain personality types. Hence, the organizers of games of chance must especially take care of social responsibility and the organization of games of chance must be aimed at the protection of minors and the prevention of addictive diseases. Games of chance serve for entertainment, with a reasonable investment in them and acceptance of possible loss or gain in a way that does not disturb the psychological state, health, and financial capabilities of the players. It is both important and prescribed by law that the organizers of games of chance have trained employees who will recognize people who become addicted to gambling, that is, be trained to act preventively against gambling addiction, as well as to actively participate in raising awareness about responsible gambling.



Minors are prohibited from participating in games of chance and the law prescribes spatial and technical conditions with the aim not allowing minors to participate in games of chance. Advertising, including indirect referrals, is carried out with a notice regarding the prohibition of the participation of minors in games of chance and with corresponding warning text regarding the prevention of gambling addiction.

The organization of games of chance must be socially responsible and directed, among other things, to the protection of the personal data of participants in games of chance. All data that is collected and stored on the organizer's digital services must be in compliance with the Personal Data Protection Act and needs to be properly protected and encrypted.

In order to avoid the dangers that can lurk for individuals and society when participating in games of chance, the organization of games of chance needs to be conducted within legally defined limits, with the fulfillment of all prescribed conditions and the application of all necessary measures to prevent money laundering and protect personal data, along with an awareness of social responsibility and its active application in practice.

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