



# Guideline about provision of guessing competitions

This guideline is intended for citizens and companies who are interested in providing guessing competitions in Denmark

## Guideline about provision of guessing competitions

The guideline provides descriptions of:

- When a guessing competition falls under the scope of the Danish Gambling Act,
- What you should be aware of as regards the delimitation of guessing competitions and other competitions/games,
- When you must apply for a licence, when you do not need to apply for a licence and when it is not possible to apply for a licence to provide guessing competitions,
- What kind of licence you must apply for to provide guessing competitions, and
- The conditions imposed to a restricted revenue licence to provide online casino including the provision of guessing competitions.

### When does a guessing competition fall under the scope of the Gambling Act?

A guessing competition must be characterized as a combination game and falls under the Gambling Act, if the following conditions are met:

- The guessing competition is a combination game. This means that the guessing competition is decided on a combination of the participants skills, e.g. answering a question, and of chance, e.g. by making a draw among everybody, who answered a question correctly,
- The composition of skills and of chance in the combination game, included guessing competitions, has to be a natural part of the game,
- Participants in the guessing competition have a chance of winning a prize (all types of prizes of economic value), and
- Participants pay a stake (money or anything else of economic value).

### What to be aware of as regards the delimitation of guessing competitions and other competitions/games?

You need to be aware of the fact that a guessing competition is a competition, when the competition is decided on a combination of skills and chance. To provide this kind of competition, you must apply for a licence to provide online casino if the conditions of paying a stake and the opportunity of winning a prize are met.

Competitions decided only on chance are characterized as lotteries. Lotteries, where participants pay a stake and have the chance of winning a prize can only be provided by monopolies with exception of charity lotteries. You can find more information on this subject [her](#).

Competitions decided only on the participant's skills, e.g. knowledge, are characterized as pure skills games. Pure skills games do not fall under the Gambling Act and such games may be provided without a licence from the Danish Gambling Authority. E.g. games such as quizzes, chess, guessing competitions without a drawing etc. are characterized as pure skills games.

Other competitions such as sports competitions, computer games etc. do not fall under the Gambling Act as well.

### **When a licence to provide guessing competitions from the Danish Gambling Authority is required?**

Provision of guessing competitions requires a licence from the Gambling Authority, if all of the following conditions are met:

- The guessing competition is decided on a combination of the participants skills, e.g. answering a question and of chance, e.g. by making a draw among everybody, who answered a question correctly,
- Participants pay a stake (money or anything else of economic value),
- Participants in the guessing competition have a chance of winning a prize (all types of prizes of economic value),
- It is only possible to apply for a licence for online provision of guessing competitions, e.g. internet, phone, radio and television. It is not possible to obtain a licence to provide land-based guessing competitions.

### **When a licence to offer guessing competitions from the Danish Gambling Authority is not required?**

Provision of guessing competitions does not require a licence from the Danish Gambling Authority if one of the following conditions are met:

- The participants do not pay a stake (money or anything else of economic value) to enter the competition,
- The participants do not have a chance of winning a prize (all types of prizes of economic value),
- The participants pay a very small stake of DKK 1-2 in value-added content concerning the provision of SMS guessing competitions that only covers the cost for transportation and telecommunications, and
- Payment in a guessing competition at a radio or TV show where the guessing competition does not constitute the main element is not regarded as payment of a stake as long as the payment is made via an information and content service with embedded billing or mobile payment service that does not exceed the value-added content of DKK 5 per telephone number per day.

### **When can you not obtain a licence to provide a guessing competition?**

It is not possible to obtain a licence to provide land-based guessing competitions where the participants pay a stake and have a chance of winning a prize. A land-based guessing competition is where the provider of the competition and the participant actually meet.

## What kind of licence should you apply for to provide guessing competitions?

Provision of guessing competitions covered by the Gambling Act require a licence for online casino.

You may apply for either a licence for online casino or a restricted revenue licence for online casino. The restricted revenue licence for online casino has a maximum duration of one year and the gross gambling revenue (the amount wagered minus the winnings returned to players) must not exceed DKK one million.

The difference between a licence for casino and a restricted revenue licence is:

- A licence for online casino is valid for a maximum of five years, while a restricted revenue licence is only valid for a maximum of one year,
- There are no limitations of the gross gambling revenue when it comes to licence for online casino, while the gross gambling revenue must not exceed DKK one million when it comes to restricted revenue licence,
- The application fee is DKK 250,000 for an online casino licence. Also an annual fee that depends on the gross gambling revenue for the calendar year, shall be payable. The application fee is DKK 50,000 for an application for a restricted revenue licence for online casino and no annual fee applies, and
- A licence for online casino is regulated in the Executive Order on online casinos, while restricted revenue licence is excluded from the Executive Order on online casinos.

If you choose to provide guessing competitions by a licence for online casino, strict conditions are required both in the Gambling Act, the Executive Order on online casinos and the specific conditions in the licence.

If you choose to provide guessing competitions by a restricted revenue licence for online casino, you are covered by the Gambling Act and the specific conditions in an individual licence.

The conditions to provide guessing competitions by a restricted revenue licence are therefore not as extensive as the conditions set out in a licence to provide online casino.

## The conditions imposed to a restricted revenue licence for online casino including the provision of guessing competitions

Provision of games under the restricted revenue licence for online casino is regulated in the Gambling Act and in the specific conditions set in an individual licence.

The specific conditions set out in a licence are based on an assessment of the game of which a licence is obtained and on the individual circumstances of the applicant.

A restricted revenue licence for online casino that includes guessing competitions can e.g. impose the following conditions:

- RNG (Random Number Generator), used in a draw of lots must be certified. If you use random generation you must document this by a statement by an independent party,
- Information to the participants about the conditions to participate in a guessing competition.

The Danish Gambling Authority is responsible for ensuring a fair, well-regulated and transparent gambling market in Denmark.

**For further information please contact:**



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