



CASINO REGULATIONS IN SRI LANKA

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Gaming is a regulated activity in Sri Lanka and is governed by the Gaming Ordinance, No. 17 of 1889 (as amended), Casino Business (Regulation) Act, No. 17 of 2010, and the Betting and Gaming Levy, No. 40 of 1983 (as amended).

“Unlawful gaming” was declared an offence under the Gaming Ordinance, No. 17 of 1889 (as amended) (“**Gaming Ordinance**”), punishable by a fine and/or rigorous imprisonment. Unlawful gaming has been defined to include:

- (a) cock fighting;
- (b) the act of betting or of playing a game for a stake when practised on any path, street, road or place to which the public has access or on any premises where a licence has been granted to distil, manufacture, sell or possess any intoxicating liquor or in or at a common gaming place; or
- (c) the act of playing in any place whether for a stake or not, a game of chance or of mixed chance and skill with any instrument or appliance the importation of which is prohibited by an order under the said Ordinance.

A ‘common gaming place’ is defined to include any place to which the public may have access, with or without payment, and which is kept or used for betting or the playing of any game for a stake, or the playing of any game of chance or of mixed chance and skill, with any instrument or appliance the importation of which is prohibited by an order issued under the said Ordinance whether for a stake or not.

The Betting and Gaming Levy, No. 40 of 1983 as amended (“**Betting and Gaming Levy**”) imposes a tax on those engaged in the business of gaming, whether said gaming is conducted lawfully or unlawfully. Any person carrying on a gaming business is required to register the business with the Department of Inland Revenue, subsequent to which the Commissioner General of Inland Revenue will issue a certificate of registration to said person.

Further to the Gaming Ordinance, the Casino Business Regulation Act, No. 17 of 2010 (“**the Act**”) was brought into effect to license and regulate the operation of casinos. “Casino” has been defined in the Act to mean any premises to which persons have access:

(a) with or without payment; and

(b) whether as of right or not, for the playing of any game for a stake.

A person is not allowed to “operate” or “engage in the operation of” a casino without a valid licence and outside a specific area designated by the Minister. Operating a casino without a licence is punishable by imprisonment and/or a fine. The Act authorises the Minister to issue regulations in relation to the licence, such as the terms and conditions of the licence and the application process for a licence.

Even though the Act regulating casinos was certified on 17th December 2010, no regulations were issued under the Act, and the operation of casinos remained unregulated until August 2022, when regulations were published, giving effect to the Act for the first time since its enactment twelve years ago.

The Casino Business Licensing Regulation No. 1 of 2022 (“**the Regulation**”), published on 31st August 2022, sets out a comprehensive licensing process. An existing operator must apply for a licence within 60 days of the date of the Regulation, and an application for the renewal of a licence must be made six months prior to the expiry of the licence. The fee for a new licence or renewal of a licence for a period of five years is Sri Lankan Rupees Five Hundred Million (Rs. 500,000,000/-), with each licence being valid for a period of five years.

The Regulation also;

(a) mandates stringent book keeping requirements;

(b) stipulates certain employee requirements;

- (c) prohibits certain activities within a casino such as soliciting for prostitution or other unlawful activity, unlicensed moneylending, drunken and disorderly conduct and illegal betting or gaming; and
- (d) prohibits those under the age of 21 from entering or participating in any gaming in a casino.