

Gambling Laws in Estonia: **2024** Guide to Regulation and Legality

Despite high competition levels from established platforms, Estonia offers promising opportunities for online gambling businesses seeking markets that maximise profitability while adhering to transparent and fair taxation principles. Not least, its low GGR of 6% and straightforward licensing process make it an attractive environment for forward-thinking operators seeking new growth opportunities.

This guide examines the pros, cons, and legal landscape for gambling in Estonia, outlining the process and practical steps to obtaining a gambling licence in **2024**.

H2 A Brief History of Gambling in Estonia

Gambling in Estonia has a rich history beyond the glitzy casinos and online platforms we see today. In its infancy, gambling was a foundational part of Estonian life, with card games and dice being the local entertainment of choice during social gatherings in homes and public spaces. Though informal and primarily recreational, these games laid the groundwork for Estonia's eventual acceptance and regulation of gambling.

Estonians viewed gambling as a pastime that provided entertainment through the long winters. Games such as Kagujaanes and Pokeriralli, which combined elements of chance and strategy,

were particularly popular. This attitude of cautious acceptance persisted until Estonia's transformation following the dissolution of the Soviet Union in 1990. As the country embraced its newfound independence, the potential economic benefits of a regulated gambling industry became increasingly apparent.

This ultimately led to the establishment of the first significant legal framework, the Gambling Act, in 1995, and the opening of Estonia's first major casino—the Reval Park Hotel & Casino swiftly followed. This Act recognised various gambling activities, setting the stage for a structured and controlled industry. Over the subsequent years, Estonia's gambling laws evolved considerably. Another significant milestone came in 2001 with the updated Gambling Act, which introduced tighter regulations and more explicit definitions of permissible gambling activities.

In 2009, Estonia's legislative framework adapted once again to address the rise of online gambling. The new regulations required that all online gambling operators be licensed and based within the European Economic Area to legally offer their services to Estonian residents. This measure was intended to protect local consumers and ensure that online gambling activities could be effectively monitored and taxed by the state.

Key milestones in Estonia's history of gambling:

1918: First recorded instance of gambling following World War I.

1990: Steps towards liberalisation following Soviet independence.

1995: Enactment of the first Gambling Act.

1996: First gambling venue opens – Reval Park Hotel & Casino in Tallinn.

2001: The Gambling Act of 2001 brings an update to gambling regulations.

2009: Introduction of legalisation for online gambling.

2010: First online gambling licences Issued under strict oversight.

2011: Amendment allowing foreign operators a gambling licence.

2012: Launch of the largest casino in Estonia – Olympic Casino Tallinn.

2014: Implementation of responsible gambling measures.

2019: Introduction of the Gambling Tax Act.

2024: Establishment of the Estonian Tax and Customs Board (ETCB) under one unified authority.

H2 The Current Situation in 2024

Fast-forward to 2024, and Estonia's gambling market is a model of regulation and maturity. All forms of gambling, such as land-based and online casinos, sports betting venues and platforms, poker and lotteries, are legal, provided they comply with rigorous licensing standards set by the Estonian Tax and Customs Board (ETCB).

For international operators, the requirement is clear: they must be based within the European Economic Area (EEA) and adhere to Estonia's demanding regulations. This stipulation creates a competitive yet fair environment, where Estonian players can

confidently engage with both home-grown and global platforms, safe in the knowledge that their interests are well protected.

On the other hand, unlicensed operators are prohibited from offering their services to Estonian residents. Furthermore, the ETCB maintains a blacklist of such entities to safeguard players from illegal and potentially exploitative gambling activities. Estonian residents currently enjoy a wealth of options. They can take part in a game of poker at the local casino or place a bet on their favourite football team online. Moreover, slot machines, poker, sports betting and lottery games are among the most popular forms of gambling in Estonia today. Both local and international operators can legally offer their services, but only if they hold a valid licence issued by the ETCB.

H2 Regulations and Compliance

For operators looking to offer their services legally within Estonia, there are several fundamental rules, regulations and compliance requirements that operators must meticulously follow:

Location and Jurisdiction: All operators must be based within the European Economic Area (EEA) or have a legal entity in Estonia. This ensures they are subject to EU laws for easier regulatory and compliance oversight.

Licensing Application: To start, operators must [apply for a licence](#) through the Estonian Tax and Customs Board (ETCB). This process involves submitting comprehensive documentation and evidence of financial stability.

Financial and Operational Integrity: Operators must also demonstrate a solid financial footing, which means showing adequate capital reserves to handle operational risks and obligations to players.

Technical Compliance: The gaming software used by operators must be rigorously tested and certified by accredited laboratories to guarantee fairness and randomness.

Ongoing Audits and Reporting: Licensed operators undergo annual audits to ensure ongoing compliance with financial and operational standards and submit regular reports detailing financial performance and player activity to the ETCB.

Cybersecurity and Data Protection: Advanced cybersecurity measures must be deployed to safeguard personal and financial data that fully comply with the General Data Protection Regulation (GDPR).

Promotion of Responsible Gambling: Operators are required to provide tools such as self-exclusion options and access to gambling addiction support services. Transparency is also vital, and information must be clearly communicated to players.

Inspections and Compliance Monitoring: The ETCB conducts periodic inspections to verify adherence to licensing conditions. Operators are expected to resolve player complaints swiftly and fairly, maintaining customer service standards.

Advertising and Marketing Regulations: Operators must adhere to strict guidelines regarding advertising and marketing. All promotional content must be honest, clear, and not targeted towards vulnerable groups, including minors.

Legal and Regulatory Updates: Operators must stay abreast of changes in legislation and compliance. This necessitates a commitment to continuous learning and adaptation to maintain legal standing.

H2 Financial Obligations for Market Entry

Remote operators must undergo a two-stage licensing process to offer sports betting and casino games in Estonia. First, companies must apply for an activity licence, which grants permission to apply for an operating permit. Before commencing the process, applicants must be registered as a public or a private limited company in Estonia or the European Economic Area (EEA). iGaming companies must also demonstrate solid financial health and stability by showing a minimum share capital of €1 million for games of chance operators to handle operational risks and player payouts effectively.

Once these fundamental requirements are met, operators can move forward with the application process to the Estonian Tax and Customs Board.

H3 Activity Licence & Fees

To offer gambling products and services in Estonia, an operator must first apply for an activity licence. Once this licence is granted, operators can then proceed to apply for an operating permit for each game location. Activity licences are valid for an indefinite period and apply to all games of chance, poker tournaments, toto,

and games of skill. They are not required to organise a commercial lottery, but a notice of economic activities must be submitted.

Only when issuing an activity licence or operating permit is the company able to start offering gambling at the gaming locations specified in the operating permit.

The state fee for the activity licence is:

- 47,940 euros for organising a game of chance;
- 31,960 euros for organising a toto;
- 3,200 euros to organise a game of skill.

The state fee must be paid directly to the Ministry of Finance via bank transfer to include a reference number on payment, along with an application submission to the ETCB via post or digitally-signed email. The ETCB shall decide whether to grant or refuse an activity licence within four months of receiving all the necessary documents and information, but not later than six months.

To obtain an activity licence for organising gambling, [download and complete the application form](#) and attach the documents listed in the annexe to the application. Note that before applying, a company must first pay the state fee.

H3 Operating Permits & Fees

An operating permit grants the right to open a gaming location at the address indicated on the permit or to organise gambling as remote gambling. It can only be applied for by a company that has already been issued an activity licence for the corresponding type of

gambling in Estonia (except the lottery). The permit must be applied for separately for each type of game and gaming location.

Since there are no harmonised requirements for gambling in the European Union, an activity licence obtained from another EEA country does not give the right to provide gambling in Estonia or to apply for an operating permit in the country and vice versa.

Before submitting an application, the company must pay the state fee, as described in [the State Fees Act](#), of €3200, except for lottery applications, which are subject to a state fee of €640.

As with applications for an activity licence, the state fee must be paid directly to the Ministry of Finance via bank transfer, including a reference number on payment, along with an application submitted to the ETCB via post or digitally signed email. The ETCB will decide whether to grant an operating permit within two months of receiving all the necessary documents but no later than within four months of receiving the application.

To obtain an operating permit, [download and complete the application form](#) and attach the documents listed in the annexe to the application. Note that the company must first pay the state fee before submitting an application.

Once granted, the licensee must immediately inform the Estonian Tax and Customs Board about all changes in the information submitted for obtaining the operating permit.

Further information about applying for gambling licences and permits is available on the [Estonia Tax and Customs Board website](#).

H3 Taxation

Every gambling company holding a Gaming licence in Estonia must declare its profits and pay taxes, adhering to specific tax obligations designed to ensure transparency and contribute to the public revenue. [Declaring and submission of tax liabilities](#) to the ETCB is a mandatory requirement within the jurisdiction.

Gross Gaming Revenue Tax (GGR)

Gross Gaming Revenue forms the basis for gambling taxation in Estonia. This tax applies to the total revenue an operator earns from gambling activities, minus the winnings paid out to players. Estonia sets a very competitive rate of 6% GGR for local and international iGaming operations.

Corporate Income Tax

In addition to the GGR tax, iGaming operators are subject to Estonia's general corporate income tax regime. However, Estonia's approach is unique. Corporate income tax is only levied on distributed profits, currently at a rate of 20%. This means that retained earnings reinvested in the company are not taxed until they are distributed as dividends. This system encourages reinvestment and long-term growth within the Estonian market.

VAT and Other Levies

Estonia applies Value Added Tax (VAT) on the supply of goods and services, generally at a rate of 20%. However, gambling services are typically exempt from VAT under Estonian law. This exemption applies specifically to gambling services provided by licensed operators, offering a significant advantage in terms of operational costs.

H3 Other Financial Liabilities

Beyond licensing fees and taxation, iGaming operators face other liabilities for providing gambling services to Estonian residents.

Financial Reporting and Compliance

iGaming operators must maintain meticulous financial records and submit regular tax returns to the ETCB. This includes detailed monthly reports on their gaming revenue, taxes due, and other financial activities. Accurate reporting is essential as it ensures compliance with Estonia's high regulatory standards and helps avoid penalties.

Regular Audits and Compliance Checks

Annual financial and operational audits by independent third parties are needed to maintain compliance with regulatory standards. These audits assess the integrity and performance of the operator's systems and involve ongoing costs for frequent and comprehensive assessments.

Responsible Gambling Contributions

In line with their commitment to promoting responsible gambling, operators may also contribute to social and welfare programmes aimed at mitigating gambling addiction, reflecting Estonia's holistic approach to regulating the gambling sector.

Other Ongoing Financial Obligations

Other ongoing financial obligations for iGaming operators in Estonia include, but are not limited to:

1. Data protection and cybersecurity investments
2. Marketing and advertising compliance

3. Software and technology upgrades
4. Infrastructure and operational costs
5. Legal and regulatory consultation

H2 Estonian Regulatory Authorities

The landscape for online gambling activities involves several key authorities in Estonia, each playing an essential role in maintaining a well-governed and transparent gambling industry. Collectively, these national bodies ensure that the gambling sector remains regulated, fair and secure.

H3 Estonian Tax and Customs Board

The ETCB is the primary regulatory body overseeing all gambling activities in Estonia. It is responsible for issuing licences to both local and international operators and maintaining compliance with legal and financial requirements. The ETCB enforces strict operational standards and conducts regular audits and inspections. Ultimately, it sets the regulatory framework and ensures fair play, consumer protection and the industry's integrity.

H3 Ministry of Finance

Estonia's regulatory approach is frequently praised as one of the most progressive in Europe, offering a blueprint for other nations contending with the complexities of legalised gambling. Central to this model is the Ministry of Finance (MoF), which establishes the overarching policies and legislative framework for gambling within the nation's borders. It works closely with the ETCB to draft and

update gambling laws, focusing on economic impact and effectiveness. The Ministry also plays a leading role in shaping fiscal policies in gambling, such as tax rates and revenue distribution.

H3 Consumer Protection and Technical Regulatory Authority (CPTRA)

The CPTRA's role in protecting consumers is integral to upholding high ethical standards within Estonia's gambling sector. On a daily basis, it advocates for player rights and ensures that gambling services are fair, transparent and safe. Among its functions, it oversees compliance with advertising standards, ensuring that marketing is honest and not misleading. The CPTRA also addresses consumer complaints and disputes, providing a channel for players to seek a remedy or resolution to gambling issues.

H3 Data Protection Inspectorate

This authority ensures that gambling operators comply with data protection laws and regulations, particularly the General Data Protection Regulation (GDPR). The Data Protection Inspectorate monitors how operators handle, store and protect personal data. Its role is essential in safeguarding player information against misuse and breaches. Operators must adhere to stringent data security standards, and the Inspectorate's oversight helps maintain trust in the digital and online gambling environment.

H2 Opportunities and Future Developments

Although modest in population size compared to other EU markets, Estonia's market is remarkably potent and well-regulated, making it a prime option for strategic expansion. First of all, the country's online gambling sector offers a stable growth trajectory. The market size has expanded significantly in recent years, with revenues from online gambling surpassing €200 million annually. A tech-savvy population drives this growth, which is a common characteristic of many Eastern European nations. Estonians have embraced new digital gambling opportunities, maintaining a steady influx of new players and sustained engagement from existing users.

Moreover, Estonia's regulatory environment is strong, with the ETCB offering a straightforward, efficient licensing process backed by EU-compliant legislation. This transparency reduces the operational risks and uncertainties that typically plague other markets worldwide. Better still, its favourable tax regime and competitive 6% GGR tax provide high-profit potential for online operators.

Another significant factor is the government's support for innovation and digitalisation. Estonia is a global leader in digital governance, offering an economy where online operators can thrive and grow. Thus, the country's advanced IT infrastructure and commitment to cybersecurity provide a secure and reliable foundation for online gambling activities.

Looking ahead, the future of online gambling in Estonia is encouraging. The government's continuous efforts to refine regulations and support responsible gambling practices indicate a stable and sustainable market. Estonia is a favourable choice for operators seeking to gain a foothold, combining solid returns and reliability.

Market Advantages

- Favourable tax regime with a low 6% GGR tax rate.
- A growing market with increasing revenues and player base.
- High digital literacy and engagement among residents.
- Strong IT infrastructure with advanced, reliable technology.
- Efficient licensing process and streamlined applications.

Market Disadvantages

- Stern competition with numerous established players.
- Smaller market size compared to larger countries.
- Need for localisation and language adaptation.

H2 How to Apply for a Gaming Licence in Estonia

As in all regulated gambling markets globally, thorough preparation is essential for operators aiming to obtain a gambling licence in Estonia. To begin, it is advisable to research Estonia's regulatory framework. Familiarity with the legal requirements, licensing conditions, compliance obligations, and the role of the ETCB helps ensure a smooth and efficient integration.

Given that operators must be based within the European Economic Area (EEA) or have a legal entity in Estonia. International operators outside the EEA, therefore, should plan to set up a local entity or partner with a local business to meet the jurisdictional requirements. Consulting with local legal and regulatory experts can provide

invaluable guidance in navigating the complexities of Estonian law. Moreover, marketing and localisation efforts to adapt content to regional and cultural preferences will enhance market acceptance and engagement.

Developing a comprehensive compliance strategy is also an excellent way to align business practices and protocols with Estonia's high standards. This strategy involves preparing financial and corporate documentation to demonstrate sufficient capital reserves and outlining how operators will comply with tax obligations, among other things.

Operators should engage with accredited laboratories early to ensure games comply with standards for fairness and security and implement advanced cybersecurity measures. Beyond these targets, it is also recommended to plan for responsible gambling measures and expect regular audits and reporting obligations once a gaming licence is issued.

H3 Steps to Acquire an Estonian Gambling Licence in 2024

iGaming operators must undertake a comprehensive licensing process regulated by the ETCB to [acquire a gaming licence in Estonia](#).

Here are the steps required to acquire and maintain a legal licence.

Step 1: Research regulatory requirements and the roles of regulatory bodies like the ETCB and CPTRA.

Step 2: Set up a legal entity within the European Economic Area or Estonia, if based outside, to comply with jurisdictional mandates.

Step 3: Gather detailed financial statements and proof of capital reserves to demonstrate financial stability and viability.

Step 4: Prepare corporate documentation on corporate structure, ownership, governance, and the backgrounds of key personnel.

Step 5: Develop a compliance plan outlining operational protocols, including fair gaming and responsible gambling measures.

Step 6: Certify gaming software with accredited laboratories to test and certify gaming software aligned with technical standards.

Step 7: Pay the necessary application and licensing fees, which cover the cost of processing and maintaining the licence.

Step 9: Implement data protection measures to comply with GDPR.

Step 10: [Submit an activity licence application](#) to the ETCB, including all required documentation.

Step 11: [Submit an operational permit application](#) to the ETCB, including all required documentation.

Step 12: Prepare for regular financial and operational audits as required by the ETCB to maintain compliance.

Step 11: Plan for c

H2 Act Now! And Seize Your Opportunity for Market Access in Estonia

Estonia's gambling market is thriving. Whether you're entering the market for the first time or aiming to grow an existing presence, the

moment to act is now. [Contact award-winning sportsbook provider Altenar](#) today to explore the lucrative opportunities Estonia offers in 2024.

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