

Changes in the Latvian gambling regulation

Spring has arrived, as have the latest changes in the field of gambling in Latvia.

At the end of last year, the Latvian legislator adopted amendments to the Law on Gambling and Lotteries (hereinafter the Law), which entered into force on 1 April 2026. This was not an April Fools' joke, since a number of other regulatory enactments applicable to the gambling sector are also being amended in connection with these changes.

Institutional changes: supervision transferred to the SRS

In order to improve the efficiency of public administration and reduce the administrative burden, the government has revised the organisational model of certain institutions. As a result, the Lotteries and Gambling Supervision Inspection has been integrated into the State Revenue Service (hereinafter the SRS) and no longer operates as a separate authority.

For the gambling sector, the SRS is not a new cooperation partner, since it already performed part of the supervisory functions before. As of 1 April 2026, the SRS has taken over all the functions previously performed by the Lotteries and Gambling Supervision Inspection, including licensing of gambling and lottery operators, supervision and control of merchants' activities, maintenance of the register of self-excluded persons and ensuring the processes related thereto.

The aim of the legislator is to ensure continuity of processes and to maintain the availability of all services. At the same time, it should be taken into account that in day-to-day work the usual communication procedures with the supervisory authority, the organisation of service provision, and certain practical processes may change.

It is expected that concentrating cooperation within a single institution, the SRS, will in the long term facilitate communication, reduce the administrative burden, and make processes more transparent and faster. However, the actual extent of these benefits can only be objectively assessed once the new system has fully stabilised.

Amendments to the Law: not only technical alignment

A large part of the amendments to the Law are of a technical nature, replacing the previous reference to the Lotteries and Gambling Supervision Inspection with the SRS as the supervisory authority in the gambling sector. However, the amendments also include significant innovations which may appear particularly important to participants in the gambling sector, as they concern the regulation of gambling advertising.

Article 41 of the Law lays down restrictions on the organisation of gambling. Paragraph five of this Article provides that "advertising of gambling and interactive gambling organisation websites is prohibited outside the gambling venues".

The amendments introduce an exception to this absolute prohibition.

Exception to the advertising ban: sport as an exception area

Going forward, the prohibition will not apply to registered figurative trademarks of totalizator and betting operators licensed in the Republic of Latvia, where such trademarks are used in the following cases:

1. at and during sports competitions for adult athletes organised by recognised sports federations;
2. in the names of sports competitions, sports clubs and leagues for adult athletes;
3. on sportswear, sports equipment and attributes for adult athletes;
4. in sponsorship announcements of sports organisations and adult athletes, where such announcements are disseminated in connection with a specific sports event.

The absolute ban on gambling advertising has long been a problematic and debated solution. It has encouraged representatives of the gambling sector to seek indirect forms of communication, while the insufficiently consistent supervision of compliance with the Law in practice has in fact created a contradictory situation: gambling advertising is prohibited in Latvian legislation, yet in reality, especially in the context of sports competitions, the presence of gambling brands in various forms is regularly observed.

The new exemption regime is an attempt to achieve a more proportionate and realistic approach while maintaining the protection of public interests.

Cautious liberalisation: strict conditions for brand placement

The amendments to the Law that introduce an exception to the advertising ban are drafted cautiously, providing for several important restrictions.

First, the exception applies only to registered figurative trademarks of totalizator and betting operators licensed in the Republic of Latvia. This means that totalizator and betting operators will be able to display their figurative trademarks only if they are registered in accordance with the requirements of the regulatory enactments.

Second, a registered figurative trademark placed in accordance with the above-mentioned exception may not include:

- any direct or indirect invitation to participate in gambling or to visit a gambling venue;
- information or visual depictions that could create the impression that gambling promotes social or economic well-being, success, or other types of benefits.

Third, the Law provides that in sports events where trademarks of totalizator and betting operators are placed in accordance with the procedure laid down in the Law, organisers must ensure clear information on gambling restrictions and on the register of self-excluded persons.

Fourth, the exception applies only to competitions and sports categories for adult athletes, therefore it does not apply to youth and children's sports.

By means of these additional conditions, the legislator seeks to mitigate the potential negative impact of gambling advertising on society, in particular on young people. It remains an open question for discussion whether the restrictions introduced will be sufficiently effective and whether the expected positive contribution will balance the potential risks, but this can only be objectively assessed in practice.

This approach to assessment has been enshrined by the legislator in the amendments to the Law. Specifically, it is provided that by 1 May 2027 the Cabinet of Ministers will assess the impact of the placement of registered figurative trademarks, as provided for in Article 41, Paragraph 5¹ of the Law, on:

- society;
- additional tax revenues from the organisation of gambling;
- the possibilities to allocate additional revenues from the gambling tax and duty to high-performance sport.

These changes in the advertising regulation can be regarded as a step towards a more proportionate regulation of the licensed gambling sector.

It can be seen that market participants generally perceive these changes positively and responsibly, as evidenced by the announcement of the Association of Licensed Gambling Operators of Latvia on an agreement on principles of responsibility in communication relating to support for sport, by signing an updated industry responsibility code that includes additional conditions on responsible sponsorship and placement of trademarks at sports events and on athletes' uniforms.

Tax changes: tax rate increase from 12% to 15%

The year 2026 has also brought changes in gambling tax policy. The gambling tax rate has been increased from 12% to 15% of revenues from the organisation of gambling. This trend can be observed in most European Union Member States, therefore the increase of the tax rate in Latvia to some extent fits within the overall EU context.

At the same time, it should be noted that the gambling duty for issuing a gambling organisation licence for interactive gambling has remained unchanged, namely at 200,000 euro.

What do these changes mean for the sector?

At this stage, it is still too early to conclusively assess how the structural changes in gambling supervision, the easing of the advertising ban in the sports sector, and the increase in the tax rate will affect the development of the sector, the competitive environment, and market transparency as a whole.

However, looking at the amendments in a holistic way, one can see the potential for a new development phase in the gambling sector in Latvia.

If, in practice, it is possible to find a balance between the principles of responsible gambling, opportunities to finance sport, and fair competition among sector operators, these changes may in the long term become a significant opportunity for sector participants, for the state budget, and for the development of society and sport in Latvia.



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