LAW No. 27153
Enacted 08 JULY 99
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Law No. 27153
THE PRESIDENT OF THE REPUBLIC
WHEREAS
The Congress of the Republic has given the following law:
THE CONGRESS OF THE REPUBLIC
Has given the following Law:

LAW TO REGULATE THE EXPLOITATION OF CASINO AND SLOT MACHINE GAMES

Title I
General Dispositions

Article 1. Finality of the Law
To Regulate the exploitation of the casino and slot machine games to preserve and protect the citizens from possible prejudices or damages which affect the moral, health and public security; and to promote receptive tourism and establish the tax on casino and slot machine games.

Article 2. Field of Application
The activity and exploitation of the casino and slot machine games are allowed in an exceptional manner as a part of the tourist activity, in compliance with the present Law, and in its pertinent part with Law No. 26961.

Article 3. Object of the Law
The object of the present law is to:

a) Guarantee that the casino and slot machine games are conducted with honesty, transparency and equal treatment.
b) Establish protection measures for the vulnerable groups of the population.
c) Avoid that the exploitation of casino and slot machine games be used for illegal purposes.

Article 4. Definitions.
For effects of the present Law, it is understood by:

a. Casino Games. Every table game in which cards, dice or roulettes are used and which admits public betting, whose results depends on chance, and other games which are given this qualification in compliance with the present Law.
b. Slot Machines. Every gaming machine, electronic or electromechanical, no matter what they are called, which allows a player a time of use in exchange for the payment of a play as a game of chance and eventually, to obtain a prize according to the program of the game.
c. Express Authorization. That issued in compliance with the present Law, by the competent authority, giving a titular the faculty to carry out the exploitation activity or casinos or slot machine, to exploit a determined number of casino tables or slot machines, according to the modality or programs of the game, which will be known as Authorization from now on.

TITLE II

CASINO GAMES AND SLOT MACHINES

CHAPTER I

ESTABLISHMENTS

Article 5. Location of establishments

5.1 The exploitation of casino games may only be carried out in establishments located in the districts authorized by the Supreme Resolution, authorized by the Minister of Industry, Tourism, Integration and International Business Negotiations, for which, besides the existing tourist infrastructure, it will also take into account the health, moral and public safety.

5.2 The establishments destined to the exploitation of casino and slot machine games cannot be located less than 150 (one hundred and fifty) meters away from churches, educational institutions, police stations and hospitals.

Article 6. Places for the exploitation of casinos and slot machines.

6.1 Casinos may be installed in:
- 6.1.1 Four (4) and five (5) star hotels, including buildings declared historical monuments by the National Culture Institute which are prepared for this use.
- 6.1.2 Five (5) fork tourist restaurants

6.2 Slot machines may be installed in:
- 6.2.1 Four (4) and five (5) stars in the provinces of Lima and Callao
- 6.2.2 Three (3) star hotels or mor in the other provinces different from Lima and Callao
- 6.2.3 Places authorized for the exploitation of casino games.

Article 7. Requisites of the establishments and game rooms.

7.1 The establishments destined to the exploitation of casino and slot machines must meet the security requisites, loss prevision and meet the other conditions established by the in the National Construction Regulation, and must count with the corresponding accreditation of the National Civil Defense Institute and the respective municipal license.

7.2 The Casino and Slot Machine Rooms must have sanitary installations, artificial ventilation system, fire extinguishers, video systems, emergency exits, acoustic insulation systems and cashiers, cashiers offices, vault, counting room and other annex installations.

Article 8. Requisites for entering and participation.

Only people of age can enter the rooms destined to the exploitation of casino and slot machine games. The user must present his/her identification document.

Article 9. People who cannot enter or participate

The following people cannot enter the rooms destined to the exploitation of casino and slot machine games nor participate in the games:

a. Minors
b. People who are in evident state of conscious alteration or those who are found under the effects of alcohol or drugs.
c. Those who show a menace to moral, security and the peace of the other players due to their attitude, or the normal development of activities.
d. Those who are carrying weapons or objects which may be used as such.

CHAPTER II

CHARACTERISTICS OF CASINO AND SLOT MACHINE GAMES

Article 10. Technical characteristics of slot machines

Only the following slot machines can be used:

a. Those with a game that contain a return percentage of at least 85% (eighty five percent), certified by the manufacturer
b. Those with a model and program of games duly authorized by the competent authority and inscribed in the corresponding register
c. Those manufactured or refurbished for no more than five (5) years

By refurbish, it should be understood the process by which a slot machine is reconstructed, incorporating new technology and that the material used is the same as the one used in an equivalent machine. The reconstruction must be made by the manufacturer or a different person, duly authorized by the competent authority.

Article 11. Authorized Games

11.1 The modalities of casino games and the models of slot machines and their respective gaming problems allowed in the country for their exploitation are those that count on the administrative authorization and its corresponding registers awarded in compliance with the present law.
11.2 For the authorization and registration of the slot machine models, this must be submitted to a previous technical exam in a laboratory of an entity authorized by the competent authority.

Article 12. Game Registration

The competent authority is responsible of maintaining the registration of all the modality of casino games updated and the models and programs of spot machines which have been authorized for their exploitation in the country.

TITLE III

AUTHORIZATIONS, GUARANTEES AND INITIATION OF OPERATIONS

CHAPTER I

Article 13. Express Authorization

13.1 To exploit casino and spot machine games the Express Authorization is required, awarded by the competent authority. Said resolution will be published in the Official Journal “El Peruano: and in any other newspaper of national circulation.

13.2 The Express Authorization does not give the title holder the faculty to initiate operations nor to substitute the other official permits which result demandable by the current legal dispositions.

Article 14. Request for authorization

14.1 For the exploitation of casino games and slot machines, the interested parties must present a request before te competent authority, enclosing the following:

a. Testimony of ht Public instrument of the Corporate Constitution of the petitioner;
b. Copy of the document certifying the faculties of the legal representative of the petitioner and the term of the same;
c. Copy of the registration date of Public Registry where the Corporation is inscribed;
d. A list of the partners and directors of the petitioner of the authorization, and all of the natural or artificial people who participate indirectly through an artificial person in the Corporate Capital of the petitioner;
   When the petitioner or any of the artificial persons indicated in the above paragraph have the nature of an open corporation, only the relation of those shareholders whose participation in the capital of said corporation equal or greater than 2% (two percent) will be required.

e. Sworn Declaration of each one of the partners, directors, managers, attorneys, people with executive functions or with decision faculties of the petitioner of the authorization, if not found in the impediments established in Article 30 of the present Law;
f. Subscribed relation of the petitioner of the authorization, pointing out the positions and functions inherent to each one of the directors, managers, attorneys, people with executive functions or faculties of decision and personnel that have to do directly with the exploitation, having to communicate any variation which is produced;
g. Sworn declaration pointing out the location of the place in compliance with Numeral 5.2 of Article 5 of the present Law;
h. Copy of the certificate warded by the Tourism National Department accrediting the compliance of the requisites for hotels and restaurants which have a three (3), four (4) or five (5) star category and 5 (five) tourist forks, according to the case;
i. Copy of the documents which accredit the right of property and if it is the case, possession of the property where they pretend to exploit the casino games or slot machines; the existing relation between the petitioner and the titleholder over the property; and the express consent of the owner for the exploitation in the same;
j. Perimeter plan of the location of physical environments where the casino games or slot machines will be exploited, subscribed by the architect or the civil engineer;
k. Distribution plan précising the location of the totality of game tables and slot machines to be installed, subscribed by the architect or the civil engineer;
l. Copy of the Technical Report Issued by the National Institute of Civil Defense indicating that the physical environments where the casino games or slot machines will be exploited meet the required security

conditions; and the maximum number of people that may be inside at the same time:

m. Two copies of the internal operation regulation , containing the data pointed out in the approved model by the competent authority;
n. Copy of the inscription certificate in the Taxpayer Only Register.
o. Municipal license of the function of the establishment referred to in Article 6 of the present law;
p. Detailed information, in respect to the property, manufacturing, reconstruction, characteristics and register of each one of the slot machines and the modalities of casino games in compliance with the specifications pointed out in the regulation;
q. Certificate of payment for procedures rights; and
r. Others which the regulation establishes.

14.2 All the requisites and conditions referred to in the present Law must be maintained during the authorization term in case it is awarded. Its noncompliance give way to the cancellation of the authorization.

Article 15. Financial and history investigation.

The competent authority does a financial and history investigation of the petitioner before issuing its resolution, destined to verify its moral suitability, economical solvency and the authenticity of the requested information. This in investigation will not exceed thirty (30) working days. Also, it investigates the economical solvency and moral suitability of the petitioner and those people referred to in literal n) of Article 31 of this Law, while he maintains its authorization in force.

The reason that it awards the authorization to exploit casino games or slot machines must indicate:

a) Name or Corporate name of the artificial person in favor of the authorization
b) Identification of the place, legally apt to exploit casino games or slot machines, depending on the case.
c) Amount of tables and identification of the types of games authorized to be exploited if the resolution refers to casino games
d) Amount of slot machines and identification of the models and programs in the case it is referred to slot machines, and
e) Term of the authorization

Article 17. Term of the authorization

The authorization to exploit the games regulated in the present Law will be awarded for a minimum of three (3) years and up to a maximum of ten (10) years.

Article 18. Renovation of the Authorization

The holder of the authorization may request its renovation no later than four (4) months before it expires, by which, the competent authority will verify the compliance of the requisites and conditions in effect on the date when the presentation is requested.

CHAPTER II

THE GUARANTY

Article 19. Guarantee. Protection of the User and the State.

19.1 Every holder of an authorization of the exploitation of casino games or slot machines will constitute a guarantee in favor of the Ministry of Tourism, Integration and International Business Negotiations, to back the obligations and sanctions derived in the application of the present Law and to guard the rights of the users and the State, except what is regulated by the Tributary Code.

19.2 The guaranty must be delivered and approved by the competent authority before starting its operations, under the sanction of automatic expiration of the authorization. It will be maintained in effect until six (6) months after the cessation of activities of the title holder of the exploitation of casino games and slot machines, of the loss of term of the authorization or until the executed sentences of the judicial actions are solved in the term against it, if the beneficiaries of such a guarantee have interposed against them.

Article 20. Characteristics and execution of the guaranty.

20.1 The guaranty will be supportive, irrevocable, unconditional and automatic. It will not be the object of an embargo or another preventive measure and may adopt the form of a Bank Deposit made with a banking entity established in the country; a Banking bond Letter or a Caution Policy issued by a financial entity or an insurance company established in the country.

20.2 Only through a Directory Resolution, duly based may the guarantee be executed totally or partially. The title holder is obliged to its reposition in a term that does not exceed ten (10) work days counting from the execution. If there is no reply, the authorization will be automatically suspended until they meet this obligation. If the guaranty is not answered in thirty (30) days, the authorization will definitely expire.

Article 21. Amount of the guaranty.

21.1 For the exploitation of casino games, the title holder must present a guarantee the equivalent of five hundred (500) Tax System Units (TSU) in effect the first month of each year.

21.2 For the exploitation of slot machines, the title holder must present a guarantee in compliance with the following chart:

Slot Machines		*Amount of the Guaranty*
From:	*Up to:*	
1	*79*	*80 TSU*
80	*120*	*100 TSU*
121	*220*	*200 TSU*
221	*320*	*300 TSU*
321	*And More*	*400 TSU*

21.3 In case that interconnected spot machines are exploited which generate accumulated pots, the guarantee will be increased from 1,000 (One Thousand) to 2,000 (Two Thousand) TSUin compliance with the criteria established in the regulation.

21.4 When casino games are exploited and additionally slot machines, the guaranty in each case is independent.

Article 22. Observation of the Guaranty

If the guaranty does not meet the legal formalities or does not cover the obligations required by the present Law, within the fifteen (15) working days counting from its reception, the competent authority will formulate the corresponding observations giving the interested party a similar term for the respective rectification, under the automatic expiration sanction of the authorization.

CHAPTER III

INITIATION OF OPERATIONS

Article 23. Initiation of operations.

23.1 The title holder of the authorization must communicate the competent authority, Under the automatic expiration sanction, of the authorization of the date of beginning of his operations with a minimum anticipation of twenty (20) working days, enclosing the following documents:

a. The warranty mentioned in the above chapter;
b. Relation of personnel and sworn declaration of every one of them, indicating that they do not nave any of the impediments established in Article 30 of the present Law;
c. Approval of the functioning of the closed circuit system of audio and video, with the operation regulation;
d. Approval of the technical requisites of the establishment and the gaming room; and,
e. Approval of the game means.

23.2 The regulation of the present law will point out the requisites and proceedings that must be met to obtain the mentioned approvals.

TITLE IV

THE COMPETENT AUTHORITY

Article 24. Competent Authority

The administrative faculties of authorization, enforcement, supervision, evaluation and sanctions connected to the exploitation of casino games and slot machines correspond to the National Tourism Office. It can delegate its enforcement, supervision, closing and commission faculties in the organs under their competence.

Article 25. The National Tourism Office

It is the duty of the National Tourism Office:

a) To issue and revoke exploitation authorization for the games of casinos and slot machines.
b) Issue directions of strict compliance to improve the application of the present Law and its regulations.
c) Appoint gaming inspectors and to make enforcement visits.
d) Request accounting and other documents that have to do with the exploitation of casino games and slot machines, keeping their information in strict confidence.
e) Request reports and proofs that they consider necessary for public interest.
f) Apply sanctions in compliance with the established in the present Law.
g) Close those rooms that do not have any authorization, to require the help of the police authority,
h) Proceed to close those casino rooms and slot machines that do not meet the technical characteristics which appear in Article 10 of the present Law, maybe requiring the help of the police authority.
i) Solve in first instance the impugning resources.
j) Absolve consultation about the interpretation of administrative regulations applied in their duties.
k) The others in the Regulation.

Article 26. Of the Vice Minister of Tourism

The office of the Vice Minister of Tourism has to solve in the second and last administrative instance every proceeding of authorization, supervision and sanction that has to do with the exploitation of casino games and slot machines.

Article 27. Of the National Casino and Slot Machines Commission - CONACTRA -

27.1 Create the National Casino and Slot Machines Commission, made up in the following way:

- Two representatives of the Ministry of Industry, Tourism, Integration and International Commercial Businesses, on of which is the National Director of Tourism, who will preside it;
- One representative of the Ministry of Economics and Finance;
- One representative of the Interior Ministry;
- One representative of the ministry of the Presidency; and;
- One representative of the National Tax Office, SUNAT.

27.2 The representatives will be appointed with a Supreme Resolution signed by the Ministry of Industry, Tourism, Integration and International Commercial Businesses.

Article 26. Functions of the National Casino, Bingo, and Slot Machines Commission – CONACTRA

The National Casino, Bingo, and Slot Machines Commission, CONACTRA, constitute a specialized technical organ in the National Department of Tourism, with the following functions:

a. Study and propose the necessary modifications for the exploitation of casino games and slot machines.
b. Advise the policies of the tourist sectors which is linked to the exploitation of casino games and slot machines.
c. Issue its opinion in the cases contemplated in Article 25 of the present Law, on request of the National Tourism Department.
d. Propose the regulations governing the function of the modalities of permitted casino games and the models and programs of games for slot machines.
e. Other functions commanded by the National Tourism Director.

TITLE V

OWNERS OF THE EXPLOITATION AUTHORIZATION OF THE CASINO GAMES AND SLOT MACHINES

Article 29. Officials of the authorization

The artificial persons organized by under the Law of Societies who obtain express authorization to exploit casino games and slot machines, from now on will be known as the Owner.

Article 30. Impediments

The partner, director, manager, attorney or a person with an executive function who is working in one of the following cases (see below) cannot participate both through the owner of the authorization nor in the exploitation of the casino or slot machines:

a. Congressmen of the Republic, Minister of State and other public officials;
b. Those who directly or indirectly participate in the proceedings of authorization, supervision and control of casino games and slot machines. This prohibition is in effect until five (5) years after the person has stopped working in this position.
c. Those who were partners, directors or managers of a person sanctioned with the definite closing or cancellation of authorization in compliance with the present Law, since the commission of the fact that originated the application of such sanctions.
d. Those who have a trial pending with the State, promoted by the latter, derived from the regulations contained in the present Law and while the process lasts;
e. The people who have had a consented and executed sentences against them, derived from the processes initiated by the State for the non compliance of the present Law and its regulations,

f. Those who register protests in the last two (2) years, whose amount is superior to five (5) TSU per year and had not been lifted in compliance to the Law until six (6) months before the presentation of the authorization request;
g. The insolvent and those who are in the process of bankruptcy or company restructuring and those declared in bankruptcy;
h. Those sanctioned with disqualification for the exploitation of casino games and slot machines, and
i. Those condemned by the crime of drug trafficking terrorism and attempting against national security, even if they were rehabilitated.

Article 31. Obligations of the owner of an authorization:

The owner of an authorization is obliged to:

a. Exploit directly the activities established in the authorization resolution;
b. Guarantee the correct development of the casino games and the adequate functioning and maintenance of slot machines;
c. Immediately make the corresponding payment to the user-winner and exchange in cash the chips or any other possible means which the game makes possible;
d. Guarantee the integrity and physical security of the users;
e. Send the requested information to the competent authority;
f. Prevent the entrance of the people referred to in Article 9 of the present Law;
g. Register and present the information that determines the competent authority, bound to transactions with money, in compliance with the amounts and criteria established by the regulations;
h. Comply with the rules of the games they exploit, without awarding uneven or discriminatory o deals to the users;
i. Pay the taxes derived from this activities in a timely manner;
j. Admit only the payment means established by the National Tourism Department;
k. Maintain in operation, under responsibility, a closed circuit audio and video circuit not visible to the public, in the rooms where casino games and slot machines operator, in compliance with the specifications and terms established by the regulations; and conserve the magnetic register corresponding by the terms which appear on the regulation of the present Law;
l. Maintain a central cashbox for the entrance of money and exchanging chips in the slot machine room and casino rooms, and a cash box to exchange chips in every one of the casino game tables;
m. Give the personnel of the competent authority the necessary facilities which allow them to fulfill with their control and supervision functions;
n. Communicate the change of partners, directors, managers, attorneys, people with executive functions or with the faculties of decision and contracting personnel; and,
o. Comply with the present Law and its regulations.

Article 32. Prohibitions to the owner of an authorization

The owner of the authorization, partners, directors, managers, attorneys, people with executive functions or faculties of decision and personnel of the holder of the authorization are strictly forbidden to:

a. Develop activities different from those authorized inside the casino or slot machines rooms.
b. Participate directly or indirectly in the games exploited in his establishments.
c. Transport or keep chips or money during services in the interior of the casino or slot machine rooms in a different manner than the one foreseen in the approve proceedings in the regulation.
d. Award or allow that credits, discount, bonus or any other similar benefit be awarded.
e. Give authorization in concession for the exploitation of casino and slot machine games.

TITLE VI

IMPUGNING MEANS

Article 33. Impugning means

Against the resolutions issued in virtue of the present Law, the proceedings established in the Only Test Ordered of General Rules and Administrative Proceedings, approved with Supreme Decree No. 002-04-JUS.

Article 34. Appellation

The appellation resources which are interposed against the Resolutions of the Tourism National Department will be solved by the Vice Minister of Tourism, as the second and last administrative instance. In tax matter, the second and last instance is the Prosecuting Court.

Article 35. Administrative silence.

35.1 Every authorization proceeding which allows the exploitation of casinos and spot machines regulated by the present Law, dealing with an express authorization, is not subject to the application of positive administrative silence.
35.2 With the tax matter, the terms and administrative silence which appear on the Tax Code are valid.

TITLE VII

TAX ON CASINOS AND SLOT MACHINES

Article 36. Creation of a tax to casinos and slot machines.

Create a tax for casinos and slot machines. From now on the tax for the exploitation of these games is monthly. They are governed by the present Law and its regulations, being the application of the Tax Code in what may be pertinent.

Article 37. Passive subject of the Tax

The passive subject of the tax is the one who exploits the casino or slot machines games.

Article 38. Tax Basis

38.1 The tax base is constituted by the net monthly earnings coming from the exploitation of the casino and slot machine games, being it understood that the resulting different between the total income in one month for bets or monies destined to games and the total amount of the prizes awarded on the same month.

38.2 Also considered net earnings are the commissions products of the games that the passive subject of the tax perceives.

38.3 If within one same month, the amount of the prizes exceed the amount of the income perceived, the pending balance will be deducted from the following monthly income, until their total extinction.

38.4 The taxable bases of the Tax will be determined in an independent manner for each activity and each establishment.

Article 39. Aliquotting Taxes

The aliquotting of taxes, both for the exploitation of casino and slot machine games will be twenty percent (20%) of the taxable base indicated in the previous article.

Article 40. Term and place to pay Taxes

Taxes must be paid within the first ten (10) working days of the following corresponding month, in Banco de la Nación or in those companies of the financial system with the organ in charge of collection performs agreements.

Article 41. Tax Management

41.1 The Ministry of Industry, Tourism, Integration and International Commercial Negotiations is the organ in charge of collecting the tribute established in Article 36 of the present Law, and it may be able to delegate any of the faculties which correspond to it as the administrating organism though any of the contract performed for such effect.

41.2 With no prejudice of the direct supervision made by this Ministry, the passive subject of the tax will present every month before said entity a sworn declaration consigning the total amount of income and commissions perceived during the month for every casino table or slot machine it exploits, and the total amount of prizes awarded, enclosing the payment receipt of said Tax. This obligation must be fulfilled the last working day of the month in which the payment of the Tax is to be made.

41.3 In the event of an omission or delay payment, this amount will be subject to the interests established in the Tax Code.

Article 42. Destination of the income generated by the tax of casino games.

The income from the tax of casino games established in the present Law will be distributed in the following way:

a. Twenty percent (20% constitute income directly collected for the Provincial Municipalities in which the place where the casino games is exploited. These must be destined exclusively in the execution of investment of infrastructure works.
b. Twenty percent (20%) constitute income directly collected by the District Municipalities where the casino games are located, the same will be destined exclusively in infrastructure works. When the establishment where these games are exploited are found in Cercado, this percentage will go directly to the corresponding Provincial Municipality.
c. Twenty percent (20%) constitute income of the National Compensation and Social Development Fund (FONCODES) or the entity which carries out its means.
d. Twenty percent (20%) constitute income directly collected by the Ministry of industry, Tourism, Integration and International Business Negotiations, destining the third part of this income to the control and supervision of casino games.
e. Twenty percent (20%) constitute income of the Public Treasury.
f.

Article 43. Destination of the income generated to slot machines.

The income coming from the slot machine taxes established in the present Law will be distributed in the following way:

a. Sixteen percent (16%) constitute income directly collected for the Provincial Municipalities in which the place where the slot machines are exploited. These must be destined exclusively in the execution of investment of infrastructure works.
b. Sixteen percent (16%) constitute income directly collected by the District Municipalities where the slot machine games are located; the same will be destined exclusively in infrastructure works.
c. Fifty eight percent (58%) constitute income of the Public Treasury.
d. Ten percent (10%) constitute income directly collected by the Ministry of industry, Tourism, Integration and International Business Negotiations, destining the third part of this income to the control and supervision of slot machines.

Article 44. Infractions and Tributary Sanctions.

The infraction and tributary sanctions regime applicable to the exploitation of casino games and slot machines is regulated by the Tax Code.

TITLE VIII

REGIME OF INFRACTIONS AND SANCTIONS

Article 45. Infractions.

45.1 A punishable infraction is any action or omission of the present law which is infringed or violated, and its regulations or those issued by the competent authority and Tributary Code in whatever is pertinent.
45.2 The following are considered punishable infractions:

a. Exploiting casino games and slot machines with the previous corresponding authorization.
b. Initiate exploitation activities of casino games and slot machines without complying with Articles 13 and 23 of the present law.
c. Exploiting a different number of casino game tables or slot machines authorized.
d. Not maintaining the gaming rooms with the requisites and technical conditions referred to in articles 6 and 7 of the present Law.
e. Using the modalities of games, slot machines or gaming programs that do not have the authorization and its corresponding registration.
f. Incurring in the prohibitions foreseen in Article 32 of the present Law.
g. The non compliance of the prohibitions foreseen in Article 31 of the present Law.
h. Exploiting slot machines that do not meet the technical characteristics referred to in Article 10 of this Law.
i. Include as a partner, director, manager, attorney, with executive functions any persons with the impediments pointed out in article 30 of the present law.
j. Contracting personnel who are found in the impediments pointed out in article 30 of the present Law.
k. Furnishing information or false documents to any entity or official who is linked with the authorization and supervision of the exploitation of casino games and slot machines, with no prejudice of the corresponding penal actions.
l. Not presenting the information required by the competent authority in the established terms.
m. To prevent or be an obstacle in the way for the inspectors of the competent authority.
n. Operate an establishment that has been sanctioned with a temporary or total closing.
o. Not comply with the internal operations regulation of the casino rooms or slot machines and the regulations in the modality of casino games.
p. Not exchange immediately and in cash the chips or any other means of the game and not to pay the corresponding prizes.
q. Use or consent the use of false, irregular proceedings and illicit operations in the casino rooms or slot machines.
r. Consent or allow the realization within the establishment of acts that attempt against the moral, health and public safety.
s. Use chips or games without the approval of the competent authority.
t. Allow the access or the game of people who have been prohibited to enter and participating in compliance with Article 9 of this Law.

Article 45. Of the administrative sanctions

46.1 The administrative sanctions applicable to the owner of an authorization, for incurring in the infractions pointed out in the above article, are the following.

a) A warning;
b) Fines from 1 to 1,000 TSU;

c) Temporary closing;
d) Cancellation of authorization;
e) Closing;
f) Confiscation of assets;
g) Disqualification for up to ten (10) years to exploit casino games and slot machines; and
h) Permanent disqualification.

46.2 The sanctions and their degree will be regulated by the regulations of the present Law.

TRANSITORY DISPOSITIONS

FIRST. Adaptation of the Law

To adapt to what has been established in the present Law, the companies that exploit casino games and slot machines have a maximum term of one hundred twenty (120) working days, counting from its time it comes into force. One the term expires, the competent authority may make use of the faculties that the Law confers upon it.

SECOND. Exploitation of slot machines in bingos and discotheques.

The owners of bingos and discos, which until the date of publication of the present Law have the authorization for the exploitation of slot machines, may renew the same until December 31, 1999 and for a term that will not exceed that of December 31, 2002, date on which the authorization will expire. These rooms must have a minimum capacity of 150 (one hundred fifty) people without including the areas destined to the exploitation of slot machines.

As of January 1, 2003 the exploitation of slot machines in bingos and discos is strictly forbidden.

COMPLEMENTARY AND FINAL DISPOSITIONS

FIRST. The executive organism and authorization to hire personnel under the regime of private activity.

The National Tourism Department has an executive department to comply with the functions assigned by the present Law.

Give the faculty to the Ministry of Industry, Tourism, Integration and International Business Negotiations to hire personnel for the functions entrusted to the competent authority, and to hire personnel for the National Casino, Bingo, and Slot Machines Commission – CONACTRA- under the regime of the private activity, whose remuneration will be based in the resources directly collected in compliance with literal d) of articles 42 and literal d) of article 43 of this Law.

SECOND. Regulation

The Executive Power will regulate the present Law in a maximum term of 45 (forty five) calendar days, counted from the date the law came into force.

THIRD. Revoked regulations and with no effect.

Revoke Decree Law No. 25836 which establishes regulations relative to the authorization and function of the Casino Games; Law No. 26453 which modifies the Casino games; the second paragraph of Article 38, paragraph c) of Article 50 and the Second Final Disposition of the Legislative Decree No. 776 of the Municipal Tax Law, and Law 26812, which modifies several Articles of Legislative Decree No. 776.

Also, leave with no effect the Supreme Decree No. 01-95-ITINCI, which approves the Regulation of Casino games; Supreme Decree No. 04-94-ITINCI, which approves the use and exploitation of slot machines; Supreme Decree No. 014-96-ITINCI, which suspends the awarding of authorizations for the use and exploitation of slot machines; Supreme Decree No. 004-97-ITINCI, which establishes instances and mechanisms which allow to supervise the compliance of the regulation of use and exploitation of slot machines approved by Supreme Decree No. 004-94-ITINCI and the other dispositions that oppose to the present law.

FOURTH. Modification of literal c) of Article 50 of Legislative Decree No. 821.

Modify literal c) of Article 50 of Legislative Decree No. 821, General Tax Law to Sales and Selective Tax to Consumption, which is founding Supreme Decree No. 055-99-EF, the Only Ordered Text of said Law, which will be written in the following manner:

> "c) Games of chance and bets, such as lotteries, bingos, raffles, and horseback racing."

Eliminate every reference to the application of the Selective Consumption Tax to casinos and slot machines and other electronic devises, contained in Title II, and the Appendix IV and any other disposition of the General Sales Tax and Selective Consumption Tax, contained in Supreme Decree No. 055-99-EF, the Only ordering Test of this Law.

FIFTH. Term of the Law

The present Law is in force n the following day after it is published in the official Journal "El Peruano".

Communicate it to the President of the Republic for its enactment.
In Lima, on the eighteenth day of the month of June, nineteen hundred and ninety nine.

CARLOS BLANCO OROPEZA
Second Vice President in charge of the Presidency of the Congress of the Republic

LUZ SALGADO RUBIANES DE PAREDES
Third Vice President of the Congress of the Republic

TO THE CONSTITUTIONAL PRESIDENT OF THE REPUBLIC
THEREFORE
He orders that it be published and complied.

Issued in the Government house in Lima, on the eighth day of the month of July, nineteen hundred and ninety nine.

ALBERTO FUJIMORI FUJIMORI
Constitutional President of the Republic

ALBERTO PANDOLFI ARBULU

Minister of Transportation, Communication, Housing and Construction.

In charge of the Portfolio of Industry, Tourism, Integration and International Business Negotiations.