



HELLENIC REPUBLIC

INDEPENDENT PUBLIC AUTHORITY  
UNDER THE NAME  
**“HELLENIC GAMING COMMISSION (HGC)”**

ANNUAL REPORT  
FOR YEAR 2012

AND

ACTION PLAN  
FOR PERIOD 2013-2015

(HGC authorization No. 46/4/05-04-2013)

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## **INTRODUCTION**

In December 2011 the members of the Hellenic Gaming Commission were appointed for the first time. According to established practices, their mission consisted primarily in comprehensively organizing, from scratch, a public Authority, and putting same in operation to meet the objectives that it was originally established to serve under the law. However, this never happened. The members of the newly established HGC were bound to promptly discover that the conditions prevailing throughout the country and also in the gaming industry left no room for such activities. It was almost obvious that the Commission was not meant to reach infancy.

Hence, their duties were essentially classified under two categories: Carrying out the initial, basic organization of the Commission on one hand and addressing crucial and urgent matters within the basic scope of their duties, on the other.

For example, the HGC had to promptly prepare a regulatory framework in respect of electronic games of skills, a regulated market since 2002, in respect of which Greece was convicted by the ECJ to pay an enormous daily fine. At the same time, proper regulatory frameworks had to be established in respect of OPAP-operated games played on gaming machines, in view of the fact that the Greek State intended to dispose of its holding in OPAP SA, as well as in respect of the State Lotteries, which were integrated in the national privatization scheme. Moreover, proper facilities and staff had to be ensured along with all necessary infrastructures.

The actions carried out by the Commission to that effect are thoroughly described in the section of this report that forms our Review. This report further comprises a section which refers to the 2013-2015 Action Plan. This Plan lays down the operational projects and actions to be carried out and the related time schedules. Hence, in next year's review, the Commission will account for its actions based on the specific commitments undertaken hereunder. A productive review may only be delivered on the basis of a previous plan, which serves as point of reference.

The Commission, as an independent Authority, wishes to thank its staff, i.e. the 16 seconded staff who formed the core structure of the Commission's initial operation and the additional 16 who were subsequently transferred to it during 2012. If it hadn't been for their arduous efforts, the project reviewed hereunder would have never been completed and any medium-term comprehensive planning would have been impossible. It is worth noting that all projects were executed by internal staff, except for two minor projects which were assigned to external contractors due to their specialized nature.

As it emerges clearly from the 2013-2015 Acton Plan, there is a great number of duties and tasks to be carried out in the future, in one of the most challenging sectors in terms of public management, because of the enormous value of cash transactions involved, the rapid development rate of the industry and the ever-changing technologies incorporated in and utilized by it.

The HGC will try to stand up to its commitments, given that its performance is bound to affect the well-being of citizens, especially of minors and other vulnerable groups of the society, and the credibility of the games of chance, and increase state revenue.

Personally, I would like to thank the leadership of the Ministry of Finance and the staff of the Directorate General for Economic Policy in particular, for their continuous assistance and support in completing successfully the Commission's organization and the efficient performance of its tasks.

Last but not least, I would like to thank my fellow members of the Commission for their commitment and devotion in carrying out their duties.

Evgenios Giannakopoulos  
Executive President of the Commission

## **CHAPTER 1. REVIEW OF THE HISTORY OF GAMING IN MODERN GREECE**

**1849:** The Archaeological Society establishes various lotteries, such as the “House Lottery” where each winner gets a house.

**1874:** King George I issues a decree on the establishment of the first official lottery in the history of modern Greece, the “Antiquities Lottery”. The lottery was intended to draw financing for archaeological excavations.

**1886:** The first horse race takes place in Neo Faliro; the races are carried out with minor cessations until 1941, when they are discontinued by the war.

**1904:** The Ministry of Finance launches the “Greek Navy Lottery”.

**1905:** The two lotteries (Antiquities and Greek Navy) are consolidated into a single lottery under the title “Greek Navy and Antiquities Lottery”.

**1930:** In the context of the reconstruction of Loutraki, following the disastrous earthquake in 1928, the first state-authorized casino is established there in summer 1930.

**1936:** The Union of Journalists launches a lottery under the title “The Journalists’ Lottery”. The lottery is launched once a year and proceeds are to the benefit of the Union.

**1937:** A new lottery is launched under the title “the National Lottery”, which is abolished three years later and re-launched in July 1941. In the same year the “Greek Navy and Antiquities Lottery” is renamed into “Laiko Laheio” (“the People’s Lottery”).

**1958:** OPAP (Greek Organization of Football Prognostics) is established.

In 1959 the first PRO-PO ticket is issued.

**1961:** For the first time a law is enacted on the establishment and regulation of casinos, in particular with respect to the casinos of Rhodes and Corfu. Casinos were at that time considered as “amusement and gaming clubs of international character”.

**1967:** The “Journalists’ Lottery” is abolished and replaced by the “Special State Lottery for Social Care”.

**1970:** The casino of Parnitha is established.

**1990:** “LOTTO” is launched for the first time.

**1992:** “PROTO” is launched for the first time.

**1993:** “XYSTO” is launched for the first time.

**1995:** The casinos of Chalkidiki, Loutraki and Xanthi are established.

**1996:** The casinos of Thessaloniki and Rio are established.

**1997:** The casino of Syros is established.

**1996:** “PROPOGOAL” is launched.

**1997:** “JOKER” is launched for the first time.

**1999:** OPAP takes the form of a Company Limited by Shares (Société Anonyme) (OPAP SA).

**2000:** “PAME STOIXIMA” is launched.

**2001:** OPAP SA is listed in the Athens Stock Exchange.

**2002:** Law 3037/2002 (G.G. Series A, No. 174) prohibits in general the installation and operation of electric, electromechanical and electronic games of skills, i.e. of games played by children as well as adults, for amusement, without profit. The cause of that was the outbreak of a major scandal of illegal gambling through use of gaming machines for games of skills. During the same period, games “SUPER 3” and “EXTRA 5” are established.

**2003:** “KINO” is launched, a number game of pre-defined yield.

**2004:** Law 3229/2004 (GG Series A, No. 38) establishes the Hellenic Gaming Commission, as a public authority, subject to supervision by the Minister of Finance. The Commission was intended to carry out tasks pertaining to the regulation and control of the gaming market. Although the members of the Commission were subsequently appointed, the Commission was never staffed any further or put in operation.

**2005:** The European Commission takes the Greek State to the European Court of Justice on grounds that the general abolishment of 2002 violates the Treaty on the European Union, because the regulation of this market precludes the free movement of goods and the free provision of services (case C-65/05). The Court sustains the European Commission’s petition and orders the Greek State to comply accordingly.

**2008:** The European Commission once again takes the Greek State to the European Court of Justice on grounds of non-compliance with the 2005 decision, claiming that the gaming market remains state-regulated. The Court imposes a 3 million lump sum fine on Greece and a daily fine of 31,536 for each day of non-compliance (case C-109/08). By March 2012 Greece has paid in fines a total amount of approx. €36 million.

In August 2011 Law 4002/2011 (GG Series A, No. 140) is enacted. The draft law is notified to the European Commission and there are various substantiated opinions by the latter and responses by the Greek national authorities. From the provisions of that Law, it appears that a regulatory framework was for the first time established in the market of games, games of skills and games of chance in Greece. The Law distinguishes games of skills into mechanical, electromechanical and electronic games, and gaming operations are deregulated. Although it allows for the first two categories of games to be carried out automatically, the third category (electronic games) is subject to various licensing and permit requirements, to ensure safe gaming, the protection of minors and the prevention of illegal gambling through use of the relevant gaming machines. Although it is true that the licensing procedure provided for in the Law in respect of electronic games of skills is indeed implemented in a rather limited number of European countries, it is also true that such authorization is necessary for reasons of public order and protection of minors, which is a legitimate purpose.

As far as gambling is concerned, the Law regulates thoroughly online gambling and introduces for the first time the concept of land-based lotteries hosted on VLTs (Video Lottery Terminals), granting OPAP SA authorization for the installation and operation of 35,000 VLTs. Moreover, the Law introduces new concepts in the field of the protection of minors, such as mandatory player cards, controls of the commercial communications between gambling service providers, while it further imposes a series of administrative and penal sanctions in case of non-compliance with its provisions.

Law 4002/2011 (GG Series A, No. 180), among others delegated certain powers to the Hellenic Gaming Commission (HGC) which was established in 2004 but remained inactive. The only difference was that the Authority was now competent to regulate and monitor all games, games of skills and games of chance.

On **21 December 2011**, when Decision No. 55906/1673/2011 [GG Series YODD (Public Agency Management Officers and Bodies), No. 444] of the Minister of Finance on the “Establishment of the Hellenic Gaming Commission (HGC)” was published, the Executive President and the Members of the Public Authority were appointed, as follows:

1. Evgenios Giannakopoulos, Attorney at Law, Executive President.
2. Konstandinos Katsoudas, Attorney at Law, Member.
3. Panagiotis Perakis, Attorney at Law, Member.
4. Vasileios Polymenis, IT and Computer engineer, Assistant Professor of Financial Management at the School of Law and Economics, Aristotle University of Thessaloniki, Member.
5. Elisabeth Tsaliki, Assistant Professor at the Department of Communication and Media, National Kapodistrian University of Athens, Member.
6. Athanassios Droulias, Attorney at Law, Member.
7. Nikolaos Karaoulis, retired Hellenic Police Force Brigadier, Member.
8. Maria Kostopoulou, Attorney at Law, Member.
9. Argyro Papadaki, Mechanical Engineer, National Technical University of Athens, Member.

On **22 December 2011** joint decision No. 56660/1679/22.12.2011 (GG. Series B, No. 2910) of the Minister of Finance and the Minister of Culture and Tourism on the “Certification of the Commencement of Operations of the Hellenic Gaming Commission (HGC) was published, pursuant to Article 23(1) of Law 3229/2004 (GG Series A, No. 38)

On **2 February 2012** Law 4038/2012 (GG Series A, No. 14) was published, Article 7(10) of which designates HGC as an independent–Public Authority enjoying full administrative and financial independency and autonomy

## CHAPTER 2. BRIEF OVERVIEW OF THE GAMBLING INDUSTRY

### 2.1 GAMBLING IN THE INTERNATIONAL ENVIRONMENT

The gambling industry has seen rapid development worldwide during the second half of the 20<sup>th</sup> century. A great variety of gambling and sport games, number games, games of chance or skill of mutual profit or pre-defined yield are now made available in most countries of the world, usually under state responsibility and supervision, where part of the profits are allocated to the financing of sport, cultural and charitable activities.

According to Ernst & Young (Market Overview “The 2011 global gaming bulletin”), prior to the global economic recession of 2008, the international gambling market presented continuous development. From 2004 until 2008 Gross Gaming Revenues (GGR)<sup>1</sup> increased by 24%, reaching USD 358 billion that year. As a result of the depression and the failure of many non-European countries to recover, the rate of development has dropped or even zeroed in the majority of gaming markets worldwide.

In the USA for example, despite the expansion of secondary market activities, the gross profits of casinos increased merely by 1% from 2009 to 2010, standing at USD 31 bn. A noticeable exception is Macau (People’s Republic of China), the fastest developing market worldwide, whose gross profits increased by 58% from 2009 to 2010, reaching USD 23.4 bn.

Based on how they are made accessible to players, games of chance are divided into two basic categories: land-based games, which require the player’s physical presence, and remote games, which are conducted without the player’s physical presence, through the Internet or through use of telecommunication systems.

According to the Remote Gaming Association (RGA), 90-95% of the GGR\* is generated from land-based gambling. Although remote gambling stands at an even lower rate, it is among the fastest developing industries worldwide. According to the RGA, Gross Gaming Revenues from remote gambling neared USD 30 bn in 2010, being 13% increased over 2009.

Gambling is basically divided into games played through use of a random number generator (RNG) or another mechanical randomness generation device, those decided by lottery in a physical manner, and those played on casino tables. Gambling further comprises betting activities of any kind.

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*\*Gross Revenues (GGR or GGY): The total value of stakes less the winners' gains, including bonuses, which is technically known as Gross Gaming Revenues or Gross Gaming Yield).*

## 2.2 GAMBLING IN THE EUROPEAN UNION

No special regulations have been adopted in the European Union to this date with respect to the provision of gambling services. All matters pertaining to the institutional framework of gambling are regulated by the national laws of the member states, in line with the rules established under the Treaty on the Functioning of the European Union (TFEU), the jurisprudence of the European Court of Justice and the Directives regulating the provision of services in general (derivative European Law).

As a result of the above, gambling operations are subject to different national regulations within the EU. Despite the obligation of member states to comply with the TFEU rules, with regard to gambling activities member states are free to impose limitations or restrict the provision of all or particular kinds of gambling services, based on each state's objective to protect the public interest. Within this context, in several EU member states gambling operations are carried out in the context of monopolies.

At the same time, the rapidly rising supply and demand for online gambling and betting services creates several new challenges in terms of how public policy objectives are implemented on both national and European level.

In this context, the European Commission adopted the 2011 Green Paper on online gambling in the Internal Market and launched a public consultation on the matter. In its Green Paper and the 51 questions raised for consultation through it, the European Commission tried to exhaustively address matters pertaining to the effects of increased gambling activities and the enforcement of mandatory measures. Hence, the European Commission tried to record the current situation with a view to facilitating the exchange of best practices between member states and assessing whether different national regulatory frameworks on gambling may continue to co-exist and/or whether, or to what extent, special actions are required to take place on EU level. In brief, the major objective of this project was to collect actual data, assess risks and obtain views from all stakeholders in respect of a matter as complex as the provision of online gambling services.

Once public consultation was completed, in October 2012 the European Commission issued Communication COM(2012) 596 final/ 23-10-2012, laying down its findings and formulating five priority axes of further action: These axes were as follows:

- a. Compliance of national regulatory frameworks with EU Law;
- b. Enhancing administrative cooperation and efficient enforcement of rules between Member States;
- c. Protecting consumers, citizens, minors and vulnerable groups of the society;

- d. Preventing fraud and money laundering;
- e. Safeguarding the integrity of sports and preventing match-fixing.

Following the above, an expert group was set up, comprised of two representatives from each member state, to exchange experience and proper practices and offer advice on the preparation of EC initiatives on these sectors. The group will offer their services until 2015 and they will try to form a comprehensive framework integrating basic principles and guidelines to the member states in respect of online gambling (Initiative: Towards a comprehensive European framework for online gambling).

According to the abovementioned Communication, in 2011 GGR of the overall EU gambling market were estimated to be around 84.9 billion Euros.

According to the same document, between 2008 and 2011 the land-based gambling market grew by around 8.3% despite the economic recession.

The table below indicates the total number of casinos operating in the 27 EU member states, according to the Ernst & Young Market Overview The 2011 global gaming bulleting”.

| CASINOS IN EUROPE |               |
|-------------------|---------------|
| EU MEMBER STATE   | TOTAL CASINOS |
| AUSTRIA           | 15            |
| BELGIUM           | 8             |
| BULGARIA          | 7             |
| CYPRUS            | 17            |
| CZECH REPUBLIC    | 43            |
| DENMARK           | 6             |
| ESTONIA           | 75            |
| FINLAND           | 2             |
| FRANCE            | 189           |
| GERMANY           | 35            |
| GREECE            | 9             |
| HUNGARY           | 7             |
| IRELAND           | 13            |
| ITALY             | 5             |
| LATVIA            | 35            |
| LITHUANIA         | 13            |
| LUXEMBOURG        | 1             |
| MALTA             | 4             |
| NETHERLANDS       | 167           |
| POLAND            | 24            |
| PORTUGAL          | 8             |
| ROMANIA           | 16            |
| SLOVAKIA          | 8             |
| SLOVENIA          | 13            |
| SPAIN             | 33            |
| SWEDEN            | 5             |
| UK                | 140           |

Moreover, the table below presents EUROMAT (European Gaming and Amusement Federation) data in respect of VLTs installed and operating in non-casino facilities in the EU member states.

| VLTs INSTALLED IN EUROPE              |                      |                  |                             |
|---------------------------------------|----------------------|------------------|-----------------------------|
| EUROPEAN MARKETS<br>(EUROMAT MEMBERS) | Population<br>(Mio.) | VLTs             | VLTs PER 1,000<br>RESIDENTS |
| AUSTRIA                               | 8.3                  | 7,570            | 0.91                        |
| BELGIUM                               | 10.6                 | 19,737           | 1.86                        |
| BULGARIA                              | 7.7                  | 15,397           | 2.00                        |
| DENMARK                               | 5.4                  | 26,700           | 4.94                        |
| GERMANY                               | 82.3                 | 220,000          | 2.67                        |
| HUNGARY                               | 10.1                 | 30,485           | 3.02                        |
| IRELAND                               | 4.3                  | 10,267           | 2.39                        |
| ITALY                                 | 59.1                 | 280,000          | 4.74                        |
| LITHUANIA                             | 3.4                  | 2,085            | 0.61                        |
| NETHERLANDS                           | 16.4                 | 38,839           | 2.37                        |
| POLAND                                | 38.1                 | 32,766           | 0.86                        |
| ROMANIA                               | 22                   | 36,679           | 1.67                        |
| SPAIN                                 | 44.5                 | 252,000          | 5.66                        |
| SWEDEN                                | 9.1                  | 8,400            | 0.92                        |
| UK                                    | 60.8                 | 246,967          | 4.06                        |
| <b>TOTAL</b>                          | <b>382.1</b>         | <b>1,227,892</b> | <b>3.21</b>                 |

Note: According to the provisions of article 39 of Law 4002/2011 (GG Series A, No. 180) 35,000 VLTs will be installed and operated in Greece by OPAP SA.

## 2.3 GAMBLING IN GREECE

### 2.3.1. Overview

In Greece gambling operations are currently carried out by the following entities:

- a. The Greek Organization of Football Prognostics SA (OPAP SA), which is the beneficial operator of most games. OPAP SA operates three mutual gain number games, the most popular being the “Joker”, three number games of pre-defined yield, the most popular being the “KINO”, and three sport betting games, the most popular being the “Pame Stoixima”.
- b. The Hellenic State Lotteries, a division of the Ministry of Finance, responsible for the State Lotteries (instant or other).
- c. The Hellenic Horse Racing Organization SA (“ODIE SA”), which is responsible for the mutual gain horse racing betting.
- d. Nine (9) casino enterprises, carrying out operations in various parts of the country.
- e. 24 undertakings which were subjected to the transitory provisions of Article 50(12) of Law 4002/2011 (GG Series A, No. 180) by virtue of a relevant notification by the Ministry of Finance, which, subject to the conditions of those provisions, may continue to provide online gambling and betting services, subject to the authorization requirements of the same law. According to decision No. poll 1248/2012, the public body competent for these undertakings is the Tax Authority for Large Enterprises.

The gambling market in Greece has seen a stable increase in revenues for a decade, i.e. until the end of 2009. After that, revenues dropped due to the serious crisis that hit the Greek economy.

The table below provides comparative economic figures for the years 2009 and 2011:

| COMPARATIVE FIGURES ON GAMBLING TURNOVER<br>FOR YEARS 2009 AND 2011 |                     |                     |
|---------------------------------------------------------------------|---------------------|---------------------|
| GAMBLING<br>SERVICE PROVIDER                                        | 2009 (in billion €) | 2011 (in billion €) |
| OPAP SA                                                             | 5.400               | 4.350               |
| LOTTERIES                                                           | 0.418               | 0.300               |
| ODIE SA                                                             | 0.260               | 0.123               |
| CASINOS                                                             | 2.840               | 2.239               |
| TOTAL                                                               | 8.918               | 7.012               |

### **2.3.2. The Greek Organization of Football Prognostics (OPAP S.A.)**

OPAP SA was established in 1958 as a legal entity of public law. In 1999 it was transformed into a public limited company under the trade name OPAP SA, which was listed in the Athens Stock Exchange in 2000. According to ICAP, in 2008 OPAP SA was the most profitable undertaking in Greece. Today, the Greek State holds 34% of its shares.

OPAP SA is the exclusive beneficiary of a series of gambling and betting services of pre-defined yield or other and provides same through a network of 4,910 agencies. The exclusive rights to carry out these gaming services were originally granted to OPAP SA by virtue of Article 27 of Law 2843/2000 (GG Series A, 219) in year 2000, under a 20-year contract, which was renewed in August 2011 until year 2030, in respect of all games, except for betting. OPAP SA IS THE EXCLUSIVE BENEFICIARY OPERATOR OF THE FOLLOWING GAMES: EXTRA 5, KINO, SUPER 3, SUPER 4, BINGO LOTTO, LOTTO, PROTO, JOKER, PROPOGOAL, PROPO, BASKETBALL PROGNOSTICS, TEAM SPORT PROGNOSTICS and STOIXIMA (pre-defined yield or other).

By virtue of these provisions, and subject to the requirements of Articles 39 and 40 of Law 4002/2011 (GG Series A, No. 180), OPAP SA was granted authorization to install and operate 35,000 VLTs for land-based gambling activities (offered through agencies). 16,500 of those will be installed and operated by OPAP SA, whereas the installation and operation of the remaining 18,500 VLTs will be awarded to other contractors by means of a tender procedure.

### 2.3.3. Hellenic State Lotteries

Hellenic State Lotteries was established in July 1929 under the name “The Lotteries Service”. By virtue of Emergency Law 339/1936 (GG Series A, No. 512) it was renamed into “Hellenic State Lotteries”. It forms an operational unit of the Ministry of Finance and it is therefore subject to supervision and control by the latter (P.D. 284/88). Hellenic State Lotteries is responsible for the issue, circulation and management of State Lotteries, whose beneficial operator is the Greek State.

The lotteries currently in circulation are the National Lottery, “Laiko” Lottery and the New Year Lottery.

### 2.3.4. The Hellenic Horse Racing Organization SA (ODIE SA)

According to the provisions of Emergency Law 598/1968 (GG Series A, No. 256), ODIE SA is the exclusive beneficiary operator of horseracing betting in Greece.

In 2003 ODIE SA was relocated from Faliro to Markopoulo-Attica, at the new Horse Racing Facilities constructed for the 2004 Olympics. It also maintains a branch in Athens and it collaborates with 350-450 agencies throughout the country. Today, the Greek State holds 100% of its shares.

### 2.3.5. Casino enterprises

In Greece there are currently nine (9) casino enterprises, which in 2011 employed approx. 4,150 persons in total.

The casino enterprises currently operative in Greece are:

|   | NAME                            | LOCATION          |
|---|---------------------------------|-------------------|
| 1 | GREEK CASINO OF PARNITHA SA     | PARNITHA, ATTICA  |
| 2 | REGENCY CASINO THESSALONIKI     | THESSALONIKI      |
| 3 | THEROS INTERNATIONAL GAMING INC | RIO, PATRAS       |
| 4 | VIVERE ENTERTAINMENT S.A.       | XANTHI            |
| 5 | GREEK CASINO OF CORFU SA        | CORFU             |
| 6 | AEGEAN CASINO SA                | SYROS             |
| 7 | RHODES CASINO SA                | RHODES            |
| 8 | CLUB HOTEL CASINO LOUTRAKI      | LOUTRAKI, CORINTH |
| 9 | PORTO KARRAS GRAND RESORT SA    | CHALKIDIKI        |

### **2.3.6 Online gambling**

The online gambling authorization procedure is described in Articles 45 et seq. of Law 4002/2011 (GG Series A, No. 180). Online gambling is carried out by a contractor designated by means of an international tender. No online gambling authorization has ever been granted to this date. Until such an authorization is granted, online gambling operations are governed by the provisions of Article 50(12) of Law 4002/2011 (GG Series A, No. 180).

Online gambling operators were subjected to the provisions of Article 50(12) of Law 4002/2011 (GG Series A, No. 180) under the subjection procedure laid down in decision POL 1248/13.12.2011. The undertakings subjected to this regime are listed in the relevant announcement posted at the website of the Ministry of Finance.

## CHAPTER 3: THE HGC

### 3.1 MISSION

The mission of the HGC, as a basic regulator of the gaming market (games of chance and electronic games of skills) is to ensure legality in gaming activities, protect the interests of the players and the public, particularly of minors and other vulnerable groups of the society and to monitor the state revenue collection process.

### 3.2 STRATEGIC GOALS

| HGC STRATEGIC GOALS         |                                                                                                                                                                                                    |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FIRST STRATEGIC GOAL        | Ensuring fair participation terms, transparency and integrity of gaming, particularly with respect to gambling.                                                                                    |
| SECOND STRATEGIC GOAL       | Preventing illegal or crime supporting actions during gaming, gambling in particular, and its association with violations of law.                                                                  |
| THIRD STRATEGIC GOAL        | Protecting the players and the society, particularly minors and vulnerable groups, against exploitation and any negative effects that may arise from gaming, particularly with regard to gambling. |
| INTERMEDIATE STRATEGIC GOAL | Completing successfully the organizational structure of the HGC.                                                                                                                                   |

### 3.3 INSTITUTIONAL FRAMEWORK OF OPERATION

The HGC was originally established in 2004 by virtue of Law 3229/2004 (GG Series A, No. 38), which would undertake the gaming monitoring and control tasks which at that time were carried out by various other public bodies. In the form it was originally established, the Commission never took up duties or entered operation. In 2011, by virtue of law 4002/2011 (GG Series A, No. 180), the Commission was delegated additional powers relating to the monitoring and control of electronic games of skills. In late December 2011 the HGC members were appointed, whereas in February 2012 the Commission was nominated an independent-Public Authority by Law 4038/2012 (GG Series A, No. 14) and currently operates as such.

According to Article 54 sections (1) and (3) of Law 4002/2011 (GG Series A, No. 180), as in force, the HGC takes up its duties gradually, by means of decisions published through the Government Gazette.

### 3.4 LEGISLATIVE FRAMEWORK

3.4.1 In terms of primary law, the operations of the HGC, are governed by the following Acts (in order of enactment):

- a. Law 3051/2001 (GG Series A, No. 220):“Constitutionally established Independent Authorities”, which applies in addition to the special provisions governing the Commission.
- b. Law 3229/2004 (GG Series A, No. 38), Chapter C, Articles 16 through 23:“Hellenic Gaming Commission and matters relating to Casino operations”.
- c. Law 3634/2008 (GG Series A, No. 9), Article 23:“Amendments to Article 16 of Law 3229/2004 (GG Series A, No. 38)”.
- d. Law 3691/2008 (GG Series A, No. 166) “Prevention and suppression of money laundering and terrorist financing and other provisions”, which nominates the HGC as the Authority responsible for monitoring the implementation of its provisions by casino enterprises, casinos on vessels under the Greek flag, enterprises, organizations and other entities organizing or providing gambling services as well as by betting agencies.
- e. Law 4002/2011 (GG Series A, No. 180) , Part D, Chapter H:“Regulation of the gaming market”, Articles 25 through 54.
- f. Law 4021/2011 (GG Series A, No. 218), Article 52:“Amendments to Law 4002/2011”.
- g. Law 4038/2012 (GG Series A, No. 14), Article 7:“Regulation of matters relating to the Hellenic Republic Asset Development Fund and the HGC”, paras. 10 through 26.

3.4.2. In terms of regulatory legislation, the operations of the HGC are governed by the following decisions:

a. Decision No. 55906/1673/21-12-2011 of the Minister of Finance (GG Series “YODD”, No. 444):“Set-up of the Hellenic Gaming Commission and appointment of its members”.

b. Joint Decision No. 56660/1679/22-12-2011 of the Minister of Finance and the Minister of Culture and Tourism (GG Series B, No. 2910):“Certification of the Commencement of Operations of the HGC”.

c. HGC Decision No. 6/1/24-4-2012 (B 1347), issued pursuant to para. 5 of Law 4002/2011 (GG Series A, No. 180), entitled:“Organizational matters of the HGC pertaining to its financial management”.

d. HGC decision No. 10/3/11-6-2012 (B 2066), issued pursuant to para. 5 of Law 4002/2011 (GG Series A, No. 180), entitled “Regulation of matters pertaining to the internal operation of the Hellenic Gaming Commission”.

### 3.5 POWERS AND DUTIES

The powers and duties of the HGC include regulation, supervision and control of the gaming markets. The market of games comprises two basic categories: games of skills, which are played for amusement, without gain, and games of chance.

The powers and duties of the HGC consist primarily in preparation and issue of the applicable regulatory provisions; issue of necessary authorizations and certifications; and monitoring of all sectors of the gaming industry (gaming machines, games, gaming facilities, persons involved). The controls are intended to ensure gaming legitimacy; compliance with rules ensuring transparent, honest and fair gaming; sound economic management of gaming operations; due delivery of gains to winners; due collection of State royalties and compliance with the terms of gambling authorizations. Moreover, the HGC is responsible for laying down and implementing proper frameworks and measures for the protection of minors and other vulnerable groups and the prevention of illegal gaming, fraud, money laundering and similar crimes. Lastly, the HGC is responsible for enforcing applicable administrative sanctions.

With respect to gambling, the HGC carries out its duties over the OPAP games, casino enterprises operating ashore or on vessels, the Hippodrome, the State Lotteries, online gambling of any kind, games conducted through television or electromagnetic means and any other form of gambling.

The HGC is also responsible for licensing, certification and control of electronic games of skills.

According to Article 29(1) of Law 4002/2011 (GG Series A, No. 180), the establishment of HGC's organizational structure and the Gaming Code of Conduct and Control are issued by means of Presidential Decrees proposed by the Minister of Finance, by prior recommendation of the HGC. According to article 54(5) of the same Law, until the necessary Presidential Decrees are duly issued, all relevant matters shall be regulated by decisions of the HGC.

### 3.6 GENERAL PRINCIPLES GOVERNING HGC OPERATIONS AND REGULATORY POWERS

3.6.1 Following communications with its foreign counterparties, and given the current situation of the Greek economy, the HGC decided at its session No. 6/8/25-05-2012 (item 6) to adopt a set of general rules which should be governing its operations, in terms of practical implementation of strategies and execution of regulatory duties.

3.6.2 The general rules governing HGC operation are set out below:

a. Utilization of available resources: The HGC must utilize in full all available human resources of the Greek State before seeking to obtain new, which entail increased costs for both the HGC and the Greek State.

b. Utilization of necessary resources: The HGC must obtain and utilize resources only to the extent that this serves its needs and smooth operation.

c. Cost-effective management: The HGC must make all reasonable endeavors to always improve its Return on Investment ratio.

d. Ex-ante control: The HGC must carry out ex-ante controls to ensure the legitimacy of its expenditures. To that effect, the HGC has requested to be subjected to prudential audit by the Hellenic Court of Audit.

e. Prioritization of actions: Given that the HGC is established for the first time, it must prioritize its actions based on the necessity to efficiently serve the public interest.

f. Responsive efficiency: The HGC must address all citizen requests as fast and thoroughly as possible, considering same in the merits and avoiding bureaucracy.

3.6.3. The general rules governing the performance of its regulatory duties are:

a. Rule of proportionality: The HGC must only make interventions where necessary .All measures adopted must be appropriate to prevent the risk at stake, and all financial encumbrances upon the regulated parties must be duly substantiated.

b. Rule of accountability: The HGC must substantiate its decisions and be subjected to state controls.

c. Rule of consistency: The HGC must lay down regulatory frameworks whose provisions and regulations are consistent with each other and fairly applied.

d. Rule of transparency: The HGC must operate with sincerity; it must enforce simple and clear regulatory frameworks and make same clear to the parties concerned.

e. Rule of commitment: The HGC must be committed in resolving problems and mitigating any possible negative effects of its decisions.

f. Rule of social responsibility and empathy: In ensuring responsible gaming, the HGC must be aware of and familiar with the needs of society and be in direct and open contact with the citizens, focusing primarily on any vulnerable groups of the society.

## **CHAPTER 4: HGC PROGRAMME REVIEW**

### **4.1 GAMING REGULATION AND CONTROL REVIEW**

#### **4.1.1. VLT-hosted gambling**

##### **a. Presentation of draft VLT technical specifications**

On 8 March 2012 the HGC held its session No. 2, where the agenda contained primarily the briefing of the HGC members on the draft technical specifications of VLTs installed and operated by OPAP SA, pursuant to Article 39 of Law 4002/2011 (GG Series A, No. 180), in order for the draft specifications to be notified to the European Commission under the procedure laid down in Directive 98/34. The draft specifications were drafted by “Gaming Laboratories International” (GLI), a company headquartered in the Netherlands, which was the Greek State’s consultant on this matter.

##### **b. Notification of draft VLT technical specifications to the European Commission pursuant to the provisions of Directive 98/34/EC, for public consultation**

On 4 April 2012 the HGC notified to the European Commission the draft technical specifications for VLTs installed and operated by OPAP SA pursuant to Article 39 of Law 4002/2011 (GG Series A, No. 180), which was posted on the European Commission’s website for consultation (No. 2012-215-GR), in accordance with the provisions of Directive 98/34/EC, on a three-month standstill which ends on 4 July 2012.

##### **c. Presentation of the draft Code of Conduct and Control for VLT-hosted gambling**

On 19 April 2012 the HGC held its session No. 5, with the agenda consisting primarily in the presentation to the HGC members of the draft Code of Conduct and Control for VLT-hosted gambling. The HGC decided that the draft Code should be comprehensively prepared at the end of the standstill period provided for in Directive 98/34/EC in respect of the draft VLT technical specifications, following approval of the final specifications by the HGC, so that it incorporates any changes made.

#### **d. Completion of the draft VLT technical specifications**

On 4 July 2012 the standstill period expired, after lapse of three months from notification to the European Commission of the draft technical specifications for VLTs installed and operated by OPAP SA in accordance with Article 39 of Law 4002/2011 (GG Series A, No. 180). The European Commission made one written observation, which was incorporated in the draft specifications.

#### **e. Translation of the VLT technical specifications into Greek**

On 18 September 2012 the HGC authorized, in session No. 17, the assignment of the translation of the VLT technical specifications into Greek to a specialized translation agency. This project was completed at the end of the year.

#### **f. Preparation of the draft Code of Conduct and Control for VLT-hosted gambling**

In September the HGC began the preparation of the draft Code of Conduct and Control for VLT-hosted gambling, which was completed in November.

#### **g. Legislative proposal to the Minister of Finance**

While processing the draft Code of Conduct and Control for VLT-hosted gambling, the Commission identified certain problems in the existing legislation, which called for immediate amendments to the core legislative framework. Hence, on 23 October, during session No. 23, the HGC decided to recommend to the Minister of Finance a set of regulations, which was indeed submitted to the Production Sectors Division of the Directorate General for Economic Policy of the MoF.

#### **h. Approval of the draft Code of Conduct and Control for VLT-hosted gambling for national consultation**

On 12 and 13 November, during sessions No. 26 and 27 respectively, the HGC examined and approved the draft Code of Conduct and Control for VLT-hosted gambling, with a view to carrying out a national consultation through the Open Government website ([www.opengov.gr](http://www.opengov.gr)). The consultation was carried out from November 15 until December 10. The HGC had an active participation throughout the process, having filed 73 out of a total of 198 comments. Furthermore, various written comments were submitted directly to the HGC by various stakeholders in the market. Once all comments were gathered, the HGC began the processing and integration thereof in the draft regulations.

#### 4.1.2. State Lotteries gambling

##### **a. Presentation of the draft State Lotteries Gambling Code of Conduct and Control**

On 6 April 2012 the HGC held its session No. 3, with the agenda primarily consisting in the preparation of a draft State Lotteries Gambling Code, which is imperative, in view of the tender procedure which is carried out by the Hellenic Republic Asset Development Fund (“TAIPED”) for the award of the Greek State’s exclusive rights over these lotteries. The Commission decided that the draft Regulation needs to be further elaborated and re-configured.

##### **b. Preparation and completion of the draft State Lotteries Gambling Code of Conduct and Control**

On 13 July 2012 the HGC officers, in cooperation with TAIPED executives and the State Lotteries privatization consultants, completed the preparation of the draft State Lotteries Gambling Code which had started on 9 April 2012.

##### **c. Approval of the State Lotteries Gambling Code of Conduct and Control**

On 17 July 2012 HGC session No. 14 was held, where the primary subject discussed was the approval of the State Lotteries Gambling Code. The Code was published through the Government Gazette (Series B, No. 2205/26-07-2012).

#### 4.1.3. Online gambling

##### **a. Undertaking duties to impose sanctions on unauthorized online gambling**

On 22 October 2012, during session No. 22, the HGC undertook duties on the application of sanctions against unauthorized online gambling as per Article 51, in conjunction with Article 48(3) and Article 49(4) of Law 4002/2011 (GG Series A, No. 180), given that it appeared, on the basis of a preliminary investigation which was carried out on the Internet and various publications and advertisements, that there was a large number of websites accessible to Internet users in Greece, that offered or made available for offering gambling and/or betting services.

Given that both, no authorization has ever been granted in respect of online gambling activities pursuant to Law 4002/2011 (GG Series A, No. 180), and the unauthorized performance of gambling operations can be detrimental to the public interest by undermining the State revenues and interests and exposing citizens to risk, the Commission considered essential a further investigation for the purpose of establishing whether activities of this type are being carried out. The relevant decision was published through the Government Gazette on 26 October 2012 (Series B, No. 2880/26-10-2012).

**b. Preparation and approval of regulations on the application of sanctions against unauthorized online gambling**

On 3 October 2012, during session No. 23, the HGC approved regulations on the application of sanctions against unauthorized online gambling. The relevant decision was published through the Government Gazette on 5 November 2012 (Series B, No. 2952/05-11-2012).

**c. Publication of warning to unauthorized online gambling service providers**

On 5 November 2012, during session No. 24, the HGC approved a draft public warning addressed to potentially unauthorized online gambling service providers, to discontinue any such operations. The warning was delivered to all Greek media and all foreign regulatory authorities.

**d. Internet investigation in order to identify websites offering online gambling services within Greece**

During November and December an investigation was carried out on the Internet in order to identify websites offering online gambling services within Greece. The investigation revealed approx. 500 websites.

**e. Set-up of inspection teams to carry out controls on websites identified as online gambling service providers within Greece**

In December the HGC set up and put into operation a set of inspection teams for the purpose of carrying out controls on websites identified as online gambling service providers within Greece and verifying their authorization (or non-authorization) status, in order for the Commission to draw up a black list and enforce the applicable administrative sanctions.

**f. Suspension of the HGC decisions on assumed duties to regulate and impose sanctions on unauthorized online gambling**

On 6 December 2012 the HGC received a request dated 4 December from the European Commission (Directorate General “Enterprise and Industry”) addressed to the Greek Authorities for the supply of information in the context of case EU Pilot 4322/12/ENTR, in respect of HGC decision No. 23/3/23-10-2012 (GG Series B, No. 2952) entitled “Arrangements for certain matters governed by the Code of Conduct and Control of Gaming in relation to the imposition of administrative sanctions, imposed where games of chance are played online without requisite license”. In its request, the European Commission states that HGC decision No. 23/3 contained technical regulations in the sense of the provisions of Directive 98/34/EC and that it should have been notified to the EC in accordance with the terms of the same Directive, in draft form, prior to its adoption. The EC further notes that according to the European Court, infringement of the duty to notify as per above means that the relevant technical regulations may not be applied to private individuals. In the same document the EC sets a 10-week deadline to the HGC to provide the requested information and answers.

On 10 December, during session 31, the HGC authorized a draft reply to the views and questions of the European Commission and decided, for time saving purposes as well as reasons pertaining to certainty of law, to suspend the effect of its decisions and notify, under the procedure laid down in Directive 98/34/EC, a draft reply entitled “Arrangements for certain matters governed by the Code of Conduct and Control of Gaming in relation to the imposition of administrative sanctions, imposed where games of chance are played online without requisite license”. The draft was notified to the EC on 18 December and was given the reference number 2012/710/GR.

**4.1.4. Electronic games of skills on gaming machines**

**a. Preparation of the draft Code of Conduct and Control for electronic games of skills on gaming machines**

In April the HGC officers started the preparation of the draft Code of Conduct and Control for electronic games of skills on gaming machines, which was completed in June.

**b. Preparation of a financial study on the fee and charges policy**

In May 2012 the HGC officers began the preparation of a financial study, as per Article 50(10) of Law 4002/2011 (GG Series A, No. 180), on the fee and charges policy for HGC licenses and certifications of electronic games of skills on gaming machines, for the issue of a statutory decision by the Minister of Finance.

**c. Undertaking the sector of electronic games of skills**

On 11 June 2012 HGC session No. 10 was held, where the Commission primarily discussed the implementation in the sector of electronic games of skills. The Commission's decision was published on 12 June (GG Series B, No. 1840/12-06-2012).

**d. Approval of the Code of Conduct and Control for electronic games of skills on gaming machines for public consultation**

On 14 June 2012, during session No. 11, the HGC discussed, inter alia, the posting on the Open Government website ([www.opengov.gr](http://www.opengov.gr)) of the draft Code on electronic games of skills prepared by the HGC, for public consultation.

**e. Approval of the financial study on the fee and charges policy and subsequent recommendation to the Minister of Finance**

On 14 June 2012, during session No. 11, the HGC discussed, among others, and approved the financial study prepared by the HGC officers on the costs of licenses and certifications of electronic games of skills, and subsequent the recommendation to the Minister of Finance, , for the issue of a decision on the fee and charges policy of such games, in accordance with Article 50 of Law 4002/2011 (GG Series A, No. 180).

**f. Compliance by the Greek State with the decisions of the Court of Justice of the EU on electronic games of skills on gaming machines and permanent revocation of the fine imposed by virtue of judgments C-65/05 and C-109/08 of the Court**

Law 3037/2002 (GG Series A, No. 174) prohibited the operation of all electric, electromechanical and electronic games, including all computer games, on all public or private premises apart from casinos. The same law further established special licensing formalities in respect of online gaming operations.

Following various reactions on part of the stakeholders, the European Commission declared that law incompatible with the Community Law and, following various unfruitful communications with Greece, the matter was referred to the Court of Justice of the EU (ECJ).

The European Commission grounded its claims on violation of Articles 28 and 30 of the Treaty (free movement of goods) and Articles 43 and 49 of the Treaty (freedom of establishment), as well as on non-compliance with the notification formalities laid down in Article 8 of Directive 98/34/EC, which refers to the notification requirements of technical specifications and regulations. Greece invoked reasons of public morality, public order and consumer protection, claiming in particular that because of technological developments, the games prohibited by Law 3037/2002 may be easily converted into games of chance.

The ECJ rendered a ruling (Case C-65/05) in favor of the European Commission. The Court based its ruling on the rationale that the restrictions imposed by Greece were disproportional to the pursued objective, and that such objective could have been efficiently pursued through other regulations, e.g. more specific prohibitions, installation of special security systems preventing the conversion of games into games of chance, and stricter and more precise controls.

Given that Greece failed to take any steps towards compliance with the Court's judgment in the case C-65/05, the European Commission referred the case back to the ECJ, which rendered a new ruling (case C109/08), whereby Greece was imposed a lump sum fine of €3 million as well as a penalty payment of €31,536 for each day of delay in implementing the measures necessary to comply with the Court's former judgment.

In 2011 Law 4002/2011 (GG Series A, No. 180) was enacted, laying down regulations on the gaming market and abolishing the contested provisions of Law 3037/2002 (GG Series A, No. 174). The European Commission expressed reservations as to the operability of that law, on the basis that it required additional regulations, and demanded that Greece continued to pay the fine.

In June 2012 the draft Gaming Code prepared by the HGC was notified to the competent department of the European Commission together with a schedule of actions for its implementation. This information was considered sufficient and on 27 September 2012 the College of Commissioners decided to abolish the fine retroactively, as of the date the members of the Hellenic Gaming Commission were appointed (21.12.2011).

By 31 March 2012 Greece had paid to the European Commission a fine of €35,513,616 in total. As a result of the retroactive revocation of the fine, at the end of 2012 the Greek State was refunded with the amount of 3,216,672.

**g. Public consultation on the draft Code of Conduct and Control for electronic games of skills on gaming machines**

On 20 June 2012 public consultation began through the Open Government website ([www.opengov.gr](http://www.opengov.gr)) on the draft Code of Conduct and Control of electronic games of skills on gaming machines, which was completed on 2 July 2012. During the process 370 comments were submitted in total. 202 of those were filed by stakeholders and professionals of the gaming market, whereas 168 were responses from the HGC, which had active participation throughout the public consultation process.

**h. Incorporation of the final revisions into the financial study on the fee and charges policy**

On 9 July 2012, after the relevant public consultation was completed, the final revisions on the fee and charges policy for certifications of electronic games of skills were incorporated into the financial study.

**i. Completion of the draft Code of Conduct and Control for electronic games of skills on gaming machines**

On 9 July 2012, following the completion of the relevant public consultation, the final draft Code on electronic games of skills on gaming machines was completed, whose preparation had started on 9 April 2012.

**j. Notification to the European Commission of the draft Code of Conduct and Control for electronic games of skills on gaming machines, according to the provisions of Directive 98/34/EC, for public consultation**

On 10 July 2012 the HGC held session No. 13, where the Commission discussed primarily on the notification to the European Commission of the final draft Code on electronic games of skills, pursuant to the provisions of Directive 98/34/EC. The notification procedure was completed in October.

#### **k. Approval of the revised financial study on the fee and charges policy and subsequent recommendation to the Minister of Finance**

Furthermore, on 10 July 2012, during session No. 13, the HGC discussed on the approval of the financial study on the fee and charges policy for licensing and certifications of the games in question, given that the public consultation had simplified the statutory procedures and, as a result, reduced certain costs. Following the above, a revised recommendation to the Minister of Finance on the fee and charges policy under Article 50(10) of Law 4002/2011 (GG Series A, No. 180) was approved, and the relevant Ministerial decision was issued on 12 December 2012 (GG Series B, 3324/12-12-2012).

#### **l. Recommendation of draft regulations to the Minister of Finance**

During the same session (13), a comprehensive set of draft regulations was brought before the HGC for discussion, which was intended to address the problems identified in the existing legislative framework during preparation of the draft code, based on the results of the public consultation carried out in respect of it and the contents of the substantiated opinions issued from time to time by the European Commission. The draft code further included a set of proposed regulations on the organizational structure and internal operation of the HGC. The HGC decided to propose the draft regulations to the Minister of Finance. Its proposal was submitted to the Production Sectors Division of the Directorate General for Economic Policy of the MoF.

### **4.2 HGC INTERNATIONAL RELATIONS REVIEW**

#### **4.2.1 Visits to foreign gaming authorities and also to academic institutions specializing in gaming addiction**

From 28 April until 4 May and from 6 May until 11 May 2012, the Executive President of the HGC carried out visits to gaming authorities and also to academic institutions specializing in gaming addiction in the UK, the Channel Islands (Guernsey, Alderney), Malta and Geneva. In the context of these visits, the Executive President had meetings with the British Gambling Commission, with scientists of the NHS National Problem Gambling Clinic, the Online Gambling Control Commission of Alderney (Channel Islands), the Lotteries and Gaming Authority of Malta, the Betting Association of French-speaking Switzerland (Loterie Romande) and lastly, with scientists of the Clinical Management of Addiction, at the University Hospital of Geneva.

#### 4.2.2. HGC registration with international Gaming Regulators' Associations

In May, following the adoption of relevant decisions by the HGC, the latter was registered with the Gaming Regulators European Forum (GREF) as well as with the International Association of Gaming Regulators (IAGR).

#### 4.2.3. HGC participation at a conference of the European Commission and the European Parliament in Brussels and meeting with EC officials

On 14 May 2012 the HGC participated at a conference organized in Brussels by the European Parliament and the European Commission under the title: "How to regulate gambling and betting in Europe – Track record and future perspectives". In the context of its participation, the HGC representatives met with officials of the Directorate General of Internal Market and Services of the EC.

#### 4.2.4. HGC participation at the annual GREF conference in Portugal

From 13 to 17 June the HGC participated in the annual conference of the Gaming Regulators European Forum held in Troia, Portugal.

#### 4.2.5 HGC participation in the 9<sup>th</sup> European Conference on Gambling Studies and Policy Issues in Greece

From 18 to 21 September the HGC participated in the 9<sup>th</sup> European Conference on Gambling Studies and Policy Issues entitled "From Fantasies and Feelings to Facts in the Future" organized by the European Association for the Study of Gambling (EASG), in Loutraki, Corinth, Greece.

#### 4.2.6 HGC participation at the Eastern European Gaming Summit (EEGS) in Bulgaria

From 15 to 18 October the HGC participated at the Eastern European Gaming Summit (EEGS) entitled: "Regulatory Challenges – New Developments and Solutions: How the Regulatory Approach can change the Gaming Markets", held in Sofia, Bulgaria. In the context of that conference the representatives of regulatory authorities had a roundtable meeting on matters pertaining to online gambling and VLT exposure.

4.2.7 HGC participation in the annual conference of the International Association of Gaming Regulators (IAGR) in Singapore.

From 21 to 24 October the HGC participated in the annual conference of the International Association of Gaming Regulators (IAGR) in Singapore.

4.2.8 HGC participation in the Gaming Money Conference 2012: “New Landscape in the Greek Gaming Market”, in Athens

On 14 December the HGC participated in the international Gaming Money Conference 2012 entitled: “New Landscape in the Greek Gaming Market”, which was held in Athens.

4.2.9 HGC representation in the EC Expert Group (DG Internal Market) in Brussels

On 5 December the HGC participated in the first meeting of the EC Expert Group on online gambling (DG Internal Market), which was held in Brussels.

4.2.10 Development of a database of the international regulatory environment

From September until December a database was designed and developed for the recording and monitoring of the international regulatory environment, which is now operated and constantly updated.

### 4.3 HGC ORGANIZATION AND OPERATION REVIEW

#### 4.3.1 Infrastructure

The HGC utilizes modern computer systems to handle office work and possesses all necessary software for payroll, accounting, budgetary, fixed asset and financial accounts management.

At the same time, procedures are underway for the procurement, installation and operation of an integrated information system for the management of game authorizations and certifications, whereas in 2013 the design of a Supervision and Control IT System (SCITS) will be completed, which is among the Commission’s immediate and fundamental priorities, given that the use of that System is imposed by force of law and it is bound to contribute effectively to the implementation of all necessary gambling control mechanisms.

By request of the HGC and following signature of the administrative delivery protocol dated 18-5-2012, the HGC was conceded the use of a property located on the 6<sup>th</sup> floor of the State-owned building No. ABK 111Π at 196-198, Thivon Avenue, Municipality of Nikaia – Ag. Ioannis Redis. Although all necessary works and infrastructures were in place by the HGC for its relocation at the conceded premises, on 12 December 2012 the conceded use was revoked, without fault on part of the Commission, in order for the entire building to be conceded to the Ministry of Rural Development and Foods. Following the above, the HGC pursued once again its relocation to a State-owned building, but to no avail. Hence, after exhausting all remedies and obtaining all necessary certifications as to non-availability of any state property, the HGC currently carries out procedures to relocate to leased premises. To this date the HGC was temporarily accommodated at 25, Panepistimiou Street. During the first half of 2013 it will be relocated to leased premises, which meet all necessary operational and security requirements.

#### 4.3.2 Organization and management

The HGC was originally staffed by employees seconded from the public and the broader public sector gradually throughout 2012. As at 31-12-2012 the HGC staff comprised thirty three (33) employees.

HGC staff consists of executives of adequate qualification, prior service and experience, who are capable of understanding thoroughly and carrying out efficiently its particularly complicated regulatory and controlling duties. In terms of education, 75% of its staff has university education, 20% higher education and 5% primary education.

According to the applicable law, the HGC comprises eighty (80) work positions, which will be filled in accordance with the law and its organizational structure.

During 2012 the HGC prepared and approved its organizational structure and budget as well as implemented internal policies, regulations, procedures.

#### 4.3.3 Operational data

a. The HGC total expenditure for year 2012, according to the implementation of its budget, totaled €814,000. By decision No 52650/1017/5-12-2012 (GG Series B, No. 3327) of the Minister of Finance, the date of assumption by the HGC of its overall duties was deferred from 21 December 2012 to 31 August 2013. This was considered essential due to (a) the delay in the permanent relocation of the HGC, which essentially deferred the commencement of its operations until permanent accommodation is ensured; (b)

insufficient staffing; (c) urgent priorities that arose in the Commission's operations under the current circumstances, and (d) the volume of immediate work that needs to be carried out. The time schedule of investments in fixed assets, relating to purchase and installation of necessary authorization, certification, supervision and control systems and the time schedule of staffing procedures, which were to be originally completed in 2012, were deferred accordingly. These procedures are expected to be completed in 2013 through cash to be generated during the Commission's first year of operation (2012).

b. In 2012 the HGC sent and received 1033 documents in total. Incoming documentation originated from State agencies, EU bodies, judicial authorities and natural persons. 400 documents out of those called for a reply. Based on reconciled data, the average response time is five (5) days from receipt of incoming documentation.

## CHAPTER 5: 2013-2015 ACTION PLAN

### 5.1 STRATEGIC GOALS

In the context of its medium-term planning, the HGC has prepared an Action Plan for period 2013-2015. The Action Plan comprises seven (7) Operational Priorities, intended to serve its Strategic Goals, which are as follows:

| HGC STRATEGIC GOALS               |                                                                                                                                                                                                    |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FIRST STRATEGIC GOAL (SG1)        | Ensuring fair participation terms, transparency and integrity of gaming, particularly with respect to gambling.                                                                                    |
| SECOND STRATEGIC GOAL (SG2)       | Preventing illegal or crime supporting actions during gaming, gambling in particular, and its association with violations of law.                                                                  |
| THIRD STRATEGIC GOAL (SG3)        | Protecting the players and the society, particularly minors and vulnerable groups, against exploitation and any negative effects that may arise from gaming, particularly with regard to gambling. |
| INTERMEDIATE STRATEGIC GOAL (SG4) | Completing successfully the organizational structure of the HGC.                                                                                                                                   |

## 5.2 OPERATIONAL PRIORITIES

The Action Plan comprises the following seven (7) Operational Priorities:

|                            |                                                                                    |
|----------------------------|------------------------------------------------------------------------------------|
| OPERATIONAL<br>PRIORITY 1: | Development and implementation of an institutional framework on gaming.            |
| OPERATIONAL<br>PRIORITY 2: | Licensing of gaming operations.                                                    |
| OPERATIONAL<br>PRIORITY 3: | Issue of certifications.                                                           |
| OPERATIONAL<br>PRIORITY 4: | Development and implementation of compliance procedures for the gaming market.     |
| OPERATIONAL<br>PRIORITY 5: | Development of an action plan for protection of the society and vulnerable groups. |
| OPERATIONAL<br>PRIORITY 6: | Development and implementation of the HGC operational framework.                   |
| OPERATIONAL<br>PRIORITY 7: | Development of HGC organization and operation systems.                             |

Each Operational Priority is analyzed into hierarchically organized and scheduled individual actions, so that the 2013-2015 Action Plan forms a comprehensive tool for planning and monitoring the implementation progress. Below is an analysis of each operational priority based on the objective pursued and the strategic goals achieved.

### Operational Priority 1: Development and implementation of an institutional framework on gaming

The object pursued consists in the drafting of the Code of Conduct and Control of Gaming (CCCG) in respect of all games. Meanwhile, because of the breadth of issues, those will be initially regulated by means of HGC decisions, in accordance with Article 54(5) of Law 4002/2011 (GG Series A, No. 180).

Setting proper and easily controllable rules and standards ensures that the permitted gaming and gambling activities are organized and carried out with due regard to applicable laws and rules for responsible gaming, that illegal operations and profiteering is prevented, and that the interests of the consumers and the public are effectively

protected. The actions falling under this operational priority will contribute effectively to the attainment of SG1, SG2 and SG3.

#### Operational Priority 2: Licensing of gaming operations

The object pursued is to ensure that electronic games of skills, games of chance and betting activities are organized and carried out in accordance with the law, through proper gaming licensing and authorization procedures.

Effective implementation of the related actions is bound to generate revenues for the HGC as well as significant additional state revenue, safely collectible, which is now evaded. Such revenue will derive from license fees, from State participation in the GGR, from the taxation on the players' gains as well as from the increase in the license holders' taxable income, in accordance with the applicable laws.

The actions falling under this operational priority will contribute effectively to the attainment of SG1, SG2 and SG3.

#### Operational Priority 3: Issue of certifications

The object pursued is to ensure that electronic games of skills, games of chance and betting activities are organized and carried out in accordance with the law, through operation of certified games and gaming machines.

Effective implementation of the related actions is bound to generate significant revenue for the HGC from certification fees, in accordance with the applicable laws.

The actions falling under this operational priority will contribute effectively to the attainment of SG1, SG2 and SG3.

#### Operational Priority 4: Development and implementation of compliance procedures for the gaming market

The object pursued is to encourage regulatory compliance in the gaming market and effective monitoring and control of gaming operations, through use of available technologies and risk analysis methods.

Effective implementation of the related actions is bound to enhance consumer protection and at the same time create conditions that will render illegal gaming operations unprofitable.

The actions falling under this operational priority will contribute effectively to the attainment of SG1, SG2 and SG3.

#### Operational Priority 5: Development of an action plan for protection of the society and vulnerable groups

The object pursued is to maintain rational adult participation in the games of chance and minor participation in electronic games of skills and to prevent excessive waste of money.

In this context, a set of measures imposing restrictions and facilitating controls over the commercial communication between gaming service providers will be implemented, in combination with the use of personal player cards in respect of gambling.

To effectively combat gaming addiction special studies and surveys will be carried out, along with proper educational programs and support tools for the addicted, in compliance with international standards.

The actions falling under this operational priority contribute to the attainment of SG3.

#### Operational Priority 6: Development and implementation of the HGC operational framework

The object pursued consists in the development and integration of internal HGC regulations and procedures in the context of a regulatory framework that governs its operations.

To that effect, the necessary internal regulatory framework will be developed, in respect of each individual action that falls under this operational priority, so that the HGC can become fully operative and carry out its mission efficiently.

The actions falling under this operational priority will contribute effectively to the attainment of SG4, and consequently, to the attainment of SG1, SG2 and SG3.

#### Operational Priority 7: Development of HGC organization and operation systems

The object pursued consists in the development and integration of all necessary internal organization and operation procedures and supporting technologies.

The provisioned systems will be used for human resource management and development, quality management, acquisition and management of resources and electronic operations.

These systems further include the installation and operation of a Supervision and Control IT System (SCITS) within the HGC, in accordance with the provisions of Article 30 of Law 4002/2011 (GG Series A, No. 180).

The actions falling under this operational priority will contribute effectively to the attainment of SG4, and consequently, of SG1, SG2 and SG3.

## **ANNEX TABLES**

Table 1 of the Annex entitled “Tables” provides a thorough presentation of the actions included in the HGC Programme Review along with the respective implementation schedules.

Table 2 of the same Annex provides a thorough presentation of the actions under each Priority, the relevant implementation schedule and the connection of such actions with the strategic goals.

Table 3 of the Annex presents the time schedule for the assumed duties by the HGC, whose proper implementation formed the basic assumption for the preparation and timely implementation of the Strategic Plan. The basic prerequisite for undertaking of further regulatory and supervisory duties in the gaming sector is the availability of necessary financial resources.

## **ANNEX: Tables**

Table 1: 2012 Programme Review

Table 2: 2013-2015 Action Plan

Table 3: Undertaking of Duties – Schedule Implementation

**TABLE 1**

**2012 Programme Review**

TABLE 1

| 2012 PROGRAMME REVIEW                                                                                                         | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|-------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>GAMING REGULATION AND CONTROL</b>                                                                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| <b>VLT-hosted gambling</b>                                                                                                    |      |      |      |      |     |      |      |      |      |      |      |      |
| Presentation of draft VLT technical specifications.                                                                           |      |      |      |      |     |      |      |      |      |      |      |      |
| Notification of draft VLT technical specifications to the EC, in accordance with Directive 98/34/EC, for public consultation. |      |      |      |      |     |      |      |      |      |      |      |      |
| Presentation of the draft Code of Conduct and Control for VLT-hosted gambling.                                                |      |      |      |      |     |      |      |      |      |      |      |      |
| Completion of the draft VLT technical specifications.                                                                         |      |      |      |      |     |      |      |      |      |      |      |      |
| Translation of the VLT technical specifications into Greek.                                                                   |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of the draft Code of Conduct and Control for VLT-hosted gambling.                                                 |      |      |      |      |     |      |      |      |      |      |      |      |
| Legislative proposal to the Minister of Finance.                                                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| Approval of the draft Code of Conduct and Control for VLT-hosted gambling, for national consultation                          |      |      |      |      |     |      |      |      |      |      |      |      |
| <b>State Lotteries Gambling</b>                                                                                               |      |      |      |      |     |      |      |      |      |      |      |      |
| Presentation of the draft State Lotteries Gambling Code of Conduct and Control.                                               |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation and completion of the draft State Lotteries Gambling Code of Conduct and Control.                                 |      |      |      |      |     |      |      |      |      |      |      |      |
| Approval of the State Lotteries Gambling Code of Conduct and Control.                                                         |      |      |      |      |     |      |      |      |      |      |      |      |

TABLE 1 (cont.)

| 2012 PROGRAMME REVIEW                                                                                                                                                | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>Online gambling</b>                                                                                                                                               |      |      |      |      |     |      |      |      |      |      |      |      |
| Undertaking duties to impose sanctions on unauthorized online gambling.                                                                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation and approval of the code for application of sanctions against unauthorized online gambling.                                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| Publication of a warning to unauthorized online gambling service providers.                                                                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| Internet investigation in order to identify websites offering online gambling services within Greece.                                                                |      |      |      |      |     |      |      |      |      |      |      |      |
| Set-up of inspection teams to carry out controls on websites identified as online gambling service providers within Greece.                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| Suspension of the HGC decisions on the assumed duties to regulate and impose sanctions on unauthorized online gambling.                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| Notification to the EC of the draft regulation(s) on the enforcement of sanctions in respect of unauthorized online gambling, in accordance with Directive 98/34/EC. |      |      |      |      |     |      |      |      |      |      |      |      |

TABLE 1 (cont.)

| 2012 PROGRAMME REVIEW                                                                                                                                                                                                                      | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>Electronic games of skills on gaming machines</b>                                                                                                                                                                                       |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of the draft Code of Conduct and Control for electronic games of skills on gaming machines.                                                                                                                                    |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of a financial study on the fee and charges policy.                                                                                                                                                                            |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC undertook electronic games of skills on gaming machines.                                                                                                                                                                               |      |      |      |      |     |      |      |      |      |      |      |      |
| Approval of the Code of Conduct and Control for electronic games of skills on gaming machines for public consultation.                                                                                                                     |      |      |      |      |     |      |      |      |      |      |      |      |
| Approval of the financial study on the fee and charges policy and subsequent recommendation to the Minister of Finance.                                                                                                                    |      |      |      |      |     |      |      |      |      |      |      |      |
| Compliance by the Greek State with the decisions of the Court of Justice of the EU on electronic games of skills on gaming machines and permanent revocation of the fine imposed by virtue of judgments C-65/05 and C-109/08 of the Court. |      |      |      |      |     |      |      |      |      |      |      |      |
| Public consultation on the draft Code of Conduct and Control for electronic games of skills on gaming machines.                                                                                                                            |      |      |      |      |     |      |      |      |      |      |      |      |
| Incorporation of the final revisions into the financial study on the fee and charges policy.                                                                                                                                               |      |      |      |      |     |      |      |      |      |      |      |      |
| Completion of the draft Code of Conduct and Control for electronic games of skills on gaming machines.                                                                                                                                     |      |      |      |      |     |      |      |      |      |      |      |      |
| Notification to the European Commission of the draft Code of Conduct and Control for electronic games of skills on gaming machines, according to the provisions of Directive 98/34/EC, for public consultation.                            |      |      |      |      |     |      |      |      |      |      |      |      |
| Approval of the revised financial study on the fee and charges policy and subsequent recommendation to the Minister of Finance.                                                                                                            |      |      |      |      |     |      |      |      |      |      |      |      |
| Recommendation of draft regulations to the Minister of Finance.                                                                                                                                                                            |      |      |      |      |     |      |      |      |      |      |      |      |

TABLE 1 (cont.)

| 2012 PROGRAMME REVIEW                                                                                                                          | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>INTERNATIONAL RELATIONS</b>                                                                                                                 |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC visits to counterpart gaming authorities and also to academic institutions specializing in gaming addiction.                               |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC registration with international gaming regulators' associations.                                                                           |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC participation in a conference organized by the European Commission and the European Parliament in Brussels and meetings with EC officials. |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC participation in the annual GREF conference in Portugal.                                                                                   |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC participation in the 9th European Conference on Gambling Studies and Policy Issues in Greece.                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC participation in the Eastern European Gaming Summit (EEGS) in Bulgaria.                                                                    |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC participation in the annual conference of the International Association of Gaming Regulators (IAGR) in Singapore.                          |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC participation in the Gaming Money Conference 2012: "New Landscape in the Greek Gaming Market", in Athens.                                  |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC in the EC Expert Group (DG Internal Market & Services) in Brussels.                                                                        |      |      |      |      |     |      |      |      |      |      |      |      |
| Development of a database of the International regulatory environment.                                                                         |      |      |      |      |     |      |      |      |      |      |      |      |

TABLE 1 (cont.)

| 2012 PROGRAMME REVIEW                                                                                                                       | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|---------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>ORGANIZATION AND OPERATION</b>                                                                                                           |      |      |      |      |     |      |      |      |      |      |      |      |
| <b>Infrastructure</b>                                                                                                                       |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation for relocation of the HGC to a State-owned property at 196-198, Thivon Avenue.                                                  |      |      |      |      |     |      |      |      |      |      |      |      |
| Refurbishment of HGC temporary premises at 25, Panepistimiou Street.                                                                        |      |      |      |      |     |      |      |      |      |      |      |      |
| Assessment of proposals for HGC relocation to alternative state-owned properties.                                                           |      |      |      |      |     |      |      |      |      |      |      |      |
| Investigation for possible free procurement for computer equipment, office equipment and vehicles.                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| Domain name reservation and publication procedures.                                                                                         |      |      |      |      |     |      |      |      |      |      |      |      |
| Procurement, installation and operation of initial computer hardware and software.                                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| Procurement of PCs, software and other electronic equipment through a simplified tender procedure.                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of a call for tender "IT System for the Management and Control of Operations and Certifications of Electronic Games of Skills". |      |      |      |      |     |      |      |      |      |      |      |      |
| Procurement of Payroll software, installation and parameterization.                                                                         |      |      |      |      |     |      |      |      |      |      |      |      |
| Procurement of General accounting software, installation and parameterization.                                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| Design and technical preparation of the HGC website.                                                                                        |      |      |      |      |     |      |      |      |      |      |      |      |

TABLE 1 (cont.)

| 2012 PROGRAMME REVIEW                                                                             | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|---------------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| <b>Organization and management</b>                                                                |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC Commencement of operations - Prioritization.                                                  |      |      |      |      |     |      |      |      |      |      |      |      |
| 2012 Budget Preparation.                                                                          |      |      |      |      |     |      |      |      |      |      |      |      |
| 2012 Action Plan Preparation.                                                                     |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of the financial and management policies.                                             |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of a procurements plan and procurement procedures.                                    |      |      |      |      |     |      |      |      |      |      |      |      |
| Determination of HGC staff and officer transfer and travelling procedures.                        |      |      |      |      |     |      |      |      |      |      |      |      |
| Gradual staffing of the HGC through secondment.                                                   |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation and approval of HGC's internal policies, regulations, procedures.                     |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of a draft organizational structure and organizational chart.                         |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of the 2013-2015 Action Plan.                                                         |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of the HGC Budget for 2013.                                                           |      |      |      |      |     |      |      |      |      |      |      |      |
| Research study on the design of Quality Management Operational Procedures.                        |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of the documentation on Quality Management Operational Procedures.                    |      |      |      |      |     |      |      |      |      |      |      |      |
| Investigation and recording of the requirements of the Supervision and Control IT System (SCITS). |      |      |      |      |     |      |      |      |      |      |      |      |
| Set-up of a Project Management Team (PMT) for "CI@rity" Programme and HR training.                |      |      |      |      |     |      |      |      |      |      |      |      |

TABLE 1 (cont.)

| 2012 PROGRAMME REVIEW                                                                    | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEP. | OCT. | NOV. | DEC. |
|------------------------------------------------------------------------------------------|------|------|------|------|-----|------|------|------|------|------|------|------|
| HR training on accounting and payroll software applications.                             |      |      |      |      |     |      |      |      |      |      |      |      |
| Design and initial implementation of the Internal Operational Process Management System. |      |      |      |      |     |      |      |      |      |      |      |      |
| Parameterization of the Documentation Management System for Small Business.              |      |      |      |      |     |      |      |      |      |      |      |      |
| Set-up of an electronic signature system for electronic documentation.                   |      |      |      |      |     |      |      |      |      |      |      |      |
| Email installation, management and support.                                              |      |      |      |      |     |      |      |      |      |      |      |      |
| Regulatory framework codification.                                                       |      |      |      |      |     |      |      |      |      |      |      |      |
| HGC registration with legal databases.                                                   |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of simplified call for tender procedures                                     |      |      |      |      |     |      |      |      |      |      |      |      |
| Preparation of contractual agreements.                                                   |      |      |      |      |     |      |      |      |      |      |      |      |
| Legislative proposal with respect to the HGC legal structure.                            |      |      |      |      |     |      |      |      |      |      |      |      |



: Implementation period



: Months in which the HGC did not commence operations

**TABLE 2**  
**2013-2015 Action Plan**

TABLE 2

| 2013-2015 ACTION PLAN     |                                                                                                   | STRATEGIC GOALS (SG) |     |     |     | 2012 | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   |
|---------------------------|---------------------------------------------------------------------------------------------------|----------------------|-----|-----|-----|------|------|---|---|---|------|---|---|---|------|---|---|---|
| OPERATIONAL PRIORITY (OP) |                                                                                                   | SG1                  | SG2 | SG3 | SG4 |      | A    | B | C | D | A    | B | C | D | A    | B | C | D |
| DESCRIPTION               | <b>OP1: Development and implementation of a legislative framework on gaming</b>                   |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for electronic games of skills on gaming machines. | X                    |     |     |     | √    | √    | √ |   |   |      |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for games of skills played online.                 | X                    |     |     |     |      |      |   |   |   | √    | √ | √ |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for online gambling.                               | X                    |     |     |     |      |      |   | √ | √ | √    |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for VLT-hosted gambling.                           | X                    |     |     |     | √    | √    | √ |   |   |      |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for games operated by OPAP SA.                     | X                    |     |     |     |      |      |   | √ | √ | √    | √ |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for mutual gain horserace betting.                 | X                    |     |     |     |      | √    | √ | √ |   |      |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for State Lotteries operated gambling.             | X                    |     |     |     | √    |      |   |   |   |      |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for gambling on the radio/television.              | X                    |     |     |     |      | √    | √ | √ |   |      |   |   |   |      |   |   |   |
| CCCG                      | Preparation of the Code of Conduct and Control for casino-operated gambling.                      | X                    |     |     |     |      |      |   |   |   |      | √ | √ | √ |      |   |   |   |
|                           | Review of the regulatory framework on gaming.                                                     | X                    | X   | X   |     | √    | √    | √ |   | √ | √    |   |   |   | √    | √ |   |   |
| CCCG                      | Preparation of a code on gaming sanctions (per game).                                             |                      | X   | X   |     |      |      | √ | √ | √ | √    |   |   |   |      |   |   |   |
| CCCG                      | Preparation of a code on commercial communication.                                                | X                    | X   | X   |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
|                           | <b>OP2: Licensing of gaming operations</b>                                                        |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
|                           | Licensing of gaming operations of electronic games of skills on gaming machines.                  | X                    | X   | X   |     |      |      | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Licensing of online gambling operations.                                                          | X                    | X   | X   |     |      |      |   |   |   |      | √ | √ | √ | √    | √ | √ | √ |
|                           | Licensing of gambling operations on radio/television.                                             | X                    | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |

TABLE 2 (cont.)

| 2013-2015 ACTION PLAN     |                                                                                            | STRATEGIC GOALS (SG) |     |     |     | 2012 | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   |
|---------------------------|--------------------------------------------------------------------------------------------|----------------------|-----|-----|-----|------|------|---|---|---|------|---|---|---|------|---|---|---|
| OPERATIONAL PRIORITY (OP) |                                                                                            | SG1                  | SG2 | SG3 | SG4 |      | A    | B | C | D | A    | B | C | D | A    | B | C | D |
|                           | <b>OP3: Issue of certifications</b>                                                        |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
|                           | Certification of electronic games of skills.                                               | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of VLT-hosted games of chance.                                               | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of casino-operated games of chance and related gaming machines.              | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of games of chance on radio/television.                                      | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of gaming machines for electronic games of skills.                           | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of VLT-type gaming machines.                                                 | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of gaming facilities offering electronic games of skills on gaming machines. | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of facilities offering VLT-hosted gambling.                                  | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of manufacturers of games of chance and gaming machines.                     | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of importers of games of chance and gaming machines.                         | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of electronic games of skills and gaming machines.                           | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Certification of games of chance and gaming machines.                                      | X                    | X   | X   |     |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |

TABLE 2 (cont.)

| 2013-2015 ACTION PLAN     |                                                                                                                                              | STRATEGIC GOALS (SG) |     |     |     | 2012 | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----|-----|-----|------|------|---|---|---|------|---|---|---|------|---|---|---|
| OPERATIONAL PRIORITY (OP) |                                                                                                                                              | SG1                  | SG2 | SG3 | SG4 |      | A    | B | C | D | A    | B | C | D | A    | B | C | D |
|                           | <b>OP4: Development and implementation of compliance procedures for the gaming market</b>                                                    |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for games of skills on gaming machines.                                                       | X                    | X   |     |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for online games of chance.                                                                   | X                    | X   |     |     |      |      | √ |   |   | √    |   |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for games of chance on gaming machines.                                                       | X                    | X   |     |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for OPAP-operated games "Pame Stoixima" and "PROPO" as well as mutual gain horserace betting. | X                    | X   |     |     |      |      |   | √ |   |      | √ |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for other OPAP operated games of chance as well as for State Lotteries gambling.              | X                    | X   |     |     |      |      |   | √ |   |      | √ |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for casino-operated games of chance.                                                          | X                    | X   |     |     |      |      |   |   |   |      |   |   | √ |      |   |   |   |
|                           | Preparation of the compliance procedures guide for games of chance on the radio/television.                                                  | X                    | X   |     |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
|                           | Preparation of the compliance procedures guide for commercial communication.                                                                 | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| CCCG                      | Staffing of the gaming inspectors registry.                                                                                                  |                      | X   | X   |     |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
|                           | Performance of controls on online games of chance.                                                                                           |                      | X   | X   |     |      |      | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on games of chance operated by OPAP SA.                                                                              |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on State Lotteries gambling.                                                                                         |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on mutual gain horserace betting.                                                                                    |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on casino-operated games of chance.                                                                                  |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on VLT-hosted games of chance.                                                                                       |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on games of chance on radio/television.                                                                              |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on games of skills on gaming machines.                                                                               |                      | X   | X   |     |      |      |   | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on compliance with commercial communication regulations.                                                             | X                    | X   | X   |     |      |      | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Performance of controls on online games of skills.                                                                                           |                      | X   | X   |     |      |      |   |   |   |      |   | √ | √ | √    | √ | √ | √ |

TABLE 2 (cont.)

| 2013-2015 ACTION PLAN     |                                                                                                                          | STRATEGIC GOALS (SG) |     |     |     | 2012 | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------|-----|-----|-----|------|------|---|---|---|------|---|---|---|------|---|---|---|
| OPERATIONAL PRIORITY (OP) |                                                                                                                          | SG1                  | SG2 | SG3 | SG4 |      | A    | B | C | D | A    | B | C | D | A    | B | C | D |
|                           | <b>OP5: Development of an action plan for protecting the society and vulnerable groups</b>                               |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
|                           | Undertake a national gaming addiction prevalence study.                                                                  |                      |     | X   |     |      |      |   | √ | √ | √    |   |   |   |      |   |   |   |
|                           | Development of an online interactive application to raise awareness for responsible gaming.                              |                      |     | X   |     |      |      |   |   |   | √    | √ |   |   |      |   |   |   |
|                           | Preparation of a code of ethics for minors and responsible gaming.                                                       |                      |     | X   |     |      |      |   |   |   | √    |   |   |   |      |   |   |   |
|                           | Cooperation with other agencies to protect the public interest and combat gaming addiction.                              |                      |     | X   |     | √    | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Start up of activities for the prevention and combatting of gaming addiction.                                            |                      |     | X   |     |      |      |   |   |   | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | Design and implementation of specialized training (per target group and training need), as per OP objectives.            |                      |     | X   |     |      |      |   |   |   |      |   | √ | √ | √    | √ | √ | √ |
|                           | Public awareness campaigns and mobilization of the general public, as per OP objectives.                                 |                      |     | X   |     |      |      |   |   |   | √    | √ | √ | √ | √    | √ | √ | √ |
|                           | <b>OP6: Development and implementation of the HGC operational framework</b>                                              |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
| O                         | Preparation of the HGC organizational structure and organizational chart.                                                |                      |     |     | X   | √    |      | √ |   |   |      |   |   |   |      |   |   |   |
| O                         | Preparation of the financial and management regulatory framework.                                                        |                      |     |     | X   | √    |      | √ | √ |   |      |   |   |   |      |   |   |   |
| O                         | Preparation of the regulatory framework for the procurement of goods and services and the execution of lease agreements. |                      |     |     | X   | √    |      | √ | √ |   |      |   |   |   |      |   |   |   |
| O                         | Preparation the regulatory framework for studies and projects.                                                           |                      |     |     | X   |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
| O                         | Preparation of the travelling procedure.                                                                                 |                      |     |     | X   |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
| O                         | Preparation of the internal regulations and procedures for staff.                                                        |                      |     |     | X   |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
|                           | Preparation of the Code of Ethics for HGC members and staff.                                                             |                      |     |     | X   |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
|                           | Codification of the gaming legislation.                                                                                  |                      |     |     | X   |      |      |   |   |   | √    | √ | √ |   |      |   |   |   |

TABLE 2 (cont.)

| 2013-2015 ACTION PLAN                                             |                                                                                                                                    |   |   |   |   | 2012 | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|------|------|---|---|---|------|---|---|---|------|---|---|---|
| OPERATIONAL PRIORITY (OP)                                         |                                                                                                                                    |   |   |   |   |      | A    | B | C | D | A    | B | C | D | A    | B | C | D |
| <b>OP7: Development of HGC organization and operation systems</b> |                                                                                                                                    |   |   |   |   |      |      |   |   |   |      |   |   |   |      |   |   |   |
|                                                                   | Development of a staff evaluation, remuneration and reward system.                                                                 |   |   |   | X |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
|                                                                   | Development of the HGC drafting and monitoring system for strategic and operational planning.                                      |   |   |   | X |      |      | √ | √ |   |      |   |   |   |      |   |   |   |
|                                                                   | Development of the HGC drafting system for annual budgets and annual reports.                                                      |   |   |   | X |      |      | √ |   |   |      |   |   |   |      |   |   |   |
|                                                                   | Development of a HGC internal and external e-communication systems.                                                                |   | X | X | X |      |      |   | √ | √ |      |   |   |   |      |   |   |   |
|                                                                   | Development of a quality management system (ISO).                                                                                  |   |   |   | X |      |      |   |   | √ | √    |   |   |   |      |   |   |   |
|                                                                   | Development of a system for the recording and monitoring of international regulatory environment.                                  |   |   |   | X | √    | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                                                                   | HR education and training systems: analysis of needs.                                                                              | X | X | X | X |      |      |   | √ | √ |      |   | √ | √ |      |   | √ | √ |
|                                                                   | HR education and training systems: design and implementation of actions.                                                           | X | X | X | X |      |      |   |   | √ | √    |   |   | √ | √    |   |   | √ |
|                                                                   | Development of a system for the monitoring and management of the financial and physical scope of training and HGC briefing events. |   |   |   | X |      |      |   | √ | √ |      |   |   |   |      |   |   |   |
|                                                                   | HGC communication programme.                                                                                                       | X | X | X | X |      | √    | √ | √ | √ | √    | √ | √ | √ | √    | √ | √ | √ |
|                                                                   | Establishment of a data collection and processing center (data center).                                                            |   | X | X | X |      |      |   |   | √ | √    | √ | √ | √ | √    |   |   |   |
|                                                                   | Development of an IT system to support licensing, certification and compliance procedures and keep relevant records.               | X | X |   | X |      |      | √ | √ | √ | √    |   |   |   |      |   |   |   |
|                                                                   | Procurement of information and telecommunication equipment.                                                                        |   |   |   | X | √    |      | √ | √ |   |      | √ | √ |   |      |   |   |   |
|                                                                   | Procurement of office equipment.                                                                                                   |   |   |   | X | √    |      | √ | √ |   |      | √ | √ |   |      |   |   |   |
|                                                                   | Development of Supervision and Control IT System (SCITS).                                                                          |   | X | X | X |      |      | √ | √ | √ | √    | √ | √ | √ | √    |   |   |   |
|                                                                   | HGC accommodation to be completed.                                                                                                 |   |   |   | X | √    | √    | √ |   |   |      |   |   |   |      |   |   |   |
|                                                                   | HGC staffing.                                                                                                                      |   |   |   | X | √    |      | √ | √ |   |      | √ | √ |   |      |   |   |   |

**TABLE 3**

**Undertaking of Duties – Schedule implementation**

TABLE 3

**SCHEDULE IMPLEMENTATION**

|                                                                                                       | STRATEGIC GOALS (SG) |     |     |     | 2012 | 2013 |   |   |   | 2014 |   |   |   | 2015 |   |   |   |
|-------------------------------------------------------------------------------------------------------|----------------------|-----|-----|-----|------|------|---|---|---|------|---|---|---|------|---|---|---|
|                                                                                                       | SG1                  | SG2 | SG3 | SG4 |      | A    | B | C | D | A    | B | C | D | A    | B | C | D |
| <b>Undertaking of regulatory and control duties:</b>                                                  |                      |     |     |     |      |      |   |   |   |      |   |   |   |      |   |   |   |
| Electronic games of skills on gaming machines.                                                        | X                    | X   | X   |     | √    |      |   |   |   |      |   |   |   |      |   |   |   |
| Electronic games of skills played online.                                                             | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| VLT-hosted gambling.                                                                                  | X                    | X   | X   |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
| Games operated by OPAP SA.                                                                            | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| Mutual gain horserace betting.                                                                        | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| State Lotteries gambling.                                                                             | X                    | X   | X   |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
| Casino-operated games.                                                                                | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| Online gambling without a random number generator.                                                    | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| Online betting activities.                                                                            | X                    | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| Gambling on radio/television.                                                                         | X                    | X   | X   |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
| Enforcement of sanctions for unauthorized operation of electronic games of skills on gaming machines. |                      | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| Enforcement of sanctions for unauthorized online gambling activities.                                 |                      | X   | X   |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |
| Enforcement of sanctions for unauthorized gambling through gaming machines.                           |                      | X   | X   |     |      |      |   | √ |   |      |   |   |   |      |   |   |   |
| Enforcement of sanctions for unauthorized gambling on radio/television.                               |                      | X   | X   |     |      |      | √ |   |   |      |   |   |   |      |   |   |   |

√ : Schedule Implementation