

ANNUAL ACTIVITY REPORT 2014

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The entire staff of the HGC has worked
to prepare the Activity Report for the year 2014.

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<http://www.gamingcommission.gov.gr>

An introduction by the President of the HGC

It was in 2011, when the Government invited nine people and asked them to undertake the task of organizing the HGC, which remained a dead letter, from 2004 already, and had never really started to exist or operate.

There were several reasons why the need to have an operational regulatory authority in the field of gaming was made clear at that point in time. First of all, there was a need to address the situation created in the amusement gaming market after the complete ban imposed by Law 3037/2002, which was keeping the market closed, leading to Greece's conviction by the European Court of Justice; the latter had ordered a daily penalty payment of 32,000 euros for each day the market remained closed. In 2011 we had already paid 36 million euros. A second reason were the planned privatizations in the gambling sector, i.e. the sale of shares being held by the Hellenic Republic in OPAP S.A., as well as the concession of its exclusive rights in State Lotteries and mutual betting on horse racing. These privatizations would put the market in private hands; thus, the need for a regulatory authority to undertake supervision and inspect compliance was made imperative.

To that end, a new public body had to be created from scratch, amidst the economic crisis. An authority that would actually have to take up the duty of regulating and inspecting compliance in a very peculiar and harsh market, that of games, especially games of chance. Until that time, games of chance had been segregated into many parallel markets in terms of state supervision - probably as a result of historical inertia. For that reason, casinos were supervised by the Ministry of Tourism (because they had started under the National Tourism Organization), OPAP S.A. and ODIE S.A. by the Ministry of Culture (because they were related to sports) and the State Lotteries by the Ministry of Finance (because this Ministry has been issuing the State Lotteries since 1874, the first official lottery being the "Lottery of the Friends of the Antiquities", succeeded by the "Lottery of the National Fleet", later, in 1905). The newly formed HGC would, therefore, not only have to establish itself as a regulatory authority, but it would also have to create a single gambling market, for the first time in Greece, bringing the various separate parts of this industry together under its umbrella as a supervisor.

The challenge was to manage to launch the new Authority, which, in and of itself, would help the market to operate under modern regulatory and control rules and would generate new public revenue as a result of the gradual development of new service sectors in the field of gambling, always having as a priority the protection of consumers, particularly minors and vulnerable groups.

Most people perceive gambling services as a form of entertainment. As long as they remain so, there is no problem, in principle. However, an excess of anything can harm. Moderation in all things. Even more so in gambling. This extremely delicate balance immediately becomes a problem when disturbed. Even worse, when one realizes what has happened, it is usually too late. It is not that everybody will have a problem, but no one knows whether he or she will be the one. In any case, whoever has this problem is in serious trouble.

I remember the first meetings of the Commission, which had to convene in the rooms offered by various public authorities, as it did not have its own offices. Then we set up our temporary offices in a rented apartment in Panepistimiou Ave. which we took for a symbolic amount. 16 people were immediately seconded from other public sector bodies to staff the Commission.

Hiring new staff would take a few months in normal times, but even this was inconceivable in that period. It was the time when a public debate about the temporary suspension and mobility of public sector employees was being held for the first time in Greece. The range of views put forward back then was between the two extremes of "having a few hundreds of thousands employees in excess" and "lacking a few tens of thousands employees". In my experience, this is due to the fact that very few public sector managers are patient and methodical enough to take some time and see what kind of human resources they have available, how they can allocate them efficiently, train them, give them a purpose and create some prospects and motivation for them. And it is almost chimerical to believe that prospects are created only by offering extra money. There are other things that matter more than money, i.e. job satisfaction, fair treatment, a sense of achievement, the feeling of belonging to a team sharing a common purpose and, finally, the level of self-esteem developed in this way.

This is why we decided to attempt an innovative staffing method for the new Authority, which was in reality the only viable alternative we had. We would only work with seconded staff. As a matter of fact, there were no gambling experts available on the private market and, if any, they were those working for the gambling service providers and the Greek State could not afford to pay their fees.

At its inception, the Commission was given a state grant of seven (7) million euros, as it would have, among others, to cover the salaries of the seconded staff. This grant was meant to be the last.

The HGC decided to operate on the basis of a series of general principles. As regards its administrative and financial operation, the following rules were adopted:

1. Maximum utilization of available resources: The HGC must make full use of all human resources already available to the Greek State before seeking to acquire extra ones, so as to avoid increased costs both for the HGC and the State as a whole.
2. Effective utilization of resources: The HGC must acquire and use resources only to the extent that these serve its needs and allow its smooth operation.
3. Cost-effective management: The HGC must make all reasonable efforts to always improve its Return on Investment ratio.
4. Ex-ante control: The HGC must seek to have ex-ante controls carried out to ensure the legality of its expenditure. To that effect, the HGC was put, at its own request, under prudential supervision by the Supreme Court of Audit.
5. Prioritization of actions: Given that the HGC is getting organised for the first time, it must prioritize its activities in such a way as to serve the public interest in the most efficient manner.
6. Effective response: The HGC must address all citizen requests as fast and thoroughly as possible, by considering them on the merits and avoiding bureaucracy.

Furthermore, as regards its regulatory duties, the following rules are also applied:

1. Proportionality: The HGC must only intervene if necessary. All measures adopted must be appropriate to prevent the risk they address and all costs for the regulated entity must be justified.
2. Accountability: The HGC must justify its decisions and be subject to public scrutiny.
3. Consistency: The HGC must lay down regulatory frameworks whose provisions and requirements are consistent with each other, and demonstrate impartiality in their enforcement.
4. Transparency: The HGC must be open about its actions; it must introduce simple, clear and straightforward regulatory frameworks which can be easily understood by the users.
5. Commitment: The HGC must be committed to resolving problems and minimize the negative impact that its decisions are likely to have.
6. Social responsibility and empathy: In order to ensure responsible gaming, the HGC must be aware of and familiar with the needs of the public at large and be in direct and open contact with the citizens, focusing primarily on vulnerable groups.

Nowadays, three years later, the HGC is based in one of the most modern and best-equipped buildings in Athens, at Acharnon Str, at Vathi Sq. It has 120 staff in the

central offices and 53 inspectors, who work in shifts at the various casinos across the country. Its budget is fully covered by the market it supervises and inspects and it has a positive balance. It has already collected and is ready to return the 7 million grant it received from the Greek State and, as things stand today, it will be producing a surplus of 3 million euros annually in the years to come. Following the regulations prepared by the Commission, the EU decided to withdraw the heavy financial penalty for amusement games and, actually, with a retrospective effect, as from December 2011, when the Commission Members were appointed. Thus, 5 million euros were reimbursed to the Greek State.

In these 3 years, the gaming legislation was reformed drastically with the introduction of eleven (11) important legislative acts, following the proposals of the HGC. Nowadays, a modern legislative framework is in place and, with a few more additions, it can be codified and become a solid basis for the operation of the market.

The regulatory functions of the HGC have evolved in a similar manner. Having started from an unknown territory, the HGC staff is now in a position to exhibit not only a remarkable work, but also a unique experience in the field.

Its inspection units have gone beyond their daily tasks and have organised a modern system of inspections, which is being gradually put into practice in order to ensure gaming integrity standards, consumer protection and public revenue. The change brought about by the legislation proposed by the HGC has made the gambling market probably the only market not owing money to the Greek State and regularly paying the installments for the settlement of its outstanding debts; this is revealing.

The administrative, financial and technical support units of the HGC have adopted state-of-the-art IT tools, which allow citizens to have an easy access to its services. They also cooperate with the Court of Audit for the proper and effective use of the resources that the HGC has available, so as to serve its public purpose.

At an executive level, the HGC is among the few public authorities that has been working right from the outset and until the end of 2015 on the basis of a comprehensive strategic plan and a detailed action plan. This plan is also the basis for its annual budget. In 2014, the rate of implementation of the projects programmed for that year was between 63% and 91%.

The challenges awaiting the HGC in the future are numerous and significant. A lot of work and effort will be needed. But nothing happens without work or effort.

I would like to thank both those Members of the Commission with whom we started this effort and the current ones, as well as former and current staff for their hard work and devotion to the tasks they had to fulfill. Without them the HGC would still be a

dead letter. Moreover, I would like to thank them for the trust they have placed on me, which I saw not only as an honour, but also as a huge responsibility.

I would equally like to extend my thanks to the various market actors, with whom I've cooperated in a strict manner but, as I see it, also in a spirit of fairness and impartiality.

I wish and hope for a future that will improve the present. As the young Spartans used to say: "We shall become much better than you". So be it.

The President of the HGC

Evgenios Giannakopoulos

Athens, Friday, 17th April 2015

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INTRODUCTION

The Activity Report of the HGC for the year 2014 consists of thirteen (13) chapters, laid out as follows:

Chapter 1 introduces the "Hellenic Gaming Commission", an independent administrative authority and, specifically, its mission, the regulatory and legislative framework underlying its activities, its operating rules and its organizational structure.

Chapter 2 introduces the gambling operators and the gaming services they provide and presents the financial figures of the gambling market in Greece.

Chapters 3, 4, 5, 6, 7 and 9 provide a detailed presentation of the work that the HGC has done to regulate the gaming market and inspect compliance of providers, as well as its work with regard to social responsibility, commercial communication, anti-money laundering action and cooperation between the HGC and other institutions.

Chapter 8 includes the recommendations made by the HGC to the State for the improvement of the legislative framework governing the gaming market in Greece.

Chapter 10 reports on the systems developed for the organization and operation of the HGC, as well as on the recruitment of staff, the training of its employees, communication issues and the development of the necessary infrastructure.

Chapter 11 presents the most important financial figures for the HGC, namely revenues and expenditure in 2014 and the budget for 2015.

Chapter 12 is a brief overview of the activities of the HGC Management.

Chapter 13 outlines the progress of the projects included in the Action Plan 2013-2015 per Operational Priority and presents in detail the Operational Plan of the HGC for the year 2015.

1. HELLENIC GAMING COMMISSION (HGC)

1.1 MISSION OF THE HGC

The mission of the HGC as a key regulator of the gaming market (games of chance and amusement games) is to ensure legality in gaming activities, to protect the interests

of players and the public at large, particularly of the minors and other vulnerable groups, and to monitor the state revenue collection process.

1.2 LEGAL FRAMEWORK OF OPERATION OF THE HGC

The HGC was originally set up in 2004 under Law 3229/2004 (GG Series A, No. 38). The law established an administrative authority under the name "Hellenic Gambling Commission" to take over the responsibilities to supervise and inspect games of chance, which rested with various other public bodies at that time. The Commission never took up duties or exercised its functions in its original form.

In 2011, by virtue of law 4002/2011 (GG Series A, No. 180), the Commission was renamed to "Hellenic Gaming Commission (HGC)" and was assigned additional powers relating to the supervision and compliance inspection of amusement games. The members of the HGC were appointed in late December 2011, while in February 2012 the Commission became an independent Public Authority under Law 4038/2012 (GG Series A, No. 14) and currently operates as such.

1.2.1 PRIMARY LAW

In terms of primary law, the functions of the HGC are governed by the following Laws (in order of enactment):

1. Law 3051/2002 (GG Series A, No. 220): "Independent Authorities established by the Constitution". The provisions of this law apply in addition to the special provisions governing the HGC.
2. Law 3229/2004 (GG Series A, No. 38), Chapter C, Articles 16 through 23: "Hellenic Gambling Commission and matters relating to the operation of Casinos".
3. Law 3634/2008 (GG Series A, No. 9), Article 23: "Amendments to Article 16 of Law 3229/2004 (GG Series A, No. 38)".
4. Law 3691/2008 (GG Series A, No. 166): "Prevention and suppression of money laundering and terrorist financing and other provisions", whereby the HGC is designated as the competent Authority, which is responsible for overseeing the practical implementation of the law by casino enterprises, casinos on vessels under the Greek flag, enterprises, organizations and other entities organizing or providing gambling services, as well as by the agencies.
5. Law 4002/2011 (GG, Series A, No. 180), Part D, Chapter H: "Regulation of the gaming market", Articles 25 through 54. The law assigned further powers to the

public Authority that had already been established in 2004, but remained inactive, and renamed it to "Hellenic Gaming Commission (HGC)". The HGC is now the Commission that is responsible for issuing licenses and certifications and supervising all sectors of the gaming industry.

6. Law 4021/2011 (GG Series A, No. 218), Article 52: "Amendments to Law 4002/2011". The amendment regulates various issues regarding the pricing policy of the concessionaires, the process of certification of the licensees for the installation and operation of OPAP S.A. gaming machines, the administrative fees for the participation in the licensing tender and other related issues.
7. 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. In 2012, Law 4038/2012 (GG Series A, No. 14) was passed, whereby the Hellenic Gaming Commission (HGC) retained its powers and duties, its name and registered office and became an independent Public Authority enjoying full administrative and financial independence and autonomy as per Law 3051/2002, without prejudice to the special provisions referring to the HGC.
8. Law 4141/2013 (GG Series A, No. 81), Chapter E: "Other provisions within the competence of the Ministry of Finance, articles 22 through 24. It regulated matters pertaining to the organization of the HGC, corrections and additions to the existing gaming provisions and other matters in relation to OPAP S.A.
9. Law 4182/2013 (GG Series A, No. 185) Chapter N: "Other provisions", article 92, whereby the HGC took over all the responsibilities of the Directorate of Casino Supervision of the Ministry of Tourism and the Casino Commission of Law 2206/1994 (GG Series A, No. 62).
10. Law 4209/2013 (GG Series A, No. 253): Under article 106 of the Law, various issues regarding the granting of special licenses by the HGC for gambling on broadcast and telecommunications media and other related issues are regulated.
11. Law 4182/2013 (GG Series A, No. 185), Article 92: "Matters related to the Central State Aid Unit of the Hellenic Gaming Commission (HGC)", whereby the HGC took over all the responsibilities of the Directorate of Casino Supervision of the Ministry of Tourism and the Casino Commission of Law 2206/1994 (GG Series A, No. 62).
12. Law 4223/2013 (GG Series A, No. 287), article 34, whereby various issues regarding the organizational structure of the HGC are regulated.

13. Law 4255/2014 (GG Series A, No. 89), Article 22, par. 3, defining the terms and method of payment of the share of the Greek State in the gross profit from games of chance operated by casino enterprises.
14. Law 4261/2014 (GG Series A, No. 107), article 173 "Rules governing Games of Chance".
15. Presidential Decree 31/2014 (GG Series A, No. 56): "Prudential supervision of the expenditure of the Independent Administrative Authority under the name "HELLENIC GAMING COMMISSION - HGC", according to which all categories of expenditure of the HGC were put under prudential supervision by the Supreme Court of Audit.

1.2.2 REGULATORY LEGISLATION

As regards regulatory legislation, the most important decisions on the operation of the HGC are:

1. Decision No. 55906/1673/2011 of the Minister of Finance (GG Series "YODD" No. 444): "Establishment of the Hellenic Gaming Commission and appointment of its members", as amended by Decision No. 07/590/2013 of the Minister of Finance (GG Series "YODD", No. 451), which determined the composition of the Hellenic Gaming Commission until 31/12/2013, and by Decision No. GDOP 0000031 EX 2014 (GG Series "YODD", No. 24) of the Minister of Finance, whereby the mandate of the HGC was renewed when the term of the members with a two-year mandate ended.
2. 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 "Confirmation of the Commencement of Operations of the Hellenic Gaming Commission (HGC)".
3. Decision No. 6/1/24.4.2012 (GG Series B, No. 1347) of the HGC, issued pursuant to par. 5 of Law 4002/2011 (GG Series A, No. 180), titled "Issues in the Organizational Regulation of the HGC pertaining to its financial management".
4. Decision No. 10/3/11-6-2012 (GG Series B No. 2066) of the HGC, as in force, issued pursuant to par. 5 of Law 4002/2011 (GG Series A, No. 180), titled "Regulation of matters pertaining to the internal operation of the Hellenic Gaming Commission", as amended by Decision No. 36/3/3-1-2013 (GG Series B, No. 6) of the HGC.
5. Decision No. 39/7/14.1.2013 (GG Series B No. 43) of the HGC, titled "Issues in the Organizational Regulation of the HGC pertaining to the leasing of property".

6. Decision No. 51/4/2/26.4.2013 (GG Series B No. 1330) of the HGC, titled "Regulation of matters included in the Travel Regulation of the HGC", whereby issues related to the official trips of employees and members of the HGC are regulated.
7. Decision No. 133/2/3.12.2014 (GG Series B No. 3508) of the HGC titled "Adoption of Regulation on the Organization, Operation and Structure of the Service Units of the Hellenic Gaming Commission". This decision replaced Decision No. 90/2/13.1.2014 (GG Series B No. 190) of the HGC on that issue, in order to allow the HGC to fulfil its responsibilities more effectively by adjusting its internal organizational structure to the new situation in the operation of the gaming market, i.e. the concession by the Greek State of its right to operate the State Lotteries, the transfer to the HGC of the responsibility to supervise and inspect compliance of casino enterprises and the launch of certifications in the field of electronic amusement games and VLT gaming machines.

1.3 POWERS AND DUTIES OF THE HGC

The HGC is responsible for regulating, supervising and inspecting compliance in the gaming market, protecting the players and the public at large, particularly minors and vulnerable groups, and monitoring the state revenue collection process.

There are two basic types of games: games of skill, which are played for amusement, without gain, and games of chance.

The primary responsibilities of the HGC are to prepare and issue the statutory regulatory provisions, issue the statutory licenses and certifications and inspect compliance regarding all aspects of the gaming industry (gaming machines, games, gaming facilities, persons involved).

The relevant inspections intended to ensure the legality of games; compliance with the rules on transparent, honest and fair gaming; sound economic management; due payment of winnings to players; due collection of State taxes and compliance with the terms of gambling licenses. Moreover, the HGC is responsible for laying down and implementing proper frameworks and measures for the protection of minors and other vulnerable groups and for the prevention of illegal gaming, fraud, money laundering and similar crimes.

Lastly, the HGC has been appointed as the competent Authority to enforce the applicable administrative penalties. As regards gambling, the HGC has competence in the games operated by OPAP S.A., HELLENIC LOTTERIES S.A., casino enterprises and

ODIE S.A., regardless of the gambling method (land-based, online, etc.). The HGC is also responsible for gambling on broadcast and telecommunications media.

Finally, the HGC licenses, certifies and inspects compliance in the field of electronic amusement games, in accordance with the applicable provisions.

1.4 GENERAL RULES GOVERNING THE OPERATION AND FUNCTIONS OF THE HGC

By virtue of Resolution No. 8/6/25-05-2012, the HGC adopted a set of general rules which should be governing the activities related to its operation and the execution of its regulatory functions.

1.4.1 GENERAL RULES APPLIED BY THE HGC AS REGARDS ITS OPERATION

The HGC applies the following general rules as regards its operation:

1. Maximum utilization of available resources: The HGC must make full use of all human resources already available to the Greek State before seeking to acquire extra ones, so as to avoid increased costs both for the HGC and the State as a whole.
2. Effective utilization of resources: The HGC must acquire and use resources only to the extent that these serve its needs and allow its smooth operation.
3. Cost-effective management: The HGC must make all reasonable efforts to always improve its Return on Investment ratio.
4. Ex-ante control: The HGC must seek to have ex-ante controls carried out to ensure the legality of its expenditure. To that effect, the HGC was put, at its own request, under prudential supervision by the Supreme Court of Audit.

THE GENERAL RULES APPLIED BY THE HGC AS REGARDS ITS OPERATION

- Maximum utilization of available resources
- Effective utilization of resources
- Cost-effective management
- Ex-ante control
- Prioritization of actions
- Effective response

5. Prioritization of actions: Given that the HGC is getting organised for the first time, it must prioritize its activities in such a way as to serve the public interest in the most efficient manner.
6. Effective response: The HGC must address all citizen requests as fast and thoroughly as possible, by considering them on the merits and avoiding bureaucracy.

1.4.2 GENERAL RULES APPLIED BY THE HGC AS REGARDS ITS REGULATORY FUNCTIONS

The HGC applies the following general rules as regards its regulatory functions:

1. Proportionality: The HGC must only intervene if necessary. All measures adopted must be appropriate to prevent the risk they address and all costs for the regulated entity must be justified.
2. Accountability: The HGC must justify its decisions and be subject to public scrutiny.
3. Consistency: The HGC must lay down regulatory frameworks whose provisions and requirements are consistent with each other, and demonstrate impartially in their enforcement.
4. Transparency: The HGC must be open about its actions; it must introduce simple, clear and straightforward regulatory frameworks which can be easily understood by the users.
5. Commitment: The HGC must be committed to resolving problems and minimize the negative impact that its decisions are likely to have.
6. Social responsibility and empathy: In order to ensure responsible gaming, the HGC must be aware of and familiar with the needs of the public at large and be in direct and open contact with the citizens, focusing primarily on vulnerable groups.

THE GENERAL RULES APPLIED BY THE HGC AS REGARDS ITS REGULATORY FUNCTIONS

- Proportionality
- Accountability
- Consistency
- Transparency
- Commitment
- Social responsibility and empathy

1.5 COMPOSITION OF THE HGC

By virtue of Decision No. 55906/1673/2011 of the Minister of Finance (GG Series "YODD" No. 444): "Establishment of the Hellenic Gaming Commission and appointment of its members", as amended by Decision No. 07/590/2013 of the Minister of Finance (GG Series "YODD", No. 451), the composition of the Hellenic Gaming Commission until 31/12/2013 was as follows:

- 1) Evgenios Giannakopoulos, Attorney at Law, President of the HGC (for a four-year term).
- 2) Konstandinos Katsoudas, Attorney at Law, Member of the HGC (for a four-year term).
- 3) Panagiotis Perakis, Attorney at Law, Member of the HGC (for a four-year term).
- 4) Ioannis Charalampidis, Assistant Professor of e-Governance Information Systems at the University of the Aegean, Member of the HGC (for a four-year term).
- 5) Elissavet Tsaliki, Assistant Professor at the Department of Communication and Media, National Kapodistrian University of Athens, Member of the HGC (for a four-year term).
- 6) Athanasios Droulias, Attorney at Law, Member of the HGC (for a two-year term).
- 7) Nikolaos Karaoulis, retired Hellenic Police Force Brigadier, Member of the HGC (for a two-year term).
- 8) Maria Kostopoulou, Attorney at Law, Member of the HGC (for a two-year term).
- 9) Argyro Papadaki, Mechanical Engineer, National Technical University of Athens, Member of the HGC (for a two-year term).

Later on, when the term of the members with a two-year mandate ended, Decision No. GDOP 0000031 EX 2014 (GG Series "YODD", No. 24) of the Minister of Finance was issued, whereby the mandate of the HGC was renewed and the following members were appointed:

- 1) Ioannis Dandoulakis, International Policy Analyst, Member of the HGC.
- 2) Dimitra Malliou-Andritsopoulou, Teacher, Member of the HGC.
- 3) Gerasimoula Chalioti, Teacher, Member of the HGC.
- 4) Maria Kostopoulou, Attorney at Law, Member of the HGC.

1.6 ORGANIZATIONAL STRUCTURE OF THE HGC

Decision No. 133/2/03.12.2014 (GG Series B, No. 3508) of the HGC approved the Rules on the Organization, Operation and Structure of its Service Units.

According to the above decision, the organizational structure of the HGC is outlined as follows:

1.6.1 THE PRESIDENT OF THE HGC

The President of the HGC, who is designated by the applicable law as the person who has the overall responsibility to manage and oversee the HGC, exercises all his powers to execute these responsibilities. The President represents the HGC in court and out-of-court and can hire lawyers who are experts in Supreme Court cases to provide legal assistance and handle judicial and extra-judicial cases and/or provide advice or expert opinions, he coordinates and guides the various Services of the HGC, he supervises and oversees the execution of the HGC decisions, he is the administrative and disciplinary supervisor of the employees, he convenes the Administrative and Disciplinary Board as laid down in the law and exercises the duties assigned to him by the HGC in accordance with the applicable provisions.

The following service units report directly to the President of the HGC:

1. The Legal Counsel Office

The Legal Counsel Office is responsible for providing legal assistance to the HGC in judicial and extra-judicial matters, as well as providing the necessary legal advice in each case and informing the Service Units about the provisions of law and case-law that are related to the issues falling under their responsibility. It is responsible for appearing before the court or any Authority to carry out the necessary procedures for the legal and judicial assistance to the HGC. It also drafts and checks all kinds of agreements, contracts and declarations issued by the HGC, it follows up draft legislation and draft regulation issued as delegated acts and related to the scope and activities of the HGC and it works on the relevant proposals.

2. The HGC Secretariat

The Secretariat of the HGC is responsible for keeping exact and true minutes of the decisions of the HGC and for keeping the records which prove that the Internal Rules of Procedure are followed. It prepares the items on the agenda for the HGC meetings in cooperation with the Service Units involved in the issues examined, it

drafts and communicates the meeting agenda to the Members of the HGC, it keeps the minutes of the meetings and edits them before issuing them.

3. The President's Office

The President's Office supports the President in the fulfillment of his responsibilities. It ensures that the President receives the necessary secretarial and administrative support and it is responsible for handling special internal issues of the HGC assigned to it by order of the President. It is also responsible for planning and implementing the public communications policy of the HGC, it drafts and circulates Press Releases to the Media and ensures the proper use of the trademark and symbols of the HGC. Finally, it considers and evaluates the proposals submitted to the HGC for its participation in conferences, exhibitions and other events as a guest or co-organizer.

4. The AML Office

The AML Office is responsible for issues related to the security of the HGC and its responsibilities as the competent authority for the fight against money laundering and terrorism financing in the gaming market. In this context, it cooperates with the competent police and law-enforcement services, authorities and bodies in Greece and abroad, in order to retrieve and transmit information, it collects, processes, analyses, evaluates and compiles crime-related information, data and complaints about crimes committed through the gaming industry and it cooperates with the equivalent departments of foreign authorities or international organizations to exchange experience and know-how.

1.6.2 THE DIRECTORATES OF THE HGC

The Directorates of the HGC are:

1. The Directorate of Planning and Research

The Directorate of Planning and Research is responsible for drafting the Action Plan of the HGC following the general principles put forward by the HGC, which also approves the Plan. In addition, the Directorate is responsible for monitoring and evaluating the extent to which the objectives of the actions included in the Actions Plan have been achieved, drafting and monitoring the execution of the budget, proposing and establishing standards and inspecting compliance with these standards, as well as developing and managing the content of the HGC website. Furthermore, the Directorate performs the studies and surveys prescribed by the objectives and responsibilities of the HGC, with the exception of

the studies examining problem gambling, the protection of minors and Responsible Gaming.

The Directorate is organised into two (2) Departments, as follows:

- The Department of Planning
- The Department of Research and Quality Systems

2. The Directorate of Regulation and Social Responsibility

The Directorate of Regulation and Social Responsibility is responsible for drafting the regulatory framework governing the operation and compliance inspection of all kinds of games, and for issuing the licenses and certifications laid down in the law. Moreover, the Directorate is responsible for cooperating with various institutional bodies in Greece and abroad on matters lying in the realm of responsibilities of the HGC, and for planning and carrying out policies on problem gambling, the protection of minors and Responsible Gaming. When necessary, the Directorate also participates in the drafting of the Gaming Regulation so as to tackle the issues related to the responsibilities of the HGC.

The Directorate is organised into four (4) Departments, as follows:

- The Department of Betting and Lottery Games.
- The Department of Casinos and Gaming Machines.
- The Department of Amusement Games,
- The Department of Social Responsibility and Cooperation.

3. The Directorate of Audit and Compliance of Exclusive Rights Gaming Providers

The Directorate of Audit and Compliance of Exclusive Rights Gaming Providers is responsible for inspecting compliance with the applicable legislative and regulatory framework and the special terms and conditions governing the licensing and operation of gaming service providers who have been granted the authority to manage the rights of the Greek State on an exclusive basis. The Directorate submits proposals that promote a more effective operation of its field of responsibility and, when necessary, participates in the drafting of the Gaming Regulation, for the issues related to its responsibilities.

The Directorate is organised into four (4) Departments, as follows:

- The Department of Betting and Games of Chance.
- The Department of Gaming Machines.
- The Department of State Lotteries.
- The Department of Management of the Inspectors' Register.

4. The Directorate of Audit and Other Gaming Providers

The Directorate of Audit and Other Gaming Providers is responsible for inspecting compliance with the applicable legislative and regulatory framework and the special terms and conditions governing the licensing and operation of gaming service providers who have been granted the authority to operate under a limited or full license, such as casino enterprises, electronic amusement games, remote games and any other kind of game falling under the responsibility of the Directorate of Audit and Compliance of Exclusive Rights Gaming Providers. The Directorate submits proposals that promote a more effective operation of its field of responsibility and, when necessary, participates in the drafting of the Gaming Regulation, for the issues related to its responsibilities.

The Directorate is organised into three (3) Departments, as follows:

- The Department of Casinos.
- The Department of Other Games of Chance.
- The Department of Electronic Amusement Games.

5. The Information and Technology Directorate

The Information and Technology Directorate is responsible for supporting the HGC in fulfilling its activities with the use of computer technologies, electronic transaction tools and telecommunication networks, it develops, secures and upgrades IT systems, maintains the HGC databases and ensures that an up-to-date technology is being used. In addition, it is responsible for the maintenance and smooth operation of the buildings and electromechanical equipment used by the HGC, as well as the execution of the relevant infrastructure works. The Directorate is responsible for keeping a personal data record for the HGC, computerising its systems and ensuring secrecy in accordance with the applicable provisions.

The Directorate is organised into three (3) Departments, as follows:

- The Department of Systems Planning and Development.
- The Department of Systems Operation and Support.
- The Department of IT Systems Security and Data Protection.

6. The Directorate for Financial and Administrative Affairs

The Directorate for Financial and Administrative Affairs is responsible for planning, implementing and supporting the financial, administrative and management procedures required for the operation of the HGC. It monitors revenue and expenditure, as well as property issues on the basis of the approved budget; it prepares the balance sheet and the financial statements and it deals with accounting and cash management. It is responsible for developing human

resources, as well as for hiring and dismissing staff, for their status of employment and evaluation, and for the administrative support of the service units. Furthermore, it plans and carries out the necessary general procurements.

The Directorate is organised into four (4) Departments, as follows:

- The Financial Department.
- The Administrative Department.
- The Procurement and Supplies Management Department.
- The Central Register and Documents Department.

2. AN OVERVIEW OF THE GREEK GAMBLING MARKET

2.1 GAMBLING OPERATORS AND GAMES OF CHANCE

Games of chance are operated in Greece by:

1. The Greek Organization of Football Prognostics (OPAP S.A.), which operates most gambling games.
2. Nine (9) casino enterprises, carrying out operations in various parts of the country.
3. The company "Hellenic Lotteries S.A.", which operates the State Lotteries as from 1st May 2014.
4. The Hellenic Horse Racing Organization S.A. ("ODIE S.A."), which is responsible for mutual betting on horse racing.
5. The twenty-four (24) undertakings providing online gambling and betting services which are subject to the transitional regime of paragraph 12, Article 50 of Law 4002/2011 (GG Series A, No. 180).

2.1.1 "THE GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A." (OPAP S.A.)

OPAP SA was established in 1958 as a legal entity of public law. In 1999 it became a public limited company under the trade name OPAP S.A. In October 2013, the privatization of OPAP S.A. was completed with the sale of 33% of its share capital, i.e. the share belonging to the Greek State.

OPAP S.A. has the exclusive rights for a series of gambling and betting services of pre-defined or non pre-defined yield and provides these services through a network of 4,739 agencies¹.

The exclusive rights to carry out the gaming services provided by OPAP SA were granted 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 for all games apart from online betting.

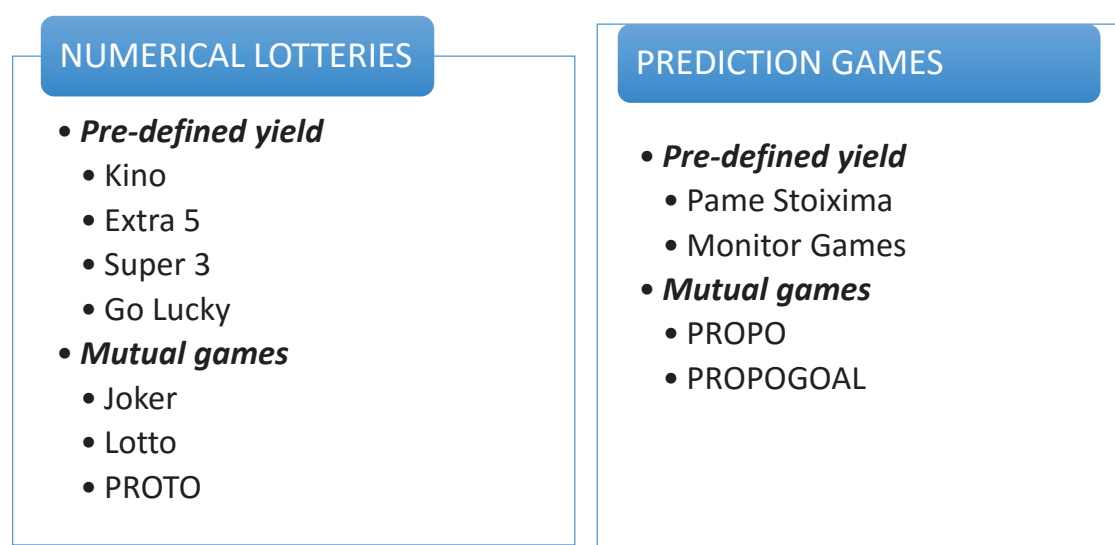
By virtue of the provisions and conditions set out in articles 39 et seq. of Law 4002/2011 (GG Series A, No. 180), as amended and in force, the company was granted

¹ Information taken from the website of OPAP S.A. (15.04.2015), <http://www.opap.gr/el/web/corporate.opap.gr/newretailpage>

a license to install and operate 35,000 gaming machines for land-based gambling (through its agencies). According to the above provisions, 16,500 of those gaming machines will be installed and operated by OPAP S.A. itself, while the remaining 18,500 will be operated by 4 to 10 concessionaires, who will be declared the highest bidders in an international tender launched by OPAP S.A.

OPAP S.A. currently operates various categories of games of chance, some depending exclusively on luck and others on the ability to predict, some being mutual games and others games of fixed (pre-defined) yield.

The categories of games are:



The permanent staff employed by OPAP S.A. on 31.12.2013 was 181 people and 604 people on 31.12.2014².

² Source: OPAP S.A. - Annual Financial Report for the Year 2014

2.1.2 CASINO ENTERPRISES

In Greece nine (9) out of the ten (10) licensed casino enterprises are currently operative and they are allowed to operate gambling games, in accordance with the provisions of Law 2206/1994 (GG Series A, No. 62). Casinos are exempted from the applicable laws on trading hours and are allowed to operate throughout the year and freely determine their opening hours.

The nine (9) casino enterprises which are currently running are listed below in alphabetical order:

•AEGEAN CASINO S.A. AEGEAN CASINO 	•THEROS INTERNATIONAL GAMING INC ACHAIA CASINO 	•REGENCY ENTERTAINMENT S.A. CASINO OF THESSALONIKI 
•VIVERE ENTERTAINMENT COMMERCIAL AND HOLDINGS S.A. THRACE CASINO 	•GREEK CASINO OF CORFU S.A. CASINO OF CORFU 	•JOINT VENTURE TOURISTIKI LOUTRAKIOU S.A. OTA - LOUTRAKI S.A. - CLUB HOTEL LOUTRAKI S.A. - TOURISM AND HOTEL ENTERPRISES S.A. CASINO OF LOUTRAKI 
•GREEK CASINO OF PARNITHA S.A. CASINO OF PARNITHA 	•PORTO CARRAS TOURIST TECHNICAL INDUSTRIAL S.A. PORTO CARRAS CASINO 	•RODOS CASINO HOTEL TOURISM BUILDING S.A. RHODES CASINO 

The casino premises consist of the gaming areas, i.e. the main halls where the casino gaming equipment is installed and operates, and the accessory use areas, which are used for the other services offered in the casinos (restaurants, bars, etc.)

The games played in the casinos are:

CASINO GAMES

- Black Jack or "21".
- American Roulette and French Roulette.
- Banco - Punto.
- Baccarat - Chemin de fer.
- American craps.
- Greek craps.
- Poker (Poker and several variations of Poker: Casino Stud Poker, 5 Card Stud, 7 Card Stud, Omaha, Texas Hold'em or Hold'em).
- Electronic games of chance on slot machines.
- Electronic Roulette.
- Any other game for which a license has been issued.

The casino enterprises employed three thousand two hundred and ninety-nine (3,299) people in total in December 2014, as opposed to three thousand seven hundred and seventy-three (3,773) employees in December 2013.

As far as gaming equipment is concerned, the nine (9) casino enterprises have a license to install 590 gambling tables and up to 5,863 gambling machines in total³; 362 tables and 3,498 machines were installed and operated in December 2014⁴. The games played on gambling tables are: American Roulette and French Roulette, Baccarat and Chemin de fer and various variations of the latter, Black Jack, Poker and various variations of the latter, Banco-Punto and various variations of the latter, as well as Craps, while the gambling machines used include Electronic Roulettes, Electronic

³ In accordance with the relevant operating license, as amended and in force.

⁴ In accordance with the latest approval decisions of the HGC for the restructuring of casino premises.

Roulette Terminals and Stand-alone Slot machines. In general, the installed equipment that was operating was reduced by 115 items in December 2014 as compared to December 2013. In particular, tables were reduced by 47 items and Slot machines by 113 items, while Electronic Roulettes increased by 6 items and Electronic Roulette Terminals by 59 items.

In 2014, 59.82% of the overall licensed equipment was being used by the casino enterprises. Specifically, the rate of use of tables was reduced by 7.96% in the above period, whereas the equivalent rates for Electronic Roulettes and their terminals increased by 14.63% and 59.82% respectively.

CASINO GAMBLING EQUIPMENT	RATE OF USE OF LICENSED GAMING EQUIPMENT DECEMBER 2013	RATE OF USE OF LICENSED GAMING EQUIPMENT DECEMBER 2014	MODIFICATION OF RATE OF USE OF LICENSED GAMING EQUIPMENT DECEMBER 2013 - 2014
GRAND TOTAL	61.60%	59.82%	-1.78%
Tables	69.32%	61.36%	-7.96%
Electronic roulettes	24.39%	39.02%	14.63%
Electronic roulette terminals	33.16%	48.81%	15.65%
Slot machines	63.01%	60.57%	-2.44%

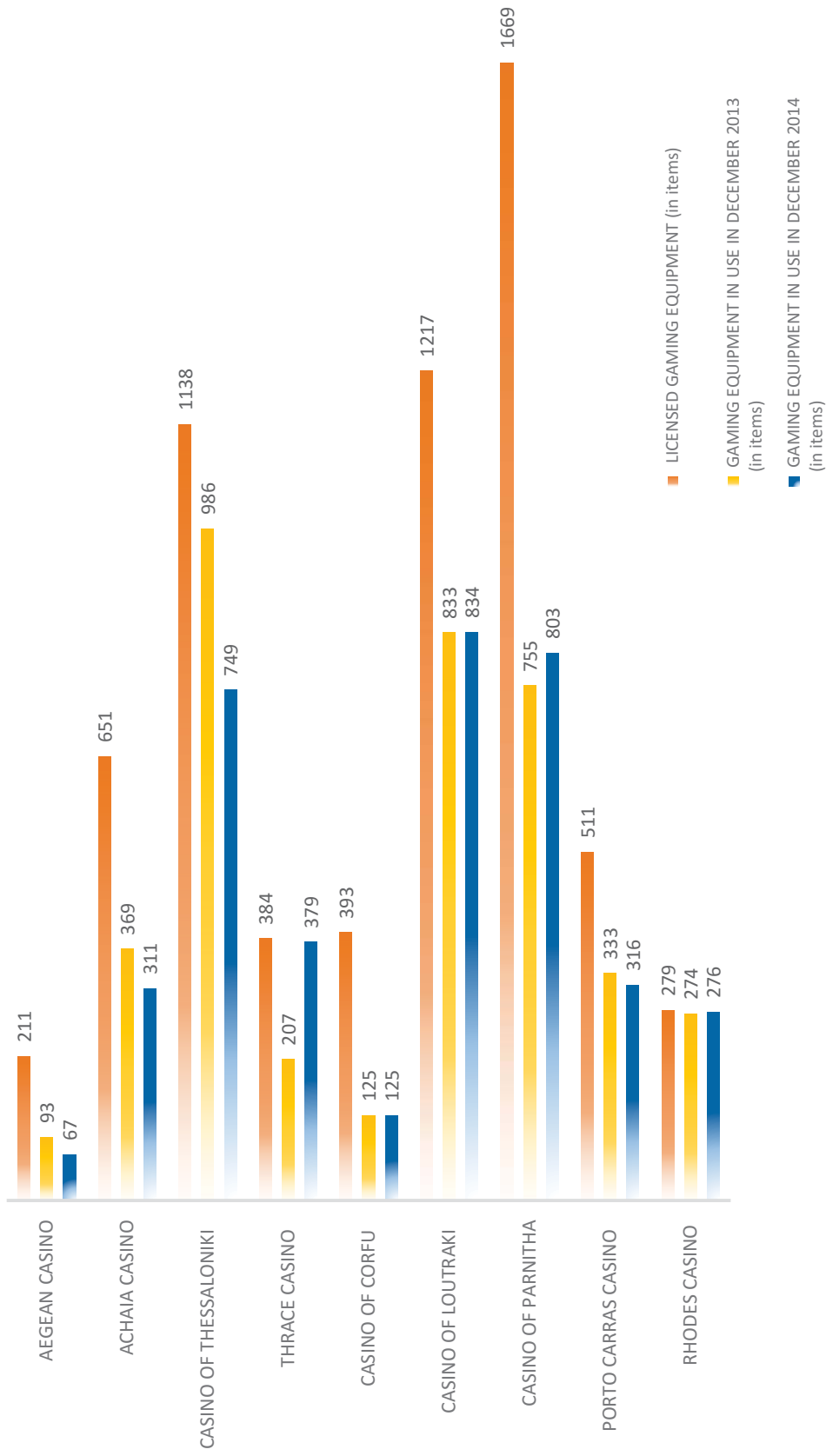
The table below provides a detailed picture of the installed gaming capacity per casino as at December 2013 and 2014.

CASINO/EQUIPMENT	LICENSED GAMING EQUIPMENT (in items)	GAMING EQUIPMENT IN USE IN DECEMBER 2013 (in items)	GAMING EQUIPMENT IN USE IN DECEMBER 2014 (in items)	MODIFICATION OF THE QUANTITY OF GAMING EQUIPMENT USED DECEMBER 2014 - DECEMBER 2013 (in items)	RATE OF USE OF LICENSED GAMING EQUIPMENT DECEMBER 2014
AEGEAN CASINO	211	93	67	-26	31.75%
Slot machines	185	74	53	-21	28.65%
Electronic roulettes	0	0	0	0	-
Electronic roulette terminals	0	0	0	0	-
Tables	26	19	14	-5	53.85%
ACHAIA CASINO	651	369	311	-58	47.77%
Slot machines	550	311	263	-48	47.82%
Electronic roulettes	4	2	2	0	50.00%
Electronic roulette terminals	56	16	16	0	28.57%
Tables	41	40	30	-10	73.17%
CASINO OF THESSALONIKI	1138	986	749	-237	65.82%
Slot machines	941	912	660	-252	70.14%
Electronic roulettes	10	0	2	2	20.00%
Electronic roulette terminals	84	0	24	24	28.57%
Tables	103	74	63	-11	61.17%
THRACE CASINO	384	207	379	172	98.70%
Slot machines	320	178	320	142	100.00%
Electronic roulettes	3	1	3	2	100.00%
Electronic roulette terminals	35	8	35	27	100.00%
Tables	26	20	21	1	80.77%

CASINO/EQUIPMENT	LICENSED GAMING EQUIPMENT (in items)	GAMING EQUIPMENT IN USE IN DECEMBER 2013 (in items)	GAMING EQUIPMENT IN USE IN DECEMBER 2014 (in items)	MODIFICATION OF THE QUANTITY OF GAMING EQUIPMENT USED DECEMBER 2014 - DECEMBER 2013 (in items)	RATE OF USE OF LICENSED GAMING EQUIPMENT DECEMBER 2014
CASINO OF CORFU	393	125	125	0	31.81%
Slot machines	300	91	90	-1	30.00%
Electronic roulettes	3	2	2	0	66.67%
Electronic roulette terminals	56	16	16	0	28.57%
Tables	34	16	17	1	50.00%
CASINO OF LOUTRAKI	1217	833	834	1	68.53%
Slot machines	1000	714	714	0	71.40%
Electronic roulettes	7	2	3	1	42.86%
Electronic roulette terminals	86	35	35	0	40.70%
Tables	124	82	82	0	66.13%
CASINO OF PARNITHA	1669	755	803	48	48.11%
Slot machines	1500	654	700	46	46.67%
Electronic roulettes	12	2	2	0	16.67%
Electronic roulette terminals	40	38	38	0	95.00%
Tables	117	61	63	2	53.85%
PORTO CARRAS CASINO	511	333	316	-17	61.84%
Slot machines	425	276	277	1	65.18%
Electronic roulettes	1	0	1	1	100.00%
Electronic roulette terminals	8	0	8	8	100.00%
Tables	77	57	30	-27	38.96%

CASINO/EQUIPMENT	LICENSED GAMING EQUIPMENT (in items)	GAMING EQUIPMENT IN USE IN DECEMBER 2013 (in items)	GAMING EQUIPMENT IN USE IN DECEMBER 2014 (in items)	MODIFICATION OF THE QUANTITY OF GAMING EQUIPMENT USED DECEMBER 2014 - DECEMBER 2013 (in items)	RATE OF USE OF LICENSED GAMING EQUIPMENT DECEMBER 2014
RHODES CASINO	279	274	276	2	98.92%
Slot machines	224	221	221	0	98.66%
Electronic roulettes	1	1	1	0	100.00%
Electronic roulette terminals	12	12	12	0	100.00%
Tables	42	40	42	2	100.00%
Grand Total	6453	3975	3860	-115	59.82%
Slot machines	5445	3431	3298	-133	60.57%
Electronic roulettes	41	10	16	6	39.02%
Electronic roulette terminals	377	125	184	59	48.81%
Tables	590	409	362	-47	61.36%

CASINO GAMING EQUIPMENT



2.1.3 "HELLENIC LOTTERIES S.A."

The Greek State has an exclusive right to operate the State Lotteries, which was being exercised through the Directorate of State Lotteries of the Ministry of Finance.

In July 2013, a concession agreement was concluded between the Greek State and the concessionaire "Hellenic Lotteries S.A.", which granted the latter the exclusive right to produce, operate, circulate, promote and manage the State Lotteries for a period of 12 years. The agreement was ratified by the Hellenic Parliament by virtue of Law 4183/2013 (GG Series A, No. 186).

The concession agreement refers to the following State Lotteries:

- The Popular Lottery ("Laiko").
- The National Lottery ("Ethniko").
- The Special State Social Solidarity Lottery or New Year's Lottery ("Protochroniatiko").
- The Instant State Lottery.
- The European Lottery.
- The Housing State Lottery.

The Instant State Lottery circulated in the period 1993-2003 under the name "xysto" and has not been reissued ever since, while the last two lotteries did not circulate at all.

The concessionaire "Hellenic Lotteries S.A." started operating the State Lotteries that existed already on 1st May 2014. The Instant State Lottery was relaunched on that same day under the name "SCRATCH" and became the best-selling State Lottery in 2014.

The permanent staff of Hellenic Lotteries S.A. as at 31st December 2014 was 16 people⁵.

GAMES OPERATED BY HELLENIC LOTTERIES S.A. (in circulation)

- The Popular Lottery ("Laiko")
- The National Lottery ("Ethniko")
- The Special State Social Solidarity Lottery ("Protochroniatiko")
- The Instant Lottery (SCRATCH)

⁵ Source: Hellenic Lotteries S.A. - Financial Statement for the first accounting period, which covers more than 12 months, i.e. the period between 15.06.2013 and 31.12.2014.

2.1.4 THE "HELLENIC HORSE RACING ORGANIZATION S.A." (ODIE S.A.)

According to the provisions of Emergency Law 598/1968 (GG Series A, No. 256), ODIE S.A. has the exclusive right to organize and operate mutual betting on horse racing in Greece. Mutual betting on horse racing is played either in the racecourse at Markopoulo or at the special horse racing betting agencies.

In 2003 ODIE S.A. was relocated to Markopoulo-Attica, where it is now based, at the new racecourse constructed for the 2004 Olympics. It also maintains a branch in Athens and it collaborates with the 354⁶ agencies that OPAP S.A. currently operates across the country, which were reduced by 105 as from the end of 2013.

Early 2013, the Greek State launched the procedure for the concession of its exclusive rights to operate mutual betting on horse racing and on 23rd September 2014 the company under the name "OPAP Investments LTD", a subsidiary of OPAP S.A. was declared provisional successful bidder in the relevant tender.⁷

HORCE RACING CATEGORIES

- GREEK HORSE RACING
- FRENCH HORSE RACING
- BRITISH HORSE RACING
- SOUTHAFRICAN HORSE RACING
- QUINTE

Until the date this report was drafted the concession procedure had not been concluded yet.

2.1.5 GAMBLING OPERATORS SUBJECT TO THE PROVISIONS OF PARAGRAPH 12, ARTICLE 50 OF LAW 4002/2011

The licensing procedure for online gambling service providers is described in Article 45 et seq. of Law 4002/2011 (GG Series A, No. 180) and it has to follow an international tender that is awarded to the highest bidder. No online gambling license has been granted to this date. Until such a license is granted, online gambling operations will continue to fall under the transitional regime of paragraph 12, Article 50 of Law 4002/2011 (GG Series A, No. 180).

The operators were placed under the transitional regime of paragraph 12, Article 50 of Law 4002/2011 (GG Series A, No. 180) under the conditions and the procedure established by decision POL 1248/13.12.2011 of the Alternate Minister of Finance.

⁶ Source: ODIE S.A. website (15.4.2015) <http://www.odie.gr/el/odiePage/agencies>

⁷ Source: HRADF S.A. - Press Release of 23.09.2014.

The companies placed under the above regime, as announced⁸ by the Ministry of Finance, are:

PERSONAL EXCHANGE INTERNATIONAL LIMITED
DIAMOND LINK LIMITED
LUCKY STREAM LIMITED
SILVER LINK LIMITED
GLB GmbH
ON LINE AMUSEMENT SOLUTIONS N.V.
ON LINE AMUSEMENT SOLUTIONS LIMITED
GAMBLING MALTA LIMITED
REBELS GAMING LTD
SPORTING ODDS LTD
KINGMAKER LTD
PADDY POWER PLC
B2B GAMING SERVICES MALTA LIMITED
CASHPOINT MALTA LIMITED
AS IMG KASINOD
MAGIC SERVICES LIMITED
ELDORADO SPORTWETTEN GmbH
STS SPORTWETTEN GmbH
YEZ GAMING LTD
DOMS HOLDINGS (UK) LIMITED
LOGFLEX LIMITED
DOMS CARS UK LIMITED
LOVE 2 CELEBRATE LIMITED
MERIDIAN GAMING LIMITED

Under POL 1248/2011, it was the Local Tax Office for Large enterprises that was originally named as the competent service for the above operators. Later on, when the latter was abolished, it was replaced by the Local Tax Office which is responsible for the registered office of the company's representative.

Under paragraph 12, article 50 of Law 4002/2011, the companies falling under the transitional regime are allowed to provide the gambling and betting services prescribed in the relevant operating and service provision licenses they hold.

⁸The announcement was posted on the following webpage <http://www.minfin.gr/portal/el/resource/contentObject/id/adce2057-71fb-4925-b094-42ca230af81f>, which is no longer available.

2.2 EVOLUTION OF THE GREEK GAMBLING MARKET⁹

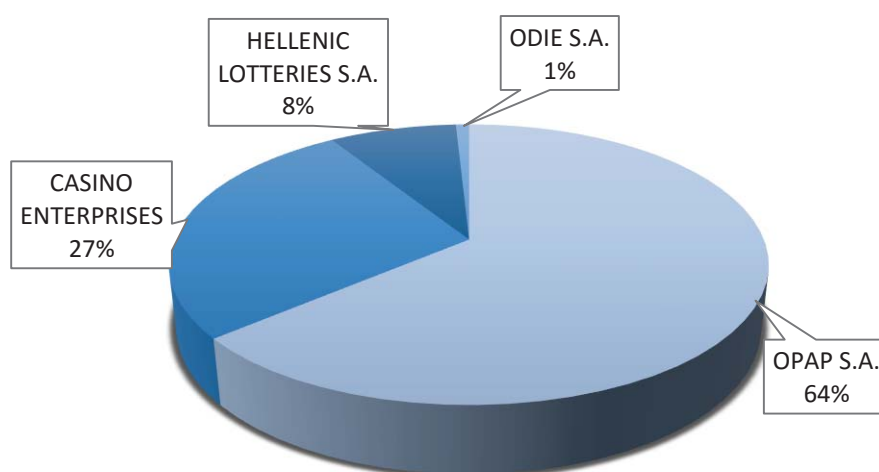
2.2.1 TOTAL GAMBLING TURNOVER IN 2014

The gambling turnover¹⁰ in 2014 was 5,889,243,603 euros and was distributed as follows:

Amounts in euros

PROVIDER	GAMBLING TURNOVER IN 2014
OPAP S.A.	3,759,712,676
CASINO ENTERPRISES	1,599,943,054
HELLENIC LOTTERIES S.A.	479,574,260
ODIE S.A.	50,013,613
TOTAL	5,889,243,603

Providers' share in gambling turnover in 2014



⁹ The data presented in paragraph 2.2 does not include the financial data of online gambling service providers, because the available data is not adequate and would lead to erroneous conclusions.

¹⁰ "Gambling turnover" is the total amount of money gambled by players.

2.2.2 EVOLUTION OF GAMBLING TURNOVER IN GREECE IN THE FIVE YEAR PERIOD 2010-2014

In 2014, the regulated gambling market started to recover from a continuous downward turn for the first time since 2009, although it moved only slightly upwards as compared to the previous year 2013 and remained much below the volume of 2009, which was 8,739,483,000 euros.

This recovery is mainly due to a rise in the sales of lotteries in 2014, which is attributable -as shown in detail in subparagraph 2.2.7- to the launch of the instant state lottery.

The sales of the games operated by OPAP S.A. saw a remarkable increase in 2014 (7.3%) bringing turnover up to the levels of 2012. By contrast, the turnover of casino enterprises continued to drop further, while horse racing betting operated by ODIE S.A. suffered a dramatic drop in its sales. The evolution of gambling turnover in Greece in the five-year period 2010-2014 is depicted in the following table.

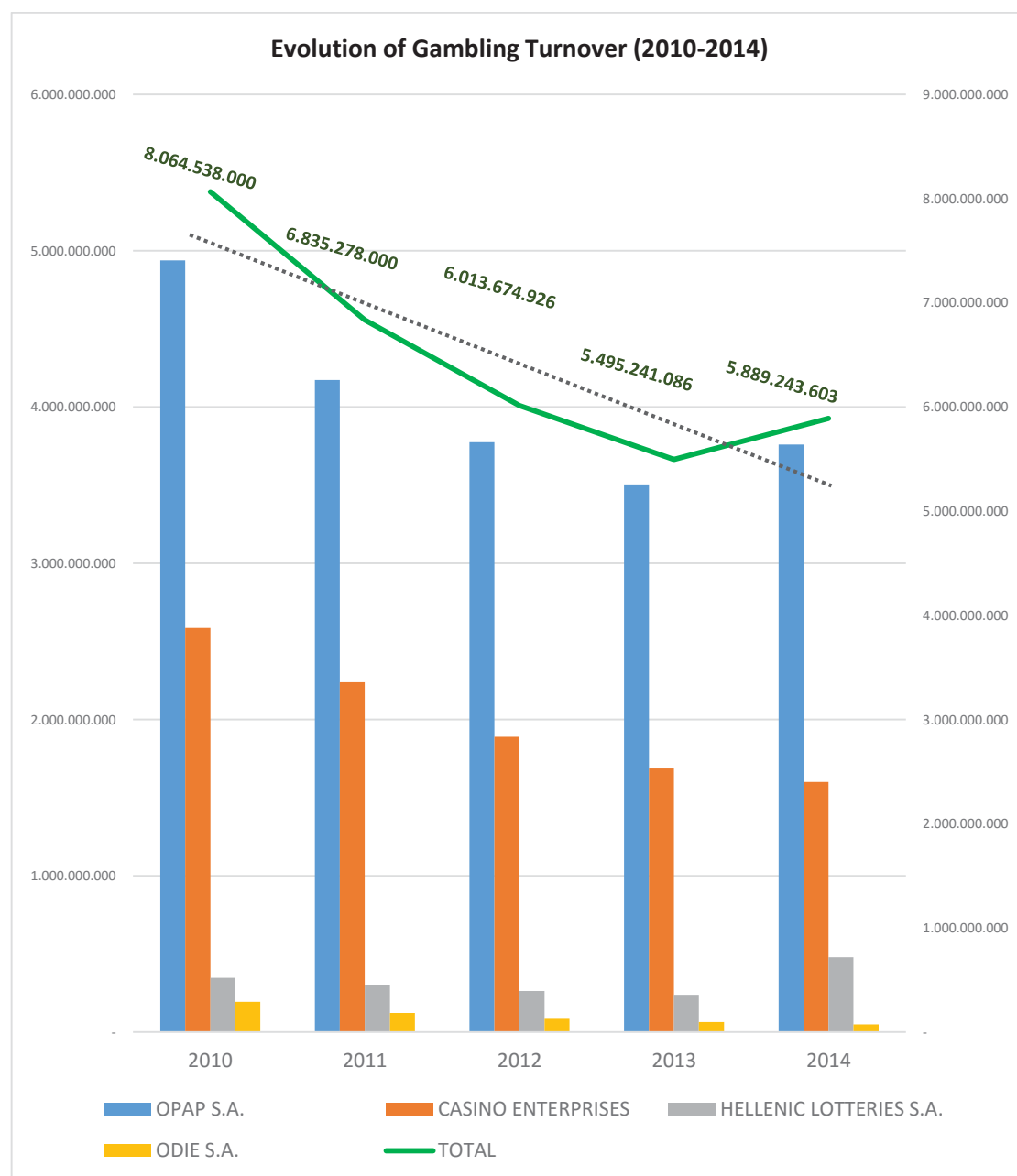
TOTAL GAMBLING TURNOVER IN THE PERIOD 2010-2014					
TGT - (Total Gambling Turnover)	(amounts in euros)				
	2010	2011	2012	2013	2014
OPAP S.A.¹¹	4,937,530,000	4,172,459,000	3,775,251,000	3,504,294,000	3,759,712,676
CASINO ENTERPRISES¹²	2,585,937,000	2,239,463,000	1,890,156,056	1,687,698,396	1,599,943,054
HELLENIC LOTTERIES S.A.¹³	347,638,000	299,894,000	263,879,870	238,226,690	479,574,260
ODIE S.A.¹⁴	193,433,000	123,462,000	84,388,000	65,022,000	50,013,613
TOTAL	8,064,538,000	6,835,278,000	6,013,674,926	5,495,241,086	5,889,243,603

¹¹ The data on the turnover of OPAP S.A. was taken from the Annual Financial Reports of OPAP and from the financial newsletters.

¹² The turnover of casinos is the money that players turn into drops and refers to the nine casino enterprises of Greece. The data for the years 2010-2012 was provided by the Ministry of Tourism-Directorate of Casino Supervision, while that for the years 2013-2014 was given by the HGC services.

¹³ The data on turnover for the years 2010-2013 was taken from the annual financial statements of the Directorate of State Lotteries. The data on turnover for the year 2014 comes from the provisional data of the Directorate of State Lotteries for the period January-April 2014 and of Hellenic Lotteries S.A. for the period May-December 2014.

¹⁴ The data on the turnover of ODIE S.A. for the years 2010-2013 was taken from the annual financial statements. Turnover for the year 2014 is an estimate based on provisional data.



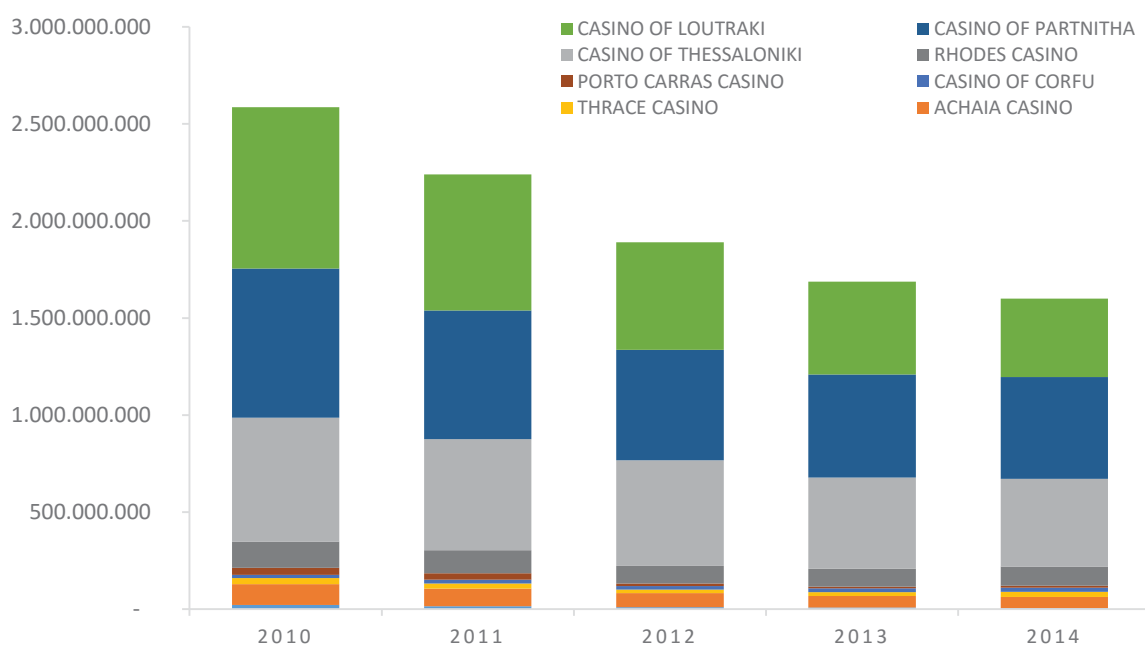
The total gambling turnover (DROP) of casinos in Greece continued its downward path in 2014, seeing a fall of 5.20% in relation to 2013 and an overall decrease by 38.13% in the period 2010-2014.

The following table presents the evolution of total gambling turnover (DROP) per casino in the five-year period 2010-2014 for the nine (9) casino enterprises.

Amounts in euros

TOTAL CASINO ENTERPRISES TURNOVER IN THE PERIOD 2010-2014							
	2010	2011	2012	2013	2014	2014/ 2013	2014/ 2010
AEGEAN CASINO	22,538,607	15,094,630	11,030,985	8,595,255	6,135,230	-29%	-73%
ACHAIA CASINO	106,925,825	91,375,620	71,129,955	60,081,785	56,669,490	-6%	-47%
CASINO OF THESSALONIKI	638,202,573	571,449,874	544,247,474	470,388,832	452,258,885	-4%	-29%
THRACE CASINO	30,452,799	25,980,280	18,538,301	19,563,565	26,222,538	34%	-14%
CASINO OF CORFU	16,649,538	19,217,320	19,210,020	19,962,485	21,569,065	8%	30%
CASINO OF LOUTRAKI	830,883,937	700,793,105	553,569,747	478,045,445	403,600,422	-16%	-51%
CASINO OF PARNITHA	768,324,122	663,039,005	568,525,966	531,390,828	524,806,706	-1%	-32%
PORTO CARRAS CASINO	36,697,077	32,969,781	11,827,095	8,000,579	10,287,501	29%	-72%
RHODES CASINO	135,262,078	119,543,086	92,076,514	91,669,622	98,393,218	7%	-27%
TOTAL	2,585,936,555	2,239,462,700	1,890,156,056	1,687,698,396	1,599,943,054	-5%	-38%

CASINO ENTERPRISES TURNOVER 2010-2014



2.2.3 GROSS GAMING REVENUE IN 2014

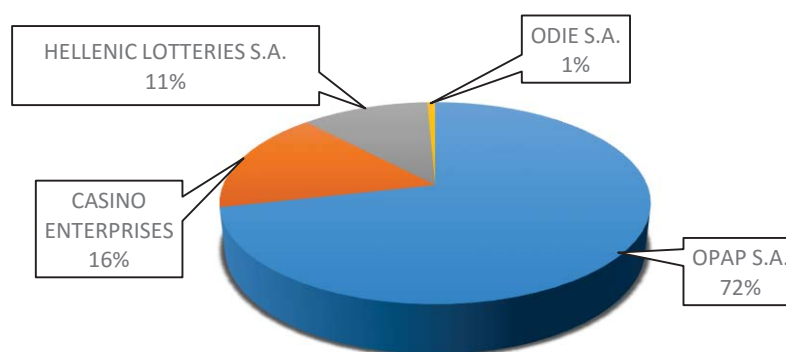
Gross gaming revenue¹⁵ in 2014 amounted to 1,677,125,510 euros. Part of this amount, i.e. 503,257,433 euros (30.22% on average) corresponds to the revenue that the Greek State derived from its participation in gross gaming revenue, as analyzed in subparagraph 2.2.9.

The gross gaming revenue (GGR) generated by the gambling market in Greece in 2014 accounts for 23.45% of the gross value added by the sector "Arts, entertainment, amusement, repairs of household items and other services"¹⁶, which includes gambling, while its contribution to total gross domestic product (GDP) is 0.94%.

The distribution of gross gaming revenue per provider in 2014 was as follows:

PROVIDER	GROSS GAMING REVENUE IN 2014
OPAP S.A.	1,199,603,000
CASINO ENTERPRISES	275,273,290
HELLENIC LOTTERIES S.A.	190,709,020
ODIE S.A.	11,540,200
TOTAL	1,677,125,510

Providers' share in Gross Gaming Revenue in 2014



¹⁵ Gross Gaming Revenue (gross profit) or (GGR) is equal to Total Gambling Turnover less winnings.

¹⁶ Source: Hellenic Statistical Authority - Annual National Accounts/ Gross Value Added per Industry/2014.

2.2.4 EVOLUTION OF GROSS GAMING REVENUE IN GREECE IN THE FIVE-YEAR PERIOD 2010-2014

The evolution of gross gaming revenue is almost proportional to the evolution of total gambling turnover. A recovery was reported this year, which was mainly due to state lotteries and in particular the instant lottery, bringing total gross gaming revenue up to the levels of 2012.

The evolution of gross gaming revenue in Greece in the five-year period 2010-2014 is depicted in the following table

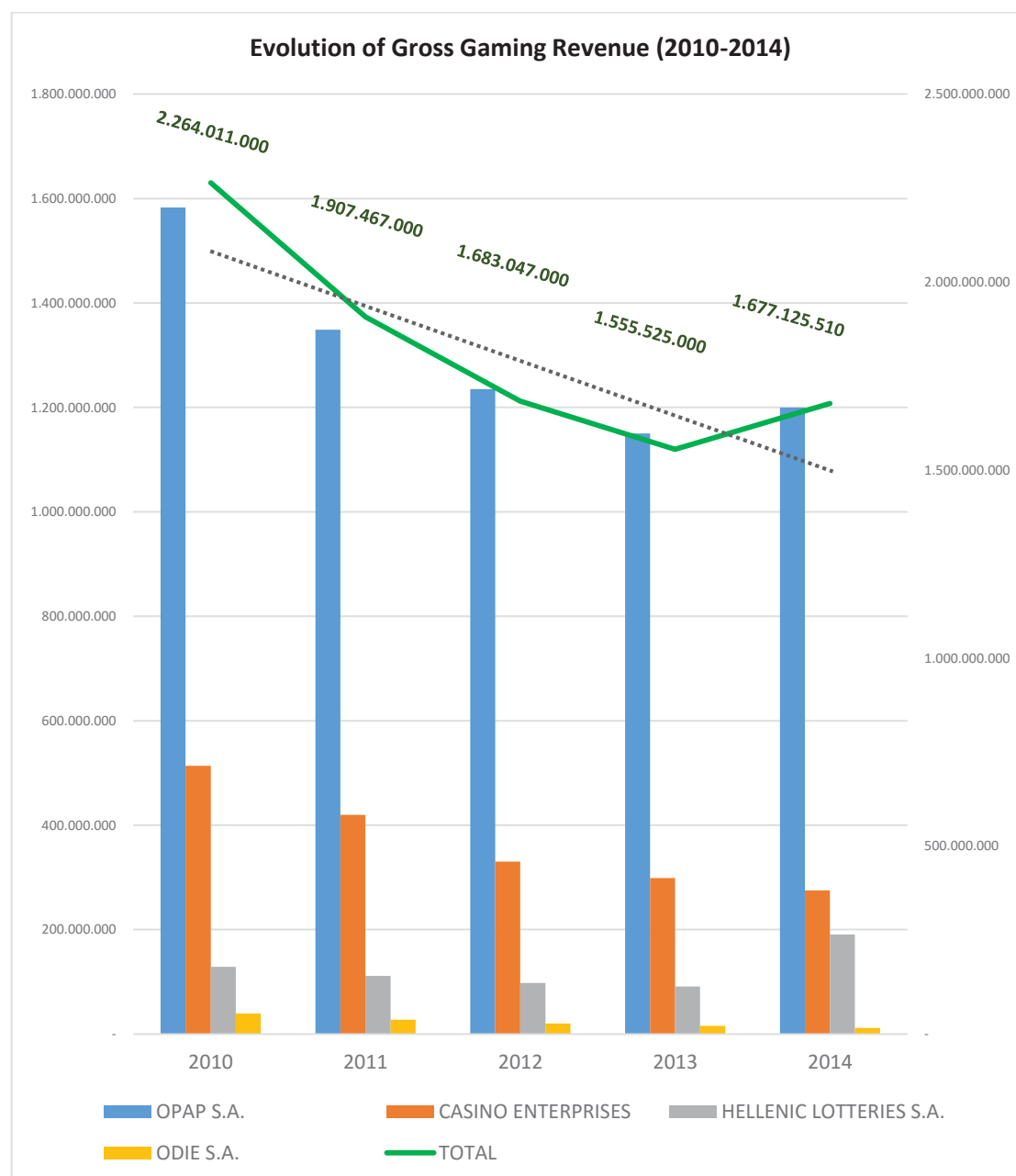
GROSS GAMING REVENUE IN THE PERIOD 2010-2014					
GGR (Gross Gaming Revenue)			(amounts in euros)		
	2010	2011	2012	2013	2014
OPAP S.A. ¹⁷	1,582,854,000	1,348,933,000	1,235,082,000	1,150,146,000	1,199,603,000
CASINO ENTERPRISES ¹⁸	513,435,000	419,720,000	330,169,000	298,665,000	275,273,290
HELLENIC LOTTERIES S.A. ¹⁹	128,486,000	111,385,000	97,509,000	90,898,000	190,709,020
ODIE S.A. ²⁰	39,236,000	27,429,000	20,287,000	15,816,000	11,540,200
TOTAL	2,264,011,000	1,907,467,000	1,683,047,000	1,555,525,000	1,677,125,510

¹⁷ The data on the gross gaming revenue (GGR) of OPAP S.A. was taken from the Annual Financial Reports of OPAP and from the financial newsletters.

¹⁸ The gross gaming revenue (GGR) of casinos refers to all 9 casino enterprises in Greece. The data for the years 2010-2012 was provided by the Ministry of Tourism-Directorate of Casino Supervision, while that for the years 2013-2014 was given by the HGC services.

¹⁹ The data on gross gaming revenue (GGR) for the years 2010-2013 was taken from the annual financial statements of the Directorate of State Lotteries. The data on gross gaming revenue (GGR) for the year 2014 comes from the provisional data of the Directorate of State Lotteries for the period January-April 2014 and of Hellenic Lotteries S.A. for the period May-December 2014.

²⁰ The data on the gross gaming revenue (GGR) of ODIE S.A. for the years 2010-2013 was taken from the annual financial statements. Gross gaming revenue (GGR) for the year 2014 is an estimate based on provisional data.



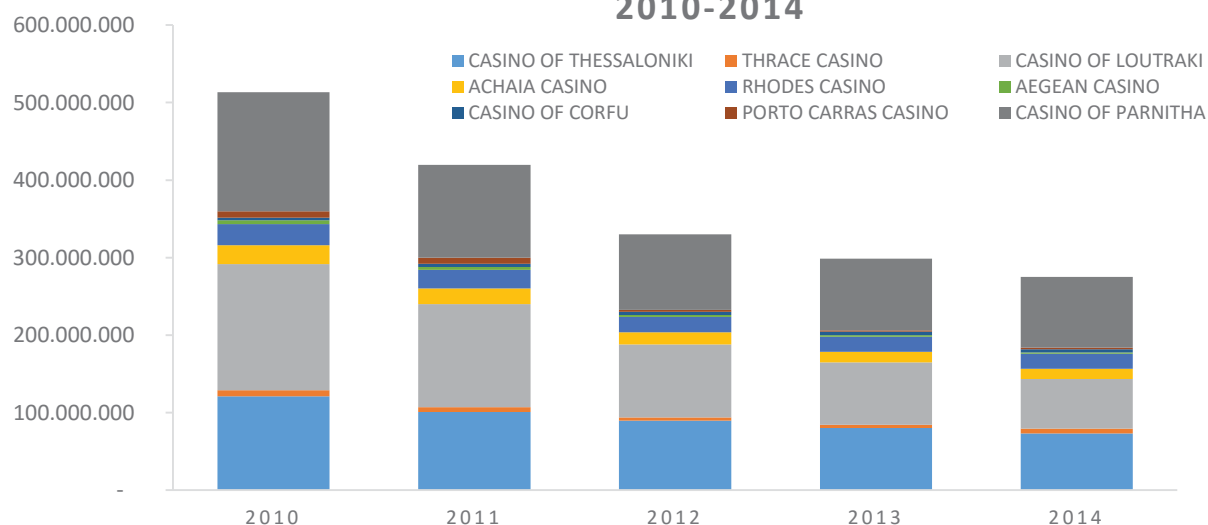
The gross gaming revenue (WIN) of casinos continued on a downward path in the period 2010-2014 at a higher rate of variation (decrease) than the rate of decrease reported for the turnover of these enterprises in absolute numbers. Specifically, in 2014 the gross revenue of casinos went down by 7.83% compared with 2013 and 46.39% overall in the five-year period 2010-2014.

The following table presents the evolution of gross gaming revenue (WIN) per casino in the five-year period 2010-2014 for the nine (9) casino enterprises.

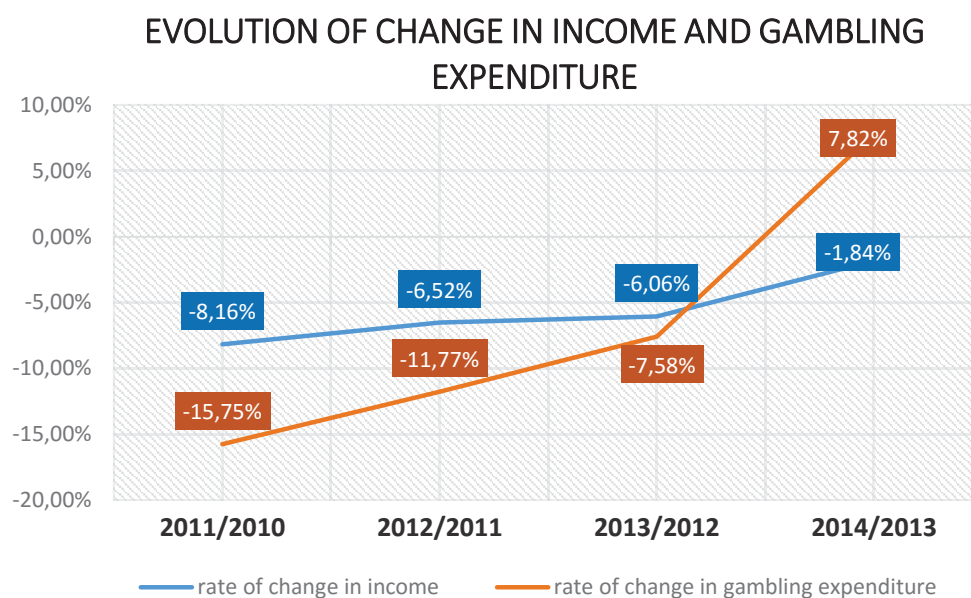
Amounts in euros

GROSS REVENUE OF CASINO ENTERPRISES IN THE PERIOD 2010-2014							
	2010	2011	2012	2013	2014	2014/ 2013	2014/ 2010
AEGEAN CASINO	4,947,907	3,693,152	2,426,453	2,089,691	1,368,854	-34%	-72%
ACHAIA CASINO	24,161,650	20,031,036	15,562,690	13,607,281	13,234,598	-3%	-45%
CASINO OF THESSALONIKI	121,036,475	100,948,680	89,940,353	80,337,700	73,335,991	-9%	-39%
THRACE CASINO	7,950,272	6,329,633	3,815,890	4,063,833	6,220,079	53%	-22%
CASINO OF CORFU	3,067,213	4,083,165	3,946,782	4,400,106	4,279,386	-3%	40%
CASINO OF LOUTRAKI	162,806,667	132,777,710	94,362,377	80,355,087	63,892,385	-20%	-61%
CASINO OF PARNITHA	153,530,629	119,791,586	97,427,876	92,654,783	91,277,420	-1%	-41%
PORTO CARRAS CASINO	8,466,302	7,833,881	2,706,814	1,596,191	2,222,167	39%	-74%
RHODES CASINO	27,467,862	24,231,593	19,979,759	19,560,334	19,442,409	-1%	-29%
TOTAL	513,434,978	419,720,435	330,168,995	298,665,006	275,273,290	-8%	-46%

GROSS GAMING REVENUE OF CASINO ENTERPRISES 2010-2014



Gambling expenditure per person aged 18 years or over²¹, which had been following along the same downward line as income in the previous years and, actually, at a higher rate of decrease, went up in 2014 as opposed to income which continued its long decline.



²¹ Source: Hellenic Statistical Authority - Estimated population as at 1st January each year.

2.2.5 FINANCIAL DATA FOR THE GAMES OPERATED BY OPAP S.A.

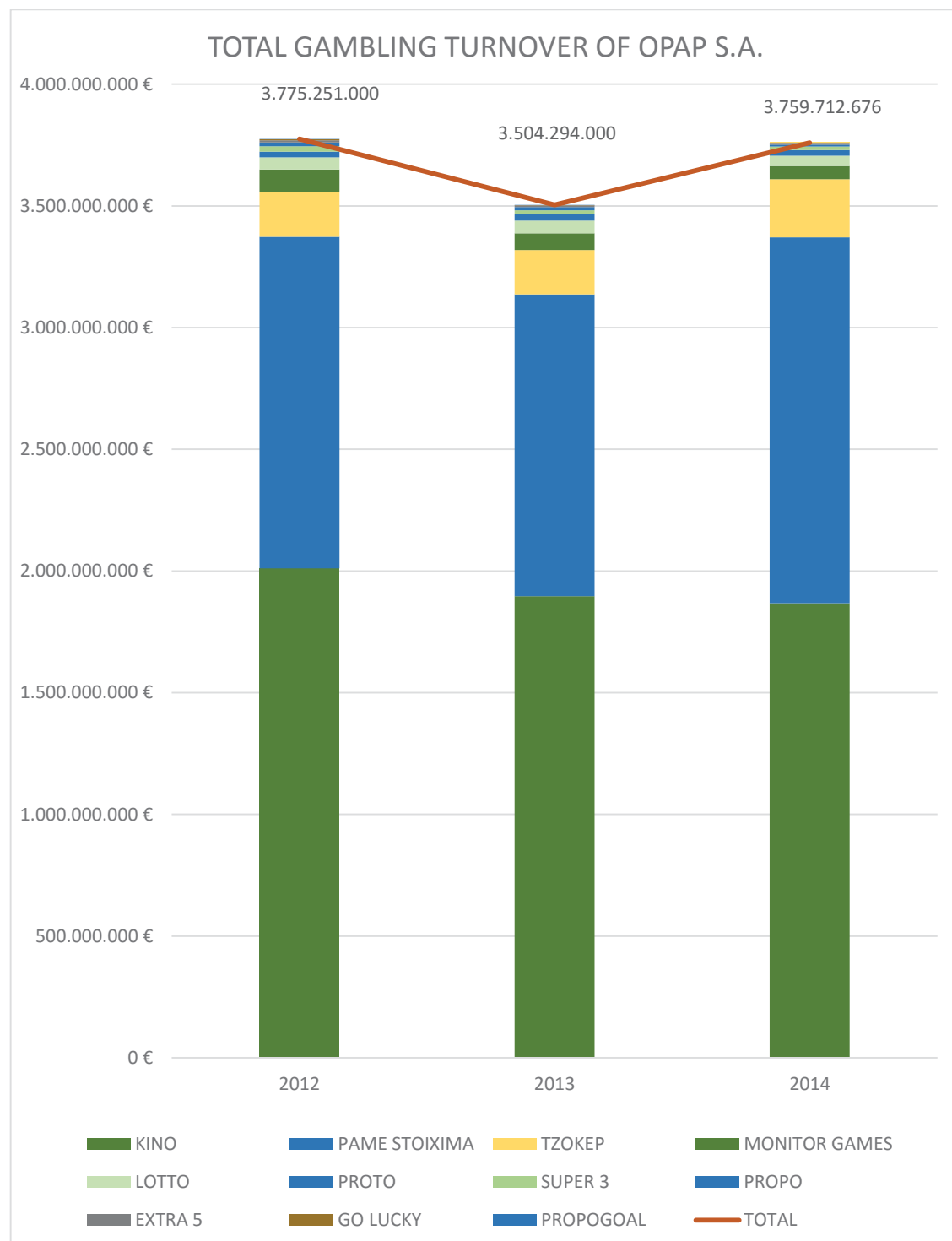
The following table presents the evolution of turnover per game for OPAP S.A in the three-year period 2012-2014. The total gambling turnover of OPAP S.A. went slightly down by 0.41% over the last three years. Specifically, it was 3,759,712,676 euros in 2014 as opposed to 3,775,251,000 euros in 2012. This decline was the result of an overall 7.18% decrease in the year 2013, which was offset to a great extent by an equivalent 7.29% year-on year rise in 2014.

JOKER had the greatest increase in these three years in terms of turnover, going up by 29.68%, mostly as a result of an increase to 238,556,020 euros in 2014 from 182,901,000 euros in 2013. During the same period, PAME STOIXIMA picked up by 21.22% in 2014 compared with 2013, while KINO made a slight loss of 1.52%. It is worth noting that these three games made up 94-96% of the total gambling turnover of OPAP S.A. over the last three years, which was the reason why the above changes brought the company's total gambling turnover back to the levels of 2012.

TURNOVER OF GAMES OPERATED BY OPAP S.A IN THE PERIOD 2012-2014, PER GAME (in euros)						
GAMES	2012	2013	2014	Variation in 2013/2012	Variation in 2014/2013	Variation in 2014/2012
KINO	2,011,111,000	1,896,176,000	1,867,300,400	-5.72%	-1.52%	-7.15%
PAME STOIXIMA ²²	1,361,881,000	1,239,977,000	1,503,062,127	-8.95%	21.22%	10.37%
JOKER	183,964,000	182,901,000	238,556,020	-0.58%	30.43%	29.68%
MONITOR GAMES	92,661,000	68,070,000	54,405,445	-26.54%	-20.07%	-41.29%
LOTTO	50,066,000	52,680,000	42,906,432	5.22%	-18.55%	-14.30%
PROTO	22,951,000	25,615,000	22,981,682	11.61%	-10.28%	0.13%
SUPER 3	22,413,000	16,726,000	14,724,111	-25.37%	-11.97%	-34.31%
PROPO	15,747,000	12,419,000	7,900,854	-21.13%	-36.38%	-49.83%
EXTRA 5	8,609,000	7,123,000	6,520,970	-17.26%	-8.45%	-24.25%
GO LUCKY	4,711,000	1,650,000	926,724	-64.98%	-43.83%	-80.33%
PROPOGOAL	1,137,000	957,000	427,913	-15.83%	-55.29%	-62.36%
ΣΥΝΟΛΟ	3,775,251,000	3,504,294,000	3,759,712,676	-7.18%	7.29%	-0.41%

²² These amounts include the turnover of PAME STOIXIMA which is operated both online and through the agencies.

By contrast, GO LUCKY, PROPOGOAL, PROTO and MONITOR GAMES have shown a steady negative trend in the period 2012-2014. However, the above games have a small share in total gambling turnover.



The following table presents the share of OPAP S.A. games in total gambling turnover in the period 2012-2014, expressed as a percentage.

SHARE OF GAMES OPERATED BY OPAP S.A. IN TOTAL GAMBLING TURNOVER IN PERCENTAGE TERMS (2012-2014)			
OPAP S.A. GAME	2012	2013	2014
KINO	53.27%	54.11%	49.67%
PAME STOIXIMA	36.07%	35.38%	39.98%
JOKER	4.87%	5.22%	6.35%
MONITOR GAMES	2.45%	1.94%	1.45%
LOTTO	1.33%	1.50%	1.14%
PROTO	0.61%	0.73%	0.61%
SUPER 3	0.59%	0.48%	0.39%
PROPO	0.42%	0.35%	0.21%
EXTRA 5	0.23%	0.20%	0.17%
GO LUCKY	0.12%	0.05%	0.02%
PROPOGOAL	0.03%	0.03%	0.01%
TOTAL	100.00%	100.00%	100.00%

The most popular games of OPAP S.A. are KINO, PAME STOIXIMA and JOKER. Over the last three years, the share of KINO in the total gambling turnover of OPAP S.A. was slightly reduced, while PAME STOIXIMA (including the online version) and JOKER had a larger share in players' preferences. In particular, the share of KINO in total gambling turnover fell by 3.60%, from 53.27% in 2012 to 49.67% in 2014. On the contrary, the share of PAME STOIXIMA was higher in percentage terms in the same period, going up by 3.90%, while that of JOKER increased by 1.47%.

2.2.6 FINANCIAL DATA FOR THE GAMES OPERATED BY CASINO ENTERPRISES

The following table presents the evolution of total gambling turnover per game for the nine (9) casino enterprises in the three-year period 2012-2014. The variation in turnover was negative and reached 15.35% over the last three years, the biggest fall of 10.71% being recorded in 2013 as opposed to 5.11% in 2014.

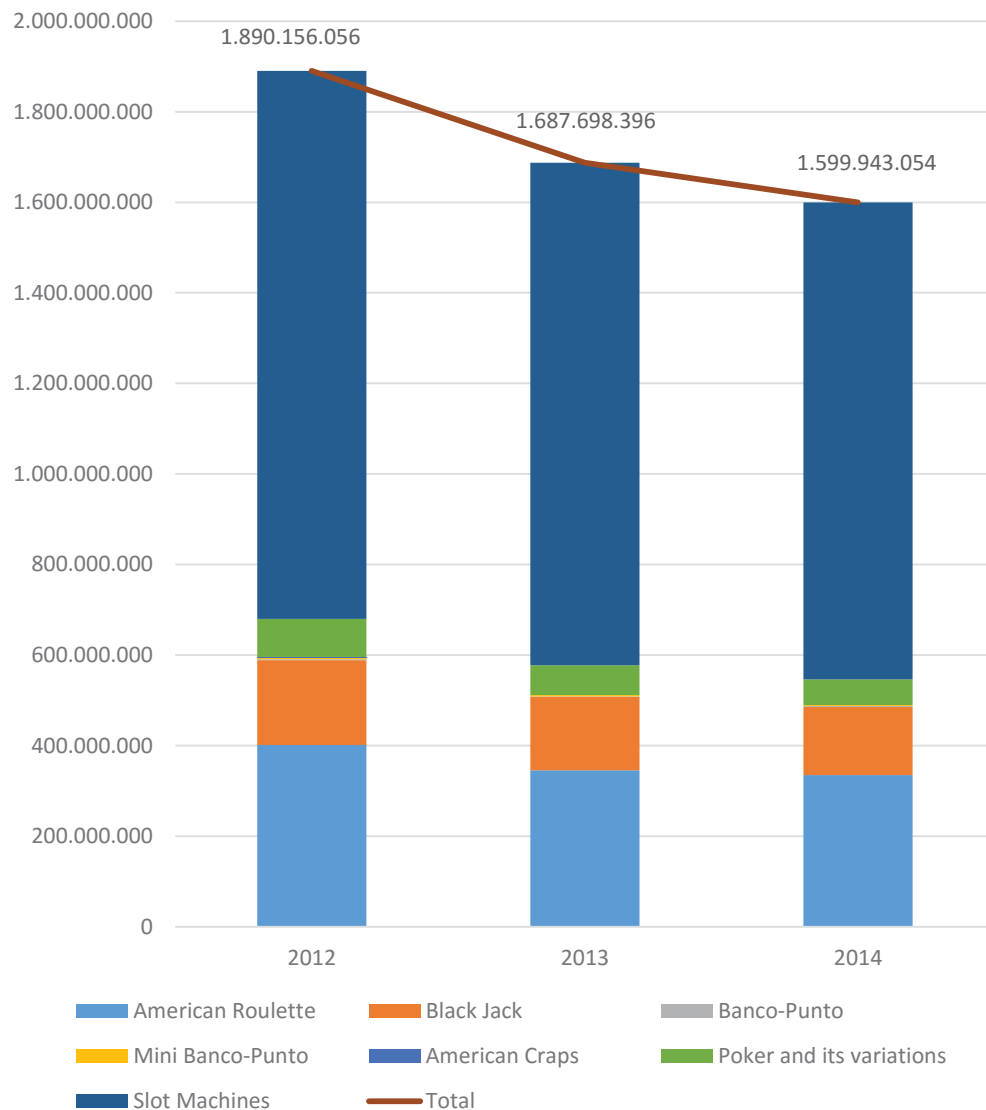
The game Banco - Punto underwent the most significant change. Having lost 69.25% of its turnover in 2013, it gathered momentum in 2014 when its turnover tripled. Banco-Punto is the only game that grew in 2014 in contrast to the other casino games.

The smallest variation was seen in the electronic games of chance on slot machines, but it was always negative throughout the three-year period in question. Slot machines include the electronic roulette terminals.

Amounts in euros

CASINO TURNOVER IN THE PERIOD 2012-2014, PER GAME						
GAMES	2012	2013	2014	Variation in 2013/2012	Variation in 2014/2013	Variation in 2014/2012
AMERICAN ROULETTE	401,379,300	345,793,455	334,998,115	-13.85%	-3.12%	-16.54%
BLACK JACK	187,199,615	162,230,740	150,559,785	-13.34%	-7.19%	-19.57%
BANCO-PUNTO	2,245,160	690,355	2,198,415	-69.25%	218.45%	-2.08%
MINI BANCO-PUNTO	3,773,470	3,201,090	2,076,315	-15.17%	-35.14%	-44.98%
AMERICAN CRAPS	1,555,655	-	-	-	-	-
POKER AND ITS VARIATIONS	83,569,955	65,781,551	56,788,491	-21.29%	-13.67%	-32.05%
SLOT MACHINES	1,210,432,901	1,110,001,206	1,053,321,934	-8.30%	-5.11%	-12.98%
TOTAL	1,890,156,056	1,687,698,396	1,599,943,054	-10.71%	-5.20%	-15.35%

CASINO TURNOVER PER GAME IN THE PERIOD 2012-2014



The most popular casino games are American roulette and blackjack, with slot machines in the leading position. In the three-year period 2012-2014, these games have an overall share of 95.18%, with their share in the total gambling turnover of casino games reaching 96.18%.

SHARE OF GAMES OPERATED BY CASINO ENTERPRISES IN TOTAL GAMBLING TURNOVER IN PERCENTAGE TERMS (2012-2014)			
CASINO GAMES	2012	2013	2014
American Roulette	21.24%	20.49%	20.94%
Black Jack	9.90%	9.61%	9.41%
Banco-Punto	0.12%	0.04%	0.14%
Mini Banco-Punto	0.20%	0.19%	0.13%
American Craps	0.08%	0.00%	0.00%
Poker and its variations	4.42%	3.90%	3.55%
Slot machines	64.04%	65.77%	65.83%
TOTAL	100%	100%	100%

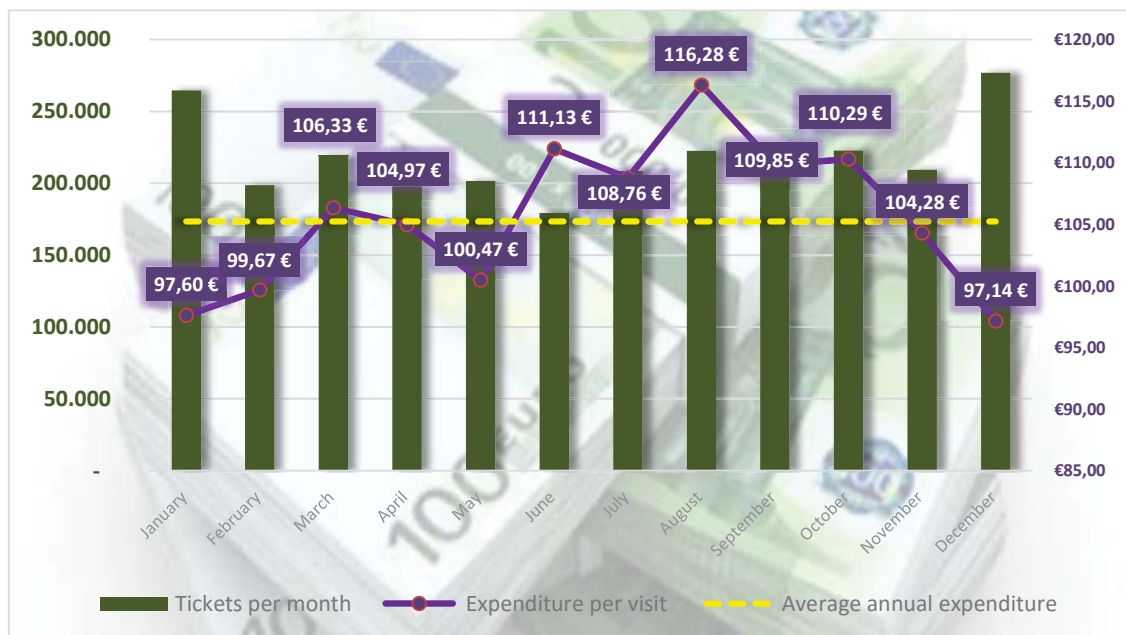
The total number of tickets issued by casino enterprises in 2014 reached 2,615,569²³. As regards the number of visitors to casino enterprises, they peaked during Christmas holidays, but spending²⁴ per visit in this period is lower than the average annual spending of 105.25€ that was recorded in 2014. The opposite is true during the summer season, when the number of visits is smaller but average spending per visit is higher than annual average spending.

The following table and chart show the number of tickets issued by the casino enterprises and the amount of spending per visit, as well as the average annual spending per visit in 2014, on a monthly basis.

²³ According to the Daily Bulletin on Inspection Findings of the HGC.

²⁴ Spending is the amount of money lost by players and won by casino enterprises. It is equal to the gross gaming revenue (GGR or WIN) of casinos.

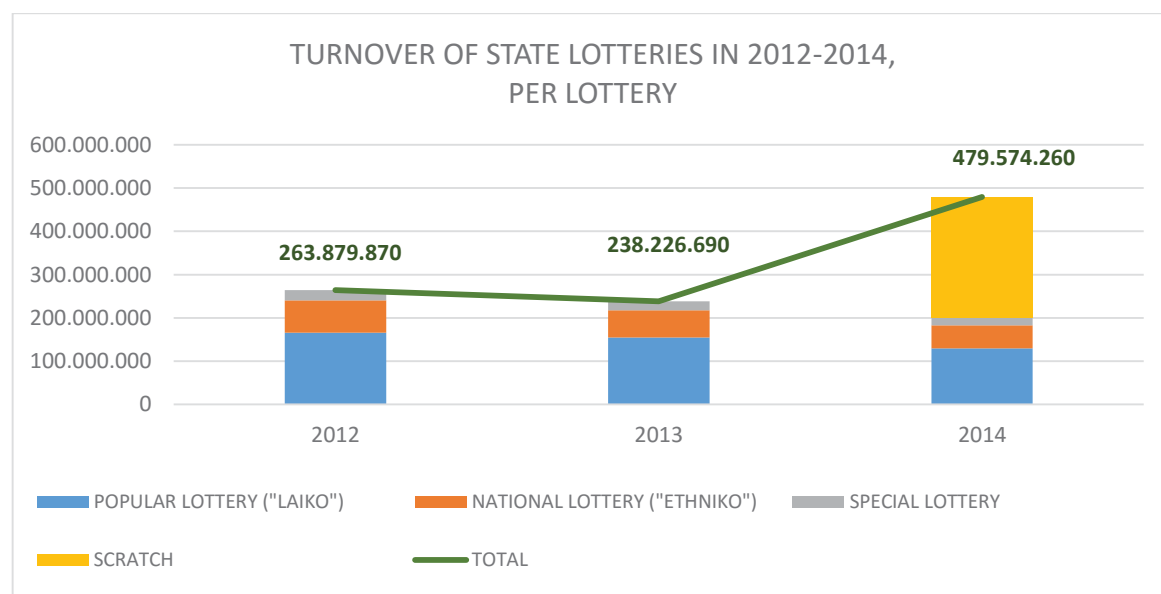
Month	Tickets per month	Expenditure per visit	Average annual expenditure 105.25€
January	264,630	97.60	
February	198,630	99.67	
March	219,341	106.33	
April	197,810	104.97	
May	201,510	100.47	
June	179,246	111.13	
July	208,591	108.76	
August	222,476	116.28	
September	214,291	109.85	
October	222,654	110.29	
November	209,469	104.28	
December	276,921	97.14	



2.2.7 FINANCIAL DATA FOR THE STATE LOTTERIES

The following table presents the evolution of turnover, per lottery, in the three-year period 2012-2014 for the state lotteries. The total gambling turnover of state lotteries went significantly up by 81.74% over the last three years. Specifically, the total turnover of lotteries was 479,574,260 euros in 2014 as opposed to 263,879,870 euros in 2012. This increase is due to the launch of SCRATCH in May 2014, whose turnover was 279,809,100 euros.

TURNOVER OF STATE LOTTERIES IN 2012-2014, PER LOTTERY (in euros)						
STATE LOTTERIES	2012	2013	2014	Variation in 2013/2012	Variation in 2014/2013	Variation in 2014/2012
POPULAR LOTTERY ("LAIKO")	165,981,910	154,848,450	129,495,340	-6.71%	-16.37	-21.98
NATIONAL LOTTERY ("ETHNIKO")	74,307,960	62,378,240	52,912,720	-16.05	-15.17	-28.79
SPECIAL LOTTERY ²⁵	23,590,000	21,000,000	17,357,100	-10.98	-17.35	-26.42
SCRATCH	0	0	279,809,100	-	-	-
TOTAL	263,879,870	238,226,690	479,574,260	-9.72	101.31%	81.74%



²⁵ The Special State Social Solidarity Lottery ("Protochroniatiko")

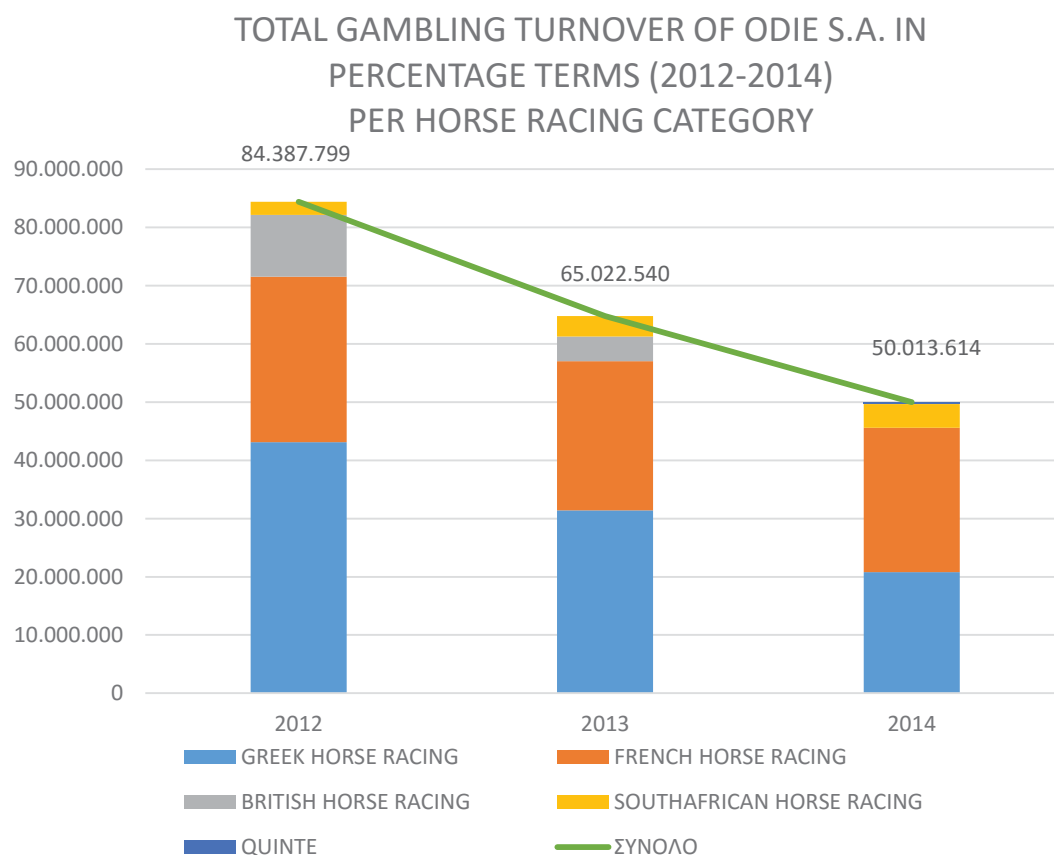
In 2014 SCRATCH accounted for 58% of the market share of lotteries, while LAIKO slipped from 63% in 2012 to 27% in 2014, ETHNIKO from 28% to 11% and the Special Social Solidarity Lottery ("Protochroniatiko") from 9% to 4%. However, a general overview of gaming revenue indicates that the biggest part of the market share was held by the instant state lottery, but not as a result of a drop in the shares of other lotteries or similar games (KINO, Joker, etc.)

SHARE OF INDIVIDUAL LOTTERIES IN TOTAL GAMBLING TURNOVER OF LOTTERIES AS A WHOLE IN PERCENTAGE TERMS (2012-2014)			
STATE LOTTERIES	2012	2013	2014
POPULAR LOTTERY ("LAIKO")	63%	65%	27%
NATIONAL LOTTERY ("ETHNIKO")	28%	26%	11%
SPECIAL LOTTERY ("PROTOCHRONIATIKO")	9%	9%	4%
SCRATCH	0%	0%	58%
TOTAL	100.00%	100.00%	100.00%

2.2.8 FINANCIAL DATA FOR THE GAMES OPERATED BY ODIE S.A.

The total turnover of horse racing betting operated or provided by ODIE S.A. has decreased significantly and dropped by more than half in 2014 as compared to 2012. Betting in GREEK HORSE RACING and FRENCH HORSE RACING accounted for 92% of total turnover in the period 2012-2014, despite the marked decrease. Apart from problems of a more general nature, another cause for this drop in turnover seems to be the discontinuation of betting in BRITISH HORSE RACING which was not offset by the introduction of QUINTE.

TOTAL BETTING TURNOVER OF ODIE S.A. IN PERCENTAGE TERMS (2012-2014) PER HORSE RACING CATEGORY (in euros)						
HORSE RACING CATEGORIES	2012	2013	2014 ²⁶	Variation in 2013/2012	Variation in 2014/2013	Variation in 2014/2012
GREEK HORSE RACING	43,110,180	31,428,566	20,783,966	-27.10%	-33.87%	-51.79%
FRENCH HORSE RACING	28,418,640	25,623,043	24,797,949	-9.84%	-3.22%	-12.74%
BRITISH HORSE RACING	10,631,597	4,207,122	-	-60.43%	-	-
SOUTHAFRICAN HORSE RACING	2,227,382	3,498,895	4,061,524	57.09%	16.08%	82.35%
QUINTE	0	264,914	370,174	-	39.73%	-
TOTAL	84,387,799	65,022,540	50,013,614	-22.95%	-23.08%	-40.73%



²⁶ The amounts for the year 2014 are an estimate based on provisional data.

2.2.9 STATE REVENUE RAISED FROM GAMBLING

The distribution of State revenue raised from the operation of games of chance is, in general, as follows:

- Licensing Revenue
- Revenue from participation in gross gaming revenue (gross profit - GGR)
- Revenue from casino players' tickets.
- Tax revenue from winnings.

By virtue of paragraph 5 article 50 of Law 4002/2011 (GG Series A, No. 180), the share of the Greek State in the gross gaming revenue (gross profit - GGR) generated in Greece is set at thirty percent (30%).

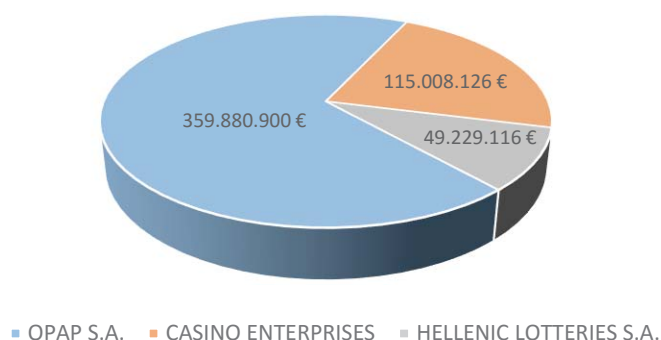
These provisions apply to all providers with the exception of casino enterprises, which have a different percentage as a result of the relevant licensing tender and, in some cases, of further modifications thereto at a later stage.

Furthermore, paragraph 5A of the same article provides for higher percentages which may go up to 35% in the case of games of chance played on gaming machines, if gross profit from those games exceeds the predefined limits.

On the basis of its responsibilities, the HGC oversees the collection of revenue from the participation of the State in gross gaming revenue.

The revenue collected from participation in gross gaming revenue for the year 2014, amounted to 524,118,142 euros, as analyzed per provider in the relevant chart. It should be noted that the amount originating in the casinos includes (20,860,709 euros) state revenue from the special annual operation duty and from tickets, as well as from the rights of municipalities on gross profit made by the local casinos. By contrast, the above amount of state revenue does not include revenue from horse racing betting, due to the lack of available data, or state revenue from the operation of State Lotteries in the period 1st January-30th April 2014, when horse racing betting was under the Directorate of State Lotteries of the Ministry of Finance.

REVENUE COLLECTED BY THE GREEK STATE
IN 2014 FROM GAMBLING OPERATORS



2.3 ILLEGAL GAMBLING

The gambling market is neither an everyday commercial activity nor a usual form of service provision. For that reason, it is subject to strict regulations aiming at safeguarding social order and citizens's protection. The organization and operation of illegal gambling entails a considerable risk of committing crimes, such as fraud, encourages unwise spending, which is harmful both at the personal and the community level, and is a frequent method of spending money from illegal sources. The players may end up addicted, bankrupt or dependent on creditors, commit crimes for money that they could spend on gambling, or become socially isolated and less productive. Furthermore, illegal gambling does not produce any state revenue.

In its effort to deal with the problem, apart from taking repressive measures, which are not always effective, the State supports the creation of legal, licensed and closely monitored gambling operator networks, with a view to attract the players.

In Greece, it has been found that many natural persons or legal entities organize and operate games of chance illegally and without having been granted the respective rights or license for these activities by a competent public authority. Illegal gambling includes, for example: games played on gaming machines (fruit machines), illegal bets, games played in gambling clubs or other shops and online games and bets.

According to Hellenic Police²⁷ data, in 2014, fourteen (14) illegal organized casinos were identified and criminal investigation was launched for two hundred and seventy-four (274) people, sixty (60) of whom were arrested after being caught in flagrante delicto. A large number of illegal gaming machines, computers, electronic equipment boards, gambling tables, money, etc. were seized.

Until now, the extent of illegal gambling in Greece has been studied and reported in a fragmented manner which has been very ineffective. These are some of the most recent surveys on the topic:

1. A survey conducted across Greece by the company ALCO on behalf of OPAP S.A. in July 2010, which involved phone interviews with a representative sample of 1600 people and concluded that almost half of OPAP S.A. players participate in illegal games played either online or on gaming machines. Market actors that participated in the survey estimate that the annual turnover of illegal online gambling reaches 4-4.5 bn euros, while that of illegal gaming machines is 0.5-1 bn euros²⁸.
2. A survey conducted in 2011 by ELTRUN, the e-Business Research Centre of the Athens University of Economics and Business, as part of the annual survey on e-commerce, titled B-C, which examined e-gambling and the attitude of Greek online

²⁷ Source: Hellenic Police HQ - Press Release 21.01.2015 "Statistics - Report on the overall activities of Hellenic Police in 2014"

²⁸ <http://thebest.gr/news/index/viewStory/25185>

consumers, allowed us to estimate that almost 400,000 Greeks have gambled online (+25% since 2010), 100,000 of them on a regular basis. According to the survey, a typical online gambler uses the internet 23.3 hours a week and is an advanced online consumer with an annual spending on e-shopping at 1,450€. As regards the age of players, it was estimated that 60% of the people participating in e-gambling are aged between 21 and 34 years old, while a significant part of online gamblers, i.e. 8%, are aged between 14 and 20 years old. In other words, more than 30,000 young people aged below 20 years old said that they had played casino-like games or placed bets on the internet²⁹.

3. A survey titled "Transition of Unregulated VLT Gaming into Tax-Generating Business & Socially Responsible Entertainment", conducted in 2014 by the Athens University of Economics and Business on behalf of OPAP S.A. On the basis of that survey, it was estimated that 65,000 gaming machines operating in the illegal gambling market generate a gross gaming revenue of 1.3 bn euros annually for the persons that operate them illegally. The average player visiting illegal shops with gaming machines is of low income, high school graduate, man, smoker, visits the shop he likes almost daily and gambles 100 - 150 euros per visit. The vast majority of such players do not play any other games of chance. In particular, 80% of these people have never gambled online and more than 50% have never played in an OPAP agency³⁰.

²⁹ <http://www.eltrun.gr/wp-content/surveys/e-gambling.pdf>

³⁰ <http://www.kathimerini.gr/795773/article/epikairothta/ellada/to-profil-twn-8amwnwn-sta-paranoma-froytakia>

3. ANNUAL ACTIVITY REPORT ON GAMING REGULATION

The annual activity report in this field is presented in conjunction with the projects of the approved Action Plan 2013-2015.

The projects in this field were carried out by the Directorate of Regulation and Social Responsibility.

3.1 REGULATION OF ELECTRONIC AMUSEMENT GAMES PLAYED ON GAMING MACHINES

3.1.1 DRAFTING A REGULATION ON THE OPERATION AND COMPLIANCE INSPECTION OF ELECTRONIC AMUSEMENT GAMES PLAYED ON GAMING MACHINES.

The project "Drafting a Regulation on the operation and compliance inspection of amusement games played on gaming machines" (project: 1.1 of the approved Action Plan 2013-2015) is completed. The Regulation was approved and entered into force by virtue of Decision No. 110/2/20.06.2014 (GG Series B, No. 1801) of the HGC, titled: "Drafting a Regulation on the operation and compliance inspection of electronic amusement games played on gaming machines". Subsequently, the Regulation was amended and codified by virtue of Decisions No. 115/4 B/11.07.2014 (GG Series B, No. 2035) and 130/2/18-11-2014 (GG Series B, No. 3225) of the HGC, whereby a series of rules were incorporated into the regulatory framework mainly regarding compliance inspection and objective determination of administrative sanctions in case of infringements.

With the entry into force of Decision No.10/2/20.06.2014 (GG Series B, No. 1801) of the HGC a six-month deadline was activated for the issuance of the necessary operating licenses and certifications for the games, gaming machines and shops used for the electronic amusement games that were already operating, as laid down in par. 4 article 54 of Law 4002/2011 (GG Series A, No. 180), as in force. The deadline expired on 28th February 2015.

3.1.2 DRAFTING A REGULATION ON THE CERTIFICATION OF TECHNICIANS FOR ELECTRONIC AMUSEMENT GAMES AND GAMING MACHINES AND FOR VLT GAMES AND GAMING MACHINES AND ON THE CREATION OF THE RELEVANT REGISTERS.

The project "Drafting a Regulation on the certification of Technicians for electronic amusement games and gaming machines and for VLT games and gaming machines and on the creation of the relevant registers", was included in the Action Plan as a new, independent project, coded 1.18, and not as part of the projects for the drafting of regulations on amusement games and VLT games, because it was deemed to be an action that needed to be completed prior to those having to do with the implementation of the above general regulations. The project was completed and the Regulation was approved and entered into force by virtue of Decision No. 107/5/30.05.2014 (GG Series B, No. 1637) of the HGC, as amended and codified by virtue of Decisions No. 115/4A/11.7.2014 (GG Series B, No. 2045) and 133/3/03.12.2014 (GG Series B, No. 3421) of the Commission. The Regulation sets out, among others, the conditions and the procedure for the certification of the Technicians for the games and gaming machines. According to the applicable law, the certified Technicians are the only persons who may legally install, repair, upgrade and generally interfere with any certified game, either amusement game or game of chance, or with certified gaming machines on which such games are played.

3.1.3 ISSUANCE OF OPERATING LICENSES FOR ELECTRONIC AMUSEMENT GAMES PLAYED ON GAMING MACHINES.

The project was designed in such a way as to allow electroning filing and processing of the applications for the "Issuance of operating licenses for electronic amusement games played on gaming machines" (project: 2.1 of the approved Action Plan 2013-2015), with a view to reduce administrative burden and better serve the professionals in the field, which are the targets towards which the HGC is steadily oriented. Thus, the project had to start being implemented as soon as the "IT system for the management and compliance inspection of the operation and certification of electronic amusement games and games of chance played on gaming machines" was complete and put into full and productive operation, early December 2014. The first operating licenses for electronic amusement games played on gaming machines are expected to be issued within the 1st quarter of 2015, when the relevant register will be created and posted on the website of the HGC.

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

3.1.4 CERTIFICATION OF THE OPERATION OF ELECTRONIC AMUSEMENT GAMES PLAYED ON GAMING MACHINES

The electronic submission, processing and handling of applications for "Certification of Technicians for electronic amusement games" (project: 3.11 of the approved Action Plan 2013-2015) started in July 2014, following the activation of the respective application of the IT system for the management and compliance inspection of the operation and certification of electronic amusement games and games of chance played on gaming machines. By 31st December 2014 a total of eighty-four (84) applications from Technicians for electronic amusement games had been filed, forty-seven (47) of which were approved, while the rest were still under processing. Forty-six (46) applications concerned the certification of natural persons and one (1) was for a legal entity. Out of the forty-seven (47) certified Technicians, twenty-two (22) are specialists in games and gaming machines for electronic amusement games and twenty-five (25) are specialized in gaming machines for electronic amusement games. The certified Technicians are entered in the Register of Technicians that the HGC keeps and has posted on its website (www.gamingcommission.gov.gr), which allows entry search on the basis of specific search criteria, such as specialty or geographical area. The Register is being constantly updated.

It should be noted that a cross-check of the information included in the Technicians' applications for certification or in the relevant supporting documents has been planned both for amusement games and for VLT-type games, in accordance with article 1 of Law 2690/1999 (GG Series A, No. 45) as in force, and is described in detail in subparagraph 3.3.4.

Electronic submission, processing and handling of applications for

1. "Certification of Technicians for electronic amusement games" (project 3.1 of the approved Action Plan 2013-2015).
2. "Certification of Technicians for gaming machines used for electronic amusement games" (project 3.5 of the approved Action Plan 2013-2015).
3. "Certification of premises operating electronic amusement games" (project 3.7 of the approved Action Plan 2013-2015).

started as soon as the IT system of the HGC was put into full productive operation, early December 2014. The granting of certifications is expected to start within the 1st quarter of 2015, when the relevant register will be published on the HGC website. The projects are ongoing and are expected to be running until conclusion of the Action Plan 2013-2015.

3.1.5 CHARACTERIZATION OF GAMES AS ELECTRONIC AMUSEMENT GAMES OR OTHER

The project "Characterization of games as electronic amusement games or other" was included in the Action Plan 2013-2015 as a new project, coded 3.14. The aim of the project is to clarify the nature of certain electronic amusement games in order to decide whether they fall under item cc, paragraph a, article 25 of Law 4002/2011 (GG Series A, No. 180), which means that they would have to be certified by the HGC.

In this project, a total of fourteen (14) requests for the characterization of games and an expert's report were submitted: eleven (11) from private entities and three (3) from public bodies. Ten (10) requests had been addressed by 31st December 2014. The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

3.2 REGULATION OF ONLINE AMUSEMENT GAMES

The project "Drafting a regulation on the operation and compliance inspection of online amusement games" (project: 1.2 of the approved Action Plan 2013-2015), presented real difficulties in its preparation, as online games evolve and expand very rapidly across the internet and social networks. The necessary preparatory actions for the search and collection of data have been completed already and the project is expected to be completed in the 4th quarter of 2014.

3.3 REGULATION OF VLT GAMBLING

3.3.1 DRAFTING A REGULATION ON THE OPERATION AND COMPLIANCE INSPECTION OF GAMES OF CHANCE PLAYED ON VLT GAMING MACHINES

The project "Drafting a Regulation on the operation and compliance inspection of games of chance played on VLT gaming machines" (project: 1.4 of the approved Action Plan 2013-2015), was completed with Decision No. 115/2/11.07.2014 (GG Series B, No. 2041) of the HGC, titled "Regulation of the operation and compliance inspection of games of chance played on VLT gaming machines" This was preceded by a public consultation at a national and European level following the procedure provided for in Directive 98/34/EC (Notification No. 2013/24/GR). Moreover, the applicable provisions had to be amended by establishing new legislative regulations which emerged as a necessity during the implementation of the project. The Regulation tackled issues which are related to the operation of games of chance played on VLT gaming machines, such as the procedure for the certification of games, gaming machines, shops, manufacturers and importers, the supporting documents needed in each case and any other necessary details.

3.3.2 DRAFTING OF TECHNICAL SPECIFICATIONS (TS) FOR THE OPERATION OF GAMES OF CHANCE PLAYED ON VLT GAMING MACHINES.

The project "Drafting of technical specifications (TS) for the operation of games of chance played on VLT gaming machines" was included in the Action Plan 2013-2015 as a new project, coded 1.19, after being separated from the project for the drafting of a Regulation on the operation and compliance inspection of the above games. The project was completed with Decision No. 115/3/11.07.2014 (GG Series B, No. 2042) of the HGC, titled "Regulation of matters related to the technical specifications (TS) for the operation of games of chance played on VLT gaming machines", which lays down the technical specifications that have to be fulfilled by all kinds of machines, equipment, software applications or systems connected with the operation of games of chance played on VLT gaming machines. This was preceded by notification of the technical specifications to the European Commission following the procedure provided for in Directive 98/34/EC (Notification No. 2012/205/GR), and examination of the comments submitted by OPAP S.A., certification laboratories and manufacturers.

3.3.3 DRAFTING A REGULATION ON THE CERTIFICATION OF TECHNICIANS FOR ELECTRONIC AMUSEMENT GAMES AND GAMING MACHINES AND TECHNICIANS FOR VLT GAMES AND GAMING MACHINES AND ON THE CREATION OF THE RELEVANT REGISTERS.

This is a joint project, which is required for the regulation both of electronic amusement games and games of chance played on VLT gaming machines, and it is described in detail in subparagraph 3.1.2.

3.3.4 CERTIFICATION FOR THE REGULATION OF VTL GAMBLING.

The electronic submission, processing and handling of applications for "Certification of Technicians for games of chance and VLT gaming machines" (project: 3.12 of the approved Action Plan 2013-2015) was made possible in July 2014, following the activation of the IT system for the management and compliance inspection of the operation and certification of electronic amusement games and games of chance played on gaming machines. A total of two hundred and thirty-two (232) applications from VLT Technicians had been submitted by 31st December 2014 (227 natural persons and 5 legal entities), of which one hundred and fifty-three (153) were approved and one (1) was rejected, while seventy-nine applications are still under examination. Out of the one hundred and forty-nine (149) certified Technicians, who are natural persons, eighty-four (84) are specialists in games of chance and VLT gaming machines and sixty-five (65) are specialized in VLT gaming machines. Out of the three (3) certified Technicians, who are legal entities, one (1) is a specialist in games of chance and VLT gaming machines and two (2) are specialized in VLT gaming machines.

The certified Technicians are entered in the Register of Technicians that the HGC keeps and has posted on its website (www.gamingcommission.gov.gr), which allows an entry search on the basis of specific search criteria, such as specialty or geographical area. The Register is being constantly updated.

As to the cross-checking and verification of the information included in the applications or the supporting documents submitted for the certification of Technicians both for electronic amusement games and for VLT-type games, the HGC requested ex-officio to be provided with a copy of the criminal records of all the three hundred and sixteen (316) Technicians having applied for a certification (232 applications for VLT games and 84 for amusement games). Furthermore, the HGC initiated a series of random controls of all the supporting documents in the application files, starting with the files of nineteen (19) Technicians who have already been certified, which are ongoing and are expected to be completed in the 1st quarter of 2015.

Electronic submission, processing and handling of applications for

1. "Certification of games of chance played on VLT gaming machines" (project 3.2 of the approved Action Plan 2013-2015),
2. "Certification of VLT gaming machines" (project 3.6 of the approved Action Plan 2013-2015),
3. "Certification of premises operating games of chance played on VLT gaming machines" (project 3.8 of the approved Action Plan 2013-2015),
4. "Certification of Manufacturers of games of chance and VLT gaming machines" (project 3.9 of the approved Action Plan 2013-2015),
5. "Certification of Importers of games of chance and VLT gaming machines" (project 3.10 of the approved Action Plan 2013-2015),

started as soon as the "IT system for the management and compliance inspection of the operation and certification of electronic amusement games and games of chance played on gaming machines" was put into full productive operation, early December 2014. The granting of certifications is expected to start within 2015, when the relevant registered will be published on the HGC website. The projects are ongoing and are expected to be running until conclusion of the Action Plan 2013-2015.

3.4 REGULATION OF ONLINE GAMBLING

3.4.1 DRAFTING A REGULATION ON THE OPERATION AND COMPLIANCE INSPECTION OF ONLINE GAMBLING

The project titled "Drafting a Regulation on the operation and compliance inspection of online gambling" (project: 1.3 of the approved Action Plan 2013-2015) started in

the 3rd quarter of 2013, with the recording and evaluation of the relevant institutional frameworks in other countries and continued through 2014 with the processing of the draft regulation and the relevant draft technical specifications.

This material was the basis for the drafting of a Regulation on matters related to the operation and compliance inspection of the online betting games of pre-defined yield offered by OPAP S.A., which was completed within the 2nd quarter of 2014 and is analyzed in the next section of this Report that deals with the games operated by OPAP S.A.

The final draft of the "Regulation on the operation and compliance inspection of online gambling" is expected to be approved within the 4th quarter of 2015, once it has been put to national and European consultation (through TRIS), following the procedure provided for in Directive 98/34/EC.

3.5 REGULATION OF GAMES OF CHANCE OPERATED BY OPAP S.A.

3.5.1 DRAFTING REGULATIONS ON THE OPERATION AND COMPLIANCE INSPECTION OF GAMES OPERATED BY OPAP S.A.

As part of the project "Drafting regulations on the operation and compliance inspection of games operated by OPAP S.A." (project: 1.5 of the approved Action Plan 2013-2015), Decision No. 105/2/16.5.2014 (GG Series B, No. 1330) of the HGC, titled "Regulation of matters regarding the operation and compliance inspection of the online betting games of pre-defined yield offered by OPAP S.A." was issued, which regulates the online betting games of pre-defined yield that OPAP S.A. offers and operates on the basis of the provisions of paragraph 1, article 2 of Law 2433/1996, the provisions of Presidential Decree 250/1997 in conjunction with the provisions of article 27 of Law 2843/2000 and the provisions of the regulations issued by virtue of delegated powers. This decision applies in addition to Decision No. 37336/2008 (GG Series B, No. 1590) of the Ministers of Tourism and Finance, titled: "Approval of the "Regulation on the Organization and Operation of the betting games of pre-defined yield operated by OPAP S.A.", as amended by Decision No. 7209/2011 (GG Series B, No. 390) of the Ministers of Tourism and Finance.

In addition, Decision No. 129/2/7.11.2014 (GG Series B, No. 3162) of the HGC was issued with a view to deal with money laundering in the gambling sector and amended Joint Ministerial Decision No. 2167/22.1.2009 (GG Series B, No. 78) "General Regulation on the Organization and Operation of games operated by OPAP S.A., as in force" with regard to the method of payment of winnings to players and the procedure for granting the certificate of winnings to players. According to the provisions of the above decision, it is no longer allowed to issue a certificate of gains for tickets whose

value is less than 200 euros, whereas certificates for larger sums are issued only if payment of the amount was made to a bank account in the name of the player. The new rules are expected to tackle the issue of money laundering through the games operated by OPAP S.A. in an effective manner.

The project of drafting new rules on the operation and compliance inspection of the games operated by OPAP S.A. started in the 1st quarter of 2014 and is expected to be completed within 2016. It should be noted that until the new regulations are issued, the current regulations remain in force, in the form stipulated by the ministerial decisions issued when they were originally introduced.

3.6 REGULATION OF MUTUAL BETTING ON HORSE RACING

3.6.1 DRAFTING A REGULATION ON THE OPERATION AND COMPLIANCE INSPECTION OF MUTUAL BETTING ON HORSE RACING

As part of the project "Drafting a Regulation on the operation and compliance inspection of mutual betting on horse racing" (project: 1.6 of the approved Action Plan 2013-2015), the stages of public consultation and notification of the draft regulation to the European Commission have been concluded, following the provisions of Directive 98/34/EC.

The draft regulation provides, among others, for the creation of special regulations on each type of mutual betting on horse racing, which will determine the terms and conditions for its operation, the method of calculating and paying winnings to players, the course of action in case of cancellation of races, the maintenance of records and submission of reports, etc. The timeline for the implementation of the final draft of the regulation will be defined once the privatization of ODIE S.A. is completed.

3.7 REGULATION OF THE STATE LOTTERIES

3.7.1 DRAFTING A GENERAL REGULATION AND SPECIAL REGULATIONS ON THE STATE LOTTERIES

The "General Regulation on the operation and compliance inspection of the State Lotteries game" (project: 1.7 of the approved Action Plan 2013-2015) was approved with Decision No. 4/2/17.7.2012 (GG Series B, No. 2205) of the HGC, was amended and codified with Decision No. 03/7/25.4.2014 (GG Series B, No. 1127) of the HGC and, in conjunction with the special regulations on the individual types of lotteries, lead to the completion of the regulatory framework on the basis of which the company which is the concessionaire of State Lotteries (Hellenic Lotteries S.A.) started to operate the game as of 1st May 2014.

Subsequently, the Regulation was amended and codified with Decision No. 129/2/7.11.2014 (GG Series B, No. 3162 of the HGC, whereby various matters regarding the method of payment of winnings to players and the procedure for granting certificates of winnings to players were regulated. According to the new provisions introduced by the Decision of the HGC, it is no longer allowed to issue a certificate of gains per slip (for draw games) or card (for the instant lottery) whose value is less than 200 euros, whereas certificates for larger sums are issued only if payment of the amount was made to a bank account in the name of the player. This provision is expected to contribute towards eliminating the possibility of money laundering through the State Lotteries.

In response to the "Regulation on the operation and compliance inspection of the State Lotteries game" as in force, the operator of State Lotteries (Hellenic Lotteries S.A.) proposed the draft special regulations for each individual type of State Lottery. In 2014, the HGC reviewed and approved:

1. the "Special Regulation on the operation and compliance inspection of the Instant State Lottery game" (project: 1.16 of the approved Action Plan 2013-2015), with its Decision No. 94/4/14.2.2014 (GG Series B, No. 531),
2. the "Special regulation on the operation and compliance inspection of the "Ethniko" lottery game" (project: 1.13 of the approved Action Plan 2013-2015), with its Decision No. 103/9/25.4.2014 (GG Series B, No. 1149),
3. the "Special regulation on the operation and compliance inspection of the "Laiko" lottery game" (project: 1.14 of the approved Action Plan 2013-2015), with its Decision No. 103/8/25.4.2014 (GG Series B, No. 1128),
4. the "Special regulation on the Special State Social Solidarity Lottery game - "Protochroniatiko" lottery game" (project: 1.15 of the approved Action Plan 2013-2015), with its Decision No. 131/2/21.11.2014 (GG Series B, No. 3170);

In this way, it completed the regulatory framework for the operation of the State Lotteries which are already in circulation. It should be noted that the remaining State Lotteries included in the concession, i.e. the European and the Housing Lottery, remain inactive.

The above special regulations define the terms and conditions, the procedures, the special rules and the means used for the operation of State Lotteries, the course of action in case of cancellation of tickets, as well as the obligations to maintain records and submit reports to the operator.

3.8 REGULATION OF GAMBLING ON BROADCAST AND TELECOMMUNICATIONS MEDIA

3.8.1 DRAFTING A REGULATION ON THE OPERATION AND COMPLIANCE INSPECTION OF GAMBLING ON BROADCAST AND TELECOMMUNICATIONS MEDIA

The provisions of article 106 of Law 4209/2013 (GG Series A, No. 253) reformulated and supplemented the provisions of article 53 of Law 4002/2011 (GG Series A, No. 180), thus eliminating the legal uncertainty that existed as regards licenses for gambling on broadcast and telecommunications media. The new provisions determined the games played on broadcast and telecommunications media which are subject to a license, as well as all the necessary details on the licensing procedure. With a view to protect consumers, particularly minors and vulnerable groups, only mixed games are subject to a license, i.e. the games that necessarily consist of at least one phase that is based on skill and at least one phase that is based on luck; in other words games of pure chance are excluded. Furthermore, the game of chance has to be played and broadcasted in real time and a natural person has to take part in it as a presenter.

In this context, the HGC, by virtue of its Decision No. 93/2/28.01.2014 (GG Series B, No. 205), put into force the "General Principles and Rules on the Operation of Gambling on Broadcast Media", according to which the above games may be operated during the transitional period until the Regulation is issued and licenses are granted, provided that the operators of the above games submit a Declaration of Acceptance of the terms of the above decision of the HGC. Subsequently, the HGC has to check the Declaration of Acceptance to establish that it is comprehensive of all the elements required and enter the game and its details in the List of games of chance played on broadcast and telecommunications media, on the HGC website (www.gamingcommission.gov.gr). The games may be played and broadcasted only after their details have been posted on the website of the HGC. In 2014, forty (40) declarations of approval were made for an equal number of games, a total of thirty-six games were posted on the website and four (4) games were rejected. Seven (7) games were posted and were later deleted. On 31st December twenty-nine (29) games were still displayed on the website.

In the inspections carried out by the HGC a series of serious compliance issues detected with regard to the games played during the transitional period. On the basis of these findings, the HGC proceeded to a more detailed research into the matter, which concluded that the nature of these games, combined with the widespread use of broadcast media, does not comply with the strict and restrictive framework that the State has chosen for the operation of gambling. Considering that Greece has

imposed a general ban on the operation of this kind of games (i.e. all games must be played to the extent and in the way expressly stated by the law), the HGC concluded that it should advise the State (decision no. 124/2/29-9-2014) to include gambling on broadcast media in the general ban. However, given that these games are still under the same regime until this date, the HGC has performed its duty and proceeded with the drafting of the final Regulation, which is expected to be completed in the 4th quarter of 2015, so that the statutory licenses can start being issued if these games continue to be allowed.

3.8.2 ISSUANCE OF OPERATING LICENSES FOR GAMBLING ON BROADCAST MEDIA

The "Issuance of operating licenses for gambling on broadcast media"(project: 2.3 of the approved Action Plan 2013-2015), will start once the relevant Regulation has been approved and published, in the 4th quarter of 2015. The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

3.8.3 CHARACTERIZATION OF GAMES PLAYED ON BROADCAST OR OTHER TELECOMMUNICATIONS MEDIA AS GAMES THAT INVOLVE OR DO NOT INVOLVE CHANCE.

In the project "Characterization of games played on broadcast or other telecommunications media as games that involve or do not involve chance", (project: 3.4 of the approved Action Plan), seven (7) decisions were issued in 2014 to characterize various games played on these media. The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

3.9 REGULATION OF CASINO GAMBLING

3.9.1 DRAFTING A NEW REGULATION ON THE OPERATION AND COMPLIANCE INSPECTION OF CASINO GAMING

As part of the project "Drafting a new Regulation on the operation and compliance inspection of casino gaming" (project: 1.9 of the approved Action Plan 2013-2015), it was deemed necessary to modernize the existing legislative framework and the following modifications were made to the Regulation on the Administrative Control and Supervision of the Operation of Casinos (GG Series B, No. 929/4.7.2003), as in force.

1. Decision No. 94/5/14.02.2014 (GG Series B, No. 406) put an end to the period of tolerance and the transitional regime for any technical equipment and materials used in casino gambling without a license due to their obsolete technology, and ordered that such equipment should be withdrawn if the suitability license

prescribed in the applicable Regulation had not been obtained until 30th June 2014. The same decision abolished the obligation to have the suitability licenses for technical equipment and materials used in the operation of casino gambling renewed every five years and amended their duration so that they remain valid for an open-ended period. In addition, it rationalized some technical aspects regarding the characteristics of electronic roulettes.

2. Decision No. 98/5/21.03.2014 (GG Series B, No. 767) of the HGC introduced a new element in the banning procedure used for players, thus allowing the spouses of players to apply for their banning, a right that existed until that time only for first degree relatives. It also regulated various issues regarding the issuance of the certificate of suitability of casino employees. It is casino enterprises that undertake the responsibility to certify their own employees and issue the relevant certificates of suitability, having the obligation to notify the HGC accordingly. Casino enterprises are supervised by the HGC as regards their compliance with the terms and conditions for the certification of their employees and the issuance of the relevant certificates of suitability and are subject to administrative sanctions in the event of infringements. This offers significant savings in administrative expenses and in the time needed for the issuance of certificates, not only to the benefit of casinos, but also of the HGC and by extension of the Greek State, while casino enterprises are allowed more flexibility in the way they plan and manage their employees, especially during the high season. The above decision also regulated matters related to the trading hours of casinos, with a view to simplify the procedure of their definition and modification, which is now the responsibility of the enterprises themselves, on condition that they do not operate for less than eight (8) hours per day and that they have previously notified the HGC. Finally, a new method of calculation of the gaming reserve that casinos hold as a safety measure has been established, which is now based on the history of gaming activity and a progressive safety factor and not on the hypothetical needs of the installed gaming equipment, which is, in fact, barely used or is not used at all - especially in this period of crisis. This method allows for a safety reserve that corresponds to the actual cash needed for the payment of customer wins.
3. By virtue of paragraph 6, article 173 of Law 4261/2014 (GG Series A, No. 107), any fees for the granting or renewal of suitability licenses for manufacturers, suppliers, maintenance technicians, as well as for the technical equipment and materials used in casino gambling, are no longer payable to the Ministry of Tourism, but rather to the HGC. Decision No. 107/2/30.05.2014 (GG Series B, No. 1655) gives effect to the above provisions and regulates the relevant procedures.

4. Decision No, 116/3/21.07.2014 (GG Series B, No. 2159) of the HGC specified the form and content of the special certificate for the licensing of maintenance technicians for technical equipment and materials used in casino gambling.
5. Decision No. 116/4/21.07.2014 (GG Series B, No. 2159) of the HGC regulated the procedure of abolishing an interconnected progressive function (jackpot) and transferring the unused amounts to other functions, so that they can finally reach the players.
6. Decision No. 117/4/23.07.2014 (GG Series B, No. 2128) of the HGC regulated various aspects of the licensing of technical equipment and materials used in casinos related to the suitability of playing cards.
7. Decision No. 129/3/07.11.2014 (GG Series B, No. 3163) of the HGC increased the duration of CCTV data recordings and of their storage periods, established a stricter framework as regards the issuance of certificates of suitability for employees and maintenance technicians having access to the gaming facilities and addressed issues concerning the opening hours of the individual gaming halls as opposed to those of the casino as a whole.
8. Decision No. 136/3/12-12-2014 of the HGC stipulated a reasonable period of transition to the new requirements of Decision No. 129/3/07.11.2014 of the HGC regarding the closed-circuit television system (CCTV).

Further improvements to the existing Regulation on the Administrative Control and Supervision of the Operation of Casinos have been scheduled for 2015, with the aim of improving the rules, making compliance inspection more effective and simplifying the procedures.

3.9.2 PROVISION OF SUITABILITY LICENSES FOR TECHNICAL EQUIPMENT AND MATERIALS USED IN CASINO GAMING

The project "Provision of suitability licenses for technical equipment and materials used in casino gaming", previously titled "Certification of casino gambling and gaming machines" (project: 3.3 of the approved Action Plan 2013-2015) started in the 3rd quarter of 2013, is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015. Until 31st December 2014, the following actions had been taken:

1. As part of the licensing of Manufacturers of technical equipment and materials used in casino gaming, for a total of eleven (11) applications, two (2) suitability licenses were granted, six (6) were renewed or modified, two (2) license renewals are still pending and one (1) application was withdrawn.

2. As part of the licensing of Maintenance Technicians of technical equipment and materials used in casino gaming, a total of nine (9) Maintenance Technicians had their suitability licenses renewed, of whom one (1) was a casino employee and eight (8) were employees of a third company. No new Maintenance Technician license was granted.
3. As part of the licensing of Suppliers of technical equipment and materials used in casino gaming, one (1) new suitability license was issued and one (1) was renewed.
4. As part of the licensing of technical equipment and materials used in casino gaming, for a total of two hundred and sixty-one (261) applications, one hundred and eighty-four (184) new suitability licenses were issued, one (1) existing license was modified, twenty-three (23) new licenses are still pending, while fifty-three (53) were deemed to be still in force on the basis of Decision No. 94/5/14.02.2014 (GG Series B, No. 406) of the HGC and their supporting documents were returned.

3.9.3 OTHER RULES GOVERNING THE OPERATION OF CASINOS.

Once Decision No. 85/8/16.12.2013 (GG Series B, No. 3353) of the HGC enters into force it will no longer be required to obtain an approval in order to perform minor changes in certain aspects of the operation of casino enterprises, but only to timely notify the HGC of those changes; as a result, the procedure will be simplified and administrative costs will be reduced not only to the benefit of casinos, but also of the HGC and by extension of the Greek State. In this new context, the HGC received and reviewed a total of one hundred and eighty seven (187) notifications of changes. Two (2) of those notifications were related to the modification on non-interconnected progressive functions, twenty-two (22) to the installation or modification or relaunch of interconnected progressive functions, one (1) to the abolition of a non-interconnected progressive function, seven (7) to the abolition of an interconnected progressive function and transfer of the progressive amount, five (5) to a money reserve, twenty-one (21) to the trading hours, nine (9) to changes in personnel, nineteen (19) to changes of position of technical equipment or in casino areas, thirty-eight (38) to the removal or destruction of machines or tables, sixteen (16) to the rearrangement of tables and machines, two (2) to the reduction of the variable starting amount of an interconnected progressive function and its transfer, twenty-seven (27) to the installation or modification of machines and/or tables, one (1) to works performed, eight (8) to the transport to/ from the warehouse and the installation of materials in the gaming area, seven (7) to the certification of persons and two (2) to the installation or modification of maximum profit operations. It should be noted that the above modifications are carried out by the casino enterprises under the supervision of the Inspection Teams of the HGC that are present on the site and no earlier than seven (7) calendar days from the relevant notification.

Furthermore, the HGC examined several requests for the rearrangement of casino gaming areas and issued seven (7) decisions.

Finally, four (4) decisions were issued by the HGC, whereby the licenses for the establishment and operation of three (3) casinos were amended. Specifically:

1. By virtue of its Decision No. 93/4/28.01.2014 (GG Series B, No. 253), the HGC approved the amendment of Decision No. 600/3.4.1995 (GG Series B, No. 269) of the Minister of Tourism titled "Granting a license for the establishment and operation of a casino in Thrace", regarding the relocation of the Thrace Casino to an area outside the zone defined in item k, paragraph 1, article 1 of Law 2206/1994 (GG Series A, No. 62) in accordance with the provisions of Decision No. 5597/21.3.2013 (GG Series B, No. 772) of the Minister of Tourism. Thus, the Thrace Casino was moved from Lefkos Pyrgos, in Xanthi to an autonomous building that was previously used as a conference centre by the hotel complex "Alexander Beach & Convention Centre" situated at the 2nd km of the National Road Alexandroupolis - Komotini. This measure led to a significant increase in casino operations in the period that it was operating at the new location in 2014 (13/2/2014 - 31/12/2014) on a year-on-year basis: in turnover (drop) by 41.3%, in gross revenue (win) by 62.5% and in the number of visits by 40.7%.
2. By virtue of its Decisions No. 104/7/9.5.2014 (GG Series B, No. 1323) and 109/2/13.6.2014 (GG Series B, No. 1849), the HGC approved Decision No. 2064/1.12.1994 (GG Series B, No. 904) of the Minister of Tourism titled "Granting a license for the establishment and operation of a casino in the Thessaloniki Prefecture", regarding the rearrangement of the gaming areas of "Regency Casino Thessaloniki" and its relocation to the adjacent hotel complex "Hyatt Regency Thessaloniki", which has not been completed yet.
3. By virtue of its Decision No. 104/6B/9.5.2014 (GG Series B, No. 1323), the HGC approved the request of the joint venture operating the Florina Casino to amend Decision No. 2554/21.12.1995 (GG Series B, No. 1083) of the Minister of Tourism titled "Granting a license for the establishment and operation of a casino in the area of Florina", regarding the rearrangement of the casino gaming areas, which was deemed necessary by the joint venture in order to make the casino operational.

3.10 REGULATION OF GAMING PENALTIES

3.10.1 DRAFTING A REGULATION ON GAMING PENALTIES

The project "Drafting a Regulation on Gaming Penalties" (project: 1.11 of the approved Action Plan 2013-2015) is ongoing. As part of the implementation of the project, a

Working Group was formed in order to specify the administrative sanctions applicable in case of violation of the legislative and regulatory framework of the organization and operation of games, by virtue of Decision No. PRP4685140714/14.07.2014 of the President of the HGC. The Working Group performed the following tasks:

1. Recording of violations (inspection points) and classification according to category, type of game and gaming equipment.
2. Definition of criteria and methodology of estimation of gravity and calculation of fines.
3. Definition of the types of administrative sanctions imposed.
4. Estimation of gravity and calculation of fines per violation, type of game and gaming equipment.

The deliverable of the Working Group titled "Preparation of a draft decision on the regulation of matters related to the imposition of administrative sanctions in case of violation of the legislative and regulatory framework of the organization and operation of games", is being gradually incorporated into the equivalent fields of the Gaming Regulation. In particular, in 2014, the following actions were implemented:

1. By virtue of Decision No. 130/2/18.11.2014 (GG Series B, No. 3225), as in force, several provisions for the inspection of compliance with the legislative and regulatory framework as well as the imposition of administrative sanctions with regard to electronic amusement games played on gaming machines were incorporated into the relevant Regulation.
2. Several provisions for the inspection of compliance with the legislative and regulatory framework as well as the imposition of administrative sanctions were incorporated into the draft regulation on commercial communication that was notified to the European Commission in accordance with the procedure provided for in article 8 of Directive 98/34/EC. These provisions are the main modification to the existing Regulation on Commercial Communication that will be introduced by the new regulation [Decision No. 127/4/23.10.2014 (GG Series B, No. 3125) of the HGC].
3. Finally, several provisions for the regulation of matters related to compliance inspection and the imposition of administrative sanctions as regards the games of chance played on VLT gaming machines, which will be incorporated into the relevant Regulation on the operation and compliance inspection of these games are under processing [Decision No. 115/2/11.07.2014 (GG Series B, No. 2041) of the HGC].

4. ANNUAL ACTIVITY REPORT ON COMPLIANCE INSPECTION PROCEDURES IN THE GAMING MARKET

The annual activity report in the field of compliance inspection procedures in the gaming market is presented per gaming operator group together with the respective game, game group they operate, as set out in the approved Action Plan 2013-2015.

The project in this field was carried out in 2014 by the Directorate of Market Compliance Inspection and, following Decision No. 133/2/3.12.2014 (GG Series B No. 3508) of the HGC titled "Adoption of Regulation on the Organization, Operation and Structure of the Service Units of the Hellenic Gaming Commission", which was changed into Directorate of Audit and Compliance of Exclusive Rights Gaming Providers and Directorate of Audit and Other Gaming Providers, with the aim to make the inspections carried out by the HGC more effective.

4.1 INSPECTION OF GAMING SERVICE PROVIDERS WITH NON EXCLUSIVE RIGHTS

4.1.1 COMPLIANCE INSPECTION PROCEDURES FOR ELECTRONIC AMUSEMENT GAMES

Inspections of compliance of electronic amusement games played on gaming machines (project: 4.17 of the approved Action Plan 2013-2015) start on 28th February 2015, upon expiration of the deadline for the market to comply with the Regulation which obliges the operators to own an Operating License and all the applicable Certifications. Inspections are conducted either on the HGC's own initiative or following a complaint, based on the data and the use of the "Information system for the management and inspection of the operation and certification of electronic amusement games played on gaming machines".

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

Inspection of electronic online amusement games (project: 4.19 of the approved Action Plan 2013-2015) is not possible for the moment, given the fact that the regulatory framework for the operation of these games has not been fully drafted yet.

The project is ongoing and the implementation will start as soon as the regulatory framework for online amusement games is completed and enters into force.

4.1.2 INSPECTION FOR THE TRACKING OF UNAUTHORIZED ONLINE GAMBLING PROVIDERS

In the field of online gambling (project 4.10 of the approved Action Plan 2013-2015) the HGC has been constantly conducting inspections since Decision No 51/3/26.04.2013 (GG Series B, No. 1147) of the HGC came into force. Inspections aim at tracking websites that provide gambling services without having a license.

In 2014, the HGC conducted inspections in the framework of the above project to track any new unauthorized websites which were carried out in three rounds. Inspections are conducted on the HGC's own initiative, or/and following information or complaints by online betting providers or consumers.

Every round is completed with the update of the list of unauthorized online gambling service providers (black list). Specifically, the following three (3) updated versions of the black list were published in 2014:

- On 21st February 2014, the 3rd version of the black list was published, which included 438 websites.
- On 11th July 2014, the 4th version of the black list was published, which included 437 websites.
- On 21st November 2014, the 5th version of the black list was published, which included 439 websites.

All stakeholders are informed of every updated version of the black list published by the HGC:

- Internet service providers (ISPs),
- the Hellenic Telecommunications and Post Commission (EETT), which is the Regulatory Authority for the ISPs,
- the Bank of Greece, which is the Regulatory Authority that supervises credit and payment institutions, as well as
- the competent prosecuting and law enforcement authorities,

so that they can take all the necessary actions laid down in the law. According to the law, publication on the website of the HGC is considered adequate notification and proof in order to initiate all applicable procedures so that penalties are imposed by the relevant competent body, agency or Authority.

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

4.1.3 COMPLIANCE INSPECTION OF CASINO GAMBLING

The biggest challenge faced since the HGC assumed responsibility for casino supervision and inspection (project 4.14 "Compliance Inspection of casino gambling" of the approved Action Plan 2013-2015) - besides organizing its actions in order to exercise its responsibilities properly - was to settle the financial liabilities and debts of certain casinos to the State and to state bodies, which resulted from gaming operations and amounted to over 47 million euros at the time.

Therefore, it was necessary that the HGC take all necessary measures that would oblige the casinos to permanently settle their obligations towards the State up to that moment and, most significantly, to avoid creating new ones.

In the light of the above, the HGC notified the casinos in debt of its intention to enforce the administrative penalty provided for in case of failure to pay the State in time and meet their financial liabilities arising from gaming operations, i.e. the permanent revocation of their license. By the time the administrative procedure was completed, the casinos had settled their overdue obligations.

Moreover, following article 22 of Law 4255/2014 (GG Series A, No. 89), which was enacted to protect the rights of the Greek State, the HGC proceeded, with Decision No 111/2/24.06.2014, to reformulate the regulatory framework for the procedure of payment collection. Specifically, the decision defined the exact time, the process and the necessary documentation for the collection of payments and as well as a number of issues related to the payment of old, already settled financial obligations of casinos. Finally, the decision specified the procedures for the penalty that is imposed automatically in case of non compliance, which is the temporary suspension of the license of the casino that does not comply.

At the same time, the HGC had a number of meetings with the competent officials of the General Secretariat of Public Revenue, of the newly established Collection Operations Unit of the Ministry of Finance, as well as of the competent Local Tax Offices in order to standardize the procedures for crosschecking data concerning the payment of the casinos' financial obligations towards the State.

Furthermore, the HGC made good use of the information and communications technology by developing an electronic application which offers the possibility to monitor and electronically crosscheck such financial data in real time.

Consequently, the Greek State's right to the gross profit of casinos has been collected regularly and on a daily basis since 1st July 2014. The money is deposited in an HGC account, via web banking and then regularly paid, on a weekly basis, to the Greek State. The total amount of money collected and paid to the Greek State through the HGC from 1/7/2014 to 31/12/2014 amounted to approximately 45 million euros.

At the same time, following Decision No 111/2/24.06.2014 of the HGC, casinos are checked as to whether they pay in time the relevant rights due to Local Authorities and other beneficiaries, as well as whether they meet their obligations for the settlement of older debts to the Greek State.

The inspections carried out in 2014, according to the relevant Regulation, were performed on-site by inspection teams which consisted of specifically appointed authorized officers of the HGC and on a regular daily basis.

Finally, the HGC also conducted extraordinary inspections any time it was deemed necessary to verify compliance with specific issues or to deal with specific incidents. Most of those inspections aimed at verifying whether the gaming reserve that casinos hold as a safety measure was kept, whether the notified modifications had been carried out according to the legal provisions applicable in each case, as well as at investigating various incidents reported by the users of casino services.

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

4.1.4 COMPLIANCE INSPECTION OF GAMBLING ON BROADCAST MEDIA

In the context of compliance inspection of gambling on broadcast media (project: 4.16 of the approved Action Plan 2013-2015), in 2014 the HGC carried out inspections in four (4) TV games, for which acceptance of the General Principles and Terms of Operation published by the HGC had already been declared. The inspection of such games was conducted following complaints or/ and reports in the Press and on social media.

Processing of the inspection findings revealed to the HGC a widespread violation of the General Principles and Terms of Operation of such games. The relevant report was submitted to the Greek National Council for Radio and Television (NCRTV) to use it within its field of competence.

At the same time, the inspection findings allowed the HGC to propose to the Greek State to ban the operation of this category of games³¹.

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

³¹See paragraph 8.3

4.2 INSPECTION OF GAMING SERVICE PROVIDERS WITH EXCLUSIVE RIGHTS

4.2.1 COMPLIANCE INSPECTION OF GAMES OF CHANCE OPERATED BY OPAP S.A.

Based on paragraph 5, article 27 of Law 2843/2000 (GG Series A, No. 219), which remains in force, inspection of the gaming operations of OPAP S.A., the declaration of winners and the judgement of appeals are carried out by the 15-member “Committee for Inspection, Declaration of Winners and Judgement of Appeals”, defined in the joint decision of the Minister of Finance and the Minister of Culture.

Therefore, the HGC conducts inspections in order to record figures on turnover and the payment of winnings, so as to inspect the collection of the Greek State's share in gross gaming revenue. The inspections are regular and are conducted every three months. Any complaint regarding the way games are operated by OPAP S.A. is forwarded to and handled by the above Committee.

Furthermore, the procedures used by OPAP S.A. for approval of the reliability of the data about lottery tickets saved in the IT system have been recorded and the data for the game JOCKER for the time period 2006-2014 have been specifically examined, together with the internal procedure for live lotteries and the certifications of equipment used in the operation of games.

In addition, on-site inspections of the Jocker and Proto lotteries were conducted.

The inspection of games operated by OPAP S.A. (project: 4.11 of the approved Action Plan 2013-2015) is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

4.2.2 COMPLIANCE INSPECTION OF GAMES OF CHANCE PLAYED ON GAMING MACHINES

Inspection of games of chance played on gaming machines (project: 4.15 of the approved Action Plan 2013-2015) was scheduled to start in the 2nd quarter of 2014, provided that the gaming machines would have been installed and operated by the operators. According to more recent data on the execution of the project submitted by OPAP S.A. to the HGC, it is estimated that inspections will start in the 2nd quarter of 2015.

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

4.2.3 COMPLIANCE INSPECTION OF MUTUAL HORSE RACING BETTING

The project "Inspection of mutual betting on horse racing" (project: 4.13 of the approved Action Plan 2013-2015) is expected to start in 2015, upon completion of the upcoming concession of the exclusive right to operate mutual betting on horse racing. Until the concession contract comes into force and the concessionaire starts operating mutual betting, ODIE S.A. will continue to organize horse races and operate mutual betting horse racing in Greece, according to the applicable law.

4.2.4 COMPLIANCE INSPECTION OF THE GAMES OPERATED BY HELLENIC LOTTERIES S.A.

The project "Inspection of the games operated by HELLENIC LOTTERIES S.A." (project 4.12 of the approved Action Plan 2013-2015) is carried out according to schedule. In this context, regular inspections of the system for the distribution of profits, the payment of winnings and of the share of the Greek State in the gross gaming revenue are conducted on a monthly or weekly basis. Additionally, random inspections of the operators and their retail shops (agencies) are conducted in order to verify their compliance with the terms of the general and special regulations on the operation of such games, mainly of those on draws and on the provision of information to the public.

4.3 PLANNING, ORGANIZATION AND MEANS TO SUPPORT THE INSPECTIONS

Given that the gaming market and the environment in which it evolves is constantly changing, the basic aim of the HGC is to have a modern inspection mechanism which can timely and effectively respond to new challenges and, at the same time, ensure transparency at all phases of the inspection.

Therefore, a complete inspection system is required in order to conduct effective and valid inspections of gaming operators, of the operation of games and of the sites of their operation. This system will be able to use all available tools so as to determine the inspection needs, prioritize them, clearly record the findings and the results of inspections, optimize the available human and material resources and, last but not least, constantly improve the procedures.

Consequently, during 2014 the HGC was focused on planning the Regulation on the General Principles of Inspection, preparing the Manuals of Inspection and preparing itself for the setting up of a Gaming Inspectors' Register, as well as developing supportive tools to manage inspections.

4.3.1 REGULATION ON THE GENERAL PRINCIPLES OF INSPECTION

Given that compliance inspection of the gambling market has many general characteristics which are common regardless of the provider or the type of game, it is necessary to standardize and harmonize inspection actions in order to ensure that common rules and procedures are followed, regardless of the inspection body. This is the main objective of the “Regulation on the General Principles of Inspection” (project 4.20 of the approved Action Plan 2013-2015).

As part of this project the methodology of planning, programming and conducting inspections was finalized and includes the following phases:

1. defining and assessing risks,
2. analyzing the risks and associating them with inspection priorities,
3. inspection programmes,
4. inspection procedures,
5. assessing and evaluating inspections.

The project “Regulation on the General Principles of Inspection” is ongoing and is expected to be completed in the 2nd quarter of 2015.

4.3.2 INSPECTION MANUALS

Inspection manuals are yet another instrument for standardizing the basic actions that have to be carried out by the authorized officers of the Commission who will participate in the inspection teams during all stages of the inspection procedure, thus contributing to the completeness, reliability and accuracy of the inspections.

These manuals are specialized according to the type of game, the number and dispersion of inspected persons and entities, the size of the gaming service providers, etc. with a view to guide the inspector as to the inspection points, the stages, the inspection method, the documentation and the method of recording results.

In this context, the following compliance inspection manuals have been completed.

- Manual on compliance Inspection procedures for electronic amusement games played on gaming machines (project: 4.1 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for online gambling (project: 4.2 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for games of chance played on gaming machines (project: 4.3 of the approved Action Plan 2013-2015).

- Manual on compliance inspection procedures followed by OPAP S.A. and the retailers (project: 4.4 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for games of chance operated by OPAP S.A. (project: 4.5 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for casino gambling (project: 4.6 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for games of chance on broadcast media (project: 4.7 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for commercial communications (project: 4.8 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for mutual betting on horse racing (project: 4.21 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures followed by HELLENIC LOTTERIES S.A. and retailers (project: 4.22 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for lotteries (project: 4.23 of the approved Action Plan 2013-2015).
- Manual on compliance inspection procedures for online amusement games (project: 4.24 of the approved Action Plan 2013-2015).

The above manuals are currently being updated so as to incorporate the provisions of Regulations relating to commercial communications of providers, the fight against money laundering in the gaming market and the more specialized regulations on the imposition of administrative sanctions.

4.3.3 SETTING UP A GAMING INSPECTORS' REGISTER

The HGC already has an inspectors' register to conduct on-site administrative inspections and supervise casinos, which consists of specifically authorized HGC officials.

At the same time, depending on the scope of the inspection, special teams consisting of specialized HGC officials are formed. A characteristic example are the inspections for drafting the list of unauthorized online gambling providers, which demand specialized knowledge of ITC technology in order to track websites, record the findings and document inspections.

As the scope of inspections has expanded, with new types of games entering the market (games of chance or online games), and with electronic amusement games being brought under the supervision of the HGC, it is necessary to reinforce the inspection mechanism with more staff. Therefore, the provisions of article 18 of Law 3229/2004 (GG Series A, No. 38), as replaced by paragraph 2, article 23, of Law 4141/2013 (GG Series A, No. 81) and in force will apply, in order to set up the Gaming Inspectors' Register in which the existing inspection teams will be incorporated.

The establishment of a Gaming Inspectors' Register aims at creating a wider inspection mechanism, which will be able to respond in a more flexible and effective manner to the increasing needs in inspecting compliance of all stakeholders in the gaming market.

Any matters relating to the setting up and management of the Gaming Inspectors' Register are within the scope of the relevant Regulation, the original draft of which has been prepared and is expected to be published in 2015.

The draft includes the requirements for entering officials in the Gaming Inspectors' Register, the staffing procedure, the initial evaluation procedure for candidate inspectors, the procedure and criteria for assessing their performance and other related issues. The performance evaluation system for the members of the Inspectors' Register will be a separate Chapter in the Regulation.

4.3.4 REGISTRIES AND DATABASES

In order to better organize and conduct the inspection procedure, the HGC has registries and databases which include all the analytical data that are necessary for the inspection procedure, such as the details of those inspected, the number of authorized gaming machines, the codes of the certifications issued by the HGC etc., as well as the records of previous inspections for each operator that has also been inspected in the past, which include any decisions on penalties, previous reports as well as any other related document or electronic material.

Finally, in 2014 the HGC developed supportive electronic applications to improve the management of issues related to the establishment of casino Inspection Teams and the administrative support of the latter. These applications offer the following possibilities:

- automatization of the setting up of Inspection Units, based on their geographical dispersion as well as the rotation of the officials participated in them,
- monitoring of absences and working times of inspectors,
- management of administrative issues, such as leaves, travel and accommodation expenses, overtime etc.

5. ANNUAL ACTIVITY REPORT ON SOCIAL RESPONSIBILITY

The annual activity report in the field of Social Responsibility is presented in conjunction with the projects of the approved Action Plan 2013-2015.

The projects in this field were carried out by the Directorate of Regulation and Social Responsibility.

5.1 ACTIONS FOR THE PREVENTION AND CONTROL OF PROBLEM GAMBLING

The projects carried out by the HGC in 2014 as regards the protection of the public and vulnerable social groups included the following activities:

5.1.1 ACTIONS FOR THE PREVENTION AND CONTROL OF PROBLEM GAMBLING AND THE PROMOTION OF RESPONSIBLE GAMING

As part of the projects related to the "prevention and control of problem gambling" and "awareness among players about Responsible Gaming" (projects: 5.2 and 5.5 of the approved Action Plan 2013-2015), the following actions were carried out:

1. Development of an interactive self-assessment application for problem gambling
An online interactive self-assessment application (test) for problem gambling was designed and developed under the title: "9 questions, 1 answer for you", which is available and running on the HGC website (www.gamingcommission.gov.gr). The application is a user-friendly tool, which aims at raising public awareness about the risks of problem gambling and improving the information provided to players on the principles of responsible gaming. The application was launched in August 2014 and was available until October of the same year. Until 31st December the application had registered one hundred and seventy (170) visits.
2. Preparation and development of information material titled "Do you believe in Myths?"
An online application titled "Do you believe in Myths?" was designed and developed to inform players and the public in general about the principles of responsible gaming. The application is available and running on the HGC website. The application was launched in February 2014 and was available until April of the same year.

3. Preparation and development of information leaflets in order to raise awareness among players about responsible gaming

Four (4) information leaflets were designed and prepared under the title:

- i. "The Ten Commandments of Responsible Gaming"
- ii. "11 aspects of Irresponsible Gaming"
- iii. "Think well before Lifting"
- iv. "Return...Wisely"

From those leaflets, the first two aim at raising awareness among players and the public at large about responsible gaming, while the other two are supporting material used in the context of the new procedure for the banning of players from casinos and the lifting of such bans, as stipulated in articles 5 and 32 of Decision No. T/6736/2003 (GG Series B, No. 929) of the Minister of Development titled "Regulation on the Administrative Control and Supervision of the Operation of Casinos", as amended by Decisions No. 73/2/10.10.2013 (GG Series B, No. 2654) and 98/5/21.03.2014 (GG Series B, No. 767) of the HGC with a view to rationalize and improve the functionality of this procedure. All those leaflets are distributed in casinos by order of the HGC. Especially the last two leaflets are a tool to support the employees who are responsible for banning players from casinos and lifting such bans in their effort to educate the players so that they can make more conscious and responsible decisions on that matter.

The projects started in 2013, they are ongoing and are expected to keep running until conclusion of the Action Plan 2013-2015 with new actions being implemented.

5.1.2 SYNERGIES WITH OTHER BODIES FOR PROTECTION OF THE PUBLIC AND CONTROL OF ADDICTION

"Synergies with other bodies for protection of the public and control of addiction" (project: 5.4. of the approved Action Plan 2013-2015), the following actions were carried out in 2014:

1. Partnership with the Therapy Center for Dependent Individuals (KETHEA)

The HGC continued its cooperation with the Therapy Center for Dependent Individuals (KETHEA) in order to develop actions for the prevention and control of problem gambling. In the context of the KETHEA programme titled ALPHA, which offers consultations to addicted players under the guidance of a psychology specialist so as to enable them to overcome their addiction and prevent relapse, members of the HGC staff participated as observers in the Consultation Group for family members of problem gamblers.

2. Partnership with Gamblers Anonymous

The HGC continued its cooperation with Gamblers Anonymous Greece, which are the representatives of Gamblers Anonymous L.A. - U.S.A. in Greece. Members of

the HGC staff took part in two (2) meetings in the context of the recovery program "twelve steps", which is addressed to people with gambling and alcohol problems.

3. Tracking, recording and evaluating the bodies that are active in the field of problem gambling in order to develop targeted partnerships

As part of the project, the HGC performed an online search of all public sector and wider public sector bodies and the civil society organizations which act as mediators between the state and the society and promote public interest in the field of problem gambling. An effort was made to categorize those bodies not only according to their legal status (public, legal entity governed by public law, legal entity governed by private law, NGO, etc), but also on the basis of their activities. It should be noted that most of the above bodies are active in the field of drug and alcohol addiction, another category is that of bodies which are active in the field of alcohol and gambling addiction, while the bodies which are active in the field of gambling addiction exclusively are the less populated category.

Subsequently, in a second stage, a selection was made of those bodies whose scope of action involved addiction in general and problem gambling in particular. A list was made in respect of the individual capabilities of these bodies in (a) research, prevention and education in general and (b) planning and implementation of educational workshops and experiential training seminars are organized with a view to provide information, promote prevention and educate about issues falling under their scope of activities.

In the following stages, contact were made with these bodies in order to investigate the possibility of developing future partnerships.

The project is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

5.1.3 PREVALENCE STUDY ACROSS GREECE

The project (project: 5.1 of the approved Action plan 2013-2015) includes a country-wide prevalence study carried out in Greece under the title "Problem Gambling Prevalence Study".

The HGC proposed a draft methodology for the above study by adopting the best practices that came out from the evaluation of prevalence studies on problem gambling in other countries, with an emphasis on the British model, the analysis of methodological approaches and the investigation of the most frequently used tools internationally, after having evaluated them in relation to the targeted result and the Greek reality.

Then, the HGC made a research and decided for the Health Services Research Centre of the Laboratory of Hygiene, Epidemiology and Medical Statistics of the Medical

School of the University of Athens, which is active in the field of health services research and has the appropriate manpower and the experience to perform the study in question. After several working meetings with the scientific team of the above Centre, the individual aspects of the project and the fields and methodology that would be more appropriate in fulfilling the needs of the HGC were defined.

The project is scheduled to start in the 2nd quarter of 2015 and be completed in the 1st quarter of 2016.

5.2 PROTECTION OF THE PUBLIC AND VULNERABLE SOCIAL GROUPS

5.2.1 PREPARATION AND IMPLEMENTATION OF THEMATIC TRAINING ACTIONS

The project titled "Preparation and implementation of thematic training actions" (project: 5.6 of the approved Action Plan) is ongoing and is expected to be running until conclusion of the Action Plan 2013-2015.

In the context of this project, the possibility of organizing information, discussion, education and prevention laboratories on the concepts of chance, odds and the illusion of being in control, as well as on the consequences and risks of the excessive use of games of chance is constantly investigated with the aim to protect vulnerable groups and the public at large. A report was drafted on possible partnerships with the competent bodies and the specific object (proposed actions) of such partnerships.

5.2.2 DRAFTING A CODE OF CONDUCT WITH REGARD TO MINORS AND RESPONSIBLE GAMING.

The project "Drafting a code of conduct with regard to minors and responsible gaming" (project: 5.3 of the Approved Plan 2013-2015) was scheduled to start and be completed in 2014. The above Code of Conduct on Responsible Gaming includes the principles, values, models and rules of behaviour that have to be reflected in the decisions, procedures and systems of gambling providers, so as to ensure the welfare of stakeholders and the respect of their rights as far as Responsible Gaming and the protection of minors and the public is concerned. The preparation of the draft Code of Conduct was completed in 2014. It is expected to be approved and published in the 2nd quarter of 2014.

5.2.3 DEVELOPMENT OF WEB-BASED AUDIOVISUAL MATERIAL FOR THE HGC WEBSITE

As part of the project "Development of web-based audiovisual material that provides information and raises public awareness about gambling" (project: 5.7 of the

approved Action Plan 2013-2015) interactive information material was developed under the title "Find your way".

In this context, a scenario was designed for an audiovisual web-based application in the form of an interactive game and the technical characteristics of the application were specified. The scenario, the category and the type of game chosen after reviewing the relative international practice and adapting it to the Greek reality. The application is expected to be completed in the 3rd quarter of 2015, when it will be uploaded on the website of the HGC.

6. ANNUAL ACTIVITY REPORT ON COMMERCIAL COMMUNICATIONS IN GAMING

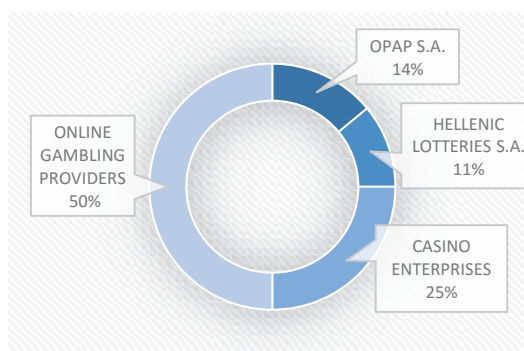
6.1 DRAFTING A REGULATION ON COMMERCIAL COMMUNICATIONS

The project "Drafting a Regulation on Commercial Communications" (project: 1.12 of the approved Action Plan 2013-2015) is aimed at the adoption and implementation of a framework of principles for responsible advertising so that the negative effects that the public, and especially vulnerable social groups, may suffer from their participation in gambling, as a result of the communication activities of gambling service providers, are minimized.

Decision No. 106/2/23.5.2014 (GG Series B No. 1368) of the HGC, titled: "Regulation of matters relating to commercial communications in gambling" as amended and codified by its Decision No. 108/2/6.6.2014 (GG Series B, No. 1727) provided the gambling service providers with a framework of principles which has to apply in the design, production, distribution, promotion and advertisement of gambling operations and, in general, in anything that comes under the heading of Commercial Communications.

According to the Regulation, the providers are obliged to submit to the HGC the commercial communication plans they have drafted for the games they operate and should not proceed to any action to implement the plan before obtaining the necessary approval.

A total of forty-four (44) gambling service providers had submitted their commercial communication plans for approval by 31st December 2014. After the first evaluation by the HGC and the ensuing remarks, twenty (20) of the above plans had to be amended and resubmitted. Finally, from all the above plans twelve (12) were approved and thirty-two (32) are still pending, as some additional information is needed or/ and they have to be amended in accordance with the remarks of the HGC. The percentage distribution of requests for approval of Commercial Communication Plans per gambling service provider is shown in the chart.



As an auxiliary tool for the submission and approval of commercial communication plans, the HGC has issued a standard guide, which is an extra form of assistance in the drafting and submission of such plans and is available on the website of the HGC. Besides, several meetings were held with representatives of the gambling service providers in order to provide clarifications on the Regulation and the submission procedure.

Additionally, Decision No. 127/4/23.10.2014 (GG Series B, No. 3125) of the HGC, whereby Decision No. 108/2/6.6.2014 (GG Series B, No. 1727) was amended, stipulated that:

1. The providers are obliged, among others, to expressly state the national or foreign authority that is competent to provide the operating license for their games.
2. When commercial communications are made online, they should also contain a hyperlink to the website of the competent Authority.
3. The name, the sign and the distinctive marks of the HGC can be used only with the approval of the latter.

However, the need to specify the above framework, so as to achieve, on the one hand, the best possible compatibility of the regulatory framework with the real market and to ensure, on the other hand, social order for the protection of the public and particularly minors and vulnerable groups from addiction and the waste of assets, has lead to the formulation of a new Draft Regulation on commercial communications. The EU Commission was notified draft regulation titled "Regulation of matters relating to commercial communications in gambling" in accordance with the procedure provided for in article 8 of Directive 98/34/EC and was entered in the TRIS database with code 2014/517/GR.

Public consultation was completed early 2015. Thus, the final draft of the regulation is now going to be prepared.

The above project was carried out by the Directorate of Regulation and Social Responsibility.

6.2 COMPLIANCE INSPECTION OF COMMERCIAL COMMUNICATIONS BETWEEN GAMBLING SERVICE PROVIDERS

Project 4.18 "Inspection of compliance with the rules on commercial communications" of the approved Action Plan 2013-2015, which is intended to ensure the rational use of commercial communications, so that Responsible Gaming is promoted and the consumers are directed to the legal gaming networks, was yet another field in which the HGC focused its efforts in 2014, mainly by approving the commercial

communication plans that the gambling service providers are obliged to submit prior to their implementation.

The HGC dealt with the differences between the commercial communication actions that were finally put in practice from the ones proposed in the plans it had approved that it identified during inspection of compliance by requesting clarifications and making recommendations.

At the same time, the HGC started creating a system of systematic monitoring, which relies on the use of tools and mechanisms for an automatic browsing and recording of the Media that host advertisements, so that interventions can be intensified once the amended Regulation of Commercial Communications is issued, which also comprises matters relating to compliance inspection and imposition of sanctions.

The project is carried out by the Directorate of Audit and Other Gaming Providers with Exclusive Rights and the Directorate of Audit and Other Gaming Providers.

7. ANNUAL ACTIVITY REPORT ON THE FIGHT AGAINST MONEY LAUNDERING THROUGH GAMBLING

According to Law 3691/2008 (GG Series A, No 166) "Prevention and suppression of money laundering and terrorist financing and other provisions", as amended by Law 3932/2011 (GG Series A, No 49) and in force, the HGC is the competent Authority for the prevention of money laundering and terrorist financing in the gambling market and the imposition of disciplinary and administrative penalties in cases of breach of the obligations deriving from the applicable law provisions.

In 2014 the HGC put into force a regulatory framework specifying the implementation of the provisions of Law 3691/2008 (GG Series A, No 166) in the field of gambling. The complicated and critical nature of this competence called for the establishment of an independent AML Office.

In the course of 2014 the activities of the Commission in the field of money laundering through gambling were carried out by the Directorate of Regulation and Social Responsibility and the President's Office, which was executing all respective tasks until the establishment of the independent Department under the same name.

7.1 DRAFT IMPLEMENTING REGULATION ON MEASURES TO FIGHT MONEY LAUNDERING AND TERRORIST FINANCING BY OBLIGATED PARTIES IN GAMBLING SERVICES MARKET

The project "Implementing regulation on measures to fight money laundering and terrorist financing by Obligated Parties in gambling services market" was included in the 2013-2015 Action Plan as a new project under code 1.20. The project was completed and the Regulation specifying the implementation of the provisions of Law 3691/2008 (GG Series A, No 166) in the field of gambling was approved and came into force by HCG decision No 129/2/07.11.2014 (GG Series B, No 3162).

The above mentioned Regulation defines the Obligated Parties, their obligations, due diligence measures and administrative sanctions imposed in cases of violation of the applicable legal and regulatory framework. Obligated Parties are defined as all parties lawfully organizing or operating games of chance in the Greek territory, including any entities that make up their physical (land-based) network and excluding casinos, for which a specific separate decision is to be issued in 2015. According to the Regulation, Obligated Parties have, among others, the following obligations:

1. to draft and to implement procedures to fight money laundering and terrorist financing,
2. to appoint Compliance Officers,
3. to implement due-diligence measures, in order to certify and validate the identity of the players of games of chance, if provided for by games regulations,
4. to examine, with particular care, all suspicious or unusual transactions, and, in cases defined by the Regulation, to submit a relevant report to the Commission against Money Laundering for repressive measures to be taken by this Authority,
5. to ensure the implementation of the new way of payment of winnings to players and the fulfillment of the conditions for issuing certificates of winnings.

Compliance Officers, among others:

1. monitor the fulfillment of the obligations of the Obligated Parties,
2. are responsible for receiving and evaluating reports on suspicious or unusual transactions of the players that may be concealing the commission or an attempt to commit crimes,
3. draft a report to be forwarded to the HGC,
4. act as the first contact point of the Obligated Party with the Commission against Money Laundering and Terrorism Financing.

The same HGC decision amended Joint Ministerial Decision No 2167/22.1.2009 (GG Series B, No 78) "General Regulation on the Organization, Function and Operation of OPAP S.A." and the HCG decision No 14/2/17.7.2012 (GG Series B, No 2205) "General Regulation on the operation and inspection of the State Lotteries game", as in force, to align them with the new way of payment of winnings to players and the procedure of issuing certificates of winnings to the players. According to the new provisions it is no longer allowed to issue certificates of winnings per ticket (for numerical lotteries and betting), per slip (for lottery tickets) or per card (for the instant lottery) whose value is less than 200 euros, whereas certificates for larger sums are issued only if payment of the amount was made to a bank account in the name of the player. This provision is expected to contribute to prevention by eliminating the possibility of money laundering through the games of OPAP S.A., State Lotteries, Mutual Horse Racing Betting and online games operated by providers under the transitional regime of Law 4002/2011, article 50, paragraph 12.

The administrative sanctions imposed, cumulatively or separately, in cases of infringement of the applicable legal and regulatory framework include:

1. a fine of 10,000 to 1,000,000 euro, or of 50,000 to 2,000,000 euro in cases of repeated offense, imposed on the legal entity,
2. a fine of 5,000 to 50,000 euro, or of 10,000 to 100,000 euro in cases of repeated offense, on the members of the board of directors, the managing director, the

executives or other employees of the entity who are responsible for the commission of the infringements or have exercised insufficient control or supervision for the appropriate implementation of the legal provisions and the Regulation,

3. removal of the above persons from their positions, for definite or indefinite time, and prohibition of assuming any other similar position,
4. prohibition of certain activities of the entity,
5. in case of serious or repeated infringements, the operating license of the entity could be permanently or temporarily revoked or suspended for a definite term.

The regulation was drafted on the basis of the existing provisions, the EU Directives and the European and international experience in the field of combating money laundering. Bench-marking with other applicable legal and regulatory frameworks has shown that it is one of the strictest Regulations in the EU member States

7.2 DATA COLLECTION AND EVALUATION

The HGC has carried out research on data from several certificates granted to players for their winnings from participation in games of chance operated by OPAP S.A. in the period 2010-2013; these certificates are issued to individuals for purposes of income declaration to the tax authorities. In particular, the management of OPAP S.A. was asked to forward by means of secure compact disks (locked CDs) the following data:

1. full data of all applicants for winnings certificates, stating the sum of each certificate (sum played and sum gained) and the date of issue,
2. winning tickets included in each certificate, per ticket with its sum,
3. the time, the place and the agency (with full details of the contracted agent) where the tickets were played and cashed, per ticket with its sum.

The evaluation of the material has helped to identify the weak points of the previous certificate issuance system, which allowed that the ticket be cashed out and then have the relevant receipt or / and payment order, which does not bear any name, transferred to a third party, who could thus appear and request the issuance of a winnings certificate in its own name.

However, the fact that applicants have to declare their particulars and that the registered data submitted by OPAP S.A. additionally indicate the place, the time, the value and the winnings of each ticket, allows the competent authorities to identify, ex post, possible cases of money laundering.

An overview of the data has shown that:

1. In 2010, 344 winnings certificates were issued, including more than 300 winning tickets of a total sum of 45,911,000 euros. Out of these, 39 certificates of a total sum of 4,600,000 euros included more than 1,000 winning tickets each, while the certificate with the highest number of winning tickets included 9,627 tickets, followed by a certificate for 9,369 tickets in the second position.
2. In 2011, 298 winnings certificates were issued, including more than 300 winning tickets, of a total sum of 39,096,000 euros. Out of these, 33 certificates of a total sum of 4,600,000 included more than 1,000 winning tickets each, while the certificate with the highest number of winning tickets included 7,898 tickets, followed by a certificate for 4,178 tickets in the second position.
3. In 2012, 205 winnings certificates were issued, including more than 300 winning tickets, of a total sum of 13,334,000 euros. Out of these, 19 certificates of a total sum of 1,545,000 included more than 1,000 winning tickets each, while the certificate with the highest number of winning tickets included 2,509 tickets, followed by a certificate for 2,489 tickets in the second position.
4. In 2013, the winnings certificates issued corresponded to a total sum of about 347 million euros. Out of these, 386 certificates of a total sum of about 27 million euro included more than 300 winning tickets each, while the certificate with the highest number of winning tickets included 8,700 tickets in the second position.

7.3 COOPERATION WITH COMPETENT BODIES, LAW ENFORCEMENT AND PROSECUTING AUTHORITIES IN GREECE

The HGC fosters close cooperation with competent bodies, law enforcement and prosecuting Authorities in the field of information exchange on topics relevant to combating money laundering and terrorist financing. The following actions took place in 2014:

1. Forwarding information to the Anti-Money Laundering and Counter-Terrorist Financing Authority and to the Financial Crime Prosecution Unit (SDOE).

The HGC, in close cooperation with the Ministry of Finance and specifically with the General Secretariat of Public Revenue, in accordance with the applicable provisions of Law 3691/2008 (GG Series A, No 166), has forwarded the material from OPAP S.A. and the research results on winnings certificates to the Anti-Money Laundering and Counter-Terrorist Financing Authority and to the Financial Crime Prosecution Unit (SDOE), to act within their competence and at their discretion.

2. Cooperation with the Ministry of Finance

The HGC is constantly in contact with the Central Coordinating Authority of the Ministry of Finance (Law 3691/2008, article 8, as in force), while representatives of the HGC participated as observers in Committees of the Ministry of Finance whose work was related to issues of prevention and combating money laundering. Moreover, the HGC has started exploring the possibility of drawing primary data from the General Secretariat of Information Systems (GGPS) for cross-checking with its own available data about the Obligated Parties in the gambling market, in accordance with the relevant Regulation.

3. Cooperation with the Ministry of Citizen Protection

The HGC has appointed a liaison officer with the Ministry of Citizen Protection for cooperation and information exchange with the Financial Police and Cybercrime Units.

4. Cooperation with the Ministry of Justice

The HGC has informed in writing the Secretary General for Transparency and Human Rights of the Ministry of Justice about the issue of tax evasion and money laundering through games of chance.

7.4 COOPERATION WITH FOREIGN AUTHORITIES AND INTERNATIONAL ORGANIZATIONS FOR INFORMATION EXCHANGE

The HGC fosters close cooperation with foreign Authorities and international Organizations in the field of information exchange on topics relevant to combating money laundering and terrorist financing. The cooperation activities and actions that took place during 2014 are the following:

1. Cooperation with FATF (Inter-governmental body developing and promoting policies to combat money laundering and terrorist financing).

The HGC cooperates with the International Organization to Combat Money Laundering and Terrorist Financing (FATF) to obtain useful knowhow and to exchange information.

2. Cooperation with the Dutch Authority for Combating Money Laundering (FIOD).

The HGC, in cooperation with the European Commission Task Force for Greece (TFGR), has entered into contact with FIOD, the Dutch Authority for Combating Money Laundering, to accept technical assistance and to exchange information.

3. Participation in the public consultation on Directive 2005/60/EK.

In the framework of the public consultation for the revision of Directive 2005/60/EK "on the prevention of the use of the finance system for the purpose of money laundering and terrorist financing", which is to be finalized within 2015, the HGC has submitted proposals related to the field of games of chance to the European Commission. The Directive specifically mentions games of chance, because they are considered a high-risk field for money laundering.

8. ANNUAL ACTIVITY REPORT ON NEW MEASURES PROPOSED TO THE GOVERNMENT FOR THE IMPROVEMENT OF THE EXISTING LEGISLATIVE FRAMEWORK

According to the applicable provisions³² regarding its frame of operation and competencies, the HGC executes, among others, the following tasks:

- It collects, studies and processes data on state revenue from the operation of games of chance.
- It studies and evaluates the existing institutional framework for the operation of games of chance, as well as the inspection mechanisms for their control and the protection of the financial interests of the State.
- It recommends measures to improve the existing institutional framework for the protection of the interests of the State and the players.

In 2014, in the scope of these competencies, the HGC submitted recommendations to the State on the following issues:

8.1 RECOMMENDATION ON COLLECTION OF REVENUE FROM PARTICIPATION OF THE STATE IN THE GROSS GAMING REVENUE OF CASINOS ON A DAILY BASIS AND ON FULFILLMENT OF THEIR OTHER FINANCIAL OBLIGATIONS

As soon as it took over the supervision and control of the operation of casinos, according to the provisions of Law 4182/2013 (GG Series A, No 185), the HGC identified the existence of liabilities due by certain casinos amounting to about forty-seven (47) million euros. In order to finally settle the above mentioned outstanding financial obligations and to avoid similar liabilities in the future, the HGC decided to recommend to the State the revision of the existing mechanism for the collection of revenue from participation of the State in casino gaming revenue, with the aim to protect public interest. As a result, paragraph 3 of Law 4255/2014 (GG Series A, No 89) article 2 added items c to h to paragraph 8 of Law 2206/1994 (GG Series A, No 62), article 2.

These provisions introduce a new method and time-frame for the collection of revenue from participation of the State in the gross gaming revenue of casinos. In

³² Article 17 of Law 3229/2004 (GG Series A, No 38), items d, e and g.

particular, they set out that payment by the obligated companies is to be effected daily and exclusively by e-payment (web banking) to the HGC, which in turn pays the relevant revenue to the Greek State every week. Moreover, as regards their older liabilities to the Greek State, to its beneficiary agencies and to local government bodies, falling within the special settlement regime, casinos are now legally obliged to notify the HGC of any payment of amounts due on the same day, in order to certify that special settlements are adhered to. Finally, in case of non-compliance with the above mentioned obligations, strict measures have been adopted, providing that the HGC may impose administrative sanctions, such as temporary suspension or even permanent revocation of the operating license of the casino and termination of its contract.

The provisions of items c to h, paragraph 8, article 2 of Law 2206/1994, as in force, took effect as of 1st July 2014. Until the end of that year the new settlements were being regularly observed both as regards any rights generated after the date they came into force and for payments of installments of older settlements.

8.2 RECOMMENDATION TO ABOLISH CASINO ENTRANCE FEE

The provisions of Law 2206/1994 (GG Series A, No 62), as in force, and the administrative acts issued by virtue of powers delegated by this law, establish a strict framework for the operation of casinos, aiming at the credibility of gaming and the protection of players. The latter was pursued in a dissuasive (passive) manner, through adoption of physical or financial hindrances to casino access, such as an entrance fee for casino players. The Greek State collects 80% of these fees.

Initial regulations provided for an entrance fee between 6 to 15 euro. This price range became a contested issue between the Greek State and the European Commission, which led to the adoption of a single entrance fee of 6 euro to all casinos as of November 2012, according to the provisions of Law 4093/2012 (GG Series A, No 222) article 1, subparagraph 7, item 9.

Considering the new framework for the operation of games of chance as established by Law 4002/2011 (GG Series A, No 180), the rapid reduction in casino turnover (by 43.70% in the six-year period 2009-2014) accompanied by high operational costs, the loss of tens of jobs in the same period, the relevant requests submitted both by the Federation of Workers' Unions in the Gaming Sector and almost all operating casinos and, finally, the findings / conclusions of its own relevant financial study, the HGC submitted to the Greek State a recommendation for the abolition of entrance fees to casinos.

8.3 RECOMMENDATION FOR PROHIBITION OF THE OPERATION AND BROADCASTING OF GAMES OF CHANCE ON BROADCAST MEDIA

With its Decision No 93/2/28.01.2014 (GG Series B, No 205) titled "General Principles and Rules on the Operation of Gambling on Broadcast Media" the HGC allowed the operation of the above mentioned games of chance for a transitional period until the issuance of the Regulations and licenses, on condition that a Declaration of Acceptance of the terms of the above mentioned decision is submitted to the HGC by the providers.

Considering the very high penetration of broadcast and telecommunication media and their capacity to massively address the audience, the possibility of anonymous participation and the occurrence of serious compliance issues in the games operated during the transitional period, the HGC, with its Decision No 124/2/20.09.2014, recommended to the Greek State the absolute prohibition of their operation and broadcasting, in order to protect minors and vulnerable groups.

9. ANNUAL ACTIVITY REPORT ON COOPERATION

The annual activity report in the field of cooperation between the HGC and other institutions is presented in conjunction with the projects of the approved Action Plan 2013-2015.

The projects in this field were carried out by the Directorate of Regulation and Social Responsibility.

9.1 COOPERATION AT THE EUROPEAN AND INTERNATIONAL LEVELS

9.1.1 REPRESENTATION OF THE HGC IN AN EU GROUP OF EXPERTS

Already since 2013, the HGC has been participating in the "Expert Group on Online Gambling" set up by the European Commission (DG Internal Market and Services) on the formulation of a common framework of principles and standards for online gambling (TOWARDS A COMPREHENSIVE EUROPEAN FRAMEWORK FOR ONLINE GAMBLING). As part of the project "Representation of the HGC in an EU Group of Experts" (project: 5.8 of the approved 2013-2015 Action Plan, in 2014 the representatives of the Commission participated in the following ordinary meetings:

1. Meeting of 20th July 2014

This meeting was dedicated to preparatory work for a European Commission Recommendation to the member-states on establishing common principles for the protection of consumers, players and minors in the field of online gambling. Respectively, there was a presentation of a relevant study focusing on taking consumer protection measures. There was also a presentation of a pilot program aspiring to develop new cooperation mechanisms between the public and the private sectors in the identification of risks from sports betting. The agenda included presentations of the respective institutional frameworks by the national delegations and discussion on issues of enhanced supervision, administrative co-operation among the regulatory authorities of the member-states and effective sanctions.

2. Meeting of 7th October 2014

In this meeting the final text of 2014/478/EU Commission Recommendation of 14th July 2014 "on principles for the protection of consumers and players of on-line gambling services and for the prevention of minors from gambling on-line" was presented. In following, the procedure focused on issues of combating match fixing

and betting. Moreover, the national delegations presented their respective legal frameworks governing the provision of online gambling services, as well as a study on the role of regulatory authorities in matters related to licensing, supervision and sanctions in the field of online gambling. Finally, there was a discussion on issues of administrative cooperation between the regulatory authorities of the member states and of data protection.

9.1.2 COOPERATION WITH EQUIVALENT AUTHORITIES AND AGENCIES ABROAD

As part of the project "Cooperation with equivalent authorities and agencies abroad" (project: 5.9 of the approved 2013-2015 Action Plan), in 2014 the following information visits and cooperation activities took place:

1. Visit to the Regulatory Authority of the Island of Man

A five-member delegation of the HGC visited the Regulatory Authority of the Island of Man, in order to exchange useful know-how on licensing procedures and the control of online gambling.

2. Visit of the Regulatory Authority of Romania to the HGC

A delegation of the Regulatory Authority of Romania visited the HGC on 14/10/2014, in order to exchange views and know-how on the legal framework for the provision of on-line gambling services.

3. Cooperation with other equivalent regulatory Authorities in Europe

The HGC fosters close cooperation with equivalent Authorities in Europe in the field of information exchange on issues related to its regulatory and supervisory activities.

9.2 PARTICIPATION OF THE HGC IN CONFERENCES AND OTHER EVENTS

In 2014, the HGC participated in the following conferences and events:

9.2.1 PARTICIPATION IN AN ONE-DAY EVENT ORGANIZED BY THE HELLENIC PARLIAMENT ON THE TOPIC "ADDICTION PROTECTION AS A HUMAN RIGHT"

The President and executives of the HGC participated in an one-day event on "Addiction Protection as a Human Right" organized by the Hellenic Parliament on 10 December 2014, on the initiative of the Standing Committee on Social Affairs of the Hellenic Parliament, the Ministry of Health and the General Secretariat of Transparency and Human Rights of the Ministry of Justice. Issues of addiction to smoking, the Internet, narcotic drugs, alcohol, gambling and doping were discussed during the event. One of

the key-note speakers was the President of the HGC, who spoke about problem gambling and the need to protect the public.

9.2.2 PARTICIPATION IN THE «GREEK GAMING CONFERENCE»

Executives of the HGC participated in the «Greek Gaming Conference 2014», which took place on 2 October 2014 in Athens, in order to exchange views on the developments in the gambling market and the creation of business opportunities for Greek and foreign companies which could invest in innovation and exports. A representative of the HGC participated in a panel on: " The Greek gambling market: today and in the future".

9.2.3 PARTICIPATION IN THE ANNUAL ASSEMBLY OF THE PEGI COUNCIL

A delegation of the HGC attended the works of the annual assembly of the Council of PEGI (Pan-European Game Information), which took place on 1st October 2014 in Brussels. The Pan -European Game Information System is a system of age rating of electronic amusement games played on gaming machines which designates the appropriateness of the games for specific ages, according to their content. The possibility of bilateral cooperation was enhanced during the assembly.

9.2.4 ATTENDANCE OF AN ONE-DAY EVENT ON "NATIONAL NETWORKS TO COMBAT MATCH FIXING"

On 6th May 2014 representatives of the HGC attended an one-day event on: "National Networks to combat match fixing", organized by OPAP S.A. in cooperation with the French Institute of International and Strategic Relations (IRIS). The objective of this event was to raise awareness and inform various agencies about match fixing as well as to identify best practices of coordination to combat this phenomenon.

9.2.5 ATTENDANCE OF AN ONE-DAY EVENT ON "MODERNIZATION OF THE REGULATORY FRAMEWORK FOR STATE AIDS: CHALLENGES FOR THE GREEK PUBLIC ADMINISTRATION"

On 13th November 2014 representatives of the HGC attended an one-day event on "Modernization of the Regulatory Framework for State Aids: Challenges for the Greek Public Administration", jointly organized by the Central State Aid Unit of the Ministry of Finance, the Center of International and European Law - State Aid Unit and the Greek State Aid Institute at the "Giannos Kranidiotis" amphitheater of the Ministry of Foreign Affairs. The event focused on the new EU rules on state aids, as well as on particular issues and challenges in their implementation.

10. ANNUAL ACTIVITY REPORT ON THE ORGANIZATION AND OPERATION OF THE HGC

The annual activity report in the field of development and implementation of systems for the organization and operation of the HGC is presented in conjunction with the projects of the approved Action Plan 2013-2015.

10.1 SETTING UP SYSTEMS OF OPERATION FOR THE HGC

10.1.1 SETTING UP A PERFORMANCE EVALUATION SYSTEM

Project 7.1 of the approved 2013-2015 Action Plan "Setting Up a Performance Evaluation System" was completed on schedule in the second quarter of 2014 and implemented by the Directorate for Financial and Administrative Affairs.

Specifically, the Rules on the Organization, Operation and Structure of the HGC Service Units provide that for all members of the HGC staff, without exception, a quality sheet should be drafted every January, referring to the previous year, and attached to the personal service file of the employee (register). In this framework, a Performance Evaluation System for the HGC staff was drafted, specifically adapted to the features of the operation of the Commission, as defined by the scope and particular features of its remit. The following qualifications are evaluated and ranked:

- Knowledge of the subject-matter and academic qualifications, taking into account the enhancement of these qualifications during employment at the HGC.
- Professional conscientiousness and activities at the HGC.
- Effectiveness and efficiency in completing projects or tasks.
- Management skills and initiative.
- Cooperation and team-work skills.
- General conduct.

10.1.2 SETTING UP A MONITORING SYSTEM FOR THE HGC STRATEGIC AND OPERATIONAL PLAN AND FOR THE HGC ANNUAL REPORT

During the implementation of projects "Setting up a monitoring system for the HGC Strategic Plan and Operational Plan" and "Setting up a monitoring system for the HGC Annual Report" (respectively projects 7.2 and 7.18 of the approved Action Plan 2013-2015) an Information System named "Project Information System (P.I.S.)" was developed for monitoring the execution of the projects and the actions of the Commission as described in the 2013-2015 Action Plan. This Information System offers

the possibility of constant evaluation of the work of the Commission against the planned outcome, which allows both for corrections of deviations and its timely revision.

This project was planned by the Directorate of Planning and Research and carried out with the support of the Information and Technology Directorate.

10.1.3 SETTING UP A SYSTEM FOR THE DRAFTING OF THE HGC BUDGET

Project 7.3 "Setting up a System for the drafting of the HGC Annual Budget" of the approved Action Plan 2013-2015, which allows for the timely drafting of annual budgets following an agreed procedure, is to be completed in 2015 with the acquisition of new, tailor-made software; this software fully automates all relevant procedures and contributes to saving resources (material resources, man-hours, etc).

Given that the remit of the HGC has been considerably expanded, together with the fact that the Commission, according to the Presidential Decree No 31/2014, falls within the scope of the prudential supervision exercised by the Court of Audit, it is considered necessary to upgrade the legacy system.

This project is carried out by the Directorate of Planning and Research.

10.1.4 SETTING UP QUALITY MANAGEMENT SYSTEMS

One of the main priorities of the Commission, as regards its internal organization and operation, is setting up quality management systems to measure and improve its operation. Already since 2013 steps have been taken for ELOT EN ISO 9001 certification.

In parallel, in October 2014 the procedure for ELOT EN ISO 27001 certification for information security management was also initiated, mainly focusing on data confidentiality, availability and integrity.

The projects are carried out by the Directorate of Planning and Studies, are ongoing and expected to be completed on schedule.

10.2 STAFFING AND DEVELOPMENT OF HUMAN RESOURCES IN THE HGC

10.2.1 STAFFING OF THE HGC

Because of the financial situation, right from the outset, the HGC decided to operate on the basis of a fundamental principle, i.e. that it must make full use of all human resources already available to the Greek State before seeking to acquire extra ones, so as to avoid increased costs both for the HGC and the State as a whole. Against this

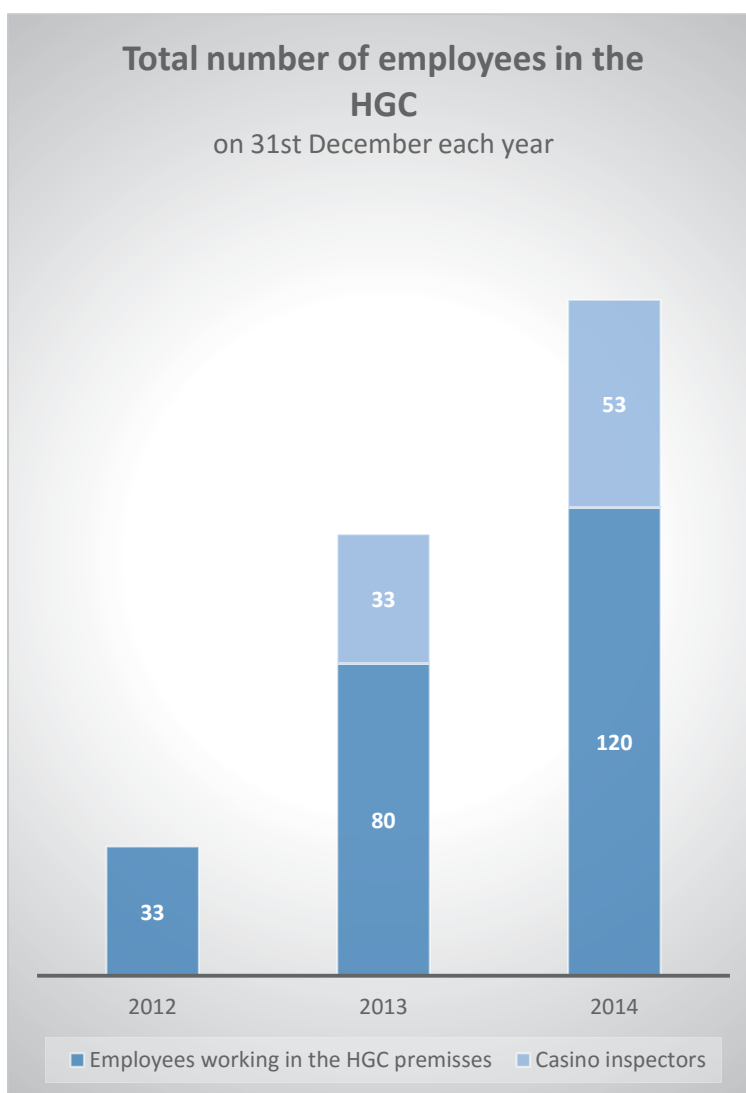
backdrop, in the last three years (2012-2014) a total of five staffing stages has been completed by secondment of employees; the 4th and 5th stages were completed in 2014.

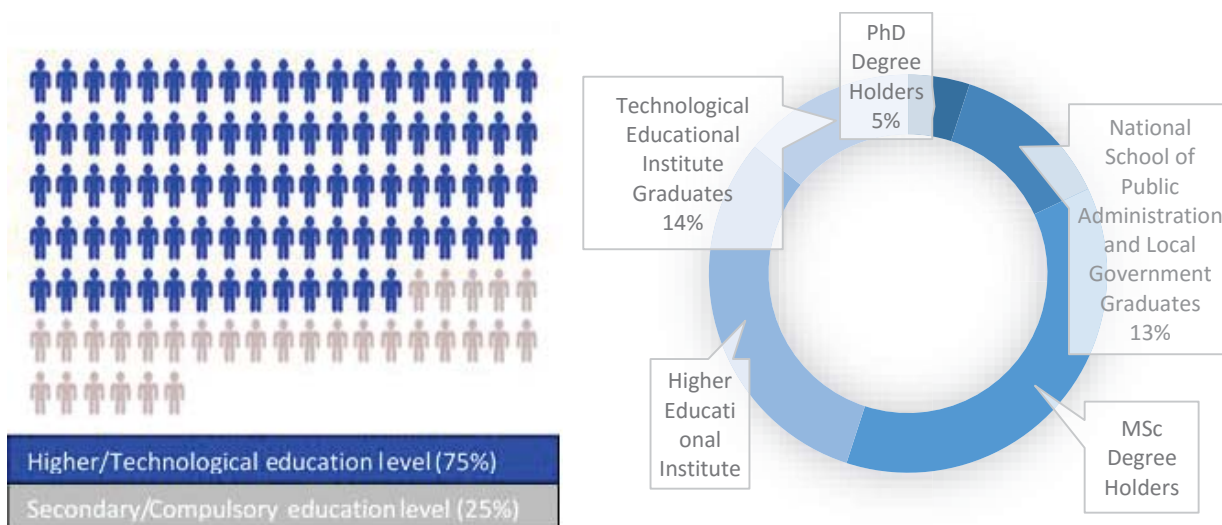
Specifically, in 2014, after the relevant calls for expression of interest, 104 employees were seconded from various services and agencies of the public and the wider public sector. Moreover, 29 secondments were extended and 44 secondments were terminated. As a result, the total number of employees on 31st December 2014 was 173 people.

120 of them work in the HGC premises and 53 make up the inspection teams for casino enterprises assigned with the daily, on-the-spot and continuous inspection of the casinos.

The staff is mainly comprised of Mechanical Engineers, Electricity Engineers, IT Engineers, Technical Engineers, Mathematicians, Physicists, Economists, holders of Management degrees, holders of Humanities degrees, etc.

As regards the qualifications level of the staff working in the HGC premises, the Commission seeks to maintain the ratio of staff with higher or above higher education to the staff with secondary or compulsory education at 75% to 25% respectively.





According to Law 4261/2014 (GG Series A, No. 107) article 173, paragraph 29, staff secondments to the HGC have a duration of four (4) years and may be extended for another four (4) years after expiry.

Finally, Law 4141/2013 (GG Series A, No 81) article 23, paragraph 1, as amended by Law 4261/2014 (GG Series A, No 107) article 173, paragraph 25 and in force stipulates that: *"Permanent staff and staff contracted for indefinite term working in the public sector, legal entities under public law, 1st or 2nd level local government, public utilities or legal entities under private law in the wider public sector, working on 31st December 2014 after secondment to the HGC, after application submitted within a binding period ending on 16th January 2015, may be transferred to vacant statutory posts of the HGC, on recommendation of the HGC and by virtue of decision of the Minister of Finance and the competent Minister, without an opinion by the service council or any respective competent agency, notwithstanding applicable provisions"*.

The statutory posts in the HGC are eighty (80) and all of them are still vacant.

As a result, the project of staffing the Commission is ongoing, it is expected to be running until conclusion of the Action Plan 2013-2015 and it is carried out by the Directorate for Financial and Administrative Affairs. Training of staff

10.2.2 TRAINING OF STAFF

The HGC considers it necessary to ensure that an adequate level of further training is provided to its staff (projects 7.7 and 7.8 of the approved Action Plan 2013-2015) in various fields, such as the organization and administration of public sector bodies,

project management, drafting and monitoring of action plans, budget, cost calculation, public procurement, human resources management, etc.

To this purpose and given that the staff working for the Commission comes from different services and agencies of the public and the wider public sector, a data base was built in 2014, registering the formal and actual qualifications and any other skills of the employees, in order to identify their training needs in respect to the activities of the HGC. On the basis of these training needs the following programs are already in planning and will take place in 2015:

- Horizontal training programs.
- Thematic training programs on the tasks executed by the services of the Commission.

In 2014, in cooperation with the Institute of Training (INEP) of the National Center for Public Administration and Local Government (EKDAA), employees were offered training on the following topics:

**INEP
Training**

Human Resources Development

Skills Enhancement in Communication, Team Work and Conflict and Crisis Management

Joomla content management system to develop the HGC website

Public Accounting-Procedures and Audit

The further training project is ongoing, it is expected to be running until conclusion of the Action Plan 2013-2015 and it is carried out by the Directorate for Financial and Administrative Affairs.

10.3 COMMUNICATION

In the year 2014, project 7.10 of the approved Action Plan 2013-2015 was divided into projects 7.20 to 7.25.

More specifically, the following actions were carried out:

1. Redesigning the HGC website.

As of 21st November 2014 the new HGC website is available at www.gamingcommission.gov.gr.

The website of the HGC was fully redesigned on the basis of a Content Management System allowing constant updating of content in order to satisfy the main operational needs, such as comprehensive information and understandable services to customers and enterprises, online tasks in relation to licenses, certifications, multilevel search, etc. The website hosts categorized and archived content, such as legal material, decisions, activity reports, operation data, financial data, black list, white lists etc., interactive and multimedia content and a link to social media (twitter, youtube). The English version of the content is currently being developed.

2. Other actions:

For its communication with the public, the HGC uses the social media. Already since December 2013, the HGC has been posting on twitter, while it has recently completed all actions required to set up a youtube channel. It is also currently creating a Facebook page.

The HGC issues press releases, which are posted on its website and sent to all the Greek Media (printed and electronic). It has also taken a series of actions with a view to establish a network with the foreign press correspondents in Greece and has made a series of contacts with journalists based abroad.

The HGC completed its communication identity and developed a logo for a number of uses, for its documents and printed material, for the certificates it grants, as well as for the signs in its premises. It is also currently working on a study on the implementation of a well-structured programme that will make known to the public the work performed by the HGC in the field of gaming regulation and supervision, with a view to improve the information provided to the public about the operation of games and the protection of the public and particularly minors and vulnerable groups.

10.4 DEVELOPMENT OF IT SYSTEMS AND SUPPORT

As part of the projects "Creation of a data center", "Development of an IT system to support processes, licensing, certification and compliance inspection and to monitor the relevant registers" and "Development of an IT system for supervision and compliance inspection (ITSCI)" (projects: 7.11, 7.12 and 7.15 of the approved Action Plan 2013-2015, respectively), project No. 6/2013 titled «Development of an

integrated IT system for the management and compliance inspection as regards the operation and certification of Electronic Amusement Games and Games of Chance played on gaming machines" was completed in 2014, following an open tender.

The project was put into operation gradually, starting with the activation of the registration and certification service for the Technicians for electronic amusement games and games of chance. Then, in December 2014, the entirety of services that are to be covered by the IT system in question were activated.

In addition, in 2014, the Information and Technology Directorate contributed to the choice of an architecture for various applications, in cooperation with the Service Units concerned, and then, after drafting the technical specifications, developed and implemented the following projects:

- Web based application and database for supervision, compliance inspection, monitoring of the financial management of casinos and the collection of State rights.
- Web based application and database for the Monitoring of the HGC Project Implementation Schedule (P.I.S.).
- Web based application for questionnaire/ survey management.
- Web based Application for provision of services and support to the HGC users.
- Web based application for the management of the annual leave of the HGC employees.
- Technical specifications and tender request documents for the purchase of computers, servers and other network equipment.
- Technical specifications and tender request documents for the purchase of next generation firewall systems and Antivirus applications.
- Installation, parametrization and operation of a pilot phase of e-mail services provided through MS Exchange 2013.

Finally, the Information and Technology Directorate, being the competent directorate, carried out all the necessary interventions and maintenance works on buildings, electromechanical equipment, communications equipment and IT systems for the smooth operation of all the infrastructure owned by the HGC.

10.5 TREATMENT OF OPERATIONAL NEEDS AND OTHER ADMINISTRATIVE ISSUES

Twenty (20) public procurement contracts for the purchase of goods and services by the HGC were drafted and signed after the necessary clearance of the draft agreement was obtained from the Court of Audit, in order to cover the operational needs of the

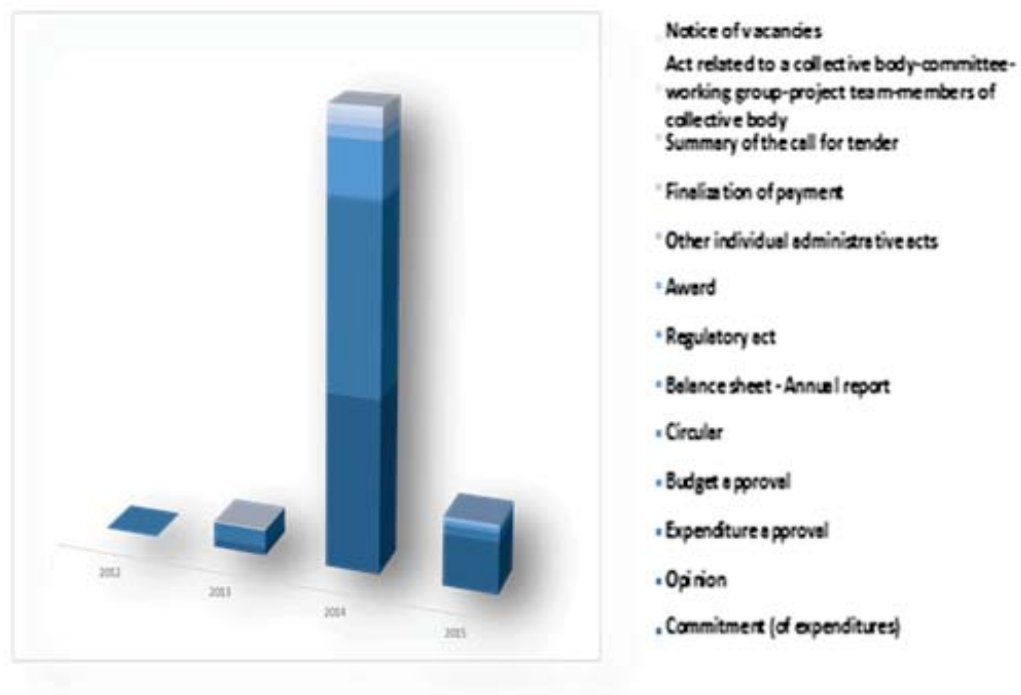
HGC. The contracts were awarded to the lowest bidder following a market research and receipt of the relevant offers.

Furthermore, 6 sets of tender documents were prepared, the tenders were carried out in accordance with the provisions of Presidential Decree 118/2007 and the relevant contracts were awarded and signed. Tender budgets and the amount of the awarded contracts per project can be found in the following table:

Project	Tender Budget (VAT exclusive)	Awarded amount (VAT exclusive)
Purchase of ink and toner cartridges for printers and photocopier machines, printing paper, stationery and other office supplies needed for the daily tasks of the HGC	51,162.00 €	26,761.40 €
Award of cleaning service contract for the building and offices of the HGC	30,000.00 €	29,656.56 €
Award of security service contract for the building and offices of the HGC	26,830.00 €	22,521.48 €
Purchase and installation of computers, software and other electronic equipment	58,000.00 €	49,323.00 €
Provision of maintenance and technical management services for the electromechanical equipment and facilities at the HGC premises at 17, Acharnon Str and Mavrokordatou Sq.	21,600.00 €	10,500.00 €
Purchase and installation of special antivirus software and next generation firewall.	30,000.00 €	16,900.50 €

In the effort to abide by the procurement procedures provided for in the applicable law, 141 announcements were posted on the website of the "National eProcurement System (ESIDIS)".

For the programme "Diavgeia", 413 announcements of administrative and financial nature were posted on the relevant website, in accordance with the procedures provided for in the applicable law.



As far as the management and processing of documents is concerned, the following information is available for the year 2014:

- The central register of incoming and outgoing documents is kept in manuscript and electronically.
- A total of 9,277 documents were processed. In particular, 6,891 incoming documents were received from various services, bodies and citizens and 2,386 outgoing documents were prepared and sent to various services, bodies and citizens, in reply to their requests and decisions.
- On 15/09/2014, aside from the manual registering of documents, electronic registration was used in parallel as a pilot.
- A full implementation of the electronic document management and processing through a dedicated software programme that has already been developed by the HGC has been planned for 2015.

As far as the implementation of legislation on employees' health and safety and supervision of workplace hygiene is concerned, the following information is available for 2014:

- A tender was carried out and accredited bodies were selected to provide Occupational Doctor and Safety Technician services, in accordance with paragraph 1, article 9 of Law 3850/2010.

- Furthermore, the work of the cleaning staff team is inspected on a daily basis and the necessary guidance is provided in order to ensure the cleanliness of the premises, the equipment and the external areas of the building to the HGC standards.

The above project was carried out by the Directorate for Financial and Administrative Affairs.

11. FINANCIAL DATA

11.1 EX-ANTE CONTROLS OF THE HGC EXPENDITURE BY THE COURT OF AUDIT

As from 2014, following a recommendation by the HGC, all the categories of expenditure incurred by the Authority are subject to prudential supervision by the Court of Audit by virtue of Presidential Decree 31/2014 (GG Series A, No. 56) titled "Prudential supervision of the expenditure of the Independent Administrative Authority under the name "HELLENIC GAMING COMMISSION - HGC".

11.2 FINANCIAL DATA FOR THE YEAR 2014

11.2.1 REVENUES

According to the provisional financial data, the revenues of the HGC in 2014 are estimated at 5,185,371.05€ and are analyzed as follows:

1. Revenue from the 0.5% Percentage Rate on Gross Gaming Revenue (GGR)

This is the percentage rate at which earnings from all games are paid to the HGC under item a, paragraph 7, article 28 of Law 4002/2011 (GG Series A, No. 180), as replaced by paragraph 6, article 173 of Law 4261/2014 (GG Series A, No. 107) and in force. The associated revenues of the HGC from this source amounted to 4,990,290.85€ in 2014.

2. Revenue from Administrative Fees and Charges

It is consisted of revenue from administrative fees and charges for the issuance of licenses and renewal of license terms and the certification of gaming machines, games, shops, manufacturers, technicians and importers in the field of amusement games played on gaming machines and VLT gaming machines. It also includes revenue from equivalent administrative fees and charges for the certification of manufacturers-importers and technicians (items a and b, paragraph 4, article 50 of Law 4002/2011) and from administrative fees and charges for the certification of manufacturers-suppliers and maintenance technicians for casinos (technical equipment and materials used in casino gaming - Ministerial Decision T/6736/1.7.2003).

In this context, the revenue of the HGC from administrative fees and charges in 2014 amounted to 97,050.00€.

3. Financial Revenue

Placement of the cash available to the HGC in foreign Bank Deposits generated revenue from credit interest in the amount of 98,030.20€ approximately.

Apart from the above revenue - according to paragraph 7, article 28 of Law 4002/2011 (GG Series A, No. 180), as in force prior to its amendment by the provisions of paragraph 6, article 173 of Law 4261/2014 (GG Series A, No. 107) - the HGC was supposed to receive 3,000,000 euros from the Ministry of Finance, for the period between 01.01.2013 and 04.05.2014, which accounts for its share in the earnings of the Greek State from its participation in gross gaming revenue (gross profit – GGR).

From the execution of the 2014 budget it was possible to conclude with certainty that the budget would be in surplus at the end of the year; thus, the HGC did not deem the above payment of 3,000,000 euros to be necessary and notified the General Secretary of the Ministry of Finance, by virtue of its document No. PRP6009090914/09.09.2014, of its request not to receive this funding.

11.2.2 EXPENDITURE

In the field of expenditure, an effort was made to keep operating expenses, supplies and other costs at the lowest possible level, by managing the available resources more effectively and measuring the productivity of each action.

According to the provisional financial data, total expenditure in 2014 is estimated at 4,890,815.42 € and was covered with own resources.

These are the categories of expenditure incurred in 2014:

1. Fixed - Investment Costs

Investment Costs amounted to 183,546.95 € and consist of the costs of establishment, the purchase of computers, electronic systems and the necessary software, the purchase of communications equipment and other equipment.

Investment Costs account for 3.75% of the total expenditure of the HGC.

2. Operating Expenses

Operating Expenses amounted to 4,707,268.47 € and include:

Payroll costs: The cost of employee salaries, including employer contributions and other labour costs, amounted to 3,310,907.34 €. This amount refers to the salaries of all the people seconded to the HGC in the period January-December 2014. Payroll costs account for 70.34% of the total Operating expenses and 67.70% of the total expenditure of the HGC.

3. Other Operating Expenses: This cost is estimated at 654,218.42 € and is analyzed as follows:

Operating expenses for third-party costs in the amount of 183,027.84 € (3.89% of total operating expenses).

Various costs, such as rents, power supply, water supply, telecommunications, building maintenance and other services, totaling 471,190.58 € (10.01% of total operating expenses).

4. Other expenses:

These expenses include the cost of reception, hosting and promotion costs, subscriptions, stationery, consumables and travel costs, totaling 742,142.71 € (15.77% of total Operating Expenses). It should be noted that travel costs and, in particular, per diem for the casino inspectors who are required to travel across the country and be physically present in the casino enterprises 24hours a day and throughout the year account for 91.81% of this category of expenditure.

11.3 BUDGET OF THE HGC FOR 2015

In October 2014, the HGC drafted its annual Budget of Revenue and Expenditure for 2014, which is in surplus. The Budget was approved by Decision No. 122/3/19-09-2014 of the HGC and was annexed to the State Budget in order to be approved by the Hellenic Parliament. Finally, the approved Budget was announced on the website of the programme "Diavgeia".

Having considered the principles that the HGC has been committed to serve and the rules of: "Maximum utilization of available resources", "Effective utilization of resources" and "Cost-effective management" that it has adopted and implements, the budgets that were prepared both for 2014 and 2015 were in surplus.

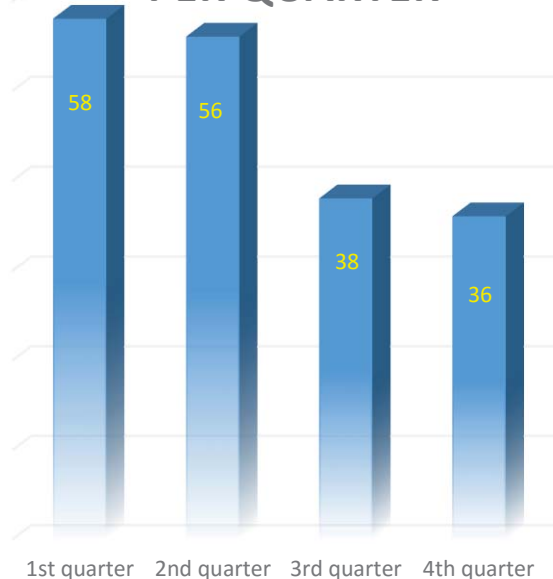
The 2015 Budget was drawn up by the Directorate of Planning and Research and the Directorate for Financial and Administrative Affairs, in cooperation with all the service units of the HGC.

12. HGC MANAGEMENT ACTIVITIES

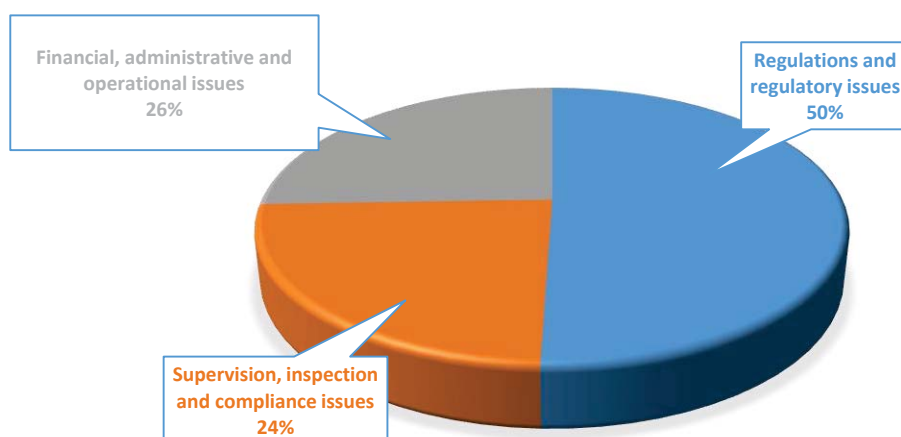
The members of the HGC had regular meetings and issued decisions on issues relating mainly to the regulation and supervision of the gaming market, regulatory matters, compliance, inspection, proposals for regulations, as well as issues relating to the internal organization and operation of the HGC. Fifty (50) meetings were held to examine one hundred and ninety-three (193) issues and reach a decision on one hundred and eighty-eight (188) of them.

The Secretariat of the HGC has kept minutes of the meetings and has issued exact copies and excerpts of the relevant decisions.

DECISIONS OF THE HGC PER QUARTER



Decisions of the HGC 2014



13. AN OVERVIEW OF ACTION PLAN 2013-2015 AND OPERATIONAL PLAN 2015

13.1 THE ACTION PLAN OF THE HGC FOR THE PERIOD 2013-2015

In the context of its medium-term planning, the HGC prepared, in 2012, an Action Plan for the period 2013-2015. Decision No 46/4/05-04-2013 of the HGC approved the Action Plan 2013-2015, which had already started in early 2013.

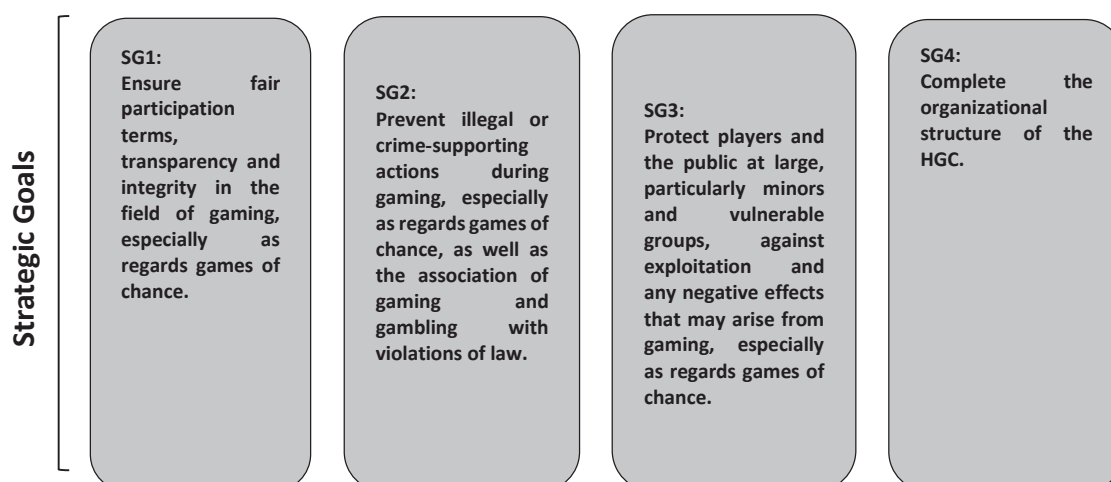
Each year, the service units of the HGC carry out the projects included in the Operational Plan for that year, on the basis of the approved timetable and the available appropriations in the annual budget.

The Operational Plan is drawn up on a yearly basis and is revised during the year, whenever internal and external developments in the HGC demonstrate the need for such a revision in order to ensure a more efficient and effective operation of the HGC.

The Action Plan and the Strategic Goals and Operational Priorities it contains are the basis for the annual report on the activities of the HGC.

13.2 STRATEGIC GOALS

The Action Plan comprises seven (7) Operational Priorities, intended to serve its four (4) Strategic Goals (SG1, SG2, SG3 and SG4), which are as follows:

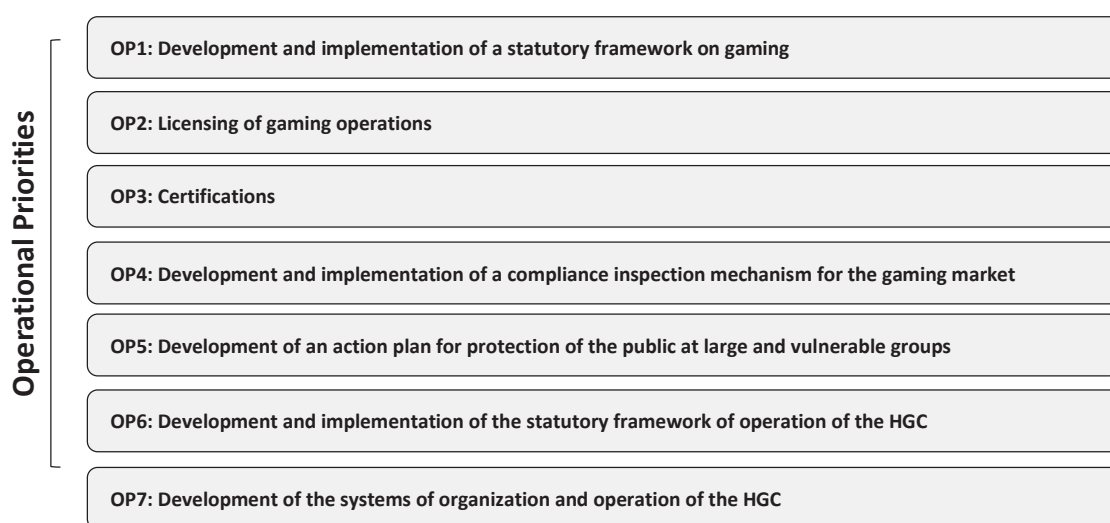


13.3 OPERATIONAL PRIORITIES

The Operational Priorities are fundamental choices of the HGC, which determine how and in which field of activities the Strategic Goals will be pursued.

Each Operational Priority is analyzed into hierarchically organized, scheduled projects; this makes the 2013-2015 Action Plan a comprehensive tool, allowing to plan and monitor the progress of implementation and serving as a guide for the HGC services when preparing and drafting the individual actions of the Operational Plan for the year of reference.

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



13.4 AN OVERVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE ACTION PLAN 2013-2015

The Action Plan 2013-2015 that was initially approved included 77 projects. In 2013, when the HGC took up the entirety of its responsibilities, new projects were added, which brought their number to 99. In 2014, the expansion of the Commission's scope of work and the developments in the gaming market called for new projects, which were incorporated into the Action Plan to make a total of 114 projects.

The Action Plan includes specialized, hierarchically organized and specifically scheduled projects, organized per operational priority, whose implementation serves as a tool to fulfill the Strategic Goals.

This is the stage of progress of the 114 projects included in the Action Plan:

Completed: 59 projects. These include 42 separate projects and 17 projects-actions, whose planning and initial stage of implementation have been completed, but which will actually be ongoing, as they are part of the daily activities of the HGC as a service.

Ongoing projects: 38 projects, which have started and are being regularly implemented.

Projects awaiting implementation: 17 projects which have been scheduled to start.

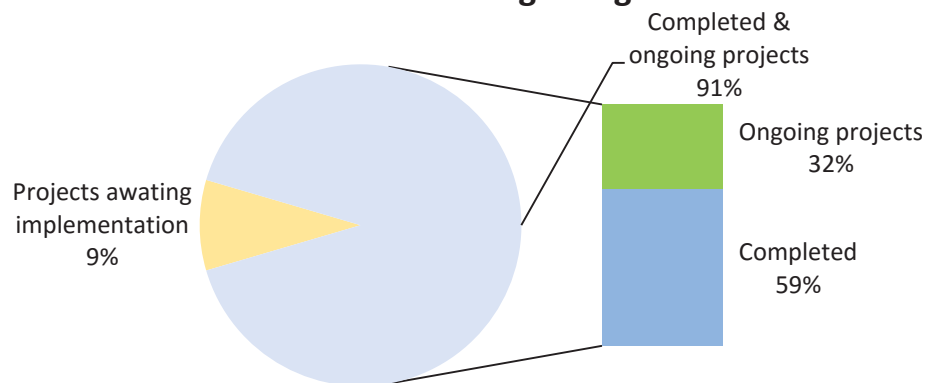
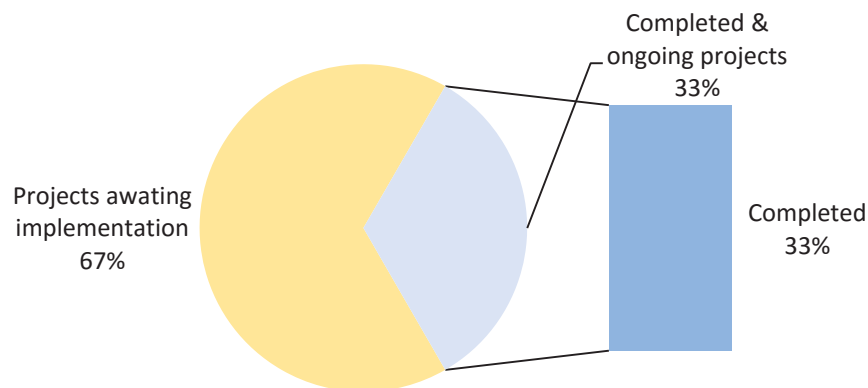
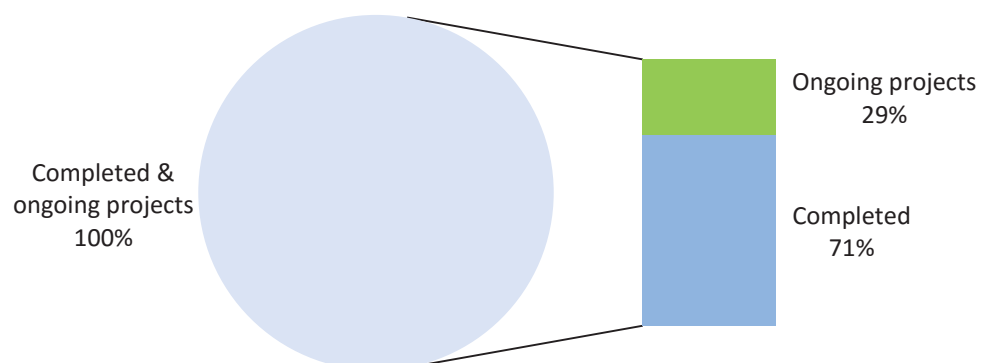
The following table shows the number of projects and the stage of implementation per operational priority.

PROGRESS IN THE IMPLEMENTATION OF THE PROJECTS INCLUDED IN THE ACTION PLAN 2013-2015 PER OPERATIONAL PRIORITY			
Operational Priority (OP1): Development and implementation of a statutory framework on gaming			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP1	Share of completed and ongoing projects in the total of projects under OP1
Completed	13	59%	91%
Ongoing projects	7	32%	
Projects awaiting implementation	2	9%	9%
Total	22	100%	100%
Operational Priority (OP 2): Licensing of gaming operations			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP2	Share of completed and ongoing projects in the total of projects under OP2
Completed	1	33%	33%
Ongoing projects	0	0%	
Projects awaiting implementation	2	67%	67%
Total	3	100%	100%

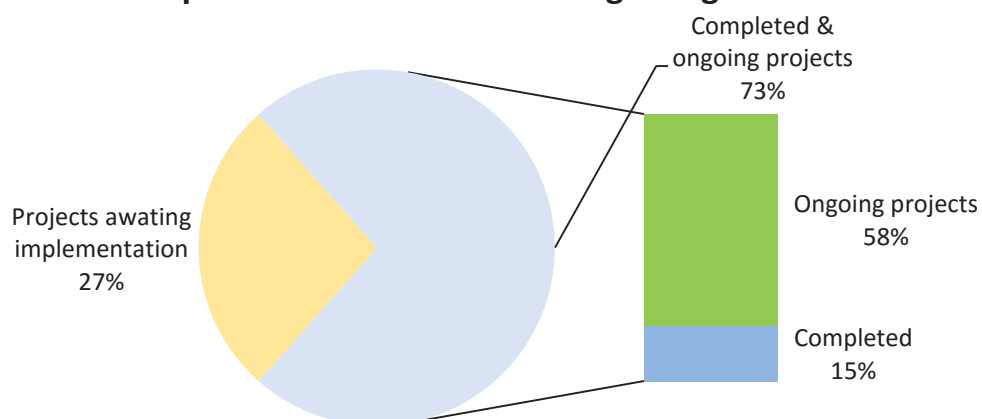
PROGRESS IN THE IMPLEMENTATION OF THE PROJECTS INCLUDED IN THE ACTION PLAN 2013-2015 PER OPERATIONAL PRIORITY			
Operational Priority (OP3): Certifications			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP3	Share of completed and ongoing projects in the total of projects under OP3
Completed	10	71%	100%
Ongoing projects	4	29%	
Projects awaiting implementation	0	0%	0%
Total	14	100%	100%
Operational Priority (OP 4): Development and implementation of a compliance inspection mechanism for the gaming market			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP4	Share of completed and ongoing projects in the total of projects under OP4
Completed	4	15%	73%
Ongoing projects	15	58%	
Projects awaiting implementation	7	27%	27%
Total	26	100%	100%
Operational Priority (OP 5): Development of an action plan for protection of the public at large and vulnerable groups			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP5	Share of completed and ongoing projects in the total of projects under OP5
Completed	6	38%	63%
Ongoing projects	4	25%	
Projects awaiting implementation	6	37%	37%
Total	16	100%	100%

PROGRESS IN THE IMPLEMENTATION OF THE PROJECTS INCLUDED IN THE ACTION PLAN 2013-2015 PER OPERATIONAL PRIORITY			
Operational Priority (OP 6): Development and implementation of the statutory framework of operation of the HGC			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP6	Share of completed and ongoing projects in the total of projects under OP6
Completed	6	75%	100%
Ongoing projects	2	25%	
Projects awaiting implementation	0	0%	0%
Total	8	100%	100%
Operational Priority (OP 7): Development of the systems of organization and operation of the HGC			
Project implementation stages	Number of projects	Share of projects, per stage of implementation, in the total of projects under OP7	Share of completed and ongoing projects in the total of projects under OP7
Completed	19	76%	100%
Ongoing projects	6	24%	
Projects awaiting implementation	0	0%	0%
Total	25	100%	100%

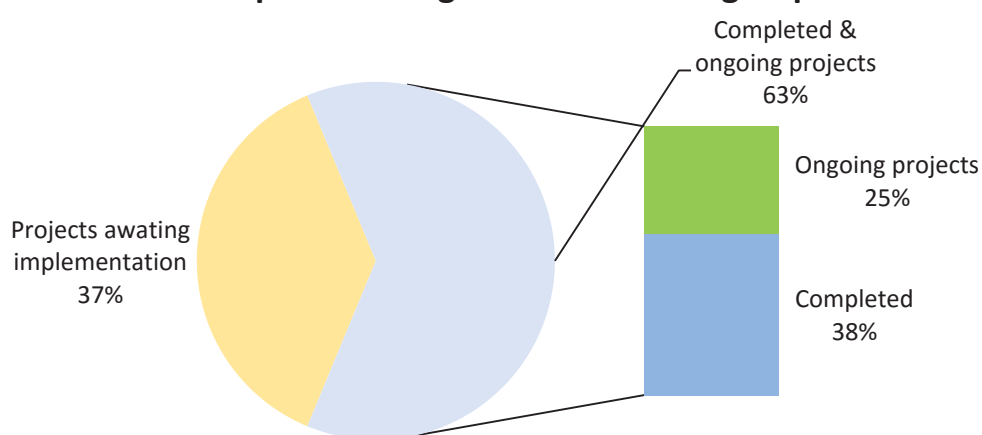
The following diagrams depict the progress made in the implementation of the projects included in the Action Plan per Operational Priority.

OP1: Development and implementation of a statutory framework on gaming**OP2: Licensing of gaming operations****OP3: Certifications**

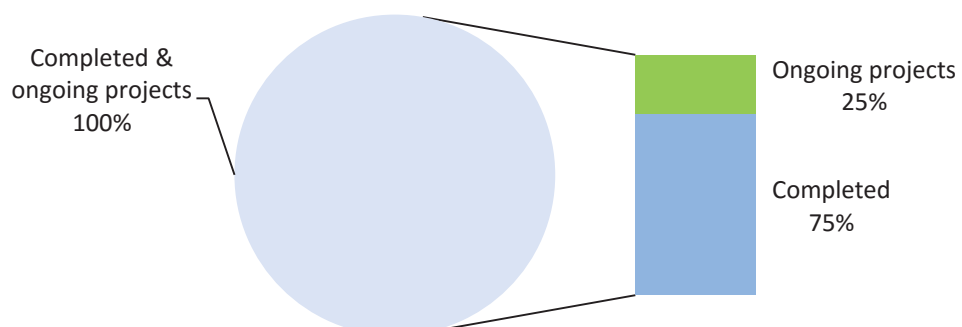
OP4: Development and implementation of a compliance inspection mechanism for the gaming market



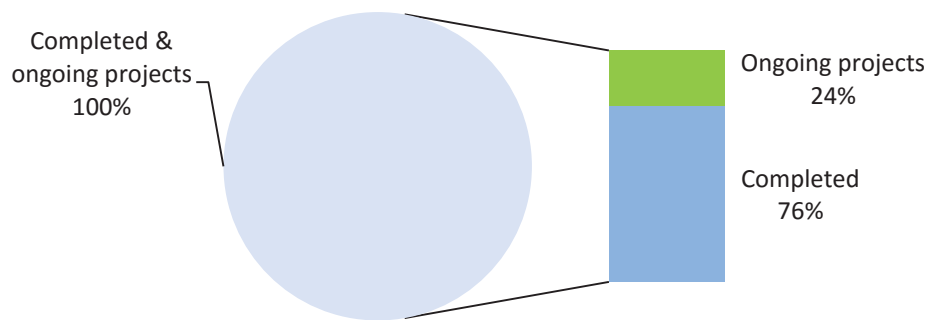
OP5: Development of an action plan for protection of the public at large and vulnerable groups



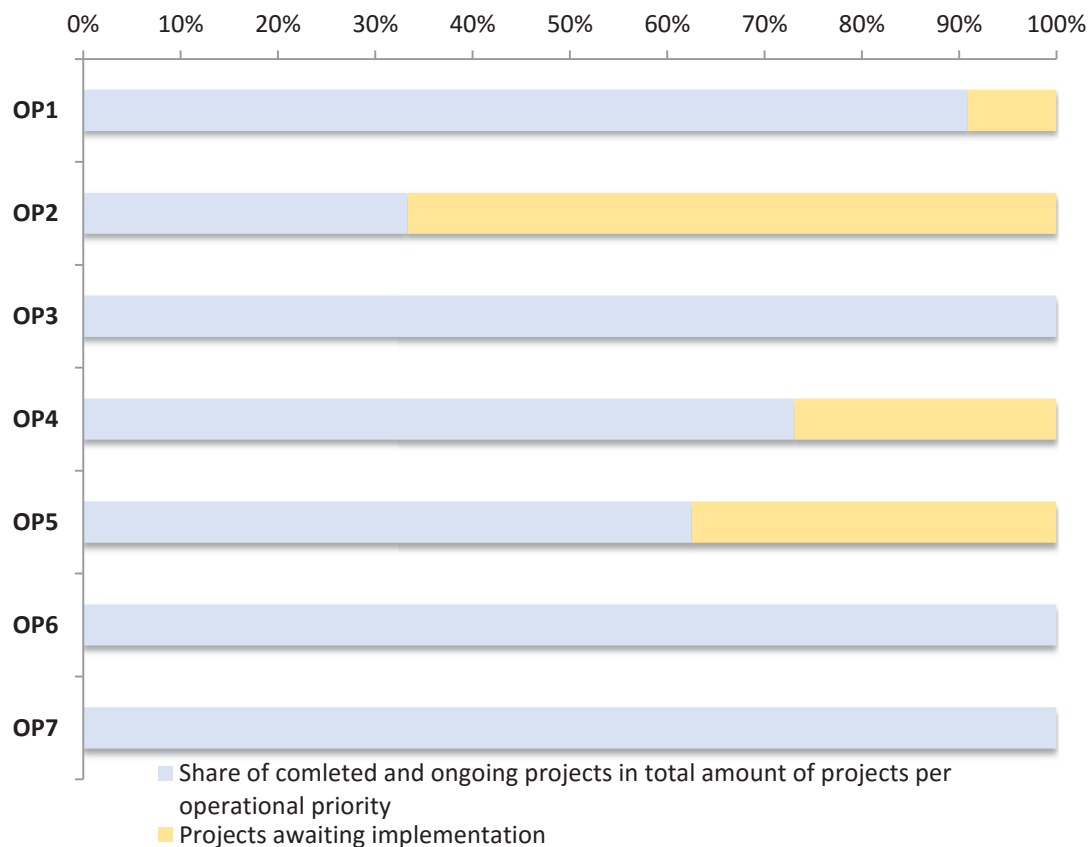
OP6: Development and implementation of the statutory framework of operation of the HGC



OP7: Development of the systems of organization and operation of the HGC



PROGRESS IN THE IMPLEMENTATION OF THE PROJECTS INCLUDED IN THE ACTION PLAN 2013-2015 PER OPERATIONAL PRIORITY



The above data shows that:

The projects under Operational Priorities 1,3, 6 and 7, referring to the development and implementation of a statutory framework on gaming, certifications, the development and implementation of a statutory framework of operation of the HGC, the systems developed for the organization and operation of the HGC, are already almost complete and their rate of implementation is between 1% and 100%.

The projects under Operational Priorities 4 and 5, referring to the development and implementation of a compliance inspection mechanism for the gaming market and the development of an action plan for protection of the public at large and vulnerable groups are fully ongoing and their rate of implementation is 73% and 63% respectively.

The projects under Operational Priority 2, referring to the licensing of gaming operations are 33% completed. The project-action "Issuance of operating licenses for electronic amusement games played on gaming machines" is completed, whereas the projects "Issuance of operating licenses for online gambling." and "Issuance of operating licenses for Gambling on Broadcast Media" have not started yet for reasons that are not attributable to the HGC.

13.5 THE OPERATIONAL PLAN OF THE HGC FOR THE YEAR 2015

The following table presents in detail the projects of the Action Plan 2013-2015 and the progress in their implementation, as well as the Operational Plan of the HGC for the year 2015 with a timetable of implementation per Operational Priority.

2015 OPERATIONAL PLAN														
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014		2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES	
		1	2	3	4			a	b	c	d			
		Operational Priority (OP1): Development and implementation of a statutory framework on gaming												
1.1	Drafting a regulation on the operation and compliance inspection of electronic amusement games on gaming machines.	•											Completed	
1.2	Drafting a regulation on the operation and compliance inspection of online amusement games.	•					✓	✓	✓	✓		✓	Under implementation	
1.3	Drafting a regulation on the operation and compliance inspection of online gambling.	•					✓	✓	✓	✓		✓	Under implementation	
1.4	Drafting a regulation on the operation and compliance inspection of games of chance played on VLT gaming machines.	•											Completed	
1.5	Drafting regulations on the operation and compliance inspection of games operated by OPAP S.A.	•					✓	✓	✓	✓		✓	Under implementation	
1.6	Drafting a regulation on the operation and compliance inspection of mutual horse racing betting.	•					✓	✓	✓	✓		✓	Under implementation	
1.7	Drafting a General regulation on the operation and compliance inspection of the State Lotteries game.	•											Completed	
1.8	Drafting a regulation on the operation and compliance inspection of gambling on broadcast media.	•					✓	✓	✓	✓			Under implementation	
1.9	Drafting a regulation on the operation and compliance inspection of casino gambling.	•					✓	✓	✓	✓		✓	Under implementation	
1.10	Overview of gaming laws.	•	•	•			✓	✓	✓	✓		✓	Under implementation	
1.11	Drafting a regulation on gaming penalties.		•	•			✓						Completed	
1.12	Drafting a regulation on commercial communications.	•	•	•									Completed	
1.13	Drafting a Special regulation on the operation and compliance inspection of the "Ethniko" lottery game.	•					✓						Completed	
1.14	Drafting a Special regulation on the operation and compliance inspection of the "Laiko" lottery game.	•					✓						Completed	
1.15	Drafting a Special regulation on the operation and compliance inspection of the Special Lotteries game.	•					✓						Completed	

2015 OPERATIONAL PLAN												
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES
							l	b	c	d		
		1	2	3	4							
1.16	Drafting a Special regulation on the operation and compliance inspection of the Instant Lottery game.	•				✓						Completed
1.17	Checking the legality of operation of the companies falling under the transitional regime of paragraph 12, article 50 of Law 4002/2011.	•		•								Completed
1.18	Drafting a regulation on the certification of Technicians in the field of electronic amusement games and gaming machines and in the field of VLT games and gaming machines, as well as on the creation of the relevant registers.	•				✓						New project
1.19	Drafting of technical specifications (TS) for the operation of games of chance played on VLT gaming machines.	•				✓						New project
	Regulation on the implementation of measures to fight money laundering and terrorist financing by Obligated Parties in the gambling services market.	•	•									Completed
1.21	Study titled "The case of casino-style online games. Game and User.	•		•					✓	✓	✓	New project
1.22	Regulation on the implementation of measures by casino enterprises to fight money laundering and terrorist financing in gambling.	•	•							✓	✓	New project
												Projects awaiting implementation
Operational Priority (OP 2): Licensing of gaming operations												
2.1	Issuance of operating licenses for electronic amusement games played on gaming machines.	•	•	•		✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
2.2	Issuance of operating licenses for online gambling.	•	•	•						✓	✓	Project awaiting implementation
2.3	Issuance of operating licenses for gambling on broadcast media.	•	•	•						✓	✓	Project awaiting implementation

2015 OPERATIONAL PLAN													
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014		2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES
		1	2	3	4								
Operational Priority (OP3): Certifications													
3.1	Certification of electronic amusement games.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
3.2	Certification of games of chance played on VLT gaming machines	•	•	•		✓	✓	✓	✓	✓	✓	✓	Under implementation
3.3	Certification of casino gambling and gaming machines.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
3.4	Characterization of games played on broadcast or other media as games that involve or do not involve chance.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
3.5	Certification of gaming machines used for electronic amusement games.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
3.6	Certification of VLT gaming machines.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Under implementation
3.7	Certification of premises operating electronic amusement games played on gaming machines	•	•	•		✓	✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
3.8	Certification of premises operating games of chance played on VLT gaming machines.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Under implementation
3.9	Certification of Manufacturers of games of chance and gaming machines.	•	•	•		✓	✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)

2015 OPERATIONAL PLAN												
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES
		1	2	3	4		a	b	c	d		
3.10	Certification of Importers of games of chance and gaming machines.	•	•	•		✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
3.11	Certification of Technicians in the field of electronic amusement games and gaming machines.	•	•	•		✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
3.12	Certification of Technicians in the field of games of chance and gaming machines.	•	•	•		✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
3.13	Definition of Fees and Charges for the operation of games of chance played on VLT gaming machines.	•	•	•		✓					Completed	
3.14	Characterization of games as electronic amusement games or other.					✓	✓	✓	✓	✓	New project	
Operational Priority (OP 4): Development and implementation of a compliance inspection mechanism for the gaming market												
4.1	Drafting a manual on compliance Inspection procedures for electronic amusement games played on gaming machines.	•	•			✓	✓	✓			Under implementation	
4.2	Drafting a manual on compliance inspection procedures for online gambling.	•	•			✓	✓				Under implementation	
4.3	Drafting a manual on compliance inspection procedures for games of chance played on gaming machines.	•	•			✓	✓	✓	✓		Under implementation	
4.4	Drafting a manual on compliance inspection procedures for OPAP S.A. and its retailers.	•	•			✓	✓	✓			Under implementation	
4.5	Drafting a manual on compliance inspection procedures for games of chance operated by OPAP S.A.	•	•			✓	✓	✓			Under implementation	
4.6	Drafting a manual on compliance inspection procedures for casino gambling.	•	•			✓	✓	✓			Under implementation	

2015 OPERATIONAL PLAN													
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES	
		1	2	3	4		a	b	c	d			
4.7	Drafting a manual on compliance inspection procedures for games of chance on broadcast media.	•	•			✓						Under implementation	
4.8	Drafting a manual on compliance inspection procedures for commercial communications.	•	•	•		✓	✓	✓				Under implementation	
4.9	Staffing of the Gaming Inspectors' Register.		•	•		✓	✓	✓				Under implementation	
4.10	Compliance inspection of online gambling.		•	•		✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
4.11	Compliance inspection of games of chance operated by OPAP S.A.		•	•		✓	✓	✓	✓	✓	✓	Under implementation	
4.12	Compliance inspection of games of chance operated by HELLENIC LOTTERIES S.A.		•	•		✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
4.13	Compliance inspection of mutual horse racing betting.		•	•					✓	✓	✓	Project awaiting implementation	
4.14	Compliance Inspection of casino gambling.		•	•		✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
4.15	Compliance inspection of games of chance played on VLT gaming machines.		•	•					✓	✓	✓	Project awaiting implementation	
4.16	Compliance inspection of gambling on broadcast media.		•	•		✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
4.17	Compliance inspection of amusement games played on gaming machines.		•	•			✓	✓	✓	✓	✓	Project awaiting implementation	
4.18	Inspection of compliance with the rules on commercial communications.	•	•	•		✓	✓	✓	✓	✓	✓	Under implementation	
4.19	Compliance inspection of online amusement games.		•	•							✓	Project awaiting implementation	

2015 OPERATIONAL PLAN												
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES
		1	2	3	4		a	b	c	d		
4.20	Drafting a manual on the General Principles of Compliance Inspection.	•	•			✓	✓	✓				Under implementation
4.21	Drafting a manual on compliance inspection procedures for mutual horse racing betting.	•	•			✓	✓	✓	✓			Project awaiting implementation
4.22	Drafting a manual on compliance inspection procedures for HELLENIC LOTTERIES S.A. and retailers.	•	•			✓	✓					Under implementation
4.23	Drafting a manual on compliance inspection procedures for lotteries.	•	•			✓	✓					Under implementation
4.24	Drafting a manual on compliance inspection procedures for online amusement games.	•	•			✓	✓	✓	✓			Under implementation
4.25	Setting up an Experts' Register						✓	✓	✓			New project
4.26	Development of a data recording and reporting mechanism for State Lotteries						✓					Projects awaiting implementation
							✓	✓	✓			New project
												Projects awaiting implementation
Operational Priority (OP 5): Development of an action plan for protection of the public at large and vulnerable groups												
5.1	Problem gambling prevalence study.			•		✓	✓	✓	✓	✓	✓	Under implementation
5.2	Development of an online interactive application used to inform players and raise awareness as regards responsible gaming.[1]			•		✓						Completed
5.3	Drafting a code of conduct on minors and responsible gaming.			•		✓						Completed
5.4	Development and promotion of synergies with other bodies as regards protection of the public and control of addiction.			•		✓	✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)
5.5	Actions for the prevention and control of problem gambling.[2]			•		✓						Completed

2015 OPERATIONAL PLAN												
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES
		1	2	3	4		a	b	c	d		
5.6	Planning and implementation of thematic training actions (per target group and training need) related to the goals falling under this priority.[3]			•		✓	✓	✓			Under implementation	
5.7	Development of web-based audiovisual material for the HGC website.[4]			•		✓	✓	✓			Under implementation	
5.8	Representation of the HGC in an EU Group of Experts.	•	•	•		✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
5.9	Cooperation with equivalent authorities and agencies abroad.	•	•	•		✓	✓	✓	✓	✓	Completed (official tasks performed on a daily basis)	
5.10	Study titled "Methodology and criteria for the age rating of electronic amusement games" .	•		•			✓	✓			New project Projects awaiting implementation	
5.11	Study on the measurement and assessment of potential risks of gambling in Greece (the case of casino games).	•		•		✓	✓	✓	✓	✓	New project Under implementation	
5.12	Information workshops for gaming service providers on matters relating to the Regulation of Commercial Communications.	•		•			✓	✓	✓	✓	New project Projects awaiting implementation	
5.13	Development of an interactive education tool titled "all roads lead to knowledge" .			•					✓	✓	New project Projects awaiting implementation	
5.14	Development of an interactive education application titled "the precursor is the gaming machine"			•			✓	✓	✓	✓	New project Projects awaiting implementation	
5.15	Education and training of the HGC staff working in the Directorates of Audit on the Regulation on Commercial Communication.			•				✓		✓	New project Projects awaiting implementation	
5.16	Study on the mapping and investigation of illegal gambling in Greece		•	•					✓	✓	New project Projects awaiting implementation	

2015 OPERATIONAL PLAN												
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES
		1	2	3	4		a	b	c	d		
Operational Priority (OP 6): Development and implementation of the statutory framework of operation of the HGC												
6.1	Drafting a Regulation on the Organization, Operation and Structure of the HGC.				•							Completed
6.2	Drafting a Regulation on Financial Operation and Management.				•							Completed
6.3	Drafting a Regulation on the purchase of goods and services, and leases.				•	✓						Completed
6.4	Drafting a Regulation on Studies and Projects.				•	✓						Completed
6.5	Drafting a Regulation on Travel.				•							Completed
6.6	Drafting a Staff Regulation.				•	✓	✓	✓	✓	✓	✓	Under implementation
6.7	Drafting a Regulation on the Code of Conduct for the Members and Staff of the HGC.				•	✓						Completed
6.8	Codification of gaming laws.				•	✓	✓	✓	✓			Under implementation
Operational Priority (OP 7): Development of the systems of organization and operation of the HGC												
7.1	Setting up a performance evaluation System.				•	✓						Completed
7.2	Setting up a monitoring system for the HGC Strategic Plan and Operational Plan.				•	✓	✓	✓	✓			Under implementation
7.3	Setting up a system for the drafting of the HGC annual budget.				•	✓	✓	✓	✓			Under implementation
7.4	Setting up an internal communication and external electronic communication system for the HGC.		•	•	•							Completed
7.5	Setting up a quality management system (ELOT EN ISO 9001).				•	✓	✓	✓	✓	✓	✓	Under implementation
7.6	Setting up a database for the international regulatory framework.				•	✓						Completed
7.7	Education and training of the staff: analysis of needs.	•	•	•	•	✓						Completed
7.8	Education and training of the staff: planning and implementation of actions.	•	•	•	•	✓	✓	✓	✓			Completed

2015 OPERATIONAL PLAN													
PROJECT CODE	PROJECT TITLE	Strategic Goals (SG)				2014	2015 (per quarter)				2016	PROJECT IMPLEMENTATION STAGES	
		1	2	3	4								
7.9	Setting up a system for the monitoring and management of the financial and physical scope of training and information events.				•							Completed	
7.10	Communication plan of the HGC. [6]	•	•	•	•	✓	✓	✓	✓	✓	✓	Under implementation	
7.11	Creation of a data center.		•	•	•	✓	✓					Completed	
7.12	Development of an IT system to support processes, licensing, certification and compliance inspection and to monitor the relevant registers.	•	•		•	✓						Completed	
7.13	Purchase of ICT equipment.				•	✓						Completed	
7.14	Purchase of office equipment.				•							Completed	
7.15	Development of an IT system for supervision and compliance inspection (ITSCI).		•	•	•	✓	✓					Completed	
7.16	Finding premises for the HGC.				•							Completed	
7.17	Staffing of the HGC.				•	✓	✓	✓	✓	✓	✓	Under implementation	
7.18	Setting up a system for the drafting of the HGC annual report.				•	✓	✓					Completed	
7.19	Setting up a Security Techniques System (ELOT EN ISO 27000).				•	✓	✓	✓	✓	✓	✓	Under implementation	
7.20	Redesigning the HGC website.	•	•	•	•	✓						Completed	
7.21	Development and management of social networks and media.	•	•	•	•	✓						Completed	
7.22	Drafting a list of accredited journalists.	•	•	•	•	✓						Completed	
7.23	Creation of a Communication Identity.	•	•	•	•	✓						Completed	
7.24	Installing signs in the HGC premises.				•	✓						Completed	
7.25	Development of best Communication Practices - Communication Tools.				•	✓						Completed	

[1] Project 5.2 was analyzed into the following action for the year 2014: "Development of an interactive self-assessment application for problem gambling"

[2] Project 5.5 was analyzed into the following actions for the year 2014: (i) "Preparation and development of information material titled "Do you believe in Myths?" and (ii) "Preparation and development of information leaflets for raising awareness among players about responsible gaming".

[3] Project 5.6 was analyzed into the following action for the year 2014: "Information, discussion, training and prevention workshops on the concepts of chance, odds and the illusion of being in control, as well as on the consequences and risks from excessive gambling".

[4] Project 5.7 titled "Planning and implementation of actions to inform and raise public awareness in relation to the goals falling under this priority" was renamed to "Development of web-based audiovisual material for the HGC website" in 2014 Action "Find your Way" was launched; it is expected to be completed in the 3rd quarter of 2015.

[5] The main actions of project 7.10, which was completed by the end of 2014, were analyzed into the projects with code 7.20 to 7.25.

Hellenic Gaming Commission (HGC) – Independent Administrative Authority

17, Acharon Str. and Mavrokordatou Sq., Postal Code: 104 38, Athens, Tel: 211 1075000, Fax: 2111075005, www.gamingcommission.gov.gr