

# **THE GREEK GAMING LEGISLATIVE FRAMEWORK**

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European Association for the Study of Gambling (EASG)  
9<sup>th</sup> European Conference on Gambling Studies and Policy  
Issues

18-21 September 2012, Club Hotel Casino Loutraki  
Loutraki, Greece

# **THE LAND - BASED CASINOS (I)**

Main legislative and regulatory texts:

- Royal Decree 29/1971 - Games of chance and technical games.
- Law 2206/1994 - Establishment organization, operation and control of the land – based casinos.
- Ministerial Decision 6736/2003 - Regulation for the administrative control and supervision of the operation of the casinos.
- Law 4002/2011 (articles 25 to 54) – Regulation of the gaming market.

# THE LAND - BASED CASINOS (II)

## Main operating provisions:

- Allocation of licenses through public international tender
- 9 licensed land - based casinos.
- Online/real-time centralized supervision and control by the Commission for the Supervision and Control of Games.
- In site online/real-time supervision and control system.
- Entrance fee ranging from 6 to 15 euro (the European Commission decided that the differentiated fee constitutes illegal state aid to certain casinos and ordered the amendment of the national legislation and the recovery of the state aid – an appeal has been filled and pending before the General Court of the EU).

# **THE LAND - BASED CASINOS (III)**

## **Main operating provisions:**

- **No minimum and maximum bets in slot machines and table games.**
- **1,2 sq.m. stipulated as minimum available space per slot machine.**
- **Minimum payout 85%.**
- **Minimum age limit of 21 years for participating in slot machines and table games.**
- **State duty ranging from 20% to 33% on GGR, payable on monthly basis.**
- **Municipality fee 2% on GGR, payable on monthly basis.**
- **Applicable corporate tax (currently 25%).**

# **ODIE S.A. - HORSERACING ORGANIZATION OF GREECE (I)**

Main legislative and regulatory texts:

- Law 598/1968 – Establishment of ODIE as State organization.
- Presidential Decree 56/1999 – Transformation of ODIE to societe anonyme company.
- Law 3429/2005 – State corporations and organizations.
- Law 2190/1920 – Regulating societe anonyme companies.
- Ministerial Decision 18691/2002 – Concession of the exclusive right to operate offline horseracing betting.
- Law 4002/2011 – Regulation of the gaming market.
- Ministerial Decision 21703/2011 – Regulation of pari-mutuel offline horseracing betting.

# **ODIE S.A. - HORSERACING ORGANIZATION OF GREECE (II)**

## **Main operating provisions:**

- 417 agents (shops) throughout Greece, 380 of which are jointly operated with OPAP S.A.
- Minimum age limit of 18 years for participating in horseracing gambling.
- 13 offline horseracing gambling variations.
- Minimum bet of 0,50 euro.
- Applicable corporate tax (currently 25%).

# OPAP S.A. (I)

## Main legislative and regulatory texts:

- Established as State organization in 1958.
- Law 2433/1996 – Regulation of issues relating to OPAP.
- Presidential Decree 250/1997 – Regulation of fixed and non-fixed odds betting.
- Presidential Decree 228/1999 – Transformation of OPAP to societe anonyme company.
- Law 2190/1920 – Regulating societe anonyme companies.
- Law 2843/2000 (article 27) – Regulation of issues relating to OPAP.
- Contract between OPAP and Greek State (15/12/2000) – Concession of the exclusive right to offer sports betting, lottery and numerical games of chance and variations thereof for a period of 20 years (extended by Addendum on December 2011 for 10 more years, to expire on 2030).

## OPAP S.A. (II)

### Main legislative and regulatory texts:

- Law 3429/2005 – State corporations and organizations.
- 13 Ministerial Decisions: 37336/2008, 2167/2009, 2170/2009, 2173/2009, 2176/2009, 2178/2009, 2179/2009, 2180/2009, 2181/2009, 2183/2009, 7904/2009 , 7905/2009 and 7209/2011 – Regulations for sports betting, lottery and numerical games of chance and variations thereof.
- Contract between OPAP and its agents on September 2009 (ratified retrospectively by Law 3905/2010, article 47).
- Joint Ministerial Decision 193/2011 – Transfer of 29% of OPAP's share capital from the Greek state to the Hellenic Republic Asset Development Fund (HRADF).



## OPAP S.A. (III)

### Main operating provisions:

- 4.873 agents (shops) throughout Greece, 380 of which are jointly operated with ODIE S.A.
- Minimum age limit of 18 years for participating in offline sports betting, lottery and numerical games of chance and variations thereof.
- 11 offline games of chance - PROPO, LOTTO, PROTO, PROPO-GOAL, JOKER, PAME STICHIMA, EXTRA 5, SUPER 3, KINO, BINGO-LOTTO and SUPER 4 and variations thereof (4 monitor games and 7 stand alone terminal games).
- No minimum and maximum bets.
- Applicable corporate tax (currently 25%).
- The BoD of the Hellenic Republic Asset Development Fund (HRADF), in its meeting on September 19, will prime the international tender process for the sale of 29% of the share capital of OPAP.

# **GREEK STATE LOTTERIES (I)**

- Ministry of Finance (State Lottery Division) currently responsible for the operation and management in general of the Greek State Lotteries.
- The Hellenic Republic Asset Development Fund (HRADF) launched a public international competitive bidding tender procedure (two-stage auction) started on November 2011 for the grant of an exclusive license to produce, operate, circulate, promote and manage in general the Greek State Lotteries.
- The license will cover all current and future draw-based and instant lotteries which are conducted offline using physical tickets.
- The Greek State Lotteries comprise of (i) the National Lottery; (ii) the Popular Lottery; (iii) the European Lottery; (iv) the Instant Scratch & Win Lottery; (v) the Housing State Lottery; (vi) the Special State Social Solidarity Lottery or New Year's Lottery and (vii) any future State Lotteries conducted offline using physical tickets.

## **GREEK STATE LOTTERIES (II)**

- The license does not cover any games of chance, the operation and exploitation of which has been granted to OPAP S.A.
- The license period will be twelve (12) years, commencing at the expiry of the transition period to be provided for in the License Agreement.
- The License shall not be transferable.
- Three candidates qualified for the second phase of the tender procedure (submission of the financial offers).
- The BoD of the Hellenic Republic Asset Development Fund (HRADF), in its meeting on September 19, will seek to agree upon the final contract documents for the completion of the tender procedure.

# **VIDEO LOTTERY TERMINALS (VLTs) AND ONLINE (INTERNET) GAMBLING (I)**

Main legislative and regulatory texts:

- Law 4002/2011 (articles 25 to 54) – Regulation of the gaming market.
- Ministerial Decision 010010/2011 – Concession to OPAP S.A. of the exclusive right to operate and exploit 35.000 VLTs.
- Ministerial Decision 1248/2011 – Subjection of online gambling operators established in other member – states of the E.U. or in countries belonging to the E.E.A. to the tax regime provided for in the Law 4002/2011, retrospectively from 1<sup>st</sup> January 2010.
- Ministerial Decision 55660/1679/2011 – Beginning of operation of the Commission for the Supervision and Control of Games.
- Ministerial Decision 55906/1673/2011 – Appointment of the members of the Commission for the Supervision and Control of Games.

# **VIDEO LOTTERY TERMINALS (VLTs) AND ONLINE (INTERNET) GAMBLING (II)**

Main legislative and regulatory texts:

- Ministerial Decision 13062/269/2012 – Appointment of the members of the Gaming Advisory Commission.
- Interpretative Circular 17553/390/2012.
- Interpretative Circular 19278/450/2012.
- Technical Standards Document issued by the Commission for the Supervision and Control of Games for game machines, progressive jackpots, Gaming System Servers (DSP) and Validation Systems, Central Information System (CPS), Supervision and Control System (PSEE) and Cashless and Player Management Systems.

# **MAIN PROVISIONS OF THE NEW GAMING LEGISLATION (I)**

- Regulates offline and online technical games, VLTs and online gambling.
- Does not regulate games of chance already offered in Greece by OPAP S.A. and ODIE S.A. up to its enactment.
- Establishes the Commission for Supervision and Control of the Games (the Commission) and confers to it quite extensive regulatory and administrative competences and powers.
- Introduces a centralized system for online/real-time supervision and control of the gambling market.
- Introduces the player (customer) identification card.
- Introduces a minimum payout of 80% for VLTs and online gambling.

## **MAIN PROVISIONS OF THE NEW GAMING LEGISLATION (II)**

- Introduces prohibition in the provision of gambling services on credit and/or on discount on the participation cost.
- Introduces a minimum age limit of 21 years for participating in VLTs, online gambling and games of chance offered on the 9 licensed land-based casinos.
- Introduces strict obligations for data protection and confidentiality for the Commission, the licensed operators and their subcontractors.
- Prohibits all kinds of commercial communication for the non – licensed operators.
- OPAP S.A., as exclusive licensed operator of the VLTs, its subcontractors and the licensed online gambling operators are subject to a duty of 30% on their GGRs, payable to the Greek state every 3 months.

## **MAIN PROVISIONS OF THE NEW GAMING LEGISLATION (III)**

- OPAP S.A., as exclusive operator of the VLTs, its subcontractors and the licensed online gambling operators are subject to the applicable corporate tax (currently 25%).
- Players are subject to a tax of 10% on their winnings.
- In case of violation of the gambling law, the terms of a license and the standing Regulations issued by the Commission, the latter is entitled to impose fines to the operators, to seal the gambling premises and to revoke (temporarily or permanently) the license/s.
- Severe criminal penalties (long term imprisonment and heavy fines) are provided for the operators offering online gambling services in Greece without a license, for the players who participate in the unlicensed online gambling services, as well as for those persons/third parties involved in their commercial communication of any kind.



## **THE VLTs MARKET (I)**

- A maximum number of 35.000 VLTs across the Greek territory.
- Exclusive license to OPAP S.A. for a period of 10 years, renewable upon fulfillment of certain conditions, granted as an extension of its exclusive right to the offer certain offline games of chance (the license granted on 4/11/2011 against payment of €16.000 per VLT).
- 16.500 VLTs to operate in OPAP's (and ODIE's) network of agents (points of sale).
- 4 to 10 subcontractors, to be selected through public international tender conducted by OPAP S.A. for the highest bidders, shall operate the remaining 18.500 VLTs.
- Premises, machines (VLT terminals/hardware) and games (software) are subject to licensing and certification by the Commission.

## **THE VLTs MARKET (II)**

- Machines (VLT terminals/hardware) and games (software) shall be selected from a list drafted by OPAP S.A. and approved by the Commission.
- Online, real-time monitoring of the subcontractors from the Greek Ministry of Finance, the Commission and OPAP S.A.
- Pricing policy is single for all subcontractors and shall be determined by OPAP S.A.
- Minimum bet of 10 cents and a maximum bet of 2 euro per game on VLTs.
- The commission payable to the subcontractors and their participation to the costs, the expenses and the investments of OPAP S.A. for the promotion of the VLT games shall be determined in the contracts between OPAP S.A. and its subcontractors.

## **THE VLTs MARKET (III)**

- Transfer of shares of OPAP S.A. and/or subcontractors equal to or more than 2% of total share capital is subject to notification to the Commission within 15 days from the transaction.
- 3 sq.m. have been stipulated as minimum available space per VLT machine.
- No ATMs on the premises where the VLTs are located.
- No VLTs are permitted on premises located less than 5 kilometers in straight line from the 9 licensed land – based casinos.
- VLTs to be installed and operate on ships subject to licenses issued by the Commission.
- Maximum 25 VLTs on premises exclusively dedicated to VLT gambling.
- Provision for progressive jack pots in premises and country level (the later requires a Ministerial Decision).

## **ONLINE GAMBLING (I)**

- The operators must obtain an administrative license issued by Greek authorities.
- Licenses to provide online gambling services shall be granted by the Greek Ministry of Finance through public international tenders for the highest bidders.
- There is no indication as to the number of licenses to be awarded.
- The licensed online gambling operators must have their registered seat or a permanent establishment in Greece and must subject themselves to taxation in Greece.
- Only one license will be granted per operator.
- The licenses are non transferable.
- Licensed online gambling operators cannot be companies affiliated (in terms of their share capital) with other licensed online gambling operators.

## **ONLINE GAMBLING (II)**

- The licensed online gambling operators cannot sublease their license or jointly exploit it with third parties.
- There is no provision for the ambit of the licenses, the particulars of each license shall be determined with the tender documents (the Greek Ministry of Finance, however, stipulated to the European Commission that OPAP S.A. retains, up until 2020, the exclusive right in the online sports betting and the online games of chance, the result of which is determined by Random Number Generator – RNG).
- The First Instance Court of Athens, however, issued two decisions (10586/2011 and 10587/2011), according to which OPAP S.A. has no exclusive right to online games of chance.

## **ONLINE GAMBLING (III)**

- Only capital companies having a share capital of at least €200.000 and submitting a letter of guarantee of €100.000 are entitled to participate in the tenders.
- Licenses would be issued to operators for a period of five (5) years, renewable upon fulfillment of certain conditions.
- Transfer of shares of licensed online gambling operators equal to or more than 2% of the total share capital is subject to notification to the Commission for Supervision and Control of the Games within 15 days from the transaction.
- The domain name of the licensed online gambling operators must have a “gr.” suffix.
- All data relevant to the provision of online gambling services must be stored to a server located in Greece for a period of ten (10) years, extendable.

## **ONLINE GAMBLING (IV)**

- The provision of online gambling services without a license is prohibited.
- Gambling on stocks, products and services negotiable within the Greek Exchange Market is prohibited.
- The operation of betting exchanges is prohibited.
- Opening a player's account and participating to the online gambling are subject to a contract between the operator and the player.
- User registration and possession and use of non-transferable player's identification card are requirements for players wishing to participate in the online gambling.
- The payments of stakes to the operators and the payments of the winnings to the players are processed solely through banks or payment institutions established or having branches located in Greece.

## **ONLINE GAMBLING (V)**

- The Commission for Supervision and Control of the Games issues a black list of unlicensed online gambling operators.
- The processing of transactions, the transfer of payments between operators included in the black list and the players, as well as the access of the players to the websites of the unlicensed online gambling operators is prohibited and the gaming law provides for bank account and ISP blockings.



## **ONLINE GAMBLING DURING THE TRANSITIONAL PERIOD (I)**

- Operators which, at the enactment of Law 4002/2011 for the regulation of the gaming market (August 2011), were established in other member – states of the EU or in countries belonging to the European Economic Area and holding a license to provide online gambling services may continue to provide their services in Greece until the conclusion of the tendering procedures for the award of licenses, provided that they subject themselves to the tax regime provided for in the gaming law, retrospectively from 1st January 2010.
- The relevant Ministerial Decision signed on 13th December 2011, setting as (almost impossible) deadline for the compliance of the interested stakeholders and operators the 31st December 2011.

## **ONLINE GAMBLING DURING THE TRANSITIONAL PERIOD (II)**

- The aforementioned deadline was extended to and expired at 20th January 2012.
- 28 operators obtained transitional license (permit) and a tax registration number for conducting online gambling.
- As prior to the enactment of Law 4002/2011 online gambling was totally prohibited in Greece, licensed operators established in Greece cannot apply for and obtain a permit.
- Online gambling operators holding a permit are entitled to proceed to the commercial communication (advertisement and promotion) of their services.
- Online gambling operators holding a permit are not guaranteed a formal license for online gambling.

# **THE THRIVING ILLEGAL GAMBLING MARKET**

- 120.000 to 140.000 illegal VLTs and casino games operate in hundreds of unlicensed premises.
- More than 250 illegal gambling websites (60 of them with Greek interface).
- Next to the large legal gambling market in Greece exists a sizeable illegal one, estimated at almost half the size of the legal market, betting exchanges not included to the estimation.
- The overall illegal gambling market is estimated between 5 and 6 billion euro turnover per year, including betting exchanges (estimated between 1,5 and 2 billion euro).

## **GREECE - THE CHRONIC PATIENT**

- Enduring lack of policy in the gambling market.
- Absence of centralized control and supervision.
- Fragmented legislation and regulation.
- Almost total lack of respect for the EU institutions, procedures and Treaty principles in the process of adoption, amendment and application of gambling legislation and regulations.
- Minimum consultation with the stakeholders and the private licensed operators.
- One pending infringement procedure before the EC.
- Five pending complaints before the EC.
- Three pending preliminary questions before the CJEU.
- Three pending cases before the Supreme Administrative Court of Greece.

Thank you for your kind attention !



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