

OPAP FURTHER PROTECTED BY PROPOSED NEW AMENDMENT ON GAMING

The intention of the Government to protect the exclusive rights of OPAP on off-line and online gambling demonstrates the amendment tabled with the Greek parliament.

With the new amendment, penalties for those who offer gambling without a license in Greece become more severe, temporary licenses that had been issued at the end of 2011 to 24 providers are abolished and the powers of the Committee on Oversight and Gaming Control (COGC) are strengthened.

Furthermore, as expected, the amendment increases the maximum number of VLTs (video lottery terminals or VLTs) that can be accommodated in any "mini casino" operated under a license of OPAP. The maximum number allowed is 50 instead of 25 provided by the existing law (4002/2011).

According to the amendment, COGC becomes the sole authority for the assignment and licensing of gambling. COGC will be authorized to grant a license to those interested in gambling, including television stations or companies providing telecommunications services that already offer gambling based on luck or a combination of luck and knowledge.

The COGC will also be responsible for licensing online betting, from October 2020 onwards, when the exclusive right of OPAP expires. Until then, the Commission may issue permits for gambling via internet casino type games (e.g. poker, roulette, blackjack, etc.), which, are however, broadcasted live and their outcome is not produced by a random number generator. It is the first time the government sets in a transparent way the exclusive rights to OPAP gambling especially in online betting services. So far these rights arise from interpretation of many previous regulations and regulatory documents.

The amendment also clearly states that temporary licenses assigned at the end of 2011 are revoked within a month from the day of publishing the law in the Government Gazette.

The penalties for those who violate the new regulations become even more severe. The fines that can be imposed can amount to € 700,000 and with imprisonment of up to 10 years, regardless of whether gambling is conducted off-line internet or through other means.

The new amendment aims (a) to strengthen the monopoly power of OPAP and (b) protects the COGC from litigation regarding the revocation of temporary licenses on internet based games. However, it creates a number of problems. First, the government is open to criticism as to why they waited for the privatization process to finish and then regulate the market. This may raise questions of "favoritism" and even legality of the process as other participants might have acted in a

different way in the bidding process. Second, the changes in the regulatory framework might raise questions as to the fair value that the State received for the sale of the 33% to the private investors and that in turn may attract the interest of the European Commission.

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