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# Gaming Law

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Kyriakides Georgopoulos

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## Law and Practice

*Contributed by Kyriakides Georgopoulos*

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## 1. Introduction

### 1.1 Current Outlook

The proclamation of the long-awaited international tender for the granting of full licences for online gaming has attracted a lot of interest. According to art. 50 par. 12 of Law 4002/2012, companies that offer services and games of chance online, are lawfully established in European Union or European Economic Area Member States and hold a respective lawful licence for the operation and provision of such services may continue to provide such services in Greece for a transitional period, until the application of the provisions of this law governing online betting and the granting of relevant licences come into effect.

Previously, things seemed to be in an indefinite “transitional phase”, with temporary licence holders offering online gaming under a .GR domain, most of them through one or more .GR domains of sub-licensees. Considering the new legislative steps, however, the licences under the new regime will only be available to licensees, who will be deprived of the possibility of further assigning, sub-licensing or disposing of their right to offer services for online games of chance to sub-licensees. It is worth noting that the number of sub-licensees targeting the Greek market massively outnumbered the 24 transitional licences that were granted in 2012.

The aforementioned developments, which are further analysed below, relate to the omnibus bill adopted by the Greek Parliament on 24 October 2019. The new licensing structure that will be established includes decisive legislative steps on the matter, by clarifying the legal status of the licence holders and by establishing a new legal framework. A further transitional provision is provided, however, during which all the existing licensees can continue to provide online games until 31 March 2020, after submitting a relevant application before the Hellenic Gaming Commission (“HGC”).

### 1.2 Recent Changes

In a nutshell, Articles 190-204 of the omnibus bill contain provisions regarding the provision of two different types of licences with a seven-year duration, the granting of which will cost EUR3 million for online betting games and EUR2 million for all other types of online games (Article 196 par. 5 of the omnibus bill). Every candidate can apply for both licences, provided that they satisfy all the legal requirements and pay the relevant price for both licences. Moreover, an open licensing procedure for online gaming under the exclusive competence of the Greek State is foreseen, which means that the current law’s provision for an international tender is abandoned. A maximum number of licences is not foreseen. A prerequisite for obtaining a licence is to have a permanent residence or a registered establishment in Greece or in another Member State of the European Union or the European Economic Area. Licences are granted by the HGC

and the websites must have the suffix “.gr”, similar to the L. 4002/2011 regime.

Furthermore, many provisions of L. 4002/2011 are maintained, such as the existence of an electronic player’s card and the HGC’s “black list” of companies operating without a licence. On the other hand, new terms are introduced, such as provisions about affiliates, a matter which was not dealt with at all in Law 4002/2011. An “affiliate” is defined as whoever co-operates with licensees in order to promote certain games, and must place links in prominent places on their websites. It is also provided that the general restrictions imposed on every other type of commercial communication, according to Article 35 of Law 4002/2011, are also applicable to affiliates.

The aforementioned provisions, especially as regards the new online licences legal framework, have been motivated and sped up by the developments in the recent case law. In particular, the Greek Conseil d’État (Council of State) recently adopted judgments No 1333/2019 and No 1335/2019, which were a real “game changer” as regards online gaming in Greece. According to the reasoning of these judgments, the national competent authorities should have immediately amended Law 4002/2012 with a comprehensive, analytical, systematic and effective regulatory framework, so that there could be no discrimination against companies that develop online gaming activities.

The publication of the adopted omnibus bill in the Government Gazette has not yet occurred, but there is no doubt that the new legislation will inspire trust in the providers of online gaming services and regulate the gaming market in a more efficient and fair way.

## 2. Jurisdictional Overview

### 2.1 Online

The relevant gaming law (L. 4002/2011) is applicable to every online game of chance (see Article 26 par. 1 of Law 4002/2011). As mentioned above, the omnibus bill contains provisions for the existence of two different types of licences – the first type will be granted only for online betting games, while the second will be granted for all other types of online games (Article 196 par. 5 of the omnibus bill). In the latter category, only casino games and poker (in all its variations) are included, which means that every other online game of luck will not be authorised. Nevertheless, a relevant Regulation of the HGC is expected after the formal publication of the omnibus bill in the Government Gazette, which will give further clarifications about specific games.

### 2.2 Land-Based

Games such as betting, bingo, casino, fantasy sports, lotteries and poker are considered as games of chance, since the result

of the game depends, even partly, on the influence of chance. Consequently, the conduct of these games is permitted only after permission is received from the HGC.

In this context, it must also be noted that land-based slot machines are statutory restricted to 25,000, the licences for which are granted to an official monopoly supplier, called “ΟΠΑΠ Α.Ε.” (Article 39, Law 4002/2011).

No restrictions of any kind are imposed on social games where success is measured in either non-monetary units such as points or rankings, or in a form of virtual currency, which prohibits the player from gaining real-world financial benefits through any redemption of attributes or the conversion of achievement for money or anything of monetary value. As such, social gaming is considered to fall outside the traditional gaming space and is operated freely from the private industry.

### 3. Legislative Framework

#### 3.1 Key Legislation

The main legislative act that governs gaming in Greece is Law 4002/2011, as published in Government Gazette 180/22.08.2011 and as amended by several consequent Laws (L. 4038/2012, L. 4093/2012, L. 4110/2013, L. 4141/2013, L. 4170/2013, L. 4209/2013, L. 4223/2013, L. 4254/2014, L. 4261/2014, L. 4389/2016, L. 4499/2017, L. 4512/2018, L. 4531/2018, L. 4623/2019). As already mentioned, an omnibus bill was adopted by the Greek Parliament and is pending publication in the Government Gazette and its consequent entry into force.

Moreover, the HGC has issued several Regulations, containing more specific rules with regard to gaming activity, with the most important being as follows:

- Decision 23/3/23.10.2012, which specifically regulates online gaming licensing;
- Decision 14/2/17.7.2012, which regulates lotteries; and
- Decision 107/5/30.5.2014, which regulates video lottery terminal matters.

Lastly, Law 2206/1994, Law 4512/2018 and Decision No T/6736/4-7-2003 of the Minister for Development contain specific provisions regarding casinos, the applicable authorisation procedure, the categories and duration of the licences, etc.

#### 3.2 Definition of Gambling

Pursuant to Article 25 of Law 4002/2011, the following conditions have to be met in order for a game to be defined as gambling (“game of chance or lucky game”):

- the result of the game must depend, even partly, on the influence of luck;
- there must be a wager or bet – ie, the choice of the gambler to undertake the risk of gambling (in advance or afterwards) on the result of the game – of any amount of money or any financial element independently from its value, in order to seek an economic profit from the result of the game, directly or indirectly. The gambler may have participated even as a bonus or in free bets, etc; and
- lucky games also include the bet, which is a game of chance that includes the forecast of the development and the final result of all kinds of facts.

#### 3.3 Definition of Land-Based Gambling

No special definition of land-based gambling is provided by the relevant gambling law.

“Land-based” gambling can be defined as every game of chance conducted through gaming machines. Land-based games can be further categorised into (Article 25 of Law 4002/2011) “mechanical games”, which require only mechanical means to be played and the exertion of physical force by the player, and “electromechanical games”, which require electrical or electronic support mechanisms.

#### 3.4 Definition of Online Gambling

Likewise, Law 4002/2011 does not lay down any definition of “online gaming”.

“Online gaming” can be defined as every electronic game conducted through the internet, which requires, in addition to the electronic and other supporting mechanisms (hardware), the presence and operation of a game software program that is incorporated or installed in it and contains all the information, instructions and other details concerning the use and play of the game.

#### 3.5 Key Offences

The provision and conduct of games without the required licence and/or certification is prohibited and constitutes a criminal offence (Article 52 par. 1 of Law 4002/2011).

A participant in a game of chance conducted without a licence from the Greek State is also punishable, although in this case the criminal offence is a misdemeanour (Article 52 par. 3 of Law 4002/2011).

Lastly, whoever enters into a commercial communication for games of chance that are conducted or operated without a licence either as an advertiser or as an advertised entity (Article 52 par. 2 of Law 4002/2011) is also punishable.

#### 3.6 Penalties for Unlawful Gambling

The penalties provided for by the law vary, depending on the way in which the game is conducted.

If the games are conducted via gaming machines, the penalty is imprisonment for a term of at least three years and a monetary fine of between EUR100,000 and EUR200,000 per gaming machine.

If the games are conducted online, the penalty is imprisonment for a term of at least three years and a monetary fine of between EUR200,000 and EUR500,000.

If the game provided is a game of chance, the penalty is imprisonment for a term of at least ten years and a monetary fine of EUR700,000, regardless of the means of conduct of the games.

Whoever provides games without holding the required licence to this effect, if the games are not finally conducted, shall be punishable with imprisonment for a term of at least one year and with a monetary fine of between EUR70,000 and EUR150,000.

It is very important to note that Article 52 par. 2d of Law 4002/2011 treats the illegal online provision of games of chance (ie, non-recreational/ skill games) as a felony offence, in which case potential infringers may be sentenced to imprisonment ranging from a minimum of ten years to a maximum of 15 years.

### 3.7 Pending Legislation

As already mentioned (see **1.1 Current Outlook**), the nature of the Greek online gaming licensing framework is temporal. The recent change of direction on the part of the Council of State's jurisprudence on the matter (see **1.1 Current Outlook** and the analysis of Decisions 1333/2019 and 1335/2019 of the Greek Council of State) has definitely speeded up developments. In particular, significant amendments of the existing Law 4002/2011 are awaited with the publication of the omnibus bill adopted by the Greek Parliament (for a more detailed overview, please see **1.1 Current Outlook** and **1.2 Recent Changes**).

## 4. Licensing and Regulatory Framework

### 4.1 Regulatory Authority

The HGC is the key regulatory authority supervising the gambling sector.

The HGC was initially established in 2004 through Law 3229/2004, as an administrative authority under the name "Hellenic Gambling Commission". In 2011, by virtue of Law 4002/2011, the Commission was renamed the "Hellenic Gaming Commission (HGC)"; in February 2012, by virtue of Law 4038/2012, it was converted and has functioned ever since as an independent administrative authority, enjoying full administrative and financial independence and autonomy, as per Law 3051/2002, without prejudice to the special

provisions referring to it. The Authority has its own legal personality.

### 4.2 Regulatory Approach

The law sets the prior authorisation (licensing) of all operators offering gaming and betting services as a general rule. As the competent authority, the HGC has issued several regulations concerning almost every type of gaming, in which every detail is laid down. The approach to regulation in Greece could therefore be characterised as prescriptive.

The HGC develops and implements three-year Action Plans, in order to achieve better management of the design, implementation and evaluation of its work. In doing so, the Authority undertakes in advance the commitment to carry out specific and pre-planned work, so that its effectiveness is assessed on this ground. The Action Plan for the period 2016-2018 was approved by Decision No 203/2/26.04.2016 of the HGC.

### 4.3 Types of Licences

A licence is only required for electronic skill games, games of chance and online gaming, while mechanical and electro-mechanical recreational games are conducted freely (Article 25, 26, 27 of Law 4002/2011).

The types of licence that are applicable to gaming and gambling are categorised as follows:

- Under the previous legal provisions, online gaming licences were granted by the Minister of Finance, through an international tender, as foreseen in Articles 45 par. 3 and 46 par. 3 of Law 4002/2011. However, pursuant to Article 195 of the recently adopted omnibus bill, an open licensing procedure for online gaming under the exclusive competence of the Greek State is foreseen, which means that the provision of Law 4002/2011 for an international tender is abandoned and the HGC shall grant a licence to every company that fulfils the conditions laid down.
- Licences for persons who supply facilities to the providers of games of chance are categorised into the following six certifications (Article 42 par. 1, 43):
  - (a) Certification "A", for up to 30 slot machines in exclusively gaming facilities;
  - (b) Certification "B", for up to 50 slot machines in exclusively gaming facilities;
  - (c) Certification "C", for slot machines in mixed facilities;
  - (d) Certification "D", for the installation of technical-recreational game machines on sea-going vessels;
  - (e) Certification "E", for the installation of slot machines on sea-going vessels under the Greek flag, which are engaged in international voyages; and
  - (f) Certification "F", for the installation of up to 15 slot machines in "ΟΠΑΠ Α.Ε." agencies.

- Lastly, casino licences are divided into simple type casino licences and wider range casino licences, depending on the available infrastructure (Article 359 of Law 4512/2018):

- (a) simple type casino licences include gaming areas and can also offer accommodation establishments of at least 3-stars or 3-keys classification, as well as shops and other facilities; and
- (b) wider range casino licences are for casinos that combine gaming facilities with accommodation establishments of at least 5-stars classification, as well as shops and other facilities and at least one installation of special tourism infrastructure (such as conference halls, golf course facilities, etc) or one installation of special forms of tourism (healing therapy centres, etc).

#### 4.4 Availability of Licences

Licences are available immediately after the competent authority has approved them. This may take some time after the application, depending on the type of licence requested, the work load at the given moment, etc. Online licences shall be granted by the HGC within two months following the application of the potential licensee. If there is no response from the HGC within the two-month period, it will be considered as an implicit dismissal of the application (Article 196 of the adopted omnibus bill).

#### 4.5 Duration of Licences

Pursuant to the amended Article 45 par. 5 of Law 4002/2011, the licence for operating online games shall be valid for seven years from the date of the award. In the case of a renewal, a new fee must also be paid.

The duration of casino licences depends on the category in question. Simple type casino licences are valid for 15 years, while wider range casino licences are valid for 30 years (Article 359 of Law 4512/2018).

#### 4.6 Application Requirements

The main application requirement for obtaining a gaming licence of any type is not having incurred criminal convictions for felony crimes or financial offences (such as theft, fraud, tax evasion, etc), or sexual, gun or drug-related offences.

The key differences between application requirements for land-based and online operators are as follows:

- applications shall be made only by capital companies with a paid-up share capital of at least EUR200,000;
- it shall be necessary to submit a letter of guarantee equal to EUR500,000 issued from a bank established and operating lawfully in Greece or another EU Member State; and

- in order to receive a licence, the legal entity must maintain a safe server in Greece, which will be connected to the HGC, according to Article 30 of Law 4002/2011.

#### 4.7 Application Timing

Despite the fact that there is no special timescale for licence applications, there are some restrictions on the time in which the licensee can request the extension of the already existing licences.

As foreseen in Article 45 par. 6 of Law 4002/2011, the licence holder may submit an application to the HGC requesting an extension of the licence at least one year before the end of each valid licence.

#### 4.8 Application Fees

According to Article 50 par. 10 of Law 4002/2011, the application fees to be paid are determined by a Decision of the Minister of Finance upon the recommendation of the HGC. On the basis of said provision, Decision ΓΔΟΠ0000192 ΕΞ2014 was published in the Government Gazette (Section Β' 545/05-03-2014), which provides for a fee amounting to EUR50 per slot machine.

As per Article 45 par. 4 of Law 4002/2011, the application fee to be paid for an online licence amounts to EUR10,000.

#### 4.9 Ongoing Annual Fees

The aforementioned Decision of the Minister of Finance also provides for an annual fee, amounting to EUR50, which must be paid in advance.

## 5. Land-Based Gambling

### 5.1 Premises Licensing

Premises licensing requirements are described in detail in Article 45 of the HGC's 115/2/11.07.2014 Regulation.

One of the basic requirements for granting a premises licence is to provide the name of the company and the beneficial owner, as well as a full list of all slot machines.

Moreover, a qualified engineer's official document is required, to certify the safety and suitability of the premises, as well as their suitability for hosting gaming activities.

### 5.2 Recent or Forthcoming Changes

Article 39 of Law 4002/2011 regulates the licensing of land-based gaming machines, and provided for the existence of 35,000 land-based slot machines, the licences for which were granted to an official monopoly supplier, called "ΟΠΑΠ Α.Ε."

However, this article was recently amended with Article 3 of Law 4499/2017 and, as already mentioned (see 2.2

**Land-Based**), land-based slot machines are now statutorily restricted to 25,000 (Article 39, Law 4002/2011), which are still operated and exploited by “ΟΠΑΠ Α.Ε.”

For the time being, no further forthcoming changes are officially scheduled by the government.

## 6. Online Gambling

### 6.1 B2C Licences

As already mentioned, according to the new legal framework there is no “*numerus clausus*” for B2C licences. As long as all statutory conditions are met, every company can acquire a licence for providing online gaming services to customers.

### 6.2 B2B Licences (Suppliers, Software, etc)

A licence is only required for companies offering online gaming directly to customers – ie, to persons who are keen to gamble online (B2C). Therefore, the licensing regime is not applicable to B2B companies; only the online provider shall be licensed.

However, it should be noted that the new legal framework puts an end to the transitional online gaming licensing framework, by clearly stating in Article 196, which amends Article 45 par. 2 of Law 4002/2012, that “*...licences are personal and no transfer, assignment or disposal is allowed, neither in whole nor in part.*” Therefore, the current widespread practice of online licence holders disposing of their right to other companies will no longer be permitted.

### 6.3 Affiliates

The concept of “affiliates” is introduced for the first time in the recent draft omnibus bill under the heading “Investing in Greece and other provisions”, which is currently on the way to being adopted by the Greek Parliament. An affiliate is defined as anyone who co-operates with licensees in order to promote certain games and must place links in prominent places on their websites. It is also provided that the general restrictions imposed on every other type of commercial communication according to Article 35 of Law 4002/2011 is also applicable to affiliates.

### 6.4 White Labels

No licensing or regulatory requirement that would apply to the use of white-label providers is provided in either the existing legal framework (Law 4002/2019 and the Regulations of the HGC) or the draft Omnibus Bill.

### 6.5 Recent or Forthcoming Changes

Reference has already been made to judgments No 1333/2019 and No 1335/2019 of the Council of State, which marked the start for further drastic changes in the field of online gaming. The forthcoming changes include decisive legislative steps

on the matter, by clarifying the legal status of the licence holders and by establishing a new legal framework.

The envisaged draft legislation, which is included in the draft omnibus bill under the heading “Investing in Greece and other provisions”, foresees an open licensing procedure for online gaming under the exclusive competence of the Greek State, by abandoning the current law’s provision for an international tender.

### 6.6 Technical Measures

Pursuant to Article 48 of Law 4002/2011, as amended by article 173 par. 14 of Law 4261/2014, the HGC drafts and revises a list of illegal gaming providers (black list) who provide services of land-based games, online games, or by remote gambling. This list is posted on its website, and this post is adequate notification and proof to start proceedings for the imposition of sanctions from all competent bodies, services or Authorities. The list mentions the entities providing illegal services of games of chance and/or their legal representatives, administrators, members of the board of directors, partners and shareholders, as well as any other proven violation and imposed sanction.

The listed entities cannot be granted a licence, nor can they participate in any other way in a licensed body for providing game services in Greece. The Gaming Operation and Control Regulation regulates the time period of maintenance of the record, as well as the condition for its release.

According to this list, ISPs are obliged to immediately transmit the data of a legal entity or individual that has ownership, use and/or responsibility for the operation of these websites to the HGC, so as to start the proceedings for the imposition of sanctions provided by the legislation.

## 7. Responsible Gambling

### 7.1 RG Requirements

One of the key responsible gaming requirements introduced by Law 4002/2011 is the use of an individual player’s card. The player’s card was provided in order to ascertain the player’s age – through the identification of the registered data (such as tax registration number) – and maximum participation time, and to guarantee that any additional restrictions imposed by the players themselves are observed. It is worth mentioning that the age standard applied in Greece is higher than in most other countries. Significantly, access to minors and persons under 21 years old is not permitted in places where gambling is conducted.

The individual player card may be issued by licence holders pursuant to the procedure and terms and conditions laid down in an HGC decision, published in the Government



Gazette. Gaming without an individual player card is strictly prohibited.

Specifically, in order to participate in games of chance conducted by slot machines or via the internet, the publication and the use of a unique card by each player is required, so that the additional restrictions of the player and/or the HGC are ensured. The restriction of use of a unique personal card may be extended by the Gaming Control Regulation, even to games of chance all over Greece. The individual player card may be issued by holders of permits in accordance with the procedure and conditions established by the HGC.

## 7.2 Gambling Management Tools

Licensees should provide information about services against addiction, by displaying all the relevant details on every store and screen where gambling is occurring, in a measure aimed at combating gambling addiction.

## 8. Anti-money Laundering

### 8.1 AML Legislation

The key AML legislation is included in Law 4557/2018, which was published on 30 July 2018 and incorporated Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. Law 4557/2018 is divided into two parts. The first part (articles 1-46) incorporates the provisions of Directive 2015/849 (scope and definitions of the law, the basic offences, the obliged entities and the due diligence requirements, the beneficial ownership information, the responsibilities of the competent authorities, and the criminal and administrative sanctions). The second part (articles 47-51) includes the organisational provisions for the Anti-Money Laundering Authority.

MLD5 has not yet been transposed into Greek Law, but a legislative committee has been formed, in order for MLD6 (Directive 2018/1673) to be incorporated into Greek Law.

Furthermore, important AML guidance relevant to the gambling sector is provided by Decision 129/2/7.11.2014 of the HGC, as described below. One of the HGC's main goals is to safeguard public and social interest, public revenues and the legitimacy of the gambling providers, in the stages of both licensing and operating. In this context, the HGC monitors the implementation of its provisions regarding AML/CTF to casinos, casinos on board vessels under the Greek flag, enterprises/businesses, and organisations and agencies that organise and/or conduct gambling in Greece, plus their land-based agencies.

### 8.2 AML Requirements

Article 4 of Decision 129/2/7.11.2014 of the HGC provides for the existence of a compliance officer, who takes every

measure necessary in order for money laundering to be avoided, including due diligence measures and the reporting of every suspicious transaction to the competent authorities.

All licensees must implement the procedures and measures suggested by the compliance officer, and also have the duty to monitor themselves on an ongoing basis for the possible conduct of suspicious or unusual transactions.

## 9. Advertising

### 9.1 Regulatory/Supervisory Agency

The Hellenic Gaming Commission is the regulatory/supervisory authority as regards advertising.

### 9.2 Definition of Advertising

"Advertising" or "commercial communication" means any form of communication designed to promote, directly or indirectly, the goods, services or image of an undertaking, organisation or person engaged in gaming activities, as well as any information that allows the immediate access to those games and, lastly, the communication about products or services of the company that operates in the gaming sector (see Article 1 par. 2 of the HGC's 108/2/6.6.2014 Decision).

### 9.3 Key Legal, Regulatory and Licensing Provisions

With the purpose of better regulating advertising activities, the HGC has issued the 106/2/23.5.2014 Decision, as amended by its 108/2/6.6.2014 Decision, where specific rules and restrictions are imposed.

### 9.4 Restrictions on Advertising

Paragraph 2, Law 4002/2011 provides that any commercial communication, direct or indirect, regarding entities providing credits to players in order for them to participate in games of chance is prohibited.

Furthermore, restrictions are posed mainly by the HGC's 108/2/6.6.2014 Decision, which provides in Article 3 that advertising "*...cannot aim to encourage consumers' natural propensity to gamble by stimulating their active participation in it, for example by trivialising gambling, or increasing the attractiveness of gambling by means of enticing advertising messages holding out the prospect of major winnings.*"

### 9.5 Sanctions/Penalties

Anyone who enters into a commercial communication for games of chance that are conducted or operated without a licence either as an advertiser or as an advertised entity (Article 52 par. 2 of Law 4002/2011) is punishable with potential imprisonment, ranging from a minimum sentence of two years to a maximum sentence of five years. This offence is considered a misdemeanour.

## 10. Acquisitions and Changes of Control

### 10.1 Disclosure Requirements

Every licence holder who wishes to proceed with a disposal of shares at the percentage of 2% of the total share capital or more is obliged to report it to the HGC. In the event of inheritance, there is an obligation to report it to the HGC within 15 days of the inheritance (Article 47 of Law 4002/2011, as amended by the adopted omnibus bill).

### 10.2 Change of Corporate Control Triggers

Acquisitions that lead to a direct or indirect change of corporate control must be approved in advance by the HGC, or will be considered to be null and void. Furthermore, non-observance of the obligation to report the changes of corporate control entails the deprivation of corporate rights and transactions relating thereto (Article 47 of Law 4002/2011, as amended by the adopted omnibus bill).

### 10.3 Passive Investors Requirements

No special requirements for passive investors in acquisitions or changes of control are provided.

## 11. Enforcement

### 11.1 Powers

The monitoring of all gambling is the responsibility of the Police, if it takes place without a licence. In all other cases, the HGC is the only competent authority and has been equipped by law with broad and important powers in order to efficiently supervise and regulate every gambling activity in the country (Article 52A of Law 4002/2011).

### 11.2 Sanctions

The HGC takes all measures necessary to effectively regulate the gaming market. In serious breaches, criminal and administrative sanctions are the most likely methods of enforcement, due to their direct and onerous character.

The HGC's activity is rapidly increasing, as the HGC itself points out in its annual reports. As a matter of fact, in 2017 the number of registered websites that were "blacklisted" reached 948, with 466 of them only having been registered in 2016. This means that there was an increase of 49% in just over a year.

### 11.3 Financial Penalties

Law 4002/2011 and HGC Decision 23/3/23.10.2012, as amended by HGC Decision 51/3/26.04.2013, provide for administrative penalties for the infringers of its provisions.

The administrative penalties pursuant to Art. 51 of Law 4022/2011 provide that, in a violation of any provisions of the Law or of its regulatory decisions issued under the

motion or conditions of licences, by decision of the HGC, a fine of EUR1,000 to EUR2,000 or a percentage of gross receipts can be imposed, per violation or per game machine, depending on the severity and frequency of the offence, or the licence can be recalled temporarily for up to three months, or permanently.

At its discretion, the HGC may provide instructions, guidelines and recommendations for the infringers to comply with the law, before imposing any administrative penalty, non-compliance with which constitutes an aggravating factor when imposing the administrative penalty (amendment issued by Law 4261/2014).

## 12. Recent Trends

### 12.1 Social Gaming

There is no single widely accepted definition of social games, so they do not fall within the scope of betting law, according to the applicable provisions, unless they depend exclusively or primarily on the player's technical or mental abilities. Henceforth, social gaming has been heralded as a revolutionary economic force in the gaming industry and the complexity of social networks.

### 12.2 eSports

This is perhaps the most profitable activity in the online gaming market. For the time being, only 24 companies hold a licence for eSports betting, according to the transitional licence regime of Law 4002/2011 (see **1.1 Current Outlook**), pending the forthcoming adoption of a new legal framework, which will grant licences to every company that fulfills the requirements, without a call for a public tender.

### 12.3 Fantasy Sports

Although this type of gaming is not so well-known in Greece as in other countries, it must be noted that it is progressively growing and the number of companies offering fantasy sports is constantly increasing.

### 12.4 Skill Gaming

Depending on the means through which they are played, recreational games of skill are further divided into:

- "mechanical games", which require only mechanical means to be played and the exertion of physical force by the player;
- "electromechanical games", which require electrical or electronic support mechanisms; and
- "electronic games", which require, in addition to the electronic and other supporting mechanisms (hardware), the presence and operation of a game software program that is incorporated or installed in these and contains all the information, instructions and other details concerning the use and play of the game.

Law 4011/2012 is only applicable to “electronic games”, which facilitates the development of mechanical and electromechanical games of skill, which are rather common in leisure and amusement centres.

### 12.5 Blockchain

Games using blockchain technology are conducted only to a limited extent in Greece, and the players who are familiar with such games are rather few.

### 12.6 Reform

The new amendments envisaged in the omnibus bill will mark a change in the licensing regime, especially as regards online gaming. The main reforms expected include the establishment of two different categories of online gaming licences (one for online betting and one for every other type of online games) and the abolishment of the international tender, which would lead to the obtaining of a licence. For the time being, the new draft legislation states that licensees can continue to provide online gaming services until 31 March 2020, provided they submit a relevant application within a month of its adoption (Article 204 of the draft Omnibus Bill).

## 13. Tax

### 13.1 Tax Rate by Sector

According to Article 50 par. 8 of Law 4002/2011 and Decision No 1248/2011 (issued by authorisation of the provision of art. 50 par. 12 of Law 4002/2011 and published in the Government Gazette, Section B' 2854/2011) of the Deputy Minister of Finance, the profits deriving from the exploitation of online gaming market shall be subject to tax, according to the general provision of Income Taxation. Moreover, the Greek State participates in the profits deriving from the exploitation of games of chance in general, at a rate of 35%, 20% of which is consequently spent on social policy and other good causes (Article 50 par. 5, 6). On horse race betting, the amount withheld and spent on good causes is 30%.

Customer winnings are also subject to tax. According to article 60 of law 2961/2001, as replaced by article 22 par. 18 of Law 4141/2013, which pertains to the taxation of customer winnings, the winnings from online chance games played through columns are subject to tax per game column, after the deduction of an exempted amount of EUR100, at a rate of 15% for winnings up to EUR500 and at a rate of 20% for winnings of EUR500,01 or more.

With regard to chance games played through gaming sessions, the winnings are paid or credited to the player at the end of the gaming session, and are subject to tax per gaming session, after the deduction of an exempted amount of EUR100, at a rate of 15% for winnings up to EUR500 and at a rate of 20% for winnings of EUR500,01 or more.

According to the definitions provided by the same law, games played through gaming sessions refers to the chance games played through gaming machines as well as the chance games of a casino type, the result of which is not produced by means of a random number generator, known as live casino games, such as, indicatively, poker tournaments. A gaming session is the time period starting from the moment the player inserts their individual playing card into a gaming machine or from the moment the player is connected to the central informative system (KPS per its Greek initials) of an online gaming server (internet provider) by inserting the data of the individual playing card, and ending when the player either extracts the individual playing card from the gaming machine, or is disconnected from the KPS of the internet provider. In any case, each gaming session ends 24 hours after the player inserts their individual playing card into a gaming machine or is connected to the KPS of the internet provider by inserting the data of their individual playing card.

All the above refers to the entities regulated under article 50 par. 12 – ie, holders of interim licences.

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