



NATIONAL
BETTING
AUTHORITY

STRATEGIC BUSINESS PLAN 2020-2022

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A message from the Chairwoman



Dear friends,

We are pleased to present the National Betting Authority's Strategic Planning 2020-2022. We have always been guided by the Organization's values, striving for the sustainable growth of our sector, taking into account the economic and social benefits for the country.

The National Betting Authority's vision is to establish Cyprus as a fair and safe environment of development and innovation in the sector of gambling, while focusing on the players' protection.

The Authority's strategic planning is the touchstone and the foundation of all its actions and activities, as it defines the goals and priorities for the period 2020-2022. The strategic direction of the Authority is based on four main pillars, which are presented below, and take into consideration the ever-changing conditions of the gambling industry, technological developments and the protection of the public.

- Enhancement of the Authority's operation
- Improvement of the regulatory and legislative framework
- Protection and empowerment of the players and the public
- Fair, safe and transparent gambling activities

Based on the above, the strategic goals for 2020-2022 are the following:

1. Optimization of the Authority's internal operations
2. Improvement of the regulatory framework
3. Enhancement of the Authority's supervisory role
4. Development and modernization of the sector
5. Protection of the players and the public

In the period 2020-2022, the Authority will undertake initiatives such as improving research and collecting data and exploiting new technologies, specialized training of its personnel, improvement of the regulatory framework, etc. These, among other initiatives, will lead to the achievement of the set strategic objectives.

The National Betting Authority team, including myself, commit to doing our best for the successful implementation of the strategic planning.



Ioanna Fiakkou
Chairwoman

Responsibilities, Role, Objectives

The National Betting Authority (hereinafter the “Authority”) was established in 2012 as a legal entity and is governed by the Betting Law of 2019 37(I)/2019. It is an independent supervisory Authority with financial independence and autonomy.

The Authority is responsible for regulating, supervising and monitoring betting activity in the Republic of Cyprus. Among its main responsibilities are the issuing of Class A (land-based betting) and Class B (online betting) licenses to bookmakers and authorized agents, carrying out on-site inspections, supervising licensees, as well as drafting and issuing Directives that facilitate law implementation.

The inspections conducted by the Authority aim to ensure that the betting activity is legal, transparent and fair, complying with the regulations, that the profits are paid to the players, the taxes are paid to the government and the contributions to the Authority, and that the licensees comply with the terms of their respective licenses. Furthermore, the Authority is responsible for adopting measures for combating money laundering and terrorist financing, as well as for issuing relevant Directives.

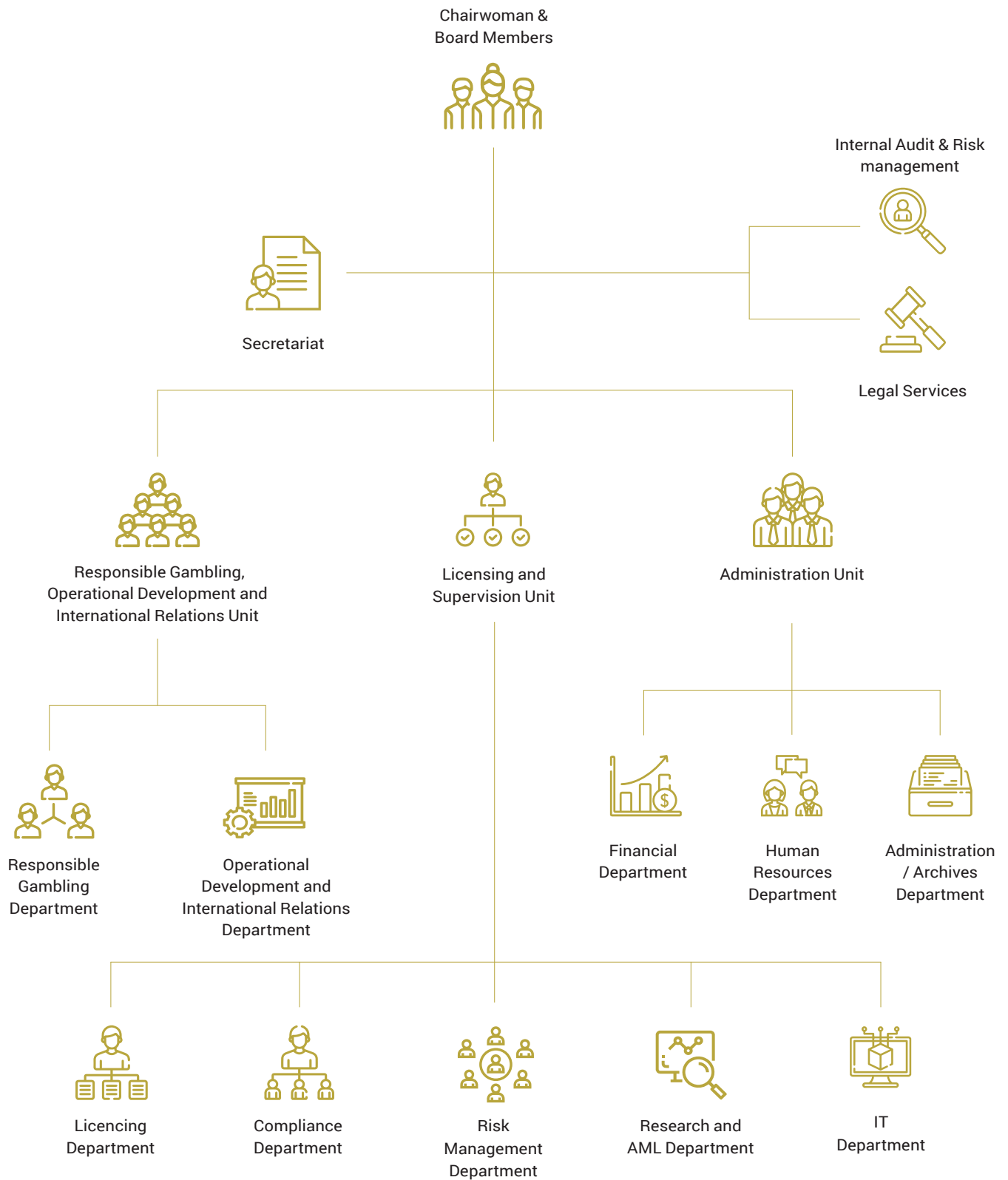
The Authority is also responsible for initiating dialogue and cooperation with various bodies, governmental departments, local and international institutions on topics related to gambling. Therefore, the Authority participates at the Gaming Regulators European Forum (GREF) and in the technical committee for setting up the EU online gambling standards CEN456.

Moreover, the Authority is responsible for the implementation of preventive measures for the protection of young people and vulnerable groups from potential addiction to gambling.

The Strategic Plan 2020-2022 defines the framework of priorities and activities, which are decided in accordance with the Authority’s strategic aims and objectives. Furthermore, the Strategic Plan aims to have a constructive contribution to the Government’s strategic goals.

The current Strategic Plan is dynamic, as it has been drafted in a way that provides flexibility to the Authority, allowing it to respond effectively to the constantly changing and evolving gambling sector.

Organisational structure



Current Situation

Based on the Strategic Plan 2018-2020 and the 2019 Action Plan, the National Betting Authority has conducted a variety of actions and activities that have contributed to the realization of its vision and its five strategic goals.

The Authority has moved to new, modern premises, which have had an upgrading effect on the organization's infrastructure and operational capacity, enhancing its productivity and efficiency, improving the communication with stakeholders and adopting modern technologies and new working methods. At the same time, the Authority has recruited new personnel, enhancing its capacity to address the emerging needs of the sector. Moreover, the training plan of the personnel has been further advanced, aiming at improving the employees' professional skills and productivity.

Being aligned with the rapid technological development in the gambling sector, and led by its target to implement digital technology, the Authority has been looking into the potential implementation of blockchain technology on various levels of its sphere of operation, in cooperation with the Institute for the Future of the University of Nicosia. In this context, the Authority participates in the Ministry of Finance's strategic plan on the employment of blockchain technology in various governmental bodies and services.

One of the Authority's aims, which will lead towards its strategic objectives, is research promotion, along with the implementation of a series of research programs on topics related to gambling. Hence, the Authority has commissioned the development of the two-year research program "Research on the prediction of risks entailed in regular gambling involvement and a pilot program on prevention and youth empowerment" to the University of Cyprus' Department of Psychology.

Another significant aspect of the Authority's operation is cooperation and synergies with various organizations on national and international levels. The Authority has signed Memoranda of Cooperation with various academic institutions and with the Ministry of Defense. Moreover, the Authority is an active member of the Gaming Regulators European Forum – GREF.

Having the general social interest as the core of its activities, the Authority, in cooperation with the Technological University of Cyprus, has put forward the creation of applications and design ideas related to responsible gambling by university students. Additionally, the Authority organized the second consecutive Responsible Gaming Awareness Week in October 2019.

The successful accomplishment of the above activities within the framework of the Authority's strategic planning reflects the Authority's commitment to its mission, vision and values.

Financial Results

CLASS A&B

2016	QUARTER	JANUARY- MARCH	APRIL- JUNE	JULY- SEPTEMBER	OCTOBER- DECEMBER	2016
	Number of Licensees		10	10	11	11
Comprehensive Income (Pay In)		49,340,612 €	50,098,257 €	44,574,714 €	54,375,688 €	198,389,271 €
Profit distribution (Pay Out)		38,640,145 €	39,720,033 €	35,155,330 €	44,122,583 €	157,638,091 €
Gross Gaming Revenue (GGR)		10,700,467 €	10,378,224 €	9,419,384 €	10,253,105 €	40,751,180 €
Betting Tax - 10%		1,070,047 €	1,037,822 €	941,938 €	1,025,311 €	4,075,118 €
Contribution tax - 3%		321,014 €	311,347 €	282,582 €	307,593 €	1,222,535 €

2017	QUARTER	JANUARY- MARCH	APRIL- JUNE	JULY- SEPTEMBER	OCTOBER- DECEMBER	2017
	Number of Licensees		16	19	19	21
Comprehensive Income (Pay In)		124,993,893 €	123,395,478 €	127,642,160 €	150,689,941 €	526,721,473 €
Profit distribution (Pay Out)		110,827,197 €	108,702,555 €	107,682,721 €	129,180,816 €	456,393,288 €
Gross Gaming Revenue (GGR)		14,166,697 €	14,692,923 €	19,959,439 €	21,509,125 €	70,328,185 €
Betting Tax - 10%		1,416,670 €	1,469,292 €	1,995,944 €	2,150,913 €	7,032,819 €
Contribution tax - 3%		425,001 €	440,788 €	598,783 €	645,273 €	2,109,845 €

2018	QUARTER	JANUARY- MARCH	APRIL- JUNE	JULY- SEPTEMBER	OCTOBER- DECEMBER	2018
	Number of Licensees		19	19	19	19
Comprehensive Income (Pay In)		153,454,813 €	169,131,411 €	170,678,919 €	177,724,368 €	670,989,510 €
Profit distribution (Pay Out)		133,671,527 €	147,229,831 €	146,672,217 €	154,206,401 €	581,779,976 €
Gross Gaming Revenue (GGR)		19,783,286 €	21,901,580 €	24,006,703 €	23,517,966 €	89,209,535 €
Betting Tax - 10%		1,978,329 €	2,190,158 €	2,400,670 €	2,351,797 €	8,920,954 €
Contribution tax - 3%		593,499 €	657,047 €	720,201 €	705,539 €	2,676,286 €

2019	QUARTER	JANUARY- MARCH
	Number of Licensees	
Comprehensive Income (Pay In)		183,965,158 €
Profit distribution (Pay Out)		163,068,756 €
Gross Gaming Revenue (GGR)		20,896,402 €
Betting Tax - 10%		2,090,021 €
Contribution tax - 3%		627,006 €

Strategic Plan



Mission

The Authority's Mission is the effective regulation and supervision of betting activity in the jurisdiction of the Republic of Cyprus, the protection of public interest, the development of the country's economy, the fight against illegal gambling and the contribution in social health, safety and welfare.



Vision

The National Betting Authority's vision is to establish Cyprus as a fair, transparent and safe environment of development and innovation in the gambling sector, while focusing on the protection and public interest of the society as a whole.



Values

The National Betting Authority's operation, activities, targets and objectives are governed by Values that are described below:



COMMITMENT

Personal and collective commitment of the President, the Members, and the personnel of the Authority to accomplishing the objectives and targets set in the Authority's mission and role.



COMPLIANCE

A non-negotiable Value is the compliance with every legal (national and European) and moral duty associated with the operation and the capacity of the Authority.



RESPECT AND INTEGRITY

Transparency, equality, sincerity, and honesty in decision-making, administrative and regulatory operation of the Authority, based on the Values of respect and integrity, when dealing with all parties involved.



RELIABILITY

Reliable services based on accurate information provided promptly, ensuring efficient operation.



PROFESSIONALISM AND RESPONSIBILITY

Through continuous professional training and development, the Authority's team demonstrates high levels of professionalism and responsibility serving the State, citizens and stakeholders. The Authority aims at the increase of its workforce so as to improve its efficiency even further.



COOPERATION AND INITIATIVE

The promotion of cooperation and team-spirit within the Authority, along with the initiative for development and improvement, contributes to a better promotion and to the achievement of the goals set by the Authority.



Social Responsibility and "Responsible Gambling"

The Authority maintains continuous direct contact with the public, ensuring open communication channels with young people and vulnerable social groups. Its aim is to have an active and substantial contribution towards the protection of society from the negative consequences of problem gambling. Thus, it promotes the necessity of "Responsible Gambling", paying particular attention to the great impact of such a concept on society.



Strategic Goals 2020-2022

The Authority's Strategic Goals reflect its vision and mission and contribute to a sustainable development in the gambling sector. The Strategic Goals for the period 2020-2022 are the following:

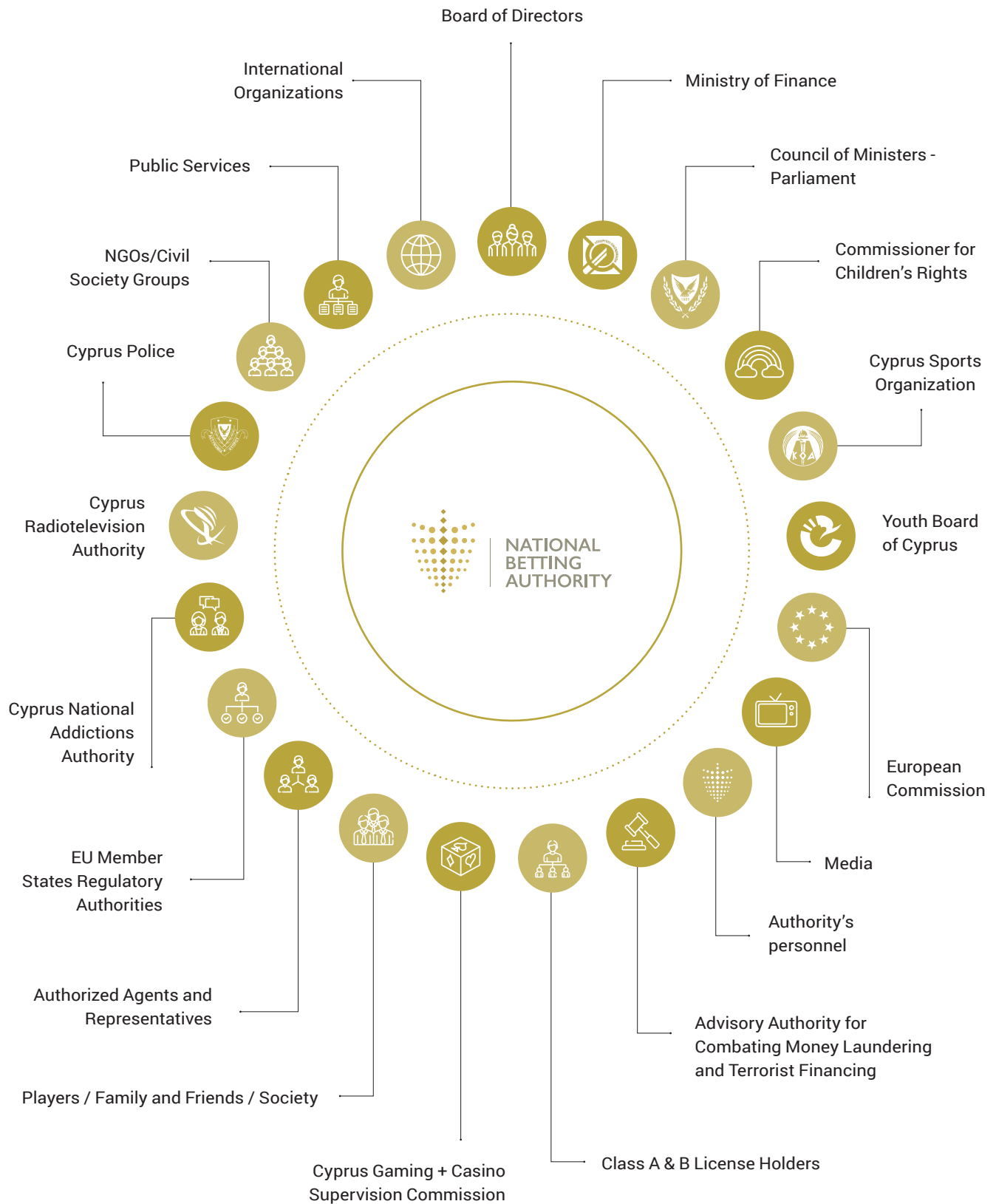
1. Optimization of the Authority's internal operations
2. Improvement of the regulatory framework
3. Enhancement of the Authority's supervisory role
4. Development and modernization of the sector
5. Protection of the players and the public

Stakeholders

The Authority defines the stakeholders as individuals or legal entities which interact with the Authority with mutual impact on each other's operation and aims. It is imperative for the Authority to define who its stakeholders are, so as to be able to plan its actions and operational activities on social responsibility, and to address the needs of every involved party efficiently and effectively.

Stakeholders affect the Authority's sphere of action, as well as its strategic goals achievement. In order for the Authority's strategic plan to be successfully accomplished, the Authority encourages the active participation of all stakeholders and interested parties in its processes through constant communication, constructive dialogue and close cooperation.

Stakeholders



Strategic Framework

Since its establishment in 2012, the National Betting Authority has been developing constantly, adapting to the rapid evolution of the gambling sector, striving to accomplish its mission and vision. The Authority aims to evolve even further, becoming a modern, flexible and human-centered organization that applies a risk-based approach in all its operations, responding efficiently to the needs and expectations of its stakeholders and minimizing potential negative consequences.

In order to achieve the strategic targets, the Authority has set the following strategic framework as a guideline to its internal operations, procedures and personnel, as well as to its relationship with external factors and the general development of the gambling sector.

Human Resources and Capacity

The core of every organization is its human capital; this is why the Authority's strategy has been designed in a way that offers employees opportunities for professional development and advancement, skills and knowledge enhancement and productivity improvement, through innovative employment schemes and lifelong learning. As a consequence, the employees can comprehend and develop their knowledge on the Authority's regulatory and supervisory role. Great emphasis is placed on the open-mindedness, multiple-level thinking and academic background of the employees, their team spirit and cooperation skills, which contribute to the accomplishment of the Authority's strategic goals.

The strategy aims at enhancing the personnel's efficiency and their leadership skills that will assist to the realization of the Authority's vision, mission, and strategic priorities, based on the Authority's values. The Authority's employees, regardless of their hierarchy level, are expected to deliver high quality professional services, assisting towards the Authority's efficient operation.

Information Technology Systems and Infrastructure

This strategy has been designed so as to adapt to innovation, rapid technological development and simplification of processes. The strategy is based on five pillars which have a vital role in the Authority's efficient operation:

- ▶ Automatization of internal procedures
- ▶ Business intelligence
- ▶ Digital and online services
- ▶ Technological infrastructure
- ▶ Digital education

The technological strategy aims at providing suitable, safe and adjustable applications and systems that will support the Authority's current and long-term operation.

Communication

The communication strategy aims at creating and enhancing the communication methods that will enable the efficient updating of all involved parties, gradually lessening the use of traditional communication methods, such as telephone and email.

Regulation and Supervision

The strategy on regulation and supervision aims at promoting self-compliance of the authorized licensees with the license terms through explicit guidelines, encouragement and positive reinforcement reward schemes, regular trainings of licensees, constructive dialogue and law enforcement where necessary. This approach will bring a significant cut to the costs of regulation, supervision and implementation of measures and fines, but most importantly, it will foster a new compliance culture on the long-term.

2020-2022 Strategic Goals

1. Optimization of the Authority's Internal Operations

The National Betting Authority has set the following strategic goals in order to optimize its internal operation:

- 1. Implementation of Efficient Methods of governance**
 - ▶ Increased transparency in all procedures
 - ▶ Guaranteed reliability and independence in decision making
 - ▶ Reduced operational risks ensuring the Organization's viability
 - ▶ Enhanced confidence towards the Authority by stakeholders
- 2. Human Resources Development, enhancement and Retention**
 - ▶ Skill building for achieving strategic objectives
 - ▶ Minimizing Skill mismatch
 - ▶ Productivity and efficiency boosting
 - ▶ Provision of high-quality services to stakeholders
 - ▶ Expertise development
- 3. Development and Implementation of Technological Infrastructure**
 - ▶ Simplification and automatization of procedures
 - ▶ Reduction of bureaucracy and operational costs
 - ▶ Increase of operational development and transparency

2. Improvement of the Regulatory Framework

The National Betting Authority has set the following strategic goals in order to improve the regulatory framework:

- 1. Simplification and Modernization of Licensing Procedure**
 - ▶ Reduction of assessment period and operational costs
 - ▶ Increase of efficiency in application procedures
 - ▶ Enhancement of transparency in licensing procedures
 - ▶ Unobstructed market operation
- 2. Improvement of the Regulatory and Legal Framework**
 - ▶ Development of the market based on international standards
 - ▶ Encouragement of healthy competition
 - ▶ Improvement of operational conditions
 - ▶ Safeguarding players' protection
 - ▶ Combating and reduction of illegal services

3. Education and Training of Stakeholders and Licensees

- ▶ Comprehension of the regulatory framework
- ▶ Encouragement of self-compliance
- ▶ Establishment of corporate governance
- ▶ Enhancement of professional code of conduct

3. Enhancement of the Authority's Supervisory Role

The National Betting Authority has set the following strategic goals in order to improve its supervisory role:

1. Development of the Information Submission and Data Analysis and Management Systems

- ▶ Improvement of regulatory framework efficiency
- ▶ Efficient risk prediction
- ▶ Efficient risk categorization

2. Improvement of Risk Assessment Framework

- ▶ Adequate information utilization
- ▶ Market risk reduction
- ▶ Reduction of illegal activities in the market

3. Preventive Supervision

- ▶ Reduction of management costs
- ▶ Reduction of compliance costs
- ▶ Improvement of targeted supervision

4. Improvement of On-site and Remote Inspections

- ▶ Ensuring compliance with the regulatory framework
- ▶ Ensuring procedures implementation
- ▶ Efficient application of penalties
- ▶ Minimization of crucial offences

5. Improvement of countering money laundering and terrorism financing

- ▶ Ensuring the implementation of directives
- ▶ Efficient attention on potential risks
- ▶ Reporting on suspicious transactions

4. Development and Modernization of the Sector

The National Betting Authority has set the following strategic goals in order to further develop and modernize the sector:

- 1. Enhancement of Research and Innovation**
 - ▶ Improvement of market knowledge
 - ▶ Improvement of regulatory framework
 - ▶ Market development
 - ▶ Incentives for start-ups and innovative businesses
- 2. Development of National and International Cooperation**
 - ▶ Expertise enhancement
 - ▶ Information and best practices exchange
 - ▶ Increase of active participation in national and international bodies
- 3. Promotion of the Republic's Regulatory Framework**
 - ▶ Enhancement of the Government's reliability and reputation
 - ▶ Increase of new investment incentives
 - ▶ Promotion of Cyprus potential to become an international gambling hub

5. Protection of the Players and the Public

The National Betting Authority has set the following strategic goals in order to protect the players and the general public. These are presented thoroughly in the Action Plan 2018-2022:

- 1. Protection of young people and vulnerable groups**
- 2. Enhancement of training and awareness raising among stakeholders**
- 3. Ensuring practices of responsible and safe gambling**
- 4. Prevention of problem gambling and addiction**

Risk Management

Risk detection, prevention and management are processes of great significance for the successful implementation of the Authority's Strategic Planning. If the potential risks are not identified and tackled early enough, the imminent negative consequences on the Authority's short and long-term goals achievement may be irreversible. The extent and significance of these operational risks are defined by various factors, such as the economic, technological, social, political and legal developments, as well as by other unpredictable factors.

The potential risks that may impede the implementation of the Authority's Strategic Planning are presented below:

- ▶ Lack of engagement and commitment by stakeholders to the execution of the Authority's Strategic Planning
- ▶ Difficulty of stakeholders to comprehend the Authority's strategy and organizational culture
- ▶ Complexity of procedures and increased bureaucracy
- ▶ Conflict of interests among stakeholders
- ▶ Inadequate data, information and system safety
- ▶ Changes in the legal framework that concerns the Authority's strategy
- ▶ Insufficient quantity of suitable tools, applications, programs and human resources for the implementation of certain goals
- ▶ External and unpredictable factors

The risks mentioned above are considered critical for the successful achievement of the Authority's strategic goals, which are constantly under assessment based on applicable indicators.

2020 Action Plan

In this section, the detailed actions that aim to achieve each distinctive goal are outlined:



Optimization of the Authority's internal operations

- ▶ Ensuring transparency and integrity within the Authority, based on the standard of ISO:37001 - Anti-Bribery Management Systems
- ▶ Enhancing the application of e-governance in the Authority's operations
- ▶ Monitoring the implementation of strategic planning and budget
- ▶ Improving the Internal Audit procedures
- ▶ Training and development of human resources based on individual learning goals
- ▶ Further advancing IT infrastructure and systems
- ▶ Complete implementation of ISO:27001 – Information Management Systems
- ▶ Continuation of the implementation of the Sustainable Development Goals 2030



Improvement of the regulatory framework

- ▶ Continuation of the automatization of licensing and assessment procedures
- ▶ Completion of the certification process of computerized systems B2B – Compliance Certificate
- ▶ Drafting of a manual on addressing match fixing based on best international practices – Cooperation with international organizations that specialize in this field
- ▶ Completion of electronic system on complaints assessment and management
- ▶ Consultation with supervised entities on the regulatory framework and the enhancement of the Authority's regulations and directives



Enhancement of the Authority's supervisory role

- ▶ Final stage of developing the computerized betting monitoring and data analysis system
- ▶ Improvement of on-site inspection of licensed premises and licensed Class A and B bookmakers
- ▶ Enhancement of the websites blocking procedure and implementation of new methods for ensuring legality
- ▶ Research on illegal provision of betting and gambling services
- ▶ Cooperation with relevant departments for combating illegal betting and gambling



Development and modernization of the sector

- ▶ Drafting bills on the comprehensive regulation of betting and gambling sector
- ▶ Study and survey conducting on topics related to the development of the gambling industry
- ▶ Study conducting on the implementation of artificial intelligence in the gambling sector
- ▶ Development of initiatives that promote startups and innovation
- ▶ Consultation with all supervisory bodies and services on the development and modernization of the gambling industry
- ▶ Drafting a digital policy action plan
- ▶ Participation in memoranda of understanding and cooperation with relevant regulatory authorities for information and good practices exchange
- ▶ Participation in exhibitions/conferences for attracting investments to Cyprus
- ▶ Participation at CEN456 Committee for drafting the “Online Gambling Measures”
- ▶ Cooperation and information exchange among European supervisory authorities – Cooperation Arrangement
- ▶ Research development on the establishment of the Gambling Academy
- ▶ Creation of an e-learning platform



Protection of players and the public

- ▶ Responsible Gaming Awareness Week – October 2020
- ▶ Further development of the National Strategy on Responsible Gambling and Problem Gambling
- ▶ Awareness raising campaigns on Responsible Gambling
- ▶ Cooperation with the Youth Board of Cyprus for the development of projects on youth empowerment and other relevant initiatives
- ▶ Completion of the study and procedures for the creation of a prevention and intervention centre – Responsible Gaming Centre
- ▶ Application of Responsible Gambling practices standards
- ▶ Completion of the National Platform of players’ self-exclusion
- ▶ Completion of the quantitative survey on players’ features and behavior analysis, as well as the reasons and motives of their gambling activity
- ▶ Educational seminars for students, parents and vulnerable population groups

www.nba.gov.cy

Digeni Akrita 83, 1070, Nicosia

Call centre: 22 881800

Email: info@nba.gov.cy

www.responsiblegaming.gov.cy

Digeni Akrita 83,1070, Nicosia

Call centre: 22 881800

Email: info@responsiblegaming.gov.cy



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