



NATIONAL
BETTING
AUTHORITY

**STRATEGIC
BUSINESS PLAN
2021-2023**

**AND ACTION PLAN
2021**

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A Message from the Chairwoman



We are pleased to present the National Betting Authority's Strategic Plan for 2021-2023, which has been developed taking into consideration the challenging and unprecedented circumstances of Covid-19 pandemic. Despite the challenges, this Strategic Planning introduces actions and policies that will ensure the sustainability of the Betting sector.

For the Authority, in the short-term it is of outmost significance to apply the policies and measures that have been decided or will be announced by the government in the context of the economic support schemes for coping with Covid-19 effects. In the long-term, the Authority will undertake certain initiatives with the ultimate goal of achieving the strategic objectives set for the next three years.

The strategic business plan of the Authority is the foundation of all of its actions and measures which guides the goals and priorities for the next three years 2021-2023. The strategic direction of the Authority is based on four main pillars, which are presented below, taking into account the constantly changing conditions of the gambling industry, the 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 and safe and transparent gambling activities

Based on the above, the strategic goals upon which the Authority will operate for the period 2021-2023 are the following:

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

The 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 society.

Our aim is to continue having a leading role in the development of the gambling sector, to build long-term economic prosperity in the Republic, having at the top of its priorities the protection of the public, the elimination of illegal activities in the sectors, as well as the prevention of money laundering.

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



Ioanna Fiakkou
Chairwoman

Responsibilities, Role, Objectives

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

The Authority’s main responsibilities are the regulation, supervision, and monitoring of the 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.

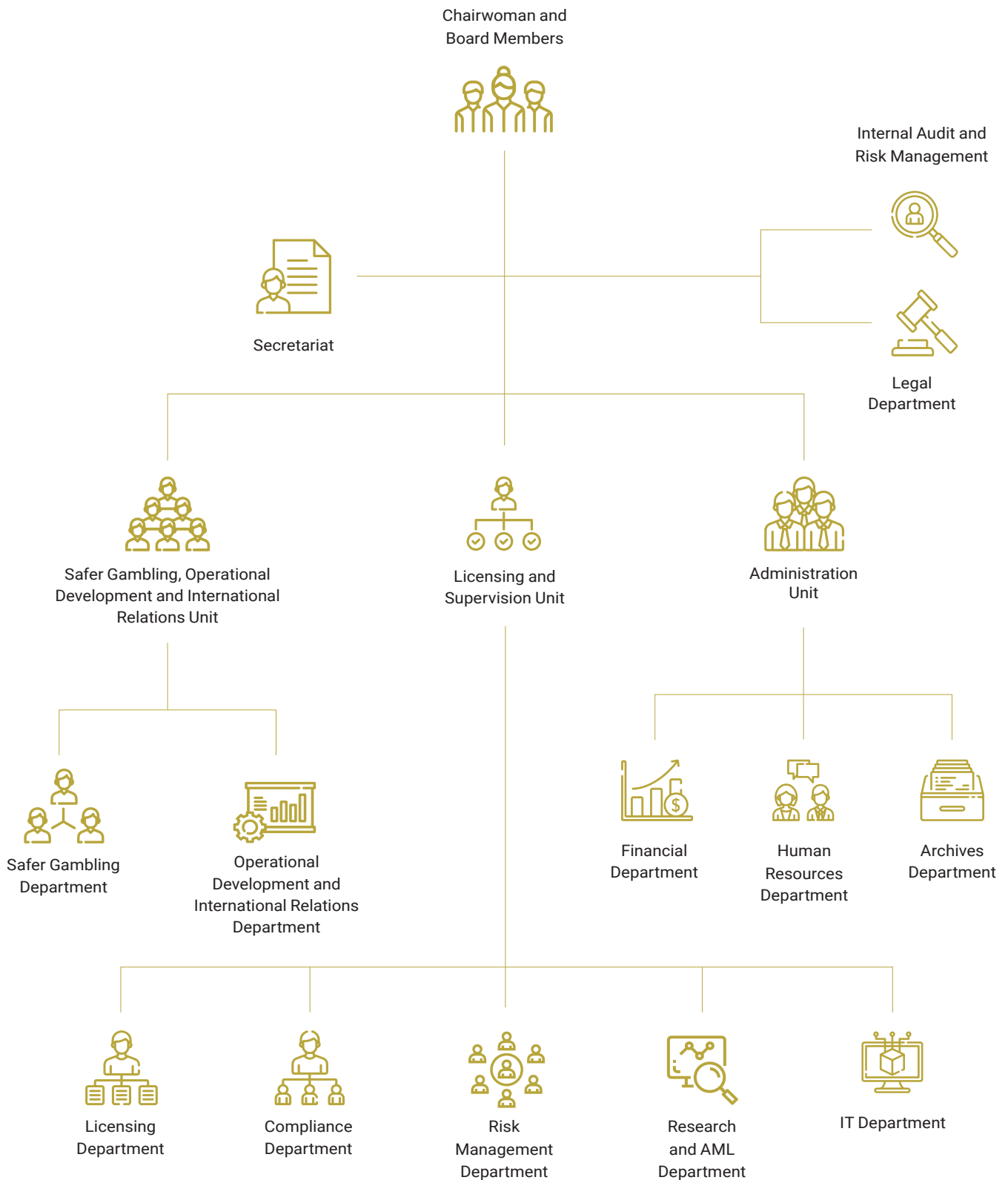
Additionally, the Authority is also responsible for initiating dialogue and cooperation with various bodies, governmental departments, local and international institutions on topics related to gambling, such as its participation at the Gaming Regulators European Forum (GREF).

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

The Strategic Plan 2021-2023 sets the framework of priorities and activities which are considered essential for the Authority’s aims and objectives. Furthermore, the Strategic Plan aims to have a constructive and contributory role to the achievement of the Government’s strategic goals in the gambling sector.

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

Governed by the Strategic Plan 2020-2022 and the 2020 Action Plan, the National Betting Authority has implemented numerous actions and activities that have contributed to the achievement of its vision based on its five strategic goals.

Given the recent developments related to the Covid-19 pandemic which have impacted all sectors including betting, the Authority was faced with an unprecedented situation and it therefore had to revise its strategic goals and operation. The pandemic has affected both the Authority's internal operation and structure, as well as its activities.

Following the Ministry of Health's decrees on the protection of public health and on tackling the pandemic effects, the operation of all betting premises was suspended between 16 March and 23 May 2020, with a tremendous impact on Class A licenced Bookmakers. Moreover, during the restrictive measures to prevent the spread of the pandemic worldwide, most of the sports events were postponed or cancelled.

Consequently, part of the Authority's activities had to be revised and adjusted to the new situation. More specifically, the Authority accelerated the processes of its digital transformation, and is now in the final stage of applying its internal computerised system, having already upgraded its IT system infrastructure. Moreover, since the beginning of the pandemic, the Authority has reacted promptly, applying remote working for its personnel, and drafting a digital policy plan.

In 2020, the Authority imposed administrative fines to its licensees for not complying with the Law and Directives, following the recently approved Betting Law of 2019. In August 2020 on-site inspections for Class A and Class B bookmakers commenced.

Further in 2020, in an attempt to enhance the Authority's operation, the process of applying the ISO31000, ISO27001 and ISO37001 has started, aiming at introducing and installing a mechanism that will detect, document, and assess risks which may bring potential negative effects on the efficient operation of the Authority. These standards will contribute towards the achievement of goals and objectives, will improve the procedures and tools related to information safety and will reduce bribery risks.

The Authority has also participated at GREF working groups (Gaming Regulators European Forum), on topics related to exchange of information and statistics data, online gambling and safer gambling.

This year, following international best practices and the suggestions of the scientific community, there has been a transition from Responsible Gaming to Safer Gambling. The focus on safer gambling promotes a new understanding of the responsibility of the state and gambling operators and providers. The idea of "Responsible Gaming" suggests that the players is primarily responsible for protecting himself. This prevailing view, although partially correct, should be revised and used in a broader sense. The notion of "Safer Gambling" emphasizes that in addition to individual responsibility, there is a clear responsibility of the state and its institutions, as well as gambling operators and all stakeholders involved.

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 betting and 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 gaming sector, while focusing on the protection and interest of 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 Chairwoman, the Members, and the personnel of the Authority to accomplishing the objectives and goals set in the Authority's mission and role.



Compliance

A non-negotiable Value is the compliance with every legal (national and European) and moral obligation 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, prompt information, 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 "Safer 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 "Safer Gambling", paying particular attention to the positive social impact of such a concept.



Strategic Goals 2021-2023

The Authority's Strategic Goals reflect its vision and mission and contribute to a sustainable development in the betting and gambling sector. The Strategic Goals for the period 2021-2023 are the following:

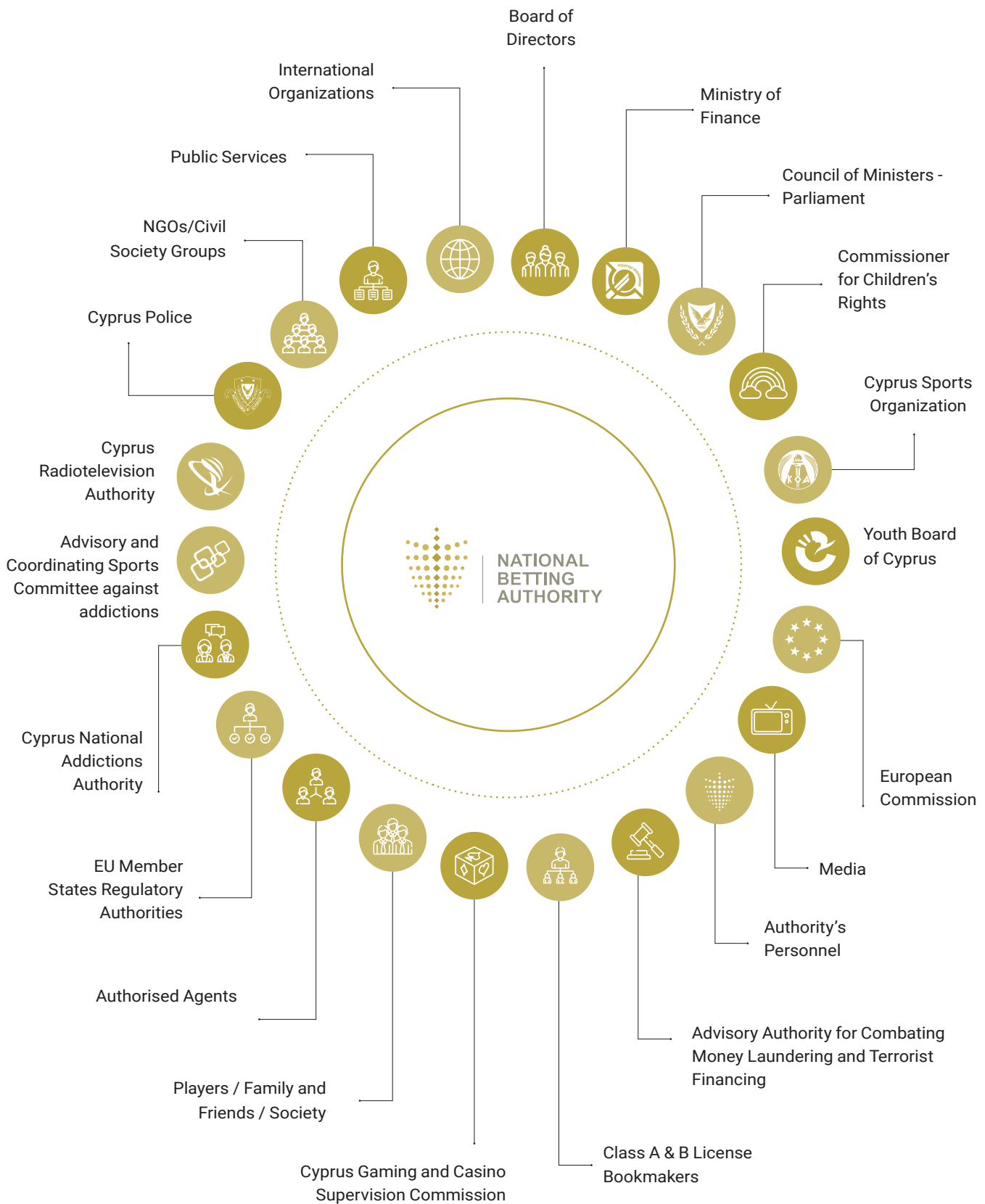
- 1. Optimisation of the Authority's internal operations**
- 2. Improvement of the regulatory framework**
- 3. Enhancement of the Authority's supervisory role**
- 4. Development and innovation in the sector**
- 5. Protection of the players and the public**

Stakeholders

The Authority defines 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 organisation that applies a risk-based approach in all its operations, responding to the needs and expectations of its stakeholders efficiently, while minimising potential negative consequences.

In order to achieve the strategic goals, 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 organisation is its human capital; this is why the Authority's strategy has been designed in a way that offers its 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, high 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 towards the realisation of the Authority's vision, mission, and strategic priorities, based on its values. Regardless of their hierarchy level, the Authority's employees 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 with a vital role in the Authority's efficient operation:

- ▶ Automation 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 reducing the use of traditional communication methods, such as telephone and email.

Regulation and Supervision:

The strategy on regulation and supervision aims at promoting unforced compliance of the authorised 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 on regulation, supervision and implementation of measures and fines, but most importantly, it will foster a new compliance culture on the long-term.

2021-2023 Strategic Goals

1. Optimisation of the Authority's Internal Operations

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

1. Efficient Methods of Operation and governance

- ▶ Increased transparency in all procedures
- ▶ Guaranteed reliability and independence in decision making
- ▶ Reduced operational risks ensuring the Organisation's viability
- ▶ Enhanced confidence towards the Authority by stakeholders

2. Human Resources Development and Retention

- ▶ Skill building for achieving strategic objectives
- ▶ Skill mismatch reduction
- ▶ Productivity and efficiency boosting
- ▶ Provision of high-quality services to stakeholders
- ▶ Expertise development

3. Development and Implementation of Technological Infrastructure

- ▶ Simplification and automation 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 Modernisation of Licensing Procedure

- ▶ Reduction of assessment period and operational costs
- ▶ Efficiency improvement in application procedures
- ▶ Transparency enhancement in licensing procedures
- ▶ Unobstructed market operation

2. Improvement of the Regulatory and Legal Framework

- ▶ Market development 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 classification

2. Improvement of Risk Assessment Framework

- ▶ Adequate information use
- ▶ 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. On-site and Remote Inspections Improvement

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

5. Improvement of countering money laundering and terrorism financing

- ▶ Implementation of directives
- ▶ Efficient attention on potential risks
- ▶ Reporting on suspicious transactions

4. Development and Innovation in the Sector

The National Betting Authority has set the following strategic goals in order to further develop and innovate 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
- ▶ Exchange of information and best practices
- ▶ 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 safer 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 Plan are presented below:

- ▶ Lack of engagement and commitment by stakeholders to the execution of the Authority's Strategic Plan
- ▶ Difficulty of shareholders to comprehend the Authority's strategy and organisational culture
- ▶ Complexity of procedures and increased bureaucracy
- ▶ Conflict of interests among shareholders
- ▶ Inadequate data, information, and system safety
- ▶ Changes in the legal framework that governs 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.

2021 Action Plan

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



Optimisation of the Authority's internal operations

1. Full implementation of the standards ISO:31000 Risk Management, ISO:37001 - Anti-Bribery Management Systems and ISO:27001 - Information Management Systems
2. Improvement of Internal Audit procedures
3. Training and development of personnel based on individual learning targets
4. Hiring on vacant permanent posts and maintaining cooperation with expert consultants
5. Further advancement of IT infrastructure
6. Further implementation of Sustainable Development Goals 2030



Improvement of the regulatory framework

1. Continuation of the automation of licensing and assessment procedures
2. Development of standards for gambling services
3. Training of supervised entities and stakeholders on the regulatory framework
4. Intensification of measures on the prevention of money laundering and terrorist financing in the gambling sector
5. Implementation of measures against match-fixing based on international good practices



Enhancement of the Authority's supervisory role

1. Implementation of the computerised betting monitoring and data analysis system
2. Improvement of the bookmakers' supervision
3. Upgrading of websites blocking and implementation of new methods that ensure legality
4. Research on illegal provision of betting and gambling services
5. Cooperation with relevant bodies for combating illegal betting and gambling



Development and innovation in the sector

1. Drafting bills on the comprehensive regulation of betting and gambling
2. Research and survey conducting on the development of betting and gambling industry
3. Completion of study on applying artificial intelligence in the gambling sector
4. Development of programs that promote start-ups and innovation
5. Application of the digital policy action plan
6. Participation at CEN456 Committee for drafting the “Online Gambling Measures”
7. Cooperation and information exchange among European supervisory authorities – Cooperation Arrangement
8. Gambling Academy and enhancement of e-learning platform



Protection of players and the public

1. Actions and activities based on 2021-2023 Action Plan
2. Safer Gambling Awareness Week - October 2021
3. Awareness raising campaigns on Safer Gambling
4. Cooperation with the National Youth Board of Cyprus on youth empowerment projects
5. Operation of the Safer Gambling Centre
6. Application of Safer Gambling Standards
7. Completion of the National Self-exclusion Platform
8. Completion of the quantitative survey on gamers’ features and behaviour analysis, and on the reasons and motives of gambling activity

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