



NATIONAL
BETTING
AUTHORITY

STRATEGIC BUSINESS PLAN 2019

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A message from the Chairwoman



Dear friends,

The gambling industry is a cutting-edge, global market, which significantly contributes to the national economic development of the countries. It is an ever-growing industry, characterized by a myriad of technological and other advancements.

The National Betting Authority's vision is to establish Cyprus as an attractive, safe and transparent centre for investments and innovation opportunities for the gambling industry, without compromising players and society's protection from gambling harm. The necessary tool for the effective implementation of the vision is the development of a strategic business plan for defining short and long-term objectives.

The Authority's strategic planning is the touchstone and the foundation of all of its actions and activities, as it defines the goals and priority pillars for the time period 2018-2022. 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.

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

Based on the above, the strategic goals for 2018-2022 are the following:

1. Optimization of internal operations and functions of the Authority,
2. Upgrade of the regulatory framework,
3. Enhancement of the Authority's supervisory role,
4. Development and modernization of the Industry,
5. Ensuring player's protection as well as safeguarding wider society from any gambling-related harm

The present strategic business plan is the tool on which the Authority will rely upon to implement its strategic goals for 2019. The implementation of the strategic objectives is monitored by using measurable key performance indicators for each action that is being implemented, and then based on the evaluation of the indicators, is revised, where applicable, according to the needs and new data that are presented.

Our strategic goals for the next twelve (12) months are ambitious and designed to achieve optimal results and minimise any operational and business risks.



Ioanna Fiakkou
Chairwoman

Responsibilities, role and goals

The National Betting Authority (hereinafter the “Authority”) was established pursuant to the Betting Law of 2012 (106(I)/2012). It constitutes an independent administrative authority which has financial independence and autonomy.

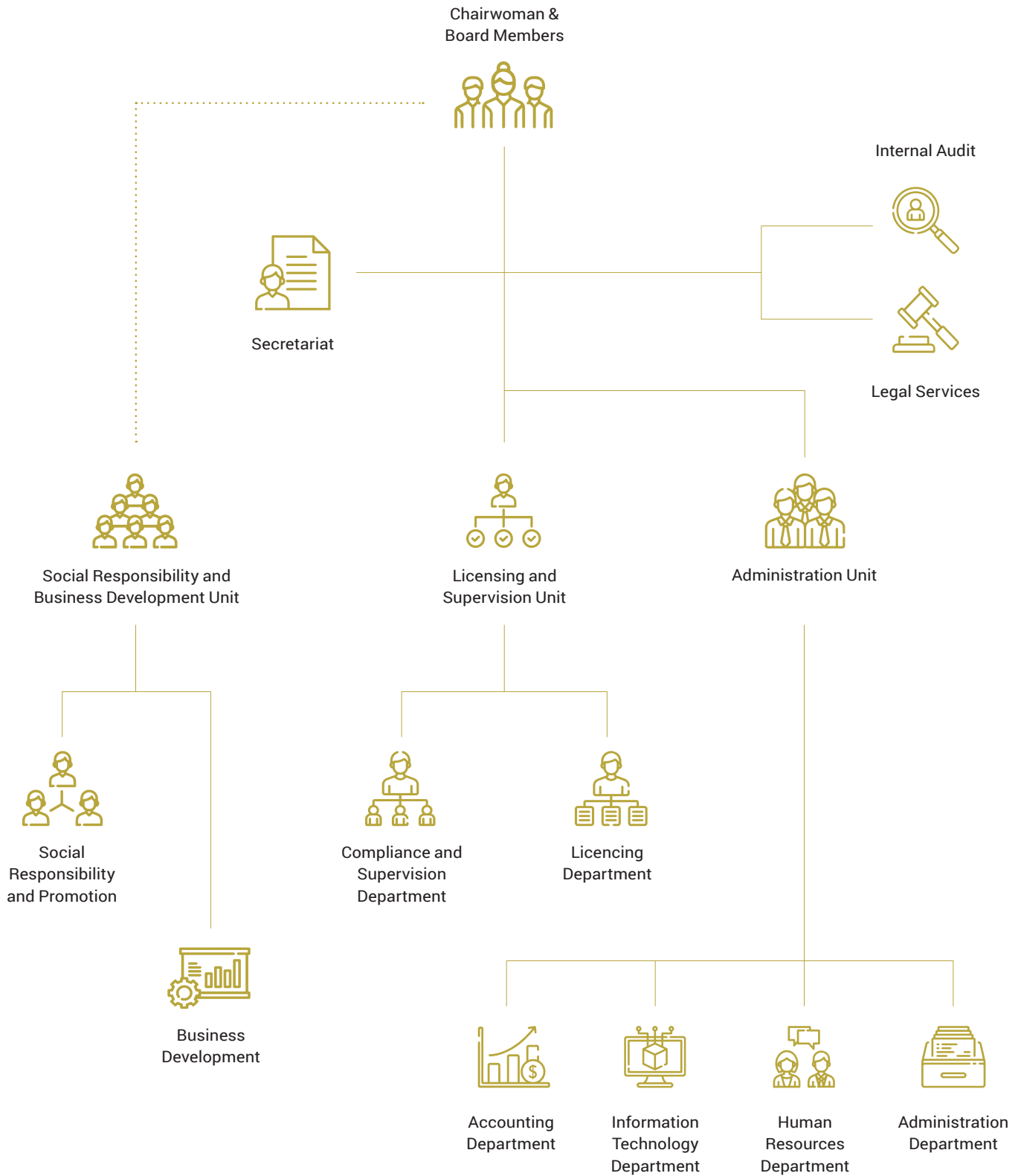
The main responsibilities of the Authority are the licensing, regulation and supervision of the betting activity in the Republic of Cyprus. The sphere of the Authority’s competence primarily includes the granting of licenses to Class A (land-based) or Class B (online) licenced bookmakers and to authorized agents, the carrying out of on-site visits, the general supervision of licence holders, as well as the preparation and issuing of Directives for the better implementation of the Law.

The inspections which are conducted by the Authority aim to ensure that the betting activity is legal, transparent, fair and complying with the regulations, 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 the adoption of measures for combating money laundering and terrorist financing, as well as issuing Directives for the implementation of the measures.

One of the Authority’s responsibilities is to develop partnerships and foster collaboration and dialogue with relevant Authorities, public entities and corresponding European and International bodies, such as the Authority’s participation to the Gaming Regulators European Forum (GREF).

Moreover, the Authority is responsible for the implementation of preventive measures for the protection of young people and vulnerable groups from gambling addiction, as well as for the drafting of regulations on protection mechanisms for young people and problem gamblers.

Organisational structure



Values and vision of the Authority

The National Betting Authority is driven by values which govern its function and sphere of action, as well as its objectives. The Authority's philosophy comprises of the following Values:



Commitment



Compliance



Respect and
integrity



Reliability



Professionalism
and
Responsibility



Cooperation
and Initiative



Social Responsibility and
"Responsible Gaming"



Players'
Protection

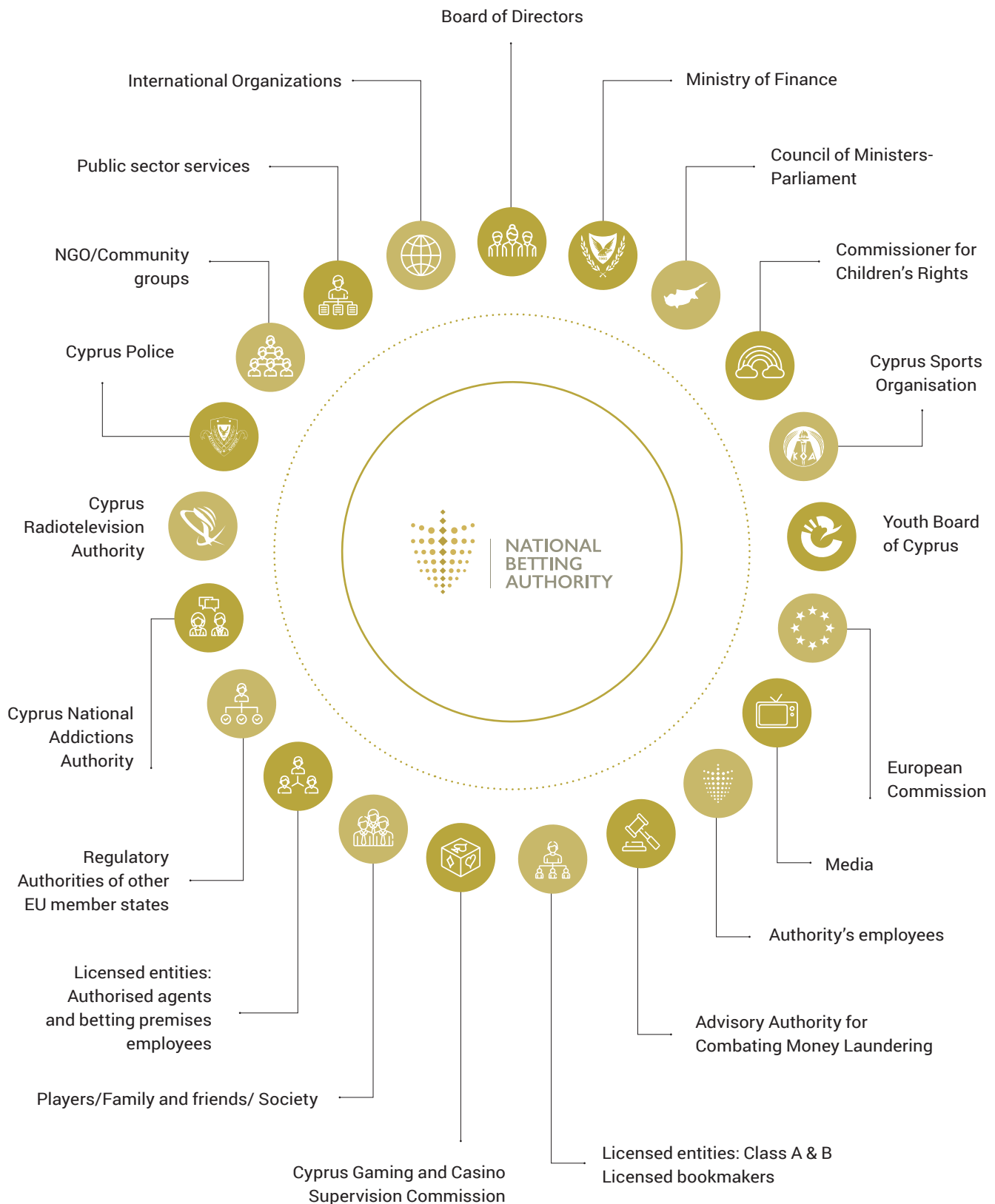
The National Betting Authority's vision is to establish Cyprus as an attractive, safe and transparent centre for investments and innovation opportunities for the gambling industry, without compromising players and society's protection from gambling harm.

Stakeholders

The Authority defines the stakeholders as individuals or legal entities which interact with the Authority and affect its function and aims and are also affected by the function and aims of the Authority. Defining the stakeholders is, therefore, crucial for the Authority in order to be able to plan its actions, business activities and social responsibility, and so as to strategically address each involved party, as well as its needs.

The stakeholders have an impact on the Authority's direct and indirect environment and affect the degree of achievement of the Authority's strategic goals. The Authority's policy encourages the active involvement of all stakeholders in its processes through a constructive dialogue, and it safeguards transparency in all its procedures. These are critical factors for the successful implementation of the strategic planning.

Stakeholders



Quarterly financial results and quantitative data for the time period 2015-2018

CLASS A&B

2015	QUARTER	JANUARY- MARCH	APRIL- JUNE	JULY- SEPTEMBER	OCTOBER- DECEMBER	2015
	Number of Licensees	11	10	10	10	10
Comprehensive Income (Pay In)	32,512,121 €	28,700,361 €	28,859,193 €	45,664,685 €	135,736,360 €	
Profit distribution (Pay Out)	25,368,153 €	23,005,311 €	21,301,155 €	36,867,729 €	106,542,348 €	
Gross Gaming Revenue (GGR)	7,143,968 €	5,695,050 €	7,558,038 €	8,796,955 €	29,194,012 €	
Betting Tax - 10%	714,396 €	569,505 €	755,804 €	879,696 €	2,919,400 €	
Contribution tax - 3%	214,319 €	170,851 €	226,741 €	263,909 €	875,820 €	

2016	QUARTER	JANUARY- MARCH	APRIL- JUNE	JULY- SEPTEMBER	OCTOBER- DECEMBER	2016
	Number of Licensees	10	10	11	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	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	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 €	

Strategic pillars and actions for 2019

In this section, all the individual actions for each strategic goal are listed.



Optimization of internal operations and functions of the Authority

- ▶ Relocation to new offices
- ▶ Completion of the Authority's staffing process
- ▶ Creation of a "One stop shop" helpdesk
- ▶ Continuation of the development and implementation of an e-governance system for procedures, staff and the Board of Directors
- ▶ Regulations for staff and Board of Directors' governance
- ▶ Continuation of the development and implementation of the staff evaluation model
- ▶ Staff training and development
- ▶ Upgrade of the action plan/strategic planning's monitoring and implementation
- ▶ Implementation of ISO:37001 Anti-Bribery Management Systems/ISO 27001/ISO9001
- ▶ Submission of proposals for the amendment of the Law on a more effective business operation of the Authority
- ▶ Strengthening of the Authority's communication policy
- ▶ Upgrade of the Authority's website to a more user-friendly and disability-friendly website
- ▶ Enhancement of the Internal Audit procedure



Upgrade of the regulatory framework

- ▶ Development and implementation of a software for the complaint management and evaluation system – Formation of an Alternative Dispute Resolution Agency – Drafting of a Code on Complaint management
- ▶ Modification of the Code of Advertising
- ▶ Completion of the Protection of Players, Minors and Person with Gambling Disorder Regulations
- ▶ Implementation of the Directive on the Prevention of Money Laundering Activities in accordance with the provisions of the 4th EU Directive – Organisation of training seminars
- ▶ Continuation of the development and implementation of an electronic customer service for the Authority's regulated entities
- ▶ Upgrade of the licensing process and the evaluation process of the licensees
- ▶ Drafting of a manual for the combating of sports manipulation and betting corruption according to best practices – Collaboration with Sportradar and International Betting Integrity Association
- ▶ Drafting of a Directive on the implementation of a universal self-exclusion scheme and development of an online platform
- ▶ Establishment of a training centre for the Authority's licensees and regulated entities
- ▶ Development of a corporate Governance Code for the Authority's licensees and regulated entities
- ▶ Drafting of a Code on applying betting services' terms and conditions
- ▶ Study for the application of B2B certifications – Gaming Labs Certification (Future amendment of legislation)

- ▶ Drafting of guidelines for the licensees in order to develop a system for updating their business plans and clients on a risk-based approach
- ▶ Drafting of a code of practice for the licensees in order to adhere to the licensing and supervision requirements
- ▶ Adoption of various standards



Enhancement of the Authority's supervisory role

- ▶ Implementation of a terms and conditions monitoring system both for the land-based and online betting licensees
- ▶ Completion of the computerised betting monitoring system for betting activities and preparation of data analysis
- ▶ Upgrade of the compliance system for the monitoring of the licensing conditions of the regulated entities on a quarterly and annual basis
- ▶ On-site supervision of the licensed premises – Betting Inspection Services
- ▶ Upgrade of the website blocking process and implementation of advanced methods of ensuring legality
- ▶ Conduct research on the illegal provisions of betting and gambling services
- ▶ Cooperation with competent bodies in combatting illegal betting and gambling services



Development and modernization of the Industry

- ▶ Conduct studies on the impact of new technologies on the gambling sector and on various technologies (blockchain, virtual currencies etc)
- ▶ Introduction of a draft bill on regulating bingo services
- ▶ Completion of suggestions to amend the Betting Law
- ▶ Drafting a bill on prize draws, competitions and other related services
- ▶ Consultation with all supervisory authorities and services for the development and modernization of the gambling sector
- ▶ Participation in the CEN committee for the drafting of the “Online Gambling Measures” standard
- ▶ Cooperation and exchange of information between European Supervisory Authorities – Cooperation Arrangement
- ▶ Participation in conferences to gain further specialisation and to promote the Republic of Cyprus regulatory framework
- ▶ Establishment of a Gambling Academy
- ▶ Sign Memoranda of Understanding with relevant regulatory authorities in order to exchange information and best practices
- ▶ Participation in exhibitions/ conferences in order to attract new investments in the Republic of Cyprus



Ensuring player's protection as well as safeguarding wider society from any gambling-related harm

- ▶ Upgrade the website responsiblegaming.gov.cy and creation of an interactive microsite
- ▶ Development of a National Strategy on Responsible Gambling and Problem Gambling in collaboration with all relevant stakeholders
- ▶ Awareness raising campaigns on Responsible Gambling
- ▶ Responsible Gaming Awareness Week 2019
- ▶ Establishment of a prevention and intervention Centre – Responsible Gaming Center
- ▶ Conduct of a quantitative national prevalence study on the impact, behaviour and characteristics of users of gambling activities
- ▶ Cooperation with the Youth Board of Cyprus to develop projects for youth empowerment and other relevant topics (PIN funding project, Youth Initiatives)
- ▶ Implementation of standard for Responsible Gambling practices and policies
- ▶ Educational seminars for students, parents and vulnerable groups of people
- ▶ Universal player's self-exclusion platform
- ▶ Reinforcement of gambling addiction treatment centres and facilities
- ▶ Development of research programmes in collaboration with Academic Institutions and International Organisations

Possible risks of failure of strategic planning implementation

The risks of failing to implement the strategic objectives are those which, if not identified and addressed in a timely manner, may cause negative consequences for the fulfilment of both the Authority's short-term and long-term strategic goals. These business risks differ in their importance and intensity and are caused by changes in the economic, technological, social and political environment, as well as to unpredictable factors.

The risks identified as possible factors for the failure to implement the Authority's strategic planning are presented below.

- Lack of engagement and commitment of stakeholders to implement the Authority's strategic actions,
- Inability of stakeholders to understand the Authority's strategy and organizational culture,
- Complexity of procedures and increased bureaucracy,
- Conflict of interests between stakeholders,
- Insufficient data, information and systems security,
- Changes in the legal framework on which the Authority's strategy is based,
- Insufficient availability of appropriate tools, applications, programmes and human resources to meet the set objectives,
- External events/ Unpredictable factors

The risks mentioned above, are those identified as important for the non-successful implementation of the Authority's objectives and which are constantly reviewed and evaluated with the appropriate key performance indicators.

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