



Directive 12.2020

Class A and B licenced Bookmakers

Authorised agents

Submission and Conditions for the Preparation of Financial Statements of Class A and B Licenced Bookmakers and authorised agents

Directive No. 12.2020 is drafted based on the provisions of article 71 of the Betting Law of 2019 37(I)/2019, as amended or replaced (hereinafter referred to as the “Law”).

Annual Accounts:

(1) Every Class A or B licenced bookmaker must submit to the National Betting Authority (hereinafter referred to as the “Authority”), no later than June 30th of every year, annual accounts for the previous year, which have been prepared according to the International Accounting Standards and have been audited by a statutory auditor or statutory auditing firm.

(2) Every Class A or B licenced bookmaker must submit to the Authority, no later than June 30th of every year, an annual report for the previous year comprising the following:

(a) the total amounts already paid to the Class A or B licenced bookmaker, in relation to bets carried out during the year under examination,

(b) the total amounts that were paid by the Class A or B licenced bookmaker, as winnings to players during the year under examination, irrespective of when the bet was carried out,

(c) the names of the authorized agents of the Class A licenced bookmaker and details of any amounts paid to them, as a commission, and

(d) any other information requested by the Authority.



2. It is clarified that the data referred to in article 71(2)(c) of the Law which concern Class A licenced bookmakers, should be attached as additional information to the audited Financial Statements of the respective year.

3. Pursuant to article 71(2)(d) of the Law, the Authority may request the inclusion of any other information in the annual report of the Class A or B licenced bookmaker. Therefore, the Board of Directors of the Authority has decided that:

(a) bookmakers who hold a licence for both Betting Classes, should make a distinction for the figures of Pay-In, Pay-Out, Bonus Pay-In, Bonus Pay-Out, Betting Tax and Contribution, Licence Fees.

(b) a note should be provided with an explanation of the two Bonus categories, their accounting treatment and clarifications regarding the amount, the place of distribution of the two categories in the Financial Statements and their notes.

(c) regulatory/compliance risk should be recognized, as it is a common risk factor for all bookmakers. It is provided that the Betting Law governs the operation of all bookmakers (Class A & B), without any exceptions.

(d) the bank guarantee issued based on article 32(2) is explicitly stated in the note to the Financial Statements for any liabilities. It is also provided that the asset account of the bookmakers in which it is included must be declared.

(e) essential information and figures related to betting activities are stated separately and are not included with other figures.

(f) the refund of the amount of a bet, which pursuant to article 74(8)(b) is considered a payout, is presented in the notes of the Financial Statements, in such a way as to indicate whether it has been included in the Pay-Out amounts.



(g) a descriptive reference is made to the status of the entities for which bad debtors' expenses are recognized.

(h) a reference is made to the Betting Law, the Class and number of the bookmaker's licence, in the note of the Financial Statements for the main activities of the bookmaker.

4. Pursuant to article 71(3) of the Law, it is provided that the Authority may issue directives for the submission of audited accounts by the authorized agents of a Class A licenced bookmaker. Therefore, the Board of Directors of the Authority has decided that, the authorized Class A agents who hold a licence as legal entities or as natural persons and whose income from commissions and/or earnings from their services as authorized agents or cumulatively with other services, is equal to or greater than seventy thousand euros (€70,000) shall submit to the Authority, no later than June 30th of every year, annual accounts for the previous year, which shall be prepared in accordance with International Accounting Standards and audited by a statutory auditor or statutory audit firm.

5. It is noted that, in cases where the authorized agents hold a licence from another body/organization of the Republic of Cyprus for the provision of games of chance or horse racing services (OPAP Cyprus and Nicosia Racing Club respectively), they are required to present in detail in the notes to the Financial Statements the income/commissions from each body/organization.

6. In cases where the deadlines provided by the Law are not met or the Financial Statements are not submitted in accordance with the provisions of the Law, as mentioned above, the Authority may suspend and / or revoke the licence of the licenced bookmaker who fails to comply, as defined by subsection (4) of article 71 and/or impose an administrative fine in accordance with the provisions of article 95 of the Law.



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7. This Directive repeals Directives 24/2017 and 27/2018.

Ioanna Fiakkou

Chairwoman

**In case of discrepancy between English and Greek version, the Greek version supersedes.*

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