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Class A Recipients

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Directive 3/2016

**Inclusion of numerical lottery ticket “KINO/KENO” in the definition “game machine of limited benefit”**

According to section 11(b) of the Betting Law (“Law”) the National Betting Authority (“Authority”) has the power to draft and issue regulations and Directives for the best possible application of the Law. Section 2 of the Law, and more specifically paragraph (f) thereof which defines the term ‘game machine of limited benefit’, empowers the Authority to classify, within the meaning of the term, any other gaming machine. As a result, the Authority is hereby issuing the present Directive (No. 3/2016).

2. The Authority regulates, supervises and licenses the provision of Class A and B betting services on the basis of the Law. ***“Bet means any type of bet made on sports or other events by a number of individuals who participate therein, provided that the profits of each player are determined by the person who organizes the bet, before or during its making, with reference to both the amount that each player paid for his participation in the bet and the defined performance value of the specific bet, which is conducted following a Class A or B license, as provided by the Law.”***

3. According to sections 78 and 79 of the Law, the possession or operation of game machines of limited benefit or the provision of services for the conduct, within the Republic, of game machines of limited benefit and the possession or operation of machines with which services are provided or the provision of services for the conduct, within the Republic, of on line casino games is, respectively, prohibited.

4. Section 2 of the Law, concerning the definition of the term ‘game machines of limited benefit’, sets out that this constitutes *any mechanical, electric or other appliance, device or machine which, by either inserting a coin or a note, token or other similar object, or any other form of payment, provides the user with the ability to operate the same or play a game of chance, [...]*. Furthermore, the Legislator, in his wisdom, , defined certain games that constitute gaming of their nature and, by extension, explicitly included them in the list of unlawful game machines of limited benefit which are prohibited<sup>1</sup> by the Law, as. It is noted that the section in question empowers the Authority to categorise other gaming machines as being prohibited under the Law.

5. The Law sets out the following: *“A game of chance means a game the outcome of which depends at least partially on chance and is played either in exchange of the payment of money or movable or immovable property, either for credit or any other object that has an economic value, regardless of whether the player obtains an economic benefit as a result.”*

6. The numerical lottery ticket KINO/KENO, or any other denomination under which this may be referred to, constitutes a game of chance and one of its variations involves the precise prediction of numbers 1 to 12 – depending on the corresponding type of the game – out of a total of 20 numbers which are generated each time following a draw from a series of numbers from 1 to 80. The draw for the election of the winners is carried out by using a special mechanical drawing machine. In each of the 12 types of the game, success is classified into categories, according to the multitude of the numbers selected, which are included in the 20 numbers that have been drawn. A performance factor corresponds to each of the success categories in question, which forms for basis for the profit of each participations. The profits, according to the success of each category, are predetermined and result from the corresponding performance factors which are multiplied by the value of each participation.

7. It follows from the manner in which the game is carried out, that it concerns a game of chance the result of which depends solely on chance. Even though the definition of the term prescribes that the game of chance is included in the game machine of limited benefit, with the present Directive, the Authority seeks to make clear that the numerical lottery ticket is included in the definition of the game machine. Provided that when this is provided via a direct online connection, then it falls within the definition of the game of chance supplied by a direct connection (on line casino). In this regard, the Authority may not grant a license for carrying out the game in question in view of the fact that,

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<sup>1</sup> Πολυκάρπου Δώρος και Άλλος v. Αστυνομίας , (2009) 2 Α.Α.Δ. 209.

on the one hand, this evades the definition of bet and on the other hand, falls within the prohibited provisions of the Law.

8. The Authority stipulates that it issues licenses for the provision of betting services for football, basketball, Formula 1, billiard, tennis, race tracks, volleyball, golf, boxing, cricket, rugby, baseball, handball, Hockey, Hockey on ice, Futsal, American football, Darts, water polo, WRC, Moto GP, cycling, the Eurovision song contest and the Oscar movie awards or another bet of the same class that is pre-approved.

9. It is noted that the content of the present Directive has constituted and constitutes a term of the license of a Class A recipient and the authorised representative and in the event of its violation, if any, the Authority may proceed with the suspension of the license and shall notify the competent Authorities of the Republic, as foreseen by section 21 of the Law.

10. We remain at your disposal for any information or clarifications you may need.



Ioanna Fiakkou  
President

Disclosure to: Chief of the Cyprus Police

*\*in case of discrepancy between English and Greek versions, the Greek version supersedes*