



PROSPECTACY™

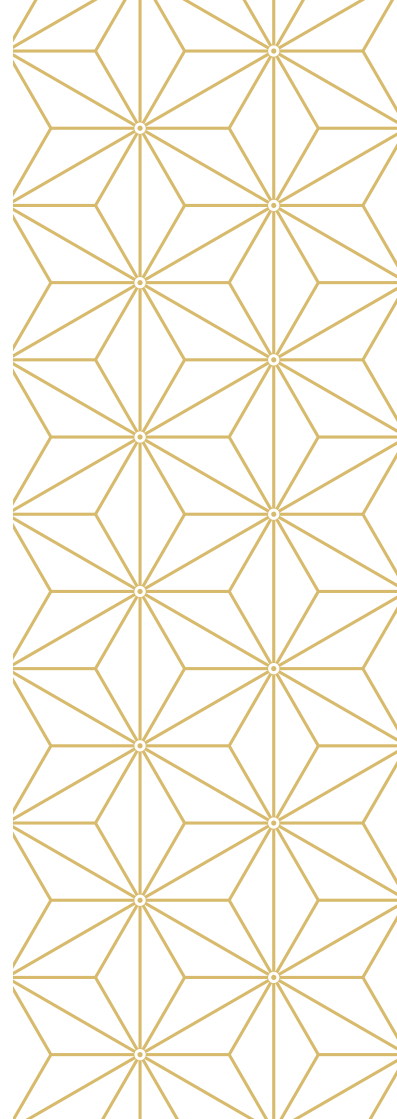


Cyprus Gaming License

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The Betting Law of 2019 (the “Law”) reaffirms the position of the National Betting Authority (“NBA”), as the national regulatory body on matters relating to betting services empowering the NBA to receive, review, examine and make the final decision of approval or withdrawal of the applications as well as to monitor the betting services that provided in the Republic of Cyprus.

This Law, which repeals and replaces the previous regime, introduces new products for the licenses by unifying the certain sectors of the industry (with the exception of state granted monopolies) and allows innovation to flourish, ultimate positioning Cyprus as an international gaming center.



A summary of the main provisions of the Law follows:

Types of Licenses and Scope

In accordance with the provisions of the Law, there are two classes of license that can be granted, namely, Class A- where the bets are conducted in a licensed premise excluding Class B betting services and horse racing betting - and Class B- for online betting. Class B licence is granted in respect of the provision of electronic betting services, excluding slot machines, online casino games and electronic betting on horseraces.

Please note that under Class A category an additional license may be granted to Class A bookmaker's authorized representative giving authorization for the provision to perform betting services on behalf of a Class A bookmaker within licensed premises excluding Class B betting services and horse racing betting.

Betting services can only be provided by licensed persons (physical or legal),



Application and Fees

In order to obtain a license, an application must be submitted to the NBA, with the payment of the designated fee, Pursuant to the provisions of section 30 of the Betting Law and the Betting (Payable Fees) Regulations of 2019 regarding the determination of the fees imposed for the issuance or renewal of a license for a Class A or B recipient or for a license for an authorized representative, the said fees are determined depending on the duration of the validity of the license, as follows:

TYPE	FEE IMPOSED FOR A PERIOD OF ONE (1) YEAR	FEE IMPOSED FOR A PERIOD OF TWO (2) YEARS
Application for granting a license to a Class A or B recipient	€30.000	€45.000
Application for granting a license to a Class A authorized representative	€2.000	€3.000

The corresponding fee is payable at the time of filing of the application for the issuance or renewal of a Class A or B license or for the license of an authorized representative.

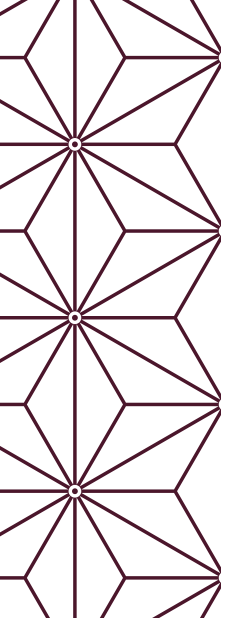
Please note that, as set out in section 31, the fee imposed shall be refunded with a twenty five percent (25%) reduction in case of refusal to grant the license.

The application for a Class A and B bookmaker's license, can be submitted only by a company limited by shares with an issued and fully paid up share capital of at least EUR 500,000, established either in the Republic of Cyprus or abroad; in the latter case the company must have a branch in the Republic of Cyprus with its main activity being the provision of betting services..

The application, must, among others, be accompanied by a bank guarantee of a sum of EUR 550,000 and which has an expiry date six (6) months after the expiry date of the license that has been granted.

Further, the application is submitted together with evidence and information that concern the obligation to set up a backup server in the Republic of Cyprus.

The Law and regulations issued pursuant thereto set out the information and supporting documents required to be submitted together with the application; these include information in respect of the UBOs and officers of the applicant company.



Location:

Bet Shops can be established only in the Republic of Cyprus.

Premises' License

The Class B bookmaker's license authorizes its holder to engage in electronic betting. Slot machines, on-line casino games and electronic horse-racing are exempted.

The Class A bookmaker's license authorizes its holder to perform betting services within licensed premises excluding Class B betting services and horse racing betting;

The holder of Class A license must also apply for receipt of a premises licence which will authorize the use of premises for the provision of Class A betting services, and sets out:

- A. The person for whose benefit the licence has been issued;
- B. The place of residence and work address of the person for whose benefit the licence is issued, in the case of a natural person, or the address of its registered office in the case of a legal person;
- C. The premises for which it is issued;
- D. Any conditions imposed by the Authority;
- E. The architectural plan of the premises; and
- F. Any other information the Authority may request.

Application for Premises' License

An application for a premises' license shall be submitted to the Authority by a Class A licensed bookmaker or authorized agent along with the payment of the designated fee and shall include the information and documents decided upon by the Authority and shall be accompanied by a written statement from the owner of the premises granting his consent to the premises being used to provide Class A betting services.

The premises' license holder or the person in charge must allow members of the Cyprus Police and/or representatives of the NBA and/or other persons suitably authorized by the Minister or authorized pursuant to any other law, to freely enter the licensed premises in order to check on the proper and strict application of the terms and conditions under which the license was granted.

Where the premises' license holder or the person in charge does not comply with the above without good cause, he shall be guilty of an offence, and if convicted,

shall be liable to imprisonment for a period not exceeding six (6) months or to a fine not exceeding five thousand euros (EUR 5.000), or both.

Player Protection

Pursuant to the Law, it is required for the website of the licensed entity/person to include certain information for the protection of the player, including but not limited to the terms and conditions of the services provided by the licensee, various links for websites approved by the NBA, information on how to complain and the procedure of the examination of a complaint from a player.

Website address

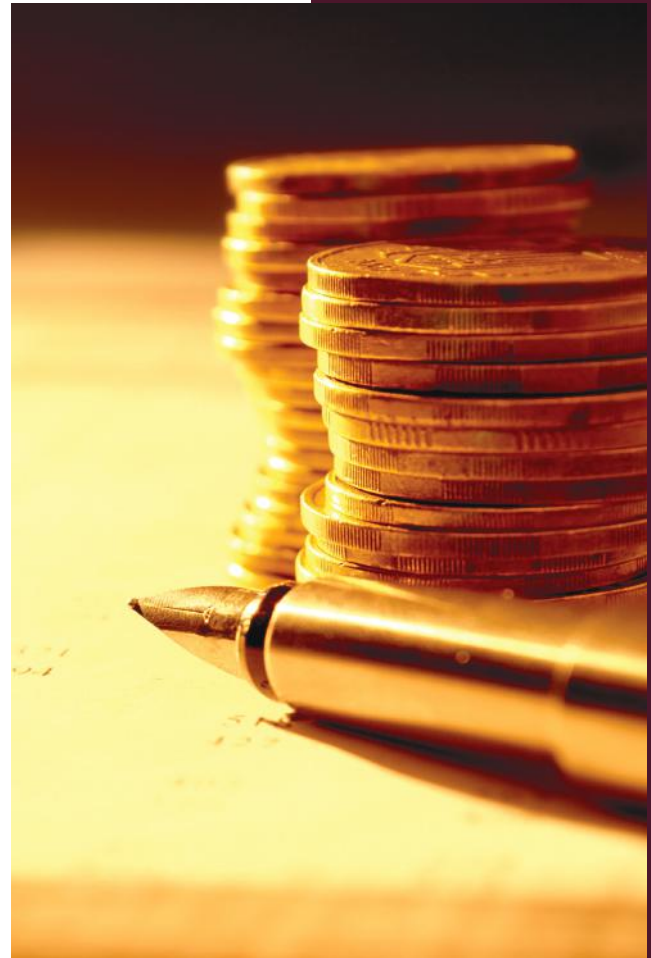
The Class B licensed bookmaker is only eligible to provide betting services through a specialised website, accessible only via internet addresses ending in “.com.cy”.

Annual Accounts

Every year, all Class A and Class B licensed bookmakers should submit to the NBA, no later than 30 June, annual accounts, which have been prepared pursuant to the International Accounting Standards and have been audited by a statutory auditor or statutory auditing firm as well as annual report for the previous year.

Taxation and Contributions

With regards to taxation the licensed entity/person must pay on an annual basis a betting tax to the Republic of Cyprus and a contribution to the NBA. A 10% betting tax on the net revenue is payable to the Republic of Cyprus and a 3% of the net revenue is payable as contribution to the NBA for each accounting period. Please note that one accounting period amounts to one calendar month.





P R O S P E C T A C Y TM

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