

An insight to the Greek Casino Industry

November 2018

In January 2018 Law 4512/2018 was issued, introducing a new legal framework for the licensing and operation of casino companies, with the aim to increase competitiveness in the Greek casino industry and attract foreign investments.

Preliminary remarks

- The Greek casino market is a regulated market, supervised and controlled by the Hellenic Gaming Commission (HGC) in Greece
- Greek casino market currently consists of 10 licensed land based casinos 9 of which were operating in 2018
- Gaming duty currently paid on existing casinos' Gross Gaming Revenues (GGR) in Greece ranges from 22%-35%, depending mostly on territoriality criteria

Key highlights of the new regime

New licenses

- Release of new casino licenses of definite term up to 30 years with an option for renewals with simplified procedure
- Distinction between simple type and "wide range" type licenses (i.e. casino along with hospitality, leisure, retail activities)
- Introduction of an Integrated Resort Casino (IRC) license in the Hellinikon area
- Introduction of 3 new licenses in Greek islands (Crete, Myconos and Santorini)
- Each license to be acquired through an international public tender held by HGC/MoF
- Existing casino companies wishing to enter into the new regime file an application to HGC
- The relevant process for Hellinikon will be treated as a priority
- Terrestrial exclusivity rights subject to certain conditions (e.g. fee paid for the license, estimated payback period of the investment etc.)
- Licenses are personal and non-transferable

Benefits of the new regime

- Friendlier gaming duty rates (8%-20% on GGR) compared to existing regime (22-35)
- Existing casinos entering the new regime would in any case pay a reduced by 4% duty rate
- Simplified approval process for new games
- Abolition of the casino companies' obligation to impose an admission charge of €6 per person
- Nevertheless, existing casinos pay the gaming duty that corresponds to the admission charge if decided to abolish it
- Casino credit line of €50,000 or above is allowed under certain criteria with repayment of credit within 45 days

Duties, fees & taxes

- Special annual license fee of 1% on GGR and municipality duty of 2% on GR are imposed. For wide range type licensed entities the 2% is imposed not only on GGR but also on the gross revenues of each activity (i.e. hospitality, leisure, etc.)
- The GGR due should be rendered to HGC on a daily basis

**Options for
existing casino
companies**

- *As from 1.1.2019 the corporate income tax rate is expected to be reduced under certain conditions from 29% that is currently applicable to 26%*
- *Existing casino companies operating under the previous regime have the option to apply for a new license under L. 4512/2018, so as to benefit from lower gaming tax rates, albeit losing the indefinite term of their license.*
- *Relocation option is given to all nine existing licensed casinos within the boundaries of their existing territoriality boundaries*
- *Law 4499/2017 establishes a precise framework for the relocation of Regency Casino Mont Parnes closer to Athens*

**Hellinikon
license**

- *IRC at Hellinikon will operate under the new regime (L. 4512/2018)*
- *In Aug-18 HGC issued a teaser with information on the Hellenikon IRC*
- *Currently, the process is at “Consultaion stage”, with interested parties communicating their views on the IRC to HGC*
- *HGC is expected to launch the invitation to the international tender*



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This information is intended only as a general update for interested persons and should not be used as a basis for decision making. For further details please contact PwC: 268, Kifissias Avenue 15232 Halandri tel. +30 210 6874400

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