

Industry Standards and Regulation in the Gaming Industry under Cyprus Law

The gaming industry in Cyprus, like in other jurisdictions, has evolved significantly, transitioning from traditional gaming to advanced digital platforms. With this growth it comes the necessity for strict regulatory frameworks, for ensuring security, fairness, and consumer protection. The legislation of the gambling sector in Cyprus is primarily governed by the **Betting Law 37(I)/2019** and is regulating gambling activities in Cyprus. It establishes licensing requirements for betting operators and outlines obligations related to financial operations, transparency, and anti-money laundering (AML).

The Importance of Industry Standards

Industry standards in Cyprus gaming sector are designed to ensure consistency, quality, and security across gaming platforms. These standards serve several critical purposes:

Consumer Protection

The Cyprus National Betting Authority (NBA) enforces consumer protection measures to prevent fraudulent gaming practices. Regulations mandate that all licensed gaming operators provide fair and

transparent gaming environments, particularly in online gambling, where risks of fraud and unfair gameplay are higher. NBA is also responsible to issue the following licenses for land-based and online betting:

- the provision of carrying out betting services within licensed premises excluding online betting services and horse racing betting (land-based betting);
- The provision of electronic betting services excluding slot machines, on-line casino games of chance provided with a direct link and electronic horse racing (online betting).

Quality Assurance

Gaming operators in Cyprus must adhere to strict quality benchmarks. This includes compliance with technical standards to ensure the stability and performance of gaming systems, which is essential for consumer trust and industry credibility.

Accessibility

Under European Union (EU) regulations, which Cyprus follows, gaming platforms are encouraged to incorporate accessibility

features for players with disabilities. This ensures inclusivity in the gaming experience. On the 2nd of May 2024 Cyprus announced the introduction of the Accessibility of Products and Services Law of 2024, upon the ratification of the EU Accessibility Act and the EU 2019/882 directive on the accessibility requirements for products and services.

Key Industry Standards in Gaming

Several key standards have been established to address various aspects of the gaming industry:

Game Rating Systems

The Pan-European Game Information age rating system (PEGI) is a voluntary, self-regulatory system. It was introduced following consultations with the industry and civil society in order to replace national age rating systems with a single European system.

Most European Union (EU) Member States use PEGI, and some also have specific legislation. While Cyprus does not have its own game rating authority, it follows the Pan European Game Information (PEGI) system. PEGI is an age rating system for video games which is used throughout the European Union, for age rating. This provides age and content ratings, ensuring that games are appropriately classified based on their content.

Data Protection (GDPR Compliance)

Gaming operators in Cyprus must comply with the General Data Protection Regulation (GDPR), which governs the collection, storage, and processing of personal data. The Data Protection Law of 2018 (Law 125(I)/2018) enforces GDPR requirements in

Cyprus, ensuring that players personal and financial information is safeguarded.

The Role of Regulation

The Cyprus gaming industry is subject to a robust regulatory framework aimed at maintaining market integrity and protecting players. Regulatory authorities oversee several key areas:

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Player Protection

Regulations impose strict measures to protect vulnerable groups, particularly minors. These measures include:

- No, entrance to a licensed premise is not allowed to minors that are either unaccompanied or accompanied by an adult.
- Mandatory Age Verification; Players must verify their age before accessing gambling platforms.

Administrative fines

The NBA may impose an administrative fine In case it is found that a person has performed an act, or has omitted to do so, either in breach

of a condition in a Class A or B bookmaker's or authorised agent's licence, or in breach of the present L.37(I)/2019 69 Law, or in breach of the regulations, or in breach of the Directives issued.

Data Security

With the rise of online gaming, the security of players and financial information is very significant. The primary legislation governing Cybersecurity in Cyprus is the Security of Networks and Information Systems Law of 2020 (Law 89(I)/2020) (referred to as the "NIS Law"), which enforces the NIS Directive, Directive (EU) 2016/1148. The Digital Security Authority (DSA) oversees the enforcement of this law. The DSA is tasked with developing a national strategy for the security of networks, information systems, and cyber security. This strategy will outline strategic goals and relevant policy and regulatory measures to ensure a high level of security for networks and information systems. Companies designated as operators of essential services or as Competent Authorities fall under the regulation of this law. Gaming operators must implement strict security measures, such as encryption and secure payment processing, to protect player's data.

Conclusion

A well-regulated gaming industry is essential for ensuring fairness, consumer protection, and market integrity in Cyprus. Implementing industry standards and regulatory supervision fosters sustainable growth while safeguarding the interest of players. As the gaming sector evolves, Cyprus adapts its regulatory framework in order to address adapt into new technologies and emerging risks, ensuring a safe and fair gaming environment for all participants.

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