

Consultation Announcement (Press Release)

In accordance with the provisions of the Regulation of Issues of Privatisations (**Privatisation Law**) and by virtue of Council of Ministers Decree, 170/2015, the Council of Ministers defined that all operations of the National Lottery as well as anything belonging to the Republic of Cyprus (**State**) which is used exclusively for the conduct of the operations of the National Lottery, including the Trademarks and logos of this Lottery be treated, as assets subject to privatisation and that the method, extend and procedure of the privatisation of these assets will be specified at a later stage.

The Privatisations Unit (**PU**), within the terms of its mandate, appointed a KPMG Limited led advisory team including QLot Consulting AB, J&E Davy Holdings Limited, Vlaeminck & Partners BV BVBA - PharumLegal and Angelides, Ioannides Leonidou LLC - LLPO Law Firm (collectively the **Advisors**) to analyse the lottery market and identify, analyse and present the private sector participation options (including the continuance of the operations of the National Lottery by the State) and respective structures regarding the National Lottery, assessing and adequately developing Cyprus existing regulatory framework pertaining to the lottery activities.

The Advisors so far analysed and assessed the available private sector participation options and the respective possible structures regarding the future operations of the National Lottery. Amongst the options, which the Advisors were specifically instructed to consider and which was also included in their analysis and assessment, was the continuation of the operations of the National Lottery by the State, under the same conditions that these operations are currently performed. The Advisors findings were submitted to the Interministerial Committee for Privatisations and the Council of Ministers and on the 2 November 2016, the Council of Ministers approved the Advisors recommended option, i.e. the licensing of the National Lottery operations to a private investor or a consortium of investors for a period of 15 years, as the privatisation method.

The implementation of the above private sector participation option in the National Lottery operations will require, among other actions, the setting up of a new legislative framework. On assessing the various applicable considerations, a new legislative framework essentially means the drafting of a new legislation thereby repealing and replacing the current Lotteries Law Ch. 74, as this was amended.

The State and the Advisors, are hereby, commencing a stakeholders consultation, aiming to inform interested parties and receive their views and recommendations on the envisaged new legislation. These views and recommendations will then be taken into consideration on the drafting of the said draft legislation.

Parties that are interested for further information on the consultation process may communicate with the PU and more specifically with Mr. Constantinos Christodoulou at +35722601276, cchristodoulou@privatisations.gov.cy, Mr. Michalis Iakovides at +35722601186, miacovides@privatisations.gov.cy, or Ms. Maria Andreopoulou at +35722601283, mandreopoulou@privatisations.gov.cy, or with the Advisors and more specifically with Mr. Christophoros Anayiotos at +35722209292, christophoros.anayiotos@kpmg.com.cy and Mr. Christos Ioannides at +35722452600, coi@llpolawfirm.com