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State Aid: Commission prohibits aid to Greek casinos; finds that privatisation of Casino Mont Parnès involved no aid

The European Commission has concluded two investigations under EU state aid rules concerning Greek casinos. In one decision, the Commission found that the lower taxation of admissions in state-owned casinos is unlawful aid because it creates a fiscal discrimination in favour of public casinos without an objective justification. In the other decision, the Commission concluded that the terms of the sale of the Greek State's 49% stake in Casino Mont Parnès were market conform and therefore free of state aid.

The Commission today concluded two state aid investigations concerning Greek casinos that were opened in July 2010.

Different taxation of casino entrance fees

In 2009 the Commission received a complaint alleging that the taxation of admissions in casinos in Greece is discriminatory and entails state aid in favour of the public casinos (C16/2010). Under Greek law admission tickets are taxed a uniform 80%, but the price of tickets, which is regulated, is €6 for state-owned casinos whereas private ones are required to charge €15. This means that private casinos must pay a €12 admission tax per person (80% x 15) to the state, while public casinos (and also a single private casino exceptionally assimilated to the public ones)[1] only pay €4.8 (80% x 6).

Following an in-depth investigation, the Commission has concluded that the different fiscal treatment provides an advantage available only to the State-owned casinos or assimilated and causes the State to forgo revenues which it would otherwise have collected. The measure distorts competition and affects trade between Member States as operators in this sector are often international hotel groups, whose decisions to invest or divest can be affected by the selective measure. The Commission found that the declared objective of discouraging gambling cannot be reconciled with the fact that the lower-priced casinos include those closest to the major centres of population in Greece, or with the explicit possibility to admit customers without payment.

[1] The beneficiary casinos are the public casinos of Mont Parnès, Corfu, and Rhodes and the private casino of Thessaloniki, which under the relevant fiscal national provisions is assimilated to a public casino. However the Commission observes that the casino in Rhodes is no longer a beneficiary (since1999).

The Commission has, therefore, concluded that the fiscal discrimination entails unlawful incompatible aid and has ordered its recovery by Greece from the State-owned casinos since 1999[2]. In the absence of complete information regarding the aid amounts, the Commission has provided Greece with guidance on the method of calculation of the recovery amount.

The Commission also requested Greece to cancel all outstanding fiscal advantage deriving from the measure. It notes that Greece is considering changing the pricing regime in order to eliminate the discriminations between casinos.

Sale by the Greek State of its 49% stake in Casino Mont Parnès

The Commission has also concluded that the sale by the government of its 49% stake in the Mont Parnès casino did not entail State aid. The Commission had received a complaint from a bidder, which was excluded from the tender process. But the Commission found that the sale took place in an open and unconditional bidding procedure and Greece is assumed to have obtained a market conform price.

The non-confidential version of the two decisions will be made available under the case numbers C15/2010 (SA. 16408) and C16/2010 (SA. 28973) in the State Aid Register on the DG Competition website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the State Aid Weekly e-News.

[2] As provided under Article 15 of the Regulation No 659/1999 on state aid procedures, the powers of the Commission to recover aid are subject to a limitation period of ten years. (Council Regulation (EC) No. 659/1999 of 22 March 1999 - OJ L 83, 27.3.1999, p. 1).