The New Malta’s Gaming Regulatory Framework

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Partner, WH Partners
Rationale

- Holistic, evolving, streamlined regime
- Raising Malta’s regulatory profile
- Player first regulatory approach
- Long-term regulatory innovation & relevance
- Strengthened public interest dimension
New regime fundamentals

- Licensing of specific games and sectors
- Regulator’s functions and powers
- Sectoral (vertical) rules
- Over-prescriptive and rigid approach
- Regulating and overseeing the full spectrum of games and gaming activities
- Regulatory regimes’ objectives; Regulator’s principles for actions; added checks and balances
- Uniform / topical (horizontal) rules
- Risk-based, objective-based approach
Strengthening the public interest dimension

Regulatory objectives
- Safeguarding public interest, with a focus on protecting minors and vulnerable persons
- Ensuring gaming is free from crime
- Ensuring gaming is fair and transparent
- Enhancing Malta’s expertise and competence

Principles of regulatory actions
- Objective-driven
- Result-oriented
- Fair, non-discriminatory
- Risk-based, proportionate
- Transparent, consistent
- Efficient
- Subject to judicial review
### From vertical to horizontal view

<table>
<thead>
<tr>
<th>Remote</th>
<th>Casinos</th>
<th>Bingo halls</th>
<th>National lottery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensing</td>
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<td>Licensing</td>
<td>Concession and Licence</td>
</tr>
<tr>
<td>Player KYC</td>
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<td>Compliance</td>
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<tr>
<td>Compliance</td>
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<td>Player protection</td>
<td>Player protection</td>
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<td>Player funds</td>
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<td>Sector-specific</td>
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</tbody>
</table>

### Authorisations
- Due Diligence
- Licence application
- Licence qualifications
- Licence term
- Licence renewal
- Specifics for gaming segments

### Compliance & enforcement
- Compliance
- Licence suspension
- Licence cancellation
- Inspectors
- Duties of licensees
- Offences
- Segment-specific rules

### Player protection
- Protection of minors
- Safeguard player funds
- Responsible gaming obligations

### Commercial Communications
- No appeal to underage
- No statement that gambling will solve financial problems
- Restrictions and limitations on channels, places and timing
New unified, top-down approach

The Gaming Act (Parliament)

Regulations (Minister)

Authorisations
Fees and Taxes
Compliance and Enforcement
Player Protection
Advertising
Gaming Premises

MGA regulatory intervention instruments

Advisory
Binding - general
Binding - specific

Policy statement
Public Consultation
Guidelines
Directives
Codes of Practice
Procedures, Tech Standards
Authorisation
Notices
Decisions
Orders
Licensing
### Types of licences, authorisations

#### Gaming licence

(10 years, corporate licence is available)

<table>
<thead>
<tr>
<th>B2C</th>
<th>B2B</th>
</tr>
</thead>
</table>
| **Gaming Service Licence**  
A business to consumer gaming service in any / all verticals. | **Critical Gaming Supply Licence**  
A business to business operation that provides a critical gaming supply (games, backend) |

**Material Supply Certificate**  
For Material Services.

**Recognition Notice**  
For businesses authorised by another member state in the EU/EEA that wish to offer their services in or from Malta.
Approvals / notifications

Prior approval

Channel

Land based
Online

Prior approval

New segment / vertical, Directors

Notification

Change of shareholding, new games
Key functions

• Chief Executive Officer
• Responsible for gaming operations
• Responsible for legal affairs
• Responsible for compliance
• Responsible for finance
• Responsible for marketing and advertising
• Responsible for player support
• Responsible for responsible gaming
• Responsible for technology
• Responsible for prevention of money laundering
• Responsible for risk management
• Responsible for data protection and privacy
• Responsible for network and information security
• Responsible for internal audit
Resolving conflicts

- **Compliance-based roles** and roles entrusted with the *growth of the business* are incompatible.

- The person responsible for the *prevention of money laundering and financing of terrorism* is conflicted with any role that prejudices the person’s effectiveness and independence.

- **Data Protection Officer** and any other role that manages personal data or affects the person’s effectiveness in such role.

- The person responsible for *internal audit* and any other role.
Player protection, Responsible gaming
More information

- More information to be provided to the player
- Easier and faster to find information
- Additional obligations included within the general Terms & Conditions; approval is required for player-adverse changes
Player funds

- Standard measures retained (e.g., ring-fencing of player funds)
- Additional protection measures
  - Unreasonable withdrawal restrictions may not be imposed
  - the establishment of a maximum percentage of allowed funds in transit
Responsible gaming

- Standard measures retained
  - No credit
  - No minors
  - Self-exclusion (temporary or permanent)
  - Play limits
- Adjustments
  - Limits:
    - Deposit / loss limits
    - Wagering limits
    - Time / Session limits
Responsible gaming

- Provisions for multiple brands/accounts
- A Reality Check mechanism
- Display counters which provide certain information which should be made readily available to players
- Additional Problem Gambling detection tools
A B2C licensee’s website should have all the relevant responsible gaming information.

A copy of the player’s entire gambling history has to be recorded and made readily available.
Commercial COMMUNICATIONS
Obligations

• Ensure commercial communications are socially responsible and comply with responsible gaming principles
• Ensure that the licensee does not engage in unsolicited commercial communications
Measures

- Player has the right to self-exclude from commercial communications
- Licensees should not attempt to induce players
- Commercial Communication information must be clearly displayed
Measures

• Restricting commercial communications in public places
• Responsible gaming measures relating to commercial communications
• Providing protection to minors and vulnerable people
• Requirements a licensee must follow when dealing with a sponsorship agreement
<table>
<thead>
<tr>
<th>Licence</th>
<th>Type</th>
<th>Gaming Tax</th>
<th>Administrative Fees</th>
<th>Annual Licence Fees</th>
<th>Compliance Contribution Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2B</td>
<td>Supply and management of material elements of a game</td>
<td>No gaming tax applies</td>
<td>For a B2B licence: Licence application fee (one-time): €5,000 Licence renewal fee (one-time): €5,000</td>
<td>€25,000 - €35,000, depending on annual revenue</td>
<td>-</td>
</tr>
<tr>
<td>B2B</td>
<td>Supply and management of software</td>
<td>No gaming tax applies</td>
<td>-</td>
<td>€3,000 - €5,000, depending on annual revenue</td>
<td>-</td>
</tr>
<tr>
<td>B2B</td>
<td>Supply and management of the control system</td>
<td>No gaming tax applies</td>
<td>-</td>
<td>€3,000 - €5,000, depending on annual revenue</td>
<td>-</td>
</tr>
<tr>
<td>B2C</td>
<td>Type 1 - Casino-type games, lotteries, scratch cards</td>
<td>5% of gaming revenue of players physically present in Malta at the time of the provision of the service</td>
<td>For a B2C licence: Licence application fee (one-time): €5,000 Licence renewal fee (one-time): €5,000</td>
<td>Fixed annual licence fee - €25,000 payable 12 months in advance - in addition to this annual fee, the variable licence fee depending on the types of games offered must also be paid.</td>
<td>Depending on type of games provided, as outlined below:</td>
</tr>
<tr>
<td>B2C</td>
<td>Type 2 - pre-live and live sports betting, fixed odds betting</td>
<td>5% of gaming revenue of players physically present in Malta at the time of the provision of the service</td>
<td>-</td>
<td>-</td>
<td>Compliance Contribution fee for licence period: €15,000 - €375,000, calculated as a percentage of the gaming revenue generated during the licence period</td>
</tr>
<tr>
<td>B2C</td>
<td>Type 3 - Player versus player games, poker, bingo, betting exchange</td>
<td>5% of gaming revenue of players physically present in Malta at the time of the provision of the service</td>
<td>-</td>
<td>-</td>
<td>Compliance Contribution fee for licence period: €25,000 - €600,000, calculated as a percentage of the gaming revenue generated during the licence period</td>
</tr>
<tr>
<td>B2C</td>
<td>Type 4 - Skill games</td>
<td>5% of gaming revenue of players physically present in Malta at the time of the provision of the service</td>
<td>-</td>
<td>-</td>
<td>Compliance Contribution fee for licence period: €5,000 - €500,000, calculated as a percentage of the gaming revenue generated during the licence period</td>
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</tbody>
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Anti-Money Laundering
Gaming regulations <-> AML

• Providers of gaming services are subject persons
• The MGA has recently set up an Anti-Money Laundering unit within its operations and regulatory structures.
• The MGA has also drawn up an AML/CFT supervisory plan.
• The Financial Intelligence Analysis Unit (FIAU) has also published industry specific implementing procedures pertaining to the remote gaming sector.
General Data Protection
REGULATIONS
Compliance with Gaming Regulatory Regime does not substitute compliance with GDPR

Guidelines issued by the MGA
Thank you

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