

## Directive 1 of 2016

# Return to Player Directive 2016

In exercise of the powers conferred by article 76A of the *Lotteries and Other Games Act* (Cap. 438 of the Laws of Malta) and regulation 46A(2) of the *Remote Gaming Regulations* (S.L. 438.04), the Malta Gaming Authority is hereby issuing the following directive in order to regulate the manner in which the average minimum return to player for games using repetitively generated random selection for determining winning combinations to players shall be reported, certified, complied with and displayed by licensees in terms of regulation 46A of the Remote Gaming Regulations and sub-items 3(b) and 6(g) of the Third Schedule to the Remote Gaming Regulations.

### Part I – Preliminary

1. The short title of this Directive is Return to Player Directive 2016.
2. This Directive shall come into force on the 4th of May 2016.

### Part II – Definitions

3. In this Directive, unless the context otherwise requires:
  - “**Act**” means the Lotteries and Other Games Act (Cap. 438 of the Laws of Malta);
  - “**Applicable Games**” means the games referred to in section 5 of this Directive;
  - “**Authority**” means the Malta Gaming Authority established under article 9 of the Act;
  - “**Directive**” means the Return to Player Directive 2016;
  - “**Testing Lab**” means an independent testing lab accredited within a Member State of the European Union or a Member State of the European Economic Area or any other jurisdiction or territory approved by the Authority or recognised by the Authority as having the required accreditation to issue a certificate, certifying compliance of the applicable games with this Directive, the Regulations, and any other standards which may be adopted by the Authority from time to time;
  - “**Regulations**” means the Remote Gaming Regulations (S.L. 438.04);
4. All other terms used in this Directive shall have the same meaning that is attributed to them in the Regulations.

### Part III – Applicability

5. This Directive applies to all games using repetitively generated random selection for determining winning combinations to players.

Provided that the games referred to in this section shall solely mean games which require a Class 1 remote gaming licence when offered to players, but shall exclude:

- a. Lotteries, the winning combination of which is periodically drawn by the licensee, and is not the result of a player’s actions; and

- b. Any other game as may be determined by the Authority.

Provided further that in case of doubt, the Authority shall have discretion in deciding whether a particular game falls within the meaning of this section, after taking into consideration the nature of the game and the risks to the player.

#### **Part IV – Interpretation**

6. The Authority may, in determining whether a licensee is compliant with the average percentage returned to the players as prizes as set out in regulation 46A of the Regulations:
  - a. in the case where a licensee offers a number of applicable games which can be classified into categories by virtue of their similarity or use of the same random number or symbol generator, take an average across a category of such applicable games offered by the licensee, provided that the classification of a number of games into a category for the purposes of this section shall be subject to the Authority's approval; and
  - b. determine the particular period of time or a particular number of actual or simulated plays through which to calculate the average percentage returned to the players as prizes, provided that unless specified otherwise by the Authority, a period of one calendar year shall be used to determine the average percentage returned to the players as prizes.
7. A licensee shall ensure that its systems monitor the average percentage returned to the players as prizes for applicable games, provided that for Class 1 licensees hosted and managed by a Class 4 licensee, this obligation may be fulfilled by the Class 4 licensee.

#### **Part V – Certification**

8. The Authority may require a licensee or an applicant for a licence to submit a certificate issued by a testing lab certifying compliance with regulation 46A of the Regulations according to any standards adopted, issued or approved by the Authority.

Provided that the Authority may, for the purposes of the preceding paragraph, accept certificates issued according to any other standards adopted, issued or approved by a Member State of the European Union or a Member State of the European Economic Area or any other jurisdiction or territory approved by the Authority.

Provided further that certification for applicable games submitted by a Class 4 licensee shall not be required to be re-submitted by any corresponding licensee being hosted and managed by the same Class 4 licensee for the same applicable games.

Provided further that the Authority may exempt an applicable game from the requirement to certify solely when the Authority is reasonably satisfied from the submissions made by the licensee that, because of the nature of the game, such a certificate is unattainable.

## Part VI – Powers

9. The Authority may, for the purposes of ensuring compliance with the Regulations and this Directive:
  - i) perform any audit, check, inspection or monitoring necessary on the licensee; and/or
  - ii) request a report from the licensee of the average percentage returned to the players as prizes over a particular period of time and/or a particular number of plays as may be specified by the Authority; and/or
  - iii) request any other information and/or conduct any test as may be required.
  
10. The Authority shall be empowered to request any licensee to withdraw the offering of any applicable game to any player or any other licensee if such a game is not in compliance with regulation 46A of the Regulations and sub-items 3(b) and 6(g) of the Third Schedule to the Regulations.
  
11. If a Licensee fails to comply with any provision of this Directive, the Licensee shall be guilty of an offence under the Act and/or the Regulations.