

Suspension of Maltese Registered Online Gaming Licences in Relation to Italian Prosecution and Arrest Warrants

Further to media reports and actions taken by the Malta Gaming Authority (MGA) in relation to two Maltese registered online gaming companies based in Malta, it is pertinent to clarify a number of points which are important from a general public interest standpoint.

The two Maltese registered gaming companies who are the subject of the suspension and investigation are registered in Malta and have been operating in and from Malta since 2011 (**Uniq Group Ltd**) and since 2012 (**Betsolutions4U Ltd**). At the time of application (according to the MGA's records), in line with standard procedures, all directors, shareholders, senior managers and ultimate beneficiary owners of these companies have been screened through MGA's systems and protocols, using probity tools and national and international contacts and organisations. This forms part of the probity checks conducted at pre-licensing stage and before the actual business model of the gaming operation in question is screened and other control systems are checked and approved. The licensing process also includes independent audits, such as system and compliance audits which are carried out by approved external auditors.

The companies in question were registered with offices in Malta. They were licensed under the Remote Gaming Regulations to provide online betting and casino type games in and from Malta. According to their business model the online offer/services were distributed to players and facilitated through a number of online and land-based channels.

It is pertinent to point out that an MGA licence does not relieve the licensee from fulfilling their obligations under the licence irrespective of where the service is provided, or from any other regulatory requirements which may be applicable in the jurisdiction where the service is actually provided [such as the holding of a licence to operate betting shops]. In this particular case, it was the Italian authorities who took action and the Maltese authorities cooperated in full on the basis of the alleged money laundering.

Furthermore, the Maltese authorities and the MGA are taking these money laundering allegations very seriously and are taking all necessary measures to protect the integrity of the Maltese jurisdiction and its gaming regulatory regime.

REGULATORY ETHOS AND RISK MANAGEMENT

Some gaming activities, or rather, business models, may have a higher risk profile than others as much as certain individuals involved in an operation could carry higher risks and tarnish an otherwise legitimate operation. As an experienced online gaming regulator, it is our duty to minimise those risks as much as possible and put in place a detailed risk management policy to manage risk in every facet of the MGA's activities. But as any regulator can vouch, it is unreasonable to expect that the legislation, mechanisms, protocols and control tools at hand provide for a 100% watertight controlled environment at any given time even though that remains our prime objective.

Both the legislation and our administrative systems and controls are constantly under review precisely in order to sharpen our processes to effectively mitigate new and emerging risks hence strengthening the hand of the regulator and enhance the control environment. This also involves investment in sophisticated technologies and business intelligence tools to enhance monitoring and

compliance capabilities. Our focus remains on the enhancement of player protection and integrity of both games and the jurisdiction.

Reputational risk is critical for the long term sustainability of the gaming sector in Malta. This is ingrained in everything that we do. In delivering its functions and responsibilities, the MGA ensures that assessment of risk is led by evidence and best regulatory practice. Where there is no evidence, one takes a cautious approach. The MGA is responsible at law to ensure that gaming, in all its forms and through all channels, is fair and remains free from crime and fraud. In this respect, the MGA took immediate action to suspend the operations concerned.

While the MGA considers these allegations as unique to these operators, the MGA will strongly enforce its rules and regulations to sustain its reputation and will aggressively bring in further measures to combat this type of licence violation.

The MGA's player support service line is open to assist any players who are concerned about the status of their accounts. Player protection is our primary concern at the MGA and we will take all steps to assure that customers of Uniq Group Ltd and Betsolutions4U Ltd receive all their funds.

For more information please visit the MGA's website at www.mga.org.mt.

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