

**Consultation Feedback | Suspicious  
Betting Reporting Requirements & Other  
Sports Integrity Matters**

**Sports Integrity Unit**  
Malta Gaming Authority

**October 2020**

## Contents

1	Context.....	5
2	Consultation Feedback.....	6
2.1	General Feedback .....	6
2.2	Customer Disputes relating to Suspicious Betting.....	6
2.2.1	Amendments (Revision) to the Consultation Paper .....	8
2.3	Policy.....	9
2.3.1	Amendments (Revision) to the Consultation Paper .....	10
2.4	Industry Performance Return (IPR).....	10
2.4.1	Amendments (Revision) to the Consultation Paper .....	12
2.5	Participants Betting on their Own Sport.....	13
2.5.1	Amendments (Revision) to the Consultation Paper .....	14
2.6	Methods of Reporting.....	15
2.6.1	Amendments (Revision) to the Consultation Paper .....	16
2.7	Benefits of Operator Engagement with a Global Monitoring Body.....	17
2.7.1	Amendments (Revision) to the Consultation Paper .....	18
2.8	Defining Suspicious and/or Irregular Activity .....	18
2.8.1	Amendments (Revision) to the Consultation Paper .....	18
2.9	Other Feedback.....	18
3	Concluding remarks .....	20
Annex 1	Consultation Paper .....	21
1	Context.....	5
1.1	Introduction .....	5
1.2	MGA’s Consultation Objective .....	5
1.3	Pre-Consultation Activities.....	5
2	Consultation process.....	7
2.1	Period .....	7
2.2	Queries.....	7
2.3	Post Consultation .....	7

3	Sports Integrity.....	8
3.1	Definition of Sport & Sporting Event .....	8
3.2	Suspicious Betting Reporting Requirements .....	8
3.3	Designated Point of Contact .....	8
3.4	Defining Suspicious and/or Irregular Activity .....	8
3.5	Reporting Instrument.....	9
3.5.1	Methods of Reporting.....	9
3.6	Development & Assessment .....	10
3.7	Request for Information .....	10
3.7.1	Data Collection Method .....	12
3.8	Sharing of Information.....	12
3.9	Industry Performance Return .....	12
3.10	Policy.....	13
3.11	Customer Disputes relating to Suspicious Betting.....	13
3.12	The <i>Prevention of Corruption in Sport Act</i> , Chapter 593 of the Laws of Malta .....	14
3.12.1	What is considered to be match-fixing in Malta? .....	14
3.12.2	What are the types of liability that apply in Malta? .....	14
3.12.3	Is there a difference between professional and amateur sport? .....	14
3.13	Participants Betting on their Own Sport.....	15
3.14	Misuse of Inside Information .....	15
3.15	Benefits of Operator Engagement with a Global Monitoring Body.....	16
4	Concluding Remarks.....	17

## Definitions

Unless otherwise stated, terms in this document shall have the same meaning as defined in the Gaming Definitions Regulations (S.L. 583.04 of the Laws of Malta):

<b>Authority</b>	The Malta Gaming Authority as established by the Gaming Act (Chapter 583 of the Laws of Malta).
<b>Critical Gaming Supply Licence</b>	A business-to-business (B2B) licence to provide or carry out a critical gaming supply.
<b>Gaming</b>	An activity consisting of participating in a game, offering a gaming service or making a gaming supply.
<b>Gaming Service Licence</b>	A business-to-consumer licence (B2C) to offer or carry out a gaming service.
<b>Licensee</b>	An operator that has been licensed to carry out a gaming service or a critical gaming supply by the Malta Gaming Authority.
<b>Operator</b>	A person who carries out a gaming service.
<b>Player</b>	An end customer who participates or takes preparatory steps to participate in a game.
<b>Stake</b>	Money or money's worth that is or must be committed in order for a player to participate in a game, whether or not it is risked directly on a result of the game.

## Acronyms

<b>ADR</b>	Alternative Dispute Resolution
<b>B2B</b>	Business-to-Business
<b>B2C</b>	Business-to-Consumer
<b>eCOGRA</b>	e-Commerce and Online Gaming Regulation and Assurance
<b>IBAS</b>	Independent Betting Adjudication Service
<b>IBIA</b>	International Betting Integrity Association
<b>IPR</b>	Industry Performance Return
<b>MGA</b>	Malta Gaming Authority
<b>SBRM</b>	Suspicious Betting Reporting Mechanism
<b>SGB</b>	Sport Governing Body
<b>SIU</b>	Sports Integrity Unit

## 1 Context

During May 2020, the MGA published a consultation paper in order to gather feedback on the proposed bringing into force of the *Suspicious Betting Reporting Requirements*<sup>1</sup> together with other measures which the Authority intends to implement in support of its commitment to safeguard the integrity of sports and sports betting.

The consultation was open for a period of 7 weeks (ending on 15 July 2020), wherein industry participants and all other interested parties were invited to send their responses to the consultation paper and any other related feedback on [sportsintegrity.mga@mga.org.mt](mailto:sportsintegrity.mga@mga.org.mt) by the date stipulated above. By the end of this consultation period, the MGA received a total of 10 replies from betting operators, representative institutes, and international bodies.

The aim of this publication is to provide a summary of the responses received, together with the respective MGA feedback to such. Consequentially, in conjunction with this publication, the SIU will also be publishing an updated version of the Consultation Paper on Suspicious Betting Reporting Requirements & Other Sports Integrity Matters, representative of the relevant changes which emanated from the feedback received. The reason for the additional publication is so that the updated version will now act as a Guidance Paper to our licensees on all matters relating to sports betting integrity.

---

<sup>1</sup> The *Suspicious Betting Reporting Requirements*, as noted in section 43 of the *Gaming Authorisations and Compliance Directive (Directive 3 of 2018)* states:

43. (1) B2C licensees which offer betting on sporting events shall also inform the Authority, in such circumstances and in such manner as the Authority may in any other instrument prescribe, of any instance of suspicious betting.

43. (2) B2C licensees which offer betting on sporting events shall also inform the Authority of any circumstances which may lead to one or more bets being voided owing to suspicion of manipulation of the event to which they relate, and shall provide any supporting documentation which the Authority may, on a case-by-case basis, reasonably require.

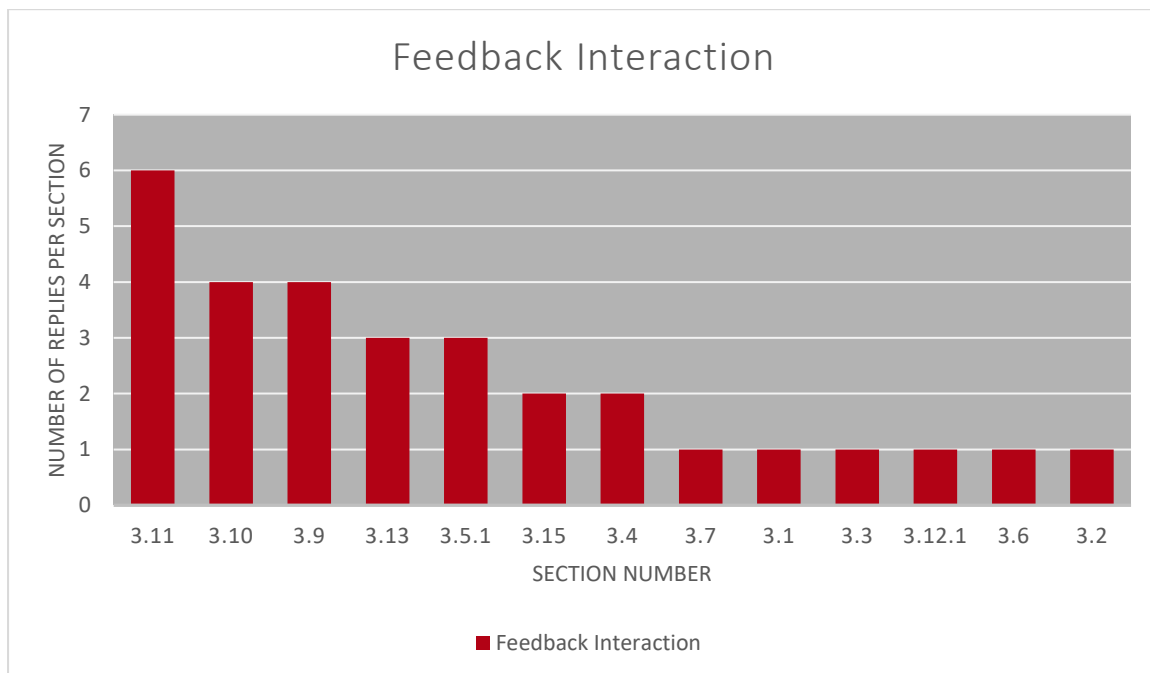
43. (3) This article shall not come into force on 1st August 2018, but on such date as the Authority may, by binding instrument, establish.

## 2 Consultation Feedback

### 2.1 General Feedback

The MGA’s SIU is adamant in keeping its stakeholders abreast with any updates in relation to its integrity endeavors. The consultation paper published in May 2020 bears testament to that, and the majority of respondents commended this approach by the MGA. This was especially the case due to the fact that the MGA published the *Consultation Paper on Suspicious Betting Reporting Requirements & Other Sports Integrity Matters* to gather feedback from not just its licensees, but all stakeholders who have the integrity of sports and sports betting at heart. Furthermore, the majority of the respondents started off their feedback by also lauding the MGA’s initiative in creating an SIU solely dedicated to safeguarding the integrity of sport and sports betting, together with MGA’s general efforts in this regard.

With reference to the subjects highlighted by the MGA in the consultation paper, the general feedback from the respondents was highly positive. **None of the ten respondents who provided feedback showed any objection to the proposed bringing into force of the *Suspicious Betting Reporting Requirements* directive.** However, various points of concern and respective recommendations were raised by the respondents. Hence, there were various replies to various sections across the consultation document, as highlighted in the graph below:



### 2.2 Customer Disputes relating to Suspicious Betting

The subject on *Customer Disputes relating to Suspicious Betting* was highlighted within the consultation paper in section [3.11](#). In terms of this section, respondents highly appreciated the opportunity given to them, to explain and highlight the best procedure forward in order to handle customer disputes especially in terms of withholding bets and winnings due to potential ongoing investigations. The following table provides a summary of the feedback received by respondents regarding this section:

	<b>Customer Disputes relating to Suspicious Betting</b>
<b>Respondent 1</b>	Expressed how the new reporting requirements will be a useful tool to ensure both operators and the MGA speak with one voice, especially in terms of pending investigations, which tend to result in related customer complaints. Respondent spoke about the challenges faced, especially when clients become aggressive following delays in settling bets.
<b>Respondent 2</b>	<p>Expressed the opinion that when sanctions are not possible, the withholding of payments and winnings whilst investigations are ongoing can act as a deterrent and is a useful disruption exercise.</p> <p>Respondent noted how their entity adopts the approach of handling customer disputes as recommended by IBIA in consultation with SGB, operators and ADR providers:</p> <ul style="list-style-type: none"> <li>- When a complaint is received, account holders are informed that the bets placed are under review.</li> <li>- Where complaints become disputes, they are escalated to an ADR provider. The operator explains to the ADR that it is under investigation due to integrity concerns. Such bets remain unsettled pending the outcome of the investigation.</li> <li>- ADR provider would then respond to the complaint explaining the above, without giving any information that would 'tip-off' the investigation.</li> </ul>
<b>Respondent 3</b>	Explained how they have an agreement between the IBAS and eCOGRA, in which they use the IBIA system, where cases are updated biannually. They answer customer disputes using this system, never mentioning what is being investigated. The respondent proposed that the MGA should adopt a similar procedure and send a file containing the latest updates for each case.
<b>Respondent 4</b>	Respondent noted that they too liaise with the IBIA in terms of customer disputes and suggested that the MGA should adopt a similar process.
<b>Respondent 5</b>	Respondent suggested that the MGA should adopt the process being adopted by IBIA, in consultation with dispute resolution bodies IBAS and eCOGRA, which is a biannual approach to outstanding customer disputes, following the same procedure as explained above by Respondent 2.
<b>Respondent 6</b>	Respondent believes communication flow and regular updates on the status of investigations between operators and the regulator is the key to minimising burdens on all stakeholders.

In this section, 60% of the respondents provided comments and recommendations concerning customer disputes relating to suspicious betting, making it the most commented on section from the feedback received. All the respondents appreciated the MGA's understanding regarding the challenging situations that investigations give rise to, such as withholding of winnings and bets.



Consequently, as respondent 1 explained, *“clients can become highly aggressive when faced with delays in settling bets”*. Therefore, respondents commended the new reporting requirements and consider this tool as useful in ensuring that both the operators and the MGA are in communication with regards to any potential pending investigation relating to customer complaints.

Moreover, respondent 2 highlighted that even though they recognise that withholding bets and winnings can lead to customer disputes, they did also note that *“when sanctions are not possible, the withhold of payments of winnings whilst investigations are ongoing can act as a deterrent and is a useful disruption exercise”*.

Furthermore, 4 out of 6 respondents mentioned the process which the IBIA has adopted. Whilst the other two did not mention this process specifically, they did emphasise the following statement: *“communication flow and regular update(s) on the status of investigations between operators and regulator which is the key to minimising burdens”*.

The 4 respondents who mentioned the IBIA process described this in detail. Respondent 2 described this process as *“handling customer disputes recommended by IBIA in consultation with SGB, operators and ADR providers. When a complaint is received, account holders are informed that the bets placed are under review. When complaints become disputes, they are escalated to an ADR provider. The operator explains to the ADR that it is under investigation due to integrity concerns. Such bets remain unsettled pending the outcome of investigation. ADR provider would respond to the complaint explaining the above, without giving any information that would ‘tip-off’ the investigation”*. Moreover, these 4 respondents all explained that they are given biannual updates on pending investigations. They also ensured that whilst answering to customer disputes using this system, they would never mention any facts surrounding the investigation. The 4 respondents who mentioned this process, all stated that the *“MGA should adopt a similar process”*.

Ultimately, it is evident that all respondents would like to see the MGA adopting a process wherein the MGA gives periodic or biannual updates on the status of the cases being investigated to its licensees. By these updates, the licensees can therefore be aware of the status of the cases being investigated and hence be able to give updates to the account holders accordingly. These updates should be generic and no information that can be used to ‘tip off’ anybody should be given.

### 2.2.1 Amendments (Revision) to the Consultation Paper

The MGA would like to make it clear that, in most cases, its SIU is directly or indirectly participant to investigations rather than heading investigations itself. In this regard, the SIU is an essential cog in the machine.

The MGA would like to also remind all stakeholders that it has a dedicated player support department, which is the single point of contact at the MGA that, amongst other functions, deals in discerning whether customer complaints received at the MGA arise from any non-compliant behaviour by one of MGA’s licensees. Furthermore, the MGA also holds an information sharing agreement with the International Betting Integrity Association (IBIA), whose customer disputes system has been referred to by multiple respondents giving feedback in the consultation paper. Hence, when the need arises, the MGA will be in a position to liaise with the IBIA to cross-check information arising from customer disputes with their own internal system. The MGA hopes that this collaboration will further facilitate the processes of settling customer disputes.

## 2.3 Policy

The subject on *Policy* is highlighted within the consultation paper in section [3.10](#). Despite the fact that the majority of respondents commended MGA’s already present willingness to advise its stakeholders and licensees prior to any policy initiatives, some respondents further recommended additional means to how the MGA can further enhance its cooperation mechanisms with stakeholders. In terms of this note, respondents raised the following comments:

	<b>Policy</b>
<b>Respondent 1</b>	Appreciates the MGA’s efforts to consult with its licensees. Argues that only through potential policy initiatives can a solid fraud detection and reporting mechanism detect fraud in sports be achieved.
<b>Respondent 2</b>	Recommended the issuing of monthly reports by the MGA detailing statistics in relation to the suspicious betting reported during that month. Sharing this with licensees would give more incentive to operators to report, as they will have something to benefit from also.
<b>Respondent 3</b>	Welcomes the MGA’s initiative to use data to inform future policy decisions. Respondent asked that future consideration on betting market restrictions are done with the consultation of operators prior. Moreover, also recommended that any potential policy initiatives must be done in a manner that will safeguard betting markets and not push them towards an unregulated scenario.
<b>Respondent 4</b>	<p>Respondent believes that the MGA, and the industry in general, would benefit from regular fora engagement between the Authority and its licensed operators discussing matters of sports integrity and suspicious betting. For example, MGA could organise quarterly round-table discussions with the different integrity managers working within the industry and discuss analysis of trends, mitigating actions, additional guidance notes, amongst other topics.</p> <p>Respondent recommends that MGA mimics the UK Gambling Commission in producing and publishing documentation to help inform stakeholders on matters such as <i>Protecting Betting Integrity</i>, and <i>Misuse of Inside Information</i>.</p>

In this section, 40% of the respondents provided feedback. All the respondents agreed that as the MGA stated in the consultation paper, by analyzing reports of suspicious betting, it can assess the current risks that sporting competitions are exposed to and in turn implement the relevant policy initiative that would better safeguard the integrity of sport and sports betting. In fact, respondent 1 stated that *“only by channeling the existing consumer demand towards the regulated and licensed offer, can the goal of preventing fraud in sport can be achieved. Therefore, we appreciate the MGA’s efforts to consult with its licensees and promotes that the MGA continue doing so in the future, in particular with regard to potential policy amendments.”*. Respondent 3 also stated that they *“welcome the MGA’s initiative to use data to inform future policy decisions”*. It is evident that all respondents appreciate the MGA’s efforts in looking at policy initiatives as a means to better safeguard the integrity of sports competitions and sports betting.

Furthermore, respondent 3 did raise a concern, and recommended how *“any future considerations on betting market restrictions are [to be] done with the consultation of licensed betting operators and*

*with consideration of any likely impacts towards channelization and the potential to create a 'black market' for events not allowed to be offered in the regulated betting market". Evidently, such respondent wishes that the MGA adopts a process wherein consultation with its operators prior to any policy initiatives (in this case, specifically referring to the sanctioning of particular betting markets) should always be considered. Also, such respondent further outlined that "licensed betting operators have processes in place to identify suspicious betting activity, as well as making risk-based decisions on a daily basis about the events and markets that are suitable to be offered to customers. If there is sufficient demand for a betting market, if the regulated industry is unable to offer such market that will inadvertently drive customer towards unregulated operators, where processes to report suspicious betting activity are less robust". Therefore, the respondent further emphasised the importance of consultation between the MGA and its operators, in order to always take into consideration, the expert opinion of operators so as to also avoid any unnecessary repercussions on the industry.*

Moreover, respondent 4 recommended that the MGA's process would *"benefit from a regular forum for engagement with its licensed operators (e.g. working groups) on integrity reporting, analysis of trends, mitigation actions and additional guidance notes"*, outlining the importance of communication once again. Respondent 4 also outlined the desire to see the MGA following the UK Gambling Commission's stance in *"producing and continually reassessing documentation to help inform stakeholders on its betting integrity policy"*, such as guidance on protecting betting integrity, misuse of inside information, and a betting integrity decision making framework.

### **2.3.1 Amendments (Revision) to the Consultation Paper**

Considering the above comments, the MGA will be amending section 3.10 of the consultation paper, as it confirms that as of next year, it intends to:

- Continue consulting with the industry and other stakeholders prior to taking any decisions that may affect both the industry and sports bodies in their integrity efforts;
- Organise bi-annual round-table discussions with its licensees (specifically with the integrity representatives of such) in order to discuss shared concerns, MGA statistics gathered by its Integrity Unit, and other matters of interest;
- Organise a *Sports Integrity Forum* event, bringing together licensed betting operators, sports governing bodies, enforcement bodies, global monitoring bodies, and other units whose role is to safeguard the integrity of sports or sports betting.

## **2.4 Industry Performance Return (IPR)**

The subject on *Industry Performance Return* was highlighted within the consultation paper in section [3.9](#). In terms of this section, respondents raised various concerns, especially in light of some of the proposed questions listed within this section and which are being considered to be included in the following IPRs. The following table provides a summary of the feedback received by respondents regarding the proposed IPR questions:

	<b>Respondent 1</b>	<b>Respondent 2</b>	<b>Respondent 3</b>	<b>Respondent 4</b>
<b>Q1</b>	<p>Requested clarification on the difference between reporting the number of suspicious betting events and reporting the number of sporting events deemed to be at risk of manipulation (referring to the text in both Q1 &amp; Q2)</p> <p>Also, requested clarification to whether “total value of bets” refers to stakes, pay-outs, or both</p>			<p>Requested clarification around the definition operators may be expected to apply in assessing whether an event is deemed to be at risk of being manipulated or not.</p>
<b>Q2</b>	As per above.	<p>Requested clarification on the definition operators may be expected to apply in assessing whether an event is deemed to be at risk or not.</p>	<p>Expressed the difficulty in reporting an accurate number of events deemed at risk back to the MGA, since, they note, that most sporting events are subject to an element of risk.</p> <p>Also, referring to the second part of Q2, the respondent feels this can be covered by putting quantitative figure.</p>	
<b>Q4</b>	<p>Q4 is requesting data that is hard to collect since the market is constantly changing and offerings can be removed for various reasons.</p> <p>Recommended that question is to be removed from IPR.</p>		<p>Expressed how betting markets can be removed for various reasons, not only due to sports integrity issues. Therefore, noted how providing an answer to Q4 is</p>	

			difficult since they can even be removed and re-listed at a later stage.	
--	--	--	--	--

In this section, 40% of the respondents provided comments on one or more questions relating to the IPR. Below, a detailed explanation of the questions commented upon is provided, explaining the respondents' comments in further detail.

One of the respondents expressed their difficulty in understanding the difference between the first part of Q1, being; *"How many sports betting markets (individual sports matches) were pulled from the market before the sporting event took place, due to suspicious activity?"* and the first part of Q2, being *"How many sporting events were deemed to be at risk of being manipulated?"*. Furthermore, the same respondent also asked for clarification regarding the last section of Q1, being; *"What was the total value of bets?"*. Here, the respondent requested that the MGA provides clarification regarding the meaning of the word *"values"*, and if the MGA is refereeing to stakes, pay-outs or both.

Furthermore, three other respondents provided feedback on Q2, explaining their difficulty in assessing what is deemed to be risky in terms of sporting events that were *"deemed to be at risk of being manipulated"*, and how this risk ought to be calculated. The respondents further explained that in every sporting event there is an element of risk. Therefore, they feel that they will not be able to provide an accurate number in this regard. Moreover, one of the respondents also felt that by answering the second part of Q2 (i.e. *"How many were reported to (a) the gambling regulator, (b) a betting integrity agency, (c) a sport governing body, (d) law enforcement"*), this would be sufficient in providing a quantitative figure in terms of how many events were eventually deemed to be at risk, and hence reported. Therefore, as explained above, all respondents provided feedback on Q2.

Furthermore, two respondents provided feedback on Q4 (i.e. *"How many sports betting markets (individual sports matches) were pulled from the market before the sporting event took place, due to suspicious activity?"*). Both the respondents explained that betting markets can be removed for various reasons such as unusual price movements, lack of available data and a combination of reasons which might not be specifically related to suspicious betting activity. Moreover, they also explained how betting markets can be removed and then re-listed at a later stage. Therefore, both respondents noted that it is hard to collect such data, with one respondent recommending that this question should be removed.

Moreover, no respondents provided feedback on Q3 and Q5, whilst feedback was provided on Q1, Q2, and Q4 respectively.

#### 2.4.1 Amendments (Revision) to the Consultation Paper

Considering the above recommendations, the MGA has decided to amend section 3.9 of the consultation paper. The updated section will now showcase the final version of the questions (relating to sports integrity matters) to be listed in the next IPRs, as follows:

1. How many suspicious betting events linked with sports integrity were noted throughout the year in review? What sports did these events pertain to? How many were reported to (a) the gambling regulator; (b) a betting integrity agency; (c) a sport governing body; (d) a law enforcement agency?
2. How many player accounts linked with suspicious betting were noted in the year in review?
3. How many sports betting markets (individual sports matches) had all the bets placed on them cancelled due to suspicious activity, after the event took place?

## 2.5 Participants Betting on their Own Sport

The subject on *Participants Betting on their Own Sport* was highlighted within the consultation paper in section [3.13](#). In terms of this section, the respondents outlined their feedback whilst also sharing some practices that they adopt internally to eliminate such a scenario. The following table provides a summary of the feedback received by respondents in this regard:

	<b>Participants Betting on their Own Sport</b>
<b>Respondent 1</b>	<p>Respondent stated that their risk management team ensures that active sports participants do not participate in betting activities relating to their own sports, which is warranted through customer data verification and also by monitoring transactions that are deemed irregular in light of potential insider knowledge.</p> <p>Expressed that sharing responsibility between SGB, regulatory authorities and betting operators is crucial, for instance by sharing information on suspicious behaviour but also by sharing data records, subject to GDPR regulations.</p>
<b>Respondent 2</b>	<p>Expressed how various SGBs who have their own rules ask for checks on whether one of their registered athletes has an active betting account or not. Noted how this check could be done by verifying with their databases, and findings are shared with the relevant SGB through a secure method of transmission.</p> <p>Respondent stated they have their own internal controls such as <i>Source of Wealth</i> and <i>Anti-Money Laundering</i> checks. Through this, data is analysed to identify situations of participants potentially breaching sports rules. Findings are then escalated to SGB. Training on this type of breaches is provided to staff, third-party services providers (where relevant), sponsors and partners at least once annually. Any relevant material is reviewed periodically.</p>
<b>Respondent 3</b>	<p>Respondent believes that the MGA should strengthen the language used in this section, and instead make it a point not to allow participants of a sporting event to bet on their own sport. Argued that this should be elevated to an outright prohibition coupled with the imposition of an active obligation to report.</p>

In this section, 30% of the respondents provided feedback on participants betting on their own sport. Respondents provided feedback by outlining what measures they practice internally. For example, respondent 1 stated how their *“risk management team ensure that active parties do not participate in betting activities relating to their sports, which is warranted through customer data verification and also by monitoring transactions that are deemed irregular in light of potential insider knowledge”*, hence outlining that they have a specific risk management team which monitors customer data verification and irregular transactions to eliminate any parties participating on their own sport.

Moreover, respondent 2 also provided feedback on how they operate to reduce the risk of participants betting on their own sports. They stated that *“we have our internal controls to check for such individuals, when Source of Wealth and Anti Money Laundering checks are being processed, data is analysed in order to identify situations of participants potentially breaching their respective sport rules, if we come across such a situation the relevant SGBs are notified”*. Furthermore, they also outlined that they provide *“training on participant breaching to staff, third-party service providers were relevant, and sponsors and partners at least once annually, material is also reviewed periodically with our Learning & Development and Sponsorship teams”*. Therefore, respondent 2 emphasised the importance of having the relevant checks in place to eliminate participants betting on their own sports. This data is gathered from their *source of wealth* and *anti-money laundering* checks, and the relevant SGB is notified if such scenarios are evident. Moreover, they also provide training to their staff and third parties at least once a year, with any relevant publications that they issue reviewed periodically by a specific team that is responsible for such training.

Furthermore, respondents provided some feedback on what should be done in order to effectively ensure that participants do not bet on their own sports, and also provided opinions on the best possible way forward to manage such situations should they occur. In fact, respondent 1 outlined that *“shared responsibility between SGB, regulatory authorities and betting operators is crucial, sharing information on suspicious behaviour but also by sharing databases”*. Respondent 2 also outlined that *“our databases are checked and if we have an account that matched the data sent to us, this betting data is shared with the relevant SGB using a secure method of transmission and following the appropriate data protection regulations”*. Therefore, it is evident that respondents 1 and 2 feel that data sharing, using a secure method of transmission and communication between the MGA, betting operators and SGB’s is crucial and the most effective way to prevent or detect participants betting on their own sports.

Nonetheless, respondent 3 outlined their concerns regarding the language used in this section which they stated is *“insufficiently perspective”*. Moreover, they recommended that *“the authority should strengthen the language used and make it a point not to allow participants of a sporting event to bet on their own sport”*. Therefore, respondent 3 expressed that rather than simply limiting the language used to an encouraging tone, the MGA should outrightly state that participants cannot bet on their own sports. In fact, respondent 3 outlined that this *“should be elevated to an outright prohibition coupled with the imposition of an active obligation to report any activity which appears to represent an attempt by any person participating in sporting events to bet, whether directly or through others, on their own sport”*.

### 2.5.1 Amendments (Revision) to the Consultation Paper

Considering the above recommendations, the MGA has decided to add the following text to section 3.13 of the consultation paper:

The MGA realises that participants betting on their own sport tantamount to suspicious betting activity. Hence, once the obligation to report suspicious betting to the Authority comes into force, recognition of such betting activity needs to be reported to the MGA, just like any other incidents of suspicious betting taking place. In fact, as noted in section 3.7.1, operators will have the feasibility of reporting a suspicious account over the SBRM (to be made available to MGA’s B2C operators once the obligation to report suspicious betting activity comes into force).

Such a stance also mirrors the MGA SIU’s intention in echoing the Authority’s mission statement: *To regulate competently the various sectors of the gaming industry that fall under the Authority by ensuring gaming is fair and transparent to the players, preventing crime, corruption and money laundering and by protecting minor and vulnerable players.*

## 2.6 Methods of Reporting

The subject on *Methods of Reporting* was highlighted within the consultation paper in section [3.5.1](#). Respondents provided their feedback, raised their concerns, and requested clarifications on various aspects. The following table provides a summary of the feedback received by respondents:

	<b>Methods of Reporting</b>
<b>Respondent 1</b>	Respondent requested clarification on what is meant by ‘account profile information’. Respondent also requested clarity regarding timeframe when the consultation paper stated that operators need to submit reports of suspicious betting to the ‘Authority in the immediate’. On these lines, the respondent also requested clarification on whether operators should notify the MGA instantly upon suspicious betting activity being triggered, or whether or not they can have a few days to assess the alert and determine whether it merits an escalation to the MGA.
<b>Respondent 2</b>	Respondent expressed how the process of reporting should be straightforward, easy, simple, and not time-consuming to encourage usage.
<b>Respondent 3</b>	Respondent expressed how the MGA should also request: ‘aggregate amount/s bet’, and ‘other activity of the individual/s concerned across the operator’s entire platform’. Respondent also expressed that the term ‘immediate’, should be clarified by presenting a cut-off date. Respondent also requested clarification to whether there will be any consequences or sanctions of operators who fail to fulfil their reporting requirements, and if so, guidance on what such consequences will be.

In this section, 30% of the respondents provided feedback. Respondent 1 and 3 respectively requested elaboration on the term *‘immediate’*. In fact, respondent 1 requested elaboration on the term *‘notify the Authority in the immediate’*. In this regard, respondent 1 requested clarification on the number of days that the licensees will be permitted to assess a suspicious betting alert, or if reporting should be done instantly without any assessment whatsoever.

Moreover, respondent 3 stated that the MGA should establish *“a cut- off date”*, and further added that *“clarification to whether there will be any consequences or sanctions of operators who fail to fulfil*



*their reporting requirements” must be provided by the MGA “and if so, guidance on such consequences and enforcement shall be given”. Therefore, both respondents requested elaboration on the number of days they would be entitled before reporting, in which respondent 3 elaborated by stating that the cut-off date should be “defined in terms of a number of days from the date on which the irregular activity is identified by the licensee” and “this is to ensure that licensees act diligently and with urgency while at the same time imposing an obligation which can realistically be met in practice”.*

Respondent 3 expressed that when operators would be reporting suspicious betting activity, together with the data that is outlined in the Consultation Paper highlighting what the MGA’s SIU will potentially be requesting, such respondent stated that the “*aggregate amount/s bet*” and “*other activity of the individual/s concerned across the operator’s entire platform*” should also be requested in such cases. Moreover, respondent 2 expressed how such process of reporting should be made “*straightforward, easy, simple and not time-consuming to encourage usage*”. Respondent 2 added to this by stating that “*monthly reports should be shared with licensees as they will be gaining something from it and encourages them better to participate*”. Therefore, respondent 2 outlined that disclosure of information can be sometimes considered as a hassle, therefore, the process adopted should be a very simple one and the MGA should adopt a user-friendly reporting channel.

### 2.6.1 Amendments (Revision) to the Consultation Paper

Considering the above recommendations, the MGA has decided to add the following text to section 3.5.1 of the consultation paper:

When alerted with a suspicious betting alert via their triggering systems, an MGA licensee ought to review the alert and only report the suspicious betting activity to the MGA’s SIU if they deem the alert not to be a false hit and that it may merit an investigation by an appropriate SGB. The MGA determines that the duration of a maximum three days from when the operator is made aware of the suspicious betting alert suffices to be enough time to evaluate it and report it to the MGA. Hence, the MGA determines that a report submitted to the MGA within this three-day duration satisfies the criteria of having the alert reported “in the immediate”. In this regard, the MGA shall be adding the following text to section 3.5.1 to the Consultation Paper:

*Once a licensee has decided that there is enough suspicion to warrant a notification to the MGA, then the licensee is to notify the Authority in the immediate and in any event before the expiration of 3 days from the date on which the licensee first becomes aware of the irregular activity.*

In terms of the SBRM to be used by operators to submit their reports to the MGA, the Authority vows to make it as user friendly as possible. The MGA’s SIU understands that any type of bureaucracy in this regard will dishearten operators from reporting. Hence, the MGA will remain open to recommendations on how this reporting system can be improved to make it more seamless. The MGA will amend the SBRM as necessary. Further details to as when this system will be made available to operators can be found in section 3 of this feedback paper.

Moreover, the MGA reiterates the importance of reporting suspicious betting to the MGA. Once the Suspicious Betting Reporting Requirements come into force, reporting suspicious betting to the MGA will become a compliance obligation and one which must be adhered to by all MGA B2C licensees.

The MGA is eager in safeguarding integrity in sports and sport betting events, which cannot be done without the assistance of the stakeholders, especially when the obligation of reporting suspicious betting will be in place. The MGA is expecting that all its licensees will collaborate on such matters.

However, if there is a clear lack of collaboration, the MGA will have to take the necessary enforcement matters for not collaborating in such obligations.

## 2.7 Benefits of Operator Engagement with a Global Monitoring Body

The subject on *Benefits of Operator Engagement with a Global Monitoring Body* was highlighted within the consultation paper in section [3.15](#). In terms of this section, the MGA joins other regulatory bodies in recognising the benefits of operators being part of a wider international betting integrity monitoring network. Respondents outlined their feedback and the benefits they perceive in terms of operator engagement with a Global Monitoring Body.

In this section, 20% of the respondents provided feedback on the benefits of operator engagement with a Global Monitoring Body. All the respondents stated that there are various benefits when engaging with a Global Monitoring Body, with respondent 2 stating that engaging with a Global Monitoring Body *“provides an additional layer of protection, shared data and a common threshold for identifying and reporting suspicious betting provided for operator’s businesses and the licensed framework”*. Furthermore, they outlined that *“sharing data”* is highly important since *“corrupters may seek to try and circumvent integrity protocols by placing bets with multiple operators licensed in different jurisdictions”*. Therefore, due to this criminal activity being a transnational problem, Global Monitoring systems are *“effective”* because they are also transnational in nature and information regarding suspicious betting activity can be shared by and with all the licensees who are members of that monitoring body.

Furthermore, both respondents stated that having a platform where operators can share data is highly important. In fact, respondent 2 stated that this is also *“critical for investigations”* since it allows investigators to better *“obtain information from betting operators on those who have placed suspicious bets”*. Moreover, respondent 1 suggested that *“it would be great for the MGA to act as a central hub of information and to exchange and share experiences on the matter of sports integrity. It would also be considered useful for the MGA to alert its licensees on suspicious activity they have become aware of”*.

Moreover, respondent 1 stated that additional benefits are provided from engaging with a Global Monitoring Body because the element of data sharing as explained above, will not only uncover *“potential corruption across operators and markets globally, but also being able to discount false positives”*. Therefore, if other systems from different betting operators raise suspicious activities where the suspicious betting information does not provide justifiable reason for it to be escalated further, *“valuable investigatory resources”* will not be wasted as the Global Monitoring Body would advise its members accordingly. Therefore, being engaged with a Global Monitoring Body allows an operator to utilize its resources better, hence being able to focus on those suspicious betting alerts that merit an investigation.

Therefore, in summary, the feedback from respondents on the benefits of engaging with a Global Monitoring Body include having access to international betting integrity coverage, a platform that enhances sharing of information about suspicious betting, reducing the amount of false positives and hence, allowing for better efficiency in terms of investigative resources to be used.

### 2.7.1 Amendments (Revision) to the Consultation Paper

Considering the above feedback to section 3.15 of the consultation paper, the MGA reiterates the importance in having an operator be a member of a Global Monitoring Body. As noted in the consultation paper, being a member of a Global Monitoring Body “*adds an additional layer of protection both for operators’ own businesses and also the licensed framework and its operational integrity capacity and associated reputation. It further allows for the development of a common threshold for identifying and reporting suspicious betting. The MGA recognises that there is also substantial value when operators pool in resources and information in order to better meet the intended aforementioned objectives.*”

## 2.8 Defining Suspicious and/or Irregular Activity

In terms of section [3.4](#) of the consultation paper, dealing with the topic of *Defining Suspicious and/or Irregular Activity*, 20% of respondents commended the fact that the MGA recognises how each and every case concerning suspicious or irregular betting is different and hence requires an assessment to be made on a case-by-case basis. However, the same respondents argued that the text underlying the difference between irregular and suspicious activity within the consultation paper is potentially ambiguous and may be misleading.

### 2.8.1 Amendments (Revision) to the Consultation Paper

In light of these concerns, the MGA would like to highlight the fact that providing a static definition to the term ‘suspicious activity’ is unfeasible, and to a certain extent, somewhat dangerous. The MGA realises the fact that the methods and criteria which underly suspicious betting are not static in nature and incur a high possibility of change over time. Hence, providing a strict definition in this regard may exclude potential suspicious activities in the future.

## 2.9 Other Feedback

In addition to the above feedback, respondents also outlined some sporadic comments that concerned various sections in the consultation paper. However, these were not common concerns amongst respondents as they emanated from single respondents. Below, such feedback is briefly outlined and explained.

A respondent outlined feedback on the subject of *Request for Information*, which was highlighted within the consultation paper in section [3.7](#). The respondent stated that they fully support the MGA asking for information from its licensed operators when necessary. However, the respondent requested that the MGA should include “*monetary thresholds*” to reduce the amount of unnecessary betting information, making it more manageable to receive and collate.

A separate respondent outlined feedback on the subject *Definition of Sport & Sporting Event*, which was highlighted within the consultation paper in section [3.1](#). Such respondent stated that leaving aside certain forms of sport would only risk missing out on potential fraudsters. Therefore, leaving a particular sport more prone to fraud than others, in which only by applying high anti-fraud standards to all sports and related bets can the goal of effectively fighting fraud be achieved. The respondent also outlined feedback on the subject of *Designated Point of Contact*, which was highlighted within

the consultation paper in section [3.3](#). Here, the respondents welcomed the option to delegate the reporting function to an Integrity Manager, hence allowing said Integrity Manager to submit reports over the SBRM in the name of the person holding the *Key Compliance* function.

Moreover, another respondent outlined their feedback on the subject of *What is considered to be match-fixing in Malta*, which was highlighted within the consultation paper in section [3.12.1](#). Here, the respondent stated that according to their views, the definition provided in this section in the Consultation Paper refers more to ‘sport fixing’ rather than ‘match-fixing’, while the definition of ‘inside information’ should be separate.

Furthermore, another respondent provided feedback on the subject of *Development & Assessment*, which was highlighted within the consultation paper in section [3.6](#). The respondent outlined that according to the consultation paper, the SIU will evaluate various factors when investigating suspicious activity. However, the respondent explained their concern regarding the terms described in the consultation paper as these might be limited in scope and narrow in its field of application. The respondent further outlined that the SIU’s investigation should not be limited to a local dimension and the MGA should clearly display that investigations will proceed regardless of the person’s or entities’ connection with Malta.

Lastly, another respondent provided feedback on the subject *Suspicious Betting Reporting Requirements*, which was highlighted within the consultation paper in section [3.2](#). Here, the respondent requested clarification as to whom they should report the suspicious betting to and what type of sport should be reported.

### 3 Concluding remarks

In conclusion, the MGA's SIU would like to thank all the respondents who have submitted feedback in reply to the *Consultation Paper on Suspicious Betting Reporting Requirements & Other Sports Integrity Matters* published in May 2020. The MGA's SIU highly appreciates all the feedback received, out of which this *Feedback Paper* transpired.

Furthermore, now that the feedback process has been finalised, the MGA would like to highlight the following:

- **In conjunction with the issuing of this *Consultation Feedback Paper*, the MGA's SIU is issuing a *Guidance Paper* which is an update to the *Consultation Paper* issued in May 2020, however now including any amendments which transpired post-review of the replies received during the consultation process and which have been discussed within this document. This additional publication is being referred to as *Guidance Paper* because it can now serve as a manual of sorts to what is being expected by the MGA's SIU in terms of all matters relating to sports integrity, especially in terms of suspicious betting reporting.**
- **The MGA intends on bringing into force the *Suspicious Betting Reporting Requirements* on 1 January 2021. Therefore, this means that from 1 January 2021, all of MGA's B2C licensees will be obliged to report any suspicious betting to the Authority.**
- **The MGA intends to make available the SBRM to all its B2C licensed operators on 1 November 2020. Even though the obligation to report suspicious betting will be brought into force on the 1<sup>st</sup> of January 2020, those operators who are already reporting suspicious betting activity to the MGA, will be required to submit suspicious betting reports via the SBRM from 1 November 2020. Prior to the SBRM being made available, a manual on how to use the system will be provided to all B2C operators for ease of reference.**

As already reiterated throughout this consultation process, the MGA's SIU is adamant to continue increasing its collaboration efforts with both its licensees and other stakeholders interested in safeguarding the integrity of sports and sports betting. Hence, the MGA's SIU intends to continue discussing potential policy initiatives with its licensee via consultation processes, whilst also looking to start organising workshops, bi-annual round tables and a *Sports Integrity* forum involving all stakeholders.

# Consultation Paper on Suspicious Betting Reporting Requirements & Other Sports Integrity Matters

Sports Integrity Unit  
Malta Gaming Authority

## May 2020

## Foreword

The term integrity has found itself to be a common appearance in the sports world, and for good reason. Sports is an essential component of everyday life in the context of health, entertainment, competition and relationship-building. Participation in sport ought to be based upon the concepts of fairness, fun, sportsmanship, deference, wellbeing, and personal and collective responsibility. To safeguard these values, the notion of integrity must be maintained, and the betting industry is obliged to play an integral part in this endeavour. In this regard, the Malta Gaming Authority intends to continue playing a role in help protecting the integrity of sport and sports betting.

In August 2019, the Authority announced the creation of its very own Sports Integrity Unit. The Unit's role consists of the gathering of intelligence and information relating to suspicious betting and serves as liaison with local and foreign regulatory authorities, law enforcement agencies, betting monitoring systems, sporting bodies and gaming operators in order to investigate irregular and suspicious betting activity. It is now the Authority's intention to bring into force the *Suspicious Betting Reporting Requirements*, which will oblige B2C licensees which offer betting on sporting events to inform the Authority of any instance of suspicious betting.

Prior to bringing into force this requirement, the Authority is taking the opportunity to reach out to its stakeholders and seek their feedback on the proposed mechanisms to take place once its licensees become obliged by law to report suspicious betting. By consolidating perspectives of fellow stakeholders, of the online gaming industry and key experts in the sports betting sector, the Authority is issuing for public consultation, criteria as set out in this paper which will support the function of the Authority's suspicious betting reporting requirements, and ensure effective and efficient regulatory processes. The Authority is also interested in initiating a dialogue with B2B licensees to consider what their contribution towards sports integrity can look like in terms of detection and exchange of information with either B2C licensees, or the Authority itself.

While looking forward to receiving your feedback to this paper, on behalf of the Malta Gaming Authority, I would like to take the opportunity to thank all stakeholders who have collaborated with us and helped us in continuing to play a part in protecting sports integrity.

Heathcliff Farrugia  
**Chief Executive Officer**

## Contents

1	Context.....	5
1.1	Introduction .....	5
1.2	MGA’s Consultation Objective .....	5
1.3	Pre-Consultation Activities.....	5
2	Consultation process.....	7
2.1	Period .....	7
2.2	Queries.....	7
2.3	Post Consultation .....	7
3	Sports Integrity.....	8
3.1	Definition of Sport & Sporting Event .....	8
3.2	Suspicious Betting Reporting Requirements .....	8
3.3	Designated Point of Contact .....	8
3.4	Defining Suspicious and/or Irregular Activity .....	8
3.5	Reporting Instrument.....	9
3.5.1	Methods of Reporting	9
3.6	Development & Assessment .....	10
3.7	Request for Information .....	10
3.7.1	Data Collection Method	12
3.8	Sharing of Information.....	12
3.9	Industry Performance Return .....	12
3.10	Policy.....	13
3.11	Customer Disputes relating to Suspicious Betting.....	13
3.12	The Prevention of Corruption in Sport Act, Chapter 593 of the Laws of Malta .....	14
3.12.1	What is considered to be match-fixing in Malta?	14
3.12.2	What are the types of liability that apply in Malta?	14
3.12.3	Is there a difference between professional and amateur sport?	14
3.13	Participants Betting on their Own Sport.....	15
3.14	Misuse of Inside Information .....	15



3.15	Benefits of Operator Engagement with a Global Monitoring Body.....	16
4	Concluding Remarks.....	17

## Definitions

Unless otherwise stated, terms in this document shall have the same meaning as defined in the Gaming Definitions Regulations (S.L. 583.04 of the Laws of Malta):

<b>Authority</b>	The Malta Gaming Authority as established by the Gaming Act (Chapter 583 of the Laws of Malta).
<b>Critical Gaming Supply Licence</b>	A business-to-business (B2B) licence to provide or carry out a critical gaming supply.
<b>Gaming</b>	An activity consisting of participating in a game, offering a gaming service or making a gaming supply.
<b>Gaming Service Licence</b>	A business-to-consumer licence (B2C) to offer or carry out a gaming service.
<b>Licensee</b>	An operator that has been licensed to carry out a gaming service or a critical gaming supply by the Malta Gaming Authority.
<b>Operator</b>	A person who carries out a gaming service.
<b>Player</b>	An end customer who participates or takes preparatory steps to participate in a game.
<b>Stake</b>	Money or money's worth that is or must be committed in order for a player to participate in a game, whether or not it is risked directly on a result of the game.

## Acronyms

<b>B2B</b>	Business-to-Business
<b>B2C</b>	Business-to-Consumer
<b>MGA</b>	Malta Gaming Authority
<b>SGB</b>	Sport Governing Body
<b>SIU</b>	Sports Integrity Unit

## 1 Context

### 1.1 Introduction

On 29 August 2019, the MGA announced the creation of a new Sports Integrity Unit as part of an initiative to increase focus and resources towards the fight against the manipulation of sports competitions. The SIU's role consists of the gathering of intelligence and information relating to suspicious betting and will serve as a liaison with local and foreign regulatory authorities, law enforcement agencies, betting monitoring systems, sporting bodies and gaming operators in order to support the investigation of irregular and suspicious betting activity.

Furthermore, the Unit will also be liaising with other Directorates within the MGA to implement various policy initiatives, such as bringing into force the provisions at law relating to the reporting of suspicious betting activity by gaming operators to the MGA, signing agreements and deepening collaboration with entities having similar objectives and otherwise establishing a culture of cooperation amongst industry stakeholders to tackle the worldwide problem of corruption in sports.

It is now the MGA's objective to bring into force the *Suspicious Betting Reporting Requirements*, as noted in section 43 of the *Gaming Authorisations and Compliance Directive* (Directive 3 of 2018). Section 43 states:

43. (1) B2C licensees which offer betting on sporting events shall also inform the Authority, in such circumstances and in such manner as the Authority may in any other instrument prescribe, of any instance of suspicious betting.
43. (2) B2C licensees which offer betting on sporting events shall also inform the Authority of any circumstances which may lead to one or more bets being voided owing to suspicion of manipulation of the event to which they relate, and shall provide any supporting documentation which the Authority may, on a case-by-case basis, reasonably require.
43. (3) This article shall not come into force on 1st August 2018, but on such date as the Authority may, by binding instrument, establish.

### 1.2 MGA's Consultation Objective

The MGA is continuously analysing best practices in the field of sports betting integrity. Conscious of the need to remain at the forefront in the fight against the manipulation of sports competitions, the Authority intends to bring into force section 43 of the *Gaming Authorisations and Compliance Directive* (Directive 3 of 2018), together with other measures as expounded in this document.

The consultation objective is to gather feedback on the proposed bringing into force of the *Suspicious Betting Reporting Requirements* together with other measures which the Authority intends to implement in support of its commitment to safeguard the integrity of sports and sports betting. In this regard, the Authority is also interested in gathering feedback from B2B licensees and how their data can help in detecting potential manipulation in sports competitions.

### 1.3 Pre-Consultation Activities

On 29 August 2019, the MGA announced the creation of a new SIU as part of an initiative to increase focus and resources towards the fight against the manipulation of sports competitions. In the meantime, the MGA continued to be participant to investigations of suspected match-fixing, assisting both enforcement agencies and sport governing bodies. The MGA also continued to participate in

various fora and events, sharing its knowledge and practices with other stakeholders who share the common interest of protecting the integrity of sports and sports betting.

During this period, the Authority continued to reinforce its belief of bringing into force the *Suspicious Betting Reporting Requirements*, as noted in section 43 of the *Gaming Authorisations and Compliance Directive* (Directive 3 of 2018), hence obliging B2C licensees which offer betting on sporting events to inform the Authority of any instance of suspicious betting.

## 2 Consultation process

### 2.1 Period

This consultation will be open for a period of 7 **weeks** from date of publication ending on the 15 July 2020.

### 2.2 Queries

Industry participants and all other interested parties are invited to send their responses to this guidance paper and any other related feedback on [sportsintegrity.mga@mga.org.mt](mailto:sportsintegrity.mga@mga.org.mt) by the date stipulated above.

### 2.3 Post Consultation

It is the intention of the MGA to take on-board stakeholder feedback and publish a revised final version of the guidance paper in due course.

## 3 Sports Integrity

### 3.1 Definition of Sport & Sporting Event

Chapter 455 of the Laws of Malta, the *Sports Act*, defines sport as including:

*[...] all forms of physical or mental activity which, through casual or organised participation or through training activities, aim at expressing or improving physical and mental well-being, forming social relationships or obtaining results in competition at all levels, but excludes those activities held for therapeutic or clinical purposes or are part of the activities of health institutions or health centres [...]*

Moreover, the MGA defines a sporting event as being an event comprising a sport (as defined above) that is administrated by a set of rules or customs and often undertaken competitively.

For the avoidance of doubt, it should be clarified that the above definition also encompasses esports. Furthermore, notwithstanding the fact that it falls outside of the ‘sports integrity’ nomenclature and definition, the principles within this document also apply to non-sporting events; for example, betting on outcomes of events which are not sports-related, such as the outcome of a TV talent competition or movie/music awards.

### 3.2 Suspicious Betting Reporting Requirements

B2C licensees which offer betting on sporting events shall inform the Authority, in such circumstances and in such manner as the Authority may in any other instrument prescribe, of any instance of suspicious betting.

B2C licensees which offer betting on sporting events shall also inform the Authority of any circumstances which may lead to one or more bets being voided owing to suspicion of manipulation of the event to which they relate and shall provide any supporting documentation which the Authority may, on a case-by-case basis, reasonably require.

### 3.3 Designated Point of Contact

The role of the ‘Key Compliance’ shall be the designated point of contact between B2C licensees which offer betting on sporting events and the Authority. However, the ‘Key Compliance’ may delegate the reporting function to the B2C entity’s Integrity Manager, or another individual entrusted with the function, to embark the function of reporting suspicious betting to the Authority.

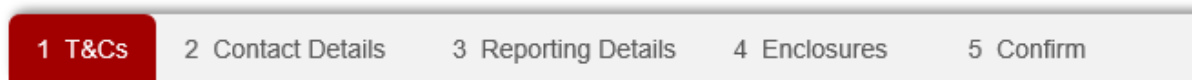
### 3.4 Defining Suspicious and/or Irregular Activity

The Authority understands that each and every case is different and requires an assessment to be made on a case-by-case basis. In this regard, the Authority also understands that its licensees, and other stakeholders, have their own definitions about what is tantamount to irregular or suspicious betting activity hence recognising the fact that industry standards on defining suspicious betting activity already exist. Whilst the Authority has its own definition of suspicious and irregular betting activity, it is understood that irregular activities are those activities which may be clarified or explained via information procured from the public domain and accessible through open-source research. The Authority affirms that if an irregular activity cannot be explained via the public domain, then this is to be deemed suspicious and hence reported to the Authority as per requirement noted in section 43 of the *Gaming Authorisations and Compliance Directive* (Directive 3 of 2018).

### 3.5 Reporting Instrument

The reporting instrument to be used for reporting purposes between B2C licensees and the Authority shall be the 'Suspicious Betting Reporting' form via access through the MGA portal shared with licensees. However, until such time the form is available for use, individuals reporting to the Authority shall report via email to [sportsintegrity.mga@mga.org.mt](mailto:sportsintegrity.mga@mga.org.mt).

The 'Suspicious Betting Reporting' form entails five different sections:



In section 1, the reporting entity will be required to establish the name of the company reporting the suspicious activity, together with the licence number. The selection will be in the form of a *drop-down menu* since the details of the licensee would already be recorded on the system.

In section 2, the person reporting will be required to input their contact details, including the name and surname, ID card number, email address, telephone number, and mobile number. Should it be the case that the person reporting is the individual holding the function of *Key Compliance*, the system would already be aware of the representative's details. Should the person reporting be another designated point-of-contact (as defined in section 3.3 of this document), then the system would not be aware of that individual's details hence having to input the details noted above.

In section 3, the form will request the reporting entity to choose between reporting a suspicious event, a suspicious account, or both. In case of a suspicious event, the person reporting will be required to state the type of sport, date of the event, names of participants/teams, and the name of the league, cup, or event involved. Importantly, the person reporting will be required to note down the basis of suspicion, as per section 3.4. In case of a suspicious account, the person reporting will be required to state whether the suspicious account is a newly opened one or not, whilst also being required to note down the basis of suspicion, as per section 3.4. Throughout this section, the person reporting will also be given the opportunity to include additional information should this be deemed of benefit when disclosing suspicion.

In section 4, the reporting entity may upload any documentation which they would deem to be of added benefit and relevant to the suspicion being reported.

In section 5, the reporting entity is required to confirm all details entered and submit the form.

#### 3.5.1 Methods of Reporting

Once a licensee has decided that there is enough suspicion to warrant a notification to the MGA, then the licensee is to notify the Authority in the immediate. The Authority will require the licensee to provide it with the following information:

- Description of the markets on which suspicious activity has occurred;
- Geographic origin of the account holder;
- Timing of bets;
- Notification of any new accounts;



- Account profile information;
- Possible links to participants partaking in the sporting event;
- Reasons as to why the activity is being deemed as suspicious;
- Notification of which bodies/agencies are also being notified of the activity reported.

The Authority articulates the fact that in order to be able to perform an effective evaluation, sufficient detail needs to be provided by the licensee hence, if deemed relevant, said licensee may be required to provide to the Authority additional information which is extraneous to the above criteria. This information is to be provided via the reporting instrument noted above.

### 3.6 Development & Assessment

The Authority receives information pertinent to the integrity of sport from a number of sources, including betting operators, other regulators, sports governing bodies, law enforcement, and other sources. Once the MGA receives the information, its SIU evaluates various factors. Most notably, the Unit will investigate whether the activity:

- Relates to an event that occurred in Malta;
- Involves individuals or entities based in Malta;
- Occurred with, or involved, an MGA licensed operator.

The MGA's SIU will assess the information presented to it and proceed with the most appropriate course of action. At this stage, the Unit could potentially:

- Refer to the relevant SGB, wherein the Unit confirms that the information being provided to the Authority was also forwarded to the SGB which is best placed to pursue the matter;
- Progress to assessing the information and determine whether sufficient intelligence has been provided to be able to progress the case further.

Should the latter be deemed to be the ideal way forward, the MGA's SIU shall secure any additional information (and evidence thereof) for further dissemination. On a case-by-case basis, it may be the case that the MGA's SIU deems it fit to liaise with the relevant SGB and law enforcement to better assess the case and determine the possibility of any potential criminal activity. In this case, the SGB concerned may consider any potential breaches of sports rules. On the other hand, should potential criminal activity be determined, law enforcement may consider initiating an investigation that may lead to prosecution. In both scenarios, the MGA will assist accordingly in order to ensure effectiveness and as it is empowered to do so in accordance to article 8(2) of the Gaming Act (Chapter 583 of the Laws of Malta).

### 3.7 Request for Information

The Authority may in certain circumstances request its licensees to provide it with information subject to a set deadline, in accordance with its regulatory powers as set out in article 7(2)(d) of the Gaming Act (Chapter 583 of the Laws of Malta). Such a request will be corresponded formally and via email. In these instances, the Authority may be interested in knowing which authorised persons offered bets on a sporting event whilst also detailing out the information required relating to bets placed by the

customers of the authorised person, in detail, as well as information about the account holder. The specific fields required will be detailed within the request and may include personal data. In such cases, disclosure to the Authority is necessary for the prevention or detection of crime and for reasons of substantial public interest, as per article 6 of the EU General Data Protection Regulation (GDPR). This must be carried out without tipping off the data subject, so as not to prejudice the above investigation. It is the licensee's responsibility to take the necessary steps to ensure that their systems are compliant with data protection legislation when providing such information to the Authority.

### 3.7.1 Data Collection Method

Licensees are to provide the data in a spreadsheet file format (specifically “.xls”) so that it may be viewed using Microsoft Excel. The data requested needs to also be provided in the order as is requested (for example, if the Request for Information requests the licensee to submit the First Name of Account Holder, Second Name of Account Holder, Date of Birth of Account Holder and Country Name, then these are to be displayed in the spreadsheet file in that order (displayed in rows). In this regard, the MGA will be circulating a template which operators should use to compile the data in. The file is then to be corresponded via email to [sportsintegrity.mga@mga.org.mt](mailto:sportsintegrity.mga@mga.org.mt). Files containing personal data are to be transmitted using appropriate methods that are compliant with relevant data protection legislation.

### 3.8 Sharing of Information

The Authority may in certain circumstances share any relevant data, including personal data, in its possession with local and, or foreign regulators entrusted with the governance and regulation of a particular sector, when such transfer of data is (i) considered by the Authority as a necessary measure in the public interest, and (ii) necessary for the process of detecting, preventing and investigating activities constituting a criminal offence in Malta, or in accordance with Maltese law, and the law of the country of the relevant foreign regulator. The Authority is empowered to do so in accordance to article 8(2) of the Gaming Act (Chapter 583 of the Laws of Malta). The Authority is also legally obliged to share information with competent law enforcement agencies, such as the FIAU and the Malta Police.

Provided that the public interest requirement shall be deemed *ipso jure* satisfied where the transfer of data is required in relation to the process of detecting, preventing and investigating activities relating to any of the following offences:

- a. money laundering;
- b. terrorist financing;
- c. fraud, identity theft and misappropriation of funds;
- d. computer misuse; and
- e. manipulation of sports competitions:

Provided further that for the purposes of detecting, preventing and investigating the manipulation of sports competitions, the Authority may also share information, including any relevant personal data, with sport governing bodies and other platforms whose function includes the detection of suspicious betting activities and, or are responsible to take action to prevent such manipulation of sports competitions from taking place, and with whom the Authority has signed a data-sharing agreement: Provided further that all processing operations shall be in accordance with the applicable data protection legislation. The Authority is empowered to do so in accordance to article 8(2) of the Gaming Act (Chapter 583 of the Laws of Malta).

### 3.9 Industry Performance Return

The Authority intends to also start publishing questions pertinent to sports integrity matters in its Industry Performance Return.

The Industry Performance Return (IPR/Return) is the obligatory report that needs to be completed, on a bi-annual basis, by all companies licensed by the MGA. The Authority utilises information provided by the industry to assess any changes in the gambling landscape amongst others, with regard to, money wagers, gaming revenue, overall participation in gaming activities, responsible gambling and much more. Statistics collected through the Return enable the Authority to understand better the dynamics of the market and provide the necessary support to the decision-making processes. The MGA is empowered to request such information as per article 7(2)(d) of the Gaming Act (Chapter 583 of the Laws of Malta).

The questions to be considered for publishing in terms of sports integrity are, but not limited to:

4. How many suspicious betting events linked with sports integrity were noted throughout the year in review? What sports did these events pertain to? What was the total value of the bets?
5. How many sporting events were deemed to be at risk of being manipulated? How many were reported to (a) the gambling regulator; (b) a betting integrity agency; (c) a sport governing body; (d) a law enforcement agency?
6. How many player accounts linked with suspicious betting were noted in the year in review?
7. How many sports betting markets (individual sports matches) were pulled from the market before the sporting event took place, due to suspicious activity?
8. How many sports betting markets (individual sports matches) had all the bets placed on them cancelled due to suspicious activity, after the event took place?

### 3.10 Policy

Following the bringing into force of the *Suspicious Betting Reporting Requirements*, as noted in article 43 of the *Gaming Authorisations and Compliance Directive* (Directive 3 of 2018), the Authority intends to be in a position wherein it will be able to implement procedures or protocols for the benefit of the integrity of sports betting, and sports in general. The Authority believes that in analysing reports of suspicious betting, it will be able to better assess the risks that various sporting competitions are exposed to and hence capable in guiding the industry accordingly so as to be able to mitigate the said risks. Using this information, the Authority may be in a position to determine whether to restrict certain betting markets or provide guidelines thereto, especially in terms of betting practices on amateur competitions, competitions involving minors, etc.

### 3.11 Customer Disputes relating to Suspicious Betting

The Authority acknowledges the fact that any action taken by the operator relating to suspicious bets, especially where customer winnings may be voided or withheld as related investigations take place, is likely to generate customer disputes. As such, the Authority understands that this scenario involves considerable administrative time and effort on behalf of arbitration bodies and operators, with some cases taking years to be completed whilst the relevant sports governing bodies, law enforcement or integrity units conclude investigations into potential corruption.

In this regard, the Authority would like to understand the experiences of stakeholders in terms of what they would deem as best practice in minimising burdens on the operators whilst maintaining the level

of integrity afforded to the investigations conducted into potential corruption in sports, as well as avoiding tipping off, or otherwise not prejudicing ongoing investigations.

### 3.12 The *Prevention of Corruption in Sport Act*, Chapter 593 of the Laws of Malta

Stakeholders should be aware of Chapter 593 of the Laws of Malta, the *Prevention of Corruption in Sport Act*. This law was enacted in 2018, replacing a previous version which was enacted in 1976. This law was viewed as an essential update, especially since the previous version was deemed outdated and made no reference to online betting. The MGA participated in the task force which had worked on the implementation of this new law, and it will also be involved in the implementation and function of the National Sports Integrity Unit underlined in this same law. This national platform will be responsible for the wider integrity of all local sport, and its implementation is being headed by the Government of Malta.

#### 3.12.1 What is considered to be match-fixing in Malta?

Match-fixing in Malta is defined by *article 2* of the *Prevention of Corruption in Sport Act (Chapter 593 of the Laws of Malta)* as “manipulation of a sporting event”, as follows:

*“manipulation of a sporting event” means an act or omission by virtue of which any person makes an intentional arrangement, aiming at or successfully accomplishing:*

*(a) the deliberate alteration of the outcome of any sporting event;*

*(b) the deliberate alteration of any of the aspects of a sporting event and the unpredictable nature of the sporting event, irrespective of whether such alteration affects the final outcome of the sporting event and whether such alteration, if any, is achieved as a direct or indirect consequence of the act or omission;*

*(c) the provision of inside information to third parties in a manner that assists or facilitates the commission of an offence against this Act;*

*(d) the actual acquisition of inside information with the intent of providing such information to third parties; or*

*(e) the aiding, abetting, encouragement and/or inducement in any other way, of third parties to commit any one or more of the aforementioned acts, which may result in an undue advantage or gain for that person or for others;*

#### 3.12.2 What are the types of liability that apply in Malta?

Whosoever engages in match-fixing or manipulating the outcome of a sporting event shall be criminally liable for such offence under Maltese Law. *Article 4* of the *Prevention of Corruption in Sport Act* states that anybody who is guilty and convicted of the above offences shall be liable to a term of imprisonment of not more than 3 years and a fine from €5,000 to €30,000, or both. At this point, no administrative liability is imposed upon offenders, although additional punishments may be imposed by the Sport Governing Body or the club.

#### 3.12.3 Is there a difference between professional and amateur sport?

Professional sport is not a criterion in Malta for the criminalising of the manipulation of sports competitions. This is made clear in *article 2* of the *Prevention of Corruption in Sport Act*, whereby the definitions of “athlete” and “Maltese sporting event” do not allude to the requirement of being

professional in order for the provisions of the Act to apply to them. Therefore, there is nothing in the *Prevention of Corruption in Sport Act* precluding operators from offering betting markets on amateur sport competitions taking place in Malta. At this moment in time, it is possible that the manipulation of amateur sports may fall within the scope of Chapter 593 and under criminal law.

### 3.13 Participants Betting on their Own Sport

The Authority concurs that those who are in any way or manner whatsoever involved in a sporting event (e.g. athletes, agents, club officials and staff, match officials, and where reasonable, family members) should comply with the betting integrity rules established by the SGB organising the event. Safe and fair sports betting is reliant on the professionalism and compliant conduct of all stakeholders. The Authority understands the fact that all participants should ensure that their involvement in sport is based on the principles of loyalty, integrity, and fair play. Thus, the Authority encourages its licensees to make it a point to not allow participants of a sporting event betting on their own sport through their systems. In addition, the Authority understands that various gaming operators are already reserving the right to immediately report any of their account holders (to the regulator or respective sport governing body) who they know to be breaking any sports rules. The Authority supports this action-plan and encourages other operators to follow suit.

Requirements in relation to this will be considered as part of the Authority's initiatives as indicated in 3.10 above. The Authority is interested in understanding the processes that operators have already put in place in this regard.

### 3.14 Misuse of Inside Information

Chapter 593 of the Laws of Malta, the *Prevention of Corruption in Sport Act*, defines inside information as:

*[...] important information of a precise nature relating, directly or indirectly, to any sporting event that a person possesses by virtue of his position in relation to a sport or sporting event, but does not include any information already published or which is common knowledge, easily accessible to interested members of the public or disclosed in accordance with the rules and regulations governing the relevant sporting event:*

*Provided that:*

- (i) for the purposes of this definition, information shall be deemed to be important if it is such that, if it were public, it would be likely to have a significant effect on the public's perception of the more likely outcome and, or progress of a sporting event;*
- (ii) for the purposes of this definition, information shall be deemed to be of a precise nature if it indicates a circumstance or set of circumstances which exist or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to occur and/or if it is otherwise specific enough to enable a conclusion to be drawn as to the possible effect of that circumstance or set of circumstances or event on the more likely outcome or progress of a particular sporting event*

The Authority recognises the fact that any bets based on inside information are substantially unfair. In certain contexts, such activity may also tantamount to cheating or fraud. As noted above, inside

information is information which is known by an individual or individuals as a result of their role in connection with an event and which is not in the public domain. However, for its intents and purposes, with the word 'event' the Authority is referring to any event (even that which is considered to be a non-sporting event) on which bets can be placed. The misuse of inside information includes individuals using this information for themselves, or passing it on to others, for betting purposes.

The Authority encourages all SGBs to include within their regulation's clauses relating to the misuse of inside information. In conjunction, the Authority notes that betting operators ought to continue addressing the misuse of inside information via their internal controls and in turn report any such activity to the relevant SGB or the MGA in compliance with the Suspicious Betting Reporting Requirements. In addition, the Authority recognises the fact that there are a number of other organisations whose products are directly or indirectly related to betting endeavours, and hence may need to also consider their own policies on betting rules and misuse of inside information. These organisations may be TV, radio production and broadcasting companies, telecoms companies, and any selection panels or committees which is involved in judging or giving awards.

The Authority will continue to ensure that gaming is fair and, in some cases, will continue to play a role in investigating cases of suspicious betting, even those which involve the misuse of inside information. The MGA will share information with relevant parties where appropriate, and in accordance to law.

### **3.15 Benefits of Operator Engagement with a Global Monitoring Body**

Considering the continuous challenge in combatting match-fixing and other types of manipulation, the Authority recognises that there is a clear value from operators being part of a wider international integrity alert and/or monitoring system, which also feeds data into the appropriate authorities. This adds an additional layer of protection both for operators' own businesses and also the licensed framework and its operational integrity capacity and associated reputation. It further allows for the development of a common threshold for identifying and reporting suspicious betting. The MGA recognises that there is also substantial value when operators pool in resources and information in order to better meet the intended aforementioned objectives. Many a time, such networks also present value for industry and regulators alike as their positions on policy matters would be representative of a wider array of stakeholders, hence the MGA joins other regulatory bodies in recognising the benefits of operators being part of a wider international betting integrity monitoring network.

## 4 Concluding Remarks

The MGA would like to thank all stakeholders in advance for their feedback on this guidance paper. The MGA is seeking detailed feedback from stakeholders before bringing into force the *Suspicious Betting Reporting Requirements*, as noted in article 43 of the *Gaming Authorisations and Compliance Directive* (Directive 3 of 2018).

This consultation is open until the 15 July 2020 and it is the intention of the Authority to issue a final version of these guidelines following consultation.