



# Licence Surrender

# Guidance Note

Malta Gaming Authority



## Contents

1	Overview.....	3
2	Definitions.....	3
3	Licence surrender application .....	4
3.1	Date of Surrender.....	4
3.2	Termination procedures.....	5
3.2.1	Surrender Plan.....	5
3.2.2	Date of Notification of Licence Surrender.....	6
3.2.3	Players' Notification and Personal Data .....	6
3.2.4	Outstanding Player Funds.....	7
3.3	Data Extraction.....	8

## 1 Overview

The Gaming Authorisations Regulations specify that an authorised person may request the surrender of an authorisation by providing not less than twenty (20) days notice in writing to the Authority. This guidance note aims to provide Licensees with a clear outline of the expected requirements and procedures in this regard.

It is pertinent to note that where the Authority approves a voluntary surrender of an authorisation, such surrender shall not affect any liability of the authorisation holder for anything done or omitted to be done, or for any amounts due which may have already been accrued before the date of the voluntary surrender.

## 2 Definitions

The term **“Authority”** shall have the same definition assigned to them in the Gaming Definitions Regulations, Subsidiary Legislation 583.04.

The term **“Gaming Authorisations Regulations”** shall mean the Gaming Authorisations Regulations, Subsidiary Legislation 583.05.

The term **“Gaming Definitions Regulations”** shall mean the Gaming Definitions Regulations, Subsidiary Legislation 583.04.

The term **“Gaming Licence Fees Regulations”** shall mean the Gaming Licence Fees Regulations, Subsidiary Legislation 583.03.

The term **“Gaming Tax Regulations”** shall mean the Gaming Tax Regulations, Subsidiary Legislation 583.10.

The terms **“licence”**, **“licensee”** and **“licence holder”** shall have the same definition assigned to them in the Gaming Definitions Regulations, Subsidiary Legislation 583.04.

The term **“LRMS”** shall mean the [Licensee Relationship Management System](#).

### 3 Licence surrender application

A request for a licence surrender needs to be submitted by the authorised person via the '[Licence – Licence Surrender](#)' application on the LRMS. The application shall only be deemed as 'Submitted' if the application is submitted in full, and includes a formal reply to the 'Termination Procedures' outlined in section 3.2, signed by a Company Director or by a person holding a Key Function role with the authorised person. Within the replies to these procedures, the Licensee would need to provide information mainly relating to:

- The exact date and time when the authorised person has stopped or shall stop accepting new business;
- The proposed plan that will be actioned by the Licensee further to the surrender of the Licence which shall include but not be limited to, a timeline outlining in detail the manner in which outstanding player balances, including funds-in-play and ongoing jackpots, shall be duly settled by the Licensee;
- The reason for which the Licensee has elected to surrender the Licence.

As part of the licence surrender application process, the Licensee must settle any dues to the Authority in terms of the Gaming Licence Fees Regulations and the Gaming Tax Regulations. Furthermore, the Licensee will also have to undergo a data extraction exercise (refer to section 3.3 below) once the licence surrender review is underway.

The Licensee is required to comply with the directions laid out in Licence Surrender procedures, as well as with the replies provided by the authorised person in relation to these procedures in order to obtain the approval of the Authority further to the surrender of the licence. Should the application be deemed to be incomplete, the application will be set to a one-time status 'Incomplete', and unless the application is fully submitted, within sixty (60) days, the application will be closed off automatically and possible enforcement action might be taken against the authorised person. Any misrepresentation in completing this application may also render the application void.

#### 3.1 Date of Surrender

The Licence shall be surrendered on the date designated by the Authority as the effective date of the surrender of the Licence (hereinafter the 'Date of Surrender'):

Provided that the approval of the surrender of the Licence by the Authority shall be subject to the adherence of the Licensee to any directions given by the Authority further to the surrender of the Licence.

Provided further that the notification to surrender the Licence is submitted by the authorised person via the '[Licence – Licence Surrender](#)' application on the LRMS, with the application to be fully submitted, including all the required documentation uploaded within the application with at least twenty (20) days notice prior to terminating the operations.

Following the designation of the Date of Surrender by the Authority, the Licensee shall ensure that any directions given and/or conditions imposed by the Authority have been adhered to prior to the Date of Surrender, including but not limited to, the settlement of all pending fees and taxes that may be due to the Authority.

## 3.2 Termination procedures

### 3.2.1 Surrender Plan

The Licensee shall inform the Authority of:

- (i) The exact date and time when it has stopped or shall stop accepting new business, that is, the date on which the Licensee discontinues the provision of access to the gaming service or gaming supply (hereinafter the 'Closure of Business');
- (ii) The proposed plan that will be actioned by the Licensee further to the surrender of the Licence (hereinafter the 'Licence Surrender Plan'), which shall include but not be limited to, a timeline outlining in detail the manner in which outstanding player balances, including funds-in-play and ongoing jackpots, shall be duly settled by the Licensee:

Provided that, without prejudice to section 3.2.4 below, the Licensee shall endeavour to settle all outstanding player balances within a period of three (3) months from the application date;

Provided further that, for the sake of clarity, the Authority reserves the right to give such further directions as it may deem necessary in relation to the Licence Surrender Plan, including but not limited to, directions relating to the settlement of all outstanding player balances; and,

- (iii) The reason for which the Licensee has elected to surrender the Licence.

### 3.2.2 Date of Notification of Licence Surrender

For the purpose of calculating the fees and taxes due to the Authority in terms of the Gaming Licence Fees Regulations and the Gaming Tax Regulations, the effective date whereby such fees and taxes shall cease to accrue shall be either of the following, whichever being the later date:

- (i) the Closure of Business; or,
- (ii) twenty (20) days after the date upon which the Licensee formally notifies the Authority that it intends to surrender the Licence, which notification needs to be submitted via a '[Licence – Licence Surrender](#)' application through the LRMS, in line with Article (28)(1) the Gaming Authorisations Regulations (hereinafter the 'Date of Notification of Licence Surrender').

For the avoidance of doubt, if the intention of the Licensee is to transfer the business to another authorised person, or to transfer its current operation under the remit of a different regulatory framework, the Licensee shall be required to adhere to any player migration procedures as may be deemed to be applicable by the Authority.

### 3.2.3 Players' Notification and Personal Data

The players of the Licensee shall be duly informed of the Licensee's intention to surrender its Licence. Such notification should be made by means of the Licensee's website/s, and/or apps, where applicable, as well as via electronic mail. The notification shall also delineate any procedure relating to the Closure of Business, along with any applicable timeframes. Moreover, the Licensee shall be responsible for guiding the players for the purpose of making requests for the withdrawal of their outstanding balances.

The Licensee shall also ensure that all player personal data is handled in accordance with its privacy notice and in accordance with any applicable data protection legislation. The Licensee shall specifically bring to the players' attention, the manner in which it shall process all player data following the surrender of the Licence.

In addition to the foregoing, the Licensee shall:

- (i) Ensure that all pending player disputes are duly settled; and,
- (ii) Within not later than thirty (30) days from the application submission date, submit any outstanding reporting requirements, including but not limited to, Player Liability Reports, Industry Returns and Questionnaires;

Provided that the Authority reserves the right to request the submission of updated reports at any time prior to the Date of Surrender.

### 3.2.4 Outstanding Player Funds

Whether or not the players of the Licensee make a request for the withdrawal of their funds, the Licensee shall settle all outstanding player balances. Where possible, player funds are to be refunded to the same account from which the funds originated. Further to this, the Licensee shall:

- (i) In instances where a player makes a request for the withdrawal of their outstanding balances, the Licensee shall issue the instruction to the relevant payment/credit/financial institution by not later than three (3) working days from the date upon which a player makes a request to this effect;
- (ii) In instances where a player does not make a request for the withdrawal of their outstanding balances, the Licensee shall settle such outstanding player balances in accordance with the Licence Surrender Plan and where applicable, in accordance with any directions issued by the Authority to this effect; and,
- (iii) Follow the procedures laid out in the Gaming Authorisations and Compliance Directive (Directive 3 of 2018) with respect to inactive and dormant accounts, including but not limited to, the remittal of any outstanding balance to the Authority, where applicable.

Without prejudice to any directions and/or orders given by the Authority further to the remittal of outstanding player funds, the Licensee may remit outstanding player funds to its players using one (1) or more of the below options:

- (i) Remit all outstanding player funds to the account from which the last deposit originated;
- (ii) Place outstanding player funds into an escrow account;
- (iii) Place outstanding player funds into a trust account;
- (iv) Place outstanding player funds with a licensed financial, payment, or e-money institution further to the issuance of electronic cheques to players.

Following the settlement of all outstanding player balances, the Licensee shall submit to the Authority a transaction report extracted from their back-end system together with the supporting bank statements, attesting that all player funds have been duly remitted to the registered players.

In the event that the Licensee fails to remit all outstanding player funds to its players, the Licensee shall inform the Authority and adhere to any direction given by the Authority in this regard. This notification needs to be accompanied by documented proof, encompassing any relevant transaction records and/or bank statements that show the Licensee's failed attempts at remitting all outstanding player funds.

### 3.3 Data Extraction

Upon being requested by the Authority to do so, the Licensee shall provide the necessary facilities to the Authority in order for the latter to extract and make copies of the relevant data, including but not limited to, essential regulatory data as defined in the Gaming Definitions Regulations.

Without prejudice to any further information that the Authority may require, the following information shall be requested by the Authority for the purpose of carrying out the data extraction:

- (i) The customer's name and surname;
- (ii) The customer's Player ID;
- (iii) The customer's e-mail address;
- (iv) The customer's residential address;
- (v) The customer's country of residence;
- (vi) The customer's date of birth;
- (vii) The currency type of the customer's account;
- (viii) Cashable Balance (in the same currency type used in the customer's account);
- (ix) The amount of funds in play/open bets (in the same currency type used in the customer's account); and,
- (x) The amount of pending pay-outs (unprocessed withdrawals in the same currency type used in the customer's account).

The foregoing data extraction exercise may be performed through a 'live screen sharing conference' and in such instance, the responsible personnel of the Licensee, including but not limited to, any personnel responsible for the technical operations of the Licensee, shall be present during the data extraction exercise.



