MGA

Proposed Enhancements to the Recognition Notice Framework

Malta Gaming Authority

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Definitions

Act	Means the Gaming Act (Chapter 583 of the Laws of Malta).
AML/CFT	Means Anti-Money Laundering and Combating the Funding of Terrorism.
Authority	Means the Malta Gaming Authority, as established in terms of Article 5 of the Gaming Act.
FIAU	Means the Financial Intelligence Analysis Unit, as established in Part II of Chapter 373 of the Laws of Malta, the Prevention of Money Laundering Act.
Recognition Notice	Means a notice issued by the Authority whereby an authorisation issued by another Member State of the EU or the EEA, or a state which is deemed by the Authority to offer safeguards largely equivalent to those offered by Maltese law, and is recognised as having the same effect as an authorisation issued by the Authority for the purpose of providing a gaming service or gaming supply in or from Malta, as established in the Gaming Act.

Acronyms

AML	Anti-Money Laundering
B2B	Business-to-Business
B2C	Business-to-Consumer
CFT	Combating the Funding of Terrorism
FATF	Financial Action Task Force
FIAU	Financial Intelligence Analysis Unit
GAR	Gaming Authorisations Regulations
MGA	Malta Gaming Authority
MLRO	Money Laundering Reporting Officer
NCC	National Coordinating Committee on Combating Money Laundering and Funding of Terrorism
NRA	National Risk Assessment
RN	Recognition Notice
TFS	Targeted Financial Sanctions

1. Context

1.1 Introduction

The Malta Gaming Authority (the "Authority") operates a Recognition Notice ("RN") framework that enables the recognition of foreign gaming licences, permitting authorised entities to provide gaming services or gaming supply in or from Malta. A Recognition Notice is a notice issued by the Authority through which a gaming licence granted by another Member State of the European Union or the European Economic Area, or by a jurisdiction deemed by the Authority to offer safeguards largely equivalent to those under Maltese law, is recognised as having the same effect as an authorisation issued by the Authority for the purposes of providing a gaming service or gaming supply in or from Malta.

Following the conclusion of the last National Risk Assessment ("NRA"), and in line with the objectives and commitments set out in Malta's National Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT") Strategy 2024–2026, the Authority has undertaken a review of aspects of the RN framework. This review sought to assess whether the existing measures remain adequate and proportionate in light of evolving risk considerations.

This consultation outlines the Authority's proposed policy enhancements to the RN framework. The proposed measures are intended to build upon existing arrangements by further strengthening the Authority's assessment approach, with particular focus on the controls applied by the Authority at the authorisation stage and on the structure and effectiveness of ongoing monitoring procedures. These enhancements are designed to build on the existing RN framework and support a robust and credible regulatory environment aligned with AML/CFT objectives.

1.2 MGA's Consultation Objective

In line with the Authority's commitment to an open and transparent decision-making process, this consultation sets out proposed refinements to the RN framework for the purposes of seeking stakeholder feedback prior to any finalisation or implementation.

The Authority invites stakeholders to submit views on the proposed risk-based policy measures, which are intended to support a more focused and proportionate application of safeguards. In particular, feedback is sought on proposed refinements relating to checks applied at the authorisation stage and ongoing monitoring arrangements.

Submissions received through this consultation will be considered by the Authority in determining its final policy position and in informing the design, timing, and implementation of any resulting updates to the Recognition Notice framework.

1.3 Pre-Consultation Activities

The proposed policy enhancements have been developed following:

- an internal review of existing RN Framework controls;
- consideration of the relevant findings of the 2023 National Risk Assessment; and
- alignment with commitments arising from Malta's National AML/CFT Strategy 2024-2026.

In developing these proposals, the Authority has also engaged in discussions with relevant national competent authorities, including the Financial Intelligence Analysis Unit ("FIAU"), as well as with the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism ("NCC"). These engagements have informed the Authority's understanding of sector-wide risks and the need for a consistent, and proportionate measures.

1.4 Status of this Consultation

This document is issued for consultation purposes only and does not represent a final or binding policy position of the Authority.

The proposals set out herein are indicative and subject to change following consideration of submissions received during the consultation process. The Authority retains discretion to determine whether any amendments to the RN framework are introduced, as well as their scope, form, and timing.

Any final policy decisions, together with applicable implementation timelines, will be communicated separately.

2. Consultation Process

This section sets out information relating to the consultation process, including the duration of the consultation period and the manner in which feedback and queries may be submitted to the Authority.

2.1 Consultation Period

This consultation shall remain open for a period of [**4** weeks, set as follows:

Opening date of consultation	[29 April 2026]
Closing date of consultation	[27 May 2026]

In any instance, where an extension of the consultation period is deemed necessary, either by the MGA or following a request made by the interested parties due to exceptional circumstances that warrant the MGA to issue an extension, the Authority will communicate any such extension with all parties.

The Authority reserves the right to determine whether to grant or refuse requests for an extension of the consultation period, having regard to the circumstances of each case.

2.2 Feedback

The Authority is seeking feedback from RN holders, industry stakeholders, and other interested parties on proposed enhancements to the RN framework.

Contributors are invited to submit their feedback to this consultation through an online questionnaire hosted on Microsoft Forms: **link**. The questionnaire reflects the consultation questions set out in Annex 1 and has been designed to support a consistent and structured submission process.

The proposals outlined in this consultation are intended to build upon the existing framework and to further reinforce a proportionate, risk-based approach, focusing attention on areas where higher risks may arise.

For ease of reference, the key proposed enhancements are summarised below and are structured around two stages of the RN framework:

i. Measures applied prior to the issuance of a RN, including authorisation and onboarding process; and
ii. Ongoing monitoring arrangements following the issuance of a RN.

2.2.1 Proposed refinements at the authorisation stage

The Authority proposes to introduce a number of targeted refinements as at the authorisation stage with the aim of strengthening and further standardising certain onboarding information requirements, while maintaining a proportionate and risk-based approach.

The proposed refinements include the following:

i. **Corporate structure**
The Authority propose to request a copy of the applicant company's corporate structure chart, intended to provide clearer visibility over the ownership and control arrangements, including ultimate beneficial ownership, relevant to the applicant.

ii. **Standardised legal opinion template**
To improve consistency across RN applications and reduce variations in the format and scope of legal opinions submitted, the Authority proposes to introduce a standardised legal opinion template.

The objective of this measure is not to increase the overall regulatory burden, but to ensure that the same core confirmations relevant to the assessment of regulatory equivalence are provided in a consistent and structured manner.

Under the proposed approach, the legal opinion would be required to address, at a minimum, the following headings:

- Company and Licence Details - Including company registration number, the jurisdiction under whose laws the company is incorporated, registered address, licence number, issuance date and expiry date;
- Territorial scope – Outlining the full extent of the territorial scope of the licence and, specifically, whether the licensed services may be offered outside the jurisdiction of the issuing authority;
- AML/CFT coverage (B2C applicants) - Confirmation that the licensed operations are subject to the AML/CFT framework of the licence-issuing jurisdiction (or otherwise), and that the licensee is duly bound to fulfil AML/CFT reporting requirements, and that it is compliant with the applicable AML/CFT legislation of the licence-issuing jurisdiction;
- Compliance Coverage - Confirmation that the issuing foreign competent authority conducts compliance checks and clarification as to whether such checks are applicable to the entirety of the licensed operation. Should different compliance checks be applicable

to different operations (e.g. game vertical/game type), confirmation of the applicability of the compliance checks to the respective operations should be provided;

- Licensed activities and scope - An assessment that the gaming services and/or critical gaming supplies which may be offered by virtue of the licence and in terms of the relevant jurisdiction's regulatory framework, are comparable to the respective licensable services established under Maltese Law and in accordance with Regulation 22 of the Gaming Authorisations Regulations ("GARs");
- Description of a gaming services – A description of the gaming services which may be offered under the foreign licence, including a non-generic description of the products which should be comparable to the descriptions of the relevant game types and verticals under Maltese law.

iii. Targeted regulatory history disclosures

The Authority proposes to request targeted disclosures relating to the regulatory history of the foreign licence, limited to a defined five-year period, namely:

- disclosures relating to relevant historical enforcement actions or regulatory correspondence (where known to the applicant); and
- disclosure of enforcement actions taken by the foreign regulator in relation to the foreign licence.

iv. MLRO contact details (B2C applicants)

For B2C applicants, the Authority proposes to request MLRO contact details. This information would be used primarily to:

- facilitate the dissemination of key AML/CFT and Targeted Financial Sanctions ("TFS") updates to RN holders;
- support targeted awareness and outreach initiatives, where appropriate; and
- establish practical points of contact for AML/CFT and TFS-related issues.

v. Jurisdictional and Activity Scope Exposure

As part of the onboarding assessment, the Authority proposes to request:

- A written declaration confirming that activities conducted under the foreign licence do not target customers located in sanctioned jurisdictions or jurisdictions classified by the Financial Action Task Force ("FATF") as Category 1 (high-risk jurisdictions subject to a call for action); and
- Confirmation as to whether the applicant operates any land-based gaming services (such as betting shops or other physical outlets), under the foreign licence for which recognition is being sought.

2.2.2 Proposed Refinements to Ongoing Monitoring

The Authority proposes to introduce a more structured, yet streamlined, approach to ongoing monitoring under the RN framework. This would be centred on a targeted and brief annual information submission, intended to support the Authority's ongoing assessment of risk exposure while minimising unnecessary administrative burden.

The Authority proposes to capture the following information, in respect of activity conducted under the foreign licence recognised via the RN for the relevant reporting year:

- The number of players serviced under the foreign licence (B2C) or number of clients serviced under that licence (B2B);
- The value and volume of deposits and withdrawals processed under the foreign licence per year (B2C only);
- The payment methods utilised for transactions conducted under the foreign licence (B2C only);
- The number of employees supporting the activity under the foreign licence, and revenue generated under that licence (where applicable); and
- A declaration confirming whether any land-based (retail) gaming activity is being carried out in practice under the foreign licence recognised via the RN.

2.3 Queries

Any queries and requests for clarifications that contributors may have in respect of the contents of the consultation document and any request for modification or deletion of a submitted contribution to this consultation process shall be sent to the following email address: policy.mga@mga.org.mt.

Queries should be sent within a reasonable timeframe and, in any event, sufficiently in advance of the consultation closing date to allow the Authority to consider and respond to them appropriately.

All queries will be acknowledged in writing within two (2) working days from receipt.

2.4 Transparency

The responses to the consultation may be made public or published in a summary of responses on the MGA's website (https://www.mga.org.mt/our-work/consultations/).

Respondents may request that part or all of their submission be treated as confidential or redacted from publication, provided that reasons are given for such a request. Where the Authority accedes to such a request, the relevant parts of the submission will be redacted prior to publication.

The Authority will take appropriate measures to ensure that any information that is confidential to a respondent's business or operational environment, or which may lead to the identification of the respondent where confidentiality has been requested and granted, is not disclosed in published consultation outputs.

2.5 Post-Consultation Process

The Authority will review and consider all submissions received during the consultation period before determining its final policy position.

While all feedback will be assessed on its merits, the Authority retains discretion to determine whether proposed refinements should be amended, adopted, or otherwise adjusted, having regard to the objectives of the RN framework, the applicable risk assessment, and broader regulatory considerations.

In this context, and in considering the potential implications of the proposed enhancements, the Authority is assessing the appropriateness of a staggered implementation approach, including whether certain measures should apply at different points in time, having regard to proportionality, risk, and operational impact.

Any final policy decisions and next steps will be communicated separately.

2.6 Data Protection

As part of this consultation, industry stakeholders are invited to forward their recommendations, views and opinions on the proposed enhancements to the RN framework.

The Authority intends to collect the following information:

- Name of the organisation or individual responding to the consultation;
- Position or role within the organisation; and
- Email address of the individual.

Any personal data collected will be processed by the Authority in accordance with the relevant provisions of the General Data Protection Regulation (EU) 2016/679. Personal data will not be made available to third parties.

The above-mentioned personal data shall be processed for the purpose of gathering feedback from the industry stakeholders regarding the proposed Regulations and Policy Document. The contact

information shall be collected to allow the Authority to contact contributors to request any necessary clarifications regarding their submissions.

The personal data shall be processed on the basis of article 6(1)(e) of the General Data Protection Regulation (EU) 2016/679, in that the contact information is needed to properly fulfil the Authority's function "to consult with the general public or a specific segment thereof, as the case may be, on all matters which the Authority considers necessary and, or desirable" as applicable by virtue of article 7(1)(g) of the Gaming Act (Chapter 583 of the Laws of Malta).

Contributors may also contact the Data Protection Officer of the Authority with any concerns or queries relating to personal data on the following email address: dpo.mga@mga.org.mt. Moreover, the Authority's privacy policy can be found at https://www.mga.org.mt/privacy-policy/.

Given that the MGA is a public authority, it must abide by the obligations under the Freedom of Information Act (Chapter 496 of the Laws of Malta). All documents held by the Authority, including documents related to this public consultation process, may be released following a request made in terms of the Freedom of Information Act, unless such request may be subject to an exemption arising from the same Act. In accordance with article 5(3) of the Freedom of Information Act, a document containing personal data will only be released if such personal data can be deleted, and such release will be made in accordance with articles 13(1) and (2) of the same.

3. Concluding remarks

The Authority considers stakeholder engagement to be central to the continued development and effective operation of the RN framework.

Feedback received through this consultation will be considered as part of the Authority's assessment of the proposed measures and will inform the refinement and finalisation of any resulting policy changes. In this context, the Authority seeks to ensure that the RN framework continues to evolve in a proportionate and risk-based manner, while remaining aligned with Malta's national AML/CFT priorities and broader regulatory objectives.

Annex 1 - Consultation Questions

INSTRUCTIONS TO CONTRIBUTORS

Contributors are invited to provide comments and observations on the proposals outlined in this consultation. Responses are most helpful where they identify practical considerations, areas that may benefit from clarification or refinement, and, where relevant, suggested adjustments that would continue to support a proportionate, risk-based RN framework. Where possible, contributors are encouraged to explain the rationale for their views and to flag any implementation considerations. As indicated under section 2.2 of this document, contributors are invited to submit their feedback to this consultation through an online questionnaire hosted on Microsoft Forms through the following: **link**.

Q1. OVERALL OBSERVATIONS

Contributors are invited to set out any overall considerations arising from the proposed enhancements to the RN framework, including elements that support the application of a risk-based approach, as well as any issues, concerns, or areas where further clarification, refinement, or adjustment may be warranted.

Q2. AUTHORISATION-STAGE INFORMATION REQUIREMENTS

Respondents are invited to provide input on the proposed refinements at the authorisation stage, including:

- requests for corporate structure information;
- targeted regulatory history disclosures;
- confirmation of jurisdictional and activity scope (including declarations relating to FATF Category 1 exposure and land-based gaming activity);
- MLRO contact details for B2C applicants; and
- the introduction of a standardised legal opinion template.

In particular, respondents are invited to indicate whether these requirements are clear and workable in practice, and to identify any elements that may benefit from clarification, refinement, or adjustment.

Q3. ANNUAL INFORMATION SUBMISSION AND ONGOING MONITORING

Respondents are invited to provide input on the proposed annual information submission and related ongoing monitoring arrangements, limited to high-level information relating to activity conducted under the foreign licence recognised via the RN. This includes:

- The number of players (B2C) or clients (B2B) services under the foreign licence;

- transaction volumes and values (B2C only);
- payment methods utilised (B2C);
- employees supporting the activity and revenue generated under the foreign licence (where applicable), and
- declarations relating to whether any land-based (retail) gaming activity is being carried out in practice under the foreign licence recognised via the RN.

In particular, respondents are invited to indicate whether the proposed information is sufficiently clear and appropriately targeted to support a risk-based approach to ongoing monitoring, and to identify any elements that may benefit from clarification or adjustment.

