

Thematic Review

Sports Betting
Integrity:

**Monitoring, Escalation
and Controls**

Malta Gaming Authority



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Acronyms

B2B – Business-to-Business

B2C – Business-to-Consumer

MGA – Malta Gaming Authority



Table of 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):

Type 2 Gaming Services:

Games of chance played against the house, the outcome of which is not generated randomly, but is determined by the result of an event or competition extraneous to a game of chance, and whereby the operator manages his or her own risk by managing the odds offered to the player.

Sports Governing Body:

A sports governing body is a sports organisation that has a regulatory or sanctioning function. Sports governing bodies come in various forms and have a variety of regulatory functions, including disciplinary action for rule infractions and deciding on rule changes in the sport that they govern.

B2C Licensee:

A person licensed by the Authority to provide or carry out a gaming service from Malta or to any person in Malta, subject to the requirement of obtaining a licence in terms of regulation 3 of the Gaming Authorisations Regulations, which for the avoidance of doubt shall include the persons operating the games mentioned in regulation 8, but not the persons operating any games in terms of regulations 5, 7, 22, 29, 30 and 31 of the Gaming Authorisations Regulations.

B2B Licensee:

A person licensed by the Authority to provide a critical gaming supply.

Integrity Monitoring Bodies:

Integrity Monitoring Bodies are independent entities, organisations or associations that monitor and analyse betting activity, sports events and related data for the purpose of identifying potential integrity risks, suspicious betting activity or indicators of manipulation or corruption. Such bodies may provide alerts, intelligence, risk assessments or other information to Authorised Persons, sports governing bodies and competent authorities in order to support the prevention, detection and reporting of activities that may undermine the integrity of sport or betting markets.

Context

As outlined in the February 2025 publication '**Regulatory Oversight: Supervisory Engagement Efforts 2025**', the Malta Gaming Authority (hereinafter the 'Authority' or the 'MGA') carried out a Thematic Review focused on Authorised Persons that had submitted low or no Suspicious Betting Reports since the Suspicious Betting Reporting Requirements were introduced. This initiative formed part of the Authority's broader supervisory framework aimed at assessing the effectiveness of controls supporting Sports Betting Integrity and ensuring consistent adherence to regulatory obligations.

The purpose of this Thematic Review is to examine the underlying factors contributing to a reduced level or lack of reporting of suspicious betting activity, to assess the adequacy of monitoring and escalation frameworks, and evaluate whether Authorised Persons' policies and procedures reflect the Authority's expectations. The review considered both operational and governance aspects and aimed to identify industry-common challenges, good practices and opportunities for improvement.

The scope of the work covers a risk-based sample group of Authorised Persons representing a variety of operational models, including both B2B and B2C environments. The review encompassed information gathered from Supervisory Meetings, documentation submitted by the participating Authorised Persons, and follow-up clarifications provided during the engagement process. This document presents all findings in an anonymised and aggregated manner.

Methodology

This section outlines the methodology adopted for the Thematic Review, including the objective of the Supervisory Engagement, the review period, the approach adopted by the Authority, and the scope by which Authorised Persons were considered as part of the review.

The Authority carried out the Thematic Review through a structured programme of Supervisory Reviews and Supervisory Meetings involving Authorised Persons that had recorded either very low levels of reporting or no reporting at all in recent years.

Each engagement served as an opportunity to examine the Authorised Persons' internal frameworks, gain insight into their monitoring and escalation structures and assess the operational realities that shape their approach to sports betting integrity.

The review focused on analysing what systems are being employed by Authorised Persons for monitoring betting activity and how internal teams collaborate when analysing unusual betting patterns. The Authority gave particular consideration to reporting timeframes, governance measures and the role of the key compliance function, as well as detection and escalation frameworks.

The review also provided an opportunity to identify common challenges encountered by Authorised Persons in view of exploring areas where further clarification or guidance from the Authority may support more consistent application of these regulatory requirements.

The review period commenced in Q2 2025 and concluded in Q4 2025. Analysis of the findings ensued thereafter.

The Authority analysed the observations drawn from the Supervisory Engagements which formed the foundations of the Thematic Review findings presented in this report. These reflect the recurring themes and practices identified across all Supervisory Engagements.



Key Themes

Reporting behaviour

Key Observations & Common Practices

The review identified that low levels of suspicious betting reporting stemmed mainly from a combination of operational, strategic and structural factors. Many Authorised Persons had implemented stringent internal risk controls, such as restrictive betting limits, conservative market offerings and the removal of events assessed as attracting or involving many vulnerable persons, such as certain youth competitions.

These preventative measures substantially reduced the exposure to integrity risks and limited the likelihood of suspicious activity arising.

Areas Requiring Enhancement

Authorised Persons often relied on external integrity monitoring bodies for sports data and risk information. In such cases, internal investigations were typically only triggered by alerts from these third-party partners, meaning that if no alerts were generated, suspicious activity was less likely to be detected or reported.

Although Authorised Persons holding multiple licences across different jurisdictions often observed suspicious patterns mainly under foreign regulatory environments, it became apparent that some Authorised Persons were not aware that activity occurring in the same market with players under the MGA licence needed to be reported. The team addressed this misinterpretation, clarifying that such activity must be reported in accordance with MGA requirements.

Best Practices Observed

Several Authorised Persons demonstrated a proactive approach to market risk management. This included the early removal of events considered susceptible to manipulation, particularly competitions involving youths, and the implementation of internal limits that reduced the potential for abnormal betting activity. Such preventative measures contributed to a more controlled and risk-aware betting environment.

Overall, these factors contributed to a reporting landscape where low volumes were more reflective of risk mitigation practices and reliance on monitoring partners. Taken together, these operational and strategic approaches contributed to a reporting landscape where low volumes reflected the underlying risk management processes and reliance on external monitoring, rather than a simple absence of detection capability.

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Monitoring frameworks and detection capabilities

Key Observations & Common Practices

The assessment undertaken highlighted a significant degree of variation in the tools and systems used for monitoring betting activity. Some Authorised Persons employed sophisticated sportsbook management platforms that provided real-time visibility of bets, colour-coded risk indicators, detailed customer information and historical behaviour patterns. These tools enabled continuous monitoring and allowed internal teams to flag, investigate or suspend activity when certain criteria were met.

Other Authorised Persons operated within B2B structures and relied primarily on feeds and alerts generated by their integration partners. In such cases, the depth of monitoring was dependent on the capabilities of the upstream provider.

Authorised Persons with operations significantly smaller than others maintained simpler systems supported by twenty-four-hour monitoring from internal risk teams, although these systems did not always offer the same level of granularity as those used by organisations which were operating at a larger scale.

Authorised Persons used several common indicators to identify potentially suspicious activity. These included clusters of bets placed on the same event or market within a short period of time, repeated behaviour across accounts that appeared to share personal or technical identifiers, sudden or unusual stake patterns, and behaviour considered inconsistent with typical recreational betting activity. While the technological capabilities varied, there was a clear recognition of the types of patterns that should trigger closer internal review.



Areas Requiring Enhancement

Authorised Persons are advised to ensure that their monitoring tools provide clear and timely visibility of betting activity, and that internal teams have sufficient access to data, even where services are provided by B2B providers. Monitoring should combine system-driven alerts with informed human oversight to ensure that unusual patterns are identified promptly.

Best Practices Observed

The Authority noted instances where Authorised Persons made effective use of monitoring systems that offered real-time visibility of betting activity. In these cases, the systems were supported by clear internal responsibilities within risk, trading and compliance functions. Some Authorised Persons adopted a structured, multi-layer assessment of risk signals, which ensured that suspicious patterns were reviewed from both operational and governance perspectives before a reporting decision was made.

Internal escalation procedures

Key Observations & Common Practices

The MGA found that, although all Authorised Persons had some form of internal escalation process, the level of formality and clarity within these processes varied significantly. In most cases, the first stage of escalation occurred at the operational level, usually within trading or risk teams, before being passed to compliance teams for assessment. Individuals holding compliance-related responsibilities generally made the final decision on whether to file a Suspicious Betting Report.

Areas Requiring Enhancement

A recurring observation across several Authorised Persons was the insufficient reference to the role of the Key Compliance Function within formal policy documentation. Although, in practice, this individual was responsible for reporting obligations and acted as the primary point of contact with the Authority, this was not always explicitly reflected in the written procedures.

In addition, some Authorised Persons lacked a clearly documented workflow describing the sequence of internal actions leading from detection to reporting. Authorised Persons often described communication flows verbally during Supervisory Meetings but did not accurately capture them within policies and procedures. The Authority identified these areas as requiring amendments to strengthen clarity and ensure alignment with regulatory expectations.

Internal escalation procedures should be clearly documented and reflect the full sequence of actions required from detection to reporting. The responsibilities of the key compliance function should be explicitly documented, together with the requirement to submit suspicious betting reports within the prescribed timeframe.

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Best Practices Observed

Examples of good practice included clearly defined internal reporting lines and strong cooperation between operational and compliance functions, enabling the timely assessment and escalation of unusual betting activity where appropriate. Clearly assigned responsibilities and governance oversight supported timely decision-making and strengthened accountability throughout the reporting process.



Policies and procedures

Key Observations & Common Practices

The review indicated a range of strengths and weaknesses. Several Authorised Persons had developed comprehensive documents, while others required further refinement to ensure clarity and completeness.

Areas Requiring Enhancement

The Authority observed terminology inconsistencies particularly regarding the identification of external monitoring partners. In addition, some documents contained only limited detail on reporting obligations, including the requirement to report suspicious activity within established timeframes regardless of whether financial harm had occurred.

Documentation did not always adequately reflect training practices, even when Authorised Persons confirmed verbally that staff had received appropriate training. Internal communication structures, including collaboration between monitoring, risk and compliance teams, were sometimes insufficiently documented. Furthermore, while Authorised Persons described market suspension practices during Supervisory Meetings, they did not always capture them within formal policies and procedures. The Authority requested revisions to ensure that the written procedures accurately reflected operational reality and met regulatory expectations.

Best Practices Observed

Across the sample, Authorised Persons who regularly reviewed their internal policies and procedures and working practices, and who demonstrated openness to enhancing their reporting frameworks stood out as exhibiting a strong compliance culture.

Their willingness to refine internal documentation, clarify escalation procedures and engage constructively with the Authority contributed positively to the process.





Safeguarding measures relating to athletes

Key Observations & Common Practices

The Supervisory Review confirmed that Authorised Persons recognised the integrity risks associated with athletes and other sports personnel placing bets on events in which they are involved in.

Authorised Persons employed several methods to mitigate these risks. Some Authorised Persons relied on databases provided by external integrity monitoring bodies to identify individuals linked to professional or amateur sport, whilst others undertook manual checks using publicly available information and queried account holders directly where necessary. In certain instances, Authorised Persons applied restrictions to players found to have an active or previous involvement in sports.

Areas Requiring Enhancement

The Authority encourages Authorised Persons to maintain structured safeguards aimed at identifying athletes and sports personnel, supported by the use of trusted data sources and sensible internal restrictions. Engagement with recognised integrity monitoring bodies is considered beneficial, as it enhances the flow of information and supports a coordinated approach to emerging risks.

Best Practices Observed

The MGA observed effective safeguards relating to the prevention of athletes and sports personnel betting on their own sport. Some Authorised Persons employed external databases to identify individuals linked to professional or amateur sport, while others undertook additional verification or applied targeted restrictions to account holders presenting potential conflicts of interest. These measures reflected a strong awareness of the risks involved and a commitment to ensuring compliance with sporting and regulatory standards.

Engagement with integrity monitoring and sports bodies

Key Observations & Common Practices

The sample of Authorised Persons reviewed had differing levels of engagement with international integrity monitoring bodies. Some maintained active partnerships with recognised associations through direct membership or through arrangements facilitated by their B2B providers. Others had agreements relating specifically to particular sports or emerging sectors, such as Esports.

Areas Requiring Enhancement

While cooperation with monitoring bodies was evident to varying degrees, none of the Authorised Persons sampled in this Thematic Review reported having formal agreements or memoranda of understanding with sports governing bodies. Authorised Persons typically engaged through external monitoring partners or through the MGA and other regulators.

The MGA does not require Authorised Persons to establish formal agreements with monitoring bodies or sports governing bodies. However, such arrangements may provide additional value by

formalising communication channels, clarifying roles and expectations, and supporting the timely exchange of relevant information. They may also strengthen cooperation between stakeholders and facilitate a more coordinated response to potential betting–integrity concerns.

Best Practices Observed

In several cases, Authorised Persons maintained channels of communication with external monitoring services and, where appropriate, with partners or data providers that allowed them to obtain timely information. This level of cooperation strengthened their internal ability to detect unusual activity and contributed to the wider integrity ecosystem.

Other General Observations

During the Thematic Review, Authorised Persons raised a notable concern regarding the absence of clear guidance from the Authority regarding what constitutes “suspicious” betting activity. This ambiguity leaves Authorised Persons to interpret and apply their own standards, which may lead to inconsistent reporting and uncertainty across the sector.

Furthermore, Authorised Persons highlighted that additional clarity on relevant risk factors and thresholds would assist in distinguishing between genuinely suspicious activity and routine anomalies, thereby supporting more effective monitoring and safeguarding efforts.

While acknowledging this feedback regarding clearer definitions, the MGA considers that maintaining an open approach encourages Authorised Persons to report all potentially relevant cases, as rigid thresholds might discourage submission of information which may still warrant review.

Authorised Persons are encouraged to maintain open and proactive communication with the Authority, seeking clarification when needed and providing timely feedback on reporting processes. Constructive dialogue supports effective supervision and contributes positively to the broader integrity framework.

Additionally, Authorised Persons raised the possibility of establishing a centralised register of professional athletes during the supervisory process. While not within its direct remit, the Authority considers that sports associations may, in the future, wish to explore whether more structured records of registered athletes could support wider sports betting integrity efforts. Such an approach may assist Authorised Persons in identifying athletes and sports personnel who may be subject to betting restrictions and in preventing prohibited betting activity.

At the same time, the Authority recognises that any such initiative would need to address significant practical considerations, including accuracy, ongoing maintenance, data protection and international applicability.



Conclusion

The Thematic Review confirms that, while Authorised Persons maintain monitoring systems and internal processes to address potential threats to sports betting integrity, the degree of maturity and clarity of these frameworks varies significantly across the sector.

A number of Authorised Persons demonstrated strong awareness of integrity risks and adopted structured, well-informed approaches to detection, escalation and governance. Others required clearer documentation, more consistent reporting practices and stronger alignment between operational behaviour and regulatory requirements.

The review identifies a number of practices that contribute positively to the integrity environment, including proactive market risk management, effective use of monitoring tools, constructive collaboration with integrity partners, and safeguards designed to prevent athletes and sports personnel from engaging in prohibited betting activity. These examples demonstrate that robust integrity standards are both achievable and already embedded within parts of the sector.

Building on these practices, the Authority encourages Authorised Persons to further strengthen their internal frameworks through clear escalation procedures, regular policy reviews, targeted employee training, robust access to monitoring data, and proactive engagement with the Authority.

The findings also reinforce the importance of ongoing dialogue between Authorised Persons and the Authority to promote a transparent, consistent, and effective approach to integrity risk management and reporting obligations.

Overall, the Thematic Review has provided meaningful insight into current practices and has identified areas where continued improvement will enhance the safeguarding of sports betting integrity. The Authority will continue to monitor progress through its ongoing supervisory work and will consider the findings of this review when shaping future guidance and regulatory developments.

For any queries relating to this document or other sports betting integrity-related matters, please contact the MGA at sportsintegrity.mga@mga.org.mt.



Malta Gaming Authority

Building SCM 02-03, Level 4
SmartCity Malta, Ricasoli SCM1001
Malta

Call +356 2546 9000
Email info.mga@mga.org.mt

mga.org.mt