

## **THE MALTA GAMING AUTHORITY PUBLISHES A WHITE PAPER PROPOSING MAJOR REFORMS TO MALTA'S GAMING LEGAL FRAMEWORK.**

The Malta Gaming Authority (MGA) has today published a White Paper proposing major reforms to Malta's Gaming Legal Framework. The main objective behind this proposed overhaul is to repeal all the existing legislation and replace it with a singular primary Act of Parliament entitled the Gaming Act, together with subsidiary legislation covering horizontally the main areas of regulation as well as a series of directives and guidelines issued by the Malta Gaming Authority as the single regulator of this sector. The proposed regulatory framework empowers the MGA to be more agile in its decision-making, and decreasing unnecessary regulatory burdens which are not conducive to the regulatory objectives, whilst concurrently strengthening supervision and focusing the regulator's efforts on the areas which present a higher risk profile. Furthermore, the proposed reform proposes the enhancement of best-in-class consumer protection standards, responsible gaming measures, a risk-based approach towards regulation and wider powers for the MGA in compliance and enforcement. It also establishes objective-orientated standards to encourage innovation and development.

These proposals are underpinned by a number of initiatives which have been undertaken throughout the preparatory period for this proposed legal overhaul, including various public consultations, technical studies and economic and financial impact assessments. They also reflect the experience which the MGA has garnered from years of experience regulating the sector. Concurrently, the proposals embrace a forward-looking regulatory ethos which seeks to ensure that regulation can cater for new potential sectors whilst reacting proportionately to societal risks.

Key highlights of the changes envisaged include:

- Replacing the current multi-licence system with a system in which there will be two different types of licences – a Business-to-Consumer (B2C) licence and a Business-to-Business (B2B) licence – covering different types of activities across multiple distribution channels;
- Moving towards an objective-based rather than excessively prescriptive regulatory approach, to allow for innovation whilst ensuring that the regulatory objectives are attained;
- Broadening the regulatory scope to increase MGA oversight and allow for intervention where necessary and in a proportionate manner;
- Widening the MGA's powers under the compliance and enforcement functions to better achieve the regulatory objectives, in line with concurrent developments on anti-money laundering and funding of terrorism obligations;
- Segmenting the Key Official role into various key functions within a licensed activity, requiring approval, for direct scrutiny and targeted supervisory controls, thereby raising the bar for persons of responsibility within a gaming operation;
- Strengthening the player protection framework by formalising the mediatory role of the MGA's Player Support Unit, enshrining segregation of player funds at law and moving towards a unified self-exclusion database across both remote and land-based delivery channels;
- Introducing new and more effective processes for criminal and administrative justice, including the allocation of appeals from decisions of the Authority to the Administrative Review Tribunal and the introduction of a distinction between administrative and criminal offences;
- Introducing the concept of administration to protect an operation in distress and, if necessary, to assist the winding down of an operation, thereby protecting jobs and player funds;

- Moving towards automated reporting, facilitating adherence to regulatory obligations and strengthening the Authority's oversight;
- Bolstering the Authority's role in the fight against manipulation of sports competitions by introducing new obligations on operators to monitor sports betting and report suspicious bets, in line with the efforts being made by the National Anti-Corruption Task Force in which the Authority also participates actively;
- Streamlining taxation into one flow with two main layers; and
- Exempting B2B licensees from gaming tax, thus increasing Malta's competitiveness as a hub for these services providers.

Queries and requests for clarifications with respect to the content of the document, as well as contributions/feedback from interested parties may be sent by email to [legaloverhaul.mga@mga.org.mt](mailto:legaloverhaul.mga@mga.org.mt) or in writing to:

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Closing date for feedback on the aforementioned consultation is Wednesday, 23<sup>rd</sup> August, 2017.

