



Consumer protection in online gambling

Keeping Malta at the forefront of online gambling regulation

EGBA talks to **Joseph Cuschieri, Chairman of the Malta Gaming Authority**, to take stock of the evolution of regulatory environment for online gambling in Malta in the last decade and the importance of consumer protection.

EGBA: Malta already in 2004 adopted legislation to regulate remote gambling. Why was Malta such an early mover? What is the advantage of having this relatively long experience with gambling regulation?

Malta sought the diversification of its economy about 15 years ago as part of its economic reform and as a result decided to increase its focus on the services industry.

At the time, remote gambling was a nomadic, unregulated, fast growing economic activity which warranted more than mere economic attention and required regulation due to the risks usually associated with gambling. Some of the bigger pan-European operators of today started in Malta.

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but also insight and knowledge on the performance of the regulatory measures in place; what works and what does not. This gives Malta valuable intelligence and basis for our planned second generation regulatory framework which we seek to design on the basis of evidence without abandoning caution where evidence is lacking.

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Keeping Malta at the forefront of online gambling regulation (Cont from the page 1)

EGBA: Gambling is enjoyed by the majority of players as a leisure activity, but for some it can be harmful. What is the Maltese policy on consumer protection in general and problem gambling in specific?

Malta's policy concerning consumer protection is similar in objectives as any other European jurisdiction. Our consumer protection measures in place are largely at par with those of other jurisdictions (and the Commission Recommendation, 2014). They consist of a number of prescriptive measures such as the minimum amount of information that an operator must provide to the player at all times which is enhanced by other supportive and empowering measures such as the possibility for the player to set time and loss limits in any given gaming session.

Over the last 18 months Malta has increased its focus on supportive measures to complement those that must be provided by the operators: firstly by strengthening the player support function at the Authority itself (through training and resource investment), and, secondly by the setting up of the Responsible Gaming Foundation, a public entity with the sole purpose of researching and promoting responsible gambling, which will add to the work of the two already involved non-governmental entities.

EGBA: Malta is host to more than 200 licensed operators. How do you ensure that these operators, which provide their services across the EU, comply with the Maltese license requirements on consumer protection?

Our consumer protection protocols,

which include a number of prescriptive measures and other player supportive ones, are rigorously checked at pre-licensing stage and then again at regular and ad-hoc intervals during their licensed period using a risk-based approach. This scrutiny is done both on live websites and through independent audits. The MGA also operates a fully-fledged and well-resourced player support unit which closes the loop. The latter is critical as it gives us visibility of what is actually happening from the consumer's perspective. The operators are very aware of this enhanced visibility and are generally very cooperative. When they are not, we apply administrative sanctions.

EGBA: Many EU member states have or are in the process of introducing legislation for online gambling. Do Member States share best practise and data on how to protect consumers? How does the 2014 European Commission recommendation on consumer protection and responsible advertising help Member States?

Malta considers that the Commission Recommendation of 2014 is an excellent baseline for jurisdictions that are planning to regulate online gambling for the first time. Malta's regulatory framework has been largely in compliance with the Recommendation since 2004.

Malta is currently planning to completely review its gaming consumer protection policy to adopt a more evidence-based approach. Our aim for this policy area is not just to be innovative for the mere sake of it, but rather to take into account the evolving behavioural factors of the

gaming consumer within the new societal context which has changed over.

Malta's experience with the sharing of best practices is through the frequent visits paid to the Maltese Authorities by other jurisdictions and other multi-lateral events such as the Commission Expert Group on Gambling. Sharing of best practices also features as one of the objectives of the bilateral cooperation MoUs we have with other jurisdictions. We strongly believe that there is a lot to be learned and shared from such an approach.

EGBA: What are your priorities for the coming years in terms of achieving public policy objectives?

I am committed and resilient in my vision to strengthen Malta's position as a hub for regulated gambling. I want Malta to be the "silicon valley" of remote gambling. One of the key projects in the pipeline is the regulatory overhaul currently under way in order to adopt a more evidence based approach. It will take into account new emerging consumer behaviour, technology development, mobility of services and interoperability amongst other factors.

My priority remains to be a thought leader in the gambling space – for innovative, start-up gambling companies and our approach to regulation. We recognise that our biggest challenge is to remain efficient and effective as we deal with complexity and new emerging risks. We seek to do that through enhanced transparency, increased stakeholder engagement and ultimately decisions that are truly faithful to our gambling policy: that is to free gambling from perception or actual intrusion of crime, fraud and enhanced consumer protection.