



Fit and Proper Committee Governance Framework

*'To ensure that persons involved in licensed companies
are fit and proper persons'*

1. **CONSTITUTION**

- 1.1 Delegation of supervisory powers pursuant to Article 13 and 14 of the Lotteries and Other Games Act (Chapter 438 Laws of Malta) duly endorsed by the Malta Gaming Authority's Board on July 2017.

2. **FUNCTIONS**

- 2.1 The functions of the Fit and Proper (F&P) Committee shall be to:

1. Determine if an applicant is fit and proper to be granted a gaming licence from the Malta Gaming Authority (herein referred as the 'MGA');
2. Agree and decide, which entities and personnel should be screened for fit and proper purposes;
3. Determine if a licensee is still fit and proper to hold a licence issued by the MGA;
4. Recommend any policies and procedures regarding the fit and properness of operators and individuals;
5. Recommend actions to be enforced against any licensee, which according to the Committee does not satisfy the MGA's fit and proper standards to hold a licence;
6. Evaluate and determine any changes in the risk assessment of licensed operators;
7. Impose any licence condition related to the fit and proper status of the licensee.

3. **COMPOSITION**

- 3.1 The MGA hereby establishes a Committee to be known as the Fit and Proper (F&P) Committee.
- 3.2 The F&P shall be composed of eight (8) members. The members sitting on the Committee shall be from the Regulatory and Enforcement Directorates. The Chief Officers in charge of these directorates shall be members of the Fit and Proper Committee.
One of the members shall be nominated as secretary of the committee.
- 3.3 The two Executive Committee (Ex Co) members present in the F&P Committee shall be designated Chairpersons for successive periods of 6 months, on a rotational basis.
- 3.4 These Chief officers, following approval of the Chief Executive and/or Chairman of the Authority, may nominate other members from their respective directorates to sit on this committee, however the number of members shall not exceed the total of eight (8) members, with the Chairperson having a casting vote, should the need arise.
- 3.5 The power to change, add, or remove members of the F&P Committee shall be vested in the Chief Executive and/or Chairman of the Authority.

4. VALUES AND PRINCIPLES

4.1 The Fit and Proper Committee shall:

1. be consistent, proportionate and non-discriminatory;
2. act in good faith and in the best interests of the Authority;
3. ensure that the needs and views of the Authority's licensees are taken into account in the decision making processes;
4. adopt a risk based approach in the execution of its function;
5. adopt an evidence based approach in the light of best practices in Fit and Proper evaluations;
6. ensure high standards in the Authority's Fit and Proper processes; and
7. recommend changes to the Authority's Fit and Proper and Due Diligence policies and procedures.

5 AUTHORITY AND POWERS

- 5.1 The quorum required for the conduct of affairs by the F&P Committee shall be that of four (4) persons, including the Chairperson.
- 5.2 Meetings of the F&P Committee shall be conducted at least twice a month.
- 5.3 The Chairperson of the F&P Committee shall, if present, preside at all meetings of this Committee. If the Chairperson is not present, the other Chief Officer shall chair the meeting. The F&P committee shall not take place if none of the two Chief Officers is present.
- 5.4 The Chairperson may invite internal or external persons as deemed appropriate to attend meetings of the F&P Committee to assist or advise the Committee, but such persons may not take part in the decision making process of the F&P Committee.
- 5.5 Where it is considered appropriate by the Chairperson, a case may be referred to the Ex Co for decision and guidance.
- 5.6 Minutes of each meeting need to be kept and filed accordingly by the Secretary, or by any other member of the F&P Committee, or any other delegated person in the secretary's absence.
- 5.7 The minutes of each meeting would need to be approved by the Chairperson and the F&P Committee members.

6. REPORTING

- 6.1 The F&P Committee shall report to the Chairman of the Authority and/or Ex Co, any matters of an extraordinary nature and may make recommendations as required.
- 6.2 The Chairperson of the F&P Committee may be asked to provide an overview of its activities to the Malta Gaming Authority's Board.