

Directive X of 2018

Gaming Authorisations and Compliance Directive

In exercise of the powers conferred by article 7(2) of the Gaming Act, 2018, the Malta Gaming Authority is hereby issuing the following directive in order to delineate in further detail the specific authorisations and compliance requirements to which authorised persons must adhere.

Part I – Short Title and Definitions

1. The short title of this directive is the Gaming Authorisations and Compliance Directive 2018.
2. This directive shall come into force on the 1st July 2018.
3. (1) In this directive, save as provided in sub-article (2) of this article, all words and phrases shall have the same meaning as prescribed in the Gaming Definitions Regulations.
(2) In this directive, unless the context otherwise requires:
“AML legislation” means the Prevention of Money Laundering Act (Cap. 273 of the Laws of Malta) and all regulations, guidance and any other instrument issued thereunder;
“B2C licensee” means a person licensed by the Authority to provide a gaming service;
“B2B licensee” means a person licensed by the Authority to provide a critical gaming supply;
“back-end service” means a critical gaming supply in terms of paragraph (b) of article 3 of the First Schedule to the Gaming Authorisations Regulations;
“bingo hall” means gaming premises in which the only gaming which is carried out consists in tombola games;
“casino licensee” means a B2C licensee offering gaming services within a gaming premises in possession of a concession in terms of article 11 of the Act;
“channel of delivery” means one of the following:
 - (i) Online, including virtual reality and augmented reality;
 - (ii) Remote means other than online; and
 - (iii) Gaming premises.
“Directive” means this Gaming Authorisations and Compliance Directive;
“game engine” means the entirety of the mechanics, game logic, parameters and pay table of a game;
“game provider” means a B2B licensee that provides a critical gaming supply in terms of paragraph (a) of article 3 of the First Schedule to the Gaming Authorisations Regulations;

“gaming system software” means the totality of gaming software and related systems, services and facilities connected therewith, used or by their nature and, or combination intended to be used as part of a gaming service or in connection therewith;

“gaming vertical” means a category of products that requires specific safeguards in order to ensure that it is offered in a manner which adheres to law and to the regulatory objectives, owing to its characteristics and the distinction between it and other categories of products. For the sake of clarity, the different verticals include:

- (a) Casino, including live casino;
- (b) Lotteries;
- (c) Secondary lotteries;
- (d) Fixed odds betting, including live betting;
- (e) Pool betting, including betting exchange;
- (f) Peer-to-peer poker and peer-to-peer bingo;
- (g) Other peer-to-peer games, but excluding pool betting and betting exchange;
- (h) Lottery messenger services;
- (i) Controlled skill games; and
- (j) Any other gaming vertical which is not comprised within the above.

“inactive account” means a player’s account which has not recorded any log in and, or log out and, or which has not recorded any wager, for a period determined by the B2C licensee as being sufficient for the account to be considered inactive:

Provided that such period shall in no case be less than three (3) calendar months;

“essential components” means

- (a) Components hosting Random Number Generators;
- (b) Components hosting jackpots;
- (c) Components hosting the games;
- (d) Gaming database;
- (e) Player database;
- (f) Financial database;
- (g) Control system; and
- (h) Any other component which the Authority may deem to be critical in the context of the set-up of the licensee’s operation, taking into account the risk which the failure of such component would present to the business integrity, safety, privacy or compliance aspects of the licensee’s operation.

“key technical setup” means the technical infrastructure of the licensee, including all the hardware and virtual machines in operation with the respective internal IP addresses, including all the geographic locations and addresses of premises where the essential components are located;

“key person” means the provider of a key function;

“land-based casino” means the gaming premises of a casino licensee;

“licensee” means a B2C licensee or a B2B licensee;

“means of distance communication” or “remote means” includes any means which may be used for the communication, transmission, conveyance and receipt of information (including information in the form of data, text, images, sound or speech) or for the conclusion of a contract between two or more persons;

“national lottery licence” means a licence issued by the Authority in favour of a person to operate the National Lottery and “national lottery licensee” shall be construed accordingly;

“outsourcing” means the use by an authorised person of a third party to perform activities or functions, and, or to provide products or services, or access thereto, which would otherwise form part of the authorised person’s business, and “outsourcing service provider” shall be construed accordingly;

“peer-to-peer games” means games in which the B2C licensee enables different players to play against each other, and derives revenue by way of Charge, and “peer-to-peer” shall be construed accordingly;

“player funds report” or “PFR” shall mean the report required to be submitted in terms of article 38 of this Directive;

“Regulations” means the Gaming Compliance and Enforcement Regulations; and

“remote gaming” and “remote gaming service” means any form of gaming by means of distance communications.

Part II – Key Functions

4. (1) Key functions may only be provided by natural persons, and in this Part the term “person” shall be construed accordingly.

(2) In accordance with Part V of the Gaming Authorisations Regulations, persons who provide a key function to a licensee shall be required to hold a certificate of approval issued by the Authority:

Provided that where reasonably necessary due to extenuating circumstances whereby the key function holder cannot exercise his functions, a person not holding the certificate approval but having the necessary competences may exercise such functions on a temporary basis without the prior written approval of the Authority:

Provided further that in any such case, the Authority shall be notified forthwith and in no case later than twenty-four (24) hours after such person is vested with the exercise of the key function, and without prejudice to the generality of its powers may order the licensee to divest such person from exercising such function or functions if the Authority does not deem such person suitable for the temporary exercise of such function or functions:

Provided further that such temporary exercise of key functions shall not exceed one (1) calendar month, but may be renewed with the prior written approval of the Authority where the Authority, in its sole discretion, deems that there are justifiable reasons to do so.

5. Each licensee or applicant, as the case may be, shall notify the Authority, in the manner required by the Authority, the key persons who perform, or shall perform, one or more key functions for such licensee, without prejudice to the requirement for such persons to hold a certificate of approval issued by the Authority to perform such key function or functions:

- (a) At application stage; and
- (b) Whenever a person exercising a key function resigns and, or is dismissed, by not later than three (3) working days after such resignation or dismissal, and of the appointment of the replacement by not later than three (3) working days after such appointment:

Provided that for the sake of clarity, persons performing key functions are not required to be employees of the licensee but are required to have full knowledge, understanding and access to the licensee's practices, procedures and systems.

6. (1) Further to the Fourth Schedule to the Gaming Authorisations Regulations, for a B2C licensee that provides remote gaming services and, or a B2C licensee that operates a controlled gaming premises, the key functions shall be the following:

- (a) The chief executive role, or equivalent;
- (b) Management of the day-to-day gaming operations of the licensee, including the processes of making payments to, and receiving payments from, players;
- (c) Compliance with the licensee's obligations emanating from the licence or licences issued by the Authority;
- (d) The administrative and financial strategies of the licensee, including but not limited to the payment of tax and fees due to the Authority;
- (e) Marketing and advertising, including bonus offers and promotions;
- (f) The legal affairs of the licensee, including but not limited to contractual arrangements and dispute resolution;
- (g) Player support;
- (h) Responsible gaming;
- (i) The prevention of fraud to the detriment of the licensee;
- (j) The risk management strategies of the licensee;
- (k) The prevention of money laundering and the financing of terrorism;
- (l) Adherence to applicable legislation relating to data protection and privacy;
- (m) The technological affairs of the licensee, including but not limited to the management of the back-end and control system holding essential regulatory data;

- (n) The network and information security of the licensee; and
- (o) Internal audit.

(2) For a B2C licensee that operates a gaming premises which is not a controlled gaming premises, the key functions shall be the following:

- (a) Those listed in paragraphs (a) to (i) of sub-article (1) hereof;
- (b) Operation of the urn or any other gaming device which requires human intervention used to generate the result of the game in bingo halls:

Provided that where the operation of such urn or other device is supervised by an additional person who is not an officer of the Authority, it shall be sufficient for either the person operating the urn or other device or the person supervising to be approved to provide such key function;

- (c) Management of the pit, including the supervision of the croupiers and assistants and the management of their work, where applicable;
- (d) Management of the gaming area, including the supervision thereof to preclude fraud by customers, and the resolution of customer disputes; and
- (e) Management of the surveillance systems of the gaming premises, where applicable.

(3) For a B2B licensee, the key functions shall be the following:

- (a) The chief executive role, or equivalent;
- (b) The day-to-day gaming operations of the licensee;
- (c) Compliance with the licensee's obligations emanating from the licence or licences issued by the Authority;
- (d) The administrative, financial and risk management strategies of the licensee, including but not limited to the payment of fees due to the Authority;
- (e) The legal affairs of the licensee, including but not limited to contractual arrangements and dispute resolution;
- (f) Adherence to applicable legislation relating to data protection and privacy, where applicable;
- (g) The technological affairs of the licensee, including but not limited to the management of the back-end and control system holding essential regulatory data;
- (h) The network and information security of the licensee;
- (i) Internal audit.

(4) For the National Lottery licensee, the persons performing key functions shall be the following:

- (a) The persons performing the functions listed in paragraphs (a) to (i) of sub-article (1) hereof; and
- (b) The persons who hold a permit to sell national lottery games.

7. Without prejudice to the provisos to article 4 of this Directive, it shall be an offence against the Act for a person to perform a key function to a licensee without a certificate of approval issued by the Authority.

8. (1) A person who desires to obtain a certificate of approval to perform a key function shall apply to the Authority by making use of the relevant prescribed forms published by the Authority and shall provide all information, documentation and assurances required, and shall pay any applicable fees due.

(2) Without prejudice to the foregoing, the Authority may require from the applicant any information, documentation and assurances as may be necessary or relevant for the Authority to examine and determine the suitability of the applicant to hold a certificate of approval.

(3) An applicant shall not be granted a certificate of approval unless the Authority is satisfied that the applicant:

- (a) satisfies the fitness and propriety criteria of the Authority;
- (b) is *prima facie* competent to perform the key function; and
- (c) is committed to be readily available to the Authority for any information which he may be required to submit.

(4) An application for the renewal of a certificate of approval shall be filed no less than sixty (60) days before its expiry, in such manner as the Authority may require.

9. A person may be granted a certificate of approval to perform more than one key function, and the same key function may be performed by more than one person:

Provided that no person may exercise key functions which are, in the Authority's sole discretion, deemed to be in conflict with each other:

10. (1) A certificate of approval is valid for a period of three (3) years, unless previously surrendered or revoked.

(2) A certificate of approval may be renewed if the person holding such approval applies to the Authority, in such manner and on such forms as the Authority may establish and accompanied by the applicable fee, not less than sixty (60) days before the expiry of the certificate of approval.

11. A key person may voluntarily surrender such certificate by giving the Authority no less than twenty days' notice, and the certificate shall be deemed to lapse on the twentieth day following the notice:

Provided that such surrender shall be without prejudice to the responsibilities and liabilities which such person may incur prior to the date on which the certificate is deemed to lapse;

Provided further that in exceptional circumstances that are beyond the control of the key person, the Authority may allow the key person to surrender such certificate with immediate effect, particularly if the Authority is satisfied that by maintaining his position the key person may be subject to suffer irreparable damage to his reputation, his fitness and propriety or that may result in financial loss.

12. A key person shall notify the Authority forthwith, and in any case not later than three (3) working days from the date of the occurrence, if:

- (a) Any circumstance arises which may render him not fit and proper to carry out such key function, including but not limited to his conviction of an offence punishable by imprisonment for a period exceeding one year;
- (b) Any circumstance arises in relation to a licensee for which he performs a key function which the licensee is obliged to report to the Authority, and which relates to the function which the key person performs for that licensee;
- (c) Any circumstance arises in relation to a licensee for which he performs a key function which may render the licensee incapable of meeting one or more of its obligations related to the function which the key person performs for that licensee;
- (d) His resignation or dismissal from exercising a key function for a licensee; and
- (e) Any other circumstance which the key person in good faith believes that the Authority should be aware of.

13. (1) The Authority shall have the power to suspend a certificate of approval for the performance of a key function in the following instances:

- (a) One of the grounds for suspension envisaged in paragraphs (a), (b), (d), (e) or (f) or (h) of regulation 9 of the Regulations arises, insofar as applicable to the key person;
- (b) The key person fails to notify the Authority in terms of article 12 of this Directive; and, or
- (c) The Authority, in its sole discretion, has determined that there is material and sufficient reason for suspending the certificate or approval.

(2) Sub-regulation (2) of regulation 9 of the Regulations shall apply with respect to the procedure which is applicable for the suspension of a certificate of approval.

14. (1) The Authority shall have the power to revoke a certificate of approval for the performance of a key function in the following instances:

- (a) One of the grounds for suspension envisaged in article 13 of this Directive arises, and the Authority in its sole discretion retains that revocation of the certificate is the most appropriate course of action;

- (b) The Authority has suspended the certificate in terms of article 13, in the circumstances of the case, the Authority becomes satisfied that the matter which has led to the suspension cannot be rectified; and, or
- (c) The authorised person continues to perform a key function notwithstanding the suspension of the certificate by the Authority in terms of article 13:

Provided that in the circumstances envisaged in paragraph (c), the licensee making use of such key person shall also be deemed to be in breach of its obligations according to the regulatory instruments.

(2) Sub-regulation (2) of regulation 10 of the Regulations shall apply with respect to the procedure which is applicable for the revocation of a certificate of approval.

Part III – Key technical setup and essential components

15. For the avoidance of doubt, where reference is made in this part to premises in which key technical setup is located, the same requirements shall insofar as applicable also extend to cloud service providers.

16. (1) The licensee shall at all times maintain updated documentation describing the key technical setup of its licensed operation, which documentation shall include:

- (a) The hardware equipment, including the make and model and other identifiers thereof and the location in which they are hosted;
- (b) Any virtual machines availed of within the network, including identifiers thereof and the location in which they are hosted;
- (c) The connections between the points in the network;
- (d) The specifications of firewalls and routers protecting the setup;
- (e) The applications installed on the hardware and, or virtual machines including a description and the specifications thereof.

(2) Any changes to the key technical setup shall be notified to the Authority in terms of article 36.

(3) Notwithstanding anything contained in any other law or regulatory instrument, any changes to essential components shall require the prior written approval of the Authority before being made:

Provided that in cases of urgency where a change is required in order to avoid a significant interruption of the licensee's operations, the licensee may make such changes as are strictly necessary in order to avoid such interruption prior to obtaining the Authority's approval:

Provided further that in any such case, the licensee shall notify the Authority forthwith, and in no case later than seventy-two (72) hours following the change, of such change and the nature of the urgency which required the change to be carried out prior to the Authority's approval:

Provided further that in any case the decision as to whether the licensee's course of action was warranted shall lie solely with the Authority.

(4) When a licensee intends to make changes to the essential components, such licensee shall file an application in the established form to the Authority accompanied by the documentation required thereby, which shall include:

- (a) A confirmation that the licensee has not changed or otherwise interfered with the essential components since its prior submission of the documentation mentioned in sub-article (1) hereof to the Authority;
- (b) A detailed explanation of the changes that the licensee intends to make, and the reasons for such change; and
- (c) Where applicable, an explanation as to the effect that the change has on the risk factors attributable to the essential components, if any, and any updates necessary to risk mitigation measures.

(5) When a licensee notifies changes to its key technical setup which are not changes to essential components, it shall do so in the manner established by the Authority and shall provide such information as may be necessary, including:

- (a) A confirmation that the licensee has not changed or otherwise interfered with the key technical setup, other than as duly notified to the Authority;
- (b) An explanation of the changes made; and
- (c) Where applicable, an explanation as to the effect that the change has on the risk factors attributable to the key technical setup, if any, and any updates necessary to risk mitigation measures.

(6) The licensee shall be obliged to retain audit logs of any changes which are made to the key technical setup for not less than two (2) years.

17. (1) The key technical setup shall be located in Malta or another Member State of the European Union or the European Economic Area:

Provided that the Authority may, on a case by case basis, allow the placement of the key technical setup in other geographical locations where it is reasonably satisfied that such other location, taking all the relevant circumstances into account, offers equivalent safeguards to those offered by locations in the European Economic Area:

Provided further that where the key technical setup is decentralised in a manner that makes geographical locations thereof irrelevant to the attainment of the regulatory objectives, the Authority may on a case by case basis allow for such key technical setup subject to such additional safeguards as it may, in its discretion, deem necessary.

(2) Hardware forming part of the key technical setup may only be located in premises which adhere to a high level of information security. Without prejudice to additional requirements which the

Authority may deem fit to impose on a case by case basis and adopting a risk-based approach, the Authority considers that such premises should seek to conform to the latest industry standards.

(3) The licensee shall ensure that any service providers hosting key technical setup, or otherwise providing access thereto, are instructed to permit and assist the Authority in any checks which the Authority may deem fit to conduct.

(4) The licensee shall maintain a live or real-time mirror server for essential regulatory data, and which shall be, at all times, made readily accessible to the Authority, including by means of physical access where applicable.

18. (1) Licensees shall ensure that essential components are subject to additional safeguards in order to minimise to the greatest possible extent the risk to such components. In conducting their risk assessment licensees shall take into account the risk factors listed in the First Schedule to this directive.

(2) Licensees shall file their risk assessment in relation to their essential components when submitting the documentation in terms of article 16(1) of this directive, and the risk assessment shall be continuously updated and reviewed as necessary in order to ensure that risks of a dynamic nature are adequately addressed.

Part IV – Games and Gaming Verticals

19. (1) Without prejudice to articles 20 and 21, a B2C licensee that adds or wishes to add, as the case may be, one or more games to its offering shall:

(a) Where the game is related to a gaming vertical which it is already approved to offer:

i. If the game uses a random number generator which has already been approved by the Authority, and is based on a game engine which has also already been approved by the Authority, notify the Authority forthwith and in no case later than five (5) days following the addition of such games to the product vertical:

Provided that if the games are provided to such B2C licensee by an authorised game provider which it has a pre-existing relationship with, this notification requirement shall not apply.

ii. If the game uses a random number generator and, or is based on a game engine which has not already been approved by the Authority, the prior written approval of the Authority shall be required;

(b) Where the game is related to a gaming vertical which it is not already approved to offer, the prior written approval of the Authority shall be

required, and the relevant administrative fee would also be due, in advance.

(2) The provisions of sub-article (1) hereof shall also apply to a B2B licensee that obtains games from one or more game providers to resell or otherwise provide to other licensees.

20. (1) A B2C licensee that obtains the services of one or more game providers in order for them to provide it with games for a gaming vertical which it is already approved to offer, shall notify the Authority forthwith and in no case later than five (5) days following the addition of such games.

(2) A B2C licensee that seeks to obtain the services of one or more game providers in order for them to provide it with games for a gaming vertical which it is not already approved to offer, shall require the prior written approval of the Authority, and the relevant administrative fee would also be due, in advance.

21. (1) A game provider that wishes to add one or more games related to a gaming vertical which it is already approved to offer by the Authority shall:

- (a) Where the game uses a random number generator which has already been approved by the Authority, and is based on a game engine which has also already been approved by the Authority, notify the Authority forthwith and in no case later than five (5) days following the addition of such games to the product vertical;
- (b) Where the game uses a random number generator and, or is based on a game engine which have not already been approved by the Authority, the prior written approval of the Authority shall be required.

22. Articles 19, 20, and 21 are without prejudice to the requirements imposed in terms of Part V hereof, *inter alia* the requirement of a licensee to ensure that any outsourcing service provider from which it obtains a critical gaming supply is duly authorised by the Authority:

Provided further that the above applies solely is in relation to games which the relevant game provider is lawfully allowed to offer in terms of this Directive and other applicable regulatory instruments. Games which the relevant game provider is not allowed to offer in terms of this Directive and any other applicable regulatory instruments may not be availed of by any licensee.

23. (1) Where the prior approval of the Authority is required for the addition of a new gaming vertical and, or for the addition of a new game that uses a random number generator and, or is based on a game engine that is not already approved by the Authority, an application for such approval shall be made in such manner and be accompanied by such documents and certification as the Authority may require.

(2) For the avoidance of doubt and without prejudice to the generality of its powers, the Authority reserves the right to require the licensee to undergo an audit in case of the addition of a new gaming vertical, or certification in case of a new random number generator and, or game engine.

24. Where a licensee wishes to update or change critical elements of a game, including the random number generator and, or one or more parts of the game engine, the licensee shall seek prior approval from the Authority according to the process established by it, which may include the payment of an administrative fee, the filing of a form, and the provision of documents including re-certification of the random number generator and, or game engine should the Authority deem it necessary.

Part V – Material Supplies

25. (1) Material supply providers may apply to the Authority for a certificate of approval, in such manner as the Authority may establish, and accompanied by such documentation as may be required and the payment of any applicable fee.

(2) B2B licensees that wish to provide material supplies may apply to the Authority for its approval of those material supplies as part of the B2B licence:

Provided that this shall be on a voluntary basis and B2B licensees may provide material supplies outside the scope of their B2B licence:

Provided further that in any such case, material supplies provided to B2B licensees shall be assessed on a case-by-case basis in terms of article 27(3) of this Directive.

Part VI - Outsourcing

26. A licensee shall take responsibility for third parties to whom it outsources any aspect of its business related to its licensed activities:

Provided that without prejudice to any other applicable law, when the outsourcing service provider is an authorised person, in case of any breach the Authority shall determine whether responsibility for such breach lies with the licensee, the outsourcing service provider, or both to the same or varying extents.

27. (1) Licensees obtaining a critical gaming supply from an outsourcing service provider shall ensure that such provider is duly in possession of a B2B licence or a recognition notice to provide such critical gaming supply, in terms of the Gaming Authorisations Regulations and any applicable binding instruments.

(2) Licensees shall inform the Authority of any service provider offering or purporting to offer a critical gaming supply to a B2C licensee without the necessary licence in terms of the Act and all other regulatory instruments.

(3) Licensees obtaining a material gaming supply from an outsourcing service provider shall ensure that such provider is in possession of a material supply certificate issued by the Authority, or that the material gaming supply is duly approved by the Authority on a case-by-case basis in the context of

evaluating the operation of such licensee in terms of the Authorisations Regulations and any applicable regulatory instruments.

(4) Where the outsourcing service provider provides a service which does not require a licence or approval by the Authority, licensees shall ensure that the terms on which they contract with such outsourcing service provider:

- (a) Require such outsourcing service provider to conduct itself, in carrying out activities on behalf of the licensee, as if the outsourcing service provider was bound by the same regulatory instruments as the licensee;
- (b) Oblige the outsourcing service provider to provide such information to the licensee as it may require to satisfy its obligations in terms of the regulatory instruments;
- (c) Oblige the outsourcing service provider to provide such information to the Authority as the Authority may request in relation to the licensee;
- (d) Enable the licensee to terminate the contract immediately for just cause where the outsourcing service provider is deemed by the licensee, without prejudice to the dispute resolution provisions in the contract, to have acted in contravention of the regulatory instruments;
- (e) Enable the licensee to terminate the contract immediately for just cause where the Authority has determined that the manner in which the outsourced activity, function, product or service is being offered or performed, as the case may be, is in breach of the regulatory instruments; and
- (f) Adhere to such other requirements as the Authority may, from time to time, establish.

28. (1) Outsourcing service providers that manage one or more websites and, or gaming premises pertaining to a B2C licensee, as the case may be, shall be deemed to be acting for and on behalf of the licensee who shall therefore be responsible for their actions insofar as the licence issued by the Authority is concerned.

(2) When such service provider enters into contractual agreements with players directly, and, or handles both player registration as well as player deposits and withdrawals, the service provider shall be deemed to require a licence to provide a gaming service unless the registration and payments are being processed solely to facilitate the gaming service provided by the B2C licensee to which it provides the service, in accordance with the B2C licensee's policies and procedures as notified to and approved by the Authority and the applicable Maltese laws:

Provided that in any such case, it shall be presumed that a licence to provide a gaming service is required unless and until the B2C licensee and, or the service provider prove that such functions are being carried solely to facilitate the provision of the B2C licensee's gaming service, for and on behalf of the licensee.

29. When a licensee contracts an outsourcing service provider which is part of the same corporate group as the licensee, the above provisions apply equally:

Provided that where the licence has been obtained for the corporate group, that group as a whole shall be deemed to be the licensee and the provisions of this Part shall be construed accordingly. For the sake of clarity in any such case the provision of services from one entity in the corporate group to another would not be deemed to be outsourcing for the purposes of this Part as it would all be deemed to be carried out by the licensee. The provisions of this Part would apply to any activity, function, product or service which is provided by an outsourcing service provider which is not within the corporate group licence.

Part VI – Player Accounts

Registration and ongoing Monitoring

30. (1) A B2C licensee shall not permit a person to engage in gaming unless that person is registered as a player and holds an account with the B2C licensee.

(2) When registering a player, a B2C licensee shall require such details as may be required in terms of AML legislation and any other regulatory instrument. Without prejudice to such requirements, the B2C licensee shall as a minimum require the following information:

- (i) Name and surname;
- (ii) Date of birth; and
- (iii) Permanent residential address:

Provided that at registration phase, gaming premises operators shall also collect and retain a copy of a valid identification document and a clear photograph of the player's face, head and neck:

Provided further that licensees providing their services by remote means shall also require an e-mail address or other means of contacting the player by remote means.

(3) The information supplied by the player shall be verified and due diligence performed as required in terms of applicable AML legislation and procedures:

Provided that if at any time the B2C licensee becomes aware, or reasonably suspects, that any or all of the information provided by the player is materially false, the B2C licensee shall cancel that player's registration and take such other steps as may be required in terms of AML legislation:

Provided further that in any such case, if in terms of AML legislation there are no impediments to the player being refunded any amount remaining in his account, such amount shall be refunded when the account is closed. The B2C licensee shall not be obliged to refund any amounts lost, and may not pay out any winnings made.

(4) The B2C licensee shall at all times keep, or have ready and unfettered access to, a secure list of all registered players and a copy of all documents obtained in the process of conducting verification and due diligence.

(5) B2C licensees shall endeavour to ensure that each player may only register a single account with that licensee. The licensee must have systems in place to detect identical or similar player details, as well as other mechanisms such as systems detecting the use of the same internet protocol address and, or device identifier and, or SIM card identifier by different players, or such other mechanisms as may be appropriate, and prior to activating an account, it must be reasonably satisfied that the applicant does not have an existing account registered with the licensee, and, or that the player is otherwise still eligible to participate in the games:

Provided that where the B2C licensee operates multiple brands, the B2C licensee may allow for a separate account with each brand provided that the licensee must have systems in place to ensure that the player's holistic activity on all its brands is taken into account for the purpose of conducting adequate ongoing supervision of the player.

31. B2C licensees shall conduct ongoing monitoring of their players to prevent fraud, money laundering and funding of terrorism, in such manner as may be required by AML legislation and in accordance with their risk management policies.

Inactive Accounts

32. (1) A B2C licensee shall make amply clear in its terms and conditions the circumstances in which a player's account shall be deemed to be inactive, and the consequences thereof:

(2) A B2C licensee shall, no less than thirty (30) days before the player's account is due to become inactive, notify the player that his account is due to become inactive, and remind the player of the consequences thereof, including any fees that may be charged in connection therewith. Such notification shall include the option to withdraw the funds in order not to incur any fees associated with inactivity, without prejudice to the B2C licensee's procedures for allowing withdrawals and any obligations in respect thereof in terms of any other applicable law. For the sake of clarity, where the player is not eligible to conduct a withdrawal in terms of law or in terms of the B2C licensee's procedures, the fact that his account is due to become inactive does not in any way change that player's ineligibility to conduct the withdrawal.

(3) Fees may only be charged to an inactive account as long as that account does not go into a negative balance.

(4) Fees may not be charged to an account which is deemed to be inactive following a self-exclusion requested by the player throughout the period of self-exclusion:

Provided that after the period of self-exclusion lapses, inactivity fees may be charged if the player remains inactive after the lapse of the self-exclusion, for such period as the licensee may determine in its terms and conditions, which period shall not be less than one (1) month:

Provided further that the operator may, provided that this does not infringe on applicable AML legislation, close the player's account and refund the remaining balance to the player self-excludes for a period greater than six (6) months:

Provided further, for the sake of clarity, that the operator's responsible gaming and AML obligations trump commercial considerations.

(5) Fees may not be charged to an account which has been excluded from playing by the operator itself, unless there were clear and justifiable reasons for that exclusion.

33. Subsequent to the initiation of the charging procedure or mechanism, the player may request reimbursement of any fees paid and the B2C licensee is to reimburse such fees when the player could not access his account due to health-related impediments:

Provided that in any such case, the onus shall be on the player to provide adequate proof of such justification, in the absence of which the B2C licensee shall not be obliged to reimburse the fees.

Part VII – Limited Duration Licence

34. (1) Applications for a limited duration licence shall be made in the manner prescribed by the Authority.

(2) Only a gaming service or a gaming supply that is by its very nature temporary and cannot continue beyond the prescribed timeframe, and consists of a singular event, or a number of game instances linked to the same event, shall be eligible to apply for a limited duration licence: Provided that only lotteries and lottery-style games, including progressive lotteries and scratch cards are eligible.

(3) The Authority shall not issue a limited duration licence that exceeds two (2) months in duration, and any one person, whether the person is the operator, organiser or the person or entity on behalf of whom such gaming activity has been organised, or is being organised shall not be awarded limited duration licences which in aggregate duration, exceed six (6) months in a single calendar year.

Part VIII – Corporate Group Licence

35. (1) Applications for a corporate group licence shall be made in the manner prescribed by the Authority, and shall *inter alia* include the following:

- (a) A corporate structure indicating which companies within the group shall be covered by the corporate group licence;
- (b) The gaming services and, or gaming supplies provided within and outside the group by the companies covered by the corporate group licence;
- (c) The company that shall be designated as the nominal holder of the corporate group licence;

- (d) Without prejudice to the joint and several liability of the companies covered by the corporate group licence, the company that shall be vested with primary responsibility to satisfy information and reporting requirements in terms of applicable regulatory instruments; and
 - (e) Without prejudice to the joint and several liability of the companies covered by the corporate group licence, the company that shall be vested with primary responsibility to pay the relevant dues to the Authority in terms of applicable regulatory instruments;
- (2) Where, within a B2C corporate group licence, there are entities that provide a critical gaming supply solely to other entities within the corporate group licence, no B2B licence shall be required.
- (3) Where entities within a corporate group licence provide critical gaming supplies in or from Malta to entities outside of the corporate group licence, a B2B licence shall be required.

Part IX – Information and Reporting Requirements

Notification Requirements

36. (1) Licensees shall notify the Authority forthwith, and in any case no later than thirty (30) days after, the following:
- (a) Any investment in the licensee other than by a subscription for shares;
 - (b) The taking of any loan by the licensee, where such loan is not from a credit institution licensed in the EU or EEA;
 - (c) Matters which significantly affect the financial standing of the licensee in an adverse manner, including but not limited to:
 - (i) In the case of licensees which are companies, a petition being presented for their winding up, or the winding up of a company forming part of the same corporate group, or they or any company forming part of the same corporate group being placed in administration or receivership or their directors proposing to creditors a composition in satisfaction of its debts or a scheme of arrangement of its affairs:

Provided that for the purpose of this sub-paragraph, “corporate group” shall have the same meaning assigned to it in the Companies Act (Cap. 386 of the Laws of Malta);

- (ii) In the case of a licensee which is a body corporate other than a company, any event substantially equivalent to those listed in sub-paragraph (i) hereof;

- (iii) In the case of a licensee that is a natural person, or a general partner in a licensee which is a partnership, their being presented with a petition for their bankruptcy or sequestration or their entering into an individual voluntary arrangement;
- (d) Any default by the licensee or, where the licensee is a body corporate, by a group company in making the repayment of the whole or part of a loan in a timely manner;
- (e) Reduction of one or more payment methods offered to players and, or payment service providers;
- (f) Addition of one or more payment methods;
- (g) Changes to the key technical setup which are not changes to essential components;
- (h) Any breach of the licensee's information security that adversely affects the confidentiality of information relating to players and, or precludes players from accessing their accounts for a period exceeding twelve (12) hours:

Provided that where the issue is of a large scale, notification to the Authority shall be made forthwith and in no case later than three (3) working days from the occurrence of the event in terms of sub-article (2) hereof;

- (i) Any criminal investigation or prosecution by a competent authority which relates to the licensee, whether as an investigated party or as an alleged victim of crime;
- (j) Application by the licensee or a group company as defined in the Companies Act (Cap. 386 of the Laws of Malta) for a gaming licence from a foreign jurisdiction;
- (k) Attainment by the licensee or a group company as defined in the Companies Act (Cap. 386 of the Laws of Malta) of a gaming licence from a foreign jurisdiction;
- (l) Changes to any information submitted to the Authority; and
- (m) Any other matters that can materially affect the authorised gaming service or supply and, or the licensee's compliance with the applicable regulatory instruments.

(2) Licensees shall notify the Authority forthwith, and in any case no later than three (3) working days after, the following:

- (a) Any change in direct or indirect qualifying shareholding within the licensee:

Provided that all the documentation required by the Authority as part of the notification process shall be submitted to the Authority by no later than thirty (30) days after the change:

Provided further that without prejudice to the generality of its powers, the Authority may order the licensee to revert to the *status quo ante* within a timeframe

specified by the Authority where it is satisfied that the change in direct or indirect shareholding prejudices the fitness and propriety of the licensee, or otherwise hinders its suitability for a licence;

- (b) The commencement, in whatever jurisdiction, of material litigation against the licensee, and the outcome thereof when known;
- (c) A large-scale breach of the licensee's information security that adversely affects the confidentiality of information relating to players and, or precludes players from accessing their accounts for a period exceeding twelve (12) hours;
- (d) Refusal by a foreign jurisdiction to issue a gaming licence to the licensee or a group company as defined in the Companies Act (Cap. 386 of the Laws of Malta);
- (e) Suspension or cancellation by a foreign jurisdiction of a gaming licence to the licensee or a group company as defined in the Companies Act (Cap. 386 of the Laws of Malta);
- (f) The removal of a channel of delivery;
- (g) The removal of a gaming vertical;
- (h) Resignation or dismissal of a person exercising one or more key functions; and
- (i) Changes to persons performing one or more key functions.

(3) B2C licensees shall also submit a monthly report detailing any player complaints that have been escalated to third party entities other than the Authority, and the outcome of such complaints when known.

Prior Approval Requirements

37. (1) Licensees shall be required to obtain the prior written approval of the Authority prior to making any of the following changes:

- (a) Any changes to the player funds accounts or any other measure affecting the protection of player funds;
- (b) The addition of a new channel of delivery;
- (c) The addition of a new gaming vertical;
- (d) The addition of new gaming premises;
- (e) The addition of a new studio to record live casino services;
- (f) Changes to the essential components; and
- (g) Changes to the directors or persons holding an equivalent position in another entity.

(2) B2B licensees shall also be required to obtain the prior written approval of the Authority:

- (a) In the case of a game provider, if it wishes to provide back-end services as well; and
- (b) In the case of a provider of back-end services, if it wishes to act as a game provider as well.

Reporting Requirements

38. (1) B2C licensees shall provide the Authority with a monthly report on the player funds relating to their operation, in the format established by the Authority:

Provided that the Authority may extend this obligation to B2B licensees where such B2B licensees hold player funds, whether in connection with a pooled jackpot or otherwise.

(2) The player funds report must be submitted to the Authority no later than twenty (20) days following the end of the reporting month to which it refers.

(3) The Authority in all cases reserves the right to ask for further information as it may, in its discretion, deem necessary.

39. Licensees shall file the returns required in terms of Part V of the Gaming Licence Fees Regulations and Part V of the Gaming Tax Regulations in such manner as required therein and in such form as the Authority may from time to time require.

40. (1) Licensees shall, for the first six (6) months of their financial year, submit management accounts signed by the key person responsible for the licensee's finances, by not later than the last day of the eighth (8th) month of their financial year.

(2) (a) Licensees shall, within one hundred and eighty (180) days from the end of their financial year, file with the Authority an audited set of financial statements prepared and audited in accordance with international financial reporting standards.

(b) The audited financial statements shall, in addition to containing the information required in terms of such international financial reporting standards:

(i) For B2C licensees providing gaming services by remote means, illustrate Player Funds Account Balance separately under the Cash and Cash Equivalents Note to the audited financial statements as well as illustrate player funds under the Trade and Other Payables Notes to the audited financial statements;

(ii) Contain a reasonable assurance by the auditors that the licensee is compliant with its obligations in terms of the Gaming Licence Fees Regulations and the Gaming Tax Regulations, in the manner envisaged in the Third Schedule hereto or in a manner which provides substantially the same level of assurance; and

(iii) For B2C licensees providing gaming services by remote means, be accompanied by a signed declaration from the auditors confirming the player funds, the jackpot funds, as well as the portion of Player Funds Account balance which fall under the Maltese licence.

41. Licensees shall submit to the Authority, at such frequency and on such forms as the Authority may from time to time issue, such other information as the Authority may require for the fulfilment of the regulatory objectives.

Suspicious Betting Reporting Requirements

42. (1) B2C licensees which offer betting on sporting events shall also inform the Authority, in such circumstances and in such manner as the Authority may in any other instrument prescribe, of any instance of suspicious betting.

(2) B2C licensees which offer betting on sporting events shall also inform the Authority of any circumstances which may lead to one or more bets being voided owing to suspicion of manipulation of the event to which they relate, and shall provide any supporting documentation which the Authority may, on a case-by-case basis, reasonably require.

(3) This article shall not come into force on 1st July 2018, but on such date as the Authority may, by binding instrument, establish.

Low Risk Game Permit Holders

43. (1) The holder of a Low Risk Game permit shall, with regards to such low risk game, not be required to comply with the requirements of this Directive other than this Sub-Part, unless the Authority specifically deems otherwise by means of a binding instrument.

(2) The holder of a Low Risk Game permit shall only be obliged to report to the Authority:

(a) In case of a non-profit game, after every singular event:

- (i) The total number of participants;
- (ii) The gross amount of stakes wagered or otherwise contributed by the players;
- (iii) The value in monetary terms of the prize or prizes paid out, if any;
- (iv) Proof that no less than ninety percent (90%) of the net proceeds were paid out to the non-profit entity:

Provided that for the purpose of this sub-paragraph, “net proceeds” means gross wagers less the aggregate sum of prizes paid out and expenses incurred directly in the organisation of the non-profit game:

Provided further that the Authority may, where it deems necessary, request proof of the expenses incurred, and any expenses which are not proved to the

Authority's satisfaction shall be disregarded for the purpose of calculating the net proceeds of the non-profit game;

- (v) Proof that any other requirements established by any other law have also been adhered to; and
- (vi) The measures which were taken to ensure that no minors participated in the game or were otherwise exposed thereto:

Provided that, without prejudice to the above, a non-profit organisation in whose favour the proceeds of one or more non-profit games are allocated shall submit to the Authority, no later than one hundred and eighty (180) days after the end of its financial year, its financial statements in such detail as to allow the Authority to reconcile the monies received from the non-profit games with the reports and proof presented after every non-profit game in accordance with this sub-paragraph.

(b) In case of a commercial communication game, after every singular event:

- (i) The total number of participants;
- (ii) The value in monetary terms of the prize or prizes paid out, if any;
- (iii) Proof that the game was conducted in a fair and honest manner;
- (iv) Proof that any other requirements established by any other law have also been adhered to; and
- (v) The measures which were taken to ensure that no minors participated in the game or were otherwise exposed thereto:

Provided that, in case of a series of commercial communication games, a report containing the information required in terms of this sub-article shall be filed on a monthly basis rather than after every singular event.

(c) In case of a limited commercial communication game, after every singular event:

- (i) The total number of participants;
- (ii) The gross amount of stakes wagered or otherwise contributed by the players;
- (iii) The value in monetary terms of the prize or prizes paid out, if any;
- (iv) Proof that the game was conducted in a fair and honest manner;
- (v) Proof that any other requirements established by any other law have also been adhered to; and
- (vi) The measures which were taken to ensure that no minors participated in the game or were otherwise exposed thereto.

(2) Notwithstanding the above, the Authority reserves the right to request any other information it may deem necessary.

Junket Gaming

44. (1) An application for a junket shall be made in the manner prescribed by the Authority and shall be filed not less than five (5) working days before the junket is due to commence:

Provided that, in exceptional circumstances, a casino licensee may convert a regular player into a junket player if, without prejudice to all other criteria required in order for a player to be considered a junket player, the player has converted money into chips, or has played, or otherwise gives concrete evidence that he is going to play, not less than seven thousand five hundred Euro (€7,500) in a single gaming session at the casino:

Provided further that in any such case as envisaged in the immediately preceding proviso, the Authority shall be informed forthwith and any additional information required by the Authority shall be duly provided;

(2) If the terms envisaged in sub-article (1) hereof are not adhered to, the casino licensee may, if all other criteria are satisfied, still choose to treat players as junket players, or hold the junket event as the case may be, but for the purposes of the Gaming Tax Regulations, Gaming Revenue generated therefrom shall be treated in terms of regulation 5(2) or 5(3) of the Gaming Tax Regulations, as the case may be, rather than regulation 5(5) of the same Regulations.

45. (1) An application for a junket event shall be made in the manner prescribed by the Authority and shall be filed not less than twenty (20) working days before the junket event is due to commence.

(2) For the purposes of holding a junket event, a casino licensee may make use of an extended area which is adjacent to the gaming premises to which the concession issued by Government relates:

Provided that the Authority shall, in its sole discretion, determine whether or not an extended area is adjacent to the casino licensee's gaming premises:

Provided further that for the period during which the extended area is being used for the junket event, no other gaming activity other than the junket event shall be carried out in the same area.

(3) The approval of the extended area referred to in sub-article (2) hereof shall be limited solely to the duration of the junket event.

(4) The extended area referred to in this article shall not be used for a period exceeding fourteen (14) days for a single junket event.

(5) For the duration of the use of the extended area for the purposes of the junket event, the casino licensee shall ensure that it adheres to all requirements to which the gaming premises themselves are required to adhere, including but not limited to surveillance and other security and

access control requirements, and the unfettered access required to be granted to officers of the Authority for the performance of their functions in terms of applicable regulatory instruments.

(6) If the term envisaged in sub-article (1) hereof is not adhered to, the casino licensee may, if all other criteria are satisfied, still conduct the junket event, but for the purposes of the Gaming Tax Regulations, Gaming Revenue generated therefrom shall be treated in terms of regulation 5(3) of the Gaming Tax Regulations, rather than regulation 5(5) of the same Regulations:

Provided that in any such case, no extended area may be availed of.

Part X – Gaming Premises

46. (1) In addition to the obligations established in the other Parts of this Directive, gaming premises operators shall also adhere to the obligations envisaged in this part.

(2) In this Part, references to “licensee” shall be read and construed as references to gaming premises operators.

Employee and Customer Identification

47. (1) All employees working in a licensee’s gaming premises shall at all times wear a tag that bears their name in a visible and clearly legible manner;

(2) All such employees shall, at the request of any official of the Authority, provide identification documents for inspection.

48. (1) All persons in gaming premises shall, at the request of any official of the Authority, provide identification documents for inspection:

Provided that such persons may present a personal card issued to them by the gaming premises operator, if through such card the details of such person may be derived from the gaming premises operator’s systems;

(2) Failure to provide such documents shall amount to an offence against the Act in terms of the Third Schedule to the Act.

Access Control (incl. non-gaming visitors)

49. (1) Licensees shall ensure that all access points to the gaming premises are adequately controlled in order to ensure that no person may access the gaming premises without undergoing the required procedures.

(2) Without prejudice to the generality of the foregoing, the reception area of gaming premises shall be manned at all times by staff of sufficient number and knowledge to ensure that no person gains access to the gaming premises without all applicable regulatory requirements having been satisfied:

Provided that for the sake of clarity, the reception shall be located at the entrance of the gaming premises, or at any rate in such a manner as to ensure that no person may enter the gaming area of such premises prior to passing through the reception.

(3) (a) Licensees shall not be obliged to adhere to the same requirements established in relation to the registration and verification of players with respect to visitors to the gaming premises that are not and do not intend to be players during such visit but shall limit themselves solely to professional and, or academic endeavours. Instead, licensees shall collect solely the following information in relation to such visitors:

- (i) Name and surname;
- (ii) Age;
- (iii) Date of visit;
- (iv) Time of entry and time of egress from the gaming premises;
- (v) Valid Identification Document; and
- (vi) Purpose of visit, including some manner of confirming that the purpose of the visit is professional and, or academic in nature.

(b) Notwithstanding any other regulatory instrument, visitors registered in terms of paragraph (a) hereof need not be of the minimum required age for entry into the gaming premises:

Provided that in any such case, the gaming premises operator is required to take additional precautions to ensure that such persons do not in fact make use of the operator's gaming service:

Provided further that in no case shall such persons be less than sixteen (16) years of age.

(c) The list and details of visitors that visit solely for professional and, or academic endeavours shall be kept in a separate list to the list of registered players referred to in article 30(4) of this Directive.

Unattended Money or Chips

50. Money or money's worth, including but not limited to chips and, or tickets found lying unclaimed in gaming premises by any person shall be immediately presented to the licensee or to any person acting on the licensee's behalf and who is present in the gaming premises and, unless claimed by its owner, shall be deposited and kept in a register for that purpose in the gaming premises. Any amount which remains outstanding in the said register at the end of each calendar month shall be deemed to be, and shall be written as, Gaming Revenue for that particular month.

Win Certificates

51. Where a player in gaming premises requests a certificate attesting that he won a certain amount in order for him to be able to provide proof of its source, the following provisions shall apply:

- (a) The licensee may not refuse to issue a win certificate in cases where the winnings are not less than two thousand Euros (€2000):

Provided that the licensee may refrain from issuing win certificates for winnings made from pool betting, betting exchange, peer-to-peer poker, peer-to-peer bingo, and, or other peer-to-peer games:

Provided further that where this is the case, players that wish to engage in such games shall be warned beforehand by the licensee, in a manner which is clearly documented and verifiable, that win certificates shall not be issued;

- (b) The certificate shall cover solely the amount that was won by the player, and shall in no case attest to the source of the money used to place the wagers;

- (c) The certificate shall contain at least the following information:

- (i) All identification details of the player, duly verified;
- (ii) How the amount was won, including the game or games that were played to achieve the result; and
- (iii) The endorsement of two of the persons exercising a key function within the licensee:

Provided that the endorsement of the Money-Laundering Reporting Officer by himself shall also be sufficient.

- (d) The licensee shall keep a copy of all Win Certificates and keep them in a register kept specifically for such purpose.

Surveillance

52. (1) Licensees shall, for the purpose of ensuring security within the gaming premises, install and keep in good working order a surveillance system equipped with high-resolution imagery and high-definition sound reception which ensures that:

- (a) All gaming devices and access points to the gaming premises are clearly visible;
and

- (b) Speech is clearly audible and recorded in the following areas:

- (i) The reception;
- (ii) Each gaming table, where applicable;

- (iii) In land-based casinos, in addition to the above speech shall also be clearly audible and recorded in the count room and the cash desk.

(2) The licensee shall ensure that the surveillance system is handled by adequately trained staff.

(3) Surveillance systems shall be set up in such a manner to ensure that the electrical power flowing thereto remains uninterrupted to ensure that the system is in operation during all hours in which staff and, or players are in the gaming premises.

(4) Audio and video recordings shall be retained by the licensee for not less than thirty (30) days from the date which they relate to:

Provided that licensees operating a land-based casino shall have until 1st January 2020 to comply with the provisions of this sub-article:

Provided further that until 1st January 2020, licensees operating a land-based casino shall retain audio and video recordings for not less than seven (7) days, but audio and video recordings pertinent to any incident with a player shall be retained until such incident is resolved to the Authority's satisfaction.

Gaming Tables and Count

53. (1) Gaming tables may only be deployed in gaming premises in possession of a concession in terms of article 11(3) of the Gaming Act, and "licensee" in this Sub-Part shall be construed accordingly to refer solely to such premises.

(2) The procedure of opening and closing a gaming table shall be carried out by no less than three (3) employees of the licensee and shall be monitored at all times through surveillance by a fourth employee, adequately trained in the use of the surveillance system.

(3) All movements of chips and cash, where applicable, to and from a gaming table shall be documented and monitored through surveillance by adequately trained personnel. In all cases no less than two persons shall be involved in any such procedure, excluding the person monitoring through the surveillance system, and a paper trail shall be kept at all times.

54. (1) The procedure of counting of revenues made from each gaming device in the licensee's gaming premises shall be determined by the licensee but shall satisfy in all cases the following minimum criteria:

- (a) The team of personnel conducting the count shall in no case be less than three (3) or more than four (4) persons, excluding the person monitoring through surveillance:

Provided that where the process is partially automated, the team of personnel shall be not less than two (2) or more than four (4) persons, excluding the person monitoring through surveillance:

Provided further that in each case, the personnel conducting the count shall at all times include the key person in charge of the gaming floor and at least one cashier;

- (b) The count shall be carried out in a count room designated appositely for the purpose and having the necessary features for adherence to all applicable regulatory instruments, including but not limited to the features listed in article 52 of this Directive;
- (c) If, during a count, the personnel conducting it leave the count room, the count must stop, and a reconciliation of what has been already counted must be performed and the monies locked in the safe;
- (d) Money, chips and plaques must be counted at least twice to ensure accuracy, and at the end of the counting procedure, a reconciliation must be carried out;
- (e) The cash counting machine used in the count must be visible and its display clearly legible through surveillance at all times, without exception;
- (f) The denomination of currency notes and, or coins fed to the cash counting machine shall also be clearly visible and legible through surveillance at all times, without exception;
- (g) All drop boxes and stackers shall be clearly numbered. Before the opening of a drop box or stacker, it shall be clearly visible and its unique number legible through surveillance;
- (h) The following verbal announcements shall be made in a voice which is clearly audible through surveillance:
 - (i) For every drop box or stacker, its unique number shall be read out before its opening;
 - (ii) For every drop box or stacker, the phrase “empty box” shall be uttered whenever a drop box or stacker is locked after the removal of its contents;
 - (iii) The total drop and result elicited from an emptied drop box or stacker, including a call of the denomination of the currency;
 - (iv) In the reconciliation process, all cash and plaques by denomination; and
 - (v) When the count is completed, the total drop and final result of the count:

Provided that the licensee shall have in place adequate procedures to ensure that any variance discovered during such count is duly resolved.

(2) Counts are to be supervised by at least one person monitoring through surveillance at all times.

(3) The licensee shall have written procedures regulating the carrying out of the count, which shall be submitted to the Authority for its approval.

(4) The count for each gaming device shall be separately recorded, showing the total amount of money, chips and plaques, split by denomination and by gaming device, and shall include all details relating to fills and credits made with respect to that gaming device.

(5) The results of the count of a particular business day shall be transmitted to the Authority by not later than 0800 hours of the following day.

55. Where gaming on a particular gaming table is to be interrupted in order to adhere to the procedural requirements of the licensee, whether developed by such licensee or imposed in terms of any regulatory instrument, the following shall apply, without prejudice to other procedures, not incompatible with the below, which the licensee may establish:

- (a) The float and drop box, or their equivalents howsoever named, shall be removed and replaced with an empty drop box and a float with the same opening float amount as that of the gaming table being closed;
- (b) The procedures required to be carried out in order to ensure the integrity of the audit trail for the purpose of conducting the counting procedure envisaged in article 54 shall be not be carried out on a gaming table which is actively being used to provide gaming services.

56. (1) There shall be a room designated solely and exclusively for the conduct of the counting procedure envisaged in article 54.

(2) Access controls shall be present at all times with respect to the count room, and no person other than the employees conducting the count, any person specifically authorised to be there by a legal representative of the licensee, and, or an officer of the Authority may be present in the count room during a count.

(3) Without prejudice to the generality of article 54(1)(b), the count room shall have the following characteristics:

- (a) A clear work surface on which the money, chips and plaques are clearly visible through the surveillance system;
- (b) One or more counting machines;
- (c) A designated area within the count room where stackers and, or drop boxes are placed, oriented in such a manner as to ensure that empty stackers and drop boxes are clearly distinguishable from full stackers and drop boxes through the surveillance system;
- (d) Trays which clearly distinguish between different denominations of chips, plaques and money in a manner clearly visible through the surveillance system;
- (e) A safe, vault or other means of keeping the money, chips and plaques adequately secure in case the count needs to be stopped and the employees carrying out the count vacated; and

- (f) A surveillance system designed in such manner as to have full visibility of the process, including sound, with such clarity as to enable the count to be surveilled in an effective and rigorous manner.

Count in Bingo Halls and Controlled Gaming Premises

57. (1) Bingo halls and controlled gaming premises shall carry out the procedure of counting of revenues no less than once a week.

(2) The count procedure to be carried out by bingo halls and controlled gaming premises shall be required to adhere to the requirements of this Sub-Part.

58. (1) The procedure of counting of revenues made from each gaming device in the bingo hall or controlled gaming premises, as the case may be, shall be determined by the licensee but shall in all cases satisfy the following minimum criteria:

- (a) The team of personnel conducting the count shall in no case be less than two (2) or more than four (4) persons:

Provided that such team shall at all times include at least one person exercising a key function;

- (b) The denomination of currency notes and, or coins counted shall be clearly visible and legible through surveillance at all times, without exception;
- (c) All containers storing money and, or tickets or other representation of value shall be clearly numbered. Before the opening of such container, it shall be clearly visible and its unique number legible through surveillance:

Provided that for the sake of clarity, each container shall have a unique number which corresponds to a specific gaming device;

- (d) The following verbal announcements shall be made in a voice which is clearly audible through surveillance:
 - (i) For every container referred to in paragraph (c) hereof, its unique number shall be read out before its opening;
 - (ii) For every container referred to in paragraph (c) hereof, the phrase “empty box” shall be uttered after the removal of all its contents;
 - (iii) The result total elicited from the emptied container, including a call of the denomination of the currency and, or tickets or other representation of value; and
 - (iv) When the count is completed, the final result thereof.

(2) The count for each gaming device shall be separately recorded, showing the total amount of money, tickets and, or other means of representation of value, split by denomination and by gaming device.

(3) The licensee shall inform the Authority of the date, time and place where the count will take place, in such manner as the Authority may prescribe.

(4) The results of the count shall be transmitted to the Authority by not later than 0800 hours of the following day.

59. (1) The count shall be carried out in a place which has the necessary features for adherence to all applicable regulatory instruments, including but not limited to the features listed in article 58 of this Directive.

(2) Access controls shall be present at all times, and no person other than the employees conducting the count, any person specifically authorised to be present by a legal representative of the licensee and, or an officer of the Authority may be present thereat during the count.

(3) The place where the count is carried out shall, without prejudice to the requirements envisaged in article 58, have the following characteristics:

- (a) A clear work surface on which the money, tickets and, or other means of representation of value are clearly visible through the surveillance system;
- (b) Trays which clearly distinguish between different denominations of money, tickets and, or other means of representation of value in a manner clearly visible through the surveillance system; and
- (c) A surveillance system designed in such a manner as to have full visibility of the process, including sound, with such clarity as to enable the count to be surveilled in a rigorous and effective manner.

(4) If the count, or part thereof if different parts of the procedure take place in different locations, is to take place in premises different from the gaming premises from which the money, tickets and, or other means of representation of value are derived, the licensee shall ensure that the money, tickets and, or other means of representation of value shall be clearly attributable to the gaming device from which they are derived, and the requirements envisaged in this Sub-Part are in no way compromised.

Part XI – Payments

60. (1) Licensees may only accept payments from players and make payments to players through payment providers notified to the Authority in terms of this Directive and which the Authority has not instructed the licensee to refrain from using.

(2) Licensees must implement safeguards accordingly depending on the risk presented by the particular payment method which is being allowed. The risk rating of the payment methods used by

each player shall also be taken into account for the purpose of rating the risk presented by the player himself.

Part XII – Sharing of Liquidity

61. (1) B2C licensees that offer pool betting, betting exchange, peer-to-peer poker, peer-to-peer bingo, and, or other peer-to-peer games may share liquidity with operators licensed in other jurisdictions, whether or not through a separate network.

(2) In any such case, the B2C licensee shall ensure that it has at least the following information on players which participate in games with players from operators licensed in other jurisdictions, without prejudice to the other requirements envisaged in the applicable regulatory instruments:

- (a) The amounts deposited and wagered by its players in such games; and
- (b) The amounts won or lost by its players in such games.

(2) The B2C licensee shall also ensure that in any agreement which it enters into with operators licensed in other jurisdictions and, or the operator of a network allowing for the sharing of liquidity, it retains the right to request a copy of the game transactions in order to ensure compliance with its regulatory responsibilities should the need for such transactions arise.

(3) Without prejudice to any clause in the relevant commercial agreements, the B2C licensee shall remain at all times responsible for the payment of any dues to its players notwithstanding the practical arrangements resulting for an arrangement for the sharing of player liquidity.

Part XIII – Automated Reporting

62. (1) The Authority may, at any time, subject to a reasonable period of transition, require a licensee, a specific category of licensees or all licensees to connect any of its systems to a system operated by the Authority, and to maintain such connection at all times.

(2) In the event that the Authority imposes the requirement referred to in sub-regulation (1), the Authority may specify the specifications necessary for it to be able to, and the manner in which it shall operate the monitoring system in a binding instrument, and licensees shall modify or upgrade their systems as necessary to ensure their compatibility with the system and the requirements of the Authority.

63. (1) The Authority may use an automated reporting system for:

- (a) receiving reports or statements which licensees are obliged to submit to the Authority in terms of applicable regulatory instruments;
- (b) monitoring and receiving information relating to the games and the gaming operation, including player, game and financial data as may be required by the Authority to fulfil its regulatory objectives;

- (c) investigating the compliance by the licensee with the regulatory instruments and any other applicable legislation, including any laws or regulations at any time in force for the prevention of money laundering;
- (d) the compilation of statistics and analytics in an aggregated format and research; and
- (e) any other purpose required by the Authority in fulfilling its regulatory objectives, or as may be specified in binding instruments issued by the Authority from time to time.

(2) Any information collected by the Authority in terms of sub-article (1)(d) may be made available to the public.

(3) The Authority shall not be liable for any compensation to any person for loss or damage due to a fault in the monitoring system, or in the telecommunications system used to operate the automated reporting system.

64. Where the obligations referred to in article 61 have been imposed, a licensee shall ensure that its systems, and the means of distance communications through which its systems are connected to the automated reporting system, comply with any standards or requirements established by the Authority, and remain so compliant throughout the duration of the licence, and shall not be modified, tampered with, or re-programmed by any person without the prior written approval of the Authority.

Part XIV – General

65. For the sake of clarity and notwithstanding anything contained in this Directive, the Authority in all cases reserves the right to require any authorised person to submit further information, documentation, surveillance footage and, or any other thing which it may, in its discretion, deem necessary for the achievement of the regulatory objectives.

FIRST SCHEDULE

Risks concerning essential components (article 18(2))

1. In establishing the necessary safeguards for their essential components, licensees shall take into account *inter alia* the following risks, in particular where the operational aspect is outsourced to a third party service provider:
 - (a) Loss of governance – this risk also takes into consideration the changes to the terms and conditions of any service provider whilst a licensee is making use of its services;
 - (b) Inadequate maintenance of the systems and underlying infrastructure;
 - (c) In the case of use of a cloud service provider, leakage of data during transfer within the cloud, between the operator and the cloud, or between player and the cloud;
 - (d) Insecure data storage;
 - (e) Information not being erased thoroughly or in a timely manner upon instructions being issued by the licensee;
 - (f) Unauthorised access to data through the management interface or any other system interfacing with the essential components;
 - (g) Unreliable service engine and, or APIs (Application Programming Interface) and, or isolation failure;
 - (h) Denial of service.