

## **PARLIAMENTARY SECRETARY FOR FINANCIAL SERVICES, DIGITAL ECONOMY & INNOVATION, HON. SILVIO SCHEMBRI VISITS THE MGA.**

The Parliamentary Secretary responsible for Financial Services, Digital Economy, and Innovation, Hon. Silvio Schembri MP visited the Malta Gaming Authority offices at Smart City Malta, on Wednesday 12<sup>th</sup> July 2017. Parliamentary Secretary Schembri was welcomed by the MGA's Executive Chairman, Joseph Cuschieri and was given an opportunity to tour the premises and meet the Authority's employees and senior management. The visit was concluded with a press conference where a number of important strategic initiatives were announced to the press.

The Executive Chairman of the MGA opened the press conference by announcing the public consultation document for a new legal framework to govern the different aspects of gaming activities in Malta. The main objective behind the proposed overhaul is to repeal, in its entirety, the existing framework and replace it with a singular, primary Act of Parliament entitled "The Gaming Act" which will run parallel with subsidiary legislation, directives and guidelines pertaining to the regulation and governance of the sector.

The primary aims of the proposed regulatory framework include the raising of Malta's jurisdictional profile through 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. Furthermore, the new framework establishes objective-orientated standards to encourage innovation and development. Proposed measures include a streamlined licensing process and a more stringent, risk-based compliance procedure.

Addressing the press conference, Mr Cuschieri stated that "We conducted a lot of research and commissioned numerous studies and consultations with all stakeholders to make sure the new legislation is future proof and addresses the challenges the industry is facing. Innovative and business-friendly regulation should never come at the expense of transparency and consumer protection. After all, companies want to operate in a properly regulated environment where consumer protection, crime prevention, integrity and transparency are at the heart of the regulatory ethos".

Parliamentary Secretary Schembri said, "The consultation process we are launching today with this White Paper is part of this government electoral manifesto, as a key initiative to keep strengthening the gaming industry as a very important sector of Malta's digital economy. The new legal framework must be dynamic and future proof to allow for the use of cryptocurrency in the remote gaming sector within the coming months. We must act fast to remain at the forefront of worldwide gaming jurisdictions guaranteeing a secure hub for this industry and an efficient infrastructure that gives confidence to gaming companies setting up their operation on our shores. It is imperative that this reform leads us to new policies that encourage further innovation and development within the sector."

Mr Cuschieri also spoke about a public consultation which was launched earlier this week in conjunction with the Financial Intelligence Analysis Unit on the implementation of The Fourth Anti-Money Laundering Directive within the gaming sector. The consultation will address the new rules and supervisory mechanisms applicable to subject persons and entities.

The MGA also announced that the Authority has commissioned a detailed study on cryptocurrencies in order to assist in the development of a proper framework governing the use of cryptocurrencies in the remote gaming sector in light also of the requirements of the 4AMLD. Mr Cuschieri stated that the MGA is committed to allowing the use of crypto-currencies for the gaming sector by not later than Q1 2018. As Malta stands at the forefront of not just the gaming sector, but the digital economy in general, the MGA must take relevant steps to stay abreast of digital and technological evolution.