

## New Gaming Bill tabled in Maltese Parliament

The Parliamentary Secretary for Financial Services, Digital Economy & Innovation, Hon. Silvio Schembri announced that a motion has been presented in Parliament for the first reading of a new Gaming Bill which will seek to repeal all the existing legislation and replace it with a singular primary Act of Parliament, together with subsidiary legislation covering horizontally the main thrusts of gaming regulation as well as a series of technical directives and guidelines currently being consulted on by the Malta Gaming Authority (MGA) for eventual publication and rollout by the regulator once the Act comes into force.

“This Bill marks a major step in streamlining and encompassing the governance of all gaming services offered in and from Malta and across all channels under the competence of the MGA. The Government wants to ensure that the gaming industry continues to be run responsibly, fairly and free from criminal activity, so that the Maltese jurisdiction provides a safe and well regulated environment where the industry can also develop and innovate”, Hon. Silvio Schembri said.

Through this Bill, Government is ensuring that the MGA has the necessary latitude, resources and powers to regulate effectively the gaming industry and protect consumers, as required, focusing on evidence based methodologies. The Parliamentary Secretary added; “we hope to remove any red tape by increasing efficiency and flexibility for the Regulator, whilst improving the robustness of the current framework and focusing regulation on outcomes”, whilst also adding that the Act elevates the excellent reputation of the Maltese jurisdiction in this sector.

The press conference was also addressed by Joseph Cuschieri, Executive Chairman of the Malta Gaming Authority (MGA), who stated: “This is an important milestone and we welcome this major step forward by the Maltese Government. This Bill contains draft proposals which aim to bridge the regulatory gap between various gaming verticals and channels, including new technologies serving as a platform to future proof gaming regulation, whilst ensuring that consumers enjoy a consistent level of protection.”

The proposed regulatory framework will strengthen the MGA’s compliance and enforcement functions to better achieve its regulatory objectives, in line with concurrent developments on anti-money laundering and funding of terrorism obligations. It also empowers the MGA to be more agile in its decision-making, decreasing unnecessary regulatory burdens whilst strengthening supervision and focusing the regulator’s efforts on the areas which present a higher risk profile.

Other important areas of focus include consumer protection standards, responsible gaming measures, reporting of suspicious sports betting transactions in the fight against the manipulation of sports competitions and objective-orientated standards to encourage innovation and development. The motion presented in Parliament is a result of an extensive period of public consultation conducted by the MGA, with various industry stakeholders and the general public, as well as numerous technical studies, economic and financial impact assessments. The consultation was launched in July 2017 and

was very well received by the industry resulting into feedback from 53 different parties based both locally and abroad.

Key highlights of the new Gaming Act include:

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