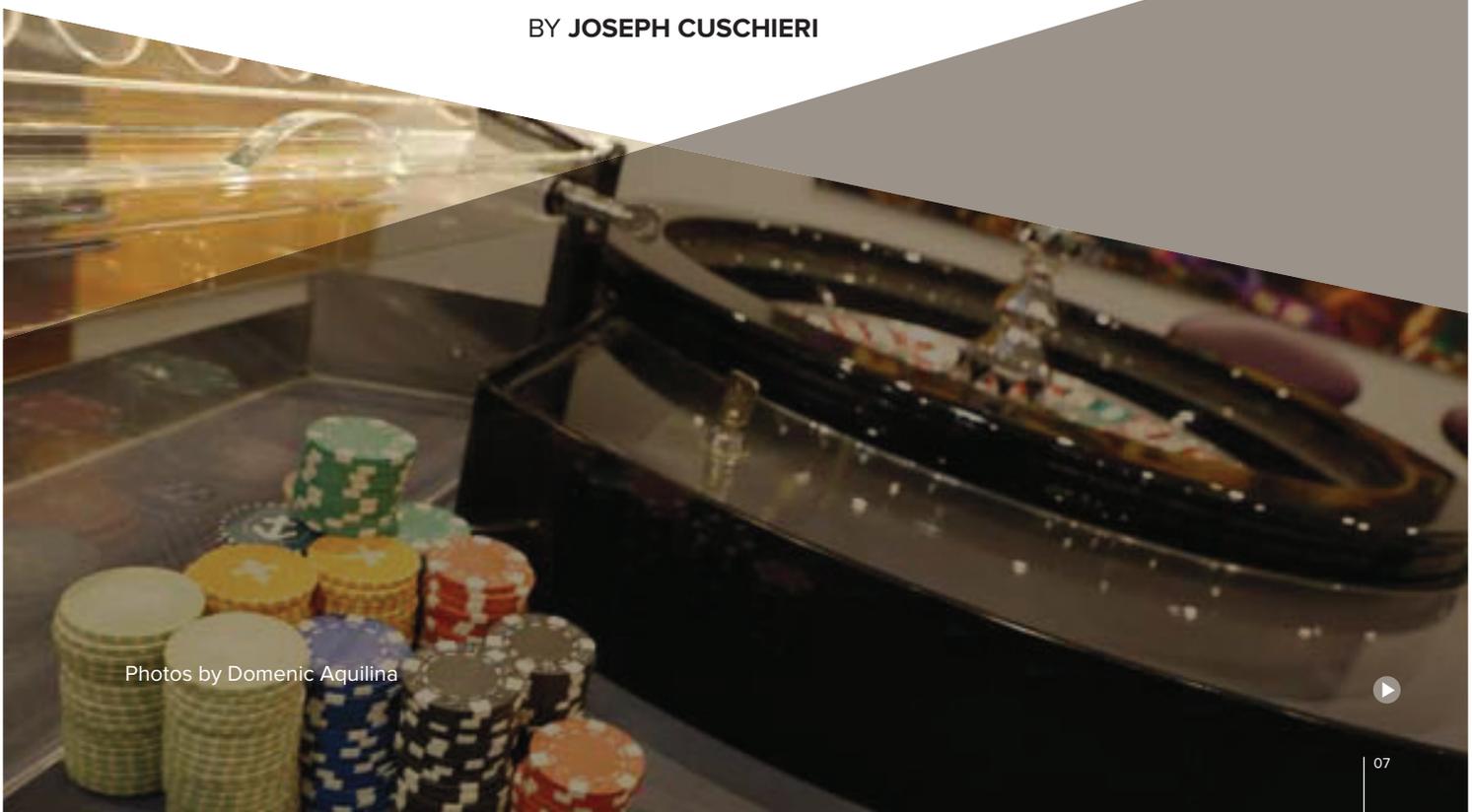




THE GAMING SECTOR IN MALTA

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THE GAMING SECTOR IN MALTA CONTINUES TO SHOW HEALTHY SIGNS OF GROWTH AND BUOYANCY AS EVIDENCED BY THE INCREASING NUMBER OF LICENCES ISSUED BY THE MALTA GAMING AUTHORITY (MGA). THE DYNAMISM, INNOVATION AND NEW PRODUCT STREAMS OF THE MALTA-BASED INDUSTRY IS ALL THE MORE REMARKABLE BECAUSE IT COMES AT A TIME WHEN THE MALTESE JURISDICTION CONTINUES TO FACE MULTIPLE CHALLENGES.

‘Development’ of the gaming sector in Malta may be too modest a word when compared to the MGA’s aims and vision for the sector.

As will be featured in the Annual Report being published soon, in 2015 the Authority continued building on the major projects started in 2014, which included both internal and outward-facing initiatives. Internally the MGA carried on its human resource capacity-building supported by new systems, including a very advanced Microsoft CRM information system (a first for a regulatory entity) that is progressively being implemented over the coming months. The MGA moved to its new offices at SmartCity Malta in November 2015 with a transformed structure, innovative systems and above all a new ethos, as an effective, efficient and innovative governor and regulator of gaming in Malta.

After an extremely intensive 2015, 2016 is proving to be the crucial year for the MGA and probably for the sustainable growth of the gaming industry in Malta. While Malta is addressing the challenges being faced in a structured, holistic and co-ordinated manner with other Government Ministries and entities, due to the significant changes in both technology and industry structure, Malta’s best response is its strategic re-positioning in the gaming world in order to sustain the already existent industry base and provide for new streams of growth, from which both Malta and the industry in general will benefit.

The coming months will see the roll-out of the new gaming legislative framework, which will incorporate Malta’s new strategic direction into law. The new framework will be characterised by neutrality to allow for further industry development in the future; by coherence to allow for convergence and simplification of processes; and by a strengthened governance structure and mechanisms to ensure high levels of accountability, certainty and transparency in the Authority’s decisions, operations and processes.

The roll-out will start with a new draft ‘Gaming Act’ that will consolidate all primary gaming legislation under one primary Act of Parliament, bringing in the much-needed legislative coherence for all the gaming sector. The new Act will also widen the scope of governance of gaming falling under the competence of the MGA to include all forms of gaming, from skill games to games of chance and all that falls in between, including channels of distribution. The new Act will also provide for the adoption of different regulatory approaches, solidly implanted in and guided by a set of explicit principles and policy objectives that will provide the Minister responsible and the Authority with the necessary latitude and power to govern/regulate gaming activities according to the risk presented by the same activities, business models and persons conducting them. The primary Act and the subsidiary legislation that will follow, will abolish duplication of regulatory and administrative requirements that have already been met and offer simplification and faster time to market new products for existent, compliant operators.

There are a number of salient features of this second generation of gaming regulation for Malta,





which, when approved by Parliament (envisaged for later on this year) will allow for the 'development' of the gaming sector, notably the remote gaming sector, but also other forms of gaming.

'Development' of the gaming sector in Malta may be too modest a word when compared to the MGA's aims and vision for the sector. Malta, and the MGA in particular, is positioning itself to add renewed and innovative value to the already-existent industry base. The Authority has been and is in close dialogue with the industry players and, apart from the legislative framework, has identified a set of initiatives that will continue to add value to the operators and facilitate their growth and prosperity, whether internal or through acquisitions/mergers; whether through market and/or product diversification.

Malta's repositioning strategy, facilitated by the new governing regulatory regime and other applicable incentives,

will also seek to foster a climate conducive to innovation and the hosting of new products and gaming market segments. Some parts of the world are being overtaken by the new wave of e-sports and other non-gambling games and Malta's gaming sophisticated eco-system can adequately, if not exceedingly, support this segment.

The future of Malta as the jurisdiction of choice and a gaming hub for gaming companies is exciting in spite of the challenges being faced. The MGA will continue its continuous dialogue with the industry operators and other key stakeholders in order to ensure that the Authority is in complete synch with their needs and technological development. Business friendliness does not have to compromise regulatory efficacy or indeed performance. Quality outperforms quantity and Malta is in that quest and realm, striving to maintain high regulatory standards coupled with innovation and market readiness. ■