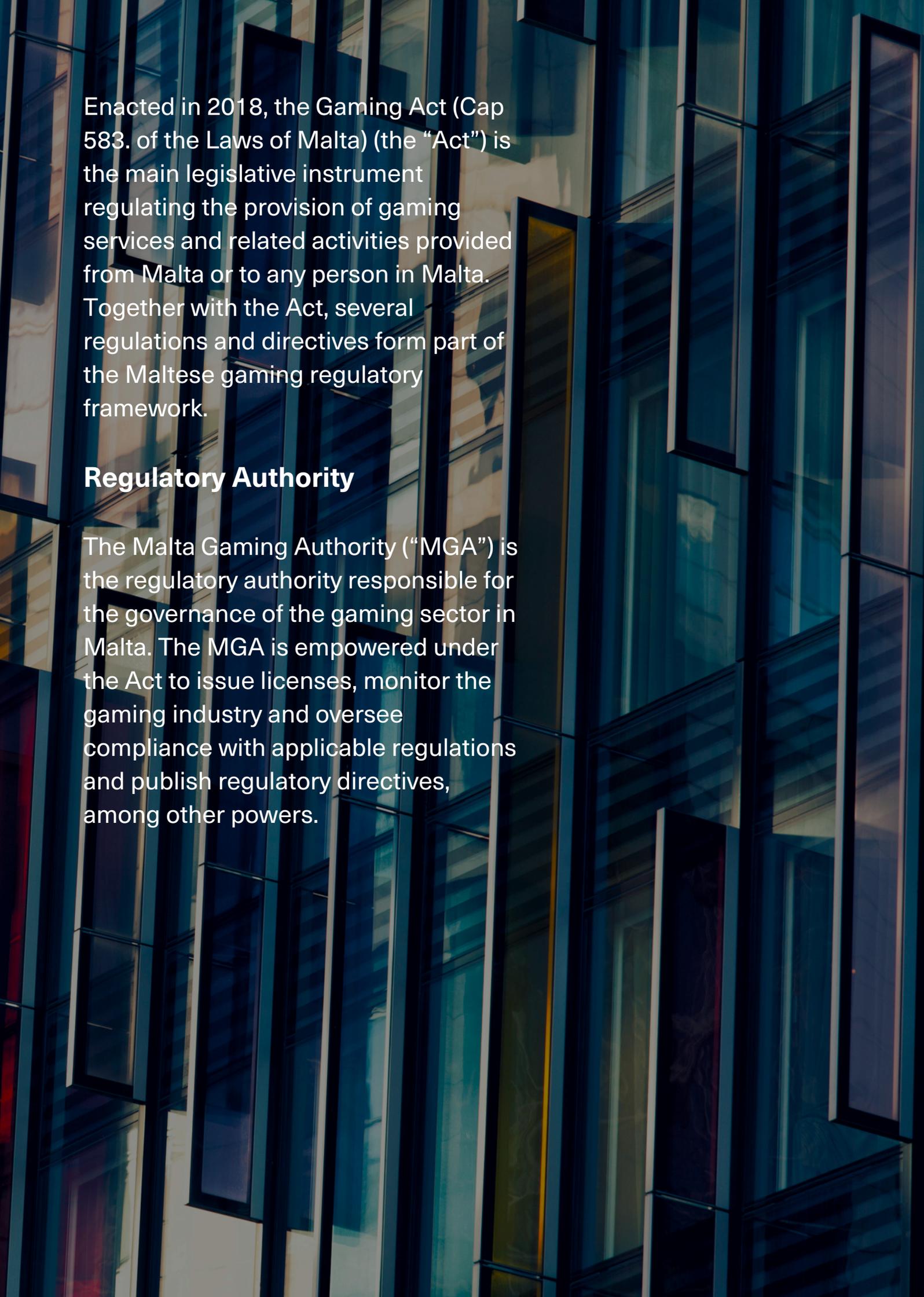


WHPARTNERS

MALTESE GAMING REGULATORY FRAMEWORK

whpartners.eu



Enacted in 2018, the Gaming Act (Cap 583. of the Laws of Malta) (the “Act”) is the main legislative instrument regulating the provision of gaming services and related activities provided from Malta or to any person in Malta. Together with the Act, several regulations and directives form part of the Maltese gaming regulatory framework.

Regulatory Authority

The Malta Gaming Authority (“MGA”) is the regulatory authority responsible for the governance of the gaming sector in Malta. The MGA is empowered under the Act to issue licenses, monitor the gaming industry and oversee compliance with applicable regulations and publish regulatory directives, among other powers.

SCOPE FOR MALTESE GAMING LICENCES

Any person wishing to carry out a gaming service or provide a critical gaming supply from Malta or to any person in Malta, or through a Maltese legal entity, may only do so if in possession of a valid licence or a recognition notice certificate issued by the MGA.

TYPES OF AUTHORISATIONS ISSUED BY THE MGA

The MGA may issue two types of licences to gaming operators:

- A critical gaming supply licence which is required for the supply and management of material elements of a game, supply and management of gaming software and the supply and management of a control system on which gaming software resides (“**B2B Licence**”); and
- A gaming service licence which is required for the offering of a gaming service to consumers, hosting by a person in public premises, the operation or the making available for use of a gaming device or gaming system (“**B2C Licence**”).

A B2B Licence and B2C Licence may be issued for any one or more of the following game types:

- **Type 1** – games of chance played against the house, the outcome of which is determined by a random number generator. These games include casino (including live casino, roulette, blackjack, baccarat), poker played against the house, lotteries, secondary lotteries and virtual sports games.
- **Type 2** – games of chance played against the house, the outcome of which is determined by the result of an event or competition extraneous to a game of chance, and whereby the operator manages his or her own risk by managing the odds offered to the player. This includes fixed odds betting and live betting.
- **Type 3** – games of chance not played against the house and wherein the operator is not exposed to a gaming risk but generates revenue by taking a commission based on the stakes or the prize. These games include pool betting, peer-to-peer poker, peer-to-peer bingo and other peer-to-peer games.
- **Type 4** – controlled skill games which determined by the MGA from time to time.

Operators in possession of an authorisation issued by another Member State of the EU or the EEA, or a State which is deemed by the MGA to offer safeguards largely equivalent to those offered under the Maltese gaming regulatory framework, may receive a recognition notice certificate from the MGA. A recognition notice certificate has the same effect as a licence issued by the MGA.

Furthermore, MGA licensees are required to seek prior approval for the appointment of directors and persons responsible for carrying out a key function in connection with the provision of a gaming service or gaming supply. The MGA will issue a key function certificate to the following key function roles: Chief Executive, Gaming Operations, Legal Affairs, Data Protection, Compliance, Technology, AML & CFT and Internal Audit.

CAPITAL REQUIREMENTS

Any company seeking to obtain a Maltese B2B Licence or B2C Licence is required to have the following minimum issued paid-up share capital at the time of registering the company:

Licence Category	Minimum Required Share Capital
B2B Licence	€40,000
B2C Licence	Type 1 – €100,000 Type 2 – €100,000 Type 3 – €40,000 Type 4 – €40,000

Companies applying for multiple type approvals are required to meet the above share capital requirements cumulatively up to a maximum capping of €240,000.

LICENCE FEES

When applying for a B2B Licence or B2C Licence, there is a one-time application fee of €5,000 per licence.

Following the application fee, an annual licence fee is required to be paid prior to the issuance of the licence as follows:

Gaming Licence	Annual Licence Fee
B2B Licence	<ul style="list-style-type: none">• Supply and management of material elements of a game – €25,000 - €35,000 depending on annual revenue• Supply and management of software - €3,000 - €5,000 depending on annual revenue• Supply and management of control system - €3,000 - €5,000 depending on annual revenue
B2C Licence	<ul style="list-style-type: none">• If offering any games from Type 1, Type 2, Type 3 - €25,000• If offering games of Type 4 - €10,000

COMPLIANCE CONTRIBUTION AND GAMING TAX

Holders of a Maltese B2C Licence are required to pay a monthly compliance contribution. The compliance contribution varies from one game type to another and is calculated as follows:

Game Types	Compliance Contribution Computation	
Type 1	For every euro of the first €3,000,000	1.25%
	For every euro of the next €4,500,000	1.00%
	For every euro of the next €5,000,000	0.85%
	For every euro of the next €7,500,000	0.70%
	For every euro of the next €10,000,000	0.55%
	For every euro of the remainder	0.40%
Type 2	For every euro of the first €3,000,000	4.00%
	For every euro of the next €4,500,000	3.00%
	For every euro of the next €5,000,000	2.00%
	For every euro of the next €7,500,000	1.00%
	For every euro of the next €10,000,000	0.80%
	For every euro of the next €10,000,000	0.60%
	For every euro of the remainder	0.40%
Type 3	For every euro of the first €2,000,000	4.00%
	For every euro of the next €3,000,000	3.00%
	For every euro of the next €5,000,000	2.00%
	For every euro of the next €5,000,000	1.00%
	For every euro of the next €5,000,000	0.80%
	For every euro of the next €10,000,000	0.60%
	For every euro of the remainder	0.40%
Type 4	For every euro of the first €2,000,000	0.50%
	For every euro of the next €3,000,000	0.75%
	For every euro of the next €5,000,000	1.00%
	For every euro of the next €5,000,000	1.25%
	For every euro of the next €5,000,000	1.50%
	For every euro of the next €10,000,000	1.75%
	For every euro of the remainder	2.00%

B2C Licence holders are further subject to a monthly gaming tax payment. Gaming tax is calculated at the rate of 5% of the gaming revenue generated by operators from end customers located in Malta during the relevant tax period.

DURATION OF AUTHORISATIONS

A B2B Licence and a B2C Licence issued by the MGA is valid for ten years. All licences may be renewed for further ten-year periods, subject to the licensee's continued compliance to the applicable gaming regulations.

A recognition notice certificate is valid for one year. Holders of a recognition notice certificate require annual maintenance reviews prior to the expiry of each one-year period.

For more information please contact:



Robert Zammit

Partner | Head of Gambling Licensing & Compliance

robert.zammit@whpartners.eu