

MALTA

I-GAMING PLATFORM/GAMES PROVIDER LICENCE (B2B)

Setting up in Malta

GAMING JURISDICTION

Largest in the EU

B2B GAMING LICENCES

100+ licenses

TOTAL LICENSE BASE

3%

REGULATOR

Malta Gaming Authority (MGA)

SYSTEMS

Cloud Ready and Crypto Friendly

I-GAMING LAW

1st in the EU





I-GAMING MALTA

As the first jurisdiction in the EU that introduced regulated remote gaming, with an average of a hundred new applications a year and being the largest EU i-gaming jurisdiction, Malta's success in the i-gaming arena is undisputed.

Malta's strategy in i-gaming has been bold and unique. The legislator decided to focus on regulation and transparency, providing a strict approach to licensing and monitoring of gaming operations. This has resulted in optimum protection for players on the one hand, to providing a regulatory solution to operators on the other, thereby achieving a balance between two opposing needs: the supplier's and the customer's.

Malta's main advantage is the fact that it is an onshore jurisdiction. Maltese operators do not face the difficulties that offshore operators face with exchange controls, access to capital markets and access to e-wallets and payment gateways worldwide. In the case of Malta i-gaming licensees, players find comfort in knowing that they are dealing with an onshore jurisdiction whose legislation is in line with the applicable EU legislation and international agreements.

Malta has always remained at the forefront of advances in technologies which affect the gaming sector. In 2017, the Malta Gaming Authority (MGA) together with the stakeholders of the gaming industry embarked upon a mission to make gaming legislation future-proof and thus ensuring that the gaming laws would be kept up to speed with emerging and disruptive technologies such as virtual currencies and distributed ledger technologies.

LEGAL BASIS

All gambling activities in Malta are regulated by the Gaming Act of 2018 which grants power to the Malta Gaming Authority to issue licenses for both land-based and remote gambling activities. The Act consolidated all previous laws and regulations and provided for an overhaul in the licensing system reducing the various classification of licences to two: Business-To-Consumer (B2C) and Business-to-Business (B2B).

The 2018 Gaming Act is supplemented by several regulations with specific focus on consumer protection standards, responsible gaming measures, reporting suspicious gaming transactions and measures to encourage innovation and development.

The MGA is the authority tasked with the monitoring and oversight of gaming in or from Malta. The main initiatives enhancing the MGA's regulatory powers are the following:

- Formalization of the role of the MGA as official mediator between operators and players
- The scope of the functions and powers of the MGA has increased to not only supervise licensed operators but also those entities offering ancillary services
- Ensuring that advertising is conducted fairly and diligently
- Issuing guidelines and policies for the conduct of gaming operations in or from Malta
- Ensuring high standards in the conduct and management of gaming operations

BENEFITS OF SETTING UP AN I-GAMING B2B COMPANY IN MALTA



Cost Effective License Fee



5% Net Effective Corporate Tax



Technology and Game Neutral Regulations



Blockchain and Cryptocurrencies Friendly



LICENSIBLE ACTIVITIES

The B2B licence, also referred to as a Critical Gaming Supply Licence, is required to offer from Malta or to any person in Malta services which are deemed to be indispensable in determining the outcome of a game and/or an indispensable component in the processing and/or management of essential regulatory data. Thus, there are two types of B2B licences which the MGA may issue:

- Game providers licence: supply and management of material elements of a game; or
- Full platform licence: supply and management of software, whether as a stand-alone or as part of a system, to generate, capture, control or otherwise process any essential regulatory record and/or the supply and management of the control system itself on which such software resides.

GAME TYPES

A B2B licence can be obtained in relation to one or more game types as follows:

Type 1 – games of chance played against the house, the outcome of which is determined by a random number generator. This type includes casino type games such as 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 not generated randomly but is determined by the result of an event or competition extraneous to a game of chance and where the operator manages his or her own risk by managing the odds offered to the player, typically a sportsbook

Type 3 – games of chance not played against the house and wherein the operator is not exposed to gaming risk, but generates revenue by taking commissions or other charge based on the stakes or the prize. This type includes player versus player games such as poker, bingo, betting exchange and other commission based games

Type 4 – skill games the outcome of which is determined by the use of skill alone or predominantly by the use of skill determined to be licensable by the MGA (therefore controlled skill games), principally fantasy sports

REQUIREMENTS

The following requirements have to be satisfied in order to successfully obtain a B2B licence in Malta:

- The gaming operator must be a company incorporated in Malta or another EU country
- No restrictions on the nationality of the ultimate beneficial owners of the company
- Shareholders, directors and persons carrying out key functions must be approved by the MGA
- Minimum share capital to be paid up €40,000

LICENCE FEES

Platform: Supply & Manage Material Elements of the Game	Licence Fee
Where annual revenue does not exceed €5,000,000	€25,000
Where annual revenue exceeds €5,000,000 but does not exceed €10,000,000	€30,000
Where annual revenue exceeds €10,000,000	€35,000
Game Provider: Supply & Management of Software	
Annual revenue does not exceed €1,000,000	€3,000
Annual revenue in excess of €1,000,000	€5,000

PROCEDURE

STAGE 1 - APPLICATION

- **Fit & Proper Test:**
 - Due diligence on directors of the prospective gaming company and shareholders having 5% or more interest and key persons
- **Business Adequacy:**
 - Business plan
 - 3-year financial projections
- **Operational & Statutory Requirements:**
 - Company formation
 - Website text and content
 - Relations with service providers
 - Technical documentation
 - System/operations control procedures

STAGE 2 - SYSTEMS AUDIT

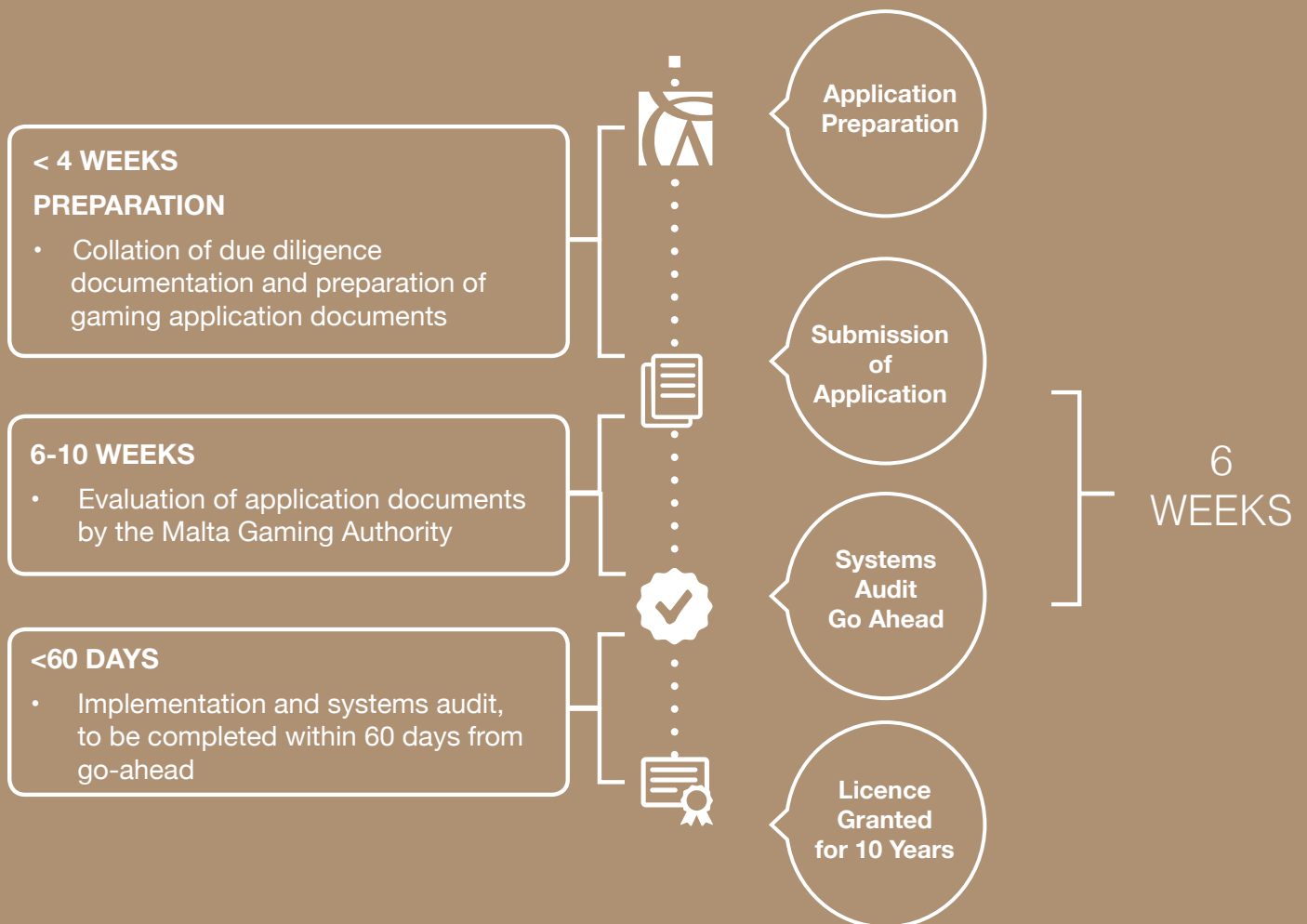
- Go-ahead by the MGA to implement the proposed infrastructure prior to going live
- Implementation and systems audit, to be completed within 60 days from go-ahead
- Issuance of licence valid for 10 years

STAGE 3 – POST-LICENSING REQUIREMENTS

- Go live – within 60 days from licence
- Compliance audit with first year of operation

I-GAMING LICENCE: SETTING UP IN MALTA

Application Process - Timeline



WHY WORK WITH US?



Success Rate:
Problem Solving,
Integrity, Honesty



12+ Years:
Experience in the
Gaming Sector



We're lawyers:
Lawyer-Client
Privilege Guaranteed



**Dedicated Gaming
Law Practice**



Our Ethos:
Big Firm Expertise,
Small Firm Personal



**CHETCUTI CAUCHI
ADVOCATES**

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