

MALTA I-GAMING LICENCE

Setting up in Malta

GAMING JURISDICTION
Largest in the EU

I-GAMING LICENCES
625+

CUSTOMER ACCOUNTS
13.9 million +

REGULATOR
Malta Gaming Authority (MGA)

SYSTEMS
Cloud Ready Jurisdiction

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).

TYPES OF LICENCE

B2C (BUSINESS-TO-CONSUMER)

Also referred to as a Gaming Service Licence and include offering, providing or operating games whereby players may participate; or hosting in premises available to the public, operating or otherwise making available in any manner the use of gaming devices or gaming systems.

B2B (BUSINESS-TO-BUSINESS)

Also referred to as a Critical Gaming License and includes operators hosting and managing other gaming operators, that is, platforms.

GAME TYPES

TYPE 1 – Operators managing their own risk on repetitive games such as casino-type games & online lotteries with risk.

TYPE 2 – Operators managing their own risk on events based on a matchbook, for example fixed odds betting.

TYPE 3 – Operators promoting and abetting gaming from Malta & taking a commission from promoting and/or abetting games such as P2P, poker networks and online lotteries without risk.

TYPE 4 – skill games or controlled skill games the outcome of which is determined by the use of skill alone or predominantly by the used of skill, and excludes a sport event.

BENEFITS OF SETTING UP AN IGAMING COMPANY IN MALTA



Cost Effective License
Fee



No Financial Guarantee
Required



Payment Solution Providers
Approved



5% Net Effective
Corporate Tax



Technology & Game Neutral
Regulations



REQUIREMENTS

- 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
- Players' funds must be kept separate from operations moneys
- Minimum share capital to be paid up:
 - B2C Type 1 or 2 – €100,000
 - B2C Type 3 or 4 – €40,000
 - B2B all Types - €40,000

LICENCE FEES

For B2C licences the following is payable: a fixed annual licence fee of €25,000; and a variable compliance contribution being a scaled percentage of the gaming revenue as follows:

B2C Type 1

first €3,000,000 - 1.25%
 next €4,500,000 - 1%
 next €5,000,000 - 0.85%
 next €7,500,000 - 0.7%
 next €10,000,000 - 0.55%
 next €10,000,000 - 0.55%
 remainder - 0.4%

B2C Type 3

first €2,000,000 - 4%
 next €3,000,000 - 3%
 next €5,000,000 - 2%
 next €5,000,000 - 1%
 next €5,000,000 - 0.8%
 next €10,000,000 - 0.6%
 remainder - 0.4%

B2C Type 2

first €3,000,000 - 4%
 next €4,500,000 - 3%
 next €5,000,000 - 2%
 next €7,500,000 - 1%
 next €10,000,000 - 0.8%
 next €10,000,000 - 0.6%
 remainder - 0.4%

B2C Type 4*

first €2,000,000 - 0.5%
 next €3,000,000 - 0.75%
 next €5,000,000 - 1.00%
 next €5,000,000 - 1.25%
 next €5,000,000 - 1.5%
 next €10,000,000 - 1.75%
 remainder - 2%

For B2B Type an annual licence fee of €10,000 with no compliance contribution. For B2B (Types 1, 2 and 3) licences, the following fixed annual licence fee is payable:

- annual revenue not exceeding €5,000,000 - €25,000
- between €5,000,001 and €10,000,000 - €30,000
- annual revenue exceeding €10,000,000 - €35,000

PROCEDURE

STAGE 1 - APPLICATION

- Fit & Proper Test:
 - Due diligence on directors of the prospective gaming company and shareholders having 5% or more interest
- 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

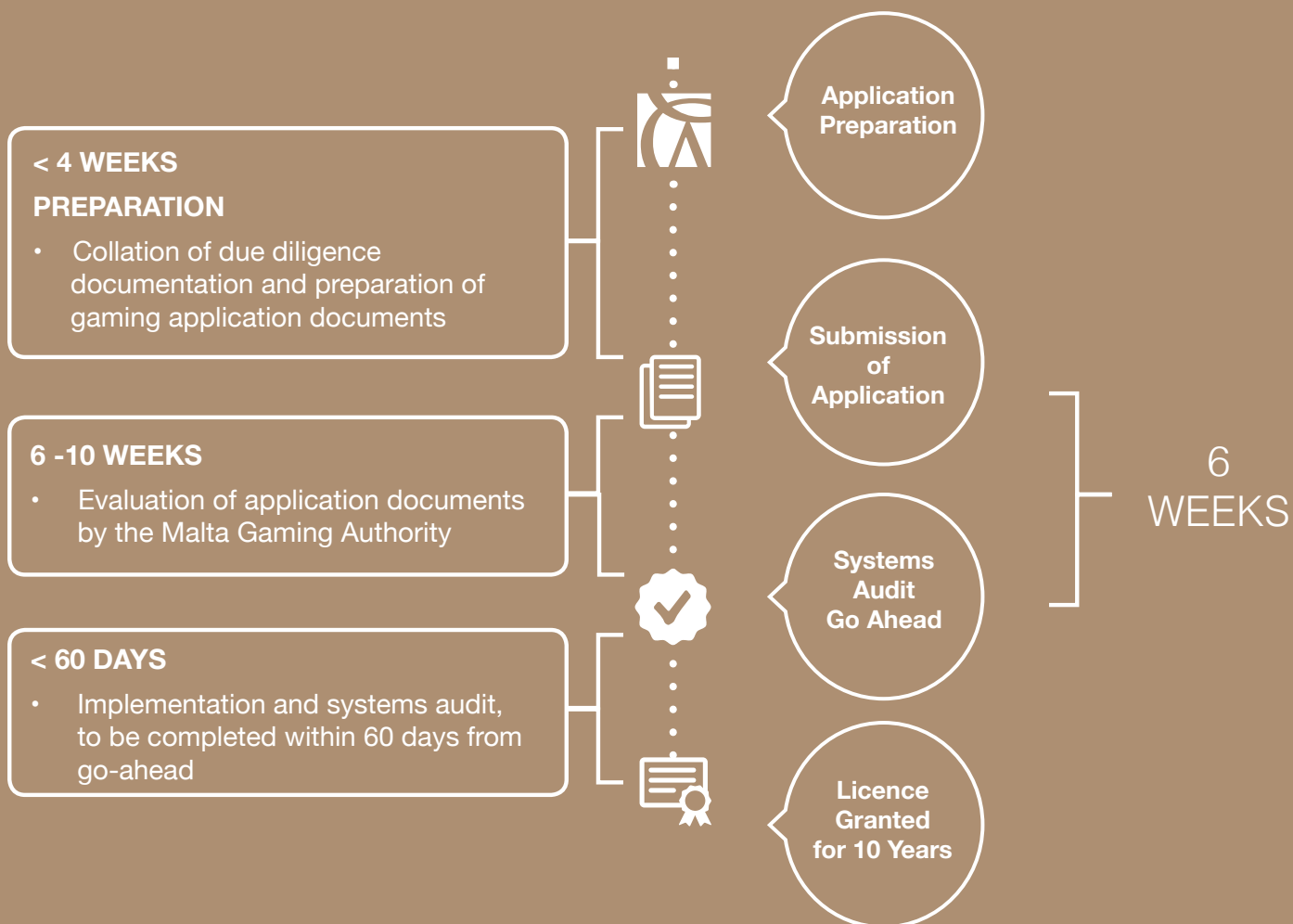
- Go-ahead by MGA to implement the proposed infrastructure prior to going live
- Implementation and systems audit, to be completed within 60 days from go-ahead
- Issuance of licence valid for 10 years

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: of
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
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