



Malta's New Gaming Law: Licensing Overhaul

The Malta Gaming Authority ("MGA") has published a White paper proposing major reforms to Malta's Gaming Legal Framework.

The goals:

1. Repeal all the existing legislation and replace it with a singular primary Act of Parliament entitled the Gaming Act.
2. Increase Malta's competitiveness for B2B operations by exempting B2B licensees from gaming tax.
3. Create an environment where consumer protection, compliance and best practices are at the heart of the MGA.
4. Introduce an Automated reporting system and streamline taxation into one streamlined flow.
5. Develop a risk-based approach towards regulation and innovation.



The proposed regulatory framework aims to:

1. Empower the MGA to be more agile in its decision-making and processes.
2. Decrease unnecessary regulatory burdens which are not conducive to the regulatory objectives.
3. Strengthen supervision and focus the regulator's efforts on the areas which present a higher risk profile.
4. Enhance best-in-class consumer protection standards and gaming measures.
5. Adopt a risk-based approach towards regulation.
6. Grant wider powers to the MGA in compliance and enforcement measures.
7. Spur on innovation and development within the sector.



Main legal changes – what you need to know:

With the intended purpose of covering different types of activities across various distribution channels, it is being proposed that the existing multi-licence system be replaced by just two forms of licences: i) B2C & ii) B2B

- Steer towards an objective-based regulatory approach which leaves space for innovation, while at the same time, ensures regulatory objectives are attained;
- Increase MGA's oversight by widening the regulatory scope and allowing for timely, appropriate and proportionate intervention;
- Expand MGA's powers falling under the compliance and enforcement functions to reach the required regulatory objectives, concomitant with simultaneous developments on anti-money laundering and terrorism funding obligations;
- Segment role of the Key Official into various key functions within a licensed activity, requiring endorsement, for direct scrutiny and targeted supervisory controls, in an effort to raise the bar for persons of responsibility within a gaming operation;
- Introduce the concept of administration with the express purpose of safeguarding a distressed operation and, if required, to assist in the closing down of an operation, with the ultimate aim of protecting jobs and player funds;
- Move towards automated reporting, facilitate adherence to regulatory obligations and strengthen the Authority's oversight;
- Bolster the Authority's role in its fight against sports competition manipulation by obliging operators to monitor sports betting and report suspicious bets, to further compliment the efforts being made by the National Anti-Corruption Task Force;
- Streamline taxation into one flow with two main layers; and
- Exempt B2B licensees from gaming tax, consequently increasing Malta's competitiveness.

A five week consultation period will be held for stakeholders before the draft legislation is presented in Parliament. KPMG encourages all industry stakeholders to review and provide the MGA with their feedback.

Should you have any feedback or queries that you would like to ask KPMG, then do please reach out to any of the KPMG individuals below. Should you wish to contact the regulator with any comments directly, then the responsible team can be reached at this address: legaloverhaul.mga@mga.org.mt

Juanita Brockdorff
Partner
Tax Services
+356 2563 1029
juanitabrockdorff@kpmg.com.mt

Russell Mifsud
Senior Manager
Gaming
+356 2563 1044
russellmifsud@kpmg.com.mt

Alice Hero
Assistant Advisor
Gaming
+356 2563 1344
alicehero@kpmg.com.mt

Follow KPMG in Malta:

