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Report 2016

Jurisdiction



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Introduction

Certainty in uncertainty

For many jurisdictions the past year has brought about uncertainty and instability on a scale previously unseen. The result of the UK's EU referendum caused global shock, but it is time to move on and evaluate how best to deal with the fallout. Although, this may be easier said than done for some jurisdictions.

In recent months the prospective date of invoking Article 50 of the Lisbon Treaty has been outlined by the UK prime minister. For many, the end of March 2017 cannot come soon enough as the current period of 'wait and see' slows business, however, for others the delay is giving time to lay the groundwork to deal effectively with every possible scenario.

Due to its integral relationship with egaming, technology and innovation feature throughout the report. The continuing boom of esports, the growth of daily fantasy sports and the development of VR and AR technologies are asking new questions of jurisdictions, of which some are taking the lead.

It's said major change normally brings new opportunities. So while this year's EGR Intel Jurisdiction Report is delivered at a time of increasing global unpredictability, through detailed analysis and expert perspective our aim is that these pages explore the range of prospects available in the industry.

By Tom Simpson | **Report editor**

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Nick Nally

◆ Chief development officer

◆ Continent 8 Technologies

Nick Nally, chief development officer at Continent 8 Technologies has over 20 years' experience in many sectors of the IT and telecommunications industry encompassing senior management, consultancy, sales, carrier relations, engineering and business development.

Featuring: *Continent 8 Technologies*

A jurisdictional update

Nick Nally of Continent 8 provides an essential look at the latest developments in the industry

One year on and another jurisdictional report... it's quite natural to look introspectively at the thoughts and predictions of last year to measure their accuracy or indeed if any came to fruition.

Continuing M&A activity

One of the main themes across the industry last year was that of merger and acquisition activity – this year is no different. At the beginning of the year, Paddy Power and Betfair completed their €9bn merger creating a giant in the online gaming market; while any day now, we expect to see Ladbrokes and Gala Coral consummate their deal. This time last year, 888 and GVC Holdings were vying for the hand of bwin.party with the latter coming out on top earlier this year to tie up the deal. 888 was again unsuccessful recently when it teamed up with Rank Group to acquire William Hill but their advances were spurned. I think we would all agree that this is not the end of the M&A activity with some actively looking for opportunities, be it to enter into new geographical markets, player acquisition, acquire new technological advancements or to shorten the development cycle of building in-house.

The UK and Brexit

The UK was in the headlines last year as a result of the considerations of the Point of Consumption Tax which was introduced at the end of 2014. That seems to pale into insignificance now given the result of the UK European Union membership referendum which took place in June of this year. The referendum, more commonly known as the Brexit referendum, shocked many observers when it resulted in a majority decision to leave the EU. For the gambling industry it has particular significance. Three months on and there are still very few who understand all the implications for the sector.

While it has been argued that there will be limited overall impact, there are significant challenges for some jurisdictions, Gibraltar being one of those. The potential issues for Gibraltar operators stretch beyond ensuring that they are compliant when addressing their EU business, they have the very real issues surrounding the border with Spain, leading to difficulties with movement of labour and goods. This has led many, if not all, to consider worst-case scenarios and to plan and build structures to minimise disruption wherever possible. The one good aspect to all of this is that the delay by the government in invoking Article 50 is giving everyone some time. The gut instinct tells me that there may be a few twists and turns before this is all settled and the entrepreneurial spirit within Gibraltar will have some impact in the end.

"Grey becomes black and white"

The title of this paragraph gives a clue to my musical leanings as a teenager but it came to mind as I thought about an interesting and more prevalent development in the sector over the past couple of years; that of the involvement of regulators when it comes to the suitability of licensees as determined by their interest in markets outside of their particular control. It wasn't that long ago when it was simple, the world was one homogenous market, one colour... you could serve everything with one infrastructure sitting in a reliable data centre with disaster recovery in another, if you were very advanced. With the incessant and unstoppable move towards regulation worldwide, jurisdictions are declaring their colours as to whether they are black or white but regulators are increasingly looking at the level to which their licensees have previously or may currently be conducting business in black markets. Companies in the UK applying for a licence have had to declare their business interest in all markets over a certain level; the Division of Gaming Enforcement in New Jersey has gone as far as trying to decipher between grey and black markets; California has hinted at levels of suitability based upon historical activity in the US market and most

recently, PAGCOR in the Philippines, in its move to introduce licensing for foreign-based operators has referred to black markets in Asia. Ultimately, this points to highly regulated markets with little room for offenders.

US Market – another year on

Another year on and very little movement in the quest to regulate the US, however, the fact that an event hasn't happened only makes it more likely that it will in the future! This time last year we were talking about the possibility of another state emerging. The latest betting is on Pennsylvania to open up next but it is improbable that anything will happen before the highly anticipated elections in November. Other states listed as having the potential to open up include Michigan, New York and California, however predicting timeframes would be futile at this juncture. There is no doubt that the number of interested parties are extensive and will contribute to the lengthy process. When one considers other open and regulated markets where all gaming is regulated including poker, casino and sports betting, it takes some foresight to ever see this happening in US states given the myriad stakeholders.

However, a lot of work to date has been done in a few states. In New Jersey in particular, other states would do well to consider the extensive work they have put in and the experience gained. As a final note on the US, I will refer back to a point made last year... it is very important that regulating states are pragmatic when it comes to the siting of servers and other factors such as taxation. As a case in point, ARJEL in France has just announced that its licensed online betting operators have incurred a collective loss of €5m last year! This is in a country of 66 million people and where sports betting increased last year by 30% to a record €1.4bn. Having to place infrastructure in individual states adds unnecessary costs on operators while also limiting competition and preventing economies of scale.

Virtual, fantasy and reality

In the absence of substantial real-money gaming and betting market options in some markets, there has been a significant rise in the development of a number of gaming/gambling offerings such as social gaming, fantasy sports, esports, virtual and augmented reality. While traditional gambling products have taxed the minds of regulators across the globe for many years, these new offerings are

likely to cause much consternation among this group going forward. Offerings and products in this space are so rich and complex that the demarcation lines between gaming and gambling are not so clear any more. We have the question of digital and other forms of currencies and whether their use constitutes gambling, a trend that is likely to continue and will likely need to be regulated. The rise of esports has been quite phenomenal, and I do have to admit that it is difficult for me to get my head around this one... not being a millennial probably doesn't help! But the growth in the sector has given rise to large increases in gambling, thus putting the sector in the crosshairs. After a very rocky period in the world of fantasy sports, there seems to be some semblance of normality coming back to the sector. At this point in time, seven US states have passed daily fantasy sports bills with many more proposing some form of regulation. Finally, the advent of Pokémon GO has catapulted the topic of augmented reality into the spotlight. The sector is still in its infancy, the technology is developing but the customer experience possibilities are exciting, suffice it to say that it will be another area that will require consideration in terms of regulation.

There will undoubtedly be further developments within Africa and South America – both are generating a good level of focus this year

Nick Nally | Continent 8 Technologies

And so to wrap up with some summary predictions for the coming year. Jurisdictionally, there will undoubtedly be further developments within Africa and South America – both are generating a good level of focus this year. The markets throughout Asia are ever-developing, and while I'm sure there will be more twists and turns to come we are already reaching a new level of clarity on the opportunities.

From a technology point of view, further advancements in cyber-security defences will be required to combat 'deeper' attack capabilities and larger global data leaks are inevitable. There will be faster loading and more immersive games, faster mobiles released to play them on with more AR and VR development aplenty.... Oh, and not forgetting, a new president of the United States. ♦



Jonathan Mills
 ♦ Head of e-Business
 ♦ Isle of Man's
 Department
 of Economic
 Development

Jonathan Mills has over 30 years of experience within e-Business. He has held several chief executive positions in e-Business and has international experience of both starting a successful business as well as helping existing businesses to grow.

Featuring: *Isle of Man's Department of Economic Development*

Reflections & predictions

Jonathan Mills, head of e-Business at Isle of Man's Department of Economic Development, outlines the key areas of current and future growth within the industry

This year has been crucial for the global egaming sector as it continues to evolve in a changing technological and regulatory environment. As we move into 2017, we take a look at the key trends which have been shaping our industry in very distinctive ways.

Use of immersive technologies – augmented and virtual reality

From industry events to informal conversations, there is no doubt that the use of immersive technologies has been one of the most talked about themes this year. Augmented and virtual reality is making egaming more real for the players, further enhancing its appeal.

With specially equipped eyewear, video and sound and virtual images, players can enjoy the experience of being in a casino from their homes. Oculus Rift's virtual reality offering that assists online gamers to experience the full casino effect is just one example. Some of the exciting VR software products include 3D gaming technology, VR headsets, VR online casinos, VR mobile apps and VR glasses.

Although there are currently barriers such as high cost and limited software, the long-term effectiveness and appeal of augmented and virtual reality will win out. We expect the egaming industry to further embrace these technologies as it has always been an early adopter.

The Isle of Man is a first-mover in supporting innovative technologies. It is home to companies like Microgaming and Playfusion which have been exploring the synergy of immersive technologies with egaming. For example, at this year's ICE Expo, Microgaming used the Oculus VR DK2 headset and leap motion hand-tracking system to provide

players with an experience of a virtual roulette table, complete with a robot croupier.

Continued growth of esports

Esports has transformed the way competitive games are played and viewed. According to Newzoo's latest quarterly update on the industry, the revenues for 2016 will grow towards a projected \$493m (£371.5m) in 2016. This is up a significant 7% from the \$463m (£348.8m) projected at the beginning of the year.

Tournament prize pools have increased exponentially and this is a further indicator of the continued rise of esports. The 2016 Dota 2 International competition saw 16 teams (consisting of 80 players) battling for more than \$20m in prize money. Smaller prizes include Call of Duty XP Championship and ELEAGUE Season 1, a Counter-Strike: Global Offensive competition, which range from a \$1.4-\$2m cash prize.

What have been the key drivers for the sector's growth? The increased involvement of game publishers has been vital in terms of attracting the audience and maintaining awareness. Publishers are adding an esports element to compete with other games, and to increase the longevity of each title they release.

The growing interest from media companies is another factor which has contributed in esports' transition into mainstream entertainment. These firms are bringing together gaming and television to target the "millennials", a valuable demographic. For example, in June this year, the UK's first 24-hour esports channel, Ginx eSports TV, launched on Sky and Virgin Media. We expect further announcements like this in the future, as broadcasters will want to tap into the global audience of esports viewers. Mainstream TV exposure will bolster the already established esports ecosystem.

Although venture capitalists have historically been very cautious about investing in games, they are now changing their approach and are excited about esports. This has been driven by the sector's global popularity. The venture capitalists are spotting



investment opportunities in businesses that create esports platforms, as well as in team ownership and advertising.

The Isle of Man identified esports as one of the key growth areas and has been licensing high quality sites for more than two years, including industry leader UNIKRN. We think that the sector is in a very strong position and is primed for continued exponential growth.

From industry events to informal conversations, there is no doubt that the use of immersive technologies has been one of the most talked about themes this year

Jonathan Mills | Isle of Man's Department of Economic Development

Changing world of daily fantasy sports

Following a meteoric rise over the last few years, 2016 saw the daily fantasy sports (DFS) sector undergo changes as major companies began operating differently. For example, when a player logs onto the DraftKings website and before they even get to the main page, there is an option to invite friends. This is part of the new emphasis on levelling the playing field and being able to play against only beginners.

The changes in DFS have been a result of various inter-related factors such as: regulatory and legal scrutiny in the US, scepticism from venture capital investors on how these concerns will play out and

the need for sites to operate cost-effectively.

Whether DFS will gain traction globally is still open to debate, but the coming year will continue to see changes in business models, which could lead to new opportunities. For example, the two biggest DFS companies FanDuel and DraftKings are experimenting with their nascent custom advertising businesses, opening up a potentially new line of business.

Moving on, the Isle of Man has an extremely robust regulatory framework and has been welcoming high-quality DFS businesses, like Mondogal, which have been licensed in the Island for over two years. Recently, DFS company Sporaga has been granted a licence to develop their company operations on the Isle of Man.

Conclusion

The Isle of Man has a rich egaming heritage and a highly supportive ecosystem for companies. Established over 15 years ago, egaming is now the biggest GDP contributing sector on the Island, representing 16.7% of the economy and growing by 32% in just one year - £168m in real terms. We expect to see this growth to continue into the next year, with new licensees relocating to the Island and the expansion of existing companies.

Globally, we expect 2017 to be another pivotal year for the egaming industry as it continues to adapt to disruptive technologies, new business models, and an ever-shifting regulatory landscape. The pace of change in egaming never seems to wane, so there will be a new set of challenges and opportunities. We can be certain that the coming year will be very exciting! ♦



Phil Adcock

◆ Founder and chief technology officer
◆ Domicilium (IOM) Limited

Phil Adcock is the founder and chief technology officer of Domicilium Group, a leading datacentre and network provider headquartered on the Isle of Man. He is a graduate of Lancaster University, UK, holding a Ph.D. in computer science. Phil is a chartered fellow of the British Computing Society and a member of the Internet Society and Association of Computing Machinery.

Featuring: *Domicilium (IOM) Limited*

Tumbling down the rabbit hole

Phil Adcock, director at Domicilium (IOM) Limited, explores how Brexit fallout will impact the industry

In June, what felt like a raging battle cry from the Queen of Hearts, was the decision from the people of Britain when they voted that the United Kingdom was to withdraw from the European Union.

Prime minister Theresa May has recently announced that the British government will invoke Article 50 of the Lisbon Treaty by the end of March 2017. The exit negotiations are likely to take up to two years bringing a conclusion to its 46-year partnership with the EU in the summer of 2019.

Like a Mad Hatters tea party, the level of uncertainty is now at an all-time high. However, whether it's political or economic, this phenomenon is certainly not unique to the UK. This instability is rippling on a global scale and has forced businesses to review their position within this unpredictable landscape.

Now is the time to look forward, so buckle up and hold on tight, because we're jumping headfirst down the rabbit hole and we have no idea what's on the other side.

Us

We are based on the Isle of Man and are every inch a worldwide organisation. With clients in 35 jurisdictions, we have a presence in Europe, Asia, Latin America, both coasts of the USA, Canada and many more locations. Most of our customers are multinational corporations requiring complex, high-value solutions and our business is built around facilitating these needs.

We have seen an increase in enquiries for our disaster recovery services. This increase has been steadily rising over the last couple of months as gaming operators review their current business continuity strategy. Of course, there are jurisdictions

where one could anticipate an increase in demand following the Brexit vote but a number of these enquiries are coming from unexpected jurisdictions and may be attributable to people refreshing their DR provision in a climate of political and economic uncertainty. From a Domicilium perspective DR queries have risen 16% in a two-month period.

The Isle of Man remains the popular location for deployment of a range of businesses from the finance sector to high volume e-business platforms. Home to the oldest continuous government in the world, the island is a low risk jurisdiction that is politically stable.

We have high capacity resilient communications, located between Great Britain and Ireland we are a relay station for multi terabyte high-grade fibre. We host two rings and five separate routes and the island has never been cut off from data access to the world.

The Isle of Man has always featured a business friendly tax-efficient structure but what sets us apart is that we have the space, capability, staff and facilities to operate the world's largest gaming operators. These benefits coupled with an abundance of locally generated power make it among the most attractive locations for DR and high volume online trading platforms.

Shedding light on uncertainty

Uncertainty seems to be the general consensus but it is nothing new to us. It is because of uncertainty whether it is political, economical, environmental or geological that we plan for the unexpected and that is why we provide bespoke disaster recovery services for our partners.

We have recently turned 25-years-old and are one of the most experienced egaming hosting providers in the world. Domicilium operates an award-winning next generation hosting facility, one of the first of its kind in Europe. The facility is situated in a semi-rural location close to Castletown in the south of the



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We partner with some of the largest online businesses in the world. Our e-gaming customers rely on our investment in infrastructure to resiliently process transactions worth many billions of US dollars every month. Our communications infrastructure, hosting facilities, technical staff and focus on process ensure that your business can maximise return through uptime and throughput. Working closely with our client base we provide a service that is customised to meet your exact needs and business requirements.

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We have seen an increase in enquiries for our disaster recovery services

Phil Adcock | Domicilium (IOM) Limited

island. We host more Isle of Man egaming licence holders than all of our competitors put together.

Many businesses outline a need for emergency office space as part of their DR platform.

Domicilium can provide DR suites that can host staff in the event of a crisis or connect businesses to their preferred office space.

We forecast that this will only gain momentum as the UK edges closer and closer to leaving the European Union.

We are able to do this because of forward-thinking regulation put in place by the Manx government which means an operator is not required to take a gaming licence to run disaster recovery infrastructure. Our company, Domicilium, is licensed by the Isle of Man government to provide these services and as long as an operator is licensed in another regulated jurisdiction then the process is easy and straightforward.

What we have to do right now is to look forward. The truth is, the UK's exit from the EU is not going to be plain sailing but when that time comes the Island will remain an attractive prospect for international businesses. It offers operators an unbeatable proposition of 0% corporation tax, low duty, stability and world-class telecommunications infrastructure. The Isle of Man government's commitment to attracting online business is demonstrated by an ongoing restructuring of legal and taxation frameworks which has attracted world-class operators.

We expect there to be no significant changes on the Isle of Man. Our relationship with the EU is unlikely to be affected by Brexit and we believe it only increases the attractiveness of the Isle of Man to companies.

Things change

So what is the message from this article?

To quote Lewis Carroll, "it's no use going back to yesterday, because I was a different person then."

We have to look forward and adapt to the changing landscape, whatever that may be. For the time being it's business as usual, but if you are reviewing your business continuity then the Isle of Man should be on your radar. So come and visit. ♦



Featuring: Domicilium (IOM) Limited

MALTA REMOTE GAMING COUNCIL

ONE VOICE



SERVING THE REMOTE GAMING COMMUNITY IN MALTA

The Malta Remote Gaming Council was launched in March 2005 and has continued to grow over the years.

The Malta Remote Gaming Council is made up of all stakeholders in the Remote Gaming industry including licensed

operators, data carriers, Internet service providers, and professional services providers.

The Council's main objective is to serve as an ongoing discussion forum giving valuable feedback to the Authority to enable it to keep abreast with the

latest developments in the industry.

The Council has achieved many milestones during its existence and continues to work on a number of ongoing projects and discussions to better serve the local remote gaming community.

WHY SHOULD I JOIN?

- More members, Stronger voice
- Voice your opinion on matters that affect you!
- You'll be part of a lobby group that defends your rights.
- The council listens and presents a common front.
- Keep up to date with events and news.
- Remain aware of local legislation.
- Be part of a discussion forum.
- To help promote fair gaming and build credibility.


Samuel Gauci

◆ Senior associate
◆ WH Partners

Samuel Gauci is senior associate at WH Partners. He has a wealth of experience in the gaming and betting industry, in particular to dealing with government and the public administration. Prior to joining WH Partners, Sam formed part of the Legal Directorate at the Malta Gaming Authority (MGA) ultimately performing the role of head of legal affairs. Sam holds a Doctor of Laws degree from the University of Malta.

Featuring: *WH Partners*

The Maltese gaming regulation evolution

Samuel Gauci of WH Partners speaks to *EGR Intel* about the regulation of fantasy sports games and skill games in Malta

Malta is in the process of reviewing and taking its legal framework to the next level following the success of the last ten years. This overhaul is being done to ensure that the legislative framework available to operators in Malta caters for the needs of this innovative and fast paced industry while retaining the key objectives of keeping the industry free from crime, ensuring the fairness of games and the protection of players at the centre of the legal set-up.

While work is progressing on the legal overhaul, Malta has already taken positive steps to regulate skill games with prize commencing with the introduction of an exemption for fantasy sports operators which will be followed with specific regulations for skill games.

Exemption for fantasy sports operators

With the introduction of the Fantasy Sports (Exemption) Regulations (FSER) any person who offers a fantasy sports game which falls within the definition as described below may, as from 1 August 2016, legally do so in and from Malta without the requirement of a licence. The defining elements of the game are:

1. It must be a contest played for money or money's worth
2. The winning outcome is predominantly determined through the skill or knowledge of the player
3. The result is determined by the accumulation of statistical results of the performance of a number of individuals in sporting events.

Any flavour of sports betting does not fall within this definition and hence still requires licensing from the Malta Gaming Authority (MGA) under the relevant regime.

Fantasy sports businesses also have the option of obtaining the MGA's seal of recognition of the fantasy sports games under the FSER. This can be achieved by means of a voluntary notification procedure wherein the operator may opt to be officially recognised by the MGA upon compliance with certain requirements.

The FSER exemption is a temporary arrangement which will be replaced by a new regulatory framework, entitled the Skill Games Regulations (SGR), which was notified to the European Commission and should come into force towards the end of 2016.

Regulation of skill games with prize

Businesses operating in the sphere of skill games with prize, including fantasy sports, offered by means of distance communication will find that the SGR are drafted in a manner which is established on a risk-based approach to licensing compatible with the nature of such games.

A licence under the SGR will enable a body corporate to offer skill games with prize in, and, from Malta, in a regulated manner which gives players enjoying such services the peace of mind that they are playing with a regulated and serious entity.

The licensing process shall ensure that the people involved in the operation are untainted with illegality and have the reputation and expertise to ensure that the business is operated successfully and in a compliant manner. Furthermore, the MGA shall also review and establish whether the proposed games are skill games or games of chance taking into consideration certain characteristics of the game.

An operator needs to ensure that player protection mechanisms are implemented to safeguard all consumers and must comply with the minimum requirements established in the SGR, which include segregation of players' funds, possibility of player exclusions and a player complaint system.

A key official must be appointed, whose regulatory role will be to personally supervise and have access to the licensed operation, ensure the licensee's compliance and act as a liaison between the licensee and the MGA.

A skill games licence is granted for a term of five years which may be subsequently renewed.

Innovation and incentives

The scope of gaming legislation in Malta has always been to be technology neutral in order to give operators the space they require to be innovative and differentiate themselves from other operators. Although we have not witnessed significant innovation to the games available to players, the SGR should have a positive impact on this situation whereby operators may now also dedicate their resources to creating new, licensable skill games which will give players a varied gaming experience.

Innovation is not only a driving factor for gaming legislation in Malta but is also promoted by means of various incentives and schemes offered by Malta Enterprise to assist businesses with financing new ideas. Such incentives and schemes come in the form of grants and tax rebates. These continue to add value to establishing a business in Malta which is recognised as a jurisdiction that gives businesses, both large and small, the right environment to maximise their resources for the establishment and growth of the business.

Malta offers start-ups the required atmosphere and location to bring their innovative ideas to life. The incentives and schemes assist new businesses to get their ideas off the ground and they also find at their disposal experienced staff and the range of services necessary for the set-up and sustainability of the business.

Businesses already established in Malta may also qualify for the incentives and schemes offered by Malta Enterprise. They may also, with the imminent introduction of the SGR, already dedicate resources to innovate and diversify their portfolio of games by creating skill games with prize to give them the edge they require in this industry by making their websites and services more appealing to different types of players, as well as more intriguing to customers who are accustomed to the product that is currently being offered.

Future positioning of Malta and the legislative structure

The FSER and SGR continue to confirm Malta's position as a reputable jurisdiction that



Malta offers start-ups the required atmosphere and location to bring their innovative ideas to life

Samuel Gauci | WH Partners

understands and adapts to the regulatory framework and environment required by the gaming industry and the different facets it adopts. Furthermore, Malta already has the necessary infrastructure to service and host this growing innovative gaming industry of skill games given the experience and knowledge garnered throughout the last decade. Over and above these characteristics, the incentives available in Malta further contribute to the growth of the gaming industry and to the investment in innovation.

With the introduction of these regulations, skill games operators, including fantasy sports operators, have a serious jurisdiction and regulator who will regulate their specific needs in view of the divergences between such operations and that of operators of games of chance. The regulations are also ensuring the protection of players which give the licensed operators a stamp of approval of compliance and professionalism, the end result being that players are given a secure environment to enjoy these games.

By means of these regulations the legislator and the MGA are also giving an indication of the legislative approach which is to be expected in the legislative overhaul whereby a more risk-based approach will be adopted and implemented allowing for innovation. However, based on and ensuring seriousness and compliance with fundamental requirements. ♦



Jack Mizzi

◆ Chief marketing and business development officer
◆ BMIT

Jack Mizzi is responsible for marketing and new business initiatives at BMIT, Malta's largest data centre, cloud and managed IT provider. He has a long career in telecoms and broadband services, and has also developed and managed TV and mobile initiatives for one of Malta's leading communication companies. Jack is a graduate in Management and Public Policy from the University of Malta and holds an MSc in Marketing from the University of Leicester.

Featuring: **BMIT**

A resilient foundation for egaming operators

Jack Mizzi of BMIT examines how their company is primed to steer operators through uncertain waters

BMIT has been in operation for around 15 years, initially having been set up to provide data centre services in Malta. BMIT's key value proposition to its customers is to give them peace of mind by providing a secure, reliable and resilient environment for them to run their IT systems. Additionally, it is paramount to ensure that these are always on and always available while also being accessible anytime and from anywhere. This proposition is fundamental to any online business and is particularly true for an egaming operator who needs to ensure that its gaming platform is not only always accessible to its players but also provides them with an enjoyable gaming experience.

An evolving portfolio

During the past four years the company has evolved from a co-location provider to a fully fledged IT service provider, supplying a full range of data centre services, as well as public, private and hybrid cloud and managed IT services. The latest additions the portfolio now also allow BMIT to offer IT services onsite, at customer premises, and not just within its data centres. Whether using internal resources, or partnering with associated companies or some of the world's largest IT providers, BMIT are able to deliver a one-stop shop to provide solutions which span across all customer IT requirements.

As a result, BMIT has established itself as one of the key service providers for the industry in Malta throughout the years, and today provides its services to a large number of egaming customers. These include many of the leading operators, and this gives us a strong understanding of their needs, not just from a technology perspective but also when it comes to business and regulatory requirements.

A sound infrastructure

BMIT's two data centre facilities in Malta, operating on a 24/7 basis, make it the largest provider of data centre services on the island and more recently, the company has extended its presence in Germany and Italy, namely with points of presence in Frankfurt and Milan. To meet the evolving requirements of its egaming customers, all of BMIT's sites are ISO-27001 and PCI-DSS compliant and interconnected with its own 40Gbps private network, linking up all the BMIT data centres through different routes and employing various carriers and service providers – in this way, eliminating single points of failure throughout. It also protects its customers from web attacks, through its multi-tiered Distributed Denial of Service (DDoS) protection and mitigation set-up.

Co-locating your operations

Co-location remains one of BMIT's leading product offerings, relieving egaming operators from the hassle of having to expand internally through additional staff, additional power and more equipment, not to mention the room to house said hardware by keeping their servers or other storage and network connectivity systems within a separate data centre.

Apart from increasing their systems' resiliency, most companies find that co-location allows them to drive down the cost of their overall IT infrastructure. Co-location provides the advantage of a much more predictable op-ex model rather than having to deal with the ever-increasing capital expenses of building, securing and maintaining your own data centre as power and cooling needs expand. Rather than invest in crucial backup generators, security systems and paying the ongoing expenses associated with this hardware, co-location lets you control an ideal data centre environment that is scalable to your business' changing needs.



Moving to the cloud

Apart from being the leading hosting and co-lo provider in Malta, BMIT also provide a range of public, on-demand cloud services as well as private and hybrid cloud solutions as part of their

BMIT has throughout the years established itself as one of the key service providers for the industry in Malta and today provides its services to a large number of egaming customers

Jack Mizzi | BMIT

portfolio. For customers requiring full control over their data in terms of location and data retention, BMIT offers its own range of cloud services, including cloud computing, hosted mail and cloud backups.

Additionally, as Malta's only Microsoft cloud service provider, BMIT offers the full Microsoft Office 365

range of services, including mail, Office online and related services, all in a flexible and cost-effective manner.

From the data centre to your offices

BMIT's managed IT services range was developed specifically to assist operators in running their services more efficiently. In cases where the operator has their own IT team, BMIT's role is usually to supplement their efforts and assist them

in their support function. Other operators opt to outsource all IT support, in which case the role shifts to one ensuring a round-the-clock upkeep of the systems, as well as providing advice on best practice. BMIT's expert technical team monitors all systems, network and infrastructure 24 hours a day, 365 days a year, as well as providing additional managed services including infrastructure management, system administration and database management. It also provides onsite IT support for a wide range of services. A key advantage of outsourcing is the ability for the business to focus on what it does best and let third parties handle certain operational aspects. Other advantages are:

- An organisation and its staff can increase their interactivity with other IT organisations, and therefore develop best-of-breed solutions
- Enhanced efficiency
- Credibility with stakeholders and regulators is further developed

So, do you think your gaming operation stands to benefit from any of the mentioned advantages and being located in Malta, Milan or Frankfurt with an exclusive 40Gbps network?

Contact BMIT today; we'd love to help your business move forward and save costs in the long run. ♦



Phill Brear

◆ Head of gambling and regulation

◆ Government of Gibraltar

Phill Brear was appointed as head of gambling regulation for Gibraltar in 2007 and Gibraltar gambling commissioner in 2011. Phill has steered through a series of changes to Gibraltar's regulatory regime, working closely with operators and their representatives on a range of operational and organisational changes.

Featuring: *Government of Gibraltar*

Accepting change

Phill Brear of government of Gibraltar speaks to *EGR Intel* about the future of Gibraltar and the market

EGR Intel: What impact has Brexit had on the egaming industry? And, in particular, on Gibraltar?

Phill Brear (PB): On the surface, nothing, there really is a 'business as usual' attitude across the industry with decisions that were being delayed until the referendum now being rolled out as if it hadn't taken place; employment continues to rise, we are still receiving and processing new licensing enquiries and new offices are being built, as well as long leases being signed. I have no doubt that below the surface every company now has a 'Brexit options team' of some shape monitoring developments and examining 'what if' scenarios. Likewise, external consultants and advisors will be doing the same, which is good and prudent management.

EGR Intel: How is Gibraltar prepared to cope with post-Brexit fallout now that a provisional date for invoking Article 50 has been outlined?

PB: We aren't going to know what the nature of the Brexit will be for at least another 12-18 months, that is, if there is a true Brexit at all, as I don't rule out the complexities of European politics. In that I include the UK finding a way of squaring this very disruptive circle, and as we are seeing in Gibraltar now – 'business as usual' being the outcome for the main parts of the UK's relationship with Europe, while some of the sharp edges that have created this tension are smoothed off in some way. You can be sure that neither the EU nor the UK wants to extend the economic difficulties of the last decade into the next, let alone make them worse, so a 'Fixit' will be found. There are also some significant hurdles in the UK for the Brexit process to clear, both the courts and houses of parliament are likely to have a say in at what pace and direction Brexit moves.

EGR Intel: What have been the key developments in Gibraltar over the past 12 months?

PB: In Gibraltar we have seen constant, managed

growth, attracting all but a handful of the biggest and strongest brands to establish and operate from here. No short-cuts, no half measures, no 'fly by night' chancers, just steady, responsible gambling companies deepening their roots in Gibraltar.

EGR Intel: You plan to take on a new role next year, what will it encompass?

PB: I am now in my tenth year as head of regulation and I have doubled up as gambling commissioner for five years. We are reviewing the Gambling Act and the landscape is constantly changing, so we need some new and fresh thinking, someone with a genuine longer term view than I can offer. We want to ensure continuity and forward thinking, so I expect to be part of the team during 2017 but seeing others run with the ball. I am not walking away, I have put too much into this to do that.

EGR Intel: How will the egaming industry look in 12-24 months? What trends will be of the most significance?

PB: This depends on which side of the operation you sit. I think consumers are going to see a flattening out of the nature of what is on offer. Innovation is being eclipsed by saturation, even the best new ideas struggle to get traction because of the amount of noise in the industry. I don't believe we will see DFS as anything other than a side game because DFS prospers only where real betting isn't permitted; like social gaming, it has a place, but it won't displace the core products. On the industry side, the wave of M&A will eventually settle into a new model, there will be a smaller number of very large operators, that is self-evident, but that creates space for the bespoke and specialist providers to create niche markets until they in turn are bought by the biggest players. The process then starts again but with fewer providers in each category until very few large operators are swallowing up very few small operators. The ever-increasing duplication of regulation and taxation will also drive this consolidation, making the scale of operations ever more important, although, alternatively, more difficult for new entrants. ◆

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