



# EBR Intel

Report 2018

## Malta



- BDO
- BMIT
- CSB Group
- WH Partners

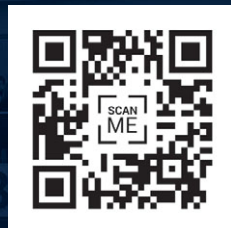


# It's all about results.

## Your Trusted Partner in Malta.

Company Incorporation • Licensing & Tax • Regulatory & Compliance  
Blockchain & Cryptocurrency • Recruitment • Property Sales & Letting

CSB Group offers its clients a spectrum of specialised business and commercial services that guarantee a complete turnkey solution to clients wishing to setup or relocate their business to Malta. Working hand in hand with a selected network of international partners, the Group aims at exceeding clients' expectations through a sound and results-oriented business approach.



Follow us on   [CSBGROUP.COM](https://www.csbgroup.com)  
Tel: +356 2557 2557 | Email: [gaming@csbgroup.com](mailto:gaming@csbgroup.com)

### Where to meet us next

G2E Las Vegas 2018, SiGMA Malta 2018, ICE London 2019,  
G2E Asia 2019, iGB Live! Amsterdam 2019.



**SMARTER BUSINESS STARTS HERE®**

Corporate | Trust | Tax | Accounting | Immigration  
Recruitment | Credit Risk | Relocation | Real Estate

**Group head of content:**  
 Andy Roocroft  
 Tel: +44 (0)20 7832 6629  
 a.roocroft@egrmagazine.com

**Report editor:**  
 Ross Law  
 Tel: +44 (0)20 7832 6535  
 r.law@pageantmedia.com

**Production**  
**Head of production:**  
 Claudia Honerjager

**Sub-editors:**  
 Luke Tuchscherer, Alice Burton  
 Charlotte Sayers

**Art director, EGR:**  
 Toni Giddings  
 t.giddings@egrmagazine.com

**Commercial**  
**Group commercial manager:**  
 Sam Compagnoni  
 Tel: +44 (0)20 7832 6554  
 s.compagnoni@egrmagazine.com

**Publishing account managers:**  
 Debbie Robson  
 Tel: +44 (0)20 7832 6551  
 d.robson@egrmagazine.com

**Content sales:**  
 Tel: +44 (0) 20 7832 6512  
 membership@egrmagazine.com

**Distribution:**  
 Fay Osborne

**CEO:**  
 Charlie Kerr



EGR Intel is published  
 monthly by Pageant Gaming Media  
 One London Wall, London,  
 EC2Y 5EA, United Kingdom

ISSN 1742-2450

Printed by The Manson Group  
 © 2018 all rights reserved.  
 No parts of this publication may be  
 reproduced or used without the prior  
 permission from the publisher

## Introduction

# Acting on Malta's strengths

The EGR Malta report serves to represent recent developments of what has become one of the egaming industry's fastest-growing jurisdictions.

The revised Malta Gaming Act presents key changes and opens up a number of new opportunities for operators based in Malta. This, and consideration to how the Act's amendments heighten the attraction of Malta, are analysed within.

Elsewhere in the report, the necessity of backing up data is highlighted, as well as the recent ways in which blockchain is being utilised in Malta.

Overall, this report will give our readers a snapshot of the key issues transforming Malta as a gaming jurisdiction in 2018 and beyond.

By Ross Law | *Report editor*

# 04

**The rules have changed: Malta's new Gaming Act**

James Scicluna and Robert Zammit, of WH Partners, identify the key changes brought about by Malta's new gaming act

# 08

**Your business needs a data backup strategy, yesterday**

Dale Schembri, of BMIT, highlights the importance of businesses having backup strategies

# 10

**Improving a strong egaming jurisdiction**

Roger Strickland and Nicholas Warren, of CSB Group, define the virtues of the new Malta Gaming Authority licensing regime and provide an update on recent blockchain developments

# 13

**Malta: the obvious choice**

Mark Attard, of BDO, outlines their approach to working with their clients, along with the virtues of Malta as an egaming jurisdiction



Featuring: *WH Partners*

# The rules have changed: Malta's new Gaming Act





James Scicluna and Robert Zammit, of WH Partners, identify the key changes brought about by Malta's new gaming act

**M**alta has just gone through a facelift of its gaming and gambling regulations. Its stated objective is to retain its role as the leading jurisdiction worldwide for online gambling and to create opportunities for the gaming (non-gambling) industry. Malta's new gaming act ("act") came into force on 1 August 2018, together with a series of regulations which have changed the way things are done.

Although Malta's former regulatory framework was somewhat of a reference point for other jurisdictions seeking to regulate the online gambling market, improvement was needed to cater for evolving technologies and business models.

The change from an outcome-based approach to an objective-based one is also most welcome. The act itself is built on principles which apply across the whole spectrum of the gaming and gambling industries, covering all verticals and all channels of delivery – from land-based to online and beyond.

The grandparenting over of licences issued under the former Remote Gaming Regulations seems to have gone smoothly, with the MGA putting in extra hours to ensure that operators were aware of changes and how this will affect them on a day-to-day basis. Experience to date suggests that the act has been generally well-received.

#### Remote gambling – simplified licence classes

The most apparent change was the simplification of the licence classes. We saw a move away from the system where an operator was required to obtain multiple licences to offer similar products provided from different software providers. Now Malta has a two-category licence system: (a) a business to business (B2B) critical supply licence and (b) a business to consumer licence (B2C). Operators holding Class 4 licences had their licences grandparented over to a B2B licence, and those holding Class 1, Class 2 and Class 3 licences had all of their licences grandparented over to a single B2C licence, unless they opted to have certain "old" licences converted into separate B2C licences under the new act.

The change was aimed at reducing bureaucracy and time-to-market when launching products of a similar nature and risk profile. It has also brought about a crackdown by the MGA on operators offer-

ing products licensed outside the EEA via a domain offering MGA licensed products. The message is clear: there is no excuse for an operator to seek to offer products licensed outside the EEA via channels of distribution used for products licensed in Malta or elsewhere in the EEA.

New products, if they are supplied by third parties holding a B2B licence or otherwise licensed in the EEA, can now be launched by a Malta B2C operator with extreme ease. Instead of having to wait for months to obtain a new licence to offer a product which is similar in nature and risk to the ones already offered, operators can now plug-and-play such products to their system and offer them to their customers following a mere notification to the MGA.

*The change was aimed at reducing bureaucracy and time-to-market when launching products of a similar nature and risk profile*

MGA approval is still required when launching verticals which are new to the operator. However, the MGA will limit its review to the gap and, in particular, to the technology and whether it meets the player protection standards required under the act, rather than delve into corporate due diligence every time a new product is launched.

The same principle applies to B2B providers. When launching new games under the same gaming system and/or the same random number generator, no approval is required, while the launch of new verticals will require prior MGA approval.

#### Longer licence term and "group" licences

The term of MGA licences has been lengthened to 10 years from five years.

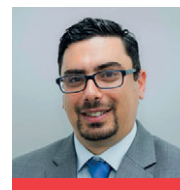
Group licences are now also available. The act refers to them as Corporate Group Licences. Operators can now split their markets or products (and therefore their risk) in different group companies but benefit from the same MGA licence. If the companies are at least 90% owned by the same owner, they are considered to form part of the same group for this purpose. Furthermore, a company which provides a critical supply solely to its group can also fall under a corporate group licence and will not require a B2B licence.



**James Scicluna**

◆ Partner and co-founder  
◆ WH Partners

James Scicluna, partner and co-founder at WH Partners, is a Malta Advocate and a solicitor of the Senior Court of England and Wales. He is a gaming and gambling industry expert and is highly-ranked by the foremost independent legal directories. He is a member of the International Association of Gaming Advisors and of the International Masters of Gaming Law and is a lecturer in gaming law at the University of Malta.



**Robert Zammit**

◆ Partner  
◆ WH Partners

Robert Zammit, partner at WH Partners is a regulatory, licensing and litigation lawyer, with a focus on Gaming & Gambling industry. His principal areas of expertise are licensing of gambling businesses and regulatory compliance in the area of gambling, intellectual property, information security, privacy and data protection. He is a member of the International Association of Gaming Advisors and of the International Masters of Gaming Law.

Featuring: **WH Partners**



### Material supply licence

The act introduces the possibility for persons supplying certain services to MGA licensees to obtain a “material supply licence”. The material supply licence is optional. However, for the holder, the advantage of this type of licence is that a B2C licensee that wants to use its services will not need to go through any approval process to commence the relationship. The relationship is plug and play once commercial terms have been agreed.

### Operating from Malta under licences from other EEA regulators

Malta companies which are not licensed by the MGA but are licensed in another EEA jurisdiction and provide gambling services from Malta must now obtain a “recognition certificate” from the MGA. This is a new requirement intended to give the MGA visibility of those companies which are licensed by another EEA authority and therefore outside of its control but operating within the jurisdiction.

### A key official is no longer required

The act does away with the role of the key official, who was formerly the main point of contact between the licensee and the MGA. Licensees are no longer required by law to have a director who is a resident

in Malta. However, licensees are now required to identify the group of persons responsible for the core management of the business. These persons need not be resident in Malta (certain functions may also be outsourced), but they must be readily available in Malta should the MGA require to see them. Each of them must also satisfy the MGA's fitness and properness tests. There is some debate as to what “readily available” means. Licensees should take advice on this point.

### New tax rates and contributions

Change comes at a price. In late December 2017, the MGA published the new tax rates and monthly contributions licensees must now pay. These have applied as of 1 January 2018.

Operators already licensed by the MGA continued to pay under the old tax regime until August 2018, after which a settlement mechanism kicked in under which adjustments were made of tax paid under the old tax system versus tax due under the new system from 1 January 2018 onwards.

The novelty is that a monthly tax of 5% on gross gaming revenue generated from Malta has been introduced across the board. In addition, operators are to pay monthly contributions depending on the products provided, with minimum and maxi-





mum yearly contributions. The operators who have mostly been affected are those offering remote casino games, as the new system moved from the flat monthly tax towards a percentage on the gross gaming revenue. It is yet to be seen how this change will affect small operators in the long run considering also the increasing regulatory expenses to tap into markets which have become regulated.

B2B operators have also seen a change to their dues to government. Whereas under the former Remote Gaming Regulations, Class 4 operators paid a monthly tax of €4,660 and an annual licence fee of €8,500, under the Gaming Licence Fees Regulations B2B operators must only pay an annual licence fee which has been increased to a minimum of €25,000 and a maximum of €35,000 depending on the volume generated under the licence. A decrease of contributions of around 50%. Clearly a move to incentivise the technology side of the business.

#### Start-ups

Another initiative in the Directive on Start-Up Undertakings, introduced under the act, is the exemption for start-up B2C operators from paying the monthly compliance contributions. A qualifying B2C start-up is exempt for its first year of operations from paying monthly compliance contributions.

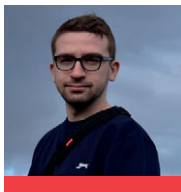
*The new law tries to improve transparency, effectiveness and efficiency and confirm Malta as the leading jurisdiction worldwide for online gambling*

#### Our views

It is our view that Malta's new gaming act has improved the rules of the game, bringing a stronger, streamlined licensing process, a horizontal regulatory approach and a framework that responds to the ever changing technological evolution. Clarifying concepts which were not defined under the previous legislation, introducing a stricter, yet simplified and less bureaucratic supervision process and a risk-based regulation, the new law tries to improve transparency, effectiveness and efficiency and confirm Malta as the leading jurisdiction worldwide for online gambling. That being said, there are some areas of the law and regulations which are still open to interpretation and we think that the first year or so following the roll out of the act is a crucial period within which the industry should work with the MGA to obtain the clarifications required. Licensees and licence applicants should seek advice especially on areas which are subject to interpretation. ♦

Featuring: **BMIT**

# Your business needs a data backup strategy, yesterday



## Dale Schembri

◆ Product marketing executive  
◆ BMIT

Dale Schembri is part of BMIT's marketing team, having joined in early 2016 after having previously worked in a marketing agency setup. He's an avid technophile with a particular interest in marketing automation and synergising productivity tools.

Dale Schembri, of BMIT, highlights the importance of businesses having backup strategies

**I**f you run a company that relies upon constant access to its data, the phrase 'it's better to be safe than sorry' ought to be more than a cliché to you. It should be a mantra. There are few things in business as frustrating, or as costly, as losing valuable information.

Not only does one have to deal with the reputational risk that comes with losing data, but there is also the financial cost of having to recover it. These costs and the feeling of frustration are magnified by the knowledge that such an incident could have been avoided had adequate precautions been taken.

Even if you believe your business doesn't rely on large stacks of data, the principle still applies, because all businesses generate data in some form or another. This data could include major components of your business, such as product information and specifications, design and production plans, or employee and customer information. Losing such data can prove undeniably costly; this also applies to seemingly minor things, such as email, contact lists, and individual folders containing forms and other documentation.

Data losses occur in several ways. There are physical causes, including hardware failure, and technical issues, such as corrupted files. Then there are more malicious causes like a virus or malware, and research has shown that small and medium-sized businesses make up the majority of targets for cyber-attacks. More common than all of these is the human error: it is not unheard of that employees have accidentally deleted a file or two. It could happen to anyone and at any time.

Therefore, having a form of contingency for these situations, a backup plan if you will, is vital for business owners who want to avoid having their op-

erations come to a grinding halt. Thankfully, there are several options open to you, such as creating an internal backup system or outsourcing backup to an IT services provider such as BMIT. Whatever you choose to do, you should make sure that your plan incorporates specific characteristics.

One of the first things to consider is frequency. How often should you back up data? Generally, the more frequently you back up, the better. If your business neither handles large amounts of data nor relies specifically on that data for its day-to-day operations, then a weekly backup may be sufficient.

*A company is asking for trouble if it backs up all its data in a single location*

**Dale Schembri | BMIT**

However, if you can manage them, daily backups are always recommended. This is a 'better safe than sorry' situation after all. The safest option would be to back up as often as possible so that if worst comes to worst, you'll only have to make up for a day's lost work and not an entire week.

Automation is also a critical quality that should be integrated into any backup system. One of the primary factors you're trying to avoid is data loss caused by human error, such as inadvertently deleting files. Putting the backup system in the hands of a person, therefore, seems counterproductive. With an automated system, there is no risk of someone forgetting to perform the backup due to other tasks. Automating the process provides additional reliability and safety.

It is no good just being safe; your information needs to be secure too. If you keep sensitive data and customer details on your backup, you want to make sure that they are protected. Adding layers of security truly is vital. That is where outsourcing your backup to a service provider can go beyond the





capabilities of an internal backup system. Backups can also be protected by high-grade encryption and are far harder to compromise than any other conventional systems.

Another effective backup solution is to distribute your backups across multiple sites. By spreading your backups across several physical centres, in different locations, you mitigate the risk of losing your data due to natural disasters. A company is asking for trouble if it backs up all its data in a single location. Should a disaster strike at that location, the company is back at square one, without data, as if it had never backed it up in the first place. Spread it around, and you give yourself a much better chance of recovering everything when needed.

Frequency comes into play again, but this time in the form of frequent checks that the system is work-

ing. It's not enough just assuming that everything is fine, you have to be sure. Regular inspections of the backup data are needed to ensure that recovery is possible when needed.

Last but not least, you need to consider costs again. Having an effective plan is supposed to help you mitigate the cost of losing your data. By outsourcing your backup operations to a dedicated service provider, you'll not only receive expert advice, but you'll also find a more cost-effective solution that offers increased capabilities and security measures that go beyond what most organisations can achieve by setting up their own internal systems.

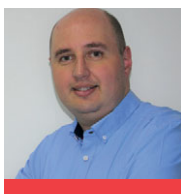
Act today before it's too late. Don't get yourself – and your business – in a frustrating and expensive situation that could have easily been avoided with a suitable backup plan. ♦



### Roger Strickland

◆ Director and  
egaming consultant  
◆ CSB Group

Roger Strickland is CSB Group's director and egaming consultant and is mainly responsible for smooth incorporation of egaming companies. With a wide network of contacts and know-how within the online egaming industry, Strickland possesses a wealth of experience and is strategic in bringing key stakeholders together.



### Nicholas Warren

◆ Senior manager for  
financial services and  
blockchain  
◆ CSB Group

Nicholas Warren, a senior manager for financial services and blockchain at CSB Group, provides guidance on Malta's blockchain legislative frameworks in the field of ICOs and crypto exchanges. Working in close collaboration with the authorities and key stakeholders, he supports companies wishing to establish a presence and provide blockchain technology solutions.

Featuring: *CSB Group*

# Improving a strong egaming jurisdiction

Roger Strickland and Nicholas Warren, of CSB Group, define the virtues of the new Malta Gaming Authority licensing regime and provide an update on recent blockchain developments

**T**he new Malta Gaming Authority licensing regime has finally landed, with a host of new operators seeking to get licensed in probably the world's largest egaming jurisdiction. A cacophony of old acts and ordinances have been replaced by a gaming act that addresses conflicts of laws and, importantly, technology convergence and games neutral forms of licensing activities. Truth be told, Malta is leading the way yet again with an effective framework of well-thought-out regulations and processes that clearly narrow the gap between law and technology.

With technology developing faster than we are capable of adapting to, it was crucial for any new regulations not to be prescriptive but to offer a good amount of flexibility. The reform has been long coming with Malta primarily interested in enhancing the current regulatory regime, enhancing the good regulatory practices in force and at the same time ensuring the least possible disruptions. Malta's proactive approach in regulatory matters has led it to become the destination of choice for the large majority of serious egaming operators. Since Malta enacted its egaming regulations in 2004, the industry has grown from strength to strength becoming the EU's first member state to enact sector-specific remote gaming legislation.

Malta's own gaming authority has managed to evolve and respond to market needs to provide a new regulatory framework, which is second to none. Home to over 500 licences and just under 15,000 remote gaming employees, the industry is now contributing to over 15% of Malta's gross domestic

product with direct and indirect expenditure running to more than €1bn.

One of the main changes which has come into play with the new act is the categorisation of operators. The previous class system has been replaced with a simple B2B and B2C model which encompasses different gaming verticals for the B2C's now referred to as Types (1-4). Unlike in the previous regulations, A B2C operator does not need to get a new licence for every new platform but can instead plug and play with the large variety of licensed B2Bs setting up on the island. This has eliminated duplication of requirements and simplified regulatory burdens to focus on what is strictly necessary while adopting a risk-based approach.

*The revamp of the regulations will ensure the sustainability of the industry in years to come and will provide opportunities for further growth, regulatory focus and embrace innovation across multiple fronts*

Another main thrust that the new act has brought about are incentives for the continued growth of the B2B market. One incentive for this segment is a considerable reduction in gaming tax. Gaming tax for B2Bs has in fact been replaced with an annual licence fee based on annual revenues and with a maximum of €35,000 a year from a previous total gaming tax of around €60,000. This reduction in fees and the fact that Malta B2B operators can on-board a wider variety of B2C clients is definitely a game changer.

One of the main virtues of the act is the changes regarding the key official. This role has now been segmented into different functions (that require MGA approval) to ensure direct scrutiny and targeted supervisory controls on behalf of the authority.



This move can be closely associated to the UKGC's PML holders and which undoubtedly raises the bar for those individuals with responsibility within a gaming operation.

Other thrusts of the new act include a moratorium on licence fees payable by start-ups subject to certain criteria being met, the duration of a licence being extended to 10 years from the current five, the revamping of the player protection and responsible gaming measures, the concept of administration to protect operations in distress, automated and facilitated reporting obligations with an online tool for submitting new applications and monthly reports, and decreasing unnecessary regulatory burdens.

The new act will also usher in the 'Mutual Recognition Principle' whereby the authority will recognise equivalent gaming licences issued by other jurisdictions. This recognition is not automatic but rather subject to operators notifying the authority with their gaming operation and thus enabling the authority to maintain adequate controls over same.

The introduction of a 'Corporate Licence' is also a key change in the new act. A corporate licence would enable an operator with a global structure to have its Maltese entity and its other subsidiaries under the same licence in order to be able to offer services within the group. Thus, if a licence is issued for a corporate group the approved members of the group would be jointly and severally considered as the licensee.

The revamp of the regulations will ensure the sustainability of the industry in years to come and will provide opportunities for further growth, regulatory focus and most importantly embrace innovation across multiple fronts. Positioning for Malta is now key to attracting more operators to its shores. Malta offers 'lifestyle', ease of connection to most EU capitals, financial incentives to both firms and individuals working within regulated frameworks as well as a thriving financial services sector that keeps supporting the industry with intelligent, sustainable and

innovative incentives for growth. The availability of large workspaces and the telecommunications developments on Malta have also set the scene for very large operators relocating hundreds of personnel to the island.

#### **Nicholas Warren about Blockchain developments**

CSB is closely following and monitoring the developments in Maltese legislation including the rules and regulations which are being issued for consultation by the Malta Financial Services Authority. It is also participating in a number of conferences and seminars and have recently appointed a person from industry within the group in order to assist clients in being able to better understand the requirements under the Maltese laws as well as obtain the necessary licences in order to operate as a crypto exchange, ICOs and other blockchain related business. CSB is also looking at the possibility of becoming a VFA Agent, which would authorise it to represent clients who are seeking to launch their ICOs from Malta.

Our industry expert has spoken on a number of different panels and issued publications both in the local and international sphere on what is happening locally. The company is also considering the implementation of a blockchain based compliance system in order to be in a position to undertake and monitor compliance on an ongoing basis in a world which is full of complexities and intricacies.

#### **Setting up an online gaming operation**

Obtaining an online gaming licence in Malta involves a rigorous application process. Applicants need to submit detailed information and documentation relating to their proposed operations for review and scrutiny. Relying on someone reliable and respected in this area is a must. As a top consultancy firm, CSB Group has the necessary knowledge about all the legal and regulatory requirements thus ensuring a smooth application process while ena-



bling the operator to make sound decisions about the business set-up.

In addition to support throughout the licensing process, as a leading corporate services provider, CSB Group offers its clients a spectrum of specialised business and commercial services that guarantee a complete turnkey solution to clients wishing to set up or relocate their business to Malta. Areas of services covered are: company incorporation services including setting up of bank accounts; accounting and back-office support; tax; regulatory and compliance advice; work permits; and blockchain and cryptocurrency services.

Setting up an online gaming operation in Malta may also mean that operators will need to recruit a team of professionals. Through its brand VacancyCentre, the Group is uniquely able to assist with effective recruitment solutions which are essential for operators to feel confident that their future team will contribute to their business' success.

Operating a business from a prime location is also key. Regus Malta and Malta Sotheby's International Realty are franchises operated by the Group that offer fully managed ready-to-use office space and property for sales and letting respectively. Regus Malta operate two business centres, strategically located in Swatar and St. Julians. Both centres are finished to high standards offering fully serviced office spaces,

virtual offices and co-working spaces. Office amenities are set up and ready to use, with WiFi, receptionist, kitchen and cleaning included. Gaming operators that choose this hassle-free solution need only walk-in, plug-in their device and start working instantly.

*Malta's proactive approach in regulatory matters has led it to become the destination of choice for the large majority of serious gaming operators*

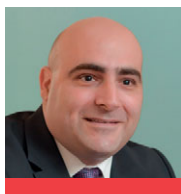
Operators looking to relocate to their own commercial property can find the necessary support from Malta Sotheby's International Realty's professionals who will provide assistance and consultancy. When taking such a decision, operators need to have the right source of information regarding investment opportunities, property market knowledge and the best selection of commercial property that can meet the gaming operator's needs and expectations.

Working with CSB Group will give peace of mind to operators that all business needs are met to the highest standards in the shortest time possible. Not only will the operator save time and money, but it will give their business a competitive edge and a solid foundation that ensures return on investment. ♦



Featuring: **BDO**

# Malta: the obvious choice



## Mark Attard

◆ CEO

◆ BDO Malta

Mark Attard is the CEO at BDO Malta and is responsible for the development of business strategies which are in line with short and long term objectives of the firm. He oversees all operations and business activities to ensure they produce the desired results which are consistent with the overall strategy. Mark is responsible for making high-quality investment decisions which are in line with the firm's growth strategy.

Mark Attard, of BDO, outlines their approach to working with their clients, along with the virtues of Malta as an egaming jurisdiction

**EGR Intel:** What is BDO's approach to the gaming industry – how do you differentiate your offering for your clients?

**Mark Attard (MA):** Our tried and tested process flow ensures that our clients can effectively apply for, and obtain, a licence within the shortest time frame.

At BDO Malta, clients interact directly with our Remote Gaming Desk – a team of multi-disciplinary professionals equipped with the necessary technical knowledge to understand business models of B2B and B2C gaming operators, and how to guide these operators through regulatory matters that apply to such licensable activities. Companies operating in the gaming industry typically have complex cross-border structures. We excel in assisting clients navigate tax laws and regulation changes related to particular operations within the gaming sphere.

Over the years, we have gained in-depth experience and knowledge in what is required to ensure that the process runs smoothly during the three main stages of a remote gaming business: pre-licencing, application period and post-licencing statutory obligations.

Being an active player within this industry, we are lucky to be able to draw feedback from our extensive client base, which in turn helps us to continuously refine our offering in line with our customers' expectations.

In-house technical competencies range from corporate services, including taxation, accounting, audit, legal, risk & compliance, licensing and advisory; to complex advisory such as: analysis and due diligence for acquisitions, debt restructurings, international tax planning, strategic planning, IT controls and environment reviews.

Managing different professionals – lawyers, tax advisors, auditors, IT advisors and others – may sometimes prove challenging in terms of time frames and coordination. So we built our own busi-

ness process to provide a seamless and integrated workflow, focusing on a project team drawing on different professional skills available under one roof. Our clients are very satisfied with the benefits of the BDO integrated approach to relocating a business to Malta and the short time frames for obtaining the necessary licences.

To ensure even higher degrees of efficiency, we have dedicated Remote Gaming Desk coordinators, whose sole objective is to deliver an exceptional service to our gaming clients.

**EGR Intel:** What are the advantages of Malta's legal framework for gaming companies, and what new legislative framework came into force in 2018?

**MA:** Over the last decade, egaming in Malta has flourished. Apart from creating a global reputation as a jurisdiction of excellence, the industry also employs thousands of local and foreign workers while contributing to around 12% of Malta's GDP. As a result, it has significantly incentivised the Maltese government to create an innovative regulatory framework that sustains the regulatory and compliance obligations while driving Malta's competitive edge further ahead.

There are many reasons why Malta has been the jurisdiction of choice for hundreds of gaming operators and service providers. It mainly remains a leading jurisdiction due to its robust regulatory framework, a well-structured and highly responsive regulator, an attractive fiscal regime, fast company and bank account opening processes, highly skilled workforce. Furthermore, the high value attached to the seal of approval from the Malta Gaming Authority is synonymous with compliance, legitimacy and trust.

This, combined with the fact that the new Malta Gaming Act officially came into force on 1 August, means that not only is the country even more attractive for operators, but it offers an even better level of protection for businesses and consumers.

The current gaming act provides for a simplified licensing procedure while still ensuring that the process is stringent and fully compliant with legal requirements; there are now just two licences available

with the option of adding bolt-on licences for different game types. The taxation regulations regarding proceeds from gaming have also been altered to provide more flexibility for operators. This new structure is particularly attractive to B2Bs, who will benefit from significant fiscal incentives. A lot of effort has also been put into the clarification and categorisation of game types, as well as a shift away from a prescriptive approach to a more objective one. The MGA has also taken steps to tighten compliance and to bolster rules around responsible gaming and fair advertising; in short, all of the previous regulations have been improved, updated, tightened, and where needed, simplified and streamlined.

**EGR Intel:** How are you assisting clients in transferring to the new framework?

**MA:** New or existing businesses transitioning to the new licence regime in Malta will find the process very straightforward.

Since the coming into force of the new Malta Gaming Act, we have received considerable requests from new and existing operators seeking compliance with the new requirements. We advise prospective and current clients on what necessary steps need to be taken, we take care of all of the paperwork, and we deal with the necessary authorities to ensure that no stone is left unturned. From licensing and categorisation matters to tax, company law, accounting needs, and ongoing maintenance of the licence, our team of professionals are able to ensure that the process is as swift and effective as possible.

**EGR Intel:** What further services do you provide to your clients?

**MA:** With over 40 years of practice in Malta, we have learnt to take the time and make an effort to understand our clients' business models as a first step. Our partners and staff are specialists in their fields and have a proactive, flexible approach to helping clients to overcome the challenges they face.

Through our own professional expertise and by working directly with businesses, we've developed a unique insight into what makes a business successful. It's this insight that makes us true business advisors, rather than mere financial consultants.

We offer specialist expertise in most aspects of company management, including corporate services, taxation, accounting, legal, auditing, administration and our recently set up service lines, blockchain and fintech advisory and technology advisory. Our clients are serviced by a multi-disciplinary team, organised

into eight support units: audit and assurance, corporate services, legal, risk & compliance, business outsourcing and accounting, tax consultancy and compliance, client relationship management, technology advisory and fintech.

**EGR Intel:** Where is the gaming industry headed in 2018 and beyond?

**MA:** Evidently, the impact and growth of the internet has bolstered the remote gaming industry and helped turn gambling into a casual past time. With the ever increasing proliferation of mobile devices, an online casino is now always at our fingertips or in our pockets. In the coming years, gaming companies will undoubtedly leverage this to continue maximising their profits. We are also witnessing developments in the social casino scene, where several start-up gaming companies have invested heavily to weave elements of social platforms and live TV into a casino environment.

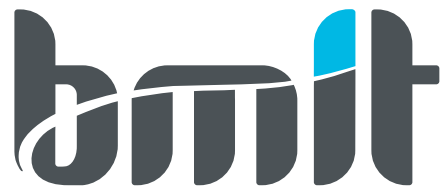
We are really eager to see how the industry is going to develop over the next decade, especially with the fintech, crypto and blockchain revolution knocking on our doors.

Blockchain technology has been slowly but surely tiptoeing into our modern day lives, and today its presence can be felt like never before. Certain industries have connected very early with blockchain technology and cryptocurrencies on a deeper level than others, and gambling is one such industry. I think that the blockchain sector offers a lot of possibilities for evolution within the egaming sector and I am keen to see where collaborations between key players in each sector will take us. Even from a regulatory and legal standpoint, a lot remains unanswered and watching this innovative technology grow, in much the same way that the egaming industry did, is going to be something really special. Malta has done a fantastic job at becoming the world leader in providing a regulatory framework for DLT related platforms and blockchain-enabled structures.

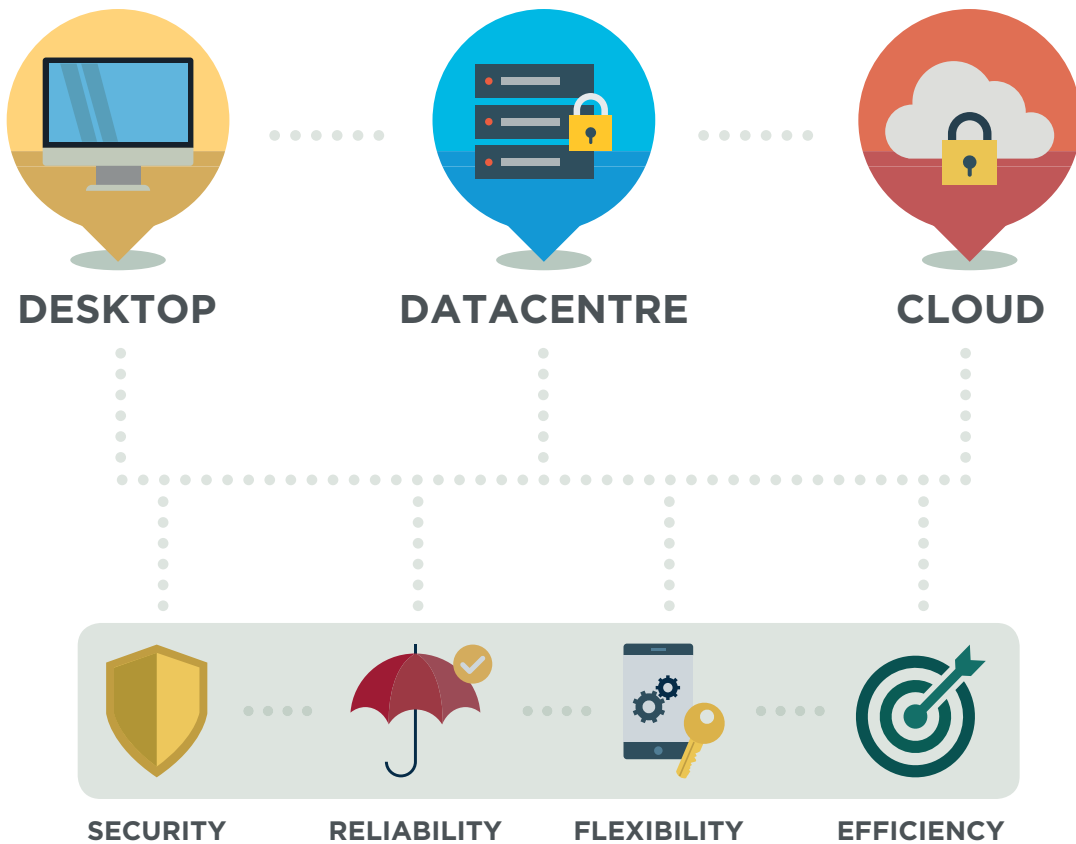
In terms of BDO, I expect to witness exponential growth as our portfolio of local and international egaming and blockchain clients continues to expand. Through our dedication to excellence and our commitment to providing the best legal and corporate solutions, we anticipate that we will have the opportunity to assist with some truly ground-breaking projects and ventures.

These are exciting times for BDO in Malta and we look forward to assisting more clients develop their success stories out of Malta. ♦





# YOUR IT SIMPLIFIED



[bmit.com.mt](http://bmit.com.mt)



**Microsoft Partner**  
Gold Hosting



# REFLECTION IS KEY TO A STRONG BUSINESS

For the past 40 years, BDO Malta has acted as auditors, tax advisers and consultants for numerous Maltese and international companies, including online gaming companies. We have extensive knowledge in managing the remote gaming licence application process on behalf of our clients and accordingly assist with all of the information and documentation required by the Malta Gaming Authority. BDO Malta currently also assists clients in blockchain, virtual currencies and DLT related areas.

Call us on +356 2131 3060 or email us on [info@bdo.com.mt](mailto:info@bdo.com.mt)

Audit | Tax | Outsourcing | Advisory

[www.bdo.com.mt](http://www.bdo.com.mt)

BDO is the brand name for the BDO network and for each of the BDO Member Firms. © 2018 BDO. All rights reserved.