

The provision of remote gaming services from Malta requires a licence of the appropriate class from the Lotteries and Gaming Authority. The application process for the granting of a remote gaming licence is divided into three stages.

1. Fit & Proper

The first stage of the application process is the conduct of a fit and proper exercise of the applicant. The applicant must first submit to the Authority the appropriate Application for Remote Gaming Licence and a Personal Declaration Form for each person having an interest of five percent (5%) or more, on the basis of which documentation the Lotteries and Gaming Authority will analyse all information relating to the persons involved in the financing and management of the operation as well as the business viability of the operation by carrying out a financial analysis of the business plan submitted. The Authority will also conduct probity investigations with national and international regulatory bodies and law enforcement agencies.

The applicant is to submit with the application form the following signed documents :

- Affirmation and Consent;
- Authority to Release Information

The applicant must also submit to the Authority, for each qualifying shareholder and key management personnel :

- A true copy of the birth certificate;
- A true copy of the passport;
- Passport size photo;
- A conduct certificate or relevant document, issued by a law enforcing authority in the country of origin of the applicant;

- Statement of Affairs;
- Credit and/or financial references;
- Bookmaker licences if issued in other countries;
- A document issued by a legal entity stating that all documentation submitted is a true copy of the original

A business plan outlining in detail the following aspects must also be submitted with the application :

- The objectives of the operation;
- The proposed company structure including business functions and human resources to be employed (e.g. Risk managers, odds compiler, financial officers, etc.);
- The nature of games to be offered (e.g. betting, pool betting, betting exchange, casino, leagues, etc.);
- The technologies to be used to conduct remote gaming (e.g. Internet, telephone, fax, mobile, etc.)
- An overview of the application software to be used as gaming and control systems;
- A three year business plan highlighting the marketing and sales plan, forecast balance sheets and a financial plan showing the sources of finance distinguishing between shareholder and other funds.

Together with the application, the applicant must pay to the Authority a non-refundable application fee in the amount of Lm1,000 (€2,329.37)

This stage is normally completed within a period of two (2) weeks, and should the applicant be successful the Authority will inform the applicant to continue with the second stage of the application process.



Business & Technical Ability

On successful completion of the first stage, the Authority will examine the instruments required to conduct the business, including examination of the incorporation documents, the games, the business process related to conducting remote games, the rules, terms, conditions and procedures of the games, the application architecture and system architecture of the gaming and control systems.

The following documentation must be submitted at this stage :

- A Maltese company registration certificate;
- Memorandum and Articles of Association;
- Business entity information form;
- A detail operational manual outlining the application architecture, the system architecture, the software developer, security and control procedures, back-up and disaster recovery procedures;
- The payment methods, the payment systems and their provider;
- Agreements with business partners, affiliates and agents.

This stage is normally completed within a period of three (3) weeks

Compliance Audit

Following the successful completion of the second stage, a letter of intent will be granted to operate remote gaming with the intent of obtaining certification of compliance within six months. The applicant may at this stage establish the business in Malta, conclude all necessary agreements and test the set-up. A formal licence is issued on approval by the compliance certification entity.

During this stage :

- A Service Provider Authorisation Form is to be filed, including the agreement with the equipment hosting provider in Malta outlining the function and responsibilities to be carried out by the provider, a site plan of the data floor indicating the location of the equipment and serial numbers for all equipment installed;
- Copies of agreements with all third parties, including gaming software providers, payment service providers, odd/result providers and software partners which may impact the licensee's gaming or control system are to be filed.

The Authority will :

- Review the Control Systems, conduct tests on the live data and procedures and sample reports taken from the live system;
- Assess the information management systems to improve players' data security and confirm Player Protection measures;
- Review the backup and disaster recovery procedures;
- Review the online website to confirm that the site is operated in accordance with the Regulations and declared procedures;
- Compare bank account balances with player account balances to ensure that liabilities are sufficiently covered;
- Review routine data submitted to investigate any anomalies, ensure that correct data is available to the Authority and ensure that rules relating to test data are observed;
- Scrutinise for probity any agents acting for the operator;
- Review all relevant agreements and national licences;
- Review staff lists and duties



Licence Fees

A Lm1,000 (€ 2,329.37) non-refundable application processing fee is payable with the submission of the application.

The fee for the license renewal, due every five years is Lm500 (€1,164.69)

The annual fee, for any class, is Lm3,000 (€6,988.12)

Taxation

Class 1 : Lm2,000 (€4,658.75) per month for the first six months and Lm3,000 (€6,988.12) per month thereafter

Class 1 under Class 4 : Casino operators are liable to a tax in the amount Lm500 (€1,164.69) per month. The host platform is not liable to the payment tax for the first six months of operation, but liable to tax in the amount of Lm1,000 (€2,329.37) for the subsequent six months and Lm2,000 (€4,658.75) per month thereafter for the entire duration of the licence.

Class 2 : Fixed-odds bets : 0.5% on gross amount of bets accepted;

Betting Exchanges : 0.5% on the sum of all net winnings calculated per player per betting market;

Pool Betting : 0.5% on aggregate of stakes paid.

Class 3 : Tax liability is a percentage of the net takings depending on the nature of the operation.

The maximum tax payable annually by one licensee in respect of any one licence is Lm200,000 (€465,874.67).

Corporate tax in Malta is set at 35%, however, non-resident shareholders benefit from a substantial refund of the tax paid by the company on the distribution of a dividend. Non-resident shareholders are entitled to claim certain refunds in the aggregate of 30.83%.



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