

# OBTAINING A LICENCE IN MALTA

Jonathan Dalli, Head of Marketing at e-Management Group in Malta explains how to get around the tricky process of applying for a licence on the Mediterranean island

## in summary...

■ Malta has proved to be an attractive option for gaming companies to base operations since the Malta Remote Gaming Regulations came into effect in 2004. The Mediterranean island is well regulated and the process for obtaining a Remote Gaming Licence is relatively straightforward, offering operators a 'gateway to Europe'. Malta has a specialist infrastructure in place to accommodate interested parties, including support, consultancy and a multilingual workforce.



■ Head of marketing, Jonathan Dalli, of the e-Management Group - a company whose consultancy service starts from when a gaming client expresses an interest in the Malta jurisdiction

With the Maltese Islands attracting a large number of licensees looking to capitalise on the competitive advantages that the Malta Jurisdiction has to offer, the Mediterranean island has unquestionably established itself as the hub of online gaming in Europe.

Malta was able to place itself on the gaming map by being receptive, practical and pro-business in its relation with online gaming companies. Malta's repositioning in terms of regulatory regime, as well as its proximity to European markets complemented by the sophisticated and intelligent tax and legal infrastructure, has made it one of the leading jurisdictions in the remote gaming industry. A Malta Remote Gaming Licence can be considered as a gateway to Europe.

Since the inception of the 2004 Malta Remote Gaming Regulations, the country understood that online gaming is indeed here to stay, and such an attitude has contributed to a favourable economic climate with respect to online gaming platforms and operators, which has in turn ensured better safeguarding of players in a regulated environment. Furthermore, this also highlights three important roles and primary goals of the Lotteries & Gaming Authority (LGA) as the regulator of the industry, being: to protect minors and vulnerable persons; to ensure online gaming is free from crime and possible money laundering efforts; and to ensure fair delivery to online players.

### QUALITY ATTRACTING QUANTITY...

The various advantages of a Maltese licence have seen a flood of operators to the island, as a Malta licence is now seen as a 'seal of quality'. Furthermore,

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Human Resources is also of particular importance, particularly when one bears in mind the need to have a motivated workforce.

Therefore, with respect to HR, one should not forget the Mediterranean climate that Malta enjoys as well as the European lifestyle which has made it more than the island of sea, sun and sand, but rather a holistic social and cultural experience.

With Malta establishing itself as a regulated and reputable jurisdiction, one also notes that the process to obtain an online gaming licence is an efficient and fairly inexpensive process for operators that want to set up in, or relocate their existing remote gaming operations to, Malta.

The application process to obtain a remote gaming licence from the LGA is divided into three stages. Stage One consists of a fit and proper test, which must be satisfied by the applicant, each person having 5% or more controlling interest in the company and its officers. Stage Two consists of a business and technical ability assessment; while Stage Three is the phase

whereby the licence is granted subject to the applicant obtaining a certificate of compliance.

Following Stage Two, a temporary gaming licence (Letter of Intent) to operate remote gaming is granted to the Malta company whereby the applicant is requested to obtain a certification of compliance within six months for the gaming operation based on the standard ISO/IEC 17799:2000.

### THE RED TAPE

Further to the necessary certification which is carried out by an independent local firm appointed by the LGA, the applicant must appoint a key official within 21 days of the Letter of Intent being issued.

The key official, who must be a director of the Malta company and a resident in Malta (for example, files a local tax return), is responsible for the supervision of the operation and must ensure the licensee complies with all applicable laws.

The key official is also responsible for all functions of the operation (game risk and IT security risk management) unless vested in other persons registered with the LGA. The position of the key official may be outsourced as long as all responsibilities are fulfilled.

The team at e-Management will walk the client through the above-mentioned three stages and ensure online gaming operators are properly consulted on the way forward to ensure the smooth setting up and running of operations.

While being constantly pro-active, responsive and accessible at all times, the team of professionals at the Malta office also ensure efficiency, confidentiality and discretion are practised at all times.

Our consultancy services start from when the client expresses an interest in the Malta jurisdiction and continue in assisting the client in the application process, acting as the sole point of contact in Malta with the various authorities and partners, as well as providing complementary services both in terms of business support and ongoing maintenance.

Furthermore, besides the provision of corporate,

### MALTA ADVANTAGES

MALTA HAS VARIOUS ADVANTAGES TO REPUTABLE OPERATORS. THESE INCLUDE, BUT ARE NOT LIMITED TO:

- Malta has been an EU member state since 1 May, 2004, and euro-zone member since 1 January 2008. Being an EU member state ensures that Malta has a voice in the various EU institutions when discussing the future of the industry;
- A jurisdiction which welcomes operators in the iGaming industry with the regulator having a pro-business attitude and approach, simultaneously being accessible and pragmatic, contributing in no small means to a solid reputation as a well-regulated jurisdiction which safeguards the interests of the operators as well as those of their players;
- An efficient and relatively inexpensive licencing process;
- A very attractive fiscal regime / incentives to the benefit of companies operating from the island, including the availability of tax refunds based on Malta's full imputation system; complemented by a wide network of double tax treaties with various countries;
- The domiciliation of companies into Malta or out of the island, facilitating the notion of a company being a going-concern;
- An established and well-regulated financial services industry, and the presence of reputable financial institutions;
- A stable democratic, political and economic climate with the government earmarking various areas, including the financial services, for Malta to be a centre of excellence. This is becoming the government's short- to medium-term strategy and vision;
- Various support services provided by pro-active professionals who adopt a 'can do' attitude, including major accountancy and audit firms; as well as the presence of local and international banks;
- A highly qualified and skilled workforce, fluent in various languages with English being a mother tongue; and
- Web / data hosting and co-location facilities, based on a state-of-the-art telecommunications infrastructure with four internet connectivity submarine cables connecting Malta to Sicily and subsequently the rest of the world.

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support, management and consultancy services, e-Management works in synchronisation with a number of trusted partners within Malta. Operators looking to be based in the jurisdiction will find their Maltese needs are well catered for in the areas of property, IT, personnel recruitment and other specialised solutions.

At e-Management, we strongly believe in customer relationship management and will provide personalised and tailor-made solutions which will not only support the remote gaming operation, but ensure this enjoys sustained business success. Getting a licence in Malta is just the first step to long-term success in the online gaming industry and one that can be both an efficient and inexpensive route to market. ☒

### author notes

■ JONATHAN DALLI joined e-Management Group as head of marketing in September 2009. Jonathan was previously marketing manager of a quad-play service provider in the telecommunications industry. He oversees all marketing activities and directs the group's marketing campaigns, brand management strategies, marketing communications and media relations and strategic collaborations. Jonathan has a number of years' experience in iGaming consultancy, marketing and business development, whereby he was already involved in the consultancy of various successful iGaming licence applications. Furthermore, he is a marketing and management graduate, as well as a graduate from the Institute of Financial Services (UK). You can contact him at jonathan@emanagement-group.com