

# Sustainability in Focus

Malta Gaming Authority
Annual Report 2023

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## Chairperson's Statement

As we look back on the achievements and hurdles of the past year, I am pleased to present the Annual Report of the Malta Gaming Authority. Throughout 2023, our main focus has been to bolster corporate governance practices within our organisation, with the primary intention of upholding the highest standards of accountability, transparency, and integrity in all our endeavours.

Building upon the groundwork of previous years, the organisation's commitment to robust corporate governance has never been stronger. This dedication serves as the cornerstone of our regulatory framework, guiding our decision–making processes and nurturing trust among stakeholders.

As a regulator guided by these principles, we continue to safeguard the interests of the gaming industry while maintaining transparency with external stakeholders. This is clearly evidenced by the Authority's consultation with industry key players to ensure that any legislative or policy amendments are carried out in a clear and effective manner, requiring minimal intervention post-implementation. Through ongoing stakeholder engagement, we endeavour to foster a regulatory environment that promotes innovation, competitiveness, and responsible gambling. A prime example of this commitment is the publication of the Policy on the use of Distributed Ledger Technology in 2023, which details the Authority's position on the use of virtual financial assets (VFAs) and innovative technology arrangements (ITAs), including blockchain and smart contracts, within gaming operations.

As we move forward, it is crucial to emphasise the importance of ensuring the long-term sustainability of the gaming industry.

The MGA is committed to implementing policies and practices that not only address current challenges but also anticipate future developments. By prioritising sustainability, we aim to create a resilient industry that can adapt to changing market dynamics. This involves fostering a culture of responsible gambling, encouraging innovation, and promoting Environmental, Social, and Governance (ESG) principles.



Another testament to this is the launch of the voluntary ESG Code of Good Practice, a landmark moment for the Maltese gaming sector that demonstrates our dedication to not only overseeing, but also nurturing, the industry. The initiative underscores our dedication to regulatory innovation and progress, representing a significant step forward in promoting the sustainability and responsibility of the online gaming industry in Malta. We anticipate its positive impact on the industry and our stakeholders in the years to come.

The Authority's achievements in 2023 reflect the insightful guidance provided by the Board of Governors and the unwavering commitment of the Executive Committee and every member at the MGA. I extend my sincerest gratitude to each employee within the MGA; your diligence and dedication towards excellence have been the cornerstone of the MGA's success. Additionally, I would like to acknowledge and extend my appreciation to our former CEO, Carl Brincat, whose dedicated leadership at the MGA has been invaluable.

Furthermore, I extend my deepest appreciation to our industry partners, key stakeholders, and service providers for their unwavering trust and support throughout the year.

Your collaboration and insights have been essential in maintaining the Authority's commitment to good governance practices.

As we look forward to the future and welcome the tenure of our incoming CEO, Charles Mizzi, I am optimistic that with the continued dedication and commitment of our stakeholders, employees and Executive Committee, we will build upon the successes of the past years and continue to advance our mission of fostering a fair, transparent, and responsible gaming environment.

RYAN C. PACE
Chairperson

### **CEO's Statement**

I am honoured, first and foremost, to address the industry as the new CEO of the Malta Gaming Authority. To begin with, I would like to express my gratitude to my predecessor, Carl Brincat, for his years of dedication to the Authority. His leadership through challenging times has paved the way for me to take the helm of an organisation defined by a clear vision and relentless effort.

It is not a coincidence that the theme for the present Annual Report is 'sustainability'. The MGA's ability to strike the right balance between allowing the industry to thrive and grow in a sustainable manner, while also protecting consumers, is key to Malta's continued success.

As I step into this role, I reaffirm the Authority's commitment to leveraging our existing strengths to reinforce our standing as a leading regulator in the global gaming sector, ensuring that Malta remains the home of gaming operators of good will.

While maintaining our high regulatory standards, a key focus going forward will be that of streamlining the Authority's internal processes to enhance efficiency and our interactions with our external stakeholders. We are working on engaging the support that is needed to bolster our human resources as well as our technical systems, moving towards increased automation through continued investment in improved technological infrastructure.

Over the years, the Authority has implemented numerous initiatives to reduce bureaucratic processes and restructure our regulatory departments for optimal efficiency. Although we have made significant progress, our journey toward operational excellence is far from over. We remain steadfast in our commitment to identifying and implementing further improvements that will benefit both our internal operations and the industry at large.



I am particularly proud to lead an Authority that is dedicated to remaining competitive in an ever-evolving landscape. We recognise the importance of adaptability and innovation in today's dynamic environment, particularly when considering the challenges that are currently being faced by the sector. The Authority shall continue to work, develop and implement strategies that uphold the standards and approach which make Malta an attractive place of establishment for such operators.

While acknowledging that there is always room for improvement, I am determined to continue to identify and implement measures that guarantee the Authority's growth and success. Over the last year, the MGA has continued to find ways to regulate, collaborate, and innovate in a manner that keeps the sustainability of the industry at the forefront. We have improved our communication with stakeholders by refining our consultation process, making policy development increasingly evidence-based and data-driven. Our Voluntary ESG Code of Good Practice for the Remote Gaming Sector in Malta exemplifies this approach, and we are very proud of the outcome of such a collaborative process.

Our continued effort to improve consultation with the industry helps us understand its challenges and opportunities, enabling us to provide the necessary support and guidance. Maintaining open communication channels with the industry will remain a top priority, as we believe collaboration with all relevant stakeholders is key to ensuring that our policies and regulations reflect the needs of an ever-evolving market.

I am excited for the journey ahead and the opportunity to work alongside the Board of Governors and the dedicated MGA team to drive continuous improvement in our processes and regulatory framework. We aim to further ensure and strengthen the value of our licence and of Malta as a place of establishment for operators of good will. With confidence in our past achievements, we strive towards even greater accomplishments in the future.



CHARLES MIZZI
Chief Executive Officer

## Introduction

## **Our Mission**

To regulate competently the various sectors of the gaming industry that fall under the Malta Gaming Authority (MGA) by ensuring gaming is fair and transparent, preventing crime, and protecting minor and vulnerable players.

## **Our Vision**

To be a world-class gaming authority, implement best practices, and effectively regulate a thriving gaming sector, supporting its sustainable evolution.

### Our Values

### One MGA

Providing support to one another, working cooperatively, respecting each others' views and making our work environment fun and enjoyable. Working with an attitude of inclusion and collaboration in everything we do.

### Competence

Using our collective expertise to provide the highest level of quality and value to our stakeholders and fostering a culture of lifelong learning to remain at the forefront of industry knowledge and best practices.

### Respect

Embracing and maintaining an attitude of tolerance, acceptance and appreciation of diversity in all its forms, while constantly communicating openly and honestly with a sense of altruism and sensitivity towards others.

### **Transparency**

Being open, fair and honest in all our dealings and maintaining the highest integrity at all times so that all stakeholders can have complete trust in our organisation.

### **Passion**

Striving to go beyond our call of duty and aiming for excellence in the quality of everything we do. Working efficiently and being fully committed to our organisation and the industry at large at all times.

## Our key functions include:



Gatekeeping to ensure that only fit and proper individuals and companies are granted an MGA licence



Ongoing monitoring of all licensees to ensure regulatory compliance and suitability to hold an MGA licence at all times



Acting as a supervisory authority in line with the Prevention of Money Laundering and Funding of Terrorism Regulations



Receiving and investigating player complaints to ensure that licensees are adhering to their obligations



Advising the government on new developments, needs and risks connected with the gaming sector

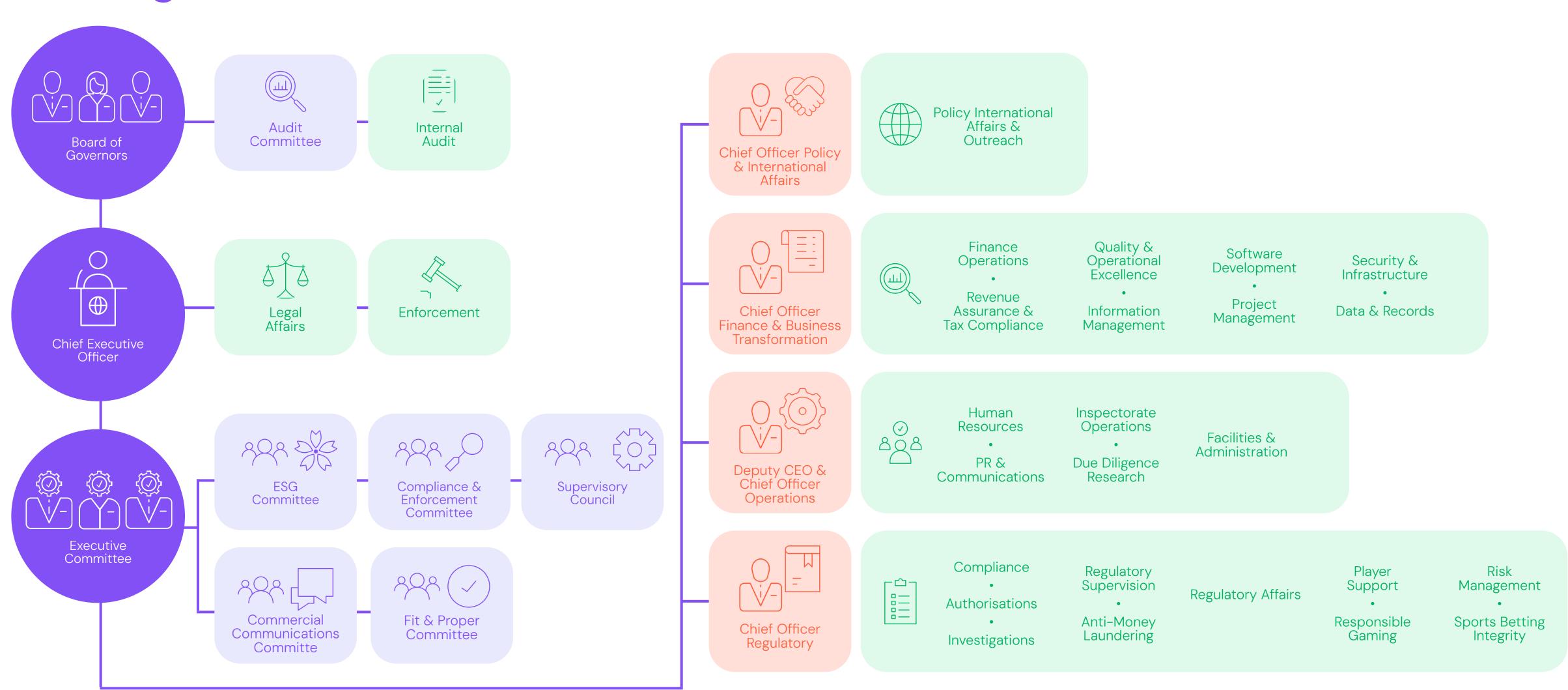


Submitting legislative proposals to address changes within the sector



Pursuing the establishment of common standards in the gaming sector

## **Our Organisational Structure**



## The Board of Governors

The Board of Governors is primarily responsible for overseeing the strategic development of the Authority and achieving the set policy and strategic objectives. Its duties extend to policy development, overall risk management, and advising the Government on policy matters.

Pace Ryan C. Chairperson

Chief Executive Officer (Non-Voting Member) **Brincat Carl** 

Board Member (in office from August 2023) **Blundell Renald** 

Ciantar Carmen Board Member (in office until June 2023)

**Ellul Arthur** Board Member (in office from August 2023)

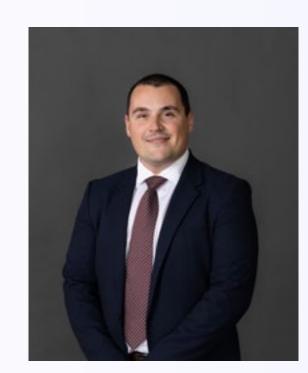
Francalanza Roberto **Board Member** 

Board Member (in office from August 2023) Psaila André

Board Member (in office until August 2023) Scerri Ferrante Juliana

Trapani Galea Feriol Ruth **Board Member** 

Caruana Adrian **Board Secretary** 



Ryan C. Pace



Carl Brincat



Renald Blundell



Carmen Ciantar



Arthur Ellul



Roberto Francalanza



André Psaila



Juliana Scerri Ferrante



Ruth Trapani Galea **Feriol** 



Adrian Caruana

## **The Executive Committee**

The Executive Committee is the central organ of the Authority and is primarily responsible for the execution of the overall strategic vision of the MGA, as directed by the Board. It is responsible for the day-to-day operation and management functions, as well as the implementation of the Authority's programmes and policies.

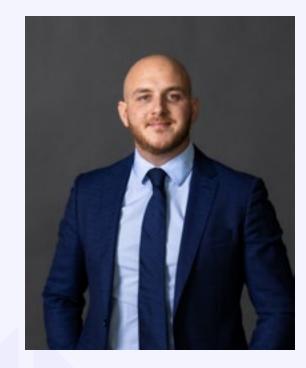
**Brincat Carl Chief Executive Officer** 

Deputy Chief Executive Officer & Chief Officer - Operations Formosa Christopher

Duca Rebekah Chief Officer - Regulatory

Spiteri Peter Chief Officer - Finance & Business Transformation

Warda Kinga Chief Officer - Policy & International Affairs



Carl Brincat



**Christopher Formosa** 



Rebekah Duca



Peter Spiteri



Kinga Warda

## The Committees and Council

#### **The Supervisory Council**

The role of the Supervisory Council is to ensure the integrity, consistency, and development of the Authority's regulatory functions. Serving as an advisory body to the Executive Committee, the Supervisory Council provides oversight and guidance concerning ongoing regulatory issues and strategic regulation. It also evaluates applicants for gaming licences, and makes decisions in this regard.

#### **The Audit Committee**

Reporting directly to the Authority's Board of Governors, the Audit Committee is tasked with ensuring good corporate governance, effective risk management, oversight of audit and accounting matters, as well as internal controls. This entails supervising accounting and reporting processes, conducting audits of financial statements, internal audits, and internal control systems. Empowered to conduct investigations within its mandate, the Audit Committee is also responsible for approving strategic annual operational internal audit plans, while managing and overseeing the Authority's internal audit function.

#### **Internal Audit**

The Internal Audit function within the MGA operates autonomously and impartially, offering internal assurance and counsel with the primary goal of adding value and improving the overall operations of the Authority. It also ensures that adequate control mechanisms are in place and functioning.



#### **Fit and Proper Committee**

The Fit and Proper Committee assesses and determines the fitness and propriety of individuals and companies seeking a licence from the MGA, both at the onboarding stage and throughout their lifecycle as licensees. The Fit and Proper Committee determines which entities and individuals undergo screening, decides when enhanced due diligence is necessary, and assesses whether existing licensees are still fit and proper to operate under their Malta licence where circumstances change.

The Committee also proposes revisions to the policies and procedures regarding the fitness and propriety of operators and individuals. It recommends enforcement actions as needed, and provides feedback to the Supervisory Council if it deems necessary to reject a licence application due to the applicant's lack of fitness and propriety. Furthermore, the Fit and Proper Committee evaluates and determines changes in the risk assessment of licensed operators and has the authority to impose licence conditions as it deems fit.

#### **Commercial Communications Committee**

The Commercial Communications Committee is tasked with thoroughly assessing gaming adverts and commercial communications brought to its attention – either through internal monitoring processes or external reports - to ensure that they comply with the provisions set out in the Gaming Commercial Communications Regulations (S.L. 583.09). The main goal of the Regulations is to ensure that commercial communications published by the Authority's licensees are socially responsible, especially in protecting minors and vulnerable persons from harm or exploitation.

#### **Compliance and Enforcement Committee**

The Compliance and Enforcement Committee is primarily responsible for evaluating breaches of the Gaming Act (Chapter 583 of the Laws of Malta) and the accompanying regulatory instruments. It also determines the appropriate enforcement measures for such breaches. In its evaluation, the Compliance and Enforcement Committee adheres to the 'Guiding Principles for the Application of Enforcement Measures', published in November 2019, to ensure that enforcement measures are imposed in a manner that is appropriate and proportionate.

#### **ESG Committee**

Newly set up in June 2023, the ESG Committee was established to assist the Board and Executive Committee in developing and implementing the Authority's Environmental, Social and Governance (ESG) strategy. One of the ESG Committee's first tasks has been to lay the foundations to enable the MGA to lead by example by tracking, measuring and reporting its ESG data.



## **Our Directorates and Functions**

The **CEO's Office** is primarily responsible for implementing the strategic vision of the Authority and directing the overall management and operations of the various directorates within the MGA.

The Regulatory Directorate oversees all regulatory aspects of the Authority. Among its duties is the authorisations process, which manages the onboarding of new operators and applicants seeking various types of authorisations. This entails conducting criminal probity screenings during the application stage and subsequently processing applications and issuing gaming licences, certificates, and any other types of authorisations, including their eventual renewals.

Moreover, the Directorate ensures that both online and land-based licensees adhere to stipulated licence conditions, legislative frameworks, and regulatory instruments through prudential compliance audits and reviews. Additionally, it encompasses player protection, overseeing regulatory supervision to ensure sufficient player funds, and facilitating resolutions for player complaints between players and licensed operators. The Directorate endeavours to ensure

that licensees have responsible gaming measures in place to protect players and vulnerable persons, contribute toward the fight against the manipulation of sports competitions by ensuring sports integrity, and investigate irregular and suspicious betting activities in collaboration with various local and foreign bodies.

The Directorate's functions also encompass compliance with Anti-Money Laundering (AML) regulations as instructed by the Financial Analysis Intelligence Unit (FIAU). It also investigates reported or identified unauthorised gaming operations linked to Malta.

Furthermore, the Directorate assumes a risk management function, centralising a riskbased approach to identify and mitigate risks associated with the Authority's daily operations. It ensures that strategic risks align with the Board's risk appetite and implements effective risk management practices across departments while assisting risk owners in assessing and managing risk exposure.



The Operations Directorate is the backbone of the MGA's day-to-day functioning, overseeing a spectrum of support functions critical to the Authority's operations. This encompasses the general management of facilities, health and safety, and security of the Authority.

The human resource function is dedicated to cultivating a positive and safe work environment that fosters a high-performance culture among employees. This commitment is reinforced by continuous investment in employee development through various training programs. The responsibility of the MGA's public relations and communications management lies within this Directorate, ensuring effective internal and external communications, and strengthening the Authority's relationship with the industry and other stakeholders. Moreover, the Directorate is also tasked with researching due diligence topics pertinent to the Authority, aiming to inform policymaking and guide strategic directions on various aspects of concern to the MGA.

Furthermore, the Operations Directorate ensures that daily inspections are carried out on landbased gaming premises, while maintaining oversight of live draws of the National Lottery operator's games.

The Finance and Business Transformation **Directorate** is responsible for ensuring the effective functioning of the Authority by overseeing various essential support functions. The Finance function collects compliance contributions, levies, licence fees, and other administrative dues owed to the Authority. Additionally, this aspect of the Directorate handles general corporate finance tasks, including financial accounting, planning, control, and procurement.

Furthermore, the Directorate is entrusted with business transformation within the Authority. This entails fostering a culture of operational excellence by delivering high-quality outputs, streamlining business processes, managing daily operations workflows efficiently, and overseeing information management and data quality. These efforts promote a culture of data-driven decisionmaking and facilitate the centralised management of data and records across the organisation. It is also responsible for overseeing the Authority's strategic projects.

Additionally, the Directorate oversees the MGA's security infrastructure and software development functions. These encompass the design, maintenance, and support of the Authority's information technology infrastructure, creating opportunities to harness information and technology in a productive, efficient, and

secure manner. To accomplish these objectives, the Directorate engages in technology and infrastructure planning, hosting, and data management activities. It also spearheads in-house software development initiatives, conducting business and software analysis, ensuring the quality assurance of software, and performing testing and integration with other systems.

The Policy and International Affairs Directorate cultivates and manages relationships with the MGA's foreign and international counterparts. This includes facilitating the exchange of information and fostering cooperation, while staying abreast of global developments in gaming regulation. It also identifies key regulatory areas necessitating targeted focus to align with the Authority's policy objectives and drives policy development accordingly.

The Directorate also oversees developments at European Union (EU) level and manages international affairs for the MGA. It also advises the Government of Malta on any developments in this regard, including any risks and opportunities for the Authority and Malta.

In its role as custodian of the regulatory framework, the Legal and Enforcement Function oversees the dynamic framework governing our everevolving industry. Apart from maintaining the framework to meet industry improvements, it is also involved in the Authority's general legal and regulatory affairs, including dispute resolution. It is also tasked with taking the necessary actions on identified breaches of the laws and regulations governing gaming activities that the MGA authorises. Furthermore, it liaises with the Malta Police Force, the Office of the Attorney General, and reputable international agencies, bolstering efforts to uphold the integrity of the gaming sphere.

## Regulating for Sustainability: Shaping a Sustainable Landscape

As the Maltese gaming industry marks two decades of growth and evolution, the focus has increasingly been shifting towards the importance of sustaining its longevity. The key lies in striking the right balance between allowing the industry to thrive and grow sustainably on the one hand, and protecting consumers on the other.

Throughout 2023, we have intensified our efforts to ensure we continue to regulate in a way that is adaptive, forward-thinking and future-proof, maintaining Malta's position as the home of the industry.

Regulating for sustainability begins with a strategic emphasis on having a robust **Onboarding Process**. We recognise that the interplay between strengthening our regulatory objectives, while also providing the necessary space for the industry to thrive, is crucial to the sector's success.

We set the tone for responsible and sustainable business practices by continuing to implement a risk-based analysis of applicants and their documentation, with a particular emphasis on assessing the fitness and propriety of those

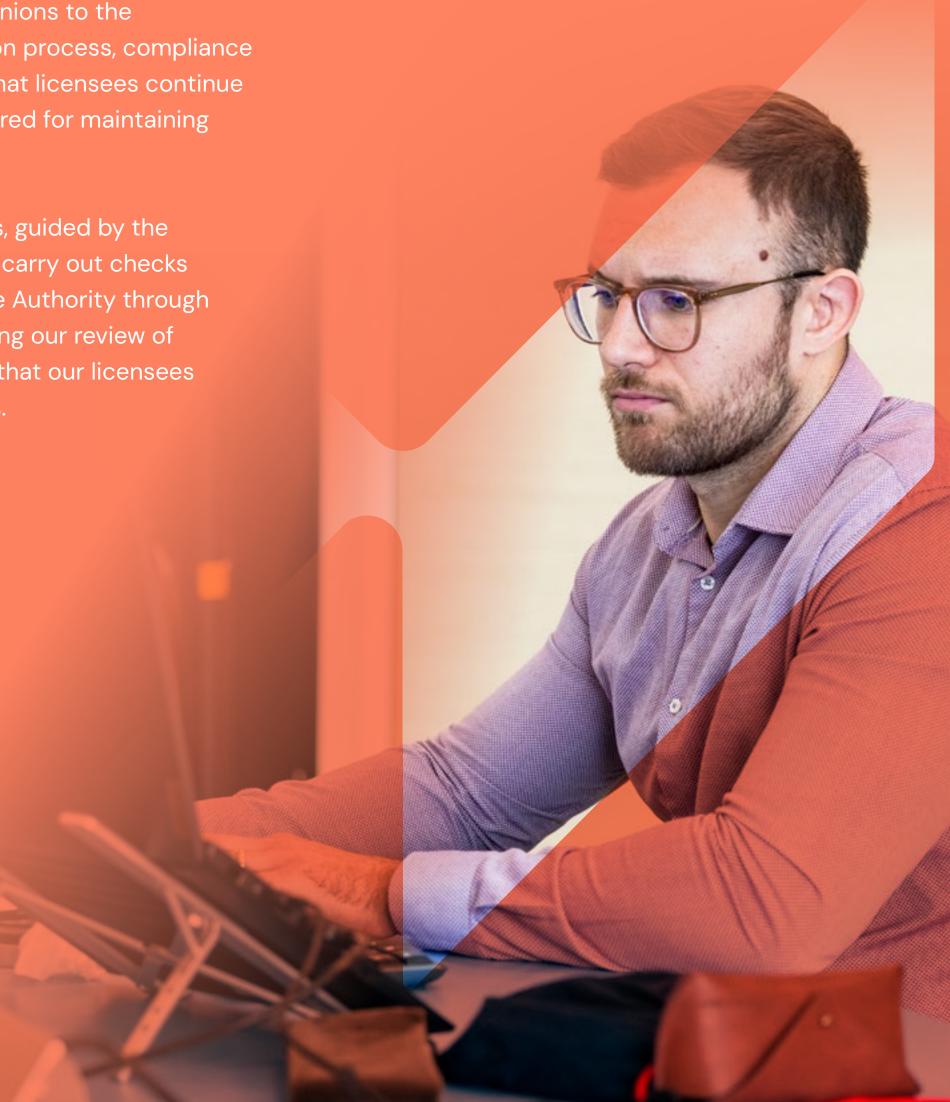
seeking an MGA licence. These checks include a thorough review of the source of wealth and funds of beneficial owners and third-party investors.

This approach ensures that we only onboard trustworthy, legitimate and transparent applicants, in turn reinforcing the foundation for the industry's long-term viability.

In tandem with these efforts, we have published several guidance notes, as well as enhanced application processes by prioritising efficiency and transparency. To this end, we have also introduced the 'minded letter' process, enabling operators to provide final submissions before a decision is reached on rejecting an authorisation.

Serving as perpetual companions to the onboarding and authorisation process, compliance audits and reviews ensure that licensees continue to meet the standards required for maintaining their licence.

Authorised external auditors, guided by the Compliance Audit Manual, carry out checks on licensees selected by the Authority through a risk-based approach. During our review of the audit report, we ensure that our licensees rectify non-compliant items.



Presently, we are in the process of overhauling the Compliance Audit Manual to align it with the latest updates made to our regulatory framework. This exercise will also reflect the rapid technological advancements within the industry. Following internal reviews, we will also be issuing a closed consultation to gather feedback from the industry.

Compliance audits serve as a valuable snapshot, allowing us to assess the extent of our licensees' adherence to the law within our monitoring lifecycle.

Instances of non-compliance are promptly brought to the attention of licensees, and we actively track the remediation process that licensees would have proposed. Through this collaborative approach, we not only strengthen our relationships with licensees but also acquire firsthand insights into cutting-edge games and technological advancements, enhancing our ability to regulate more effectively.

While audit findings may lead to enforcement actions, our primary focus is on fostering a culture of continuous improvement, in turn protecting the industry's consumers.

Land-based operators undergo regular monitoring through the daily presence of our inspectors, as well as through ad hoc visits on premises. Audits serve a dual purpose: to ensure compliance with the relevant regulations and to enhance our understanding of the industry and the challenges it faces.

We also revamped the Live Studio Audit process, applying this new process for the 2023 on-site audits. The audit framework was redesigned for greater clarity, ensuring that licensees are assisted throughout the whole process.

As part of our outreach efforts, we initiated a closed consultation and held meetings with licensees to discuss revisions to the incident reporting scenarios. We plan for a new Technical-**Information Security Incident Report** to replace the current Incident Report on the licensee portal on our website.

The new report will capture the two mandatory reporting scenarios relating to information security breaches affecting systems holding essential regulatory data, as well as online channels of

delivery, thus providing clarity for our licensees. We embarked upon a similar exercise for our Agreed-Upon Procedures (AUP) reports, first introduced in 2022 and which require the reconciliation of licensees' player funds and gaming revenue reports with their financial and backend systems.

In 2023, we engaged in discussions with the Malta Institute of Accountants to improve the current reporting templates. Our main objective was to revise the templates in a bid to increase consistency and internal efficiency. This will ultimately enable us to adopt more of a risk-based approach and manage our resources more effectively.



Hand in hand with our thorough onboarding and post-licensing compliance processes, we have also prioritised the importance of robust Anti-Money Laundering (AML) measures in maintaining the integrity and viability of the gaming sector.

Over 2023, we worked on an AML Strategy for 2024 to 2026. More than a mere policy, our AML Strategy is a series of dynamic action points to be kept regularly updated, aimed at addressing the complex challenges of financial crime in gambling.

These action points are intended to support and improve our supervisory efforts over the sector, enforcing compliance, ensuring related training and outreach, and enhancing our collaborative efforts with both local and foreign regulatory bodies.

Partnering with the Malta Financial Services Authority (MFSA) and the Financial Intelligence Analysis Unit (FIAU), we organised multiple workshops to facilitate the exchange of experiences and address challenges related to AML and Countering the Financing of Terrorism (CFT).

We were also one of the key stakeholders contributing towards the publication of the 2023 National Risk Assessment (NRA), spearheaded by the National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC).

The NRA provided a comprehensive assessment of Malta's exposure to threats and vulnerabilities stemming from financial crimes, enabling gaming operators and other subject persons to adjust their compliance approach and risk mitigation strategies accordingly.

At the heart of our regulatory efforts is an unwavering commitment to player welfare and the importance of ensuring a safe and responsible gambling environment.

Following feedback received through a dedicated consultation process, as well as extensive research carried out by the Authority, we updated the Player Protection Directive to further strengthen and clarify the current player protection

The amendments introduce five markers of harm that indicate that a player might be experiencing problematic gambling, thus creating a benchmark for all licensees to follow when determining effective measures and processes to detect and address the issue.

We are committed to continuously improving the player protection framework, including through the forthcoming publication of detailed player protection guidelines.

Throughout 2023, we continued to proactively carry out responsible gambling-themed checks on the websites pertaining to different licensees, as well as full scope Responsible Gambling Audits. Such checks involve a thorough evaluation of operators' responsible gambling practices, which typically includes assessing player protection measures in place, their adherence to responsible gambling policies and the effectiveness of selfexclusion programs.

We also revisited our Consultation Process, addressing identified shortcomings and brainstorming improvements, with a specific focus on obtaining more industry feedback. Our efforts included refining internal processes, notably incorporating live Q&A sessions into the consultation process. We launched consultations on five subjects over 2023, aligning with our commitment to transparent decision-making and evidence-based, sustainable policies.

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One of our consultations focused on the proposed revision to licensees' Minimum Capital Requirements. We circulated the consultation documents among gaming sector consultants, approved audit service providers, and licensees, to ensure that we consider all necessary inputs to ultimately deliver a feasible and proportionate policy which contributes to the financial sustainability of the Maltese gaming sector.

Recognising that a company's capital is vital for its operational activities and growth, the proposed policy introduces the concept of restoring a company's capital position as a risk mitigation measure. This aims to ensure that adequate funds are available to sustain the business effectively.

As part of our ongoing dedication to upholding an open and collaborative relationship with industry stakeholders, we continued to engage with sector representatives through MGA Meets, our series of workshops facilitating the exchange of views on regulatory topics of mutual interest.

Participants shared insights on our licensee portal and newly rebranded and revamped website. Additionally, we collaborated with the FIAU on a session about the Compliance and Supervision Platform for Assessing Risk (CASPAR) portal and Risk Evaluation Questionnaire (REQ) submissions.

Our commitment to open dialogue is further evidenced by our various Collaboration Agreements, which serve to broaden our cooperation with new foreign counterparts, and strengthen existing relationships.

In 2023, we renewed two existing Memoranda of Understanding (MoUs) with the Alderney Gambling Control Commission and the Alcohol and Gaming Commission of Ontario, and kickstarted the process of renewing another three. Additionally, we began discussions on signing new MoUs with several other foreign regulators.

We also entered into new data-sharing agreements with two sports governing bodies: the Badminton World Federation and the DP World Tour.

These collaborations help us leverage advanced monitoring technologies and share vital insights, ensuring fairness and transparency in sports betting.

Adapting to shifts in industry trends and new technologies is vital to ensuring the sustainability of a regulatory framework. The rise of Distributed Ledger Technology (DLT), and its applications within the gaming industry – such as virtual financial assets, cryptocurrencies and smart contracts – present regulators with both risks and opportunities.

Looking ahead, we seek to maintain this proactive approach and vigilance in response to ongoing industry developments and emerging trends.



In 2023, we updated

## ESG in Action: Pioneering Environmental, Social and Governance Initiatives

In our pivotal role as the regulator of the gaming sector, a cornerstone of the Maltese economy, our commitment to championing **Environmental, Social, and Governance (ESG)** principles remains steadfast. Recognising the profound impact our decisions hold influencing not only the gaming industry but also resonating across wider communities and the environment – we bear the responsibility of steering its course.

By embracing sustainable development, social responsibility, and robust governance structures within the industry, we aspire to not just regulate but to also set a definitive benchmark for excellence.

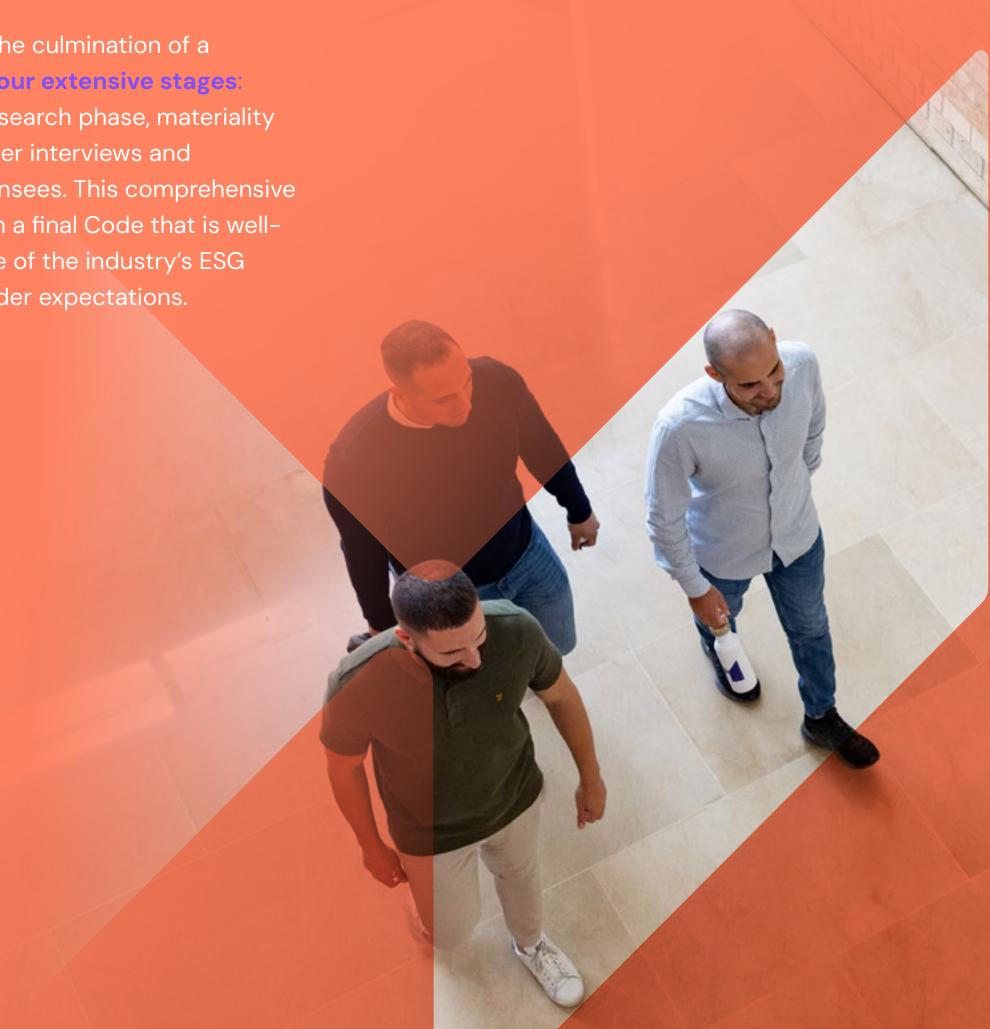
Gaming operators are not just given a licence as a mere regulatory requirement signifying their compliance with the law. They are also granted a social licence, particularly in light of the nature of the services they offer. This social licence reflects the belief that operators care about their individual customers, and the broader society in which they operate.

In a landmark moment for the Maltese gaming sector, in 2023 we introduced a voluntary **ESG Code of Good** Practice for the remote gaming sector.

Following extensive consultations with key stakeholders, this industry-specific reporting framework aims to enhance transparency and encourage ESG reporting, while facilitating benchmarking between companies.

The Code has been designed to complement and build on existing efforts by the industry, as well as act as a reference point for remote gaming companies to regularly assess, report on, and improve their ESG practices.

The Code represents the culmination of a journey that involved four extensive stages: the peer review and research phase, materiality assessment, stakeholder interviews and consultations with licensees. This comprehensive process has resulted in a final Code that is wellinformed and reflective of the industry's ESG priorities and stakeholder expectations.



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Key characteristics of the ESG Code:

- Covering 19 ESG topics organised into environmental, social, and governance categories, the Code provides a strategic roadmap for remote gaming companies to focus their reporting efforts effectively;
- Implementation of two tiers of reporting
   Tier 1 for basic ESG standards and Tier
   2 for a more aspirational level ensures a focus on impactful sustainability efforts;
- Flexibility in certain disclosures accommodates the unique needs of licensees;
- Streamlined reporting integrates ESG disclosures that are already required under existing reporting frameworks, reducing administrative burden;
- Emphasis on ESG reporting rather than on setting specific targets makes the Code more accessible to the wider industry;
- In response to the industry's desire for formal recognition by the MGA, the 'MGA ESG Code Approval Seal' will be awarded to entities that report under the Code, showcasing their commitment to ESG.

While the ESG Code is voluntary, all MGA licensees are strongly encouraged to adopt it to better demonstrate their commitment to sustainability and to continue improving the industry's ESG standing.

We are committed to leading by example and we are therefore the first to report on <u>relevant ESG</u> <u>disclosures derived from our Code.</u>

The year 2023 stands as a foundational chapter in our journey towards ESG excellence, involving extensive groundwork essential for our readiness to embark upon our ESG ambitions in 2024.



At the core of our regulatory ethos is a commitment to Responsible Gambling, a fundamental objective shaping all of the Authority's efforts. Consequently, our ESG Code places a strong emphasis on responsible gambling, acknowledging its impact on players and its pivotal role in ensuring the industry's long-term sustainability. The regulatory framework we have established prioritises player protection, creating an environment that not only safeguards players from potential harm but also ensures a secure gaming experience.

Our self-exclusion program is one of the measures aimed at minimising the negative impacts of gambling, allowing players to voluntarily exclude themselves from entering land-based gaming premises and controlled gaming premises. While we have started to digitise certain aspects of the self-exclusion process over the years, we recognise the need for further improvement. To enhance efficiency and sustainability, we are exploring the complete digitalisation of our self-exclusion system. Our goal is to establish a streamlined, accessible, and environmentally friendly approach, reducing paper waste and minimising the carbon footprint associated with traditional methods.

Forming part of the public sector, we participate in the **Green Public Procurement** (GPP) governmental process, aimed at incorporating circular and lowcarbon concepts into the procurement process to lessen the environmental impact.

The GPP National Action Plan that we follow aims to progressively increase the share of the government's procurement in greener products and services to 90% by 2027, a target that will drive action on the ground, promoting sustainable consumption and production.

To further our social and environmental responsibility, in 2023 we launched a tree planting program, where a tree is planted for every new employee welcomed into the MGA's workforce during the year. This is carried out in collaboration with an environmental NGO, to ensure that adequate after-care is given so that these trees can continue to grow. This symbolic gesture not only marks the beginning of the employee's journey with us, but also represents the growth and development we anticipate for both the employee and our organisation.

As of the beginning of 2024, we will be implementing significant changes within our workplace based on the advice of our internal ESG Committee.

Our commitment to doing better extends beyond mere rhetoric; it is a pledge to translate our dedication into tangible actions that propel sustainability and responsible governance to the forefront of our operations.

Through this commitment, we aim to set an example for our industry peers, emphasising the genuine and ongoing nature of our dedication to ESG principles.

Effective from January 2024, we have decided to remove disposable cups and plates from our office premises. This decision, aligned with our ESG efforts, is a pivotal step in our collective commitment to better manage waste and reduce our environmental footprint. The consumption of 22,000 disposable cups, 10,000 plates and 20,800 pieces of cutlery in 2023 alone accentuates the urgency and necessity of this change in our practices.

Our commitment to positive change and sustainability is not just a promise but a proactive agenda guiding our actions. Beyond mere supervision, the Authority has consistently sought to nurture the gaming industry, creating an environment where operators can thrive while ensuring that the welfare of society remains paramount. As we step into this new phase, we look forward to continually evolving and inspiring others to join us on this journey towards a more responsible and sustainable future.

## Transforming for Tomorrow: Building Operational Resilience

Over 2023, we undertook a series of strategic initiatives and transformative projects that significantly shaped our operational resilience. We recognise that, in an ever-evolving landscape, ensuring the overall sustainability of our organisation means addressing current challenges while concurrently laying a robust foundation for the future.

By integrating innovation and adaptability into the fabric of our operations, we not only confront any present uncertainties but also position the MGA for enduring success and growth in the years to come.

We take our commitment to the continuous improvement principle very seriously, conducting Authority-wide training initiatives to emphasise the crucial role of every individual in identifying and leveraging opportunities for improvement.

This, in turn, led to six process improvement projects, bettering the way we handle internal data and increasing efficiency across a number of our directorates.

In parallel, we undertook pre-planned exercises to streamline the process of commissioning and decommissioning electronic gaming machines, while providing additional guidance to our land-based licensees to facilitate their submission of fully comprehensive applications.

We also identified solutions to further digitise the process through which we conduct licensees' desktop reviews, and improve how we extract enforcementrelated insights from our data, empowering the **Authority to take** more evidencebased decisions.



Recognising the significance of law enforcement awareness in addressing suspicious betting activities reported by our licensed operators - as mandated by the Suspicious Betting Reporting Requirements - we established a collaborative protocol with INTERPOL. We now systematically forward all relevant reports of suspicious activities to INTERPOL, facilitating their visibility and prompting necessary action.

Simultaneously, we dedicated efforts to continuing to refine our committees' objective values. In fact, throughout the year, we implemented new projects and updated our policies to help us achieve our aims. We have also enhanced the composition of various committees by adding new members and effecting replacements where required. This has helped us foster improved discussions, ideas, and solutions across the various committees, allowing for a comprehensive and well-rounded review of any item - be it a licence application, a case of non-compliance, or a fitness and propriety issue.

Following our Data Strategy, which is guiding our efforts in further advancing our data maturity, we used the Data Governance Framework established in 2022 as the springboard for several transformative data-related initiatives.

We obtained a more detailed understanding of the data we manage by mapping out all our data sources, analysing the data collected from external stakeholders, and by starting to build a comprehensive data catalogue. These efforts will pave the way for improvements in the way we collect, manage, and analyse data, as well as ensure that all our employees have the same understanding of the data points we process.

In tandem, we laid the foundational groundwork for our Enterprise Performance Management system. We introduced this concept across all our teams, encouraging collaborative efforts to identify relevant data points for tracking and analysis, thus facilitating the way we monitor our performance as an organisation.

To further bolster confidence in the integrity of our data, we have implemented a comprehensive data quality management process, through which we can systematically detect, assess, and resolve data quality issues. All employees have been empowered to trigger this process whenever they encounter potential data inconsistencies in their daily tasks. Through careful investigation, we identify the origins of these issues and collaboratively devise sustainable solutions. This proactive stance and methodical approach has not only addressed data inconsistencies but also prevented their recurrence through agreed-upon solutions targeting their root causes.

We have taken significant strides in advancing our data infrastructure by identifying, acquiring, and configuring tools to develop our own data warehouse.



This will enable us to consolidate all our data sources, and provide us with a single source of truth.

The data warehouse will also serve as a robust foundation from which further process-digitisation efforts will stem, bolstering our operational resilience and evidence-based decision-making. We have made sure to apply stringent data governance protocols to safeguard the integrity and security of our data within the warehouse.

In parallel, we have elevated our business intelligence capabilities by investing in an interactive data visualisation tool. These capabilities will integrate with our data warehouse, creating a seamless flow of data from our data sources to the interactive dashboards. These dashboards have been made available to all relevant business units, empowering them to use relevant and timely data in their daily operations. Access rights applicable to each dashboard are carefully configured to ensure that information is presented on a need-to-know basis.

Building upon the detailed analysis of our document management system conducted over the preceding year, we have developed an improved centralised platform. This enables internal and external users to collaborate and share documents more efficiently, while constantly

safeguarding the confidentiality and integrity of the documents. For this purpose, we have worked on integrating robust access rights management, and document retention policies within this centralised platform. We have also kickstarted the phased roll-out of this upgraded document management system, marking a significant step towards optimising document handling processes.

In our steadfast commitment to cultivating a thriving yet robustly regulated gaming sector, we have successfully concluded a project aimed at gaining a comprehensive insight into the gaming sector's knowledge and awareness of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) practices. This initiative involved acquiring data through AML examinations and interviews with Money Laundering Reporting Officers (MLROs), providing us with a nuanced understanding of the industry's strengths and weaknesses for targeted outreach efforts. Guided by a risk-based approach, this endeavour enhances our capacity to support licensees in upholding AML/CFT standards. Furthermore, this data also serves to deepen the Authority's understanding of risk, reinforcing our risk-based approach and emphasising our dedication to a more resilient regulatory framework.



**Grounded in the** principles of security, resilience, and efficiency, our strategy prioritises the adoption of good governance practices such as client and service-centred design, dynamic architecture capable of integrating the latest technologies, and edge computing to enhance operational capabilities.

INTRODUCTION

Cybersecurity remains a paramount focus, with robust measures in place to safeguard our digital assets and sensitive information. A cornerstone of our strategy is **cloud integration**, which not only enhances scalability but also fosters agility in our operations.

Additionally, we will be making a concerted effort to invest in upskilling our IT workforce, ensuring they possess the latest skills to navigate the dynamic technological landscape.

We continued improving on our IT systems, implementing several enhancements to the Authority's licensee portal for an elevated user experience and better security. Licensees now benefit from an upgraded search and filter functionality to navigate their portal timelines. We have also implemented a revamped security model, offering enhanced permission control, and extended the functionality to revoke access.

Complementing these initiatives, we undertook the implementation and overhaul of portal applications and reports. The main projects handled this year included recognition notice applications, Requests for Information (RFI) and alerting systems, Business-to-Business (B2B) compliance reports, Alternative Dispute Resolution (ADR) reports, and compliance contribution reports for the National Lottery operator.

We also introduced a new procurement system, marking a significant leap towards sustainability as we transitioned to a fully digital, webbased platform. This strategic move promotes transparency and efficiency in our business transactions, while streamlining operations.

Through our strategic roadmap, our goal is to position ourselves as industry leaders—resilient in the face of challenges and adaptable to the opportunities presented by the changing ecosystem. By embracing change and staying at the forefront of technological advancements, we not only meet the current needs of our organisation but also lay the foundation for a future where we lead with innovation and effectiveness.

## The Heart of Sustainability: A People-Centric Approach

The pulsating beat of the MGA is its employees. Over the years, we have amassed significant expertise and knowledge that enables us to regulate the gaming industry with a forwardthinking approach. At the heart of the MGA lies a commitment to sustainability and this extends to our approach of adopting strategic initiatives centred on people.

Over the past year, our organisational focus has been dedicated to fostering a culture of collaboration, knowledge sharing, and continuous enrichment. We achieved this by coordinating and developing both intra and inter-departmental workshops. These sessions were carefully tailored to cover crucial areas such as Anti-Money Laundering (AML), our Customer Relationship Management (CRM) system, and cybersecurity awareness, along with specialised training in casino games and procedures related to the remote gaming sector.

We strongly believe that such proactive measures are pivotal in cultivating expertise and instilling a spirit of continuous learning. We recognise that through such cross-departmental initiatives, we keep building on the 'One MGA' value and ensure that departments work in unison towards the pursuit of the Authority's strategic goals.

By harnessing the wealth of internal expertise, these initiatives aim to strengthen the collective growth and development of our team members.

In an attempt to bolster internal communication across the entire organisation, over 2023 we introduced the concept of organising Authoritywide 'Breakfast Briefings'. Taking place every quarter, this initiative aims to bring together all MGA employees in a casual setting, fostering an environment of connecting, learning, and knowledge sharing.

One of the key projects we embarked upon in 2023 was the creation of a Talent Strategy, designed to holistically develop and retain our talent pool.



The Talent Strategy serves to align the career progression of our employees, as well as their personal and professional development needs, with the strategic goals of the organisation.

The development of this strategy followed a comprehensive approach, incorporating a framework based on the latest research in the field of Talent Mapping and Development. This methodical mapping exercise laid the groundwork for identifying all roles within the Authority and situating them along the value chain of the organisation. We are also equipped with the tools to pinpoint areas that need intervention to harness the Authority's knowledge for adequate succession planning.

While the overarching goal of the Talent Strategy is to enhance the overall employee experience, we have earmarked those roles deemed as being both challenging to replace and integral to the organisation's value chain for focused attention within the Succession Plan.

The Succession Plan is designed to future-proof the organisation, ensuring that the wealth of knowledge and expertise within the **Authority is harnessed** and leveraged for the MGA's overall success. This strategy signifies our unwavering commitment to the continuous growth of the Authority. Acknowledging the dynamic nature of external factors shaping the gaming industry, we understand the need for the MGA to stay ahead of the curve in sustainable regulation. We designed our Talent Strategy to evolve in tandem with these trends, providing our employees with the necessary tools to enhance their knowledge and competence.

The Succession Plan, embedded within our broader organisational strategy, serves as a response to immediate talent requirements and as a proactive measure. It ensures that our organisation is well-prepared to navigate transitions seamlessly.

Moreover, by fostering a culture of continuous development and offering tangible career trajectories, this strategy plays a pivotal role in attracting, retaining, and nurturing top talent. Ultimately, it safeguards the Authority's reputation as a competent and proactive regulator.

## Regulatory Activities for 2023

The following provides an overview of our regulatory activities carried out during the twelve months of 2023.

## **Gaming Licences**

During the period under review, we received several requests for authorisations, as shown in the table on the right, including those for gaming licences, key function certificates and modifications to authorisations granted.

With over 20 years of experience in the online gaming industry and a regulatory framework that promotes player protection and industry sustainability, Malta has solidified its position as the home of operators of goodwill, having attracted all leading operators to its shores.

Despite market consolidation and jurisdictional changes requiring Malta-licensed operators to secure multiple licences to provide their services to different EU countries, the total Gross Value Added (GVA) generated by the gaming industry reached €1,339.20 million in 2023, up from €1,284.52 million in 2022<sup>1</sup>.

	2021	2022	2023
Applications			
New gaming licence applications	52	41	24
Rejected/Withdrawn gaming licence applications	21	21	13
Licences			
Gaming licences issued	46	31	15
Surrendered gaming licences*	18	27	33
Cancelled licences	6	6	11
Suspended licences	0	4	9

Table 1: Key figures

\*Until 2022, surrendered gaming licences were referred to as 'terminated gaming licences'.

National Statistics Office

### **Recognition Notices**

Since 2023, there has been an increase in the number of recognition notice certificate applications received, as more operators who already possess an authorisation issued by another Member State of the EU or the EEA seek our recognition to provide a gaming service or supply in or from Malta. Such approvals are valid for a period of one year before requiring renewal.

During 2023, we received 64 new applications and issued a total of 26 certificates.

Applications Received

Certificates Issued

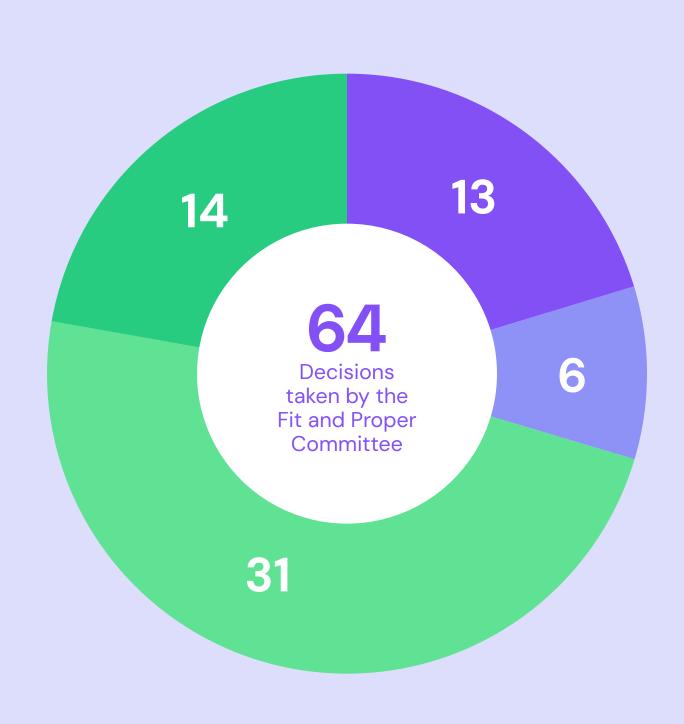
### Fit and Proper Considerations

Prior to the issuance of authorisation, applications are assessed on a fitness and propriety level to determine the suitability of the legal and natural people associated with the application in question. During 2023, just under 1,200 criminal probity checks were conducted, covering individuals, shareholders and ultimate beneficial owners, key individuals and other workers, and businesses from the land-based and online gaming industries.

#### The Fit and Proper Committee

Several applications of a more complex nature were also discussed at the Fit and Proper Committee level. The Committee convened 25 times, during which it made a total of 64 decisions. Of these, 13 referred to approvals, while six were referred for additional internal considerations. A further 31 decisions referred to instances wherein the Committee felt that additional documentation or declarations should be requested from the applicant or existing licensee before deciding on their fit and proper status to ensure their integrity and reputability.

During 2023, 14 assessed individuals and/or entities were rejected since they were not deemed fit and proper to hold the requested authorisation due to different factors, such as a higher risk of ML/TF.



**Approved** 

Referred for internal consideration

Referred for further information

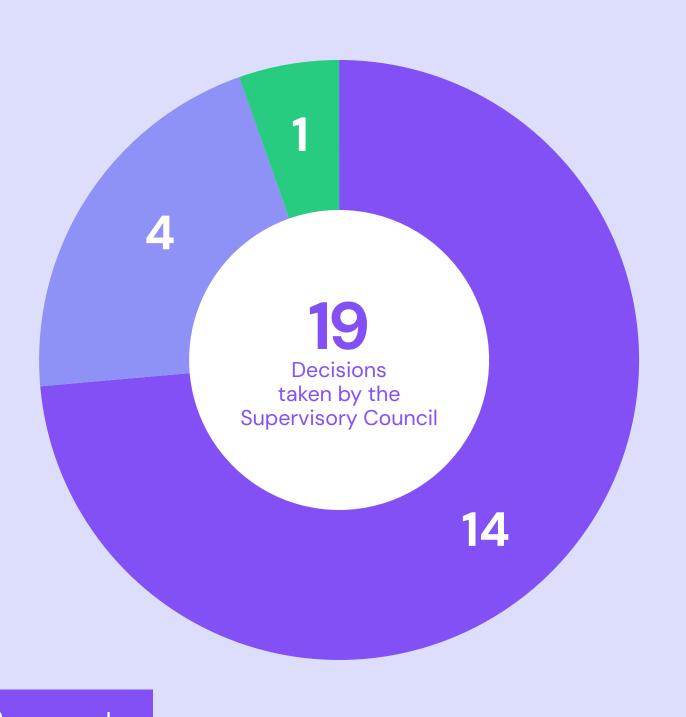
Rejected

### The Supervisory Council

During the 23 Supervisory Council sessions held during 2023, 19 licence applications were reviewed. Of these, 14 were approved, four were rejected, and one was sent back to the applicant for further clarification.

The Supervisory Council rejected applications due to concerns emanating from the financing of the gaming service and supply or because of inaccurate or incomplete submissions made by the applicant in the licence application.

Additionally, during 2023, the Supervisory Council assessed licence renewals, share transfer and recognition notice applications that were escalated to its attention for the necessary approval. Furthermore, several policy concerns were escalated to the Council by several directorates for the former's oversight and approval.



Approved

Rejected

Sent for clarification



## Compliance **Activities**

Throughout the term of any gaming licence, our compliance function effectively ensures that the stipulated licence conditions and the applicable legislative framework are adhered to.

### Routine Compliance Checks

Authorised persons are subjected to compliance checks to ensure that they abide by the gaming licence conditions and the relevant legislative framework. We determine the necessary action in cases where the licensee is not compliant. During 2023, a total of 125 desktop reviews were conducted and supplemented by 21 compliance audits.

Furthermore, licensees are to submit incident reports to us under several circumstances. These include breaches of the licensee's information security leading to compromised player confidentiality or preventing account access for over twelve hours, urgent modifications to essential operational components to prevent significant disruptions, and any unplanned alterations to critical game elements. To this end, we reviewed over 1,000 incident reports during 2023.

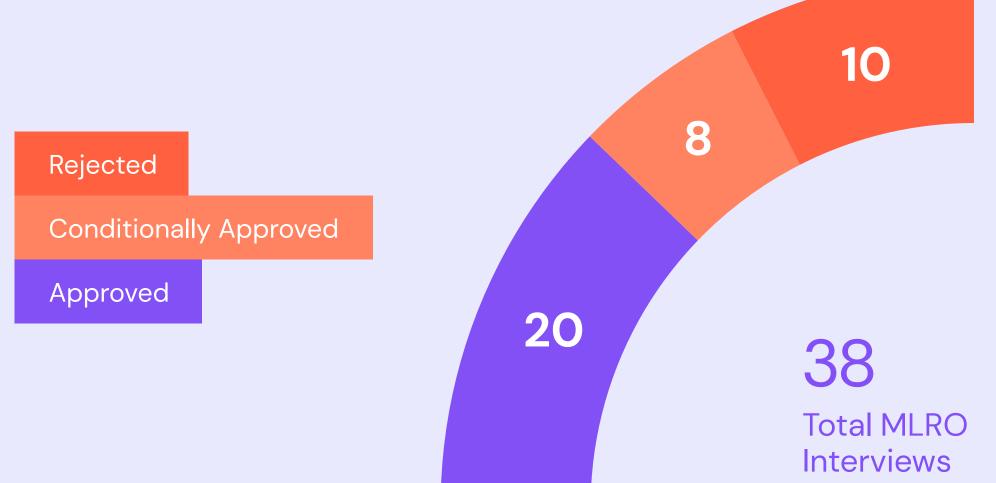
- 125 Desktop reviews
- 21 Compliance audits
- 1,059 Incident reports reviewed

In addition, 1,889 B2B reports were collected from our B2B operators. These reports demonstrate the interrelationships between the respective B2B operator submitting the report and its B2C and B2B clients. Through these reports, we obtain an understanding of the interchange between the different operators.

### AML/CFT Examinations, Interviews and **Enforcement Measures**

During 2023, a total of 28 AML/CFT Compliance Examinations were carried out on our licensees, out of which 13 were carried out by the MGA and 15 by the Financial Intelligence Analysis Unit (FIAU). Moreover, seven licensees were subject to remediation and/or administrative measures by the FIAU based on shortcomings and breaches identified during examinations. In total, administrative penalties issued by the FIAU amounted to just over €994,000.

Thirty-eight Key AML/CFT & MLRO interviews were carried out to assess the applicants' competence and understanding of the Maltese AML/CFT legal framework. Out of these, 52.6% were approved, 21.1% were conditionally approved, and the remaining candidates were rejected.



### Sports Betting Integrity Reporting

One of our commitments is to take a proactive approach to managing sports betting integrity to address the threats posed by match-fixing and malicious sports betting. In this regard, we safeguard the integrity of sports betting markets through a dedicated reporting system to identify suspicious betting and contribute to the battle against sports manipulation.

Throughout 2023, licensees and other concerned partners submitted 255 suspicious betting reports, split between accounts and events. Due to the absence of major sporting events this year, fewer reports were received compared to previous years. These reports mainly concerned, but were not limited to, football, tennis and basketball, which eventually led to 22 investigations.

As part of our compliance process, we shared a total of 235 alerts with our licensees, out of which 68 were also submitted to the relevant Sports Governing Bodies<sup>2</sup>. Additionally, by responding to 34 requests for information regarding sports activity, we collaborate with enforcement authorities, sports governing bodies, integrity units<sup>3</sup>, and other regulatory entities worldwide. These requests for information led to 44 instances of data exchange.

- 235 Alerts Shared with Licensees
- 44 Instances of Data Exchange
- 34 Requests for Information

Suspicious Betting Reports

Investigations across the globe on manipulation of sports competitions or breaches in sports rules

### Inspections on Land-Based Establishments

Land-based licensees operating through establishments in Malta were monitored to ensure compliance with the relevant rules and regulations. To this end, inspections of Casinos, Commercial Bingo Halls, Gaming Parlours, National Lottery Outlets, and Non-profit Tombola were carried out. We fulfilled a 24/7 inspectorate presence in the licensed casinos and a scheduled presence at all the National Lottery licensee's drawing operations. Furthermore, over 2,300

inspections were carried out on Gaming Parlours, National Lottery Outlets, Bingo Halls and Non-profit Tombola.

Inspectorate duties also involve sealing and assisting in moving gaming machines between premises. Such duties are carried out regularly, as needed. These duties have increased substantially since a new National Lottery operator set up operations in 2022 and are expected to decrease in the coming periods.

Type of inspection	2021	2022	2023
Casinos	5,901	7,359	7,275
Controlled Gaming Premises	2,215	1,943	1,661
National Lottery Outlets	1,573	474	338
Commercial Bingo Halls	92	214	268
Non-profit Tombola	64	107	39

Table 2: Number of Inspections in Land-based Gaming Premises - 2023

9,581

Inspections of Gaming Premises (including Casinos and Commercial Bingo Halls), Controlled Gaming Premises, National Lottery Outlets and Non-profit Tombola

<sup>&</sup>lt;sup>2</sup> A Sports Governing Body is an organisation that prescribes final rules and enforces codes of conduct with respect to a sporting event, member clubs, and participants therein.

<sup>&</sup>lt;sup>3</sup> An integrity unit has an over-arching view and assists several Sports Governing Bodies in any integrity-related manner.

### **Enforcement Actions and Legal Updates**

Enforcement and investigative mechanisms are well established within the Authority, ensuring that the necessary actions are taken in instances where persons, whether natural or legal, are found to be in breach of the legislative framework. In total, we issued a total of €106,400 in administrative penalties comprising those imposed on our licensees as well as other unauthorised entities which were offering licensable services without a licence.

Typically, prior to the issuance of an enforcement measure, the persons are notified of their breaches and the prospective enforcement measures that may ensue. Between January and December 2023, we issued 121 such notices, 67 enforcement actions and one regulatory settlement concerning the provision of unlicensed gaming activities, amounting to €66,500.

## The Compliance and Enforcement Committee

Our Compliance and Enforcement Committee identifies and decides the appropriate enforcement measure to be meted out when an authorised or unauthorised person is found to be in breach of the regulatory framework. During the 30 sessions held by the Committee during 2023, 136 decisions were taken, 57 of which resulted in an enforcement action.

Type of Enforcement Action	2021	2022	2023
Number of warnings	64	10	28
Number of administrative penalties	31	16	19
Number of suspended licences	Ο	4	9
Number of cancelled licences	7	6	11

Table 3: Number of Enforcement Actions - 2023

#### **Legal Updates**

During 2023, following a consultation period, we published our 'Policy on the use of Distributed Ledger Technology ('DLT') by Authorised Persons'. This Policy superseded our previous 'Guidance on the use of Innovative Technology Arrangements and the acceptance of Virtual Financial Assets and Virtual Tokens through the implementation of a Sandbox Environment'. Subsequent adjustments were also made to the MGA's 'System Documentation Checklist', 'System Audit Checklist', and 'System Review Checklist' to align with the relevant Policy changes.

The introduction of this Policy offered a comprehensive overview of the MGA's updated stance regarding DLT applications within the industry in light of the regulatory insights attained during the operational period of the previous framework. Additionally, it sought to streamline the requirements applicable under the previous framework while continually maintaining congruence with the MGA's regulatory objectives.

### Player Protection and Responsible Gambling

The protection of customers is one of our main regulatory goals, achieved by ensuring that licensees provide a safe, sustainable and responsible gaming environment with the appropriate controls in place. Such controls allow players to wager responsibly and safely while safeguarding minors and other vulnerable individuals. When players approach us with Responsible Gambling concerns, assistance is provided and investigations are carried out to ensure that licensees are compliant with the relevant regulations.

During 2023, we received 4,011 requests for assistance from players. A further 4,483 requests were also closed during the same period.

Requests for assistance received

4,483

Requests for assistance resolved (including spill-over from 2022)

#### **Protecting Player Funds**

The examination of the financial standing of licensed operators is assessed by us to ensure the continued viability of the business and, even more importantly, safeguard player funds - one of the principal regulatory objectives entrusted to us. B2C licensees must have sufficient funds to cover the total player and jackpot funds, with at least 90% of the funds required to cover player funds continuously held at EU/EEA-licensed credit, financial, or payment institutions. We ascertain this through the monthly Player Funds Reports (PFRs), of which we received 2,059 during 2023.

We also audit player and jackpot funds held by licensees, as well as the accounts held with credit, financial, or payment institutions, to cover such liabilities.

Licensees are subject to data extractions, giving us visibility of the players who are still owed funds by the licensee and have not been responsive in collecting their dues before changes to the gaming operation. Throughout 2023, a total of 24 player data extractions were conducted.

#### **Responsible Gambling Checks and Reviews**

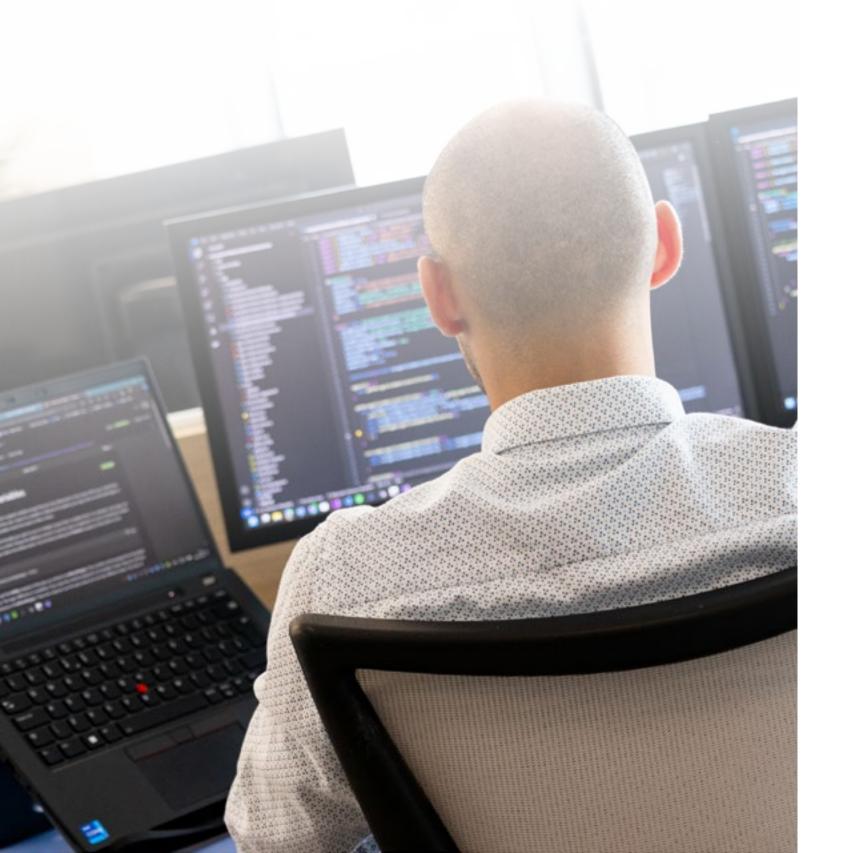
To ensure that licensees follow the requirements outlined in the Player Protection Directive (Directive 2 of 2018), we conduct audits from a responsible gambling perspective on licensee websites. Emphasis is placed on the interaction between licensees and players as well as the responsible gambling-related features available on the operator's website. To this end, 72 responsible gambling-themed website checks occurred. These checks led to 41 observation letters which were sent to the licensees outlining the responsible gambling issues and instructing them to comply with the set regulations whilst explaining how we expect them to do so to be fully compliant.

Player data extractions



#### **Unauthorised URLs Investigations**

In a proactive approach to safeguarding players, we investigate websites making misleading references to the Authority. In cases where the information was not removed following communication with the URL, a notice is published on our website. During 2023, these investigations led to 49 URLs which were found to possess misleading information. Eventually, 23 notices were published on our website.



### The Commercial Communications Committee

During the year under review, the Commercial Communications Committee took five decisions regarding possible breaches of the Commercial Communications Regulations. These breaches pertained mainly to commercial communications not displaying the required information and/or responsible gambling messages and communications being placed in prohibited locations such as public places or transportation. Additionally, the Committee communicated with a third-party providing promotional services to inform them of a decision made by the Committee.

The Committee communicated with third parties to notify them about breaches and advised them to rectify these to comply with the law and, where required, forwarded the cases to the Compliance and Enforcement Committee for enforcement measures to ensue.



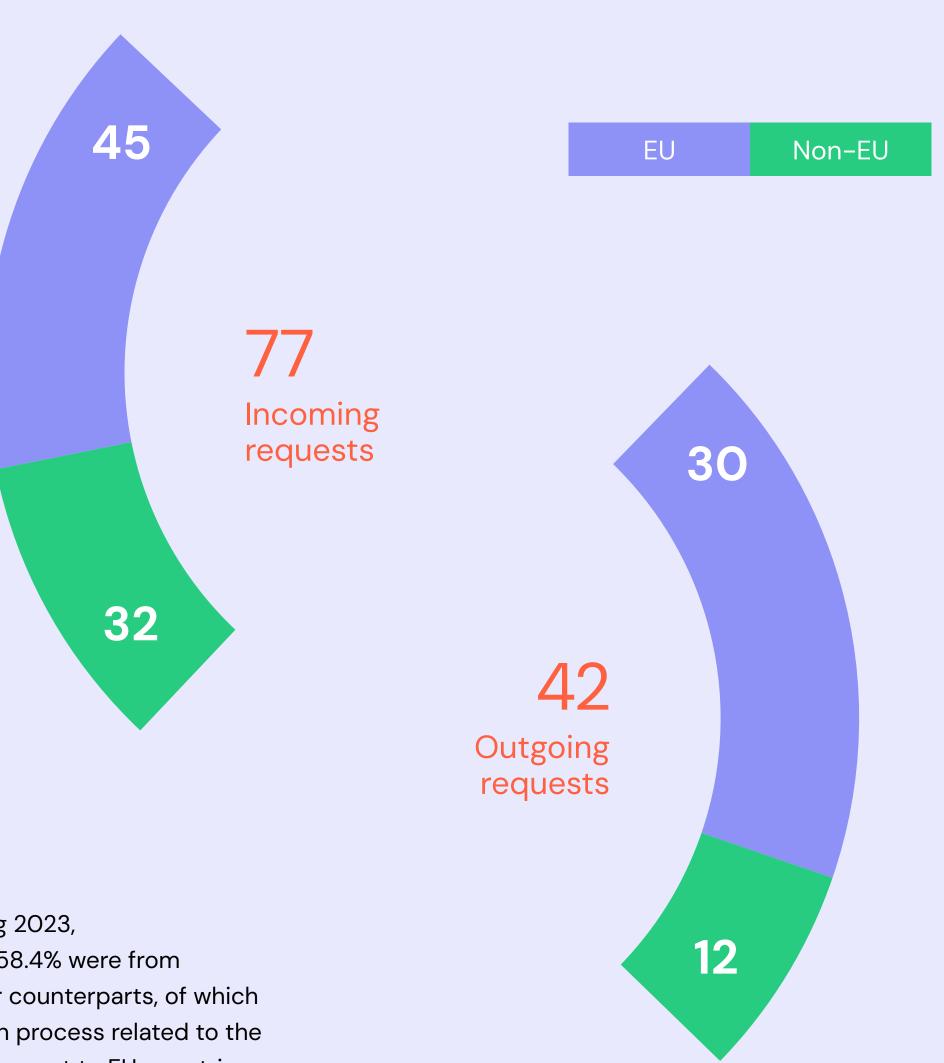
# Collaboration

Over the years, we have endeavoured to establish relationships and maintain continuous communication with important local and international stakeholders to share best practices and ideas for policing the gaming sector. To this end, we signed several data-sharing agreements that guarantee there is a sufficient legal foundation for data sharing.

# International Cooperation

We believe that effective cross-border industry regulation requires sharing best practices and learning from each other's experience. To do so, lines of communication are open with our counterparts to respond to requests for cooperation, such as those outlined in the Cooperation Agreement between the gaming regulatory authorities of the EEA Member States regarding online gaming services, exchanging relevant information and discussing experiences and challenges.

Throughout the year, we hosted various workshops with international gambling regulators to exchange best practices and to provide training on specific areas of the gambling regulation. In 2023, we hosted in-person delegations from the Gaming Commission of Ghana and organised an online workshop with the Mpumalanga Economic Regulator. Additionally, we engaged in more technical discussions with seven other regulatory authorities, covering different aspects of the gambling regulation and policy. During 2023, we received 77 cooperation requests from various countries, of which 58.4% were from EU countries. In addition, 42 cooperation requests were sent out to our counterparts, of which 38 related to background checks conducted as part of an authorisation process related to the regulatory standing of the applicants. Among these requests, 71.4% were sent to EU countries.



Incoming Requests	2021	2022	2023
Generic request for cooperation	15	3	Ο
Information about the local regime	6	6	21
Request for information about unlicensed persons/entities or cancelled licences	3	Ο	0
Request for background checks as part of an authorisation process	55	67	44
Regulatory assistance on a locally licensed operator	1	3	3
Informing other regulators of illegalities, including criminal activity by players	3	3	9
Sports integrity*	6	1	0
Total	89	83	77

Table 4: Number of Incoming International Cooperation Requests 2021-2023

Outgoing Requests	2021	2022	2023
Generic request for cooperation	8	1	4
Information about the local regime	O	O	0
Request for information about unlicensed persons/entities or cancelled licences	5	2	0
Request for background checks as part of an authorisation process	61	87	38
Regulatory assistance on a locally licensed operator	1	O	0
Informing other regulators of illegalities, including criminal activity by players	O	7	0
Sports integrity*	O	O	0
Total	75	97	42

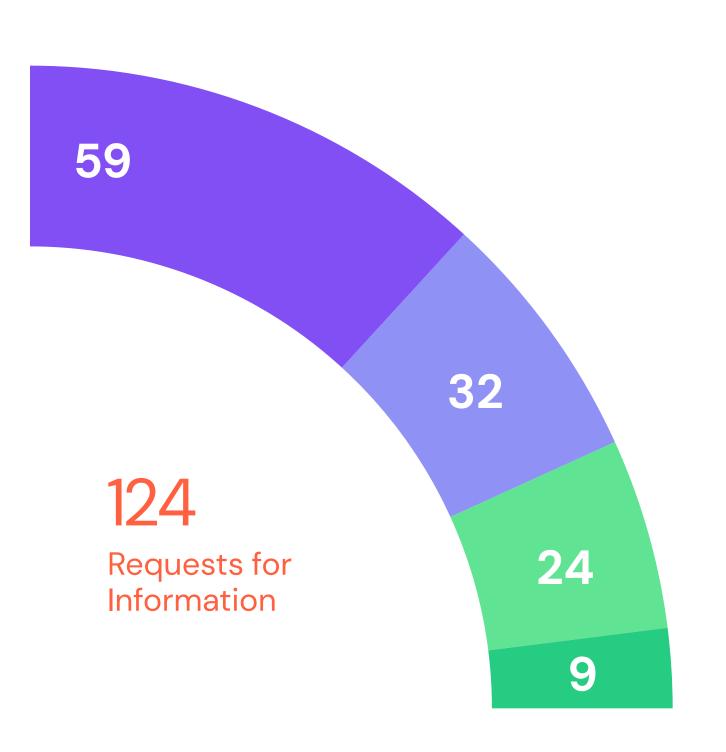
Table 5: Number of Outgoing International Cooperation Requests 2021-2023

Letters of good standing issued The MGA also worked closely with other authorities by providing an official reply on the regulatory standing of our licensed operators. When this is the case, we confirm their good standing and share relevant information and any adverse remarks regarding the licensees and associated persons where required.

<sup>\*</sup>The requests above refer solely to those received from other international gaming regulators and exclude any requests from other international entities and agencies.

# Collaborations with Local Entities

We work with other local regulatory authorities and stakeholders to regulate the Maltese gaming industry efficiently and effectively. This is reflected in our responses to requests for information from the Asset Recovery Bureau (ARB), the FIAU, and the Malta Police Force (MPF) on the gaming sector. Additionally, the relevant information is provided to the Sanction Monitoring Board (SMB) to assist in issuing penalties to legal and natural persons in case of failure to adhere to sanctions screening obligations.





# The MGA ESG Performance Report for 2023

In November 2023, we introduced a voluntary ESG (Environmental, Social and Governance) Code of Good Practice for the remote gaming sector<sup>1</sup>. Our licensees have been encouraged to adopt it to better demonstrate their commitment to sustainability and to continue improving the ESG standing of the industry.

As part of this commitment, we are presenting our first ESG performance report, covering 2023. The code involves several disclosures on figures which may be reported by our operators. In alignment with these standards, our report will refer to the same disclosures, focusing on those applicable to the Authority. This involves reporting our progress in implementing ESG practices by tracking our environmental impact, social responsibility and governance.

https://www.mga.org.mt/mga-publishes-voluntary-esg-code-of-good-practice/

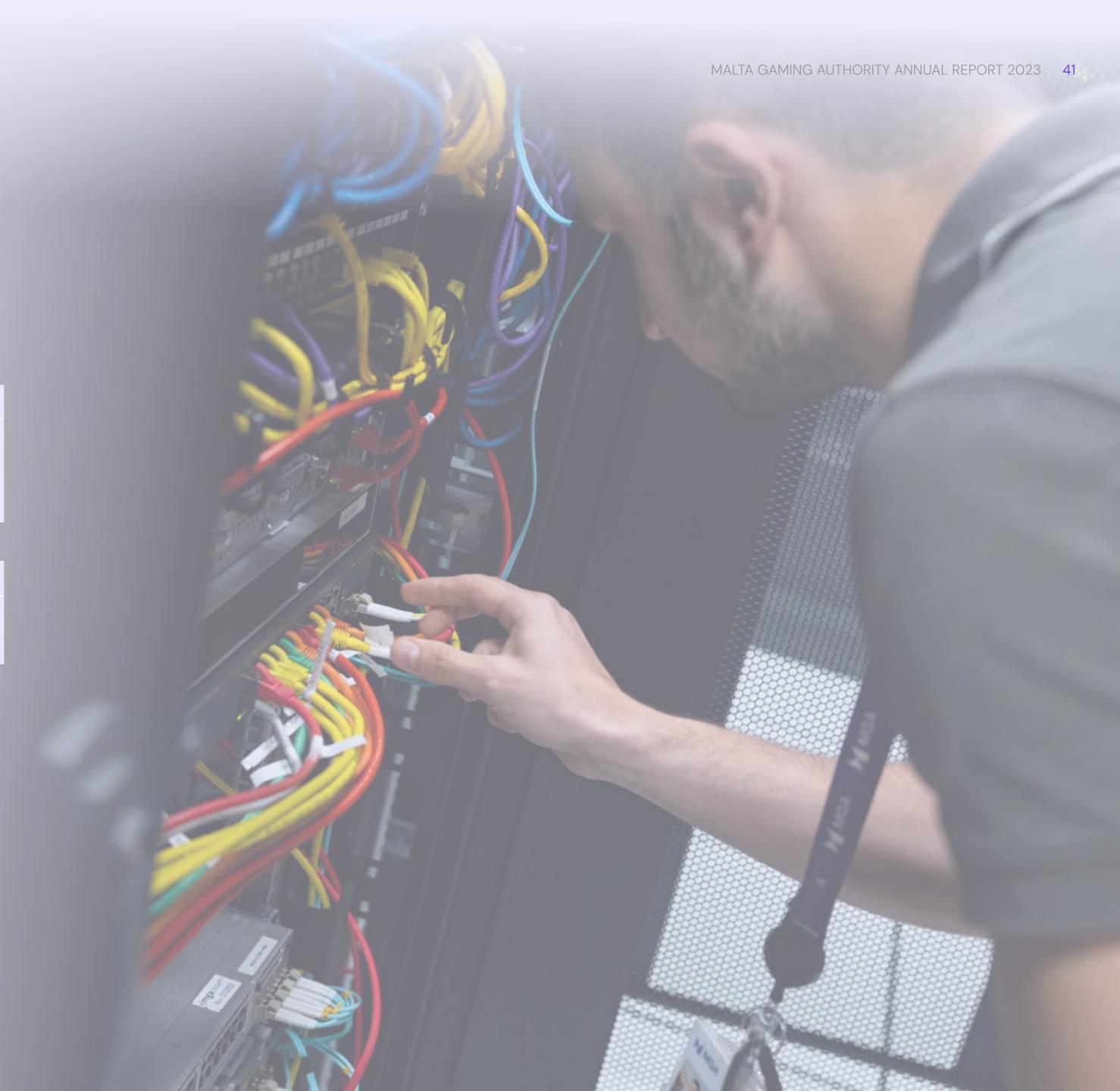


# Use of Energy and Carbon Emissions

In 2023, the MGA's carbon emissions emanated from fuel consumption by our vehicles and the electricity used at our offices<sup>2</sup>.

Gross Scope 1 Carbon Emissions	27,291.55 kgCO <sub>2</sub>
Gross Scope 2 Carbon Emissions	112,141.45 kgCO <sub>2</sub>
Gross Scope 3 Carbon Emissions	Not Reported
Total Carbon Emissions per operating revenue	€0.0017

GHG emissions targets are in line with the goals of the Paris Agreement	No
Policies are in place to reduce excessive water usage	No
Policies are implemented to manage resource use and waste	No



<sup>&</sup>lt;sup>2</sup> Carbon Emissions calculated as per the Malta ESG Platform guidance.



# Diversity, Inclusion and Equal Opportunity

#### Distribution of employees by gender and employee category

	Total FTEs*	Full-Time I	Headcount	Part-Time H	leadcount**
		Male	Female	Male	Female
Executive roles	5	3	2	-	_
Management roles	49	26	23	-	_
Rest of the workforce	115.35	52	62	2	4

<sup>\*</sup>Full-Time Equivalents,

#### Distribution of employees by nationality

Maltese	167
Non-Maltese	7

#### Number of different ability personnel by gender

Male	1
Female	2

#### <sup>3</sup> https://ncpe.gov.mt/the-equality-mark/

#### **Equality Mark certification**

The MGA was awarded the re-certification of the National Commission for the Promotion of Equality (NCPE) Equality Mark during 2023<sup>3</sup>.



<sup>\*\*</sup> Part-time employees include interns

2.87%

# Training and Skill Development of New and Existing Talent

#### Training as a percentage of labour hours

	Full-Time		Part-Time	
	Male	Female	Male	Female
Executive roles	0.03%	0.40%	-	_
Non-Executive Roles	1.12%	1.14%	1.22%	0%

## Health and Safety in the Workplace

#### Policies, incidents and training

A workplace health and safety policy is in place	Yes
Annual lost time due to injury or incidents at the workplace	O hours
Total employee training hours on workplace health and safety	0 hours

# Employee Well-Being

#### Parental leave, by gender

Male	0.09%
Female	4.11%
A health and well-being programme for employees is in place	Yes
Average working hours per employee per day	7.72
Percentage of employees who are entitled to flexible working hours	78.74%

# Social Dialogue with Employees

#### **Employee representation at the workplace**

Number of employees under collective bargaining agreements	133
Percentage of employees under collective bargaining agreements	76.44%

# Secure and Adaptable Working Conditions

#### Personnel employed through temporary contracts

Daraantaga of	ample (cee vit	h temporary contracts	
ercentage or	emblovees wit	n temporary contracts	
0.0000		, , , , , , , , , , , , , , , , , , , ,	

#### Social protection coverage for major life events

Sickness	Yes
Employment injury and acquired disability	Yes
Parental leave	Yes
Retirement	Yes

# Fair Remuneration for All Employees

#### Median salary

Median salary of the total workforce €35,946

# Gender Pay Gap

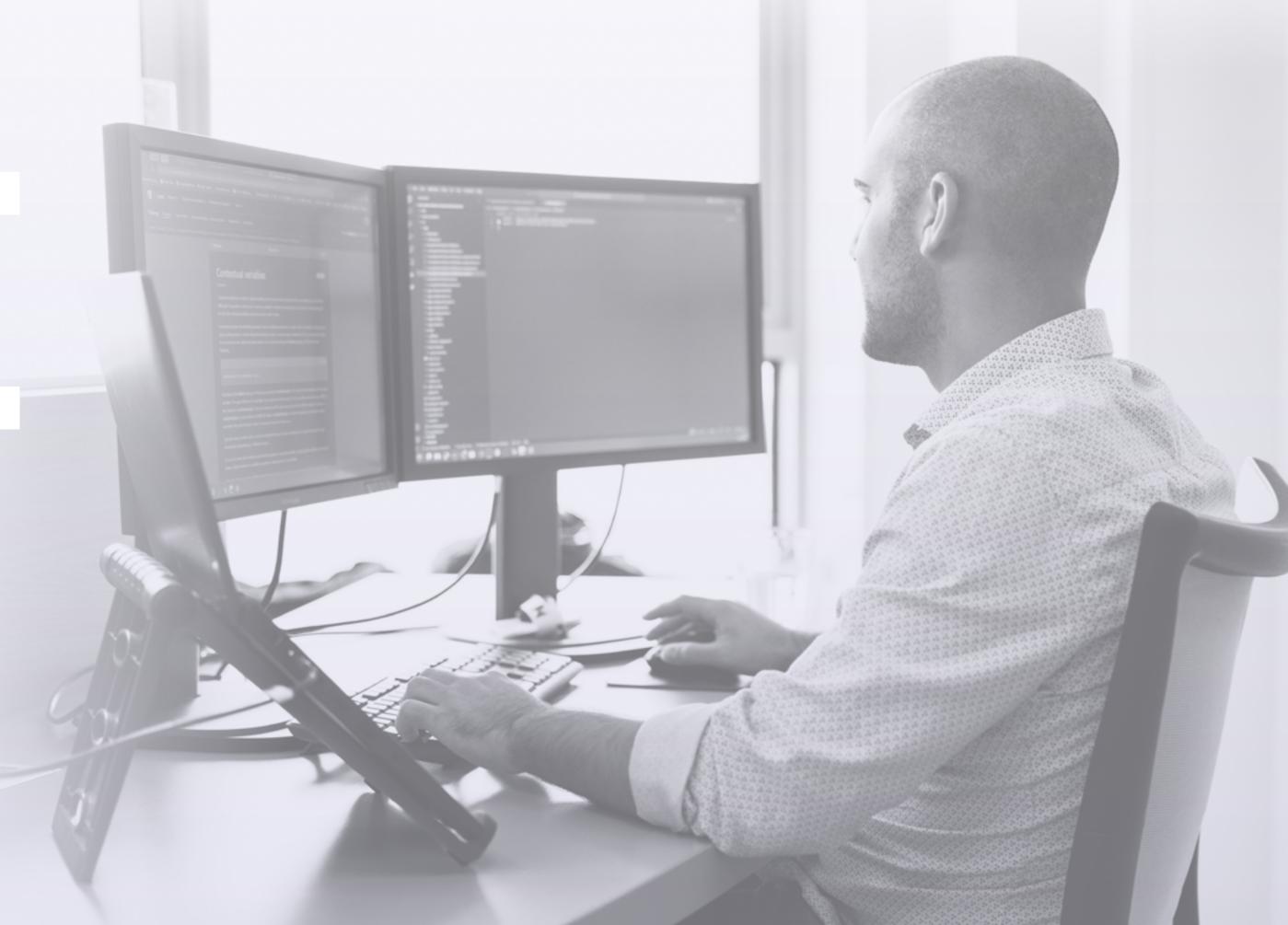
Pay gap between male and female employees

14.15% Gender pay gap

# Data Security and Customer Privacy

#### **Data Privacy and GDPR policies**

A Data Privacy policy is in place Yes Training hours on GDPR and data privacy per employee undertaking the training 13



# Responsible Gambling

#### **Player Protection and Responsible Gambling**

Responsible gambling checks are carried out***	Yes
Imposes the obligation on B2C Licensees to provide players with explicit information on the possible risks and harms of online gaming, as well as the player support measures on their website	Yes
Complaints may be logged by players via the MGA website on a 24/7 basis	Yes
Number of player complaints received	4,011
Number of complaints referred to the Alternative Dispute Resolution (ADR) recorded during the reporting period	2,509
Number of URL checks undertaken by the Authority to verify that the T&Cs are always available to players, including before user registration	72
Number of URL checks undertaken by the Authority during the reporting period, to determine that game rules were made readily available to players and presented prior to the players' first wager, written in plain and intelligible language, containing instructions on how to play and any possible restrictions, and detailing all the ways in which players can win or lose	72
The obligation to make a procedure readily available to players, whereby such players may exclude themselves from playing for a definite or indefinite period of time, is imposed on B2C Licensees	Yes
The number of self-exclusion requests made by players is collected by the Authority from B2C Licensees	Yes
The number of limits set and hit by players is collected by the Authority from B2C Licensees	Yes
Number of training hours per customer-facing employee on responsible gambling	9
Number of Commercial Communications Committee meetings held during the reporting period	19

Number of items raised before the Commercial Communications Committee regarding possible breaches of the Commercial Communications Regulations (S.L. 583.09)	17
Number of breaches issued by the Commercial Communications Committee, in terms of ethical and responsible marketing	5

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# Wider Community Involvement

#### **Support for Social Causes**

Donations as a proportion of operating revenue	2.24%
Time volunteered as a proportion of total labour time	0.06%
Financial contributions are made by the Authority to social causes, including, but not limited to, organisations, initiatives or projects supporting responsible gaming and/or player protection matters and any other social causes of a charitable or philanthropic nature.	Yes

<sup>\*\*\*</sup>The Authority ensures compliance through website checks and responsible gambling audits of our licensees. Additionally, we review the operators' policies prior to issuing authorisations, reinforcing our commitment to safeguarding vulnerable individuals.

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# G – Governance

# Regulatory Compliance

#### Administrative fines and regulatory settlements

Number of administrative fines and regulatory settlements imposed on licensed entities		
Value of the administrative fines and regulatory settlements imposed on licensed entities	€172,90	

# Cybersecurity

#### **Policies and certifications**

An Information Security policy is in place	Yes
A Cybersecurity certification is in place	No

# Integrating Risk and Opportunity in the Business Model

Integrating risk and opportunity in the business model

Decumenting and integrating ESC risks and apportunities	No
Documenting and integrating ESG risks and opportunities	INO

# Diverse Governance Structure and Composition

#### Number of board members

Male	5
Female	1
Average age of board members	48.83

# Sustainability Skills in Administrative, Management and Supervisory Bodies

#### Governance and training on ESG

Hours of training received by the board on ESG	0
Identification of the body/individual responsible for oversight of ESG	Yes
Number of ESG Committee meetings held during the reporting period	3

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# Prevention of Corruption and Anti-Bribery

#### **Ethical Conduct and AML**

An Ethical Conduct Policy is in place	Yes
An Internal Whistleblower procedure is in place	Yes
AML policies and procedures are in place, which particularly assess whether B2C Licensees have their own policies and procedures in line with the applicable Maltese laws and regulations, including PMLA, PMLFTR and IPs**** to cater for the identification and verification of players, as well as the identification, escalation, and reporting of unusual or suspicious activities, including investigating material or unusual deposits, withdrawals, and customer accounts where little or no gaming or betting activity takes place	Yes
AML policies and procedures are in place, which particularly assess whether B2C Licensees have their own policies and procedures to cater for sanctions and adverse media are in place	Yes

<sup>\*\*\*\*</sup>Prevention of Money Laundering Act, Prevention of Money Laundering and Funding of Terrorism Regulations and FIAU Implementing Procedures

#### **AML Training**

Frequency of AML/CFT**** related training attended by any relevant staff	Monthly
Percentage of staff within the AML/CFT unit that completed AML/CFT training during the reporting period	100%
Percentage of staff outside***** the AML/CFT unit that completed AML/CFT training during the reporting period	38.98%
Percentage of board members that received AML/CFT training during the reporting period	0%
The training program is applied differently amongst staff, according to specific duties and roles	Yes
All employees, who are new to their job function, are required to take AML/CFT training within a specified timeframe	No
Hours of AML/CFT-related training attended by the MLRO	31

<sup>\*\*\*\*\*</sup>Anti-Money Laundering/Countering the Financing of Terrorism

<sup>\*\*\*\*\*\*</sup>Staff outside the AML/CFT unit includes employees from the Licence Authorisation and Criminal Probity Screening, Compliance (which encompasses Investigations, Prudential Compliance, Regulatory Supervision, Risk Management and Sports Betting Integrity functions), Legal and Enforcement as well as Policy, Outreach and International Affairs functions.

# Gaming Industry Statistics

The following section presents the performance of the gaming industry regulated by the MGA during 2023. This is presented in terms of the economic value added, employment and other results attained by the operators licensed under the Maltese jurisdiction.

# Methodology

GAMING INDUSTRY STATISTICS

- 1. These statistics relate to the proportion of the Maltese gaming industry licensed by the MGA. The sources used for statistical compilation are:
  - Industry Performance Returns (IPR/Return) submitted by operators in terms of Article 7(2)(d) of the Gaming Act (Chapter 583 of the Laws of Malta);
  - Information provided by operators through specific questionnaires and correspondence with the MGA; and
  - Financial information provided by operators to the MGA.
- 2. Unless otherwise stated, figures represent the performance between January and December 2023.
- 3. The IPRs were disseminated amongst all the companies licensed by the MGA. To collect the necessary data, the licensed companies were asked to answer questions about the Maltese-licensed activity. At the cut-off date, the response rate for compiling the review was 98%. The Authority estimated the remaining data to provide a clear picture of the gaming industry operating in Malta.

- 4. A data cleaning process followed the data collection exercise to ensure the consistency of the results. In some cases, operators were contacted to clarify their responses. Omitted data was imputed through the appropriate techniques, and the answers to every question were analysed. Several imputation methodologies and weighting techniques were adopted to 'fill in' any missing information. Initial sample results were grossed up to obtain population data for all Maltese-licensed activities through appropriate weighting techniques.
- 5. The framework in place distinguishes between a "B2C - Gaming Service Licence" and a "B2B – Critical Supply Licence" as follows:
  - B2C Gaming Service Licence: Authorisation to a Maltese or EU/EEA entity to offer a gaming service from Malta to a Maltese person or through a Maltese legal entity.
  - B2B Critical Supply Licence: Authorisation to provide or carry out a critical gaming supply from Malta to a Maltese person or through a Maltese legal entity.
- 6. The Gaming Act specifies four game types, while the Gaming Authorisations and

Compliance Directive (Directive 3 of 2018) establishes the verticals as follows:

 Type 1 – Games of chance played against the house, the outcome of which is determined by a random generator, which includes casino-type games, such as roulette, blackjack, baccarat, poker played against the house, lotteries, secondary lotteries, and virtual sports games.

The verticals falling under this type are the following:

Casino Games, including Live Casino - This vertical includes a variety of games of chance and skill commonly played within the premises of a casino but are also offered online through various virtual platforms. These online casino games often use similar gambling equipment and mechanics to their physical counterparts and are accessible from anywhere with an internet connection. Live Casino games are played in real-time with a live dealer or croupier, either physically

- or remotely through a live stream. In the case of remote games, players can participate remotely from their computers or mobile devices and place bets on the outcome of the game, which is being broadcast live from either a dedicated studio or a land-based casino. The live dealer or croupier manages the game and interacts with the players, making it a more immersive and engaging experience compared to traditional online casino games that use a random number generator.
- Lotteries This vertical includes any game of chance in which prizes are distributed by lot or chance among participants in the game.
- Secondary Lotteries This vertical includes games where players bet on the outcome of an official third-party lottery draw rather than participating directly in the lottery itself.

- Type 2 Games of chance played against the house, the outcome of which is not generated randomly but is determined by the result of an event or competition extraneous to a game of chance, whereby the operators manage their own risk by managing the odds offered to the player. One vertical falls under this type, as follows:
- Fixed Odds Betting, including Live Betting – This vertical includes games in which a type of wagering is such that the payout for a winning bet is predetermined and fixed at the time the bet is placed. Live betting allows bettors to place bets on a variety of outcomes during a game, match or event.
- Type 3 Games of chance not played against the house wherein the operator is not exposed to gaming risk but generates revenue by taking a commission or other charge based on the stakes or the prize, and which include player versus player games such as poker,

bingo, betting exchange, and other commission-based games.

The verticals falling under this type are the following:

- Pool Betting, including Betting Exchange - This vertical includes betting in which all bets on a particular event are placed into a pool, and the winning bettors share the pool proportionally according to the amount they have bet and the odds of their chosen outcome. A betting exchange is a type of online gambling platform where bettors can place bets against each other rather than against the house or bookmaker.
- Peer-to-Peer Poker This vertical includes games of poker in which the players play against each other and where revenue is derived from the rake charged.
- Peer-to-Peer Bingo, and other Peerto-Peer Games - This vertical includes games of bingo or other games in which players play against each other.
- Lottery Messenger Services This vertical includes types of online services that allow users to purchase

lottery tickets from around the world through a third-party provider.

- Type 4 Controlled skill games as per Regulation 8 of the Gaming Authorisations Regulations. One vertical falls under this type, as follows:
- Controlled Skill Games This vertical includes skill games, activities in which the outcome is determined by the use of skill alone or predominantly by the use of skill, and are deemed as a licensable game.
- 7. Gaming operators are requested to submit to the Authority the Gaming Revenue (GR) data as defined by the **Gaming Licence Fees** Regulations (S.L. 583.03) and the Directive on the Calculation of Compliance Contribution (Directive 4 of 2018) instead of the Gross Gaming Revenue (GGR).
- 8. In terms of the compliance contribution figures reported in this document, the following should be noted:
  - For the land-based sector (excluding National Lottery), the compliance contribution for

- 2020 to 2023 included the licence fees and levies and a 5% consumption tax on customers located in Malta, in line with the Gaming Tax Regulations (S.L. 583.10).
- For National Lottery plc, the gaming tax was reported per the relevant regulations effective 5 July 2022. This changed under the new concession to include compliance contribution, levies, and a 5% consumption tax, in line with the **Gaming Tax Regulations** (S.L. 583.10).
- For online gaming, the compliance contribution for 2020 to 2023 included the licence fees and a 5% consumption tax on customers in Malta, in line with the **Gaming** Tax Regulations (S.L. 583.10).
- 9. Unless otherwise stated, the employment figures detailed in this report refer to Full-Time Equivalent (FTE) jobs at the end of each reporting period provided by the gaming operators (including both land-based and online companies holding B2C and B2B licences) in the IPRs submitted to the MGA. The methodology for collecting employment figures for the online gaming sector has been revised from 2018. For this reason, the employment figures should not be compared with those published in previous years since the number of online gaming employees reported before 2018 also includes the number of outsourced/

- Type A: Employees directly employed with the MGA-licensed company, located in Malta and working solely on the gaming activities licensed by the MGA.
- Type B: Additional staff in Malta employed by the MGA-licensed company that does not work on the MGA-licensed activities.
   Such staff typically includes:
- Additional employees engaged with the licensed entity working in Malta on activities that are not licensed by the MGA; and/or
- Employees that are employed with another associated/related company that is not licensed by the MGA.

- to the Maltese economy relates to gambling and betting activities (NACE 92), following the European industrial activity classifications.

  The economic contribution is derived from the NSO data covering businesses operating in the Maltese territory, including firms not licensed by the MGA. At the industry level, gambling and betting activities in Malta are comprised of land-based casinos, gaming parlours, lotto receivers, the National Lottery operator, and online gaming companies (excluding activities of B2B operators).
- 11. The statistical figures reported for the previous periods have been revised to reflect any changes reported after publication.



# Overview of the Maltese Gaming Industry

In an extensive revision of Gross Domestic Product data published in August 2024, the National Statistics Office has confirmed the significant role of the gaming industry in the Maltese economy. Following the marked economic fluctuations over the past five years, punctuated not least by the COVID-19 events, the proportion of Gross Value Added (GVA) generated by business within the gaming industry in Malta amounted to 7% of the economy total in 2023.

Chart 1 shows the evolution of this variable over the past five years. The relative stability around the value of 7% registered in 2022 and 2023 followed a peak which was observed during the onset of COVID-19 and its aftermath. The contribution of the gaming industry was remarkably resilient during this period, and made up for the significant losses registered in sectors dependent on international travel, retail services and other activities disrupted by the COVID-19 event.

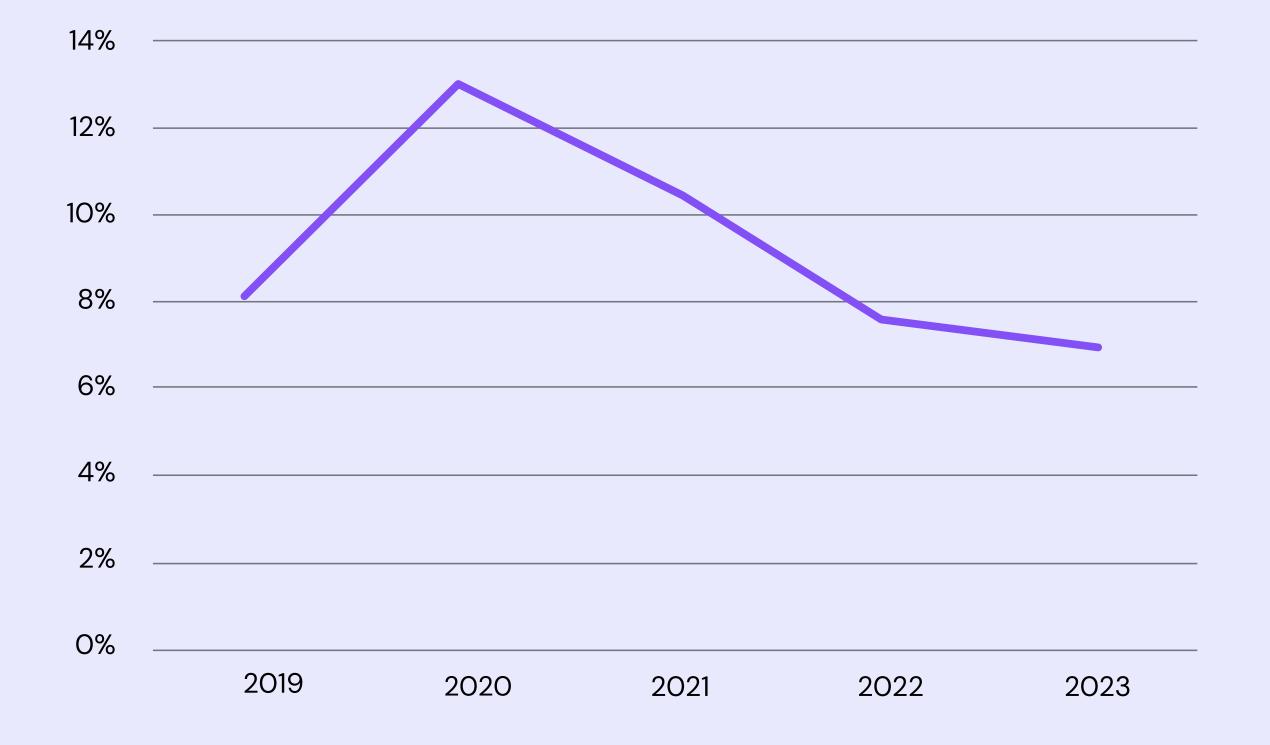


Chart 1: The share of the gaming industry in total GVA

In absolute terms, between 2019 and 2023, the GVA of the gaming industry rose by over 25% in absolute terms, to stand at almost €1,339 million by the latter year.¹

The gaming sector is one pillar within the portion of economic activities based on a higher value-added proposition in Malta, with primarily services-based activities serving personal and business clients, among which are operators within the gaming industry itself. Indeed, apart from a 7% share of GVA directly generated, the gaming industry also contributes to the generation of economic value added in sectors that are closely related to servicing the needs of business and of employees within it. These include professional, technical and administrative support activities, information and communications business, and real estate.

These economic developments are in line with the sectorial development strategy pursued by the MGA over the past few years. The Authority sought to re-balance the risk profile of the sector by encouraging the further growth of business-to-business activities through a specific licensing regime. Thus, the Maltese gaming industry is contributing directly to the economy through licensed business-to-business operators, which have multiplier effects on other economic sectors and create high quality jobs.

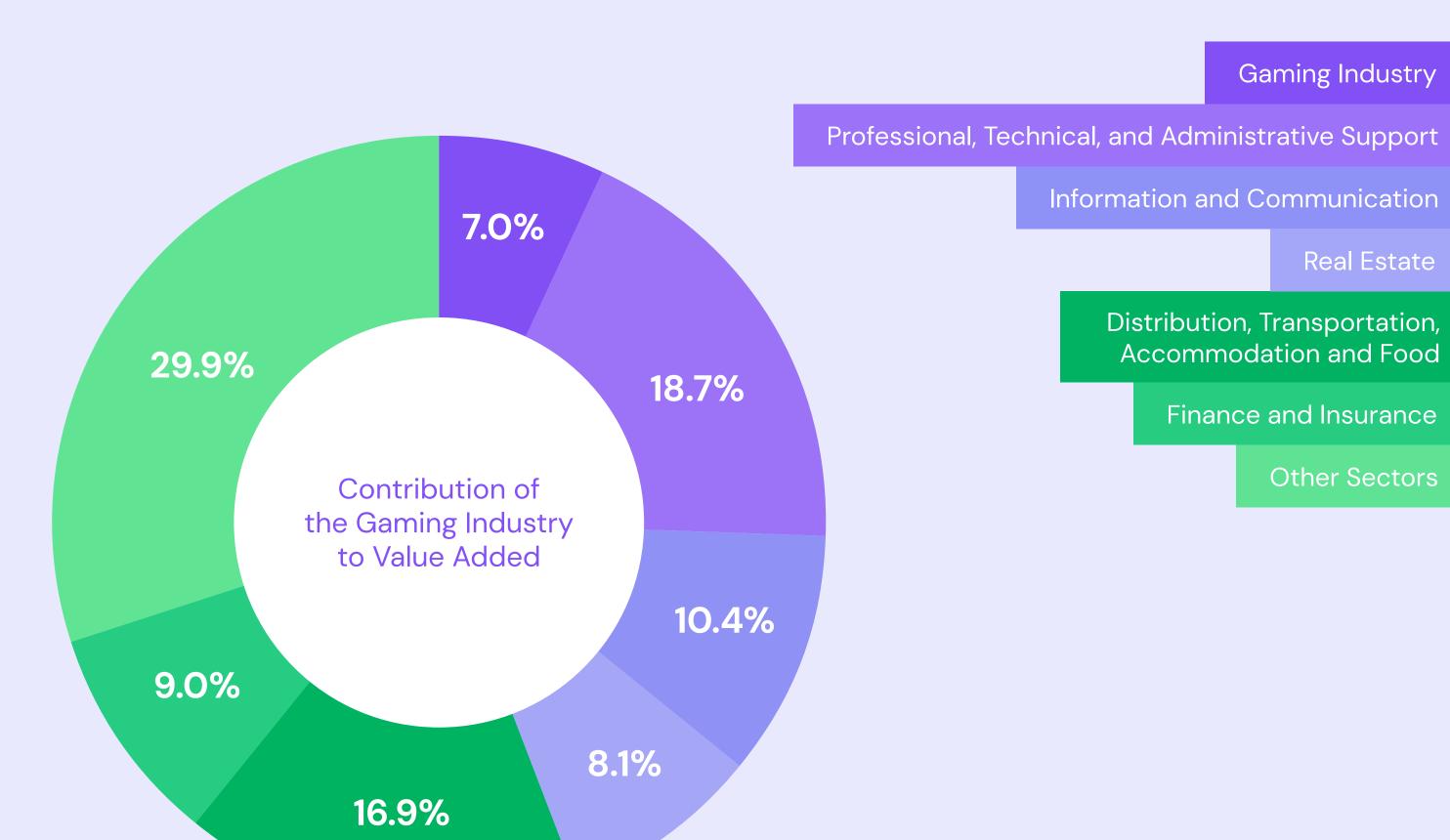


Chart 2: The relative share of the gaming industry in total GVA (2023)

MGA Survey

Jan-Jun Jul-Dec

NSO NACE 92

Jan-Jun Jul-Dec

As of the end of 2023, the number of companies licensed by the MGA – including online and land-based entities - stood at 316. In addition, these gaming companies held a total of 326 gaming licences and 300 approvals to offer various types of games under the B2C licence and a further 21O approvals to offer various game types under the B2B licence. These approvals are then divided into multiple verticals.

Between January and December of 2023, the MGA collected €80.6 million in compliance contribution, licence fees, levies, and consumption tax.

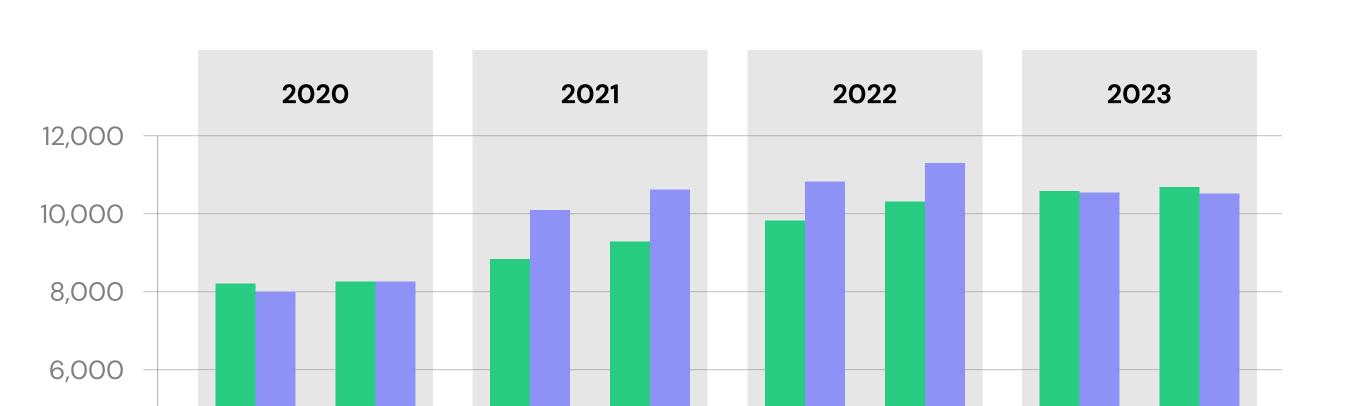
	2020	2021	2022	2023
Number of licences (Note 1)	328	351	358	326
Number of companies (Note 1)	323	341	350	316
Employment (Note 2)	10,602	12,537	13,384	13,404
Land-Based	735	766	880	910
Online – Type A	7,557	9,919	10,365	9,609
Online – Type B	2,310	1,852	2,139	2,885
Compliance contribution, licence fees, levies and consumption tax (€m)	73.5	77.9	78.7	80.6

Note 1: The reported number of licences and companies includes both online and land-based and relates to the number as of the end of December. These figures refer solely to MGA-licensed entities and include the active licences base, that is, those entities that have a valid licence to offer a gaming service. Figures for 2022 and 2023 are not comparable to those reported for 2021 and 2020 due to a change in methodology on the definition of what constitutes an active licence and company, which now includes those which are active, voluntary suspended or suspended.

Note 2: The employment figures represent the number of FTEs employed with B2C and B2B licensees and refer solely to companies holding an MGA licence. The figures relate to the number as of the end of December.

Table 6: Headline Indicators

Regarding the number of employees working within the gaming industry, it is estimated that by the end of 2023, there were 10,519 employees (FTEs) working with MGA-licensed companies on the activities covered by the Authority's licence. Around 91% of this type of employment, that is, 9,609 FTE employees, are engaged in the online sector.



Note: NSO NACE 92 data refers to period mid-point. MGA survey data refer to the end-of-period point. Enterprise coverage varies slightly between the two sources.

Chart 3: Employment (FTE) with MGA-licensed companies on the activities covered by the Authority's licence

Jan-Jun Jul-Dec

4,000

2,000

0

Jan-Jun Jul-Dec

Furthermore, our gaming operators report their total employment in Malta under two types: Type A and Type B<sup>2</sup>. For the period under review, an additional 2,885 FTEs were estimated to have been working with MGAlicensed companies on activities licensed under other jurisdictions or providing direct services to MGA-licensed firms while employed by another associated/related company. In this regard, the total of Type A and Type B employment is estimated to stand at 13,404 as at the end of 2023.

When considering the employment generated by activities in or associated with the gaming industry, the total employment in the gaming sector in Malta at the end of 2023 is estimated to be 16,428, representing approximately 5.2% of the total workforce<sup>3</sup>.

It is to be noted that in 2023, the population of companies which provide a service to the gaming operators and thus contribute to indirect employment was redefined such that more service providers were included in the sample. These indirect activities include FTEs who were working in Malta either on the activities licensed by another jurisdiction, with MGA-licensed firms, or that are employed with companies which service the gaming industry, such as Law Firms, Consultancy Firms, Audit Firms, Gaming Platforms, Data Centres, Translators, Software/IT Companies, Real Estate, Cleaning Services, Recruitment and other related Auxiliary Services. This increase in the sample size, coupled with the fact that a higher share of gaming operators is opting to outsource some of their services which used to be catered for in-house, has contributed to a notable increase in indirect employment. To ensure comparability with past reported figures, the indirect employment for 2023 has been adjusted through appropriate statistical techniques.

9,609

Employees in Malta working on online MGA-licensed activities.

2,885

Employees in Malta working on online activities not licensed by the MGA.

910

Employees working in the land-based establishments in Malta.

13,404

Employees in Malta working with companies holding an MGA licence.

<sup>&</sup>lt;sup>2</sup> For more information on employment, please refer to Point 9 of the Methodology.

<sup>&</sup>lt;sup>3</sup> National Statistics Office.

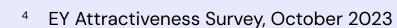
# Gaming Industry Outlook

In 2023, the gaming industry in Malta remained an important pillar in Malta's economic landscape, with an estimated 7.0% direct contribution to the economy's value added. Furthermore, the gaming industry, together with the tourism and leisure and artificial intelligence sectors, is expected to continue to be a key driving force behind Malta's economy over the next five years<sup>4</sup>. Despite the sustained positive performance exhibited by the gaming industry in Malta, the global environment has continued to present several challenges. Indeed, over the past year, the global gaming industry has been characterised by a significant trend of layoffs and strategy changes, influenced by shifts in consumer behaviour, technological progress, and economic pressures. The industry also operates in an environment of constantly evolving regulations and emerging trends, such as generative artificial intelligence and technological convergence, that continue to revolutionise the industry.

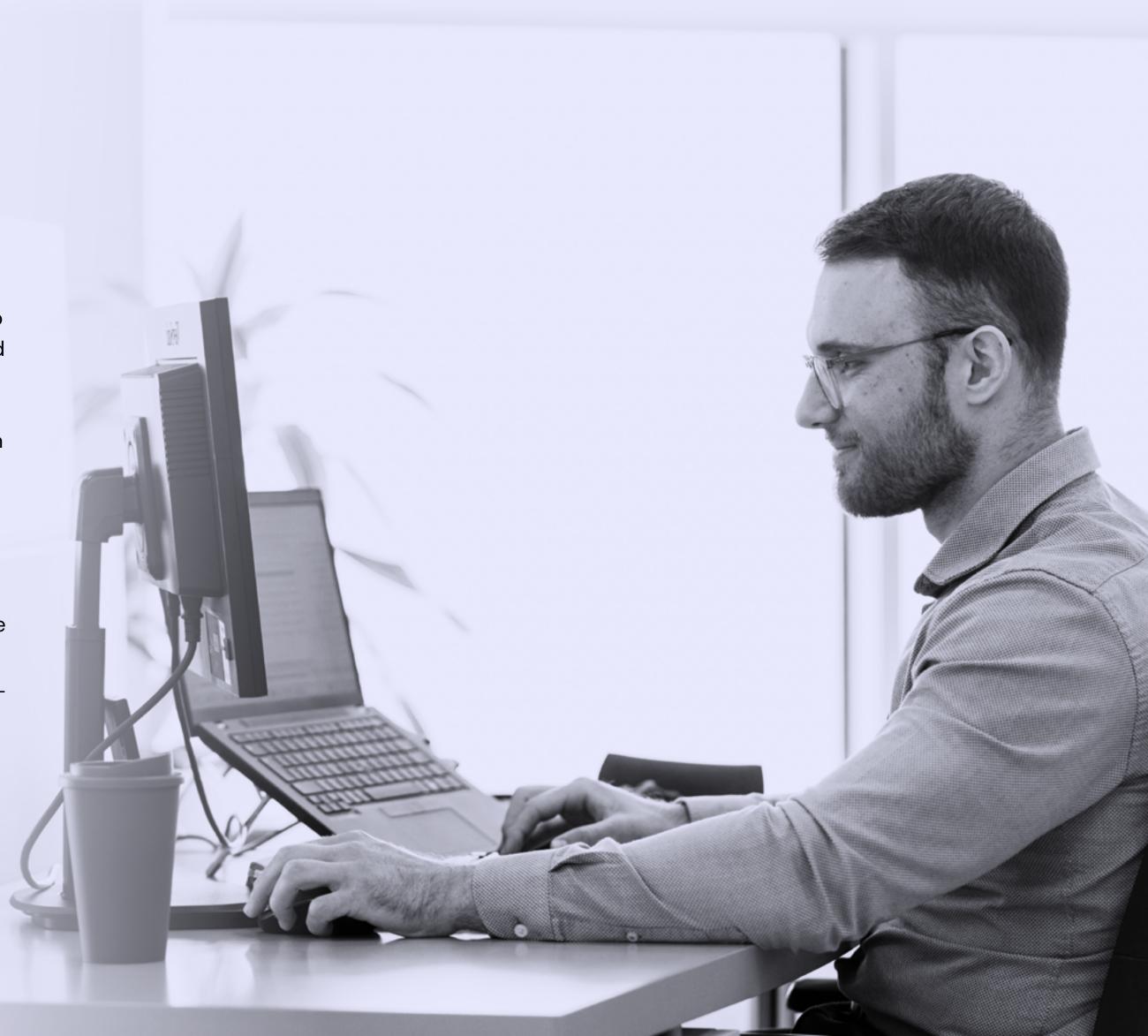
From the perspective of online gaming operators, the industry's outlook remains positive. Indeed, around 72% of those who submitted a valid response in the Industry Performance Return (IPR)<sup>5</sup> expect gaming revenue to increase in 2024.

In terms of the expectations for 2025, 62% of the operators who submitted a valid response in the IPR expect gaming revenue to increase. There are also positive expectations for employment, such that between 52% to 55% of operators who provided a valid response indicated that they expect employment within the gaming industry to increase over 2024 to 2025. Nevertheless, most operators also expect higher business costs in the industry. The costs which most operators expect to increase include legal and professional costs, IT and telecommunications costs and marketing costs.

In 2023, the focus of the MGA has been to maintain high standards in several areas of the gaming industry while providing the necessary support to industry operators. During the year under review, the MGA has taken decisive actions, including the suspension and cancellation of licences belonging to some of the industry's players. This highlights the importance of strict adherence to the legislative framework, particularly in critical areas such as AML efforts and player protection. The MGA's actions serve not only to correct current non-compliance issues but also to set a precedent for the level of integrity and security expected of all operators within the industry going forward.



<sup>&</sup>lt;sup>5</sup> The data collection exercise was carried out in early 2024, covering the reporting period July-December 2023.



The sustainability of the gaming industry also relies on the industry's commitment to embrace the integration of ESG within company strategies. In this regard, during the year under review, the MGA has launched a consultation process on the development of the Voluntary ESG Code of Good Practice for the remote gaming sector to help guide and prepare local licensees for upcoming ESG legislation. The voluntary ESG Code of Good Practice issued by the MGA aims to complement and build on existing efforts by the industry while acting as a point of reference for remote gaming operators to assess, report on, and improve their ESG practices.

Another major development during 2023 was the EU's implementation of the 'Pillar 2' rules, which introduce a 15% minimum effective tax rate for multinational groups with consolidated global revenue exceeding €750 million. On 20 February 2024, Malta enacted the relevant provisions of the EU Minimum Tax Directive through the publication of Legal Notice 32 of 2024.

The remarkable evolution of technology is anticipated to continue reshaping the gaming industry, with innovations like the expansion of cloud gaming, the development of personalised storytelling through Artificial Intelligence (AI), the

integration of cryptocurrencies in gaming, the expansion of metaverse for gamers, developers, and streamers, as well as Netflix's arrival in mobile and online gaming. As we move forward in 2024, a surge in Al-driven tools is expected. In the context of the gaming industry, this is envisaged to contribute to a more immersive, personalised and dynamic gaming experience. With such strides in gaming innovation, it is important for industry players to keep pace with these emerging trends and for regulators to intensify their efforts in ensuring a balance between leveraging innovation and ensuring that the next generation of gaming platforms is trustworthy by design.

As the gaming industry continues to evolve and embrace technological advancements, the outlook for the industry remains favourable. With its clear regulatory framework and dynamic gaming ecosystem, Malta is expected to continue to benefit from emerging trends while fostering a safer, more responsible gaming environment that ensures the long-term sustainability and credibility of the gaming sector in Malta and beyond.



GAMING INDUSTRY STATISTICS

# **Detailed Statistical Report on the** Land-Based Gaming Activities

### Distribution of Land-Based B2B Licences by Game Type

At the end of 2023, the B2B Land-Based licensees were approved to offer Casino games, including Live Casino Setup and Live Virtual Sports games under Type 1 games. One licensee also held approval to offer Fixed Odds Betting, including Live Betting under Type 2 games<sup>6</sup>.

# Gaming Premises – Casinos

There are four licensed casinos in Malta: Dragonara Casino, Portomaso Casino, and Casino Malta, located in the central part of the country, and Oracle Casino, located in the north.

#### **Gaming Premises – Casinos: Game Types**

The current licensing regime categorises all games that licensees can offer into four game types<sup>7</sup>, and an operator can offer one or multiple game types. At the end of 2023, all casino-licensed establishments had approval to offer Type 1 and Type 3 games, while three of the four casinos had Type 2 approval. Each game type is further classified into the verticals offered for each type, as presented in Table 78. To date, no licensed casino provides games of skill under Type 4 below.

Type 1	4
Casino Games, including Live Casino	4
Type 2	3
Fixed Odds Betting, including Live Betting	3
Type 3	4
Peer-to-Peer Bingo/Poker	4
Type 4	0
Games of Skill	0

Table 7: Gaming Premises - Casinos - Game Types Verticals (End-Dec 2023)

<sup>&</sup>lt;sup>6</sup> For more information on the game types, please refer to Point 6 of the Methodology.

<sup>&</sup>lt;sup>7</sup> For more information on the game types, please refer to Point 6 of the Methodology.

<sup>8</sup> The table shows an abridged list of the gaming verticals to show only those being used. For a full list of the gaming verticals, please refer to Point 6 of the Methodology.

#### **Gaming Premises – Casinos: Number of Gaming Devices**

At the end of 2023, the total number of gaming devices in the casinos stood at 925, including 903 slot-type gaming machines and 22 sports betting terminals.

	End-2020	End-2021	End-2022	End-2023
Slot-type gaming devices	913	887	897	903
Sports betting terminals	17	17	12	22
Total	930	904	909	925

Table 8: Gaming Premises - Casinos - Number of Gaming Devices

#### **Gaming Premises – Casinos: New Players' Registrations**

Casino operators are required to register every new-to-the-casino player who enters their premises. During 2023, licensed operators reported a total of 225,462 registrations in their establishments, including multiple registrations by a single player in more than one casino.

	2020	2021	2022	2023
Total	55,676	75,262	170,303	225,462

Table 9: Gaming Premises - Casinos - New Players' Registrations

#### **Gaming Premises – Casinos: Players' Visits**

	2020	2021	2022	2023
Total	471,862	477,776	790,642	925,088

Table 10: Gaming Premises - Casinos - Players' Visits

The total number of visits to local casinos during 2023 stood at 925,088, an increase of 17.0% when compared to 2022. Following the significant growth in 2023, the number of visits to local casinos is reaching levels close to those recorded before the COVID-19 pandemic. This is primarily attributed to the strong recovery of the tourism industry in Malta, with the number of visitor nights growing by 21.9% in 2023. The increasing trend in visits to local casinos is also evident when analysing the monthly visits reported, as per Chart 4 below, with the exception of the last two months of 2023, where the number of visits was in line with those registered in 2022.

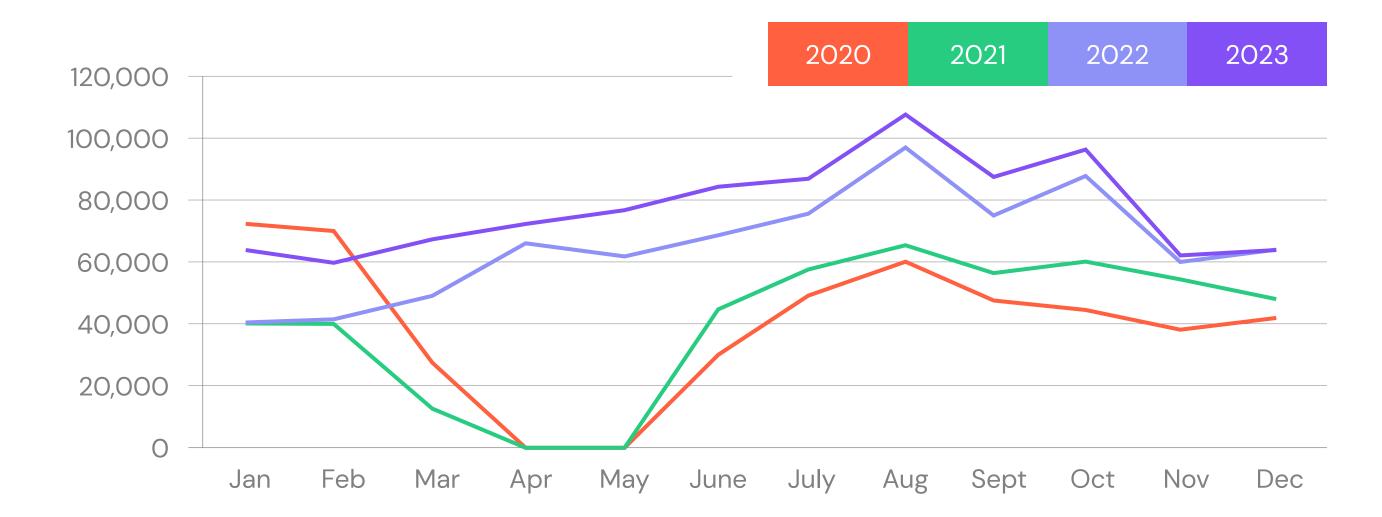


Chart 4: Gaming Premises - Casinos - Players' Visits

#### **Gaming Premises – Casinos: Players' Visits**

#### **Junket Players**

During the period under review, local casinos hosted 1,488 junket players<sup>9</sup>, an increase of 5.4% when compared to the figure reported for the previous year. Of all junket players hosted by casinos in 2023, 45.3% referred to the in-house junkets, whilst the remaining players were brought to the casinos by junket leaders.

	2020	2021	2022	2023
In-house	183	190	470	674
With junket leader	459	519	906	814
Total	642	709	1,412	1,488

Table 11: Gaming Premises - Casinos - Number of Junket Players

#### **Gaming Premises – Casinos: Players' Profile**

#### Nationality

During 2023, the number of visits by Maltese players increased by 8.6%, while that of non-Maltese players increased by 22.8% when compared to 2022. The visits of non-Maltese players accounted for 62.2% of all casino visits registered in 2023. The predominance of foreign players has once again been reflected in this reporting period, affirming the tourism industry's significant role in the casino market. The increase in junket activity has also contributed to this result.

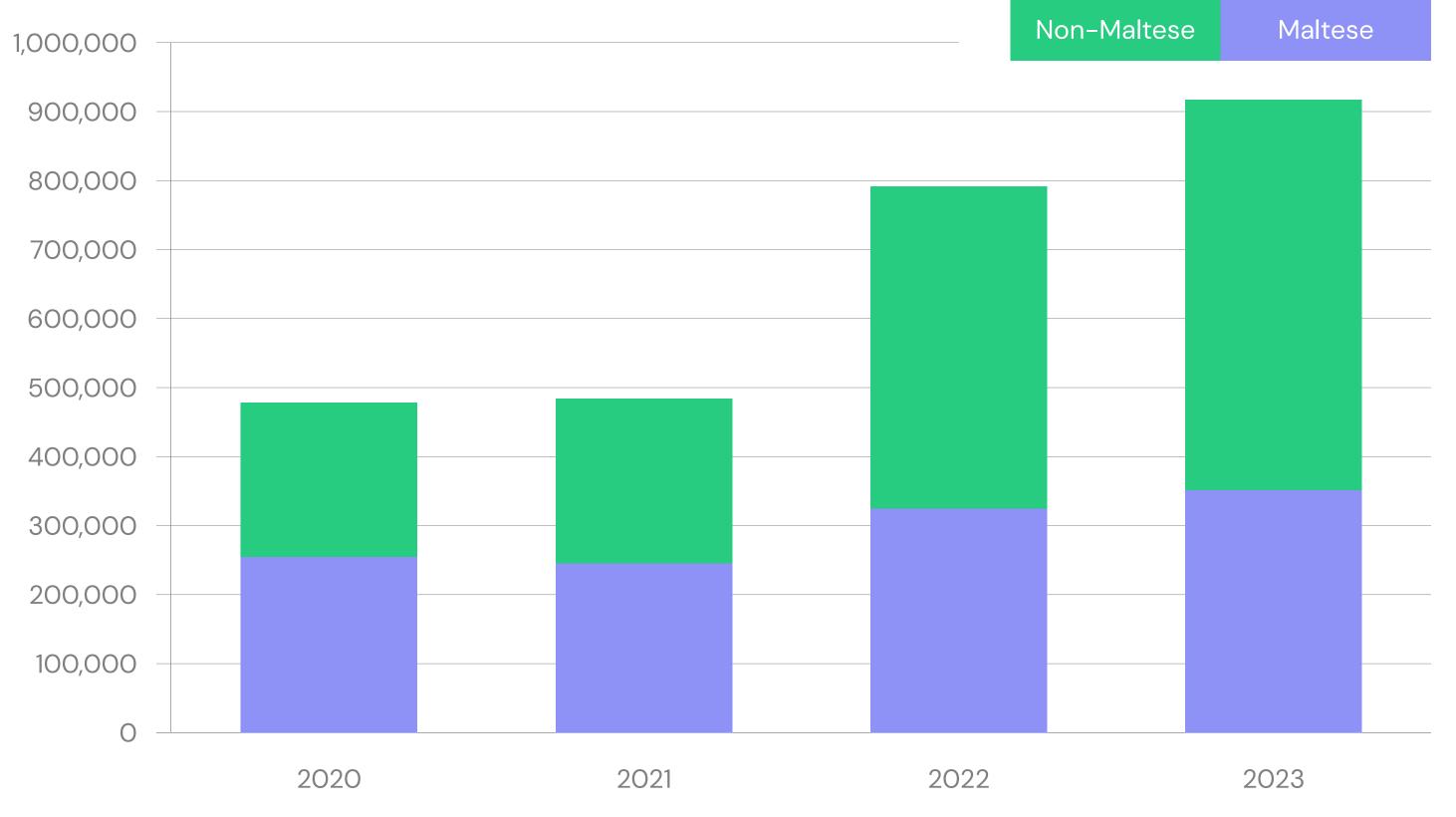


Chart 5: Gaming Premises - Casinos - Players' Profile by Nationality

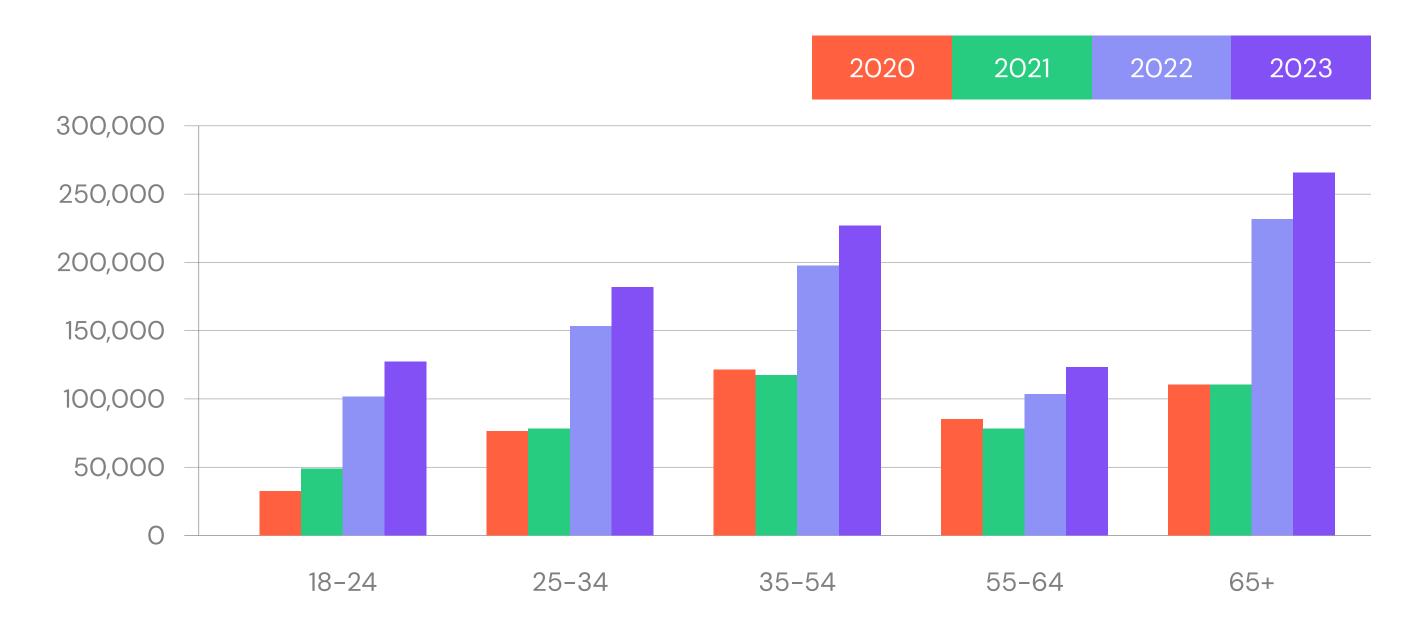
The purpose of this arrangement is to induce persons residing outside Malta, selected or approved for participation, to travel and come to a gaming establishment in possession of a concession issued by the Government to play licensable games. To this end, any or all costs of the transportation, food, lodging, and entertainment are directly or indirectly paid for by the authorised person operating the gaming premises.

#### Gaming Premises - Casinos: Players' Profile - continued

#### **Demographic Group**

Visits by players of all age groups increased in line with the overall increase in the number of visits, with the distribution between age groups following that registered in the past reporting periods. Visits by persons aged 65 and over continued to constitute the largest demographic category of visitors to casinos, accounting for 28.8% of the total visits. Visitors from the 35–54 age bracket constituted 24.5% of the visits, with this being the second largest category. Visits by players from the 25–34, 18–24 and 55–64 age brackets accounted for 19.7%, 13.7%, and 13.3% of the total visits, respectively.

It is worth noting that visits by female players in 2023 accounted for 34.8% of all visits, a decrease of 4.6 percentage points when compared to 2022.



Note: The legal age to enter casinos in Malta is 25 for Maltese and 18 for non-Maltese players.

#### Chart 6: Gaming Premises - Casinos - Players' Profile by Age Group Distribution

#### **Gaming Premises – Casinos: Gaming Revenue**

During 2023, the GR generated by the casino sector registered an increase of 14.2% when compared to that of 2022. The increase in the number of visits contributed to this growth. Almost the entire GR was generated from Type 1 games, as shown in Chart 7 below.

The GR from the junket activity stood at 11.4% of the total GR reported in 2023, a decrease of 1.2 percentage points from that reported in the previous year.

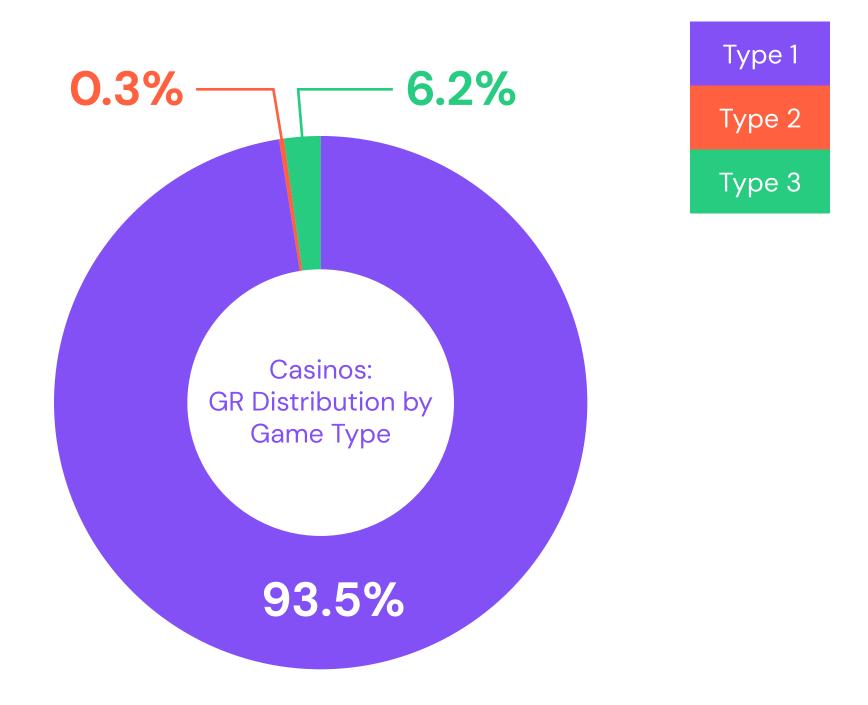


Chart 7: Gaming Premises - Casinos - GR Distribution by Game Type

#### **Gaming Premises – Casinos: Gaming Revenue**

#### **Average GR per Visit**

Despite the increase in both visits and GR, the average GR per visit stood at €59.80, decreasing slightly from the figure registered during 2022. This suggests that the total amount spent within the licensed casino establishments increased at a slower rate than the number of visits registered.

	2020	2021	2022	2023
Total [€]	63.9	63.7	63.7	59.8

Table 12: Gaming Premises - Casinos - Average GR per Visit

#### **Gaming Premises – Casinos: Compliance Contribution**

The MGA collected a total of €19.0 million in fees and taxes owed by the casino operators.

	2020	2021	2022	2023
Total [€]	10,486,001	10,583,430	16,692,937	18,997,863

Note: The above figures include the compliance contribution fee, licence fees, and 5% consumption tax on customers located in Malta in line with the Gaming Tax Regulations (S.L. 583.10).

Table 13: Gaming Premises - Casinos - Compliance Contribution

#### **Gaming Premises – Casinos: Employment**

At the end of 2023, the total number of FTE direct employees working in casinos stood at 565, an increase of 6.0% when compared to the end of December 2022.

	End-2020	End-2021	End-2022	End-2023
Total	489	496	533	565

#### Table 14: Gaming Premises - Casinos - Employment (FTE)

The increase in employment is attributed to an increase of 16.3% in the number of female employees. In contrast, the proportion of male employees decreased by 3.6 percentage points over the figure reported at the end of 2022, such that it stood at 60.3% at the end of 2023. Furthermore, the share of non-Maltese employees increased by 2.7 percentage points to 71.7% from 69.0%, as reported at the end of 2022.



## Gaming Premises – Controlled Gaming Premises

#### **Gaming Premises – Controlled Gaming Premises: Number of Outlets**

During 2023, the land-based controlled gaming premises continued to experience a change in the overall operations of this sub-sector. One of the major operators diverted towards offering such gaming activity through a different land-based business model. Most of the changes were absorbed during 2022 but spilled over during the first month of 2023. To this end, the results presented for the controlled gaming premises in the following section should not be compared with those of previous years since this data does not capture the business activity of one of the operators for the entire period under review.

As specified in Appendix 2, for statistical purposes, the Maltese Islands are divided into six districts: Southern Harbour, Northern Harbour, South Eastern, Western, Northern, and Gozo and Comino. By the end of 2023, the number of approved controlled gaming premises<sup>10</sup> in Malta totalled 21, spread across 16 localities in Malta and Gozo. The highest number of outlets are located in the Northern Harbour and the Southern Harbour, with eight and six approved gaming premises, respectively. These two regions feature a relatively high population value and density, and significant commercial activity that is also of a touristic nature.

There are no specific limits on controlled gaming premises per locality. However, the Authority ensures that approvals of licences and premises comply with the legal restrictions to safeguard and protect minors and the general public. Table 15 below presents the total number of gaming premises for all the licensed operators.

	End-2020	End-2021	End-2022	End-2023
Total	60	64	28	21

Table 15: Controlled Gaming Premises - Number of Outlets

#### **Gaming Premises – Controlled Gaming Premises: Game Types**

By the end of 2023, the five authorised licensees operating the controlled gaming premises had approval to offer Type 1 games, four operators had approval for Type 2 games and one operator had approval for Type 3 games. Each game type is subdivided into verticals, as presented in Table 16 below<sup>11</sup>.

Type 1	5
Casino including Live Casino Setup	5
Type 2	4
Fixed Odd Betting, including Live Betting	4
Type 3	1
Peer-to-Peer Bingo/Poker	1
Type 4	0
Games of Skill	О

Table 16: Controlled Gaming Premises – Game Types Verticals (End-Dec 2023)

<sup>&</sup>lt;sup>10</sup> Controlled gaming premises are premises intended to host or operate one or more gaming devices. These do not include premises in which gaming is carried out in virtue of a concession by the Government, or premises in which the only gaming that is carried out consists of tombola games.

The table shows an abridged list of the gaming verticals, to show only those that are being used. For a full list of the gaming verticals, please refer to Point 6 of the Methodology.

#### Gaming Premises – Controlled Gaming Premises: Number of Gaming Devices

The number of licensed gaming devices amounted to 162 at the end of 2023. This brought the average number of gaming devices per outlet to 7.7, which is in line with the regulations limiting the number of devices per outlet to no more than 10.

	End-2020	End-2021	End-2022	End-2023
Total	521	540	235	162
Average per Controlled Gaming Premises	8.7	8.4	8.4	7.7

Table 17: Controlled Gaming Premises - Average Number of Gaming Devices

#### **Gaming Premises – Controlled Gaming Premises: Players' Visits**

The number of visits to controlled gaming premises stood at 118,218. By the end of 2023, a second operator merged with one of the major operators leading to a significant drop in the reported figures. This resulted into the gaming activity being diverted towards a different land-based business model and is thus no longer being captured within this sub-section's data points.

	2020	2021	2022	2023
Total	632,533	668,703	505,013	118,218

Table 18: Controlled Gaming Premises - Number of Visits

Chart 8 presents the monthly visits registered in the gaming parlour sector between 2020 and 2023. Although it is not possible to make any comparisons because of the significant change in the characteristics of this sub-market, one can observe that activity reported between January and December 2023 is more in line with that reported in the last two months of 2022.

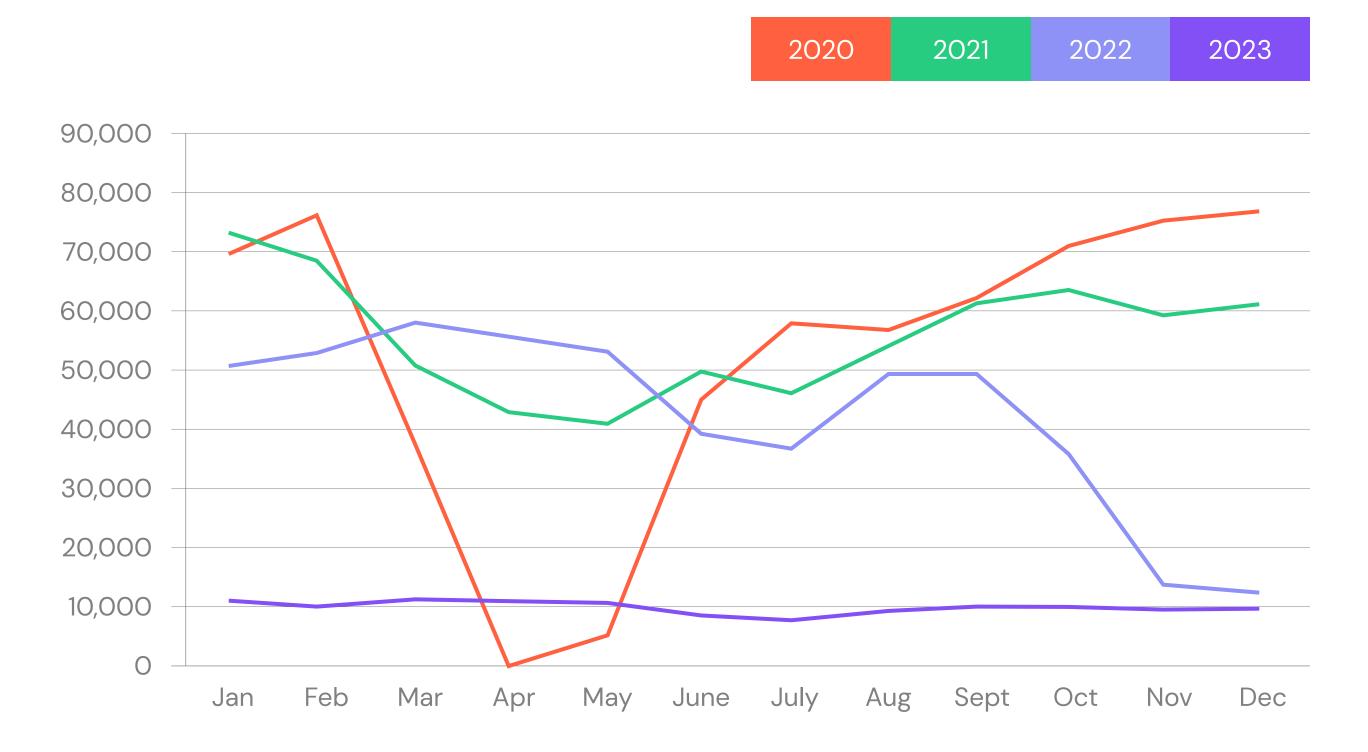


Chart 8: Controlled Gaming Premises - Number of Visits

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#### **Number of Visits by Locality**

The highest number of player visits occurred in the Northern Harbour and Southern Harbour districts, accounting for 43.2% and 23.8% of all visits, respectively. These two districts are also characterised by the highest number of outlets, eight and six respectively, which explains the concentration levels of visits. The remaining visits were distributed between the remaining districts, that is, Northern (18.0%), South Eastern (10.6%) and Gozo and Comino (4.4%). It is to be noted that within the Western District, there are no longer any authorised establishments operating Controlled Gaming Premises.

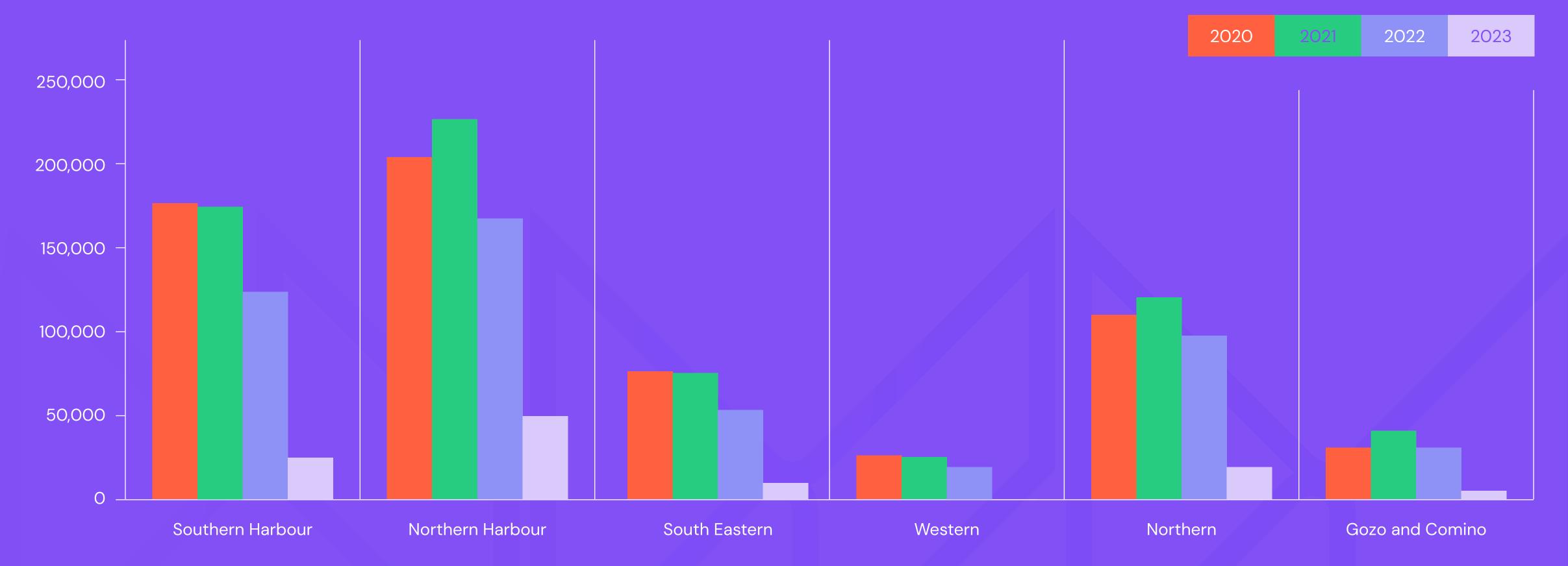


Chart 9: Controlled Gaming Premises - Number of Visits by District

#### Gaming Premises – Controlled Gaming Premises: New Players' Registrations

3,385 new registrations were recorded at the controlled gaming premises during 2023. This marks a decrease of 56.5% compared to 2022. Such a drop follows the explanation provided above for Players' Visits.

	2020	2021	2022	2023
Total	5,601	6,866	7,790	3,385

Table 19: Controlled Gaming Premises - New Players' Registrations

#### **Gaming Premises – Controlled Gaming Premises: Players' Profile**

#### Nationality

The share of visits to gaming parlours by Maltese players continued to decline and stood at 39.0% during 2023, resulting in an overall drop of 9.1 percentage points from the level recorded in 2022. This trend continues to reflect the changing demographic composition of the resident population in Malta.

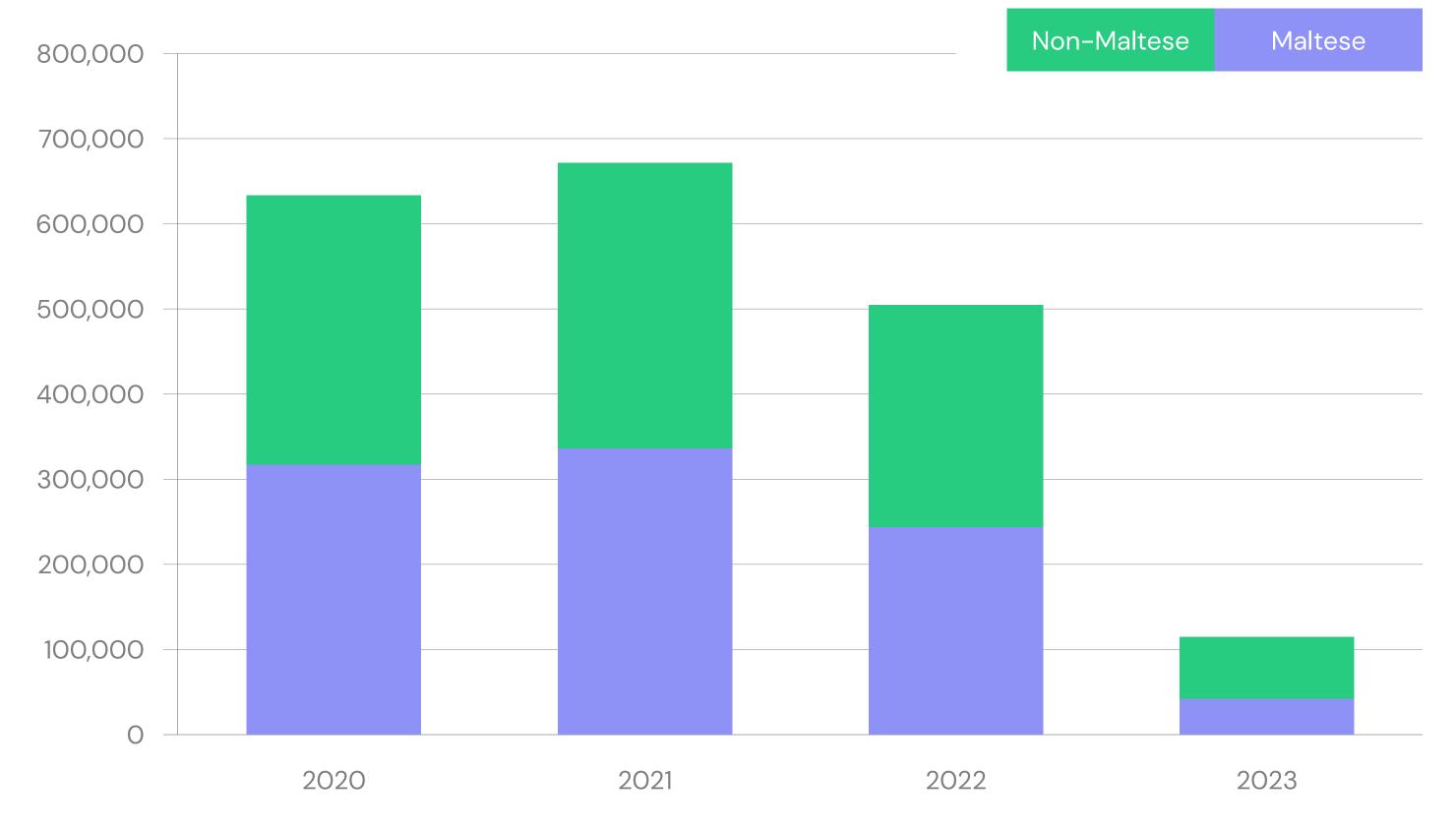


Chart 10: Controlled Gaming Premises - Players' Profile by Nationality

#### **Gaming Premises – Controlled Gaming Premises: Players' Profile**

#### **Demographic Group**

Visits by players from the 35-54 and 25-34 age brackets continued to constitute the largest demographic category of visitors to gaming premises, accounting for 45.6% and 23.6% of all visits, respectively. Visits by players from the 65+, 55-64 and 18-24 age brackets accounted for 13.1%, 11.6% and 6.2% of the total visits registered during 2023, respectively.

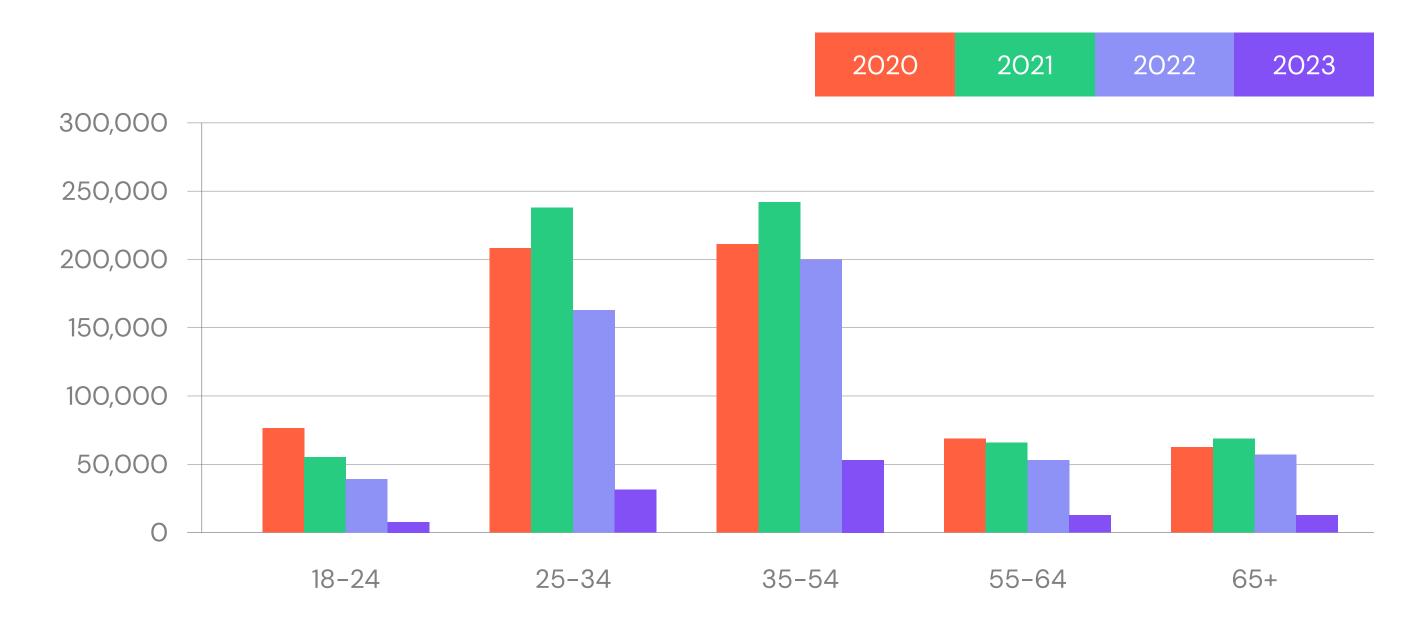


Chart 11: Controlled Gaming Premises - Players' Profile by Age Group Distribution

Furthermore, controlled gaming premises are mostly popular with males, whose visits accounted for 79.5% of the total visits registered during 2023.

#### **Gaming Premises – Controlled Gaming Premises: Gaming Revenue**

The GR generated by controlled gaming premises reported a significant decrease of 72.3% when compared to the same period in 2022. This is in line with the reported lower number of visits, which is, in turn, attributed to the fact that one of the major operators is no longer being captured under this section due to a change in its business model. Out of the total GR generated during 2023, 75.9% was generated from Type 1 games, 23.8% from Type 2 games, and 0.3% from Type 3 games.

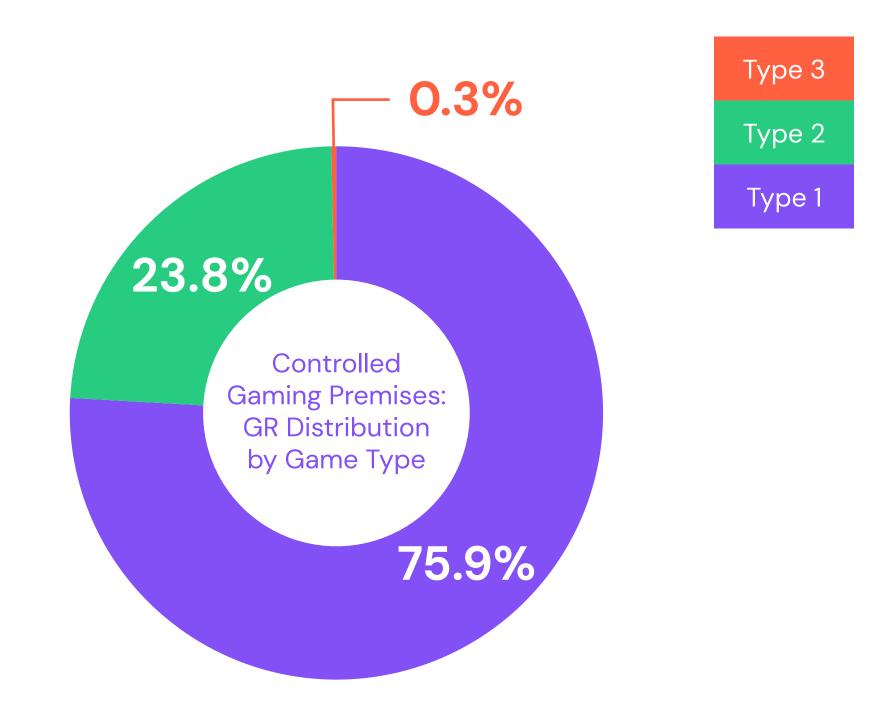


Chart 12: Controlled Gaming Premises - GR Distribution by Game Type

# Gaming Premises – Controlled Gaming Premises: Gaming Revenue

#### **Average GR per Visit**

The average GR per visit to controlled gaming premises stood at €24.1. This increase in the average GR per visit reflects a higher average spend by the players who visited the controlled gaming premises during the period under review.

	2020	2021	2022	2023
Total [€]	15.5	13.6	20.3	24.1

Table 20: Controlled Gaming Premises - Average GR per Visit

# Gaming Premises – Controlled Gaming Premises: Compliance Contribution

The MGA collected a total of €892,883 from the operators of controlled gaming premises.

	2020	2021	2022	2023
Total [€]	2,441,156	2,375,831	2,526,350	892,883

Note: The above figures include the compliance contribution fee, licence fees, and 5% consumption tax on customers located in Malta in line with the Gaming Tax Regulations (S.L. 583.10).

Table 21: Controlled Gaming Premises - Compliance Contribution

#### **Gaming Premises – Controlled Gaming Premises: Employment**

By the end of 2023, the number of FTE direct employees working in the controlled gaming premises amounted to 61, an overall decrease of 26.5% when compared with the figure reported for 2022. This drop is due to a change in the model of two operators, which merged into a different business model.

	End-2020	End-2021	End-2022	End-2023
Total	153	177	83	61

Table 22: Controlled Gaming Premises - Employment (FTE)

At the end of 2023, 60.7% of all controlled gaming premises' employees were male, an increase of 6.2 percentage points when compared to the ratio reported in December 2022. On the other hand, the ratio between Maltese and non-Maltese employees decreased by 24.8 percentage points when compared to the figures reported in December 2022, such that the figure for Maltese employees stood at 37.7% as at the end of 2023.



## Gaming Premises - Commercial Bingo

#### **Gaming Premises – Commercial Bingo: Number of Establishments**

During the period under review, two commercial bingo halls, located in Qawra and Paola, possessed an MGA licence. Moreover, during 2023, two commercial bingo halls, namely the ones in B'Kara and Valletta, stopped their bingo operations.

#### **Gaming Premises – Commercial Bingo: Game Types**

At the end of 2023, both commercial bingo licensees were approved to offer peer-to-peer bingo/poker under Type 3 games<sup>12</sup>.

#### **Gaming Premises – Commercial Bingo: New Players' Registrations**

The commercial bingo sector reported 1,857 new registrations, a considerable increase over the figure reported in the previous year and signalling a steady shift towards pre-COVID trends.

	End-2020	End-2021	End-2022	End-2023
Total	719	647	1,232	1,857

Table 23: Gaming Premises - Commercial Bingo - New Players' Registrations

#### **Gaming Premises – Commercial Bingo: Players' Visits**

When compared to the same reporting period in 2022, the number of players' visits to commercial bingo halls increased by 3.9%.

	End-2020	End-2021	End-2022	End-2023
Total	89,734	83,160	113,899	118,382

Table 24: Gaming Premises - Commercial Bingo - Number of Visits

For a better comparison, the chart below presents the number of monthly visits registered in the commercial bingo sector between 2020 and 2023. The number of visits during July-December was comparable over the last three years.

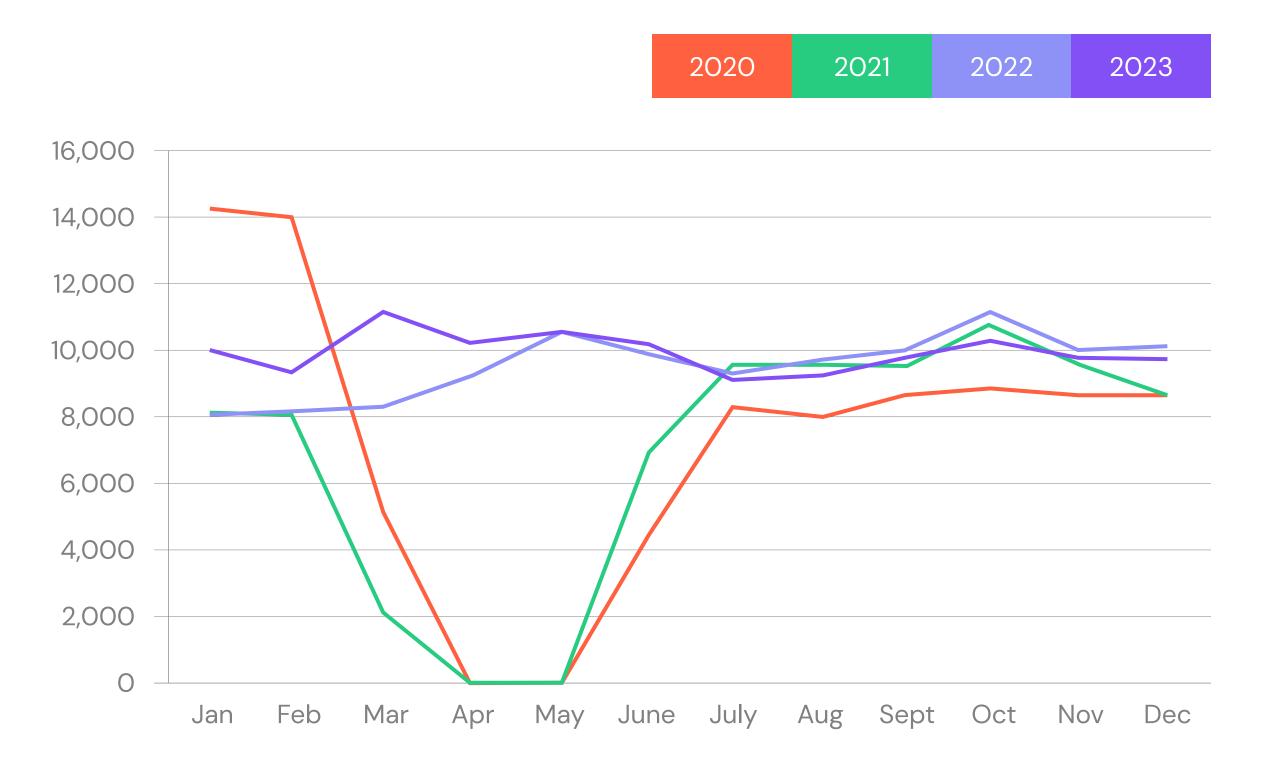


Chart 13: Gaming Premises - Commercial Bingo - Number of Visits

For more information on the game types, please refer to Point 6 of the Methodology.

#### **Gaming Premises – Commercial Bingo: Players' Profile**

#### Nationality

Visits to commercial bingo halls were predominantly made by Maltese residents, constituting 97.3% of the total visits reported. This is in line with the trends observed in the previous reporting periods.

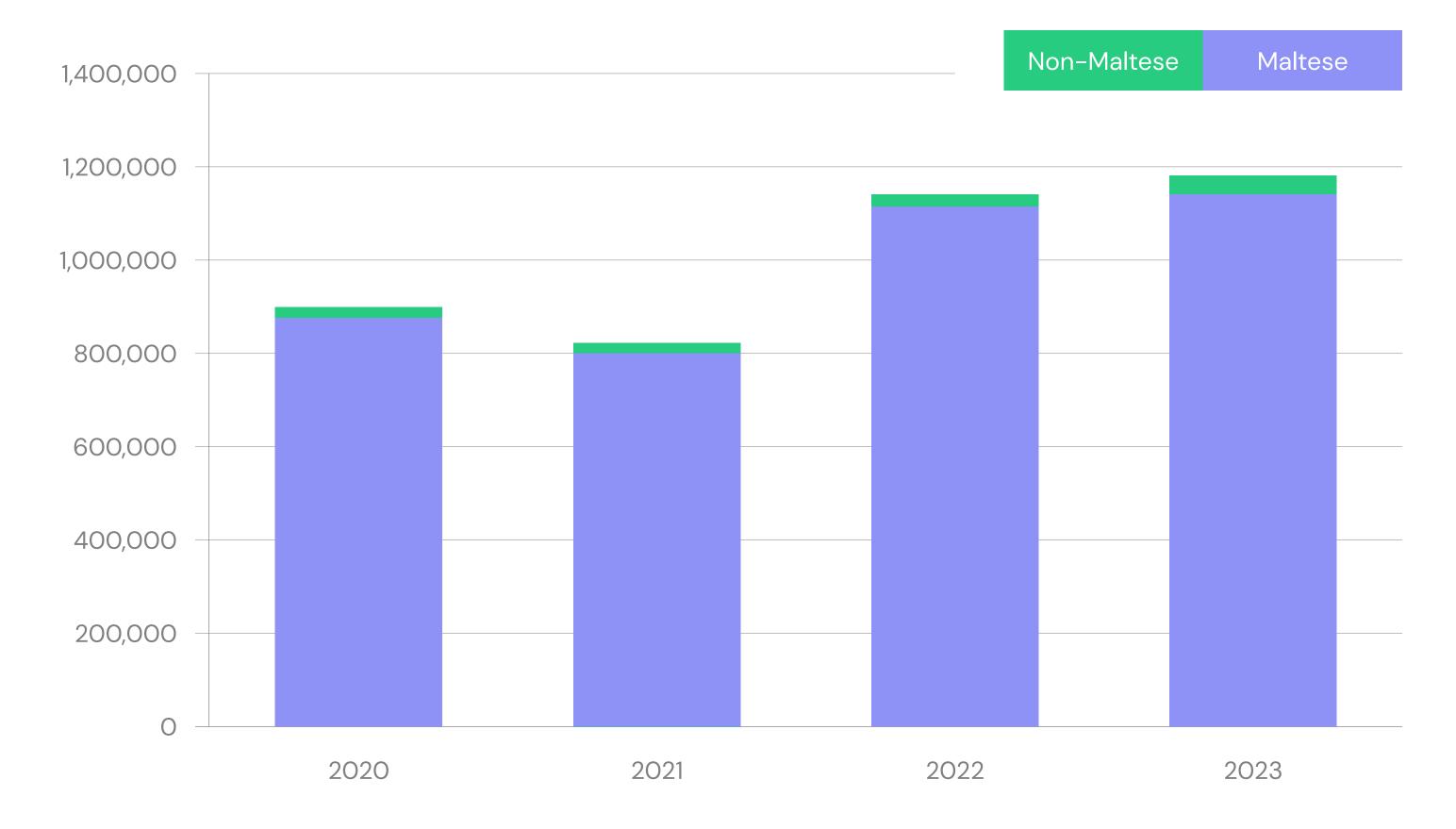


Chart 14: Gaming Premises - Commercial Bingo - Players' Profile by Nationality



#### **Gaming Premises – Commercial Bingo: Players' Profile**

#### **Demographic Group**

Visits by players aged 65 years or over continued to represent the highest share (67.1%) of the total visits registered by the commercial bingo sector. Visits by players from the 18–24, 25–34, 35–54 and 55–64 age brackets accounted for 0.7%, 1.6%, 11.7% and 18.9% of total visits registered in 2023, respectively.

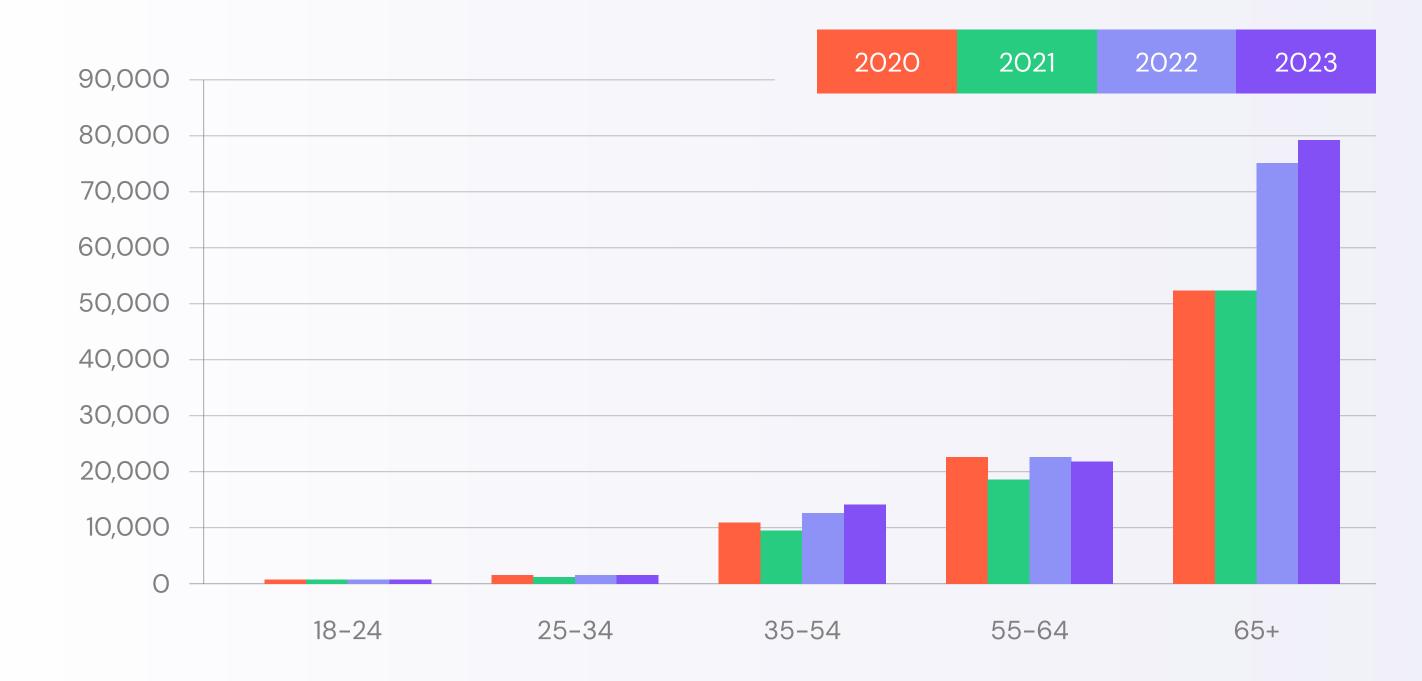


Chart 15: Gaming Premises - Commercial Bingo - Players' Profile by Age Group Distribution

87.9% of visits to commercial bingo halls were

by women

Similar to what was recorded in previous reporting periods, most players who visited commercial bingo halls during 2023 were women, accounting for 87.9% of all the visits made.

#### **Gaming Premises – Commercial Bingo: Gaming Revenue**

In 2023, the GR of the commercial bingo sector increased by 7.5% when compared to 2022. This is attributed to the 3.9% increase in players visiting commercial bingo, as reported above.

#### Average GR per Visit

The average GR per visit as at the end of 2023 stood at €16.0, a slight increase of 3.4% when compared to 2022.

	2020	2021	2022	2023
Total [€]	15.9	15.0	15.5	16.0

Table 25: Gaming Premises - Commercial Bingo - Average GR per Visit

#### **Gaming Premises – Commercial Bingo: Compliance Contribution**

The MGA collected a total of €399,288 by way of fees and taxes owed by the commercial bingo hall operators in terms of the applicable legislation.

	2020	2021	2022	2023
Total [€]	294,050	249,784	351,070	399,288

Note: The above figures include the compliance contribution fee, licence fees, and 5% consumption tax on customers located in Malta in line with the Gaming Tax Regulations (S.L. 583.10).

Table 26: Gaming Premises - Commercial Bingo - Compliance Contribution

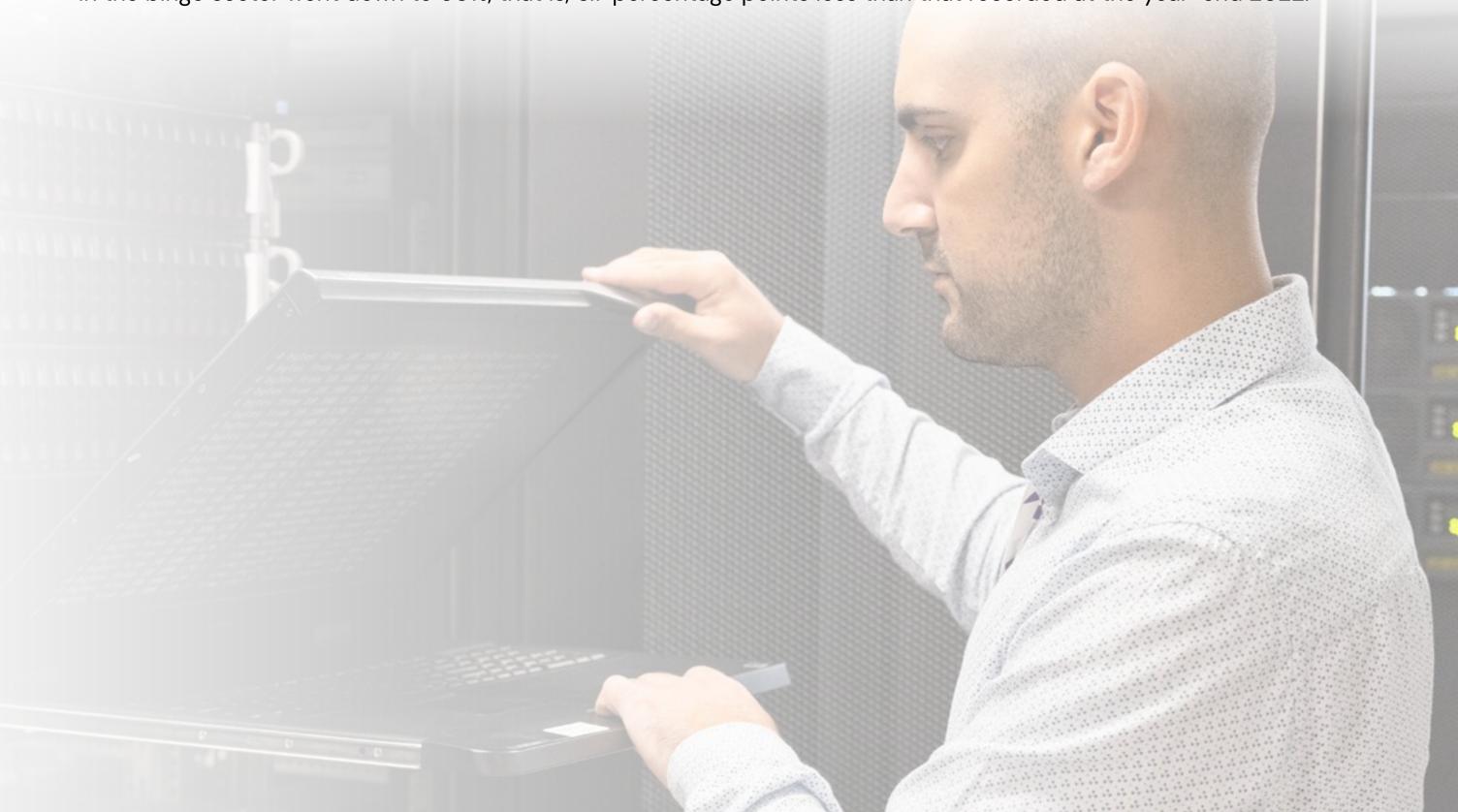
#### **Gaming Premises – Commercial Bingo: Employment**

By the end of December 2023, the commercial bingo sector directly employed 25 FTE employees.

	end-2020	end-2021	end-2022	end-2023
Total	32	33	29	25

Table 27: Gaming Premises - Commercial Bingo - Employment (FTE)

At the end of 2023, 86.7% of all commercial bingo hall employees were female, an increase of 10.9 percentage points compared to the figures reported at the end of December of the previous year. The ratio of Maltese nationals employed in the bingo sector went down to 60%, that is, 6.7 percentage points less than that recorded at the year-end 2022.



## **National Lottery**

National Lottery plc started its operations on 5 July 2022. For statistical purposes, the performance for the second half of 2023 will only be compared to the first half of 2023 and the second half of 2022 since differences in the overall suite of products and distribution network make the overall operation not comparable to the operation which existed before this period.

### **National Lottery: Number of Outlets**

At the end of the reporting period, the total number of National Lottery Outlets (NLOs) across Malta and Gozo stood at 246.

	Jul-Dec 2023	Jul-Dec 2023	end-2023
Total	198	221	246

Table 28: National Lottery - Outlets

As at the end of December 2023, National Lottery was in possession of an approval to offer Type 1, Type 2 and Type 3<sup>13</sup> games. Each game type is subdivided into verticals, as presented in Table 29 below<sup>14</sup>.

Type 1	1
Lotteries	1
Type 2	1
Fixed Odd Betting, including Live Betting	1
Type 3	1
Pool Betting, including Betting Exchange	1
Type 4	0
Games of Skill	0

Table 29: National Lottery – Game Types Verticals

**National Lottery: Game Types** 

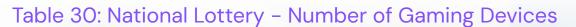
<sup>&</sup>lt;sup>13</sup> For more information on the game types, please refer to Point 6 of the Methodology.

<sup>14</sup> The table shows an abridged list of the gaming verticals, to show only those that are being used. For a full list of the gaming verticals, please refer to Point 6 of the Methodology.

### **National Lottery: Number of Gaming Devices**

As at the end of 2023, the total number of gaming devices at NLOs stood at 580, including 257 sports-betting terminals and 323 electronic gaming machines.

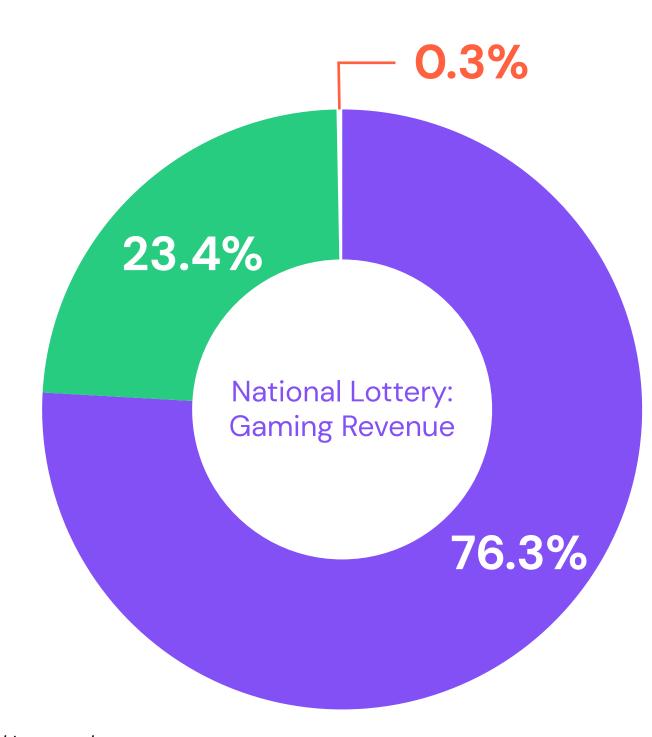
	Jul-Dec 2022	Jan-Jun 2023	Jul-Dec 2023
Sports Betting Terminals	211	301	257
Electronic Gaming Machines	247	278	323
Total	458	579	580





### **National Lottery: Gaming Revenue**

Of the total GR generated during 2023, 76.3% was generated from Type 1 games, including Lottery and Casino-Type games. A further 23.4% was generated from Type 2 games, mainly constituting sports betting games, whereas the remaining 0.3% was generated from Type 3 games, primarily constituting Pool Betting, including Betting Exchange.



Type 1

Type 2

Type 3

Source: National Lottery plc

Chart 16: National Lottery - GR by Game Type

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### **National Lottery: Taxation**

In the second half of 2023, the MGA collected almost €9.4 million by way of fees and taxes owed by the National Lottery operator in terms of the applicable legislation.

	Jul-Dec 2022	Jan-Jun 2023	Jul- Dec 2023
Total [€]	6,725,783	8,260,453	9,361,902

Note: The above figures include the compliance contribution fee, licence fees, and 5% consumption tax on customers located in Malta in line with the Gaming Tax Regulations (S.L. 583.10).

Table 31: National Lottery - Compliance Contribution

### **Contribution to the Social Causes Fund**

In addition to gaming tax, in accordance with the law as well as the concession conditions, National Lottery plc also contributes to the Social Causes Fund. During the second half of 2023, the contribution amounted to €383,623.

	Jul-Dec 2022	Jan-Jun 2023	Jul-Dec 2023
Total [€]	353,043 <sup>15</sup>	335,728	383,623

Table 32: National Lottery – Contribution to the Social Causes Fund

### **National Lottery: Employment**

As at the end of December 2023, the total number of FTE direct employees working in National Lottery plc stood at 234.

	Jul-Dec 2022	Jan-Jun 2023	Jul-Dec 2023
Total	235	229	234

Note: The above figures include the compliance contribution fee, licence fees, and 5% consumption tax on customers located in Malta in line with the Gaming Tax Regulations (S.L. 583.10).

Table 33: National Lottery - Employment (FTE)

The proportion of male employees reached 65.1% at the end of December 2023, a slight decrease of 0.6 percentage points compared to the first half of 2023. Furthermore, the share of Maltese employees stood at 87.7%, an increase of 1.9 percentage points over the share recorded as at the end of June 2023.



<sup>15</sup> This figure also includes contributions made by the previous National Lottery operator.

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## Land-Based Gaming: Self-Exclusion

The legislative framework enables players to voluntarily withdraw themselves from gaming activities for a definite or indefinite period of time. Players who use the self-exclusion programme will not be allowed to access land-based casinos, commercial bingo halls, or controlled gaming premises for the applicable self-exclusion period. Those players who opt to exclude themselves for a definite period, either six months or a full year, can re-engage in gaming activities upon the expiry of the pre-set period. Players who opt to exclude themselves indefinitely can only reverse such a decision if a medical certificate is presented, indicating that the person is no longer a compulsive gambler.

### **Number of Self-Exclusion Requests**

In 2023, a total of 1,596 players submitted a request to self-exclude from land-based gaming establishments, an increase of 4.2% over the previous year. The lower number of requests observed in 2020 and 2021 over the past two years could be explained by restrictions to gaming activities set to combat the spread of COVID-19.

	2020	2021	2022	2023
6 months	577	509	659	646
12 months	680	738	871	950
Indefinite	1	0	1	0
Total	1,258	1,247	1,531	1,596

Table 34: Land-Based - Number of Self-Exclusion Requests

Of the 1,596 players who requested a self-exclusion, 59.5% opted for a one-year exclusion, while 40.5% opted for a six-month exclusion. In 2023, no players made requests for indefinite exclusions.

Considering the ages of the players requesting self-exclusion, the trend observed remained similar to previous years. In 2023, most requests were received from age group 35–54, accounting for 39.5% of the total requests, whilst the least number of requests was received from age group 18–24, accounting for 2.9% of the requests. The remaining requests were shared between the remaining age groups, 25–34, 55–64 and 65+, registering 22.1%, 17.6% and 17.9% of the total requests, respectively. Considering the gender of the players, as in previous years, most players requesting a self-exclusion were male, accounting for 75.7% of the requests.

### Other Land-Based Games

### Low-Risk Games

The regulatory framework classifies non-profit games, commercial communication games, and limited commercial communication games as low-risk, as per the Fifth Schedule of the Gaming Authorisations Regulations, 2018. Low-risk games require a permit valid only for a singular event, which expires when the event is concluded.

### **Non-Profit Games**

A non-profit game is a licensable game wherein the stake cannot exceed €5 per player, and over 90% of the net proceeds are forwarded to an entity with a charitable, sporting, religious, philanthropic, cultural, educational, social, or civic purpose.

	2020	2021	2022	2023
Non-profit lottery	6	16	18	20
Non-profit tombola	867	743	1,333	1,532

Table 35: Non-Profit Games - Permits Issued

More permits were issued in 2023 when compared to the previous years. The lower number of permits issued in 2020 and 2021 is attributed to the restrictions on gaming activities due to the COVID-19 pandemic. Following the easing of these restrictions in 2022, the number of non-profit games started to pick up again and experienced a further increase in 2023. Furthermore, public awareness of the requirement to obtain a permit to organise these activities has increased, contributing to the higher number of permits issued in 2023.

### **Commercial Communication Games**

Commercial communication games are games organised to encourage or promote the selling of products or services. Any payments required to be made by the participant serve only to acquire the promoted goods or services and not to participate in the game. However, it may be a condition that a person purchases the promoted goods or services to participate in the game. These games are also subject to several restrictions, including the fact that the prizes offered cannot exceed €100,000 in any calendar month or €500,000 during any calendar year. In 2023, the MGA issued 36 certificates for commercial communication games.

#### **Limited Commercial Communication Games**

A limited commercial communication game is a game that includes a stake and a prize. For a game to qualify as a limited commercial communication game, the value of the stake cannot exceed €2 per player. The MGA has not received any permit applications for such games yet.

## Online Gaming: Number of Companies

At the end of 2023, the number of gaming companies holding a valid active licence to offer a gaming service stood at 305, as shown in Table 36 below.

In 2018, the Gaming Act introduced the concept of a corporate group licence, which allows multiple companies to be covered by one group licence. Entities falling under a corporate licence are jointly considered by the Authority to be one licensed entity and, for the purpose of these statistics, are considered one operating company. At the end of 2023, 48 online companies held corporate group licences, with 148 entities forming part of the respective groups.

	2020	2021	2022	2023
No. of companies (Note 1)	314	332	338	305
Additional companies falling under the Corporate Group Licence	141	165	134	148

Note 1: The reported number of companies relates to the figures as of the end of December respectively. These figures refer solely to MGA-licensed entities and include the active licences base, that is, those entities that have a valid licence to offer a gaming service. Figures for 2022 and 2023 are not comparable to previous reporting periods due to a change in methodology on the definition of what constitutes an active company, which now includes those which are active, voluntary suspended or suspended.

Table 36: Online Gaming – Number of Companies (End-Dec)

## Online Gaming: Distribution of Licences by Category

Under the current framework, operators can use the same licence to offer multiple games and only require multiple licences if they are to offer both B2C and B2B services. At the end of 2023, the B2B group of licences accounted for 50.6% of the total licence base. This is indicative of an important trend change, whereby the jurisdictional business model under the Maltese Gaming licence is progressively evolving towards a lower risk stance while building on a more diversified skills base consistent with B2B activities. This was one of the principal aims of the reform in the regulatory regime effected in 2018.

Out of the 48 corporate group licences that were active at the end of 2023, 27 referred to B2C-related operations, whilst the remaining 21 were for B2B-related activity.

	2020	2021	2022	2023
B2C – Gaming Service Licence (Note 2)	196	197	187	155
of which are the B2C – Corporate Licences	24	27	29	27
B2B – Critical Supply Licence (Note 2)	122	144	160	159
of which are the B2B – Corporate Licences	11	13	15	21

Note 2: The reported number of licences relates to the figures as of the end of December respectively. These figures refer solely to MGA-licensed entities and include the active licences base, that is, those entities that have a valid licence to offer a gaming service. Figures for 2022 and 2023 are not comparable to previous reporting periods due to a change in methodology on the definition of what constitutes an active licence, which now includes licences which are active, voluntary suspended or suspended.

Table 37: Online Gaming - Distribution of Licences by Category (End-Dec)

## Online Gaming: Distribution of B2C Licences by Game Type

Four different game types can be offered by the licensees according to the present licensing regime<sup>16</sup>. An operator can offer one or multiple game types. As in prior reporting periods, as at the end of December 2023, most active B2C operators possessed an approval to offer Type 1 and Type 2 games, as presented in Table 38 below.

	2020	2021	2022	2023
Type 1	164	167	155	136
Type 2	118	125	117	95
Type 3	38	47	44	38
Type 4	10	13	13	9

Table 38: Online Gaming - B2C - Game Types (End-Dec)

# Online Gaming: Distribution of B2B Licences by Game Type

As shown in Table 39 below, most online B2B licences hold approval to offer services relating to Type 1 games, as in previous reporting periods.

	2020	2021	2022	2023
Type 1	104	116	138	138
Type 2	28	36	44	43
Type 3	17	20	20	21
Type 4	4	5	4	4

Table 39: Online Gaming - B2B - Game Types (End-Dec)

# Online Gaming: Distribution of B2C Licences by Game Type and Vertical

The following chart indicates the game-type approvals and verticals possessed by the B2C licensees as at the end of 2023. A licensee may occupy approval to offer services of more than one vertical within a game type. The number of verticals reported under each type does not represent a share of the total type approvals but rather the frequency of the vertical that falls under that type.



<sup>&</sup>lt;sup>16</sup> For more information on the game types, please refer to Point 5 of the Methodology.

# Online Gaming: Distribution of B2B Licences by Game Type and Vertical

The following chart indicates the game-type approvals and verticals possessed by the B2B licensees at the end of 2023. A licensee may be approved to offer services of more than one vertical within a game type. The number of verticals reported under each type does not represent a share of the total type approvals but rather the frequency of the vertical that falls under that type.



## Online Gaming: Customer Accounts

### **Active Player Accounts**

The number of active player accounts<sup>17</sup> registered on the websites licensed by the MGA increased by 1.7% when compared to 2022, reaching almost 37.0 million accounts.

	2020	2021	2022	2023
Total	36,196,001	35,459,498	36,388,607	36,991,769

Table 40: Online Gaming - Active Player Accounts

### **New Active Player Accounts**

The estimated number of new active player accounts stood at 17.4 million, corresponding to a 3.8% decrease when compared to 2022.

	2020	2021	2022	2023
Total	15,938,919	16,498,630	18,095,980	17,414,971

Table 41: Online Gaming - New Active Player Accounts

On the other hand, the number of new registrations experienced a decrease of 14.7% when compared to 2022.

Active accounts are defined as accounts belonging to customers who played at least once during the year under review.

## Online Gaming: Players' Profile

### **Demographic Group**

Players from the 25-34 age group remained the largest category of players, accounting for 34.6% of the players using websites regulated by the MGA in 2023. This was followed by players aged between 35 and 54 years. Chart 17 indicates that there may be a general tendency towards an ageing in the composition of the population of players, which could, however, be in good part attributed to changes in the base of operators under the Malta licence. In the medium to longer term, the potential impacts of changing preferences by different demographic cohorts would need to be monitored.

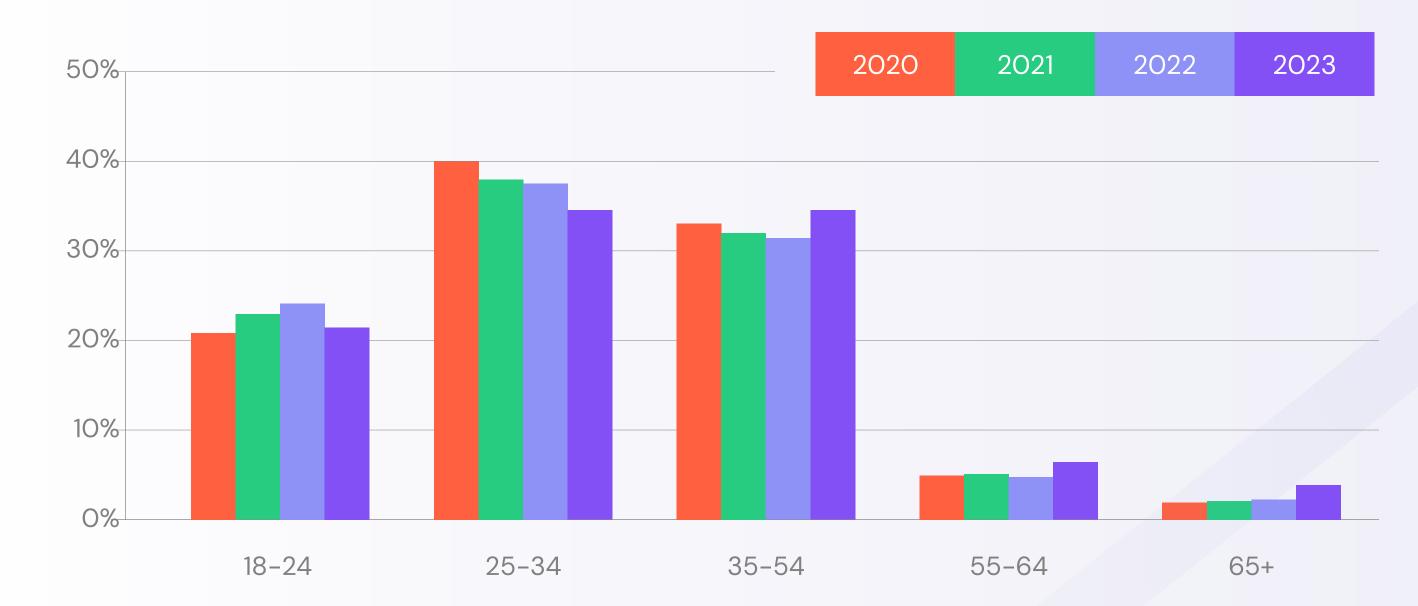


Chart 17: Online Gaming - Players' Profile by Age Group Distribution

of total online players were males

Regarding gender distribution, males continued to constitute the largest category of players, accounting for 67.7% of the total player base. A slight increase has been observed in the number of female players, reaching 24.7% during 2023, compared to the 20.5% recorded last year.

#### Number of Exclusions

All B2C licence holders must have systems that allow online gamblers to self-exclude for a definite or infinite amount of time. While players within the online gaming market can make requests of their own, the gaming operator may impose exclusions on a player, particularly in cases where there are enough indications that the player may have gambling problems.

Through the data collected by the MGA from online gaming licensed operators during 2023, it has been estimated that the total number of self-exclusion requests (sign-ups) by online players amounted to almost 3.0 million, part of which may represent multiple self-exclusions by a single player on more than one website. This represents an increase of 55.0% over the same period of 2022. The number of exclusions imposed by the B2C licensees has more than doubled compared to the same period last year and amounted to around 2.1 million exclusions. Such increases mainly reflect increases in activity and in compliance monitoring.

The majority of players opt for a definite period of voluntary self–exclusion (87.4%). The remaining 12.6% opted for an indefinite period of exclusion. During the same reporting period, 6.7% of the self–excluded players approached operators to reverse or cancel their self–exclusion request. These exclude the instances where the self–exclusion was removed upon expiry of the exclusion term.

In the case of those exclusions imposed by the online operator, in line with previous trends, the absolute majority (95.0%) were imposed indefinitely.

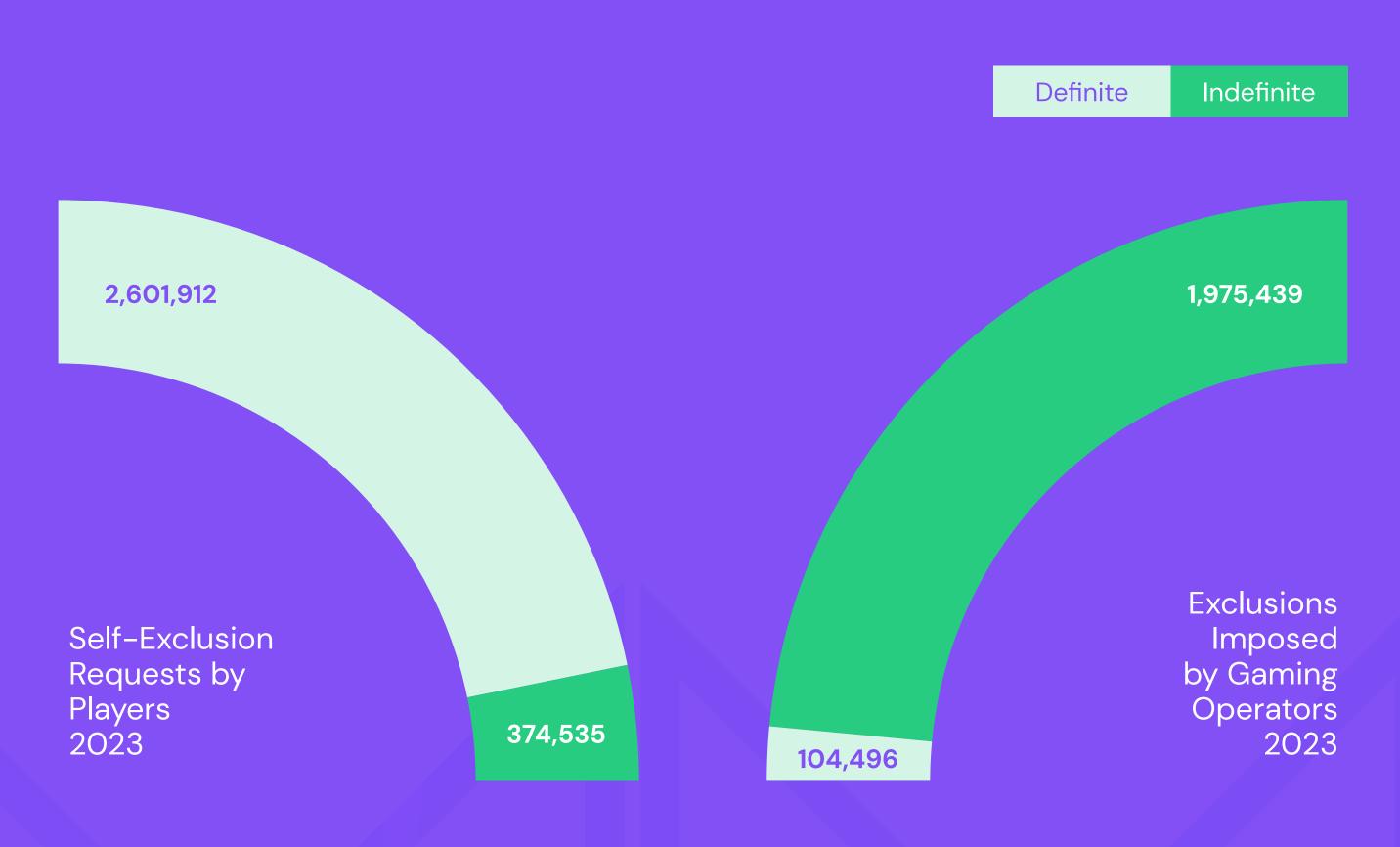


Chart 18: Online Gaming - Number of Self-Exclusion Requests

Analysing the age distribution of self-excluded online players, those aged between 25 and 34 remained the most likely to use the self-exclusion service, accounting for 36.7% of all requests that were made, followed by those within the 35–54 age category (32.4%) and the 18–24 age group (21.4%). The remaining 9.6% of exclusion requests pertained to those individuals aged 55+.<sup>18</sup>

Data on the gender distribution of self-exclusions is no longer gathered as of 2023.

### **Number of Limits Set and Hit**

Players can impose limits on their gaming activity as a form of an additional responsible gaming measure to reduce gaming addiction and further protect the player. Any limit set can only be amended or removed upon request of the relevant player or expiry of the set duration. These measures are intended to empower players by granting them increased control over time or money spent on gaming activities.

Online players have set over 16.6 million limits covering the four different limit categories, as explained in Chart 19, with the absolute majority of the total limits set on deposit limits (95.8%). The number of players setting limits has increased by 24.9% over the last year. This increase is primarily attributed to the fact that limits are a regulatory requirement for certain players in specific countries. During the same period, 3.5% of these set limits have been hit by the players, with total hits during this period amounting to just under 0.6 million.

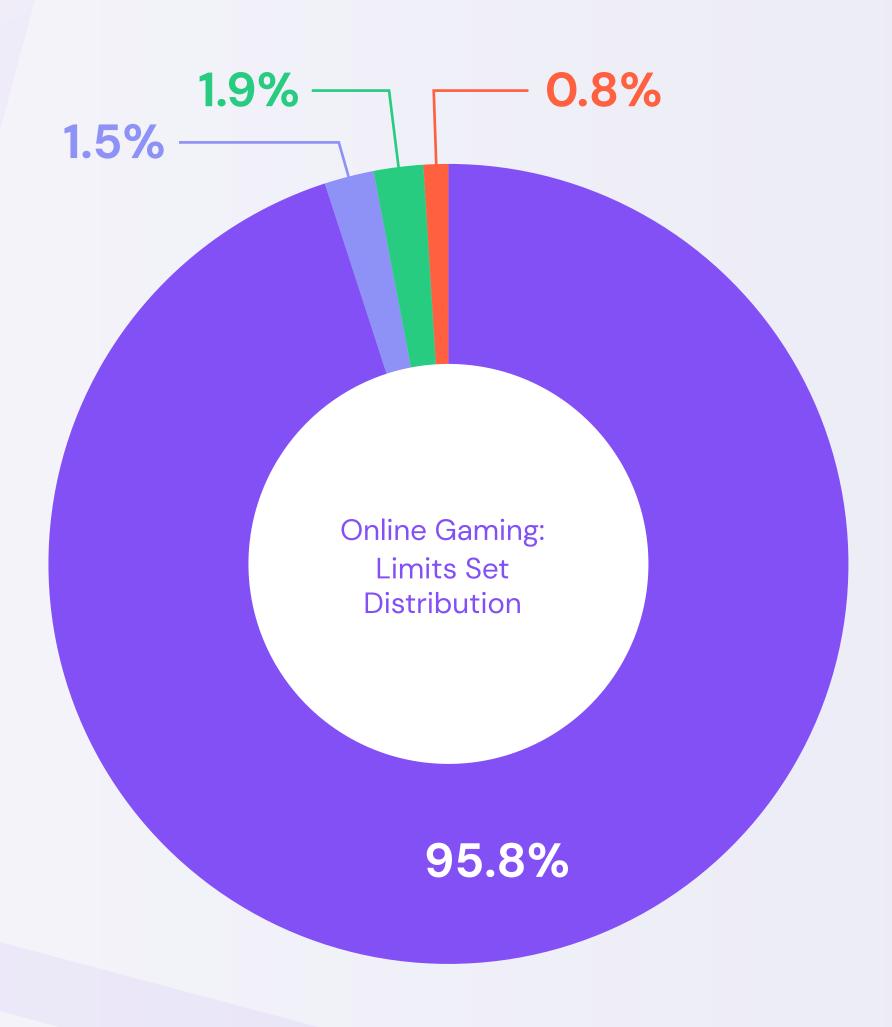


Chart 19: Online Gaming – Limits Set Distribution

Deposit Limit

Loss Limit

Time/Session Limit

Wagering Limit

### **Methods of Deposit**

Bank transfers continued to be the most common deposit method used by clients of MGAlicensed companies, accounting for 51.0% of all deposit methods. Comparatively, deposits made through credit/debit cards accounted for 25.1% of all payments, whilst deposits made through e-wallets and online accounts constituted 16.1% of the total deposits. The remaining 7.8% of payments were made through other methods.

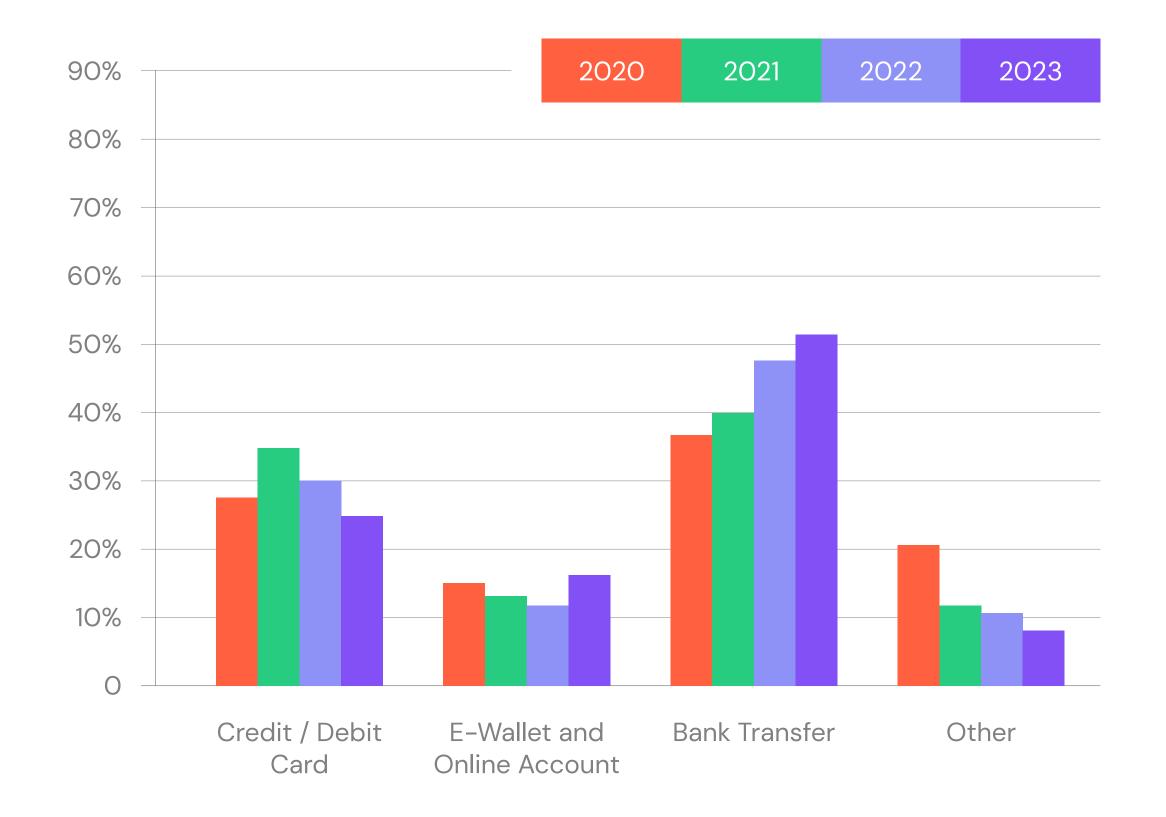


Chart 20: Online Gaming – Methods of Deposits

### **Methods of Withdrawal**

Similar to the preferred methods of deposits, bank transfer was the most preferred method of withdrawal by players, constituting 72.1% of all withdrawals. Online gaming operators indicated that e-wallet and online accounts, together with credit/debit cards, were the chosen method for 19.0% and 6.5% of withdrawals, respectively. The remaining 2.4% of the withdrawals were made through other methods.

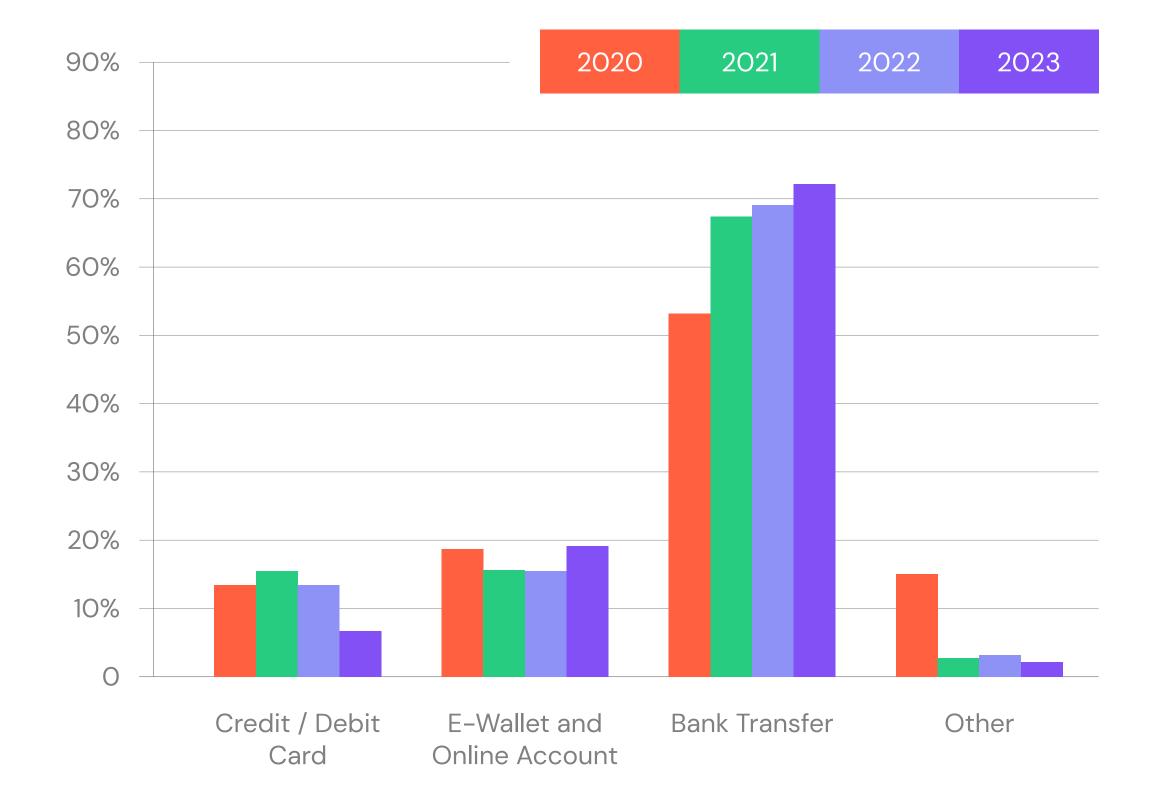


Chart 21: Online Gaming – Methods of Withdrawal

## Online Gaming: Gaming Revenue from Customer Gaming Activities

It is estimated that 72.7% of the total GR of the B2C licensees operating in the online industry was generated through gaming activities classified under the Type 1 group, which is a minor decrease of 0.3 percentage points when compared to the previous year. In contrast, the GR generated from games falling under the Type 2 category accounted for 22.0% of the total, thereby recording a share similar to that registered last year. The share in GR of Type 3 decreased slightly to 5.3% from the 6.5% reported for 2022.

The activity reported for the controlled skill games classified under Type 4 was minimal when compared with other game types and accounted for less than 1% of the total GR generated in 2023.

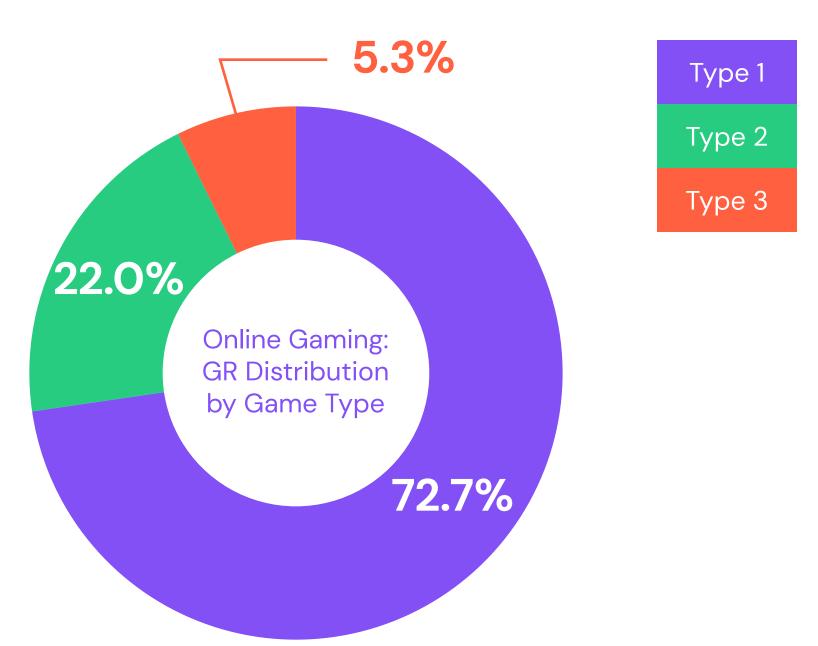


Chart 22: Online Gaming - GR Distribution by Game Type

Compared to the last year, the distribution of GR across the various game types is very similar. The increase in interest observed in Type 2 games during the COVID-19 pandemic was due to the complete cancellation of national leagues and major sporting events during that time. Since then, the interest in Type 2 games has stabilised, with interest again restored to Type 1 games, as shown in Chart 23 below.

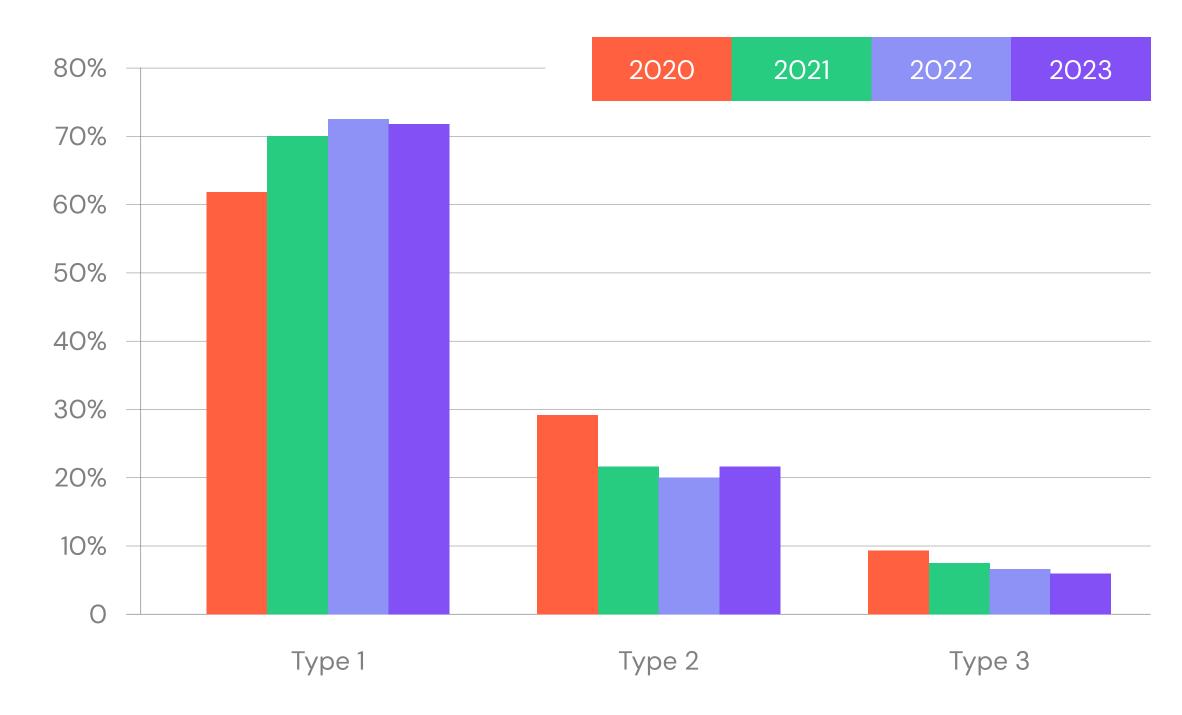


Chart 23: Online Gaming - GR Distribution by Game Type

### **Type 1 Games**

Out of the 72.7% of the total GR generated through Type 1 games, 80.4% came through slot games, whilst 12.1% came through table games. The remaining 7.5% of the GR for the Type 1 group was generated through other games, the most popular of which were secondary lotteries.

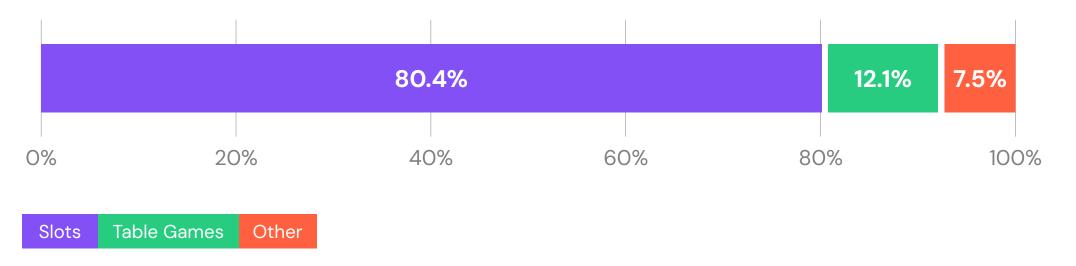


Chart 24: Online Gaming - Type 1 Games - GR Distribution

### **Type 2 Games**

When considering the GR generated from Type 2 game categories, the highest portion of GR has consistently come from football, standing at 81.2%. Bets on tennis accounted for 7.2% of the GR from Type 2 games, followed by 6.3% from basketball. The GR generated from cricket constituted 2.9% of the total GR from Type 2 games, while the remaining 9.3% was generated through other bets, including esports, betting on horses, golf and motorsports.

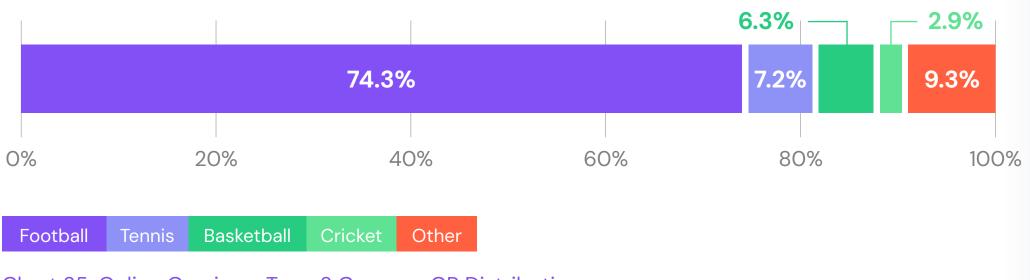
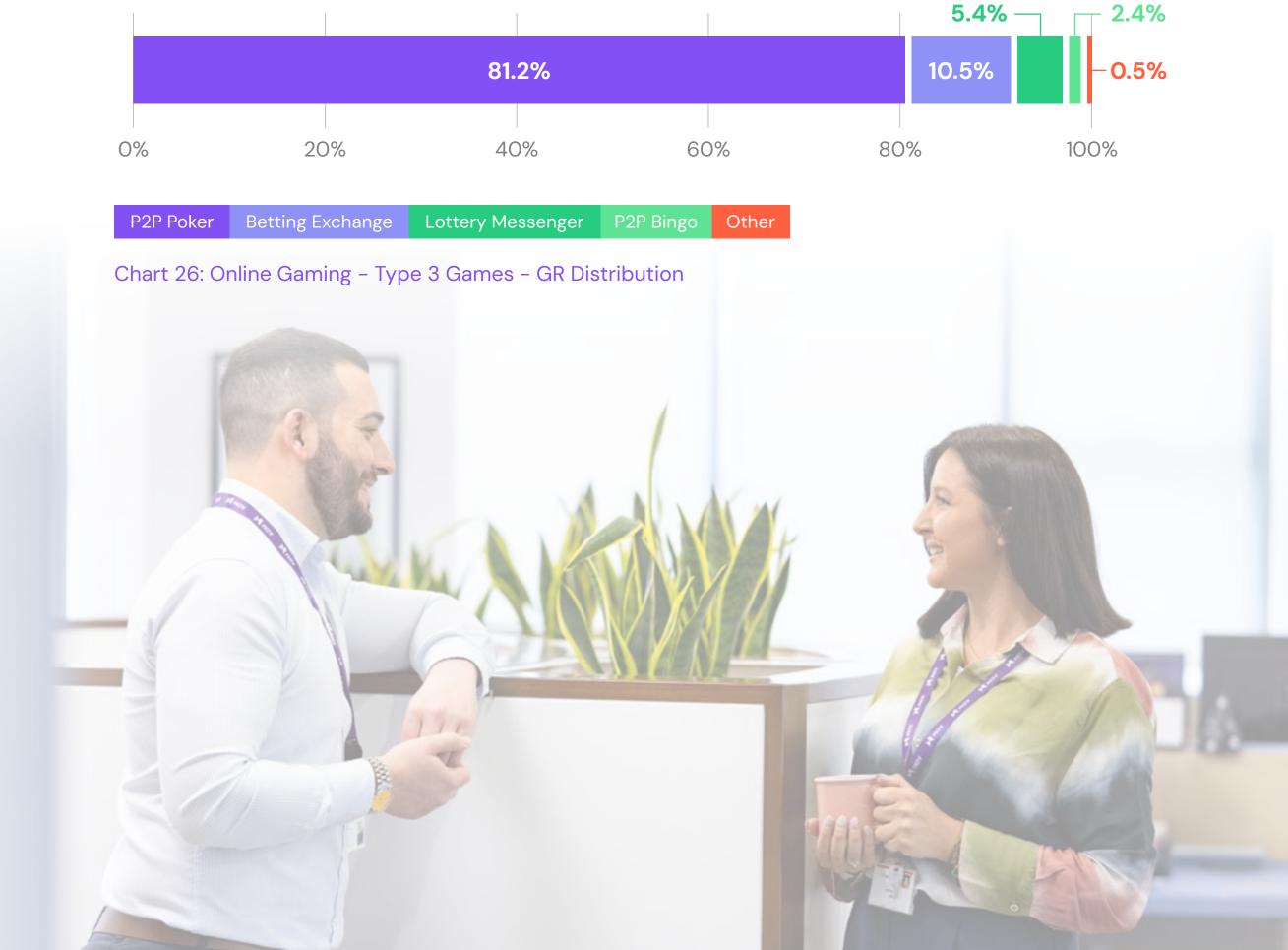


Chart 25: Online Gaming - Type 2 Games - GR Distribution

### **Type 3 Games**

The preference towards peer-to-peer (P2P) poker is sustained, being the highest GR generating Type 3 game, covering 81.2% of the GR generated from Type 3 games. Betting exchanges accounted for 10.5%. The share of GR from Lottery Messenger has increased to 5.4%, while P2P Bingo stood at 2.4%. The remaining 0.5% of the GR was generated by other games offered through Type 3 approval.



### Online Gaming: Compliance Contribution

The amount of compliance contribution payable by the operators depends on the type of approval issued by the Authority, and it is strictly correlated with the GR generated during the licence period. During 2023, the MGA collected fees and taxes owed in relation to the applicable legislation, that amounted to €42.7 million. The gradual decrease in revenue over the years is attributed to the increase in B2B licences and decrease in B2C licences, as can be noted in Table 42. Since the calculation of GR is not applicable to B2B operations, these do not pay related compliance contributions. This is reflected in the below figures.

	2020	2021	2022	2023
Total [€]	50,103,870	52,304,032	46,767,079	42,655,337

Note: The above figures include the compliance contribution fee, licence fees, and 5% consumption tax on customers located in Malta in line with the Gaming Tax Regulations (S.L. 583.10).

Table 42: Online Gaming - Compliance Contribution and Licence Fees

### Online Gaming: Employment

The number of FTE employees in Malta directly working with online gaming companies licensed by the MGA on the activities covered by the Authority's licences at the end of December 2023 stood at 9,729. An additional 3,249 FTEs are estimated to have been in Malta working with online gaming companies licensed by the MGA on activities not directly related to the activities authorised by the Authority<sup>19</sup>.

	End-2023	2021	2022	2023
Type A	7,557	9,919	10,365	9,609
Туре В	2,310	1,852	2,139	2,885
Total	9,867	11,771	12,504	12,494

Table 43: Online Gaming – Employment (FTE)

Similar to the levels reported in previous reporting periods, as of the end of December 2023, 56.2% of all Type A employees within the online gaming industry in Malta were male, and 73.2% were non-Maltese, an increase of 3.2 percentage points over the same period last year.

<sup>&</sup>lt;sup>19</sup> For more information on employment, please refer to Point 9 of the Methodology.

# Appendix 1

# List of Training Courses, Conferences, and Events

## Training Courses/Workshops

- A theoretical and practical insight on legal persons - Malta Business Registry (MBR)
- A Walkthrough of a Typical VAT Return Society Education
- Accounting for Tangible and Intangible Non-Current Assets under IFRS - Society Education
- Accounting Technical Issues Society Education
- Advanced Excel for Professionals PwC Malta
- Advisory Financial Crime War Stories -Interpath Advisory
- AML and Match Fixing Malta Gaming Authority (MGA)
- AML for Auditors ZD Academy
- Analysing and Visualising Data with Power BI -PwC Malta

- Auditing Accounting Estimates (M23010) Malta Institute of Accountants (MIA)
- Auditing Corporate Governance Society Education
- Auditing Related Party Transactions Including AML Considerations - ZD Academy
- Authorisations Persons/Entities Reviews -Malta Gaming Authority (MGA)
- AZ-104: Microsoft Certified: Azure Administrator Associate - Microsoft
- Basic Taxpayer's Rights (M23040) Malta Institute of Accountants (MIA)
- Blockchain Basel Institute on Governance
- Blockchain & Crypto Regulatory & Legal Aspects - National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)

- Blockchain & Crypto Trends, Typologies, & Professional Workshops - National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)
- Blockchain Training WH Partners
- Boost your self-motivation Think Talent
- Business Plans Society Education
- Business Process Mapping training The **Knowledge Academy**
- Certified Open-Source Intelligence (CIOSINT) -McAfee Institute
- Cisco Certified Network Associate
- Client Connect: Improving Communication Skills for Accountants and Financial Advisors (M23034) - Malta Institute of Accountants (MIA)

- Communicating Effectively with your Manager **PsyPotential**
- Complete GDPR, GDPR certification, Data protection, Privacy - Udemy
- Compliance Examinations Procedures & New Guidance Documents - Financial Intelligence Analysis Unit (FIAU)
- Corporate Structures Malta Gaming Authority (MGA)
- Course for Data Protection Officers/Leads 21 Academy
- Criminal Probity Screening Malta Gaming Authority (MGA)
- Critical Thinking and Decision Making Mdina Partners
- Crypto AML Compliance Training International Compliance Association (ICA)

- Crypto AML Investigations Course Basel Institute on Governance
- Cryptocurrencies and AML compliance training –
   Basel Institute on Governance
- Cryptocurrency Financial Crime Compliance
   Bootcamp Udemy
- Cyber Security Awareness Malta Gaming Authority (MGA)
- Data Management/Governance/Security/Ethics
   Masterclass Udemy
- Data Quality Training Malta Gaming Authority (MGA)
- Electronic Public Procurement System
- Emotional Intelligence (EQ) Every Day Udemy
- ESG Reporting and Equity Value -
- EU Tax Developments Pillar 2, Unshell & Debra -Society Education
- Evaluators Training for E-Tenders Institute for Public Service (IPS)
- Exploring the fundamental principles of the IESBA
   Code Malta Institute of Accountants (MIA)
- FATF methodology: regulatory and supervisory authorities – National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)

- Financial Modelling and Forecasting ZD Academy
- Forensic accountants training Forensic Accounting Management Group (FAMG)
- Fraud within Gaming and Crypto currencies Chainalysis
- FSA FORUM Leadership Development Event:
   Authentic Leadership Malta Financial Services
   Authority (MFSA)
- Fundamentals of Project Management Society Education
- Future of Gambling in the UK: Ensuring Effective Reform for the Digital Age – Public Policy Exchange (PPE)
- Gaming An Accounting & VAT Perspective –
   Society Education
- Handling Conflict and Disagreement Society Education
- How to Become a Human Firewall KnowBe4
- IAS 1 Presentation of Financial Statements & IAS
   7 Statements of Cash Flow Society Education
- Introduction to iGaming: online course iGaming Academy
- Investigation and Enforcing in Sports: Match– Fixing, Anti–Dopping and Corruption – Católica Global School of Law

- ITIL v4 Foundation Training ITSM Malta
- Leadership skills for non-management employees - PsyPotential
- Lean Six Sigma Black Belt for Service Industry
   Professionals by Edushore Udemy
- Lecture on the FATF Methodology National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)
- Licensing Overview Malta Gaming Authority
   (MGA)
- Live Game Training Malta Gaming Authority (MGA)
- Managerial Skills Society Education
- Managing your workload more effectively Mdina Partners
- Mastering Presentation skills Society Education
- MB-910: Microsoft Dynamics 365 Fundamentals (CRM) - Microsoft
- Microsoft Azure Data Fundamentals Microsoft
- Microsoft Azure Virtual Training Day:
   Fundamentals Microsoft
- Microsoft Power Bl: Dashboard in a Day EY Malta
- Microsoft Power Platform Virtual Training Day:
   Automate Business Process Microsoft

- Microsoft Purview Demo Microsoft
- Microsoft Security Virtual Training Day: Protect
   Data and Mitigate Risks Microsoft
- Get started with Microsoft SharePoint Online –
   Malta Information Technology Agency (MITA)
- Go further with Microsoft Sharepoint Online –
   Malta Information Technology Agency (MITA)
- Money Laundering & Tax Evasion Society Education
- New FIAU procedures and Templates Malta Gaming Authority (MGA)
- OSINT Training Basel Institute on Governance
- Personal and Professional self-reflection PsyPotential
- Phishing Foundations & Spot the Phish Game KnowBe4
- PL-900: Microsoft Power Platform Fundamentals
   Microsoft
- Policy of the use of DLT by Authorised Persons –
   Malta Gaming Authority (MGA)
- Procurement by Contracting Authorities Institute for Public Service (IPS)
- Procurement in Practice A follow up to the CDA in Public Procurement Regulations – Institute for Public Service (IPS)

- Professional Certificate in Strategic Policy Planning
- Professional English Report Writing Mdina Partners
- Provisions and Contingencies Special Considerations - ZD Academy
- Public Sector Outreach Sanctions Monitoring Board (SMB)
- Ratio Analysis Society Education
- Regulatory Workshop Malta Gaming Authority (MGA)
- Resilience Training Think Talent
- Resilience: Boost yourself to empower your life and career - Malta Gaming Authority
- Responsible Gaming: Markers of Harm Gaming **Operations Academy**
- Sanctions: Awareness & Compliance Society Education
- Source of Wealth training Mosaic Advisers
- SportsBook Management Malta Gaming Authority (MGA)

- Sportsbook Management Training iGaming Academy
- Suspicious Activity Reporting Training Malta Gaming Authority (MGA)
- Taking Security Home: Home Network KnowBe4
- Talent Mapping Matrix Malta Gaming Authority (MGA) & PWC Malta
- Talent Vision PwC Malta
- Tax Measures Announced in the Budget Speech -Society Education
- Teamwork & Collaboration PsyPotential
- Techniques in reading & diffusing challenging behaviour Workshop 2 - PsyPotential
- Techniques in reading & diffusing challenging behaviour Workshop 3 - PsyPotential
- Terrorist Financing Basel Institute on Governance
- The Audit of Gaming Companies & the Consideration of Respective Audit Risks - ZD Academy
- The Auditor's Responsibility Relating to Fraud -**ZD Academy**

- The Budget Speech 2024 Society Education
- The Laws of Esports Católica Global School of Law
- The Maltese Economy and Basic Economic Principles - Ecubed Consultants
- The New AML-CFT Regulation: A change in landscape or more of the same? - Ganado Advocates
- The risk of fraud an audit perspective Malta Institute of Accountants (MIA)
- Train your brain Think Talent
- Transaction Monitoring Doesn't Work... So What does? - Association of Certified Financial Crime Specialists (ACFCS)
- Trusts and other Legal Arrangements basic concepts on ML/TF and sanction evading risks -National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)
- Understanding difficult & challenging behaviour Workshop 1 - PsyPotential
- Unlocking Your Financial Data to Facilitate Effective Decision Making - ZD Academy

- UNODC|Cryptocurrencies The Egmont Centre of FIU Excellence and Leadership (ECOFEL)
- Using Chat GPT and Al Tools in Finance -Accountants.com.mt
- Value Added Tax Basics Refresher Course **Society Education**
- VAT & Gaming ZD Academy
- VAT Considerations in Relation to the Gaming Industry - Society Education
- Workshop on Key Performance Indicators (KPIs) to monitor the Commission Recommendation on combating online piracy of sports and other live events - Council of The European Union
- Workshop on Standardisation European Cyber Resilience Act (CRA) European Presidency
- Workshop on Vulnerability Reporting European Cyber Resilience Act (CRA) European Presidency

### Conferences/Webinars

- AML and Virtual Assets Silo Compliance
- AML in Crypto Global Compliance Institute (GCI)
- AML Risks Related to Cryptocurrency in Gambling - University of Nevada, Las Vegas (UNLV)
- AML Roundtable XIX 2023–2024 KPMG Learning Academy
- AML weaknesses in the gaming and gambling industry - a gathering storm - RiskScreen
- AML/CFT Business Risk Assessments Silo Compliance
- Anti-Money Laundering: Guidelines And Best Practices for Europe's Online Gambling Sector - European Gaming and Betting Association (EGBA)
- Are Marketing Restrictions coming to the U.S. Markets? - BrightTALK
- Basic Blockchain and Crypto Infrastructure -National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)
- Battling payment fraud: key measures financial institutions can't afford to ignore - Eastnets

- Best practices and areas for improvement from previous thematic examinations - Malta Gaming Authority & Financial Intelligence Analysis Unit (FIAU)
- Cryptocurrency Investigations 101 Chainalysis
- Data Protection Day Conference 2023
- Empowering Culturally and Linguistically Diverse Communities in Problem Gambling: Lessons from the 2022 Best Regulatory Campaign Winner -International Association of Gaming Regulators (IAGR)
- Enterprise Innovation: Sustainability Transition through Technologies and Processes - Malta Enterprise
- EU Direct Tax Developments Malta Institute of Taxation (MIT)
- European gambling regulators meeting -European Gaming and Betting Association (EGBA)
- Forum on Sport and Human Rights (Third edition) Focus on Data Protection - Council of Europe's Enlarged Partial Agreement on Sport (EPAS)
- Fraud vs AML How Compliance Professionals Can Learn From One Another - Association of Certified Financial Crime Specialists (ACFCS)

- Germany's problem with the black market. -Sports Betting Community Ltd (SBC) & Idnow
- Group of Copenhagen (GoC)
- Harnessing OSINT to boost cryptocurrency investigations - Social Links
- How Casinos are Doubling Down on New Anti-Money Laundering Strategies - Association of Certified Financial Crime Specialists (ACFCS)
- How to Find Anyone OSINT for People Searching - Association of Certified Financial Crime Specialists (ACFCS)
- How to Leverage the Value of Data to More Effectively Fight Financial Crime - Association of Certified Financial Crime Specialists (ACFCS)
- I Failed So You Don't Have To Association of Certified Financial Crime Specialists (ACFCS)
- IFRS Updates 2023 EY Malta
- Implementing AI for improved financial crime compliance - Association of Certified Anti-Money Laundering Specialists (ACAMS) Malta Chapter Virtual Event
- Internal Audit: Courage....and calling it out as it is - Association of Chartered Certified Accountants (ACCA)

- ISACA Malta Biennial Conference 2023 Information Systems Audit and Control Association (ISACA)
- Latest Cybercrime Trends: How Can Your Organization Protect Itself? - GRC World Forums
- London Blockchain Conference 2023 Ayre Ventures
- Malta Financial Crime Compliance Conference -International Compliance Association (ICA)
- Managing Data Transfers OneTrust
- MiCA Opportunities and challenges of Crypto Regulation in Europe - Chainalysis
- Mobility Directive Training Seminar Malta Business Registry (MBR)
- Mules and Movers Case Studies and Strategies for Countering Money Mules - Association of Certified Financial Crime Specialists (ACFCS)
- Player Protection Forum 2023 KnowNow Limited
- Preparing for the Digital Services Act: What businesses need to know - The Malta Chamber
- Proliferation Financing Silo Compliance
- Real time Transactions Monitoring in Malta -Eastnets & ARQ Group

- Recession Risks, Responding to Effectiveness,
   Adapting to Al and More Association of
   Certified Financial Crime Specialists (ACFCS)
- Regulator Roundtable: regulating in a rapidly evolving world – International Association of Gaming Advisors (IAGA)
- Risks and Opportunities in the NFT market: how to be successful and mitigate risk in the ecosystem - Chainalysis
- Safer Gambling Interactions: How to Measure Success? – European Gaming and Betting Association (EGBA)
- Solving the crypto conundrum Sports Betting Community Ltd (SBC)

- Test your Financial Crime Investigator Instinct
   an interactive game show Association of
   Certified Financial Crime Specialists (ACFCS)
- The AML/CFT Gaming Conference Financial Intelligence Analysis Unit (FIAU)
- The Blurred Lines between Legal, Grey and Illegal Ways to Play - BrightTALK
- The Chase to a Human Trafficking Case: Following the Money from Detection to Law Enforcement Investigation - Association of Certified Financial Crime Specialists (ACFCS)
- The finalization of the EU-US Data Privacy
   Framework OneTrust

- The Future of Gambling in the UK Public Policy Exchange (PPE)
- The Future of Gambling in the UK: Ensuring Effective Reform for the Digital Age – Public Policy Exchange (PPE)
- The Markers in Cryptoassets Regulation
   Conference Malta Financial Services Authority
   (MFSA)
- The New Reality of Romance Scams Association of Certified Financial Crime Specialists (ACFCS)
- The PwC VAT Conference 2023 PwC Malta
- The role of Data Analytics in Organisations –
   Gozo Business Chamber

- Trusts and other Legal Arrangements basic concepts on ML/TF and sanction evading risks -National Coordinating Committee (NCC)
- Webinar on Bitcoin NFTs, Punks, Ordinals,
   Inscriptions and beyond! University of Malta

## Local and Foreign Events

- Clue Connect 2023 Clue Software
- EGR Nordics Briefing 2023 eGaming Review
- Genius and Clue Sports Community Event Clue
- ICE London 2023

- iGaming IDOL 2023
- SiGMA 2023 Malta

- TechEx Global 2023
- The Sports Integrity Week

# Appendix 2

# Statistical Regions and Districts of Malta

# Local Administrative Units (LAUs)

Districts (LAU 1)	Locality (LAU 2)
Southern Harbour	Cospicua, Fgura, Floriana, Ħal Luqa, Ħaż-Żabbar, Kalkara, Marsa, Paola, Santa Luċija, Senglea, Ħal Tarxien, Valletta, Vittoriosa, Xgħajra.
Northern Harbour	Birkirkara, Gżira, Ħal Qormi, Ħamrun, Msida, Pembroke, San Ġwann, Santa Venera, St Julian's, Swieqi, Ta' Xbiex, Tal-Pietà, Tas-Sliema.
South Eastern	Birżebbuġa, Gudja, Ħal Għaxaq, Ħal Kirkop, Ħal Safi, Marsaskala, Marsaxlokk, Mqabba, Qrendi, Żejtun, Żurrieq.
Western	Ħad-Dingli, Ħal Balzan, Ħal Lija, Ħ'Attard, Ħaż-Żebbuġ, Iklin, Mdina, Mtarfa, Rabat, Siġġiewi.
Northern	Ħal Għargħur, Mellieħa, Mġarr, Mosta, Naxxar, St Paul's Bay.
Gozo and Comino	Fontana, Għajnsielem, Għarb, Għasri, Munxar, Nadur, Qala, San Lawrenz, Ta' Kerċem, Ta' Sannat, Victoria, Xagħra, Xewkija, Żebbuġ.

# Financial Statements 2023

## Annual Financial Statements for the year ended 31 December 2023

### **General Information**

### Registration

The Malta Gaming Authority (hereinafter referred to as the 'Authority') was established by virtue of the Gaming Act, Chapter 583 of the Laws of Malta.

### **Board of Governors of the Authority**

Dr. Ryan C. Pace – Chairperson

Mr. André Psaila (in office from 8 August 2023) – Deputy Chairperson

Ms. Carmen Ciantar (in office until 2 June 2023)

Mr. Roberto Francalanza

Ms. Juliana Scerri Ferrante (in office until 8 August 2023)

Ms. Ruth Trapani Galea Feriol

Mr. Renald Blundell (in office from 8 August 2023)

Dr. Arthur Ellul (in office from 8 August 2023)

### **Chief Executive Officer**

Mr. Charles Mizzi (in office from 26 January 2024)

Dr. Carl Brincat (in office until 25 January 2024)

### Secretary of the Board of Governors of the Authority

Mr. Adrian Caruana

### **Head Office**

Malta Gaming Authority, Building SCM 02-03, Level 4 SmartCity Malta, Ricasoli SCM1001, Malta

### Auditor

Ernst & Young Malta Limited, Certified Public Accountants Regional Business Centre Achille Ferris Street, Msida MSD 1751, Malta

### Report of the Board of Governors of the Authority

The Board of Governors of the Authority (hereinafter referred to as the 'Board of the Authority') submit their annual report and the audited financial statements for the year ended 31 December 2023.

### **Principal activity**

The Authority was established by virtue of the Gaming Act, Chapter 583 of the Laws of Malta for the purpose of carrying out the functions defined in the said Act.

### Results

The operating revenue including the release of unclaimed player funds generated by the Authority during the year amounted to EUR84,535,972 (2022: EUR82,161,044). After deducting all expenditure the Authority registered a surplus for the year of EUR71,352,987 (2022: EUR70,254,221). The Authority transferred EUR72,481,815 (2022: EUR70,418,264) to the Government of Malta.

### **Board of the Authority**

The members of the Board of the Authority who acted in such position during the year under review are listed on page 94.

### Chairperson

In accordance with Article 6(4) and the First Schedule of the Gaming Act, Chapter 583 of the Laws of Malta, the Chairperson and the other members of the Board of the Authority are appointed by the Minister responsible for the gaming sector.

### **Auditors**

Ernst & Young Malta Limited have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the next meeting of the Board of the Authority.

The Report of the Board of Governors of the Authority is signed on their behalf by:

**DR. RYAN C. PACE**Chairperson

28 March 2024

MR. ANDRÉ PSAILA

Deputy Chairperson

## Independent Auditor's Report to the Board of Governors of the Authority

### Report on the audit of the financial statements

### **Opinion**

We have audited the financial statements of the Authority, set on pages 98 to 113, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the *International Code of* Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board of Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Board of the Authority's Responsibility** for the Financial Statements

The Board of the Authority is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

### We also:

 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may

cause the Company to cease to continue as a going concern.

 evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of the Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The partner in charge of the audit resulting in this independent auditor's report is Shawn Falzon for and on behalf of

Ernst & Young Malta Limited **Certified Public Accountants** 

28 March 2024

A member firm of Ernst & Young Global Limited. Registered in Malta No: C30252

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# Statement of Comprehensive Income for the year ended 31 December 2023

	Notes	2023	2022
		EUR	EUR
Revenue	5	82,007,772	80,167,035
Administrative and other expenses	6	(13,074,959)	(12,568,976)
Operating surplus		68,932,813	67,598,059
Release of unclaimed player funds		2,528,200	1,994,009
Decrease in provision for claims	14	-	790,000
Net finance cost	8	(108,026)	(127,847)
Surplus for the year		71,352,987	70,254,221

The accounting policies and explanatory notes on pages 102 to 113 form an integral part of the financial statements.

# Statement of Financial Position as at 31 December 2023

FINANCIAL STATEMENTS 2023

	Notes	2023	2022
		EUR	EUR
ASSETS			
Non-current assets			
Intangible assets	10	61,228	121,533
Property, plant and equipment	11	4,416,900	5,102,256
		4,478,128	5,223,789
Current assets			
Trade and other receivables	12	5,953,123	5,921,942
Cash at bank and in hand	16	10,602,046	13,117,299
		16,555,169	19,039,241
TOTAL ASSETS		21,033,297	24,263,030
<b>EQUITY AND LIABILITIES</b>			
Equity reserve	13	250,000	250,000
Reserve fund	13	2,509,826	3,638,652
Unclaimed Prizes Reserve	13	_	_
		2,759,826	3,888,652
Non-current liabilities			
Provision for claims	14	_	_
Finance lease liabilities	17	2,623,436	3,000,026
		2,623,436	3,000,026

	Notes	2023	2022
		EUR	EUR
Current liabilities			
Trade and other payables	15	15,273,035	17,023,882
Finance lease liabilities	17	377,000	350,470
		15,650,035	17,374,352
Total liabilities		18,273,471	20,374,378
TOTAL EQUITY AND LIABILITIES		21,033,297	24,263,030

The accounting policies and explanatory notes on pages 102 to 113 form an integral part of the financial statements.

The financial statements on pages 98 to 113 have been authorised for issue by the Board of the Authority on 28th March 2024 and were signed on their behalf by:

**DR. RYAN C. PACE**Chairperson

MR. ANDRÉ PSAILA
Deputy Chairperson

# Statement of Changes In Equity for the year ended 31 December 2023

	Unclaimed Prizes Reserve	Reserve Fund	Equity Reserve	Total
	EUR	EUR	EUR	EUR
At 1 January 2023	_	3,638,652	250,000	3,888,652
Appropriation from statement of comprehensive income	1,423,847	69,929,140	_	71,352,987
Unclaimed prizes transferred in terms of the Gaming Act, Chapter 583 of the Laws of Malta and the applicable regulatory instruments issued thereunder	_	-	_	_
Payments made to/or on behalf of Government in terms of the Gaming Act, Chapter 583 of the Laws of Malta and the applicable regulatory instruments issued thereunder	(1,423,847)	(71,057,966)	_	(72,481,813)
At 31 December 2023	_	2,509,826	250,000	2,759,826
At 1 January 2022	_	3,270,795	250,000	3,520,795
Appropriation from statement of comprehensive income	932,809	69,321,412	_	70,254,221
Unclaimed prizes transferred in terms of the Gaming Act, Chapter 583 of the Laws of Malta and the applicable regulatory instruments issued thereunder	531,900	_	_	531,900
Payments made to/or on behalf of Government in terms of the Gaming Act, Chapter 583 of the Laws of Malta and the applicable regulatory instruments issued thereunder	(1,464,709)	(68,953,555)	_	(70,418,264)
At 31 December 2022	_	3,638,652	250,000	3,888,652

The accounting policies and explanatory notes on pages 102 to 113 form an integral part of the financial statements.

# Statement of Cash Flows for the year ended 31 December 2023

	Note	2023	2022
		EUR	EUR
Operating activities			
Surplus for the year		71,352,987	70,254,221
Adjustment to reconcile surplus for the year to net cash flows			
Non-cash:			
Depreciation of property, plant and equipment		421,495	525,234
Amortisation of intangible assets		82,135	197,701
Grant amortisation		(72,000)	(65,204)
Depreciation of right-of-use asset		362,940	362,940
Increase in provision for doubtful debts		349,992	210,059
Decrease in provision for claims		-	(790,000)
Finance income		(7,809)	(8)
Finance lease cost		115,835	127,859
Working capital adjustments:			
Decrease/(Increase) in trade and other receivables		(381,173)	(1,437,276)
(Decrease)/Increase in trade and other payables		(1,678,303)	1,553,167
Net cash flows from operating activities		70,546,099	70,938,693

	Note	2023	2022
		EUR	EUR
Investing activities			
Purchase of property, plant and equipment		(99,076)	(6,580)
Purchase of intangible assets		(21,830)	(5,781)
Interest received		7,809	8
Net cash flows used in investing activities		(113,097)	(12,353)
Financing activities			
Receipts on behalf of Government		-	531,900
Payments made to Government		(72,481,813)	(70,418,264)
Lease payments		(466,442)	(452,855)
Net cash flows used in financing activities		(72,948,255)	(70,339,219)
Net movement in cash and cash equivalents		(2,515,253)	587,121
Cash and cash equivalents at 1 January		13,117,299	12,530,178
Cash and cash equivalents at 31 December	16	10,602,046	13,117,299

The accounting policies and explanatory notes on pages 102 to 113 form an integral part of the financial statements.

### **Notes to The Financial Statements**

### 1. CORPORATE INFORMATION

The Authority is established by virtue of the Gaming Act, Chapter 583 of the Laws of Malta. The principal activity of the Authority is to govern and supervise the gaming sector in Malta.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis and are presented in Euro. The financial statements have been prepared on a going concern basis which assumes that the Authority will be able to meet its financial obligations as and when they fall due.

### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and comply with the Gaming Act, Chapter 583 of the Laws of Malta.

# 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current year

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective during the year:

- Amendments to IFRS 17 Insurance contracts:
   Initial Application of IFRS 17 and IFRS 9
   Comparative Information (issued on 9
   December 2021);
- Amendments to IAS 12 Income Taxes:
   Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021);

- Amendments to IAS 8 Accounting policies,
   Changes in Accounting Estimates and Errors:
   Definition of Accounting Estimates (issued on 12 February 2021);
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020); and
- Amendments to IAS 12 Income taxes:
   International Tax Reform Pillar Two Model
   Rules (issued on 23 May 2023).

The adoption of these standards did not have significant impact on the financial statements or performance of the Authority. The Authority has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

# Standards, interpretations and amendments to published standards as adopted by the EU which are not yet effective

As of the approval date of these financial statements, there are new standards,

amendments, and interpretations to existing standards that have been published but are not yet in effect for the current reporting year. The Authority has not early adopted these changes but intends to do so once they become effective. The changes resulting from these standards are not expected to have a material effect on the financial statements of the Authority. The new and amended standards follow:

- Amendments to IAS 1 Presentation of Financial Statements:
- Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
- Non-current Liabilities with Covenants (issued on 31 October 2022).
- Amendments to IFRS 16 Leases: Lease
   Liability in a Sale and Leaseback (issued on 22 September 2022).

# Standards, interpretations and amendments that are not yet endorsed by the EU

As of the approval date of these financial statements, there are new standards, amendments, and interpretations to existing standards that have been published but are not yet in effect for the current reporting year. The Authority has not early adopted these changes but intends to do so once they become effective. The changes resulting from these standards are not expected to have a material effect on the financial statements of the Authority. The new and amended standards follow:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023); and
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:
   Disclosures: Supplier Finance Arrangements (issued on 25 May 2023).

### 3. SUMMARY OF ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are set out below:

### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Authority and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for licenses, compliance contribution and levies and application fees in the normal course of business. All revenue is recognised on the accrual basis. The following specific recognition criteria must also be met before revenue is recognised:

### Licences

Revenue is recognised when the licence becomes due. It is accounted for on a straight-line basis over the term of the licence.

### Application fees

Revenue is recognised upon receiving the consideration together with a valid application form.

### Compliance contribution and levies

Depending on the type of licence, revenue from compliance contribution and levies is either charged on a fixed fee basis or is based on a percentage of the regulated companies' reported gross gaming revenue, up to a capped amount for remote gaming companies.

### Penalties and other fees

Penalties and other fees represent enforcement penalties imposed by the Authority. Penalties and other fees are accounted for on an accrual basis and are recognised when realisation is probable, and the amount can be measured reliably.

### Interest income

Interest income is recognised as the interest accrues, unless collectability is in doubt.

### Trade and other receivables

Trade receivables are recognised and carried at original amount due less an allowance for any uncollectible amounts. An estimate for impairment is made when collection of the full amount is no longer probable. Impaired debts are derecognised when they are assessed as uncollectible.

Amounts due from related parties are recognised and carried at cost.

### Impairment of financial assets

The Authority recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows

due in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Authority applies a simplified approach in calculating ECLs. Therefore, the Authority does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted

### Cash and cash equivalents

Cash in hand and at banks and term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash in hand and deposits at banks, net of overdrawn bank balances.

### Grant

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Authority.

Amounts due to related parties are carried at cost.

### Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets is recognised in the statement of comprehensive income. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Computer software	25

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and/or accumulated impairment losses, if any. Depreciation is calculated to write off the cost of the property, plant and equipment on a straight-line basis over their expected useful life as follows:

	%
_easehold improvements	6.67
-urniture and fittings	10 – 16.67
Office equipment	16.67 - 25
Motor vehicles	20
Computer equipment	25

Gains and losses arising on de-recognition upon disposal of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

### Leases

The Authority asses at contract inception whether a contract is, or contains, a lease.

That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Authority applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Authority recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

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### Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e. the date the available asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities following any modification of the underlying lease. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciation on a straightline basis over the shorter of the lease term and the estimated useful lives of the asset. The right-of-use assets are also subject to impairment.

### Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities at the present value of future lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease if the lease term reflects the Authority exercising the option to terminate.

In calculating the present value of lease payments, the Authority uses its incremental borrowing date at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of any options related to the lease.

# 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the Board of the Authority is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the change becomes known.

# Provisions for claims and contingent liabilities

Claims have been made against the Authority by third parties. Judgement is required to determine whether these claims will require an outflow of resources and whether these could be reliably estimated. The Authority quantifies the claims based on the damages and determines the probability of the outflow based on the advice provided by the legal counsel.

Where the Authority believes that the claims would probably result in an outflow of resources and can be reliably estimated, a provision is recognised. Where there is a possible obligation, but probably there will not be an outflow of resources, no provision is recognised whilst a contingent liability is disclosed.

In the opinion of the Board of the Authority, the accounting estimates, assumptions and judgements other than those mentioned above, made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) – 'Presentation of financial statements'.

### 5. REVENUE

Revenue comprises the following:

	2023	2022
	EUR	EUR
License fees	8,720,710	9,374,368
Application fees	110,500	209,970
Other revenue	1,488,238	1,276,600
Total Authority fees	10,319,448	10,860,938
Compliance contribution and levies	71,688,325	69,306,097
Total revenue	82,007,772	80,167,035

As at year ended 31 December 2023, the Authority also issued Notices governing administrative penalties amounting to EUR230,400 (2022: EUR49,900) which became or will become due through the issuance of the subsequent and final enforcement measure. The fees generated will be recognized as income once the Authority's position is confirmed.

Number of licences in issue at end of year:

	2023	2022
	No.	No.
Commercial bingo houses	2	3
Casinos	4	4
Gaming parlours	21	28
National lotteries	1	1
Remote online gaming licences	314	347

### 6. EXPENSES BY NATURE

	2023	2022
	EUR	EUR
Auditor's remuneration	26,550	26,550
Chairperson's emoluments and Board honoraria (note 18)	66,117	59,416
Staff costs (note 7)	7,872,784	7,389,318
General administrative expenses	1,653,089	1,788,168
Professional fees	609,338	472,387
Promotional expenses	526,443	526,837
Depreciation and amortisation on property, plant and equipment		
and intangible fixed assets (notes 10 and 11)	794,569	1,020,671
Provision for doubtful debts (note 12)	349,992	210,059
Contributions to other entities	1,176,077	1,075,570
Total administrative and other expenses	13,074,959	12,568,976

### 7. EMPLOYEE INFORMATION

### a. Staff costs

The total employment costs were as follows:

	2023	2022
	EUR	EUR
Salaries	7,174,346	6,583,061
Social security costs	451,961	438,365
Fringe benefits	164,170	145,112
	7,790,477	7,166,538
Other related costs	82,307	222,780
	7,872,784	7,389,318

### b. Staff numbers

The number of persons employed by the Authority as at 31 December 2023 and 31 December 2022 were as follows:

2023	2022
No.	No.
174	171

### 8. NET FINANCE COST

	2023	2022
	EUR	EUR
Interest receivable on bank balances	3	8
Other interest receivable	7,806	-
Finance lease cost (Note 17)	(115,835)	(127,855)
	(108,026)	(127,847)

### 9. TAXATION

No provision for Malta income tax has been made in these financial statements as the Authority's income is exempt from any liability to income tax in terms of article 37 of the Gaming Act Cap. 583 of the Laws of Malta.

### 10. INTANGIBLE FIXED ASSETS

Intangible fixed assets pertain to software costs of the Authority. The movement in intangible fixed assets is as follows:

	Computer Software
	EUR
Cost	
At 1 January 2022	2,254,710
Additions	5,781
At 31 December 2022	2,260,491
Additions	21,830
At 31 December 2023	2,282,321
Amortisation	
At 1 January 2022	1,941,257
Amortisation for the year	197,701
At 31 December 2022	2,138,958
Amortisation for the year	82,135
At 31 December 2023	2,221,093
Net book value	
At 31 December 2023	61,228
At 31 December 2022	121,533

### 11. PROPERTY, PLANT AND EQUIPMENT

### 11.1 Property, plant and equipment owned by the authority

	Leasehold Improvements	Furniture and fittings	Office equipment	Motor vehicles	Computer equipment	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Cost						
At 1 January 2022	3,114,396	1,579,246	546,565	184,728	1,187,313	6,612,248
Additions	_	-	_	_	6,580	6,580
Disposals	_	_	_	_	(3,733)	(3,733)
At 31 December 2022	3,114,396	1,579,246	546,565	184,728	1,190,160	6,615,095
Additions	3,400	_	_	_	95,678	99,078
Disposals	_	_	_	_	(41,423)	(41,423)
At 31 December 2023	3,117,796	1,579,246	546,565	184,728	1,244,415	6,672,750
Depreciation						
At 1 January 2022	1,339,132	1,034,441	534,388	82,053	969,269	3,959,283
Depreciation charge for the year	204,138	134,913	4,890	27,379	153,914	525,234
Release on disposal	_	_	_	_	(3,733)	(3,733)
At 31 December 2022	1,543,270	1,169,354	539,278	109,432	1,119,450	4,480,784
Depreciation charge for the year	204,139	134,417	4,020	27,379	51,539	421,494
Release on disposal	_	_	-	_	(41,423)	(41,423)
At 31 December 2023	1,747,409	1,303,771	543,298	136,811	1,129,566	4,860,855
Net book value						
At 31 December 2023	1,370,387	275,475	3,267	47,917	114,849	1,811,895
At 31 December 2022	1,571,126	409,892	7,287	75,296	70,710	2,134,311

### 11.2 Right-of-use asset – Leasehold property

	2023	2022
	EUR	EUR
Cost at 1 January and 31 December	4,455,407	4,455,407
Depreciation for the year	362,940	362,940
Accumulated depreciation at 31 December	1,850,402	1,487,462
Net book value at 31 December	2,605,005	2,967,945

### 12. TRADE AND OTHER receivables

	2023	2022
	EUR	EUR
Compliance contribution, levies and licences receivable and accrued income (note i, ii, iii)	5,403,380	5,588,953
Prepaid expenses	377,606	160,852
Deposits and other receivables	172,137	172,137
	5,953,123	5,921,942

(i) At 31 December 2023, Compliance Contribution, Levies and Licences receivable at nominal value of EUR3,594,149 (2022: EUR3,244,157) were impaired and fully provided for.

Provision for doubtful debts	2023	2022
	EUR	EUR
Opening balance	3,244,157	3,034,098
Increase in provision for doubtful debts	349,992	210,059
Closing balance	3,594,149	3,244,157

(ii) As at the balance sheet date, the ageing analysis of Compliance Contribution, Levies and Licences receivable is as follows:

			Past due			
	Total	Neither past due nor impaired	<30 days	31-60 days	61-90 days	>90 days
	EUR	EUR	EUR	EUR	EUR	EUR
2023	5,403,380	4,989,907	152,692	23,973	1,410	235,398
2022	5,588,953	4,841,429	97,381	46,690	30,400	573,053

(iii) Accrued income included with Compliance Contribution, Levies and Licences receivable comprise of compliance contribution payable to the Authority for which no request for payment has been issued yet.

### 13. RESERVES

### a. Equity reserve

Funds for the creation of the Reserve have been retained from the gaming taxes collected. This was transferred to Equity reserve with approval of the Ministry of Finance.

### b. Reserve fund

The Reserve Fund represents accumulated excess of revenue over expenditure.

### c. Unclaimed prizes reserve

The National Lottery Licensee is to pay funds standing in its unclaimed prizes reserve to the Authority. The Authority shall appropriate such funds in accordance with the Gaming Act (Chapter 583 of the Laws of Malta) and any other applicable regulatory instrument issued thereunder.

### 14. PROVISION FOR CLAIMS AND **CONTINGENT LIABILITIES**

Provision for claims

During 2014, a gaming operator initiated, court proceedings against the Authority claiming loss of profits from the Authority in the region of EUR790,000. In May 2019, the court case

was decided in favour of the Authority and the gaming operator appealed the decision. In May 2022 the court of appeal confirmed the initial court decision in favour of the Authority. In 2022, the Authority reversed the provision in relation to these claims.

### Contingent liabilities

In 2016, an operator had initiated legal proceedings against the Authority disputing new licences issued by the Authority. This case was decided in the Authority's favour in the first instance on 29 September 2022. The operator appealed this judgement and the appeal date has yet to be set by the Court of Appeal. A reliable estimate of a potential claim against the Authority cannot be made. Accordingly, no provision for any liability has been made in these financial statements.

In 2022, a consortium which participated in the Request For Proposals ('RFP') process for the Concession for the Rights of the National Lottery of Malta submitted an appeal before the Civil Court First Hall against the Government of Malta, including the Authority, in respect of the awarding of the Concession to the competitor company within the RFP process. The plaintiffs requested damages from the defendants, including the Authority, which if granted, could be substantial. The

plaintiff officially ceded the case in December 2023. Thus, it is no longer considered a potential liability for the Authority.

Up to the date of the authorisation of these financial statements, there were no other material claims made against the Authority that are expected to lead to a possible obligation.

### 15. TRADE AND OTHER PAYABLES

	2023	2022
	EUR	EUR
Unclaimed player funds (note i)	8,647,892	9,932,462
Deferred income	4,075,737	4,291,446
Advances received from operators	996,115	898,053
Trade and other payables	648,610	902,489
Accruals	904,681	999,432
	15,273,035	17,023,882

Balance includes unclaimed player funds and dormant accounts from Remote Gaming operators which are passed on to the Authority by the licensee when no transactions have been recorded on players' account for more than thirty months or upon surrender of licence by the operator.

### 16. CASH AND CASH EQUIVALENTS

Cash and short-term deposits consist of cash in hand and balance with banks. Cash and cash equivalents included in the statement of cash flows reconcile to the statement of financial position amounts as follows:

	2023	2022
	EUR	EUR
Cash at bank and in hand	10,602,046	13,117,299

### 17. FINANCE LEASE LIABILITIES

	2023	2022
	EUR	EUR
Current		
Finance lease liabilities (i)	377,000	350,470
Non-current		
Finance lease liabilities (i)	2,623,436	3,000,026

(i) Finance lease liabilities bear interest at the rate of 3.6% per annum

### 18. RELATED PARTY DISCLOSURES

		Total transactions with related parties	Amounts owed to related parties at year end	
Related party	Year	EUR	EUR	Type of transaction
Government of Malta - The Treasury	2023	72,481,813	_	Payments made to government
Government of Malta - The Treasury	2022	70,418,264	_	Payments made to government

### Key management personnel

The Chairperson and the Board of the Authority are considered to be key management personnel. Included in 'Administrative and other expenses' (note 6) are salaries paid to the Chairperson and the Board of the Authority amounting to EUR66,117 (2022: EUR59,416).

# 19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

At the year end, the Authority's main financial assets on the statement of financial position comprise trade and other receivables, and cash at bank and in hand. At the year end, there were no financial assets off the statement of financial position.

At the year end, the Authority's main financial liabilities on the statement of financial position consisted of amounts due to government, other payables, accruals and deferred income.

# Contractual maturity profile of financial liabilities

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise. The maturity profile of the financial liabilities of the Authority as at year end is as disclosed in note 15 and 17.

### **Credit risk**

The Authority trades only with licensed, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to impaired debts is not significant. Carrying amounts for trade receivables are stated net of any impairment provisions, when necessary, which are prudently made against debts in respect of which management reasonably believes that recoverability is doubtful. Credit risk with respect to debts is limited due to the number of licensees comprising the Authority's debtors' base. The Authority's cash at bank is placed with quality financial institutions. The Authority has no significant concentration of credit risk.

### Liquidity risk

Liquidity risk is the risk the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal or stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

### Fair values

The carrying amounts of cash at bank and in hand, trade receivables, trade payables and accrued expenses approximated their fair values.

### Interest rate risk

With the exception of cash and bank balances, the value of the Authority's assets and liabilities are not subject to interest-rate movements.

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# **Administrative and Other Expenses**

	31 December 2023		31 December 2022	
	EUR	EUR	EUR	EUR
Salaries & National Insurance	7,872,784		7,389,318	
Training	110,570		165,930	
Other staff costs	25,545		9,524	
Staff and ancillary costs		8,008,899		7,564,772
Chairman's emoluments and Board honoraria	66,117		59,416	
Telecommunications	23,088		30,571	
IT and ancillary costs	737,239		768,950	
Water and electricity	47,767		48,901	
Insurance and licences	83,438		84,111	
Postage, stationery and printing	32,778		26,388	
Office expenses	46,590		36,803	
Motor vehicle running expenses	43,594		46,084	
Bank charges	7,229		9,043	
Cleaning expenses	15,642		16,120	
Subscriptions	216,506		216,958	
Repairs and maintenance	114,595		120,574	
Business development expenses	19,066		21,463	
Overseas travelling	119,022		149,353	
Seminars and conferences	10,577		37,395	

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	31 December 2023		31 Decem	ber 2022
	EUR	EUR	EUR	EUR
General Administrative expenses		1,583,248		1,672,130
Professional fees	409,538		264,834	
Auditor's remuneration	26,550		26,550	
Due diligence and consultancy fees	147,110		143,696	
Legal fees	52,690		63,857	
Professional fees		635,888		498,937
Promotional expenes		526,286		526,837
Depreciation and amortisation		794,569		1,020,671
Provision for doubtful debts		349,992		210,059
Contributions to other entities		1,176,077		1,075,570
		13,074,959		12,568,976

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