



Malta is considered to be the European Hub for remote gaming and through the years has developed a reputation as a serious and well-regulated European jurisdiction within this sector.



INTRODUCTION

The reputation gathered together with the favourable licence costs and tax regime continues to make Malta the jurisdiction of choice for gaming operators. The root of this is highly attributed to the Remote Gaming Regulations which were published in April 2004 and placed Malta as the first member state of the European Union to regulate remote gaming. Remote gaming in Malta is regulated by the Remote Gaming Regulations 2004 issued under the Lotteries and Other Games Act 2001 (LOGA).

Malta Gaming Authority (MGA) is the single regulatory body for both land based and remote gaming activities in Malta. Malta hosts over 400 licences for remote gaming operations which are held amongst over 250 companies.

LICENSING PROCESS AND FEES

The licensing process for obtaining a Remote Gaming Licence involves the submission of an application form and other relevant documentation where the MGA assesses whether an applicant:

1. is fit and proper to conduct gaming business.
2. is correctly prepared from a business strategy perspective.
3. has the operational and statutory requirements to meet the legal obligations expected by Maltese Law.
4. implements what has been applied for, on a technical environment before going live and successfully completes the systems audit.

Upon submitting an application for a Remote Gaming Licence, applicant must pay a one-time application fee of €2,330. Furthermore applicant needs to pay a one-off fee of €2,500 prior to going for the systems audit.



WHY MALTA?

- Experienced & reputable regulator
- Well-regulated remote gaming jurisdiction which safeguards the interests of both operators and players
- Attractive tax regime for both companies and individuals
- Extensive network of double tax treaties
- Established and well-regulated financial services institutions
- Excellent telecommunication infrastructure
- Political and economic stability
- Top business support services specialised in the gaming industry
- Safe, secure and pleasant lifestyle

On successful completion of the certification process, a licence is granted for the period of five years subject to an annual licence fee of €8,500. The licensee must undergo a compliance audit within the first year of operations at a fee of €3,500 and a further compliance audit within the 4th year of operations. Licence may be renewed thereafter for periods of five years and a fee of €1,500 is payable upon application for renewal.

Before commencing operations, licensee must appoint a Key Official who must be approved by the MGA as fit and proper. The Key Official, who must also be a director of the company, acts as the primary point of contact with the MGA, who personally supervise the operations of the licensee and ensures that licensee is compliant with all applicable laws and regulations or any conditions issued by the MGA.

TYPES OF LICENCES

Companies who wish to operate an online gaming company in or from Malta must possess a valid licence of the relevant class issued by the MGA. Applicants may apply for either or all of the following licences:

- Class 1 - for operators managing their own risk on repetitive games. This class covers casino-type games, skill games and online lotteries.
- Class 2 - for operators managing their own risk on events based on a matchbook. Under this class falls fixed odds betting, pool betting and spread betting.
- Class 3 - for operators taking a commission from promoting and/or betting games. This class includes P2P, poker networks, betting exchange and game portals.
- Class 4 - to host and manage remote gaming operators, excluding the licensee himself. This is intended for software vendors who want to provide management and hosting facilities on their platform.

Operators may also obtain a Class 1 on 4, Class 2 on 4 or Class 3 on 4, where in such case the operator does not own the software but is being hosted and managed by a Class 4 operator.

GAMING TAX

Gaming Tax varies depending on the type of gaming licence acquired.

- Class 1 – fixed sum of €4,660 per month for the first six months after the issue of the licence and €7,000 per month for the entire duration of the licence.
- Class 1 on Class 4 – a fixed sum of €1,200 per month for the entire duration of the licence.
- Class 2 – operator pays a sum equivalent to 0.5% of the gross amount of bets. Same rate of gaming tax applies in case where a Class 2 operates on a Class 4 licence.
- Class 3 – operator pays a sum equivalent to 5% of real income where real income is defined as revenue less direct costs that include bonuses and affiliate commissions. Same rate of gaming tax applies in case where a Class 3 operates on a Class 4 licence.
- Class 4 – operator pays no tax for the first six months from issues of the licence, pays a fixed sum of €2,330 per month for the subsequent six months and €4,660 per month thereafter. Class 4 licensee hosting and managing an operator which is not licensed in Malta but operates under an EEA licence shall pay a fixed sum of €1,165 per month per operator.

In all classes of gaming licences, gaming tax is capped to €466,000 per annum per licence.

WHY NEXIA BT?

Nexia BT provides a wide range of services ranging from basic company incorporation and compliance to specialised advisory services, audit, tax and accounting, for particular sectors such as financial services, international trade, remote gaming, investment funds, shipping and aviation. We offer international support including back office operations and advisory services, in a responsive, proficient and professional manner.

Nexia BT can provide assistance for a portfolio of services in connection with the gaming industry in Malta, including: incorporation and tax advice of the appropriate corporate structures, assistance in the licensing application, provision of Key Official, tax compliance, accounting, assurance and IT Audit services. Whether you want to start-up your business operations in Malta or you plan to relocate your established business to Malta, we are committed to offer and devise a tailor made service to your company needs. We understand that the gaming industry has specific needs and our services are intended to cater for them.

CONTACTS

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