

Message from the CEO

In the past year, we as an organisation have started seeing the fruits of the groundwork laid in 2021. However, we have also pressed ahead with further improvements and investments, particularly in technology. Standing still is the same as moving backwards, especially in an industry as dynamic as this one. Indeed, over the past year, we have introduced additional business intelligence tools that help us make well-informed decisions even when time is of the essence. These tools, coupled with the conclusion of a data strategy which will guide us over the next three years, are aligned with our commitment to base our regulatory decision-making on data and evidence.

Clear evidence of this commitment is how the amendments to the Player Protection Directive were designed, consulted upon, and carried out. We were guided by evidence of the effectiveness of the various tools that licensees must have to help players control their gambling, as well as data and literature on indicative markers of harm. This initial information, coupled with the invaluable feedback from licensees that contributed to the consultation document we issued, resulted in the final set of published amendments. This was an implementation of the revamped policy development process, and we intend to continue the outstanding work conducted by MGA personnel to refine internal policies, appraise current legislative instruments, and issue guidance documents that complement them.

This is also in line with our commitment to continuously work towards providing licensees with more clarity regarding our regulatory expectations. With further resources dedicated to the outreach function of the Authority, we endeavoured to continue bridging the gap between the regulator and the industry, especially when communicating essential policy changes. We have also taken on the role of facilitating conversation on common challenges. The Authority has encouraged the industry to foster a cooperative relationship and a unified approach to common threats and challenges, which will



lead to better solutions and ultimately support the sustainability of the sector. In 2022, the Authority launched the Regulatory Workshops, which allow for structured touchpoints for industry stakeholders with the regulator, and encourage transparency and informal exchange of views on regulatory topics of mutual interest. These workshops, together with the various consultations that were issued, align with the Authority's goal to create increasingly effective and efficient policies from the outset whilst taking on board the feedback and views of the interested stakeholders. They also emphasise our commitment to being accessible and transparent; we expect this from our licensees and strongly believe in leading by example.

Whilst always remaining conscious of areas that necessitate improvement, it is also important to celebrate accomplishments. 2022 saw Malta's removal from the Financial Action Task Force's (FATF) list of Jurisdictions under increased monitoring, which was a much-welcome acknowledgement that the jurisdiction has come to a point where it has the necessary infrastructure across the board and the many involved stakeholders, to combat money laundering and terrorist financing effectively. This is not only an encouraging stamp of approval for the work that was done but is also a clear indication that Malta is committed to ensuring that its business environment is free from crime. Although the industry, and the supervision thereof, was not one of the areas that the FATF singled out as requiring improvement, we are proud to state that our support to our fellow national stakeholders, led by the Financial Intelligence Analysis Unit (FIAU), contributed to Malta's removal from the FATF grey list.

Over the past year, we also focused on our work as advisors to the Government on the sustainability of the industry in Malta. The past few years have presented significant challenges to all sectors of the economy, with our industry being no exception. Moreover, regulatory and taxation developments worldwide create additional pressures on the industry, reducing margins when costs are rising. In this light, we strive to remain a pillar of support to the industry by finding the right balance of regulation which ensures that the business is also sustainable and by advising the Government on challenges to the industry and their possible solutions, as we are expected to do through our regulatory objectives enshrined in the Gaming Act.

To implement forward-facing policies that boost innovation in Malta, the Authority sought to lay out pioneering regulations that encourage companies to invest in technology-rich services whilst protecting players and vulnerable persons as the principal priority of all regulations. Innovation and regulation are generally seen to be constantly in conflict; our approach, however, differs. We feel that regulating in a manner which is sufficiently flexible to nurture and encourage innovation not only ensures the continued sustainability of industry operators as businesses but also fosters the necessary developments to drive efficient and effective compliance. This is evidenced by the publication

of the Policy on the Use of Distributed Ledger Technology by Authorised Persons and the work which commenced in 2022 on developing a voluntary code on ESG reporting for the industry.

Through the various strategies established, we have also reaffirmed our commitment to continue building strong bilateral relationships with our foreign and local counterparts; we believe that transparency fosters good collaboration, which ensures more effective supervisory oversight and, at the same time, bolsters the reputation of the jurisdiction and the licensees established here. This also safeguards the value of the MGA's licence, as we intend to ensure that it is a mark of excellence that inspires players' trust worldwide.

Working to safeguard the value of the licence is only a part of our mandate to ensure the industry's sustainability in Malta. Over the past year, we have continued to update our studies into the vulnerabilities of the jurisdiction as a place of establishment and continue to work with practitioners and other national stakeholders to duly advise Government on the actions required to make the necessary improvements. Whilst being cognisant of the fact that the challenges faced by the industry are amplified when considering the ever-changing regulatory landscape on the global stage, I am confident that we can turn these challenges into new opportunities for the sector and the Authority. Many of our efforts over the past year and the coming year aim to ensure we make the most of such opportunities.

As a final note, I express my sincere gratitude and appreciation to the Board of Governors for their unwavering support, my fellow Executive Committee members, and all the MGA staff, for their tireless work and the energy and drive that they bring to their work on a daily basis. I also extend my thanks to the other local and international regulatory bodies we work with, as well as practitioners and operators of goodwill who work hand in hand with us in pursuit of an industry that is always better and safer.

Dr Carl Brincat
Chief Executive Officer