MGA

# Interim Report 2023

# Table of Contents

# Key Highlights

## Supervisory Activities

- Between January and June 2023, the Authority conducted 14 compliance audits, and 85 desktop reviews. The Commercial Communications Committee also issued a total of three Letters of Breach, whereby operators were found to be in breach of the Gaming Commercial Communications Regulations (S.L. 583.09). The Authority issued 23 warnings, cancelled four licences, and suspended another five, following information which emerged from supervisory activities. Furthermore, the MGA issued a total of nine administrative penalties as well as one regulatory settlement, with a collective total financial penalty of €124,400.

- The MGA also carried out 11 Compliance Examinations on behalf of the FIAU. During the same period, the FIAU imposed administrative penalties on three licensees based on violations discovered during examinations carried out in previous years. In total, these amounted to €599,420.

- A total of 545 criminal probity screening checks were undertaken on personnel, shareholders, ultimate beneficial owners, key individuals, employees, and businesses from the land-based and online gaming sectors. A number of these were escalated to the Fit & Proper Committee, which during the period in review determined that four individuals and entities did not meet the Authority's fit and properness criteria. The Supervisory Council also rejected one licence application on the same basis.

- In the first half of the year, 19 interviews with prospective MLROs and key persons carrying out the AML/CFT function were carried out with the aim of determining the knowledge and suitability of each candidate.

- In its efforts to safeguard players and promote responsible gaming, the Authority assisted a total of 2,216 players who requested assistance, covering the majority of the cases received during 2023 and the spill over from 2022. Furthermore, 40 responsible gambling website checks were conducted to ensure that licensees are duly protecting their players as required by law, and 16 observation letters were issued identifying areas of improvement.

- A total of 11 cases of websites having misleading references to the Authority were investigated, while a total of six notices were published on the MGA's website with the aim of preventing the public from falling victim to such scams.

## National and International Cooperation

- Enforcement agencies, sports governing bodies, integrity units, and other regulatory authorities made a total of 12 requests for information, specifically in relation to the manipulation of sporting events or violations of sporting regulations. Subsequently, these requests resulted in 17 data exchanges. In addition, 166 allegations of suspicious betting from licensees and other interested parties were received.

- Between January and June 2023, a total of 118 alerts on suspicious betting were sent to the industry. Following the correspondence of these alerts, the Authority received a total of 12 new suspicious betting reports through the Suspicious Betting Reporting Mechanism.

- The Authority participated directly in six separate investigations into sports rules violations or manipulation of sporting competitions during the time under review. A direct investigation implies that the report came from MGA licensed operators, and thus betting data was shared. In addition, the Authority also participated indirectly in another five investigations, where the events reported formed part of another jurisdiction, but concerned Maltese players.

- The Authority sent 23 requests for international cooperation, relating to requests for background checks as part of an authorisation process. Furthermore, the Authority received a total of 37 requests for international collaboration from other regulators.

- By the end of June 2023, a further 53 official replies were issued, providing feedback on the regulatory good standing of our licensed operators to the relevant authorities asking for this information.

- In total, during the first six months of the year, the MGA received 45 requests for information from other local regulating authorities and governing bodies.

# Regulatory Overview

The following subsection within this report provides an overview of the regulatory activities carried out by the Malta Gaming Authority (MGA/Authority) during the first six months of 2023.

## Authorisation Activities

The Authority received multiple requests for various types of authorisations, including gaming licences, recognition notices, and key function certificates, in addition to requests for modifications to the current active authorisations.

**Gaming Licences**

16
Applications Received

7
Licences Issued

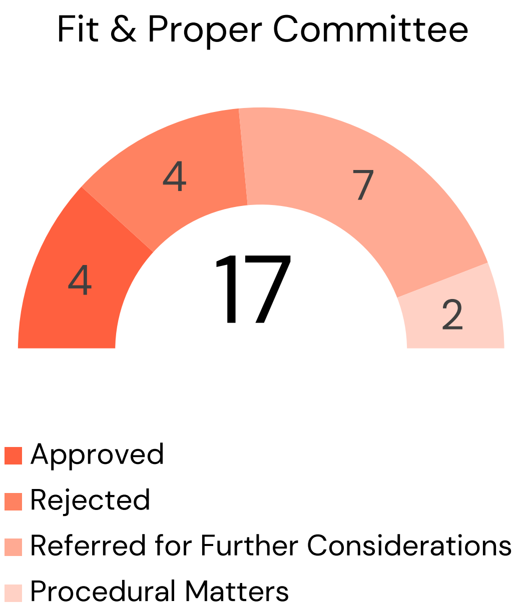
8
Rejected/Withdrawn Applications

**Recognition Notices**

88
Applications Received

15
Certificates Issued

Before authorisations are issued, applications are assessed on various pillars, one being the 'fit and properness' standpoint to evaluate the legal and natural persons involved in the prospective applications. To this end, a total of 545 criminal probity checks were conducted on individuals, shareholders and ultimate beneficial owners, key persons and other employees, as well as companies from both the land-based and online gaming sectors.




Some applications of a more complex nature were discussed at the Fit and Proper Committee level. The Committee took 17 decisions in total, out of which four were approvals, and a further four resulted in the refusal of individuals and entities being assessed on the basis that they were not deemed fit and proper in light of the Authority's role in mitigating the risks of Money Laundering and Terrorism Financing (ML/TF).

Additionally, another seven decisions referred to applications in which the Committee deemed that the Authority should request further documentation or declarations from the applicant or existing licensee before deciding on their fit and proper status to ensure their integrity and reputability. The remaining two decisions were related to procedural matters, which mainly referred to internal procedural decisions taken in relation to the MGA's fit and properness procedures.

As per standard practice to ensure good governance, all gaming licence applications were also raised to the attention of the Authority's Supervisory Council. Seven licence applications were discussed, six of which were approved. One application was rejected due to irregularities in the financial documentation provided to the MGA and on the basis of inaccurate and incomplete submissions. Furthermore, the Council also assesses the renewal of expiring licences and the share transfers in the direct or indirect shareholding of current licensees. To this end, two licence renewals for current licensees and one share transfer were approved, while two share transfers were rejected on the basis of insufficient information submitted to the Authority.


## Compliance Activities

Throughout the lifetime of any gaming licence, the Authority's compliance function effectively ensures that licensees adhere to the stipulated licence conditions and the relevant legislative framework.

### Routine Compliance Checks

| | |
|---|---|
| 85 | Desktop Reviews |
| 14 | Compliance Audits |
| 949 | Monthly B2B Reports |

Numerous compliance checks are undertaken to ensure that authorised persons are abiding by the gaming licence conditions and legislative framework and, in those cases where the licensee is not compliant, necessary action is taken. In all, 85 desktop reviews were conducted, supplemented by an additional 14 compliance audits, which were concluded.

A total of 949 Monthly Reports were received from critical gaming supply licensees offering business-to-business (B2B) services. These reports provide insight into the interchange between various operators and the existing relationships between the respective B2B operator filing the report and its business-to-consumer (B2C) and B2B clients.

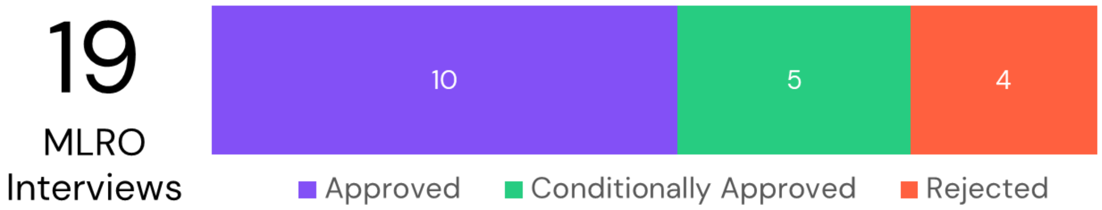
### AML/CFT Examinations, Interviews and Enforcement Measures

Within the context of the legislative framework governing Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), the Authority has put in place specific compliance procedures. To this end, on behalf of the Financial Analysis Intelligence Unit (FIAU), it initiated 11 Compliance Examinations to assess gaming operators' adherence to AML/CFT obligations.

**11**

Compliance Examinations

Furthermore, as part of the compliance process, the MGA interviews prospective Money Laundering Reporting Officers (MLRO) to ascertain whether the candidate has the necessary knowledge and is suitable to undertake the role, satisfying all the legal requirements. Of the total 19 interviews that were undertaken, 52.6% were approved, 26.3% were approved upon the condition that they improve their AML/CFT knowledge and are reassessed by the Authority. In contrast, 21.1% of candidates were rejected.

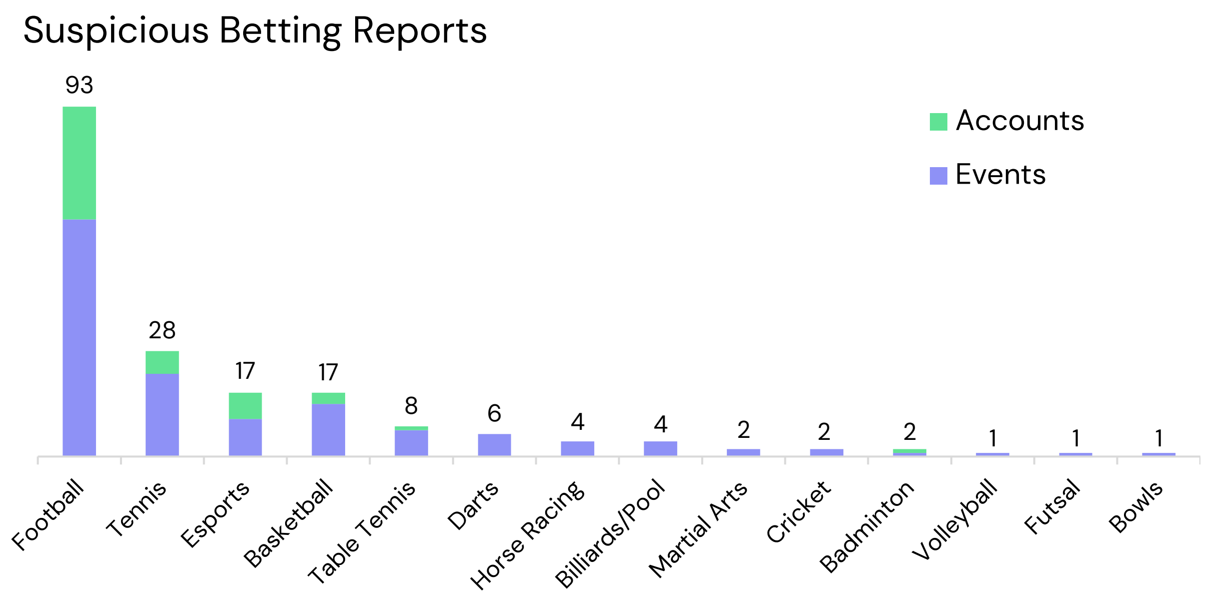



Several enforcement measures relating specifically to AML/CFT were also undertaken. Three licensees were subject to remediation or enforcement measures by the FIAU based on AML/CFT breaches, shortcomings, or observations identified during compliance examinations carried out in previous years, including those carried out by the MGA on behalf of the FIAU. During the period under review, the total enforcement penalties issued to gaming companies by the FIAU amounted to €599,420.

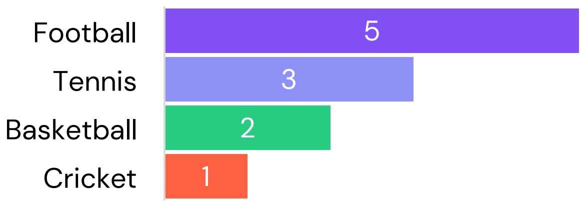
## Sports Betting Integrity Reporting

The Authority contributes to the fight against the manipulation of sporting competitions by employing a specific reporting mechanism whereby licensees offering sports betting products report suspicious betting patterns to the MGA. In total, 166 suspicious betting reports were received from licensees and other concerned partners, which were referred to the relevant sports governing body. Within these reports, 138 events and 48 accounts were reported as potentially suspicious. Football was the most reported sporting event, resulting in 93 reports, followed by 28 reports on tennis and 17 on esports and basketball, respectively.

In this regard, the basis for suspicion was mainly 'Stake and volumes above the average expectation for the market', which accounted for 63.6% of the reports submitted, or 'Activity focused on specific markets', which constituted another 52.3% of the reports submitted. It is to be noted that these figures do not represent a share out of the total but rather their frequency since these reports include more than one basis for suspicion.



## Participation in Investigations





A number of these suspicion reports have also led the Authority to participate in 11 investigations in which data had to be exchanged between a licensed operator and the entity investigating an incident related to the manipulation of sports competitions. From these, football was the sport that was probed the most, with five investigations; a further three were related to tennis, two to basketball, and one related to cricket.

**118**

Alerts Shared with Licensees

The Authority sent out 118 alerts to its licensees, of which 45 were also sent to the relevant Sports Governing Bodies. The remaining 73 events did not merit a report. A report might not be required following the discussion of such events with the relevant operators, whereby the suspicion is not deemed strong enough for further dissemination. Alternatively, the activity may not fall within the Authority's remit – a report is not required if the potentially suspicious activity was provided within the remit of a foreign licence and the event was not offered to accounts falling under the Authority's remit. Should an event, offered through another licence, have also been offered to accounts within the Authority's remit, it is to be reported, even if no potentially suspicious activity was linked with the MGA's accounts. Furthermore, there were 12 instances whereby a licensed operator submitted a Suspicious Betting Report after the MGA shared an alert to its licensees. Additionally, the Authority collaborates with enforcement agencies, sports governing bodies, integrity units, and other regulatory bodies from across the globe by acting as a channel to distribute their requests for information to licensees, which can contribute to their investigations. There were 12 such requests for information, which resulted in 17 data exchanges facilitated by the Authority.

### Inspections on Land-Based Establishments

**4,981**

Inspections of Land-Based Gaming Premises, Commercial Bingo Halls, Lotto Booths and Non-profit Tombola

The land-based gaming sector was also on the compliance radar to ensure that all licensed gaming operators were running their businesses in adherence to the relevant laws and regulations. To this end, several inspections were carried out covering supervision in Casinos, Commercial Bingo Halls, Gaming Parlours, Lotto Booths, and Non-profit Tombola.

## Enforcement

To be able to act and take any necessary action in instances where legal persons or entities are found to be in breach of the legislative framework governing the gaming market, the Authority makes sure that its investigative and enforcement structures are well established.

The MGA has a Compliance and Enforcement Committee as part of its internal structures. It is entrusted to determine the most appropriate enforcement measures for breaches of specific provisions from the legislative gaming framework. These measures consist of warnings, administrative penalties, suspensions, and cancellations of authorisations issued by the Authority. When the violations under consideration are thought to constitute a criminal offence, the Committee decides whether to proceed with a formal complaint to the Malta Police Force (MPF) or make an offer of a regulatory settlement.

A total of 22 decisions were made by the Compliance and Enforcement Committee concerning breaches of the Gaming Act (Chapter 583 of the Laws of Malta) (hereinafter 'Gaming Act') and the binding instruments issued thereunder.

| | |
|---|---|
| **23** | Warnings |
| **9** | Administrative Penalties |
| **5** | Suspended Licences[1] |
| **4** | Cancelled Licences |

The Authority issued a total amount of €57,900 in administrative penalties and an additional €66,500 as a regulatory settlement, through which it confiscated the proceeds made through unlicensed critical gaming supplies in breach of the Gaming Act. The penalties were imposed on licensees and unauthorised entities offering licensable services without being duly authorised.

## Player Protection and Responsible Gaming

One of the Authority's main regulatory objectives is to protect consumers, especially minors and vulnerable persons, by ensuring that licensees provide a safe and fair gaming environment and have the support structures in place covering the financial aspect, such as player funds, the operators' financial stability and any related audits.

### Requests for Assistance

The Authority received 2,216 requests for assistance from players, while 2,118 requests were resolved.

| | |
|---|---|
| 2,216 | 2,118 |
| Received Requests | Resolved Requests |

[1] These suspensions refer to five authorisations pertaining to four companies.

## Protecting Player Funds

**1,054**
Player Funds Reports Received

**16**
Player Data Extractions

**40**
RG Website Checks

**11**
Misleading URLs

**6**
Notices on Website

**16**
Observation Letters

Licensees are obliged by law to have sufficient funds to cover the total player and jackpot funds, as well as ensure that at least 90% of the funds required to cover player funds are composed of funds held at EU/EEA-licensed credit, financial, or payment institutions. The Authority ascertains this through monthly Player Funds Reports (PFR), of which 1,054 were received.

Should a licence be surrendered or cancelled, the licensee will be subject to a data extraction, giving the Authority visibility of those players who are still owed funds by such licensee and have not been responsive in collecting their dues before the closure of the gaming operation. A total of 16 data extractions were conducted.

Furthermore, responsible gaming audits and responsible gaming website checks are also carried out by the MGA to ensure the licensees' compliance with the requirements outlined in the Player Protection Directive.

The focus here is on licensee-player relationships and the responsible gaming-related functionalities accessible on the B2C operator's website. To this end, 40 responsible gaming website checks were carried out, and 11 URLs were found to have misleading information. As a result, six notices were published on the MGA website, and 16 observation letters were sent concerning responsible gaming issues.

## Commercial Communications

With the aim of ensuring that all gaming commercial communications are compliant with the provisions of the Gaming Commercial Communications Regulations (S.L. 583.09), the Authority's Commercial Communications Committee evaluates all gaming commercial communications which are brought to its attention by the general public or through the various regulatory and monitoring structures.

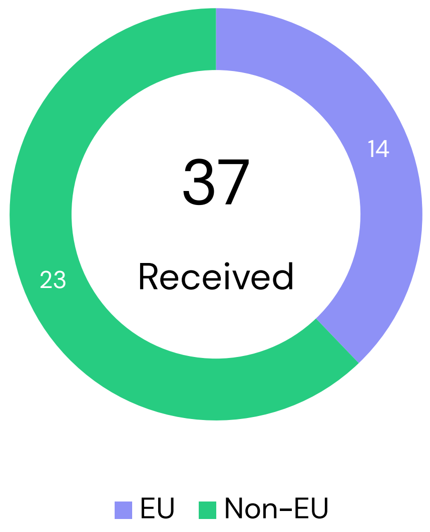
The Commercial Communications Committee issued three Letters of Breach, whereby operators were found to be in breach of the Gaming Commercial Communications Regulations (S.L. 583.09). Additionally, the Committee notified third parties, including but not limited to media houses and affiliates, of any violations and advised them on rectifying their position to comply with the law.

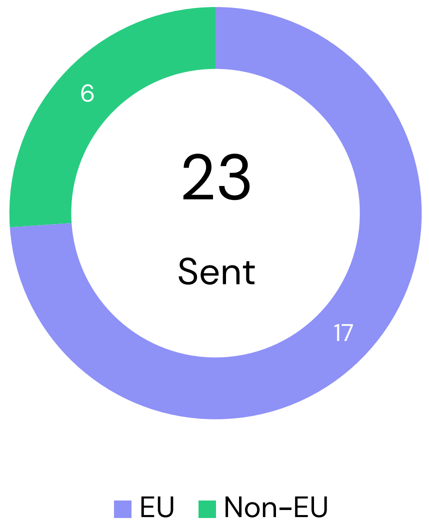
**3**
Letters of Breach

## Collaboration

Collaboration is essential for exchanging concepts and best practises, which makes it easier to react to any new changes in technology or the market, which occasionally require regulatory intervention.

### International Cooperation




The MGA received and actioned various requests from its counterparts to share information on several areas.

| International Cooperation Requests | Received | Sent |
|---|---|---|
| Generic request for cooperation | 0 | 0 |
| Information about the local regime | 8 | 0 |
| Informing other regulators of illegalities | 4 | 0 |
| Regulatory assistance on a locally licensed operator | 2 | 0 |
| Request for background checks as part of an authorisation process | 23 | 23 |
| Request for information about unlicensed person/entity or cancelled licences | 0 | 0 |
| Sports integrity | 0 | 0 |
| **Total** | **37** | **23** |

*Note: The requests above refer solely to those sent to other international gaming regulators and exclude any requests sent to other international entities and agencies.*

**53**

Letters of Good Standing

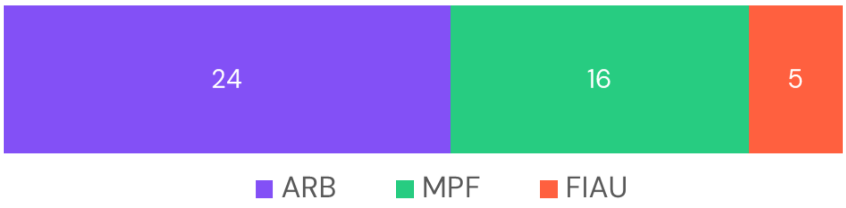
The MGA also worked closely with other authorities by providing an official reply on the regulatory standing of our licensed operators. We confirm their good standing when this is the case and share relevant information and any adverse remarks regarding the licensees or associated persons where required.

## Collaborations on a Local Level

The MGA collaborates with other regulating authorities and governing bodies to efficiently and effectively regulate the gaming industry in Malta. This is reflected through responses provided by the MGA to requests for information on the gaming sector received from the Asset Recovery Bureau (ARB), the FIAU, and the MPF.

**45**

Requests for Information



# Gaming Industry Statistics

## Preface

The following section presents the performance of the gaming industry regulated by the MGA during the first six months of 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

1. These statistics relate to the proportion of the Maltese gaming industry which is 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 June 2023.
3. The data in this report is based on the IPRs, which were disseminated amongst all the companies that are licensed by the MGA. To collect this data, licensed companies were asked to answer questions on the Maltese-licensed activity. The response rate for compiling the review was 98% at the cut-off date. 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 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 that are 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 where 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, and whereby the operators manage their own risk by managing the odds offered to the player. One of the 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 derive revenue by way of charge.

    - Peer-to-Peer Bingo, and other Peer-to-Peer Games – This vertical includes games of bingo or other games where 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, which are activities, the outcome of which is determined by the use of skill alone or predominantly by the use of skill, and that 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 the National Lottery), the compliance contribution for 2020 to June 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 June 2023 included the licence fees and a 5% consumption tax on customers located 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 the 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/self-employed individuals directly engaged by gaming companies. The share of employment generated by activities in or associated with the gaming industry from the total workforce is calculated using the Labour Force Survey: Q2/2023, as published by the National Statistics Office (NSO). Online gaming operators report their total employment in Malta in terms of two categories, as outlined below:

    - 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

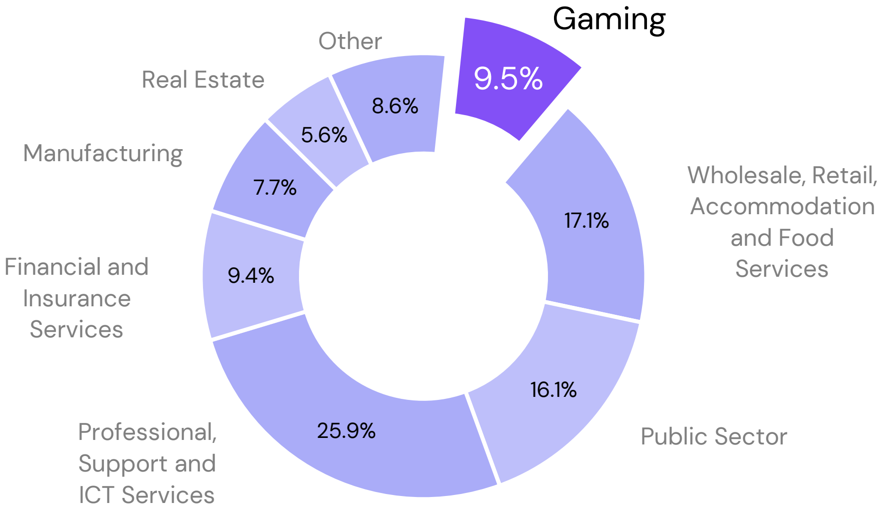
- Employees that are employed with another associated/related company that is not licensed by the MGA.

10. The direct contribution of the gaming industry 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

The gaming industry in Malta sustained its contribution to the economy's value added during the first half of 2023. Based on the latest data published by the NSO, the total Gross Value Added (GVA) generated by the gaming industry during the first half of 2023 stood at €810.7 million, representing around 9.5% of the economy's GVA. When the indirect effects are included, the industry's contribution to the economy value added amounts to 12.2%. The growth in the value added of the gaming industry during the first half of 2023 is estimated at 1.1% over the same period of 2022. This indicates that the gaming industry's contribution is stabilising, while the sector is expected to continue playing a fundamental role in the Maltese economy.




*Note: The total percentage does not equal 100% due to the rounding of figures.*

*Chart 1: Contribution of the Gaming Industry to Value Added*

The foregoing analysis incorporates an ad-hoc revision in national accounts data carried out by the NSO in the second quarter of 2023. Ad hoc revisions result mostly from adopting new data sources to replace past estimates with more robust figures, as well as methodological improvements which cause more significant changes than those arising out of routine revisions. The main purpose of the latest ad hoc revision was to refine national accounts data by including new data sources, and it led to revisions from the reference period 2018 Q1 onwards. As shown in Chart 2, the revision in national accounts data had a minor impact on the resulting contribution of the gaming industry to value added.

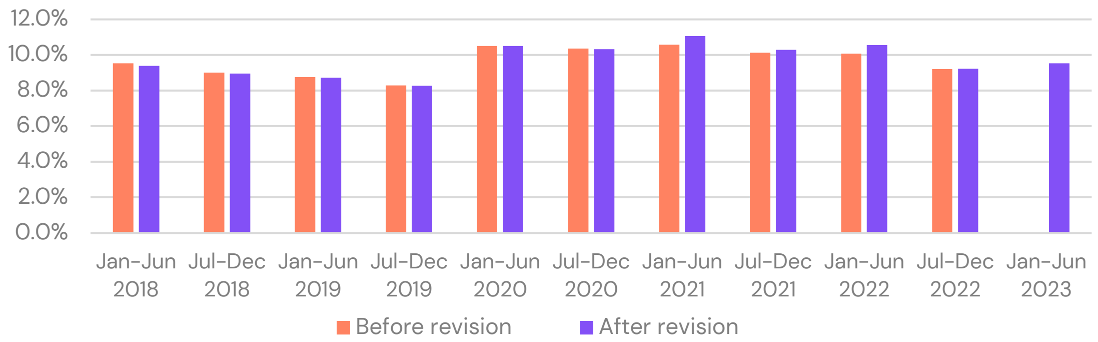



*Chart 2: Impact of the revision of National Accounts data on the contribution of the Gaming Industry to Value Added*

As of the end of June 2023, the number of companies licensed by the MGA - including online and land-based entities - stood at 335. In addition, these gaming companies held a total of 345 gaming licences and 329 approvals to offer various types of games under the B2C licence and a further 208 approvals to offer various game types under the B2B licence. These approvals are then divided into multiple verticals.

In the first half of 2023, the MGA collected €41.2 million in compliance contribution, licence fees, levies, and consumption tax.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Number of licences *(Note 1)* | 318 | 328 | 337 | 351 | 363 | 358 | 345 |
| Number of companies *(Note 1)* | 313 | 323 | 328 | 341 | 357 | 350 | 335 |
| Gross Value Added (€m) *(Note 2)* | 624.7 | 639.3 | 732.6 | 755.5 | 801.8 | 767.0 | 810.7 |
| Employment *(Note 3)* | 9,566 | 10,602 | 12,106 | 12,537 | 13,645 | 13,384 | 13,870 |
| Land-Based | 813 | 735 | 770 | 766 | 755 | 880 | 892 |
| Online – Type A | 7,196 | 7,557 | 9,496 | 9,919 | 10,106 | 10,365 | 9,729 |
| Online – Type B | 1,557 | 2,310 | 1,840 | 1,852 | 2,784 | 2,139 | 3,249 |
| Compliance contribution, licence fees, levies and consumption tax (€m) | 33.7 | 39.8 | 37.9 | 40.0 | 39.8 | 38.8 | 41.2 |

*Note 1: The reported number of licences and companies include both online and land-based and relate to stock as of the end of June and 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 and company, which include those which are active, voluntary suspended or suspended.*

*Note 2: The GVA figures are being updated in line with the revision made during 2023 in the computation of GVA for NACE 92 by the NSO.*

*Note 3: 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 stock as of the end of June and December respectively and refer solely to MGA-licensed entities.*

*Table 1: Headline Indicators*

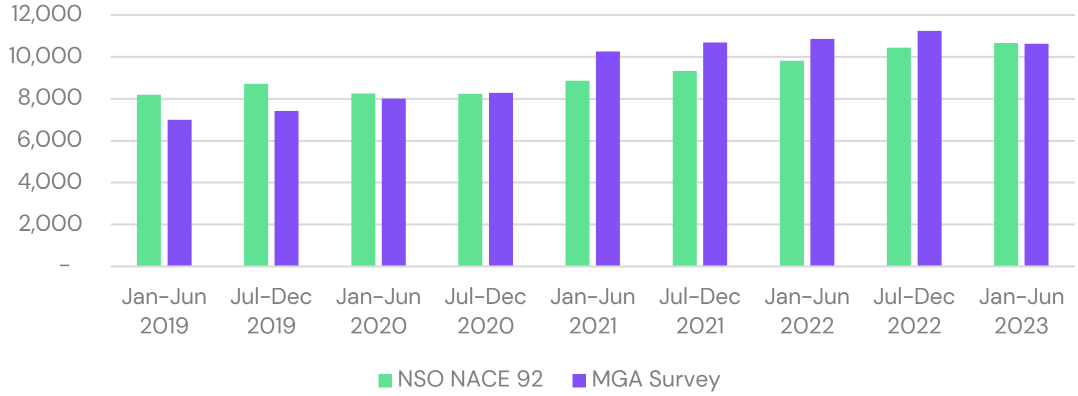
Online gaming operators report their total employment in Malta under two types: Type A and Type B[2]. The MGA has remained committed to ensuring that the reported figures are reliable, especially concerning groups of companies holding more than one MGA licence. Towards this end, the Authority works closely with its operators to ensure an effective data collection process. This continued effort has contributed to various points of improvement that have ultimately resulted in increased reliability in the reported aggregate employment figures.

It is estimated that at the end of June 2023, there were 10,621 employees (FTEs) working with MGA-licensed companies on the activities covered by the Authority's licence, representing a drop of

[2] For more information on employment, please refer to Point 9 of the Methodology.

2.2% in Type A employment when compared to the same period in 2022. This reflects the impact of increased regulation by various jurisdictions across the industry. Around 92% of this type of employment, that is, 9,729 FTE employees, are engaged in the online sector.

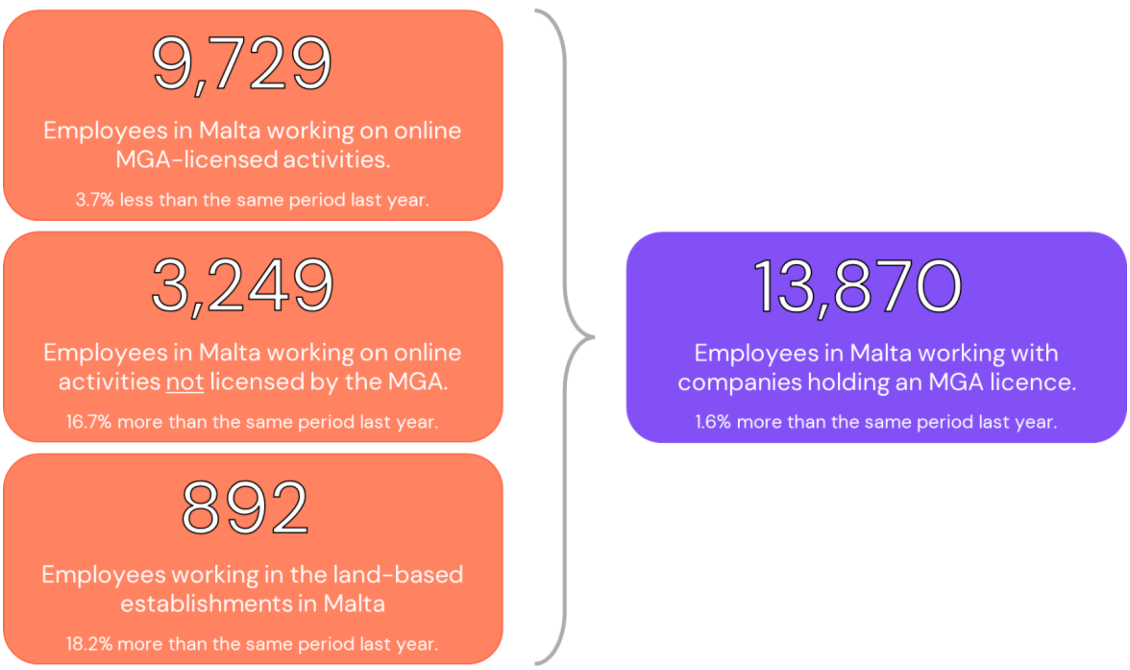
As shown in Table 1, the figures for Type B employment record notable growth over the years. For the period under review, an additional 3,249 FTEs were estimated to have been working with MGA-licensed companies on activities licensed under other jurisdictions or providing direct services to MGA-licensed firms while employed by another associated/related company. The growth in Type B employment reflects the operators' willingness to remain established and maintain operations from Malta, irrespective of ongoing regulatory developments.




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

*Chart 3: Gaming Industry Employment (FTE)*

When considering both Type A and Type B employment, the total employment in the gaming industry is estimated to stand at 13,870, an increase of 1.6% over the same period last year, as shown in the figure below. This represents around 5% of the total workforce[3].




[3] NSO, Registered Employment March 2023 (NR142/2023)

## Gaming Industry Outlook

The gaming industry in Malta has continued to thrive in a challenging external environment characterised by an ever more difficult regulatory landscape, uncertainty from a tax perspective for the largest operators, and uncertainty regarding global growth forecasts, which, although remain generally strong, are being tempered by ongoing geopolitical tensions. Despite these headwinds, the gaming industry's position in the Maltese economy remains strong, with an estimated 9.5% direct contribution to the economy's value added during the period under review. Furthermore, the gaming industry's value added is poised to continue growing in the medium term, albeit with reduced momentum. According to a recent study[4], the gaming sector has been identified by investors as one of Malta's top three leading business sectors, along with tourism and leisure, for the next five years.

From the perspective of online gaming operators, the industry's outlook remains positive. Indeed, around 74% of those who submitted a valid response in the Industry Performance Return (IPR)[5] expect gaming revenue to increase in 2024. There are also positive expectations for employment, such that 60% of operators who provided a valid response indicated that they expect employment within the gaming industry to increase over 2023 to 2024. Nevertheless, most operators also expect higher business costs in the industry. The costs which most operators expect to increase include legal and professional costs and marketing costs.

Different regulations and lack of regulatory convergence across jurisdictions are also expected to continue increasing cost pressures and causing uncertainty for gaming operators. The fragmented approach adopted by the individual European jurisdictions has led to a situation where a Maltese-licensed operator is required to apply for multiple licences to supply the same game or product in different EU countries despite the product or game on offer not being different. Against this background, operators must be able to swiftly adapt to changing regulations and tailor their approaches accordingly. The MGA remains committed to providing the necessary support to industry operators while maintaining good connections with regulatory and supervisory bodies in other jurisdictions.

The sustainability agenda within the gaming sector has been gaining prominence in recent years as the public's demand for businesses to provide greater transparency and accountability increases. The long-term profitability of the gaming sector also relies on how the market perceives its role in society, its commitment to responsible gaming, and the measures taken to protect players, all of which impact the increasing integration of ESG within the company's strategy.

Parts of the gaming industry have also been facing uncertainty over the introduction of a minimum global corporate tax for large companies falling within the scope of this initiative. The Government has recently announced that Malta will make use of the option to delay implementation by at least one year, thereby giving the industry more leeway to adapt to a new tax regime, which the Government is still committed to keep as competitive as possible within the changing international legal landscape.

Going forward, emerging technologies and market trends will continue to transform the sector. The next generation of gaming platforms is no longer confined to traditional experiences. However, it is allowing for more immersive and collaborative in-game experiences, as well as increased interaction between traditional forms of gambling and other games. Virtual products, such as digital collectibles and NFTs (non-fungible tokens), are becoming integral to the gaming experience, and

[4] EY Attractiveness Survey, Malta, October 2023.
[5] The data collection exercise was carried out in early 2023, cover the reporting period July-December 2022.

the delivery channels are intersecting more constantly with innovative technologies. They are expected to continue to do so in the future. In this new dimension, companies must continue to put customers at the centre of business decision-making while reassessing their capabilities and where they fit in the gaming ecosystem, whilst the MGA's commitment to technology neutrality and remaining open to innovation is an essential regulatory enabler.

Overall, the outlook for the gaming industry remains positive. Backed by its robust regulatory regime and a well-established gaming ecosystem, Malta is positioned to benefit from emerging trends. Industry players are to stay attuned to the trends that will characterise the future of gaming and implement proactive measures to protect their platforms and users.

# Detailed Statistical Report on the Land-Based Gaming Activities

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

At the end of June 2023, all 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[6].

## 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[7], and an operator can offer one or multiple game types. At the end of June 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 then classified into the verticals offered for each type, as presented in Table 2[8]. To date, no licensed casinos provide 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 |

*Table 2: Gaming Premises - Casinos – Game Types Verticals (end-Jun 2023)*

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

The total number of gaming devices in the casinos stood at 908, including 896 slot-type gaming machines and 12 sports betting terminals.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Slot-type gaming devices | 939 | 913 | 908 | 887 | 880 | 897 | 896 |
| Sports betting machines | 17 | 17 | 17 | 17 | 12 | 12 | 12 |
| Total | 956 | 930 | 925 | 904 | 892 | 909 | 908 |

*Table 3: Gaming Premises - Casinos - Number of Gaming Devices*

[6] For more information on the game types, please refer to Point 6 of the Methodology.
[7] For more information on the game types, please refer to Point 6 of the Methodology.
[8] 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: New Players' Registrations

Casino operators are required to register every new-to-the-casino player who enters their premises. Between January and June 2023, licensed operators reported 91,246 registrations in their establishments, representing multiple registrations by a single player in more than one casino.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 26,176 | 29,500 | 15,777 | 59,485 | 60,068 | 110,235 | 91,246 |

*Table 3: Gaming Premises - Casinos - New Players' Registrations*

## Gaming Premises – Casinos: Players' Visits

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 192,351 | 279,511 | 137,015 | 340,761 | 331,844 | 458,798 | 417,979 |

*Table 4: Gaming Premises - Casinos - Players' Visits*

The total number of visits to local casinos during the first half of 2023 stood at 417,979, an increase of 26.0% when compared with the corresponding period of 2022. Visits continued to increase steadily following the strong rebound registered after the easing of COVID-19 restrictions in 2022. This is also evident when analysing the monthly visits reported, as per Chart 4 below. It could be noted that the number of visits recorded during the first six months of 2023 was slightly higher than that in 2022, confirming that casinos' operations were registering year-on-year growth.

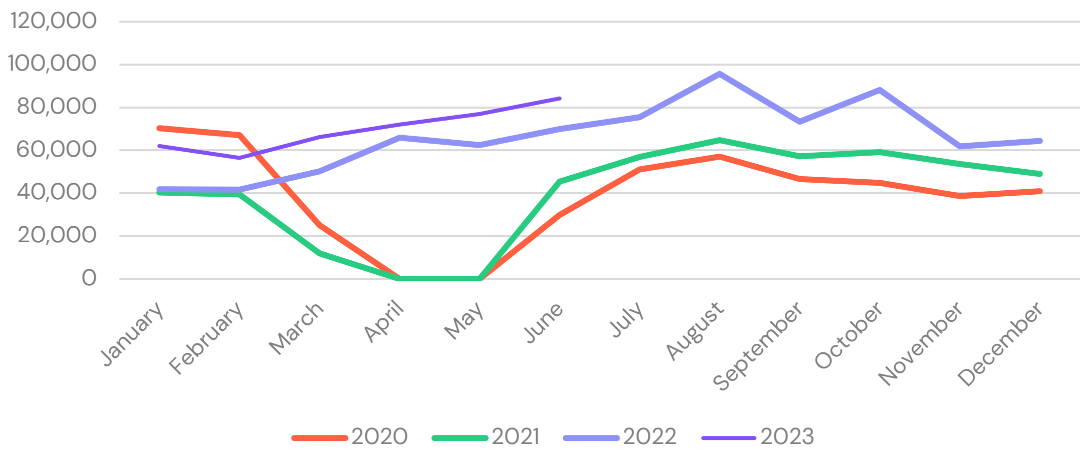



*Chart 4: Gaming Premises - Casinos - Players' Visits*

### *Junket Players*

During the period under review, local casinos hosted 774 junket players[9]. Of all junket players hosted by casinos during the period under review, 41.2% referred to the in-house junkets, whilst the remaining players were brought to the casinos by junket leaders.

[9] 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.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| In-house | 77 | 106 | 98 | 92 | 226 | 203 | 319 |
| With junket leader | 184 | 275 | 156 | 363 | 427 | 490 | 455 |
| Total | 261 | 381 | 254 | 455 | 653 | 693 | 774 |

*Table 5: Gaming Premises - Casinos - Number of Junket Players*

## Gaming Premises – Casinos: Players' Profile

### *Nationality*

During the first six months of 2023, the number of visits by Maltese players increased by 13.2%, while that of non-Maltese players increased by 36.9% when compared to the corresponding period of 2022. Moreover, visits of non-Maltese players accounted for 58.5% of casino visits registered during the period under review. 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.

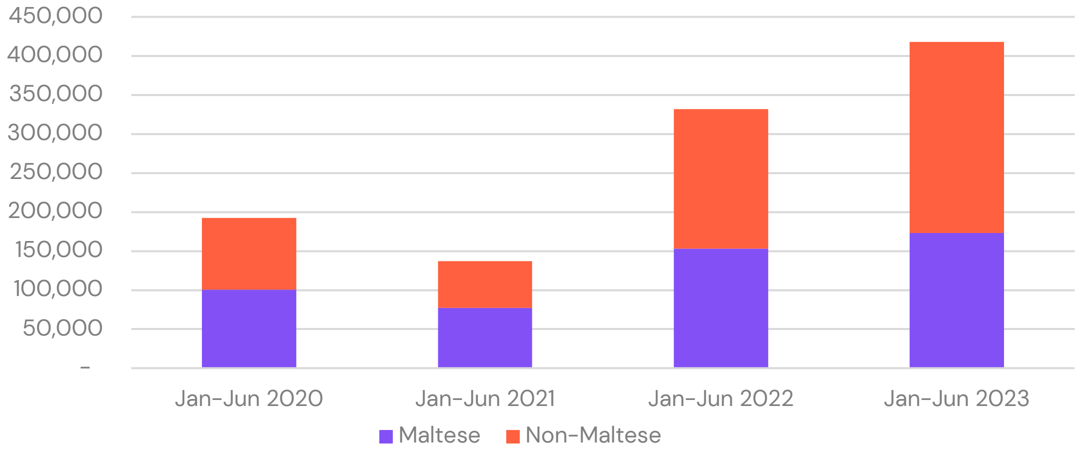
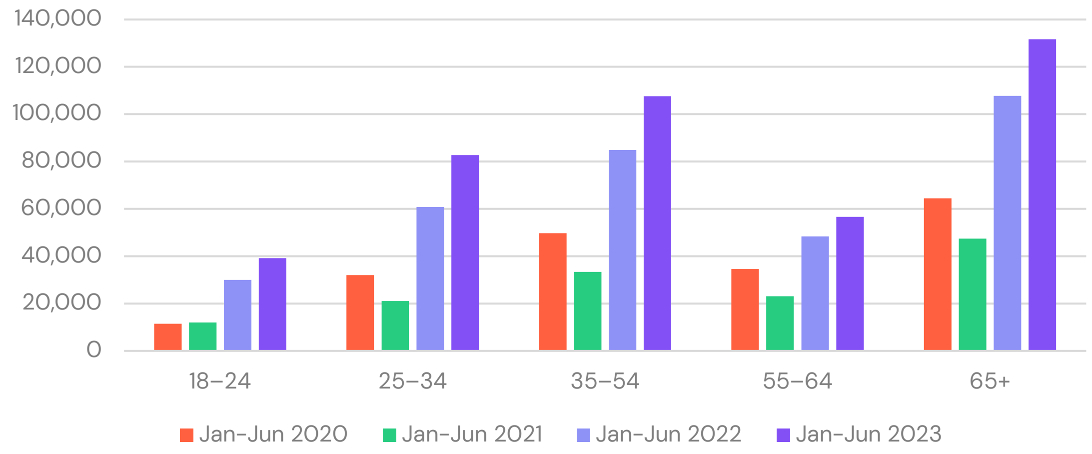



*Chart 5: Gaming Premises - Casinos - Players' Profile by Nationality*

### *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 31.5% of the total visits. Visitors from the 35–54 age bracket constituted 25.7% of the visits, with this being the second largest category. Visits by players from the 25–34, 55-64 and 18–24 age brackets accounted for 19.8%, 13.6%, and 9.4% of the total visits, respectively.




*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*

It is worth noting that visits by female players accounted for 35.7% of all visits, a decrease of 3.1 percentage points when compared to the same reporting period of 2022.

## Gaming Premises – Casinos: Gaming Revenue

During January-June 2023, the GR generated by the casino sector resulted in an increase of 22.3% when compared to the first half of 2022. Almost the entire GR was generated from Type 1 games, as shown in Chart 7 below.

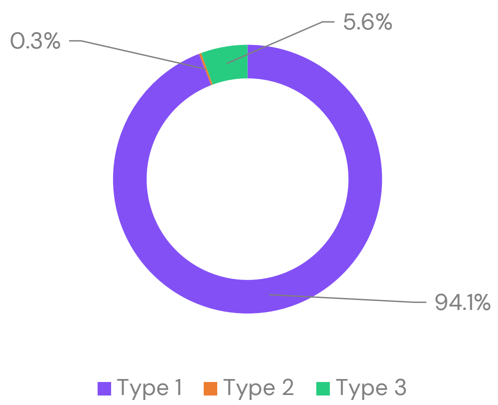



*Chart 7: Gaming Premises - Casinos – GR Distribution by Game Type*

The GR from the limited junket activity stood at 10.5% of the total GR reported between January and June 2023. It should be noted that such a percentage level was recorded before the COVID-19 pandemic.

### *Average GR per Visit*

Despite the increase in both visits and GR, the average GR per visit stood at €65.6, decreasing slightly from the figure registered in the first half of 2022. This marginal decline resulted since the total amount spent within the licensed casino establishments increased at a slower rate than the number of visits registered.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 61.8 | 65.3 | 67.5 | 62.2 | 67.6 | 60.9 | 65.6 |

*Table 6: Gaming Premises - Casinos - Average GR per Visit*

## Gaming Premises – Casinos: Compliance Contribution

The MGA collected a total of €9.0 million in dues (including compliance contribution, licence fees, levies, and a 5% consumption tax on customers located in Malta) owed by the casino operators.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 3,917,765 | 6,568,236 | 2,663,299 | 7,920,131 | 7,316,096 | 9,376,841 | 8,953,364 |

*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 7: Gaming Premises - Casinos - Compliance Contribution and Licence Fees*

## Gaming Premises – Casinos: Employment

At the end of June 2023, the total number of FTE direct employees working in casinos stood at 531, an increase of 7.5% when compared to the end of June 2022.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Total | 560 | 489 | 506 | 496 | 494 | 533 | 531 |

*Table 8: Gaming Premises - Casinos - Employment (FTE)*

The proportion of male employees increased by 1.1 percentage points over the same period of 2022, reaching 63.2% at the end of June 2023. Furthermore, the share of non-Maltese employees increased by 4.6 percentage point to 70.0% from 65.4%, as reported at the end of June 2022.

# Gaming Premises – Controlled Gaming Premises

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

As of July 2022, the land-based controlled gaming premises experienced a change in the overall operations of this sub-sector as one of the major operators diverted towards offering such gaming activity through a different land-based business model. 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 major operators for the entire period under review.

By the end of June 2023, the number of approved controlled gaming premises[10] in Malta totalled 29, spread across 18 localities in Malta and Gozo. The highest number of outlets are located in the Northern Harbour and Southern Harbour Districts (as defined in Appendix 1), which have 10 approved premises in each. These regions also 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 are in line with legal restrictions to safeguard and protect minors and the general public. Table 10 below presents the total number of gaming premises for all the licensed operators.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Total | 60 | 60 | 64 | 64 | 63 | 28 | 29 |

*Table 9: Controlled Gaming Premises - Number of Outlets*

## Gaming Premises – Controlled Gaming Premises: Game Types

By the end of June 2023, all six authorised licensees operating the controlled gaming premises had approval to offer Type 1. In contrast, five of the six operators also had a Type 2[11] game approval. Furthermore, some of the licensed operators had Type 3 approvals. Each game type is subdivided into verticals, as presented in Table 11 below[12].

| | |
|---|---|
| Type 1 | 6 |
| Casino including Live Casino Setup | 6 |
| Type 2 | 5 |
| Fixed Odd Betting, including Live Betting | 5 |
| Type 3 | 2 |
| Peer-to-Peer Bingo/Poker | 2 |
| Type 4 | 0 |

*Table 10: Controlled Gaming Premises – Game Types Verticals (end-Jun 2023)*

[10] 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.
[11] For more information on the game types, please refer to Point 6 of the Methodology.
[12] 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 217 at the end of June 2023. This brought the average number of gaming devices per outlet to 7.5, which is in line with the regulations limiting the number of devices per outlet to no more than 10.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Total | 8.6 | 8.7 | 8.5 | 8.4 | 8.6 | 8.4 | 7.5 |

*Table 11: 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 65,857. This significant drop in the reported figures is because, as of mid-way 2022, one of the major operators started diverting towards offering such gaming activity through a different land-based business model and is thus no longer being captured within this sub-section's data points.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 233,381 | 399,152 | 327,166 | 341,537 | 309,181 | 195,832 | 65,857 |

*Table 12: 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 June 2023 is more in line with that reported in the last two months of 2022.

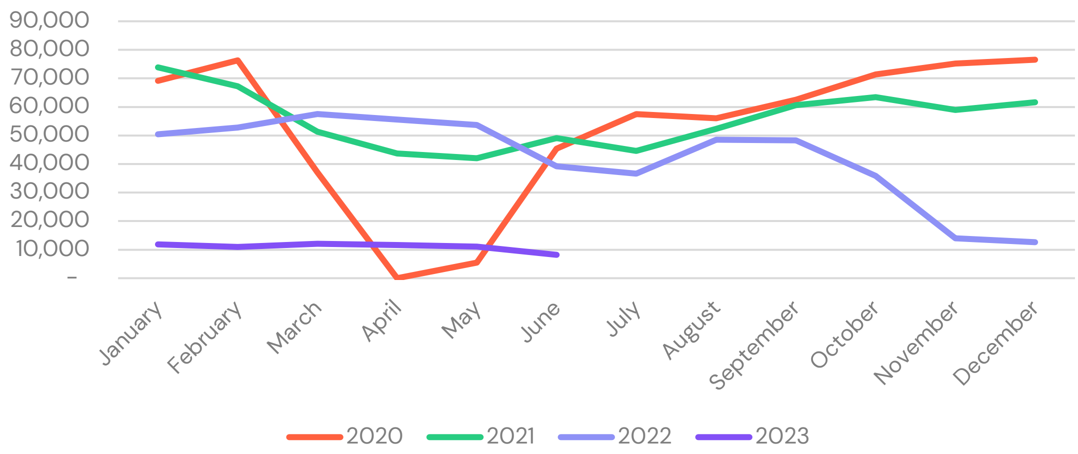



*Chart 8: Controlled Gaming Premises - Number of Visits*

### *Number of Visits by Locality*

As specified in Appendix 1, for statistical purposes, the Maltese Islands are divided into six districts: Southern Harbour, Northern Harbour, South Eastern, Western, Northern, and Gozo and Comino.

The highest number of player visits occurred in the Northern Harbour and Southern Harbour districts, accounting for 42.4% and 25.6% of all visits, respectively. These two districts are also characterised by the highest number of outlets, 10 in each district, which explains the concentration levels of visits. The remaining visits were distributed between the remaining districts, that is, Northern (16.4%), South Eastern (11.5%) and Gozo and Comino (4.1%). It is to be noted that within the Western District there are no longer any authorised establishments operating Controlled Gaming Premises.

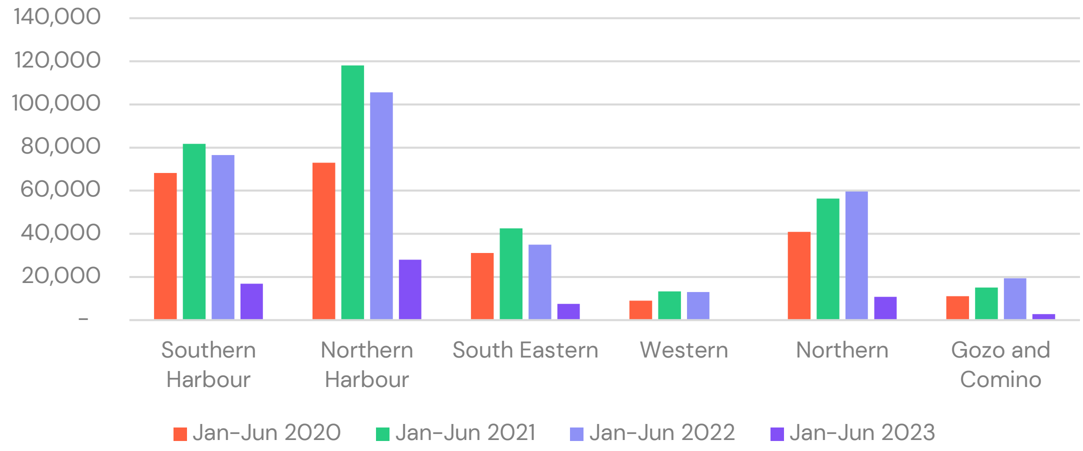



*Chart 9: Controlled Gaming Premises - Number of Visits by District*

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

A total of 1,492 new registrations were recorded at the controlled gaming premises. This marks a decrease of 58.8% compared to the same reporting period in 2022. Such a drop follows the explanation provided above for Players' Visits.

| | 2020 | | 2022 | | 2023 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 2,384 | 3,217 | 3,085 | 3,781 | 3,623 | 4,167 | 1,492 |

*Table 13: 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 41.4% during the first half of 2023, resulting in an overall drop of 9.6 percentage points from the level recorded during the same reporting period of the previous year. This trend continues to reflect the changing demographic composition of the resident population in Malta.

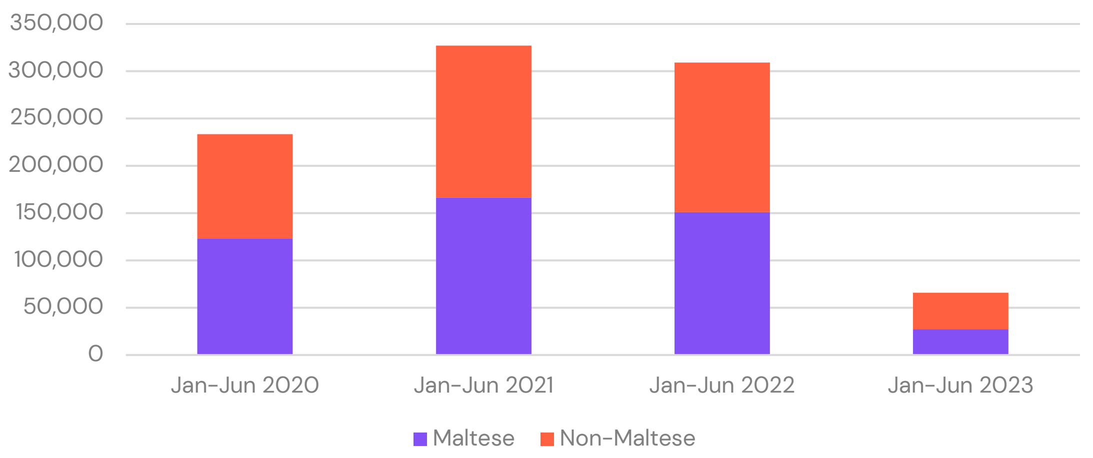



*Chart 10: Controlled Gaming Premises - Players' Profile by Nationality*

### *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 48.4% and 18.5% of all visits, respectively. Visits by players from the 65+, 55-64 and 18-24 age brackets accounted for 14.8%, 12.1% and 6.2% of the total visits registered between January and June 2023, respectively.

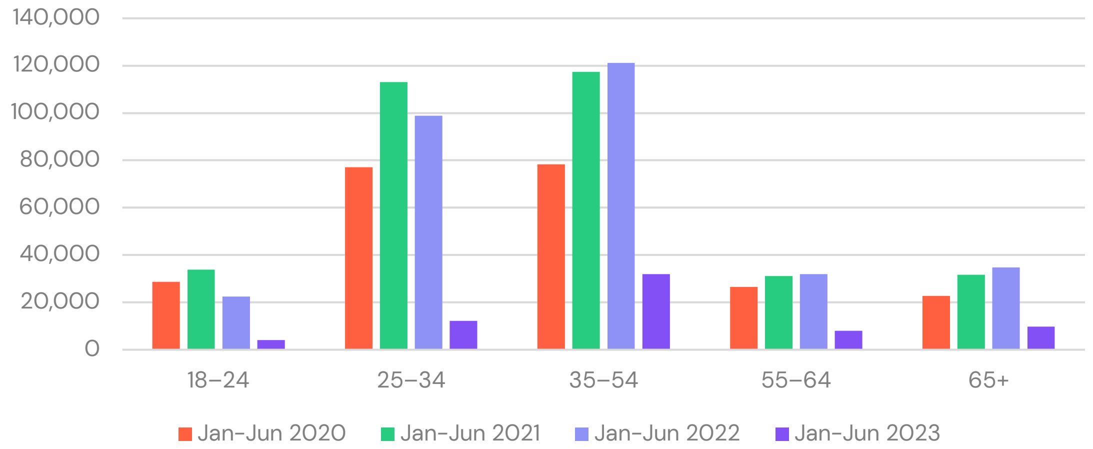



*Chart 11: Controlled Gaming Premises - Players' Profile by Age Group Distribution*

Furthermore, controlled gaming premises are mostly popular with males, whose visits accounted for 75.6% of the total visits registered during the first half of 2023.

## Gaming Premises – Controlled Gaming Premises: Gaming Revenue

The GR generated by controlled gaming premises reported a significant decrease of 72.4% when compared to the same period in 2022, in line with the decrease in the number of visits. Out of the total GR generated between January and June 2023, 73.8% was generated from Type 1 games, 25.7% from Type 2 games, and 0.5% from Type 3 games.

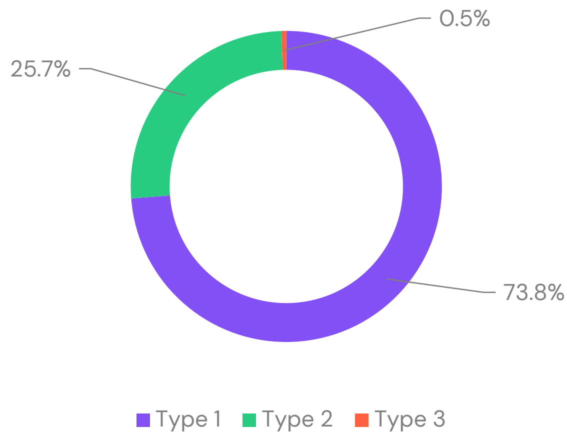



*Chart 12: Controlled Gaming Premises - GR Distribution by Game Type*

### *Average GR per Visit*

Notwithstanding the drop in the number of players' visits and volume of GR, the average GR per visit to controlled gaming premises stood at €26.2. 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 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 17.2 | 14.5 | 12.2 | 15.9 | 20.2 | 20.5 | 26.2 |

*Table 14: Controlled Gaming Premises - Average GR per Visit*

## Gaming Premises – Controlled Gaming Premises: Compliance Contribution

The MGA collected a total of €510,053 (including compliance contribution, licence fees, levies, and a 5% consumption tax on customers located in Malta) from the operators of controlled gaming premises.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 942,491 | 1,498,665 | 987,764 | 1,388,067 | 1,518,860 | 1,007,490 | 510,053 |

*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 15: Controlled Gaming Premises - Compliance Contribution and Licence Fees*

## Gaming Premises – Controlled Gaming Premises: Employment

By the end of June 2023, the number of FTE direct employees working in the controlled gaming premises amounted to 83, a drop of just over 50% when compared to the figure reported at the end of June 2022. Such a significant drop is attributed to the change experienced in the land-based controlled gaming premises in July 2022, whereby one of the major operators diverted towards offering such gaming activity through a different land-based business model.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Total | 154 | 153 | 169 | 177 | 168 | 83 | 83 |

*Table 16: Controlled Gaming Premises - Employment (FTE)*

At the end of June 2023, 53.5% of all controlled gaming premises' employees were male, a decrease of 7.8 percentage point when compared to June 2022. In terms of the nationality distribution, the number of Maltese employees experienced a considerable drop of 65.5%, when compared to the figures reported in June 2022, with the figure for Maltese employees standing at 59.3% at the end of June 2023.

# Gaming Premises - Commercial Bingo

## Gaming Premises – Commercial Bingo: Number of Establishments

During the period under review, four commercial bingo halls, located in Birkirkara, Qawra, Valletta, and Paola, were in possession of an MGA licence.

## Gaming Premises – Commercial Bingo: Game Types

At the end of June 2023, all commercial bingo licensees were approved to offer peer-to-peer bingo/poker under Type 3 games[13].

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

The commercial bingo sector reported 924 new registrations, a considerable increase over the figure reported in the previous year and signalling a steady shift towards pre-COVID trends.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 378 | 341 | 150 | 497 | 434 | 798 | 924 |

*Table 17: 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 13.3%.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 38,190 | 51,544 | 25,597 | 57,563 | 54,071 | 59,828 | 61,264 |

*Table 18: 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.

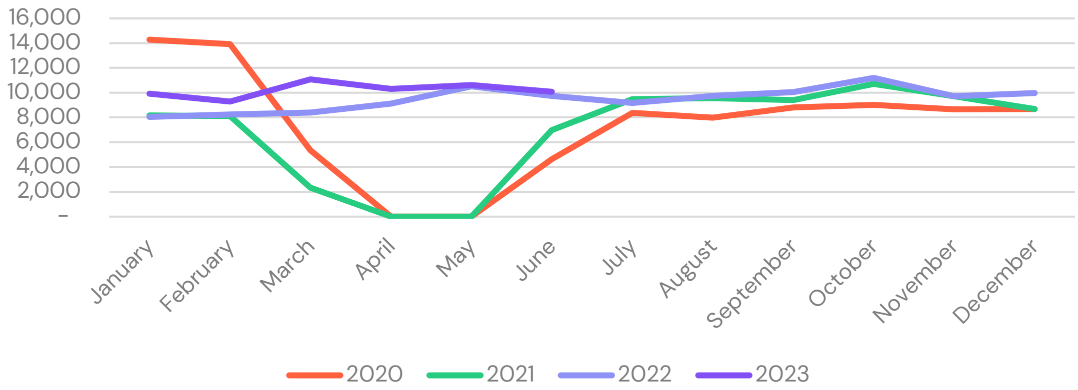



*Chart 13: Gaming Premises - Commercial Bingo - Number of Visits*

[13] 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 97.8% of the total visits reported. This is in line with the trends observed in the previous reporting periods.

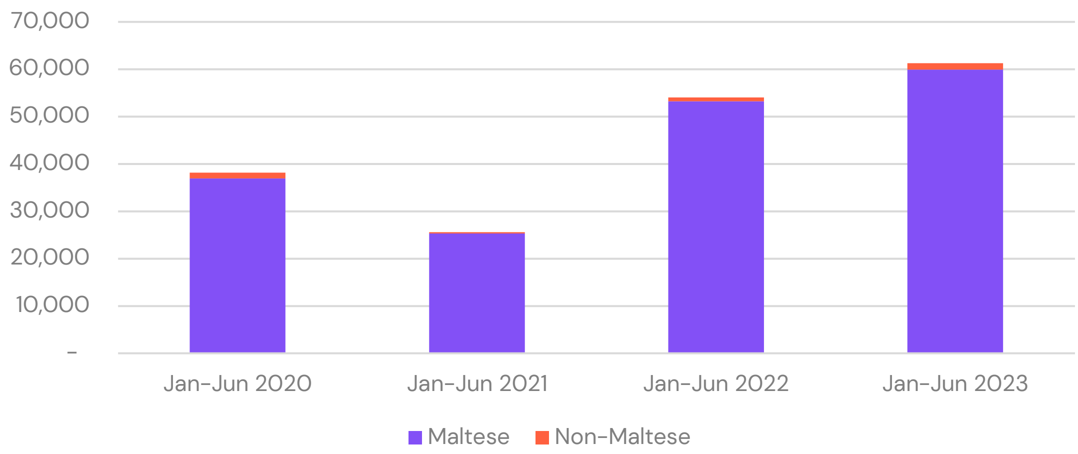



*Chart 14: Gaming Premises - Commercial Bingo - Players' Profile by Nationality*

### *Demographic Group*

Visits by players aged 65 years or over continued to represent the highest share (66.3%) 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%, 1.7%, 12.1% and 19.2% of total visits registered during the reporting period, respectively.

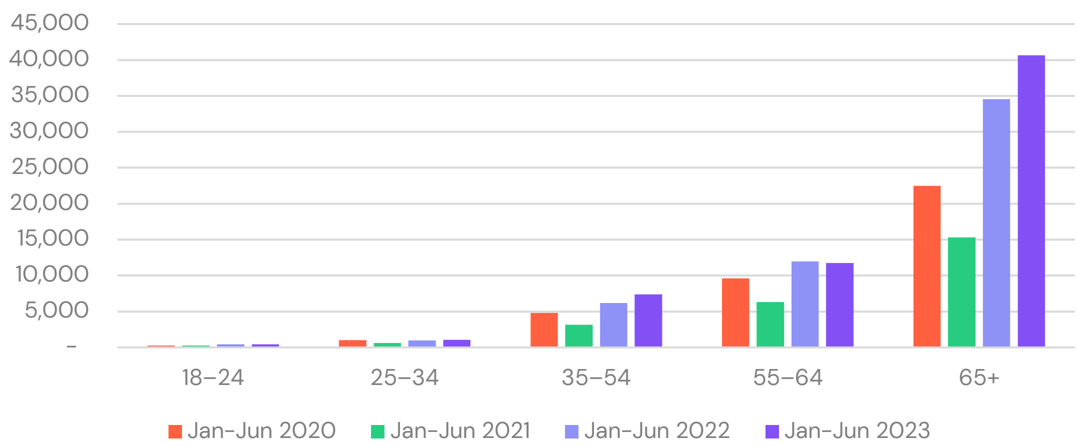



*Chart 15: Gaming Premises - Commercial Bingo - Players' Profile by Age Group Distribution*

Similar to what was recorded in previous reporting periods, most players who visited commercial bingo halls during this reporting period were women, accounting for 88.2% of all the visits made.

## Gaming Premises – Commercial Bingo: Gaming Revenue

During the period under review, the GR of the commercial bingo sector increased by 15.6% when compared with the corresponding period of 2022. This is attributed to the 13.3% increase in players visiting commercial bingo, as reported above.

*Average GR per Visit*

The average GR per visit during the first half of 2023 stood at €16.2, a slight increase of 2% when compared to the same reporting period of the previous year.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 14.0 | 17.3 | 17.9 | 13.7 | 15.8 | 15.1 | 16.2 |

*Table 19: Gaming Premises - Commercial Bingo - Average GR per Visit*

## Gaming Premises – Commercial Bingo: Compliance Contribution

The MGA collected a total of €129,648 by way of dues (including compliance contribution, licence fees, levies, and a 5% consumption tax on customers in Malta) owed by the commercial bingo hall operators in terms of the applicable legislation.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 118,344 | 175,706 | 77,826 | 171,958 | 162,430 | 188,640 | 129,648 |

*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 20: Gaming Premises - Commercial Bingo - Compliance Contribution and Licence Fees*

## Gaming Premises – Commercial Bingo: Employment

By the end of June 2023, the commercial bingo sector directly employed 26 FTE employees.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Total | 37 | 32 | 33 | 33 | 31 | 29 | 26 |

*Table 21: Gaming Premises - Commercial Bingo - Employment (FTE)*

At the end of June 2023, 72.7% of all commercial bingo hall employees were female, a decrease of 6.7 percentage points compared to the figures reported at the end of June of the previous year. The ratio of Maltese nationals employed in the bingo sector decreased to 51.5%, 22.0 percentage points less than that recorded at the end of June 2022.

# National Lottery

National Lottery plc started its operations on 5 July 2022. For statistical purposes, the performance for the first six months of 2023 will be compared to the latter six months of 2022 since otherwise the differences in the overall suite of products and distribution network make the overall operation not comparable like for like.

## 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 207.

| | Jul-Dec 2022 | Jan- Jun 2023 |
|---|---|---|
| Total | 198 | 207 |

*Table 22: National Lottery - Outlets*

## National Lottery: Game Types

At the end of June 2023, National Lottery was in possession of an approval to offer Type 1, Type 2 and Type 3[14] games. Each game type is subdivided into verticals, as presented in Table 24 below[15].

| | |
|---|---|
| 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 |

*Table 23: National Lottery – Game Types Verticals*

## National Lottery: Number of Gaming Devices

At the end of June 2023, the total number of gaming devices at NLOs stood at 579, including 301 sports-betting terminals and 278 electronic gaming machines.

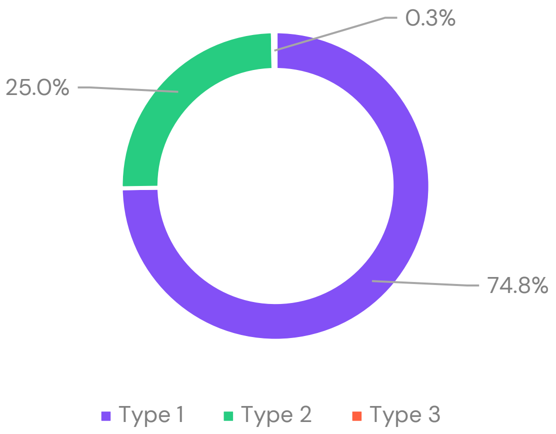
| | Jul-Dec 2022 | Jan-Jun 2023 |
|---|---|---|
| Sports Betting Terminals | 206 | 301 |
| Electronic Gaming Machines | 247 | 278 |
| Total | 453 | 579 |

*Table 24: National Lottery - Number of Gaming Devices*

[14] For more information on the game types, please refer to Point 6 of the Methodology.
[15] 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: Gaming Revenue

Of the total GR generated between January and June 2023, 74.8% was generated from Type 1 games, including Lottery and Casino-Type games. A further 25.0% was generated from Type 2 games, mainly constituting of sports betting games, whereas the remaining 0.3% was generated from Type 3 games, primarily constituting of Pool Betting, including Betting Exchange.




*Source: National Lottery plc*

*Note: The total percentage does not equal 100% due to the rounding of figures.*

*Chart 16: National Lottery - GR by Game Type*

## National Lottery: Compliance Contribution

The MGA collected almost €8.3 million by way of dues (including compliance contribution, licence fees, levies, and a 5% consumption tax on customers located in Malta) owed by the National Lottery operator in terms of the applicable legislation.

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

*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 25: National Lottery - Compliance Contribution and Licence Fees*

### *Contribution to the Social Causes Fund*

In addition to gaming tax, per law and concession conditions, National Lottery plc also contributes to the Social Causes Fund. During the first half of the year, contributions amounted to €133,703.

| | Jul-Dec 2022 | Jan-Jun 2023 |
|---|---|---|
| Total [€] | 531,257.21[16] | 133,703 |

*Table 26: National Lottery – Contribution to the Social Causes Fund*

[16] This figure also includes contributions made by the previous National Lottery operator.

## National Lottery: Employment

At the end of June 2023, the total number of FTE direct employees working in National Lottery plc stood at 229.

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

*Table 27: National Lottery - Employment (FTE)*

The proportion of male employees reached 65.7% at the end of June 2023, an increase of 2.6 percentage points compared to the second half of 2022. Furthermore, the share of Maltese employees stood at 85.8%, thus at par with that recorded at the end of December 2022.

## Land-Based Gaming: Self-Exclusion

Players might voluntarily withdraw from gaming activities for a definite or indefinite period according to the legal framework. For the duration of the applicable self-exclusion term, players who use the self-exclusion program will not be allowed to access commercial bingo halls, land-based casinos, or controlled gaming premises. Those players who opt to exclude themselves for a definite period, either six months or a full year, can resume their gaming activities after the predetermined time has elapsed. Gamblers who choose an indefinite exclusion, however, are only able to reverse this if they can get a medical certificate proving they are no longer compulsive gamblers.

### Number of Self-Exclusion Requests

A total of 820 players submitted a request to be self-excluded from the land-based gaming outlets in Malta, an increase of 6.91% when compared to the figures for the same period in 2022. This increase can be attributed to the increase in player visits to gaming premises, the efforts being made on the responsible gambling front and the rolling sum of the number of people who opt for a 12-month exclusion, which is automatically renewed. The figure for the 12-month self-exclusion requests includes one-time and automatic renewal requests, increasing the figure.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| 6 months | 231 | 346 | 187 | 322 | 344 | 315 | 360 |
| 12 months | 279 | 401 | 307 | 431 | 422 | 449 | 460 |
| Indefinite | 0 | 1 | 0 | 0 | 1 | 0 | 0 |
| Total | 510 | 748 | 494 | 753 | 767 | 764 | 820 |

*Table 28: Land-Based - Number of Self-Exclusion Requests*

Out of all the players that requested a self-exclusion, the majority of players, 56.1%, opted for a one-year exclusion, while the remaining 43.9% applied for a six-month exclusion. No requests for an indefinite period of exclusion were made.

When considering the age distribution of self-excluded gamblers, it could be noted that for the land-based sector, gamblers from the 35–54 age group registered the highest number of self-exclusion requests, accounting for 39.4% of all requests. In contrast, only 2.9% of these requests came from the youngest age group (18–24), 4.0% less than the same period last year. The remaining requests were shared between the other age group categories, namely the 25–34, 55–64, and 65+ age brackets, registering 20.1%, 18.3% and 19.3%, respectively. In terms of gender distribution, during the period under review, 74.4% of the self-exclusion requests were made by male players in line with previous trends.

# 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 games, as per the Fifth Schedule of the Gaming Authorisations Regulations 2018. Low-risk games require a permit valid only for a singular event and 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. The low numbers reported up to mid-2021 are because gaming activity had been restricted due to the Covid-19 pandemic.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Non-profit lottery | 5 | 1 | 6 | 10 | 6 | 12 | 3 |
| Non-profit tombola | 396 | 471 | 126 | 617 | 558 | 754 | 763 |

*Table 29: Non-Profit Games - Permits Issued*

### *Commercial Communication Games*

Commercial communication games are games where the game is not an economic activity in and of itself; rather, it is 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 that the prizes offered cannot exceed €100,000 in any calendar month or €500,000 during any calendar year. Between January and June 2023, the MGA issued 14 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.

# Detailed Statistical Report on the Online Gaming Activities

## Online Gaming: Number of Companies

At the end of June 2023, the number of gaming companies holding a valid active licence to offer a gaming service stood at 325, as shown in Table 31 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 June 2023, 49 online companies held corporate group licences, with a total of 141 entities forming part of the respective groups.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| No. of companies *(Note 1)* | 303 | 314 | 319 | 332 | 346 | 338 | 325 |
| *Additional companies falling under the Corporate Group Licence* | 100 | 141 | 158 | 165 | 169 | 134 | 141 |

*Note 1: The reported number of companies relate to stock as of the end of June and 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 include those which are active, voluntary suspended or suspended.*

*Table 30: Online Gaming - Number of Companies*

## 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 wish to offer both B2C and B2B services. At the end of June 2023, the B2C group of licences accounted for 52.4% of the total licence base.

Out of the 49 corporate group licences that were active at the end of June 2023, 28 referred to B2C-related operations whilst the remaining 21 were for B2B-related activity.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| B2C - Gaming Service Licence (Note 1) | 196 | 196 | 192 | 197 | 199 | 187 | 175 |
| *of which are the B2C - Corporate Licences* | 20 | 24 | 27 | 27 | 28 | 29 | 28 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| B2B - Critical Supply Licence (Note 1) | 111 | 122 | 135 | 144 | 154 | 160 | 159 |
| *of which are the B2B - Corporate Licences* | 11 | 11 | 12 | 13 | 15 | 15 | 21 |

*Note 1: The reported number of licences relate to stock as of the end of June and 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 include licences which are active, voluntary suspended or suspended.*

*Table 31: Online Gaming - Distribution of Licences by Category*

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

Four different game types that can be offered by the licensees according to the present licensing regime[17]. An operator can offer one or multiple game types. As in prior reporting periods, as end of June 2023, most active B2C operators were in possession of an approval to offer Type 1 and Type 2 games, as presented in Table 33 below.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Type 1 | 153 | 164 | 183 | 167 | 164 | 155 | 148 |
| Type 2 | 116 | 118 | 125 | 125 | 125 | 117 | 108 |
| Type 3 | 34 | 38 | 51 | 47 | 46 | 44 | 42 |
| Type 4 | 10 | 10 | 14 | 13 | 14 | 13 | 12 |

*Table 32: Online Gaming - B2C - Game Types*

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

As shown in Table 34 below, most online B2B licences hold approval to offer services relating to Type 1 games, as in previous reporting periods.

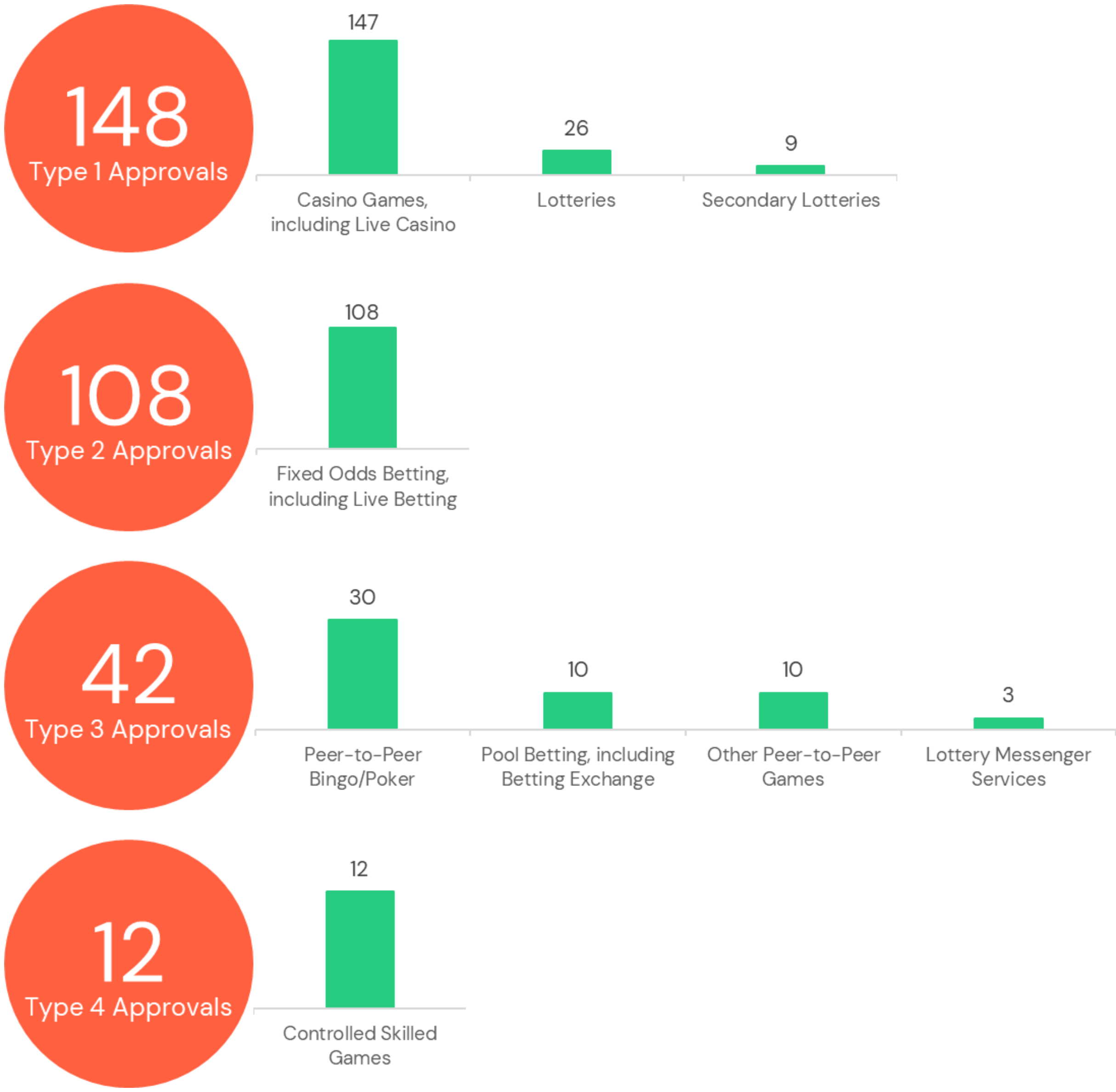
| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Type 1 | 91 | 104 | 129 | 116 | 134 | 138 | 138 |
| Type 2 | 24 | 28 | 37 | 36 | 32 | 44 | 42 |
| Type 3 | 15 | 17 | 20 | 20 | 20 | 20 | 20 |
| Type 4 | 6 | 4 | 5 | 5 | 5 | 4 | 4 |

*Table 33: Online Gaming - B2B - Game Types*

[17] For more information on the game types, please refer to Point 5 of the Methodology.

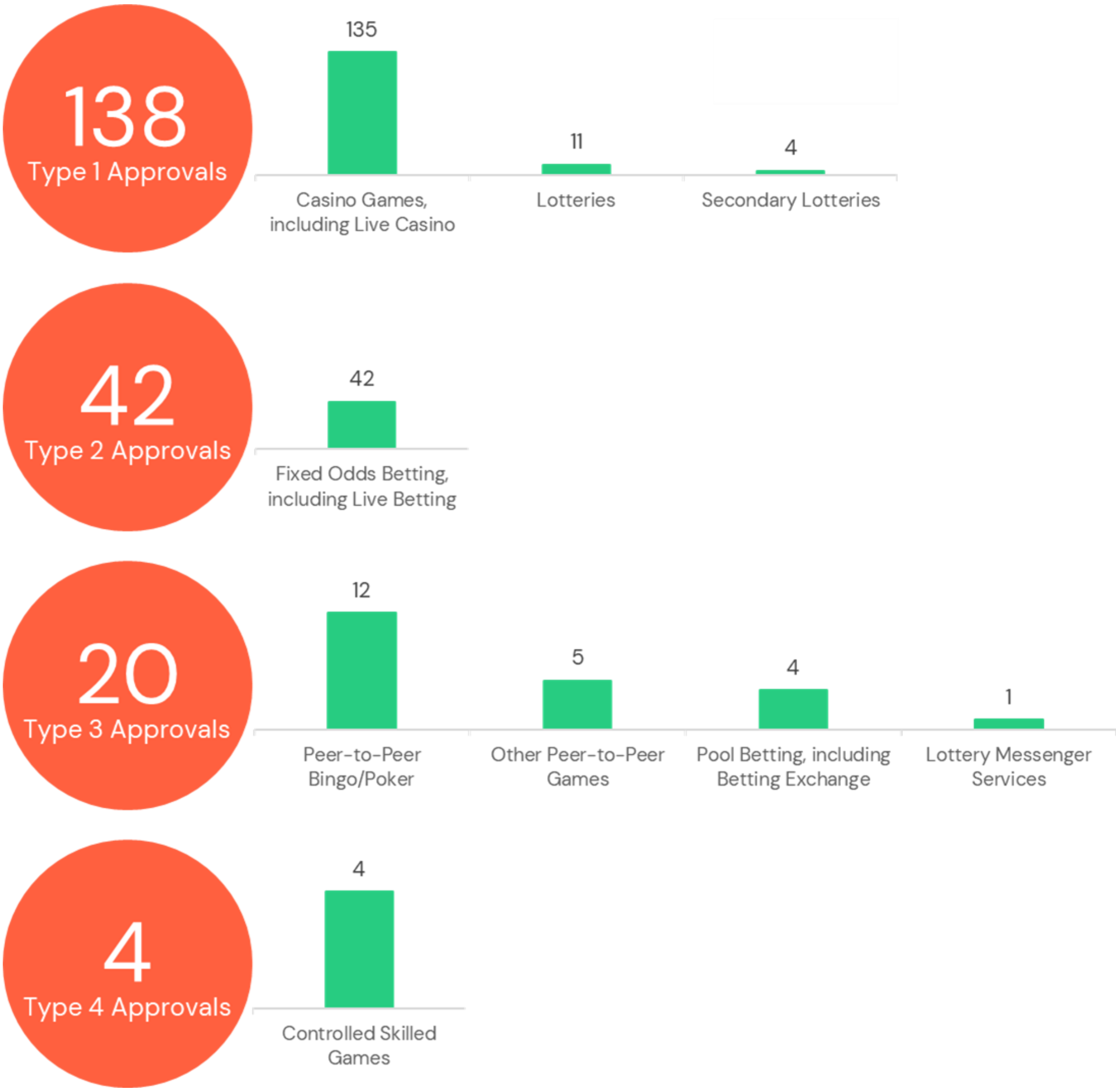
## Online Gaming: Distribution of B2C Licences by Game Type and Vertical

The following chart indicates the game-type approvals and verticals possessed by the B2C licensees at the end of June 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.



## 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 June 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.



# Online Gaming: Customer Accounts

## Active Player Accounts

The number of active player accounts[18] registered on the websites licensed by the MGA decreased by 6.2% when compared to the corresponding period of 2022, reaching 18.1 million accounts.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 17,203,612 | 18,992,389 | 17,738,298 | 17,721,199 | 19,275,887 | 17,112,719 | 18,078,260 |

*Table 34: Online Gaming - Active Player Accounts*

## New Active Player Accounts

The estimated number of new active player accounts stood at 9.2 million, corresponding to a 3.5% growth compared to the same period in 2022.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total | 7,551,239 | 8,387,679 | 8,621,937 | 7,876,693 | 8,889,281 | 9,206,699 | 9,199,625 |

*Table 35: Online Gaming - New Active Player Accounts*

On the other hand, the number of new registrations experienced a decrease of 16.7% when compared to the first six months of 2022.

# Online Gaming: Players' Profile

## Demographic Group

Players from the 25-34 age group accounted for 35.2% of the overall players on MGA-regulated websites in the first half of 2023, a decrease of 3.7 percentage points compared to last year. Similarly, players from the 18-24 age group accounted for 22.2% of the players between January and June 2023, 2.4 percentage points less than the same period last year. The proportion has shifted towards players of the 35-54, 55-64 and 65+ age groups, carrying 32.7%, 5.8% and 4.1% of players, respectively. In line with previous trends, most players (57.5% of all players) are younger than 35 years of age.

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

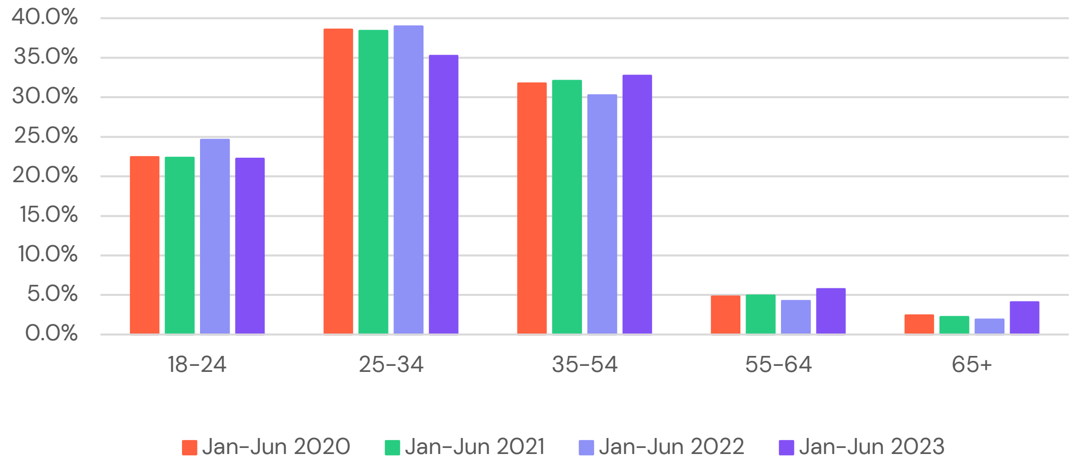



*Chart 17: Online Gaming - Players' Profile by Age Group Distribution*

Regarding gender distribution, males continued to constitute the largest category of players, accounting for 68.1% of the total player base. A slight increase has been observed in the number of female players, reaching 24.0% in the first half of 2023, compared to 20.0% for the same period 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, there exists the possibility that the gaming operator imposes 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 for the period January to June 2023 from online gaming licensed operators, it has been estimated that the total number of self-exclusion requests (sign-ups) by online players amounted to more than 1.4 million, part of which may represent multiple self-exclusions by a single player on more than one website. This represents an increase of 37.6% 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 just over 0.7 million exclusions. Such increases mainly reflect intensification in compliance monitoring.

The majority of players opt for a definite period of voluntary self-exclusion (86.3%). The remaining 13.7% opted for an indefinite period of exclusion. During the same reporting period, 4.9% 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 (93.5%) were imposed indefinitely.

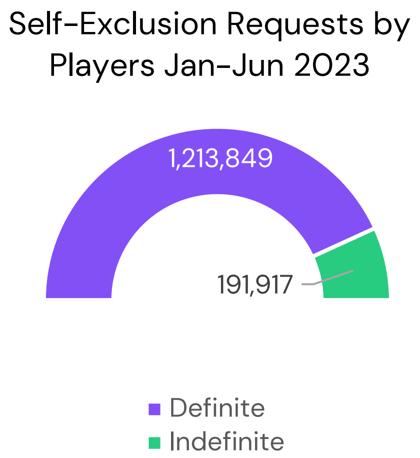




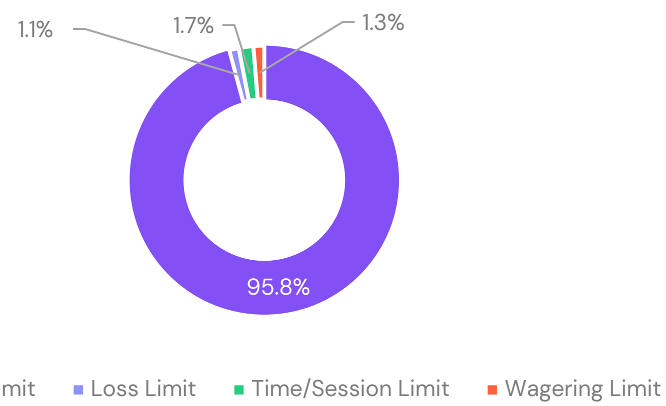
*Chart 18: Online Gaming - Number of Self-Exclusion Requests*

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 35.7% of all requests that were made, followed by those within the 35–54 age category (32.3%) and the 18–24 age group (20.8%). The remaining 11.3% of exclusion requests pertained to those individuals aged 55+. In terms of gender distribution, in line with previous reporting periods and with the gender demographics of active players, 66.7% of the self-exclusion requests were made by male players.

## Number of Limits Set and Hit

Players can impose limits on their gaming activity as a form of 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 8.5 million limits covering the four different limit categories, as explained in Chart 19 below, with the absolute majority of the total limits set on deposit limits (95.8%). The number of players setting limits has more than doubled, which is primarily attributed to the regulatory requirements for certain players in specific countries. During the same period, 3.9% of these set limits have been hit by the players, with total hits during this period amounting to 0.3 million.




*Note: The total percentage does not equal 100% due to the rounding of figures.*

*Chart 19: Online Gaming - Limits Set Distribution*

## Methods of Deposits

Bank transfers continued to be the most common deposit method used by clients of MGA-licensed companies, accounting for 48.9% of all deposit methods. Comparatively, deposits made through credit/debit cards accounted for 26.8% of all payments, whilst deposits made through e-wallets and online accounts constituted 15.8% of the total deposits. The remaining 8.5% of payments were made through other methods.

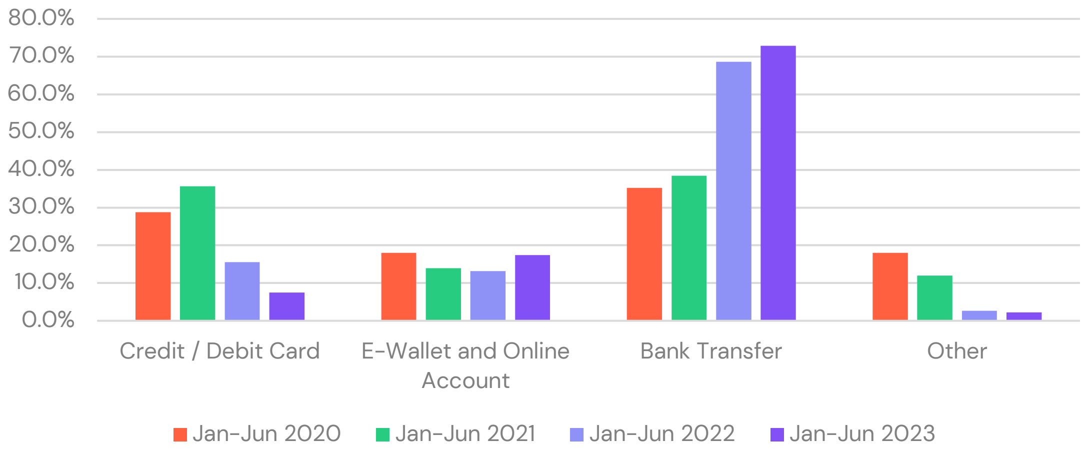



*Chart 20: Online Gaming – Methods of Deposits*

## Methods of Withdrawal

Similar to the preferred methods of deposits, bank transfer was the most preferred method of withdrawal by players, constituting 72.9% of all withdrawals. Online gaming operators indicated that e-wallet and online accounts, together with credit/debit cards, were the chosen method for 17.4% and 7.5% of withdrawals, respectively. The remaining 2.2% of the withdrawals were made through other methods.

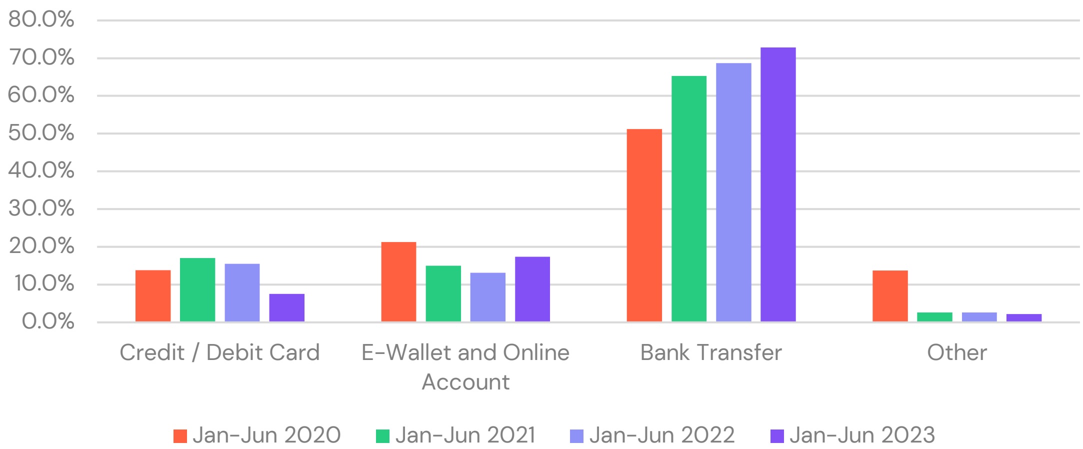



*Chart 21: Online Gaming – Methods of Withdrawal*

## Online Gaming: Gaming Revenue from Customer Gaming Activities

It is estimated that 72.8% of the total GR of the B2C licensees operating in the online industry was generated through gaming activities classified under the Type 1 group, an increase of 1.3 percentage points when compared to the same period of the previous year. In contrast, the GR generated from games falling under the Type 2 category accounted for 21.6% of the total, similarly to the same period last year. The share in GR of Type 3 decreased slightly to 5.6% from the 7.1% reported during the same period of 2021 and 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 the first half of 2023.

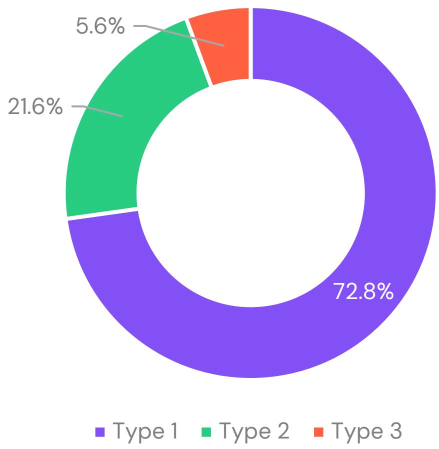



*Chart 22: Online Gaming - GR Distribution by Game Type*

Compared to the same period 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 decreased, and interest has again been restored to Type 1 games, as shown in Chart 23 below.

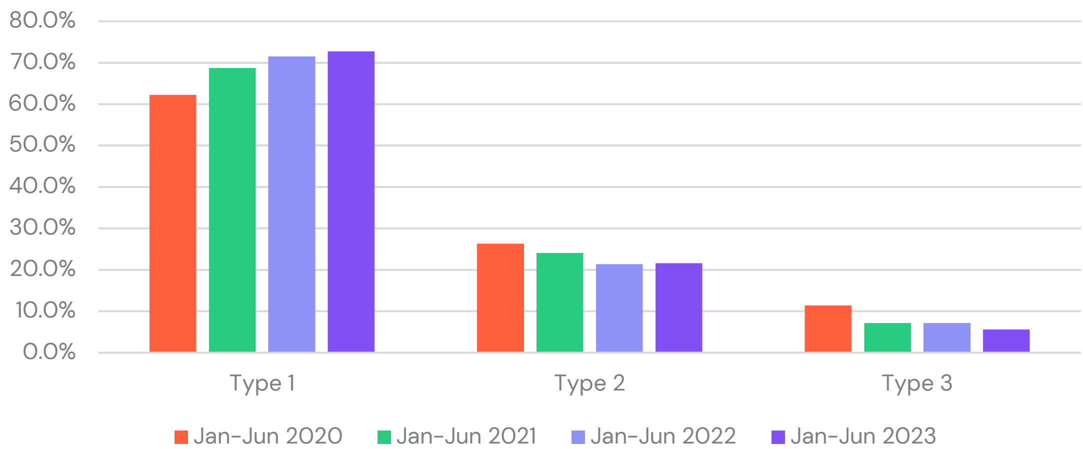
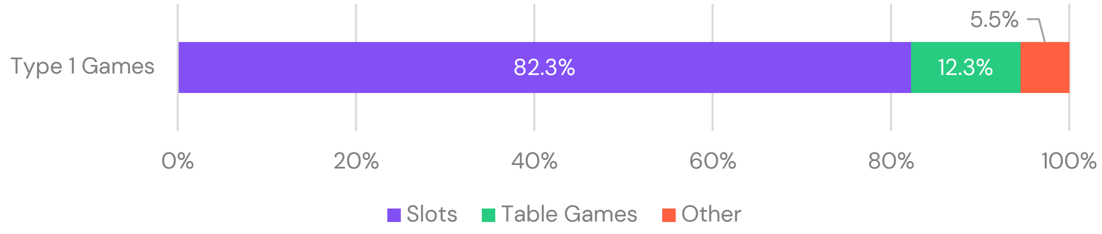



*Chart 23: Online Gaming - GR Distribution by Game Type*

## Type 1 Games

Out of the 72.8% of the total GR generated through Type 1 games, 82.3% was attributed to slot games, whilst 12.3% was generated through table games. The remaining 5.5% of the GR for the Type 1 group was generated through other games, the most popular of which were virtual sports games and other Type 1 games.




*Note: The total percentage does not equal 100% due to the rounding of figures.*

*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 70.5%. Bets on tennis accounted for 7.7% of the GR from Type 2 games, followed by 7.4% from basketball. The GR generated from cricket constituted 3.8%, while the remaining 10.6% was generated through other bets, including esports, betting on horses, golf and motorsports.

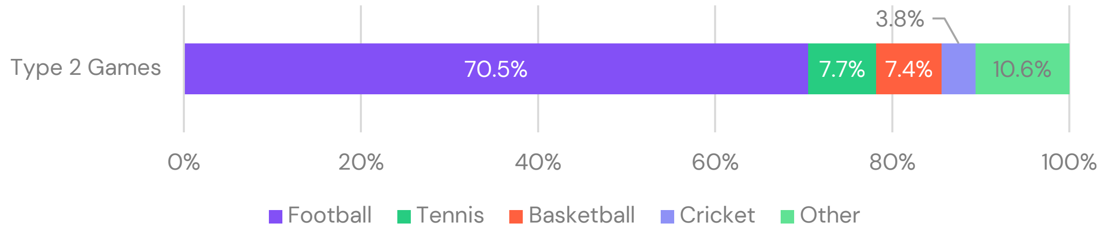
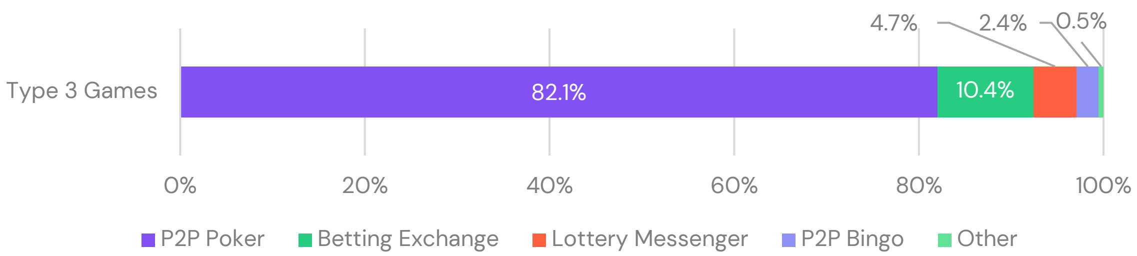



*Chart 25: Online Gaming – Type 2 Games – GR Distribution*

## Type 3 Games

The preference towards peer-to-peer (P2P) poker is sustained, being the highest GR generating Type 3 game, covering 82.1% of the GR generated from Type 3 games. Betting exchange accounted for 10.4%, registering a slight increase of 1.6 percentage points when compared to the same period last year. The share of GR from Lottery Messenger has increased to 4.7%, while P2P Bingo stood at 2.4%. The remaining 0.5% of the GR was generated by other games offered through Type 3 approval.




*Note: The total percentage does not equal 100% due to the rounding of figures.*

*Chart 26: Online Gaming – Type 3 Games – GR Distribution*

## 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. The MGA collected dues owed regarding the applicable legislation and in the first half of 2023, which amounted to €23.3 million.

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun | Jul-Dec | Jan-Jun |
| Total [€] | 24,600,256 | 25,503,614 | 28,544,223 | 23,759,809 | 25,224,756 | 21,542,323 | 23,343,921 |

*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 36: 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 June 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[19].

| | 2020 | | 2021 | | 2022 | | 2023 |
|---|---|---|---|---|---|---|---|
| | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun | end-Dec | end-Jun |
| Type A | 7,196 | 7,557 | 9,496 | 9,919 | 10,106 | 10,365 | 9,729 |
| Type B | 1,557 | 2,310 | 1,840 | 1,852 | 2,784 | 2,139 | 3,249 |
| Total | 8,753 | 9,867 | 11,336 | 11,771 | 12,890 | 12,504 | 12,978 |

*Table 37: Online Gaming – Employment (FTE)*

As shown in Table 38, the growth in Type A employment has stabilised over recent years, while Type B employment has been registering a steady growth over time. The increase in Type B employment reflects the operators' willingness to remain established and maintain operations from Malta, irrespective of ongoing regulatory developments.

Similar to the levels reported in previous reporting periods, as of the end of June 2023, 58.6% of all Type A employees within the online gaming industry in Malta were male, and 73.5% were non-Maltese, an increase of 2.8 percentage points over the same period last year.

[19] For more information on employment, please refer to Point 9 of the Methodology.

# Appendix 1 – 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. |

## Disclaimer

This document contains information and statistics obtained from sources believed to be reliable concerning the subject matter covered.

This document does not, however, constitute commercial, legal or other advice, howsoever described. The Malta Gaming Authority excludes any warranty or liability, expressed or implied, as to the quality, completeness, adequacy and accuracy of the information, statements and statistics contained within this document.

The MGA reserves the right to change and update the information, statements, and statistics provided in the current and previous documents at its own discretion and without prior notifications, as it may, at its discretion, deem necessary. The MGA assumes no responsibility for any consequences that may arise in the absence of such changes or updates.