



Procedure for a Shared Conduct of Gaming Business Agreement

The procedure to be followed in such case is notification to the Authority of the intention of entering into a Shared Conduct of Gaming Business Agreement (hereinafter “Agreement”), outlining the Agreement which the applicant (the licensee) proposes to enter into.

The notification must be sent by the applicant to the attention of the Legal & Enforcement Directorate as a hardcopy by post or handed in at the ‘Lotteries and Gaming Authority, Suite 1, Level 3, TG Complex, Brewery Street, Mrieħel, BKR 3000 Malta.’

The notification must be accompanied by the **final non-executed Agreement** which must clearly include:

- a) the activity/ies which each party to the Agreement will be responsible for and the obligation/s which each party to the Agreement will have;
- b) that the entry into force of the Agreement is conditional on the consent in writing by the Lotteries & Gaming Authority that the criteria referred to in this Notice are satisfied;
- c) a declaration that the party/ies shall disclose any other information requested by the LGA;
- d) that the contents of the Agreement once acknowledged by the Lotteries & Gaming Authority, cannot be changed without the Authority’s consent;
- e) the share of revenues and/or profits of each party to the Agreement corresponding to the operations carried out by each party in accordance with the Agreement;
- f) a clause clearly specifying that the operation shall always be in compliance with the *Remote Gaming Regulations* (Chapter 438.04 of the Laws of Malta).

The LGA further requires:



1. Information on the proposed party/ies to the Agreement.

PART A: If the party/ies entering into the Agreement with the licensee is/are licensed as a gaming operator in a jurisdiction outside of Malta, the following should be submitted for such party/parties:

- a) a certified true copy of the license/s held;
- b) a statement of good standing issued by the regulatory body of that jurisdiction;
- c) a list of all shareholders, partners and/or equivalent of the said party/ies, including the ultimate beneficial owner/s;
- d) a list of all directors and/or equivalent of the said party/ies

Any changes to the qualifying shareholding or management of the party/ies entered into the shared conduct business, must be duly notified to the Authority.

PART B: If the party/ies entering into the Agreement with the licensee is/are not licensed as a gaming operator in another jurisdiction, the following should be submitted for such party/ies:

- a) a list of all shareholders, partners and/or equivalent of the said party/ies to the Agreement, including the ultimate beneficial owner/s;
- b) a list of all director/s of the said party/ies; If any of these director/s is a corporate director, a list of its director/s must also be given.

Personal Declaration Forms together with all the relevant documentation must also be submitted in respect of the said persons. With regard to shareholders, partners and/or equivalent, Personal Declaration Forms and relevant documentation should only be submitted for those persons having a qualifying shareholding or ownership (exceeding 5%).

If any one of the parties is not a physical person, the following must be submitted:

- a) a certified true copy of the certificate of incorporation;
- b) the Memorandum and Articles of Association or equivalent;
- c) a statement of good standing issued by the relevant regulatory body;
- d) the last three (3) years' Audited Financial Statements and latest Management Accounts or equivalent; the Audited Financial Statements must be prepared in accordance with International Financial Reporting Standards or any other reporting standards acceptable to the Authority.



Any changes to the qualifying shareholding or management of the party/ies entered into the shared conduct business, must be duly notified to the Authority.

2. Information on the proposed business operation

The following information is to be submitted in respect of the proposed business arrangement, regardless of whether the company with which the licensee has entered the agreement falls within Part A or Part B above:

- a) a Business Plan explaining the objective, structure and functions of the proposed shared conduct of gaming business; the plan should demonstrate that the parties to the Agreement have the appropriate business and financial ability to conduct the operation successfully;
- b) a detailed three (3) year Financial Projection including a three (3) year profit and loss, balance sheet and cash flow statements;
- c) a Financial Plan showing separately the sources of funds (in whatever form) of each of the parties to the Agreement and, also presents the source of funds of the two parties to the Agreement, on a consolidated basis.

3. Other Documentation

The Authority reserves the right to request further clarification and documentation on every person holding, or proposed to hold a qualifying interest, before issuing a 'no objection' letter.

4. Rates

The following hourly rate for review of the documentation shall apply:

EUR 200/hour

An administrative fee of EUR 25 shall be charged for every 'fit and proper' test which must be carried out by the Authority.

Once all documentation has been received, quotation of rates and the number of hours shall be communicated. The Authority reserves the right to request that the parties cover any additional administrative costs which may be incurred by the Authority.