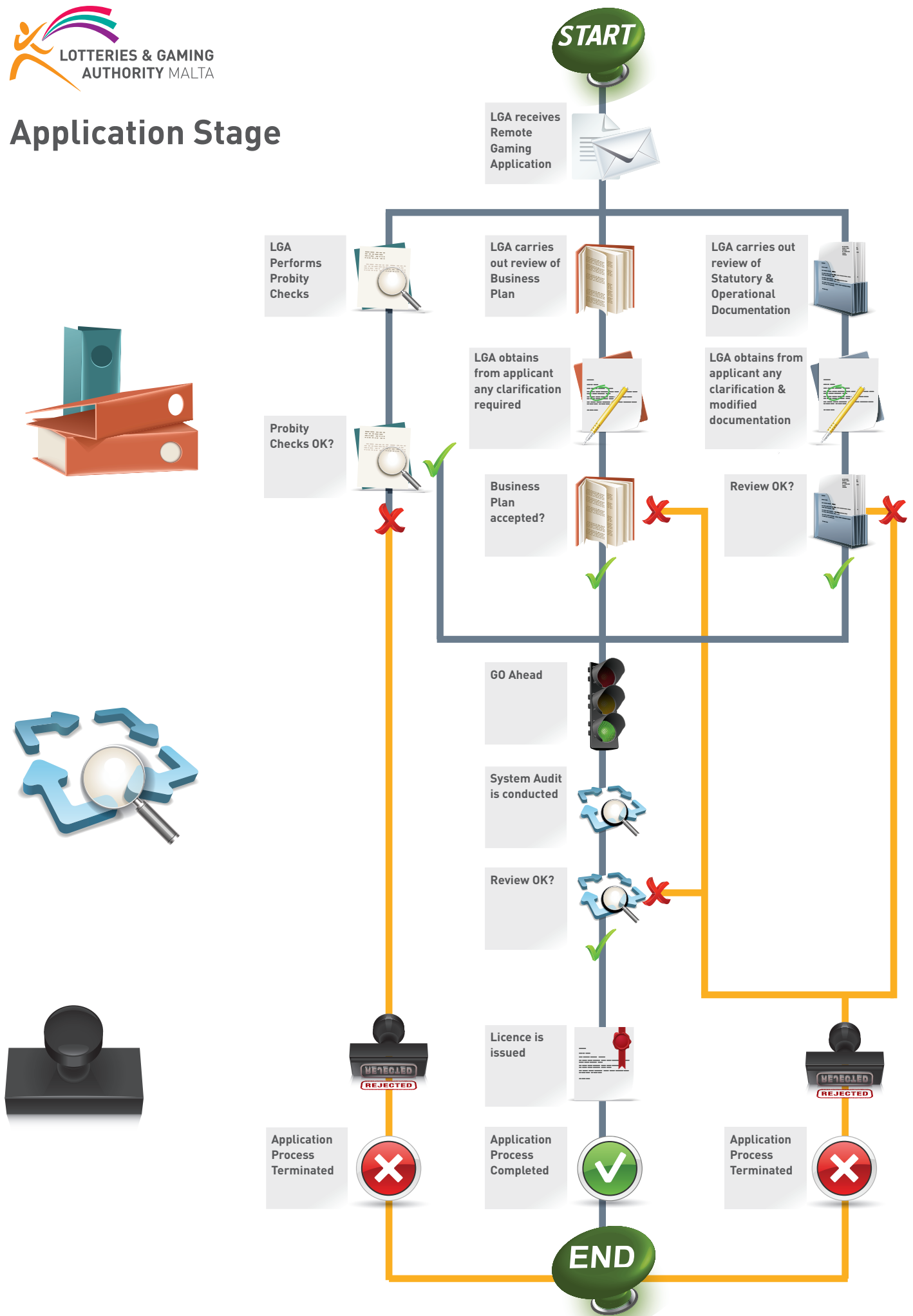


Application Stage



Remote Gaming Application Procedure

Pre-Application

Prior to submission all applicants are advised to go through a pre-application process with one of the LGA's Licensee Relationship Executives. This will ensure that the application has been correctly compiled and all the key ingredients are present. This process assists in speeding up the licensing process as in the LGA's experience most applications are slowed down due to missing or incomplete information.

The Application Process

As of June 2011, the application process is harmonised into a singular stage. Applicants can submit all the required information at one go and the LGA commits itself to the analysis all information through multiple internal process streams.

In the application stage the LGA assesses whether an applicant:

1. Is fit and proper to conduct gaming business;
2. Is correctly prepared for a business strategy perspective;
3. Has the operational and statutory requirements to meet the legal obligations excepted by Maltese Law; and
4. Has correctly implemented what has applied for on a technical environment before going live.

1. Fit and Proper

The LGA conducts a fit and proper exercise on the applicant by assessing all information related to persons involved in financing and management and on the business viability of the operation. The LGA conducts probity investigations with national and international regulatory bodies and law enforcement agencies.

2. Business Planning

The LGA conducts an in-depth financial analysis of the applicant's business plan. The business plan is expected to have a detailed forecast of the operation, inclusive of marketing and distribution strategies, HR plan and growth targets.

3. Operational and Statutory Requirements

The applicant is examined on the instruments required to conduct the business. This process includes but is not limited to, examining:

- * incorporation documents;
- * the type of games and the mathematics behind it;
- * the business processes related to conducting the remote games;
- * the rules, terms, conditions and procedures of the games; and
- * the application architecture and system architecture of the gaming and control systems.

The above three components constitute the desk-based audit of the application requirements and is completed within 12 to 16 weeks, assuming all information is complete and correct and there is little to no iteration between the LGA and the applicant. Inconsistent and low quality applications will be dropped and the applicant will be subject to re-application.

A check list for the System Documentation is available on the LGA website.

4. System Audit

Once all statutory and operational assessments are successfully completed the LGA informs the applicant that the application was successful and invites the applicant to implement the proposed infrastructure onto a technical environment in preparation for going live.

The applicant will be allowed 60 days to complete this operation after which the application will be considered as suspended and subject to re-application. At any point within those 60 days the applicant may trigger a request for an external systems audit. System Audits are performed by an independent 3rd party approved by the LGA.

The systems audit will assess the live environment against the proposed application, based on an objective check list. At this stage the LGA expects minimal deviation from the application. Significant changes to the gaming system will require the applicant to re-apply through a new application. On successful completion of the certification process, the Authority issues a five year license. A check list for the System Audit is available on the LGA website.