

**25 November 2021**

AUDIT 02/21

# **PLAYER FUNDS AND JACKPOT FUNDS - TECHNICAL RELEASE**

*This Technical Release is issued by the Malta Institute of Accountants Gaming Committee, in collaboration with the Malta Gaming Authority (“MGA”), to lay down professional requirements for Members in the carrying out of engagements requiring a confirmation of the player funds, the jackpot funds, as well as the portion of Player Funds Account balance which fall under the Maltese licence, as per Article 41 (2)(b)(iii) of Directive 3 of 2018 Gaming Authorisations and Compliance Directive (“Gaming Authorisations and Compliance Directive 2018”)<sup>1</sup>.*

*This Technical Release does not constitute an auditing standard, nor does it repeal any provisions contained in Auditing and Assurance Standards and Related Services, though its application is mandatory on all Members when undertaking such engagements for license holders with a December 2021 financial statement year end, onwards.*

**Preface**

**Introduction**

**General Considerations**

**Procedures and Evidence**

**Appendix I**

*The information contained in this Technical Release is for general information purposes only. As such, it should not be used as a substitute for consultation with professional advisers or direct reference to the relevant laws, rules and regulations. Accordingly, the information in this Technical Release is provided with the understanding that the authors and publishers are not herein engaged in rendering any sort of service.*

*While every attempt has been made to ensure that the information contained in this Technical Release is obtained from reliable sources and is up to date as at the date of issue, the MIA is not responsible for any errors or omissions, or for the results obtained from the use of this information. Any reliance placed on such information is therefore strictly at the user's own risk. In no event will the MIA, or its agents or employees be liable for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from loss of data or profits arising out of, or in connection with, any decision made or action taken in reliance on the information in this Technical Release.*

<sup>1</sup><https://www.mga.org.mt/wp-content/uploads/Gaming-Authorisations-and-Compliance-Directive-18.10.21.pdf>

## Preface

The MGA, as granted by the powers conferred in article 7 of the Gaming Act, 2018 (Cap. 583 of the Laws of Malta), was established as the National Agency responsible to *“regulate competently the various sectors of the gaming industry that fall under the Authority by ensuring gaming is fair and transparent to the players, preventing crime, corruption and money laundering and by protecting minor and vulnerable players.”*

As part of its ongoing operations, the MGA publishes reports, guidelines, policies and/or consultation papers as may be required, for the carrying into effect of the provisions of the Gaming Act and of any other regulatory instrument.

In the context of this Technical Release, the reporting requirements are established in **the Gaming Authorisations and Compliance Directive 2018**. In addition, one needs to also consider the Gaming Definitions Regulations – (Subsidiary Legislation 583.04 issued in 2018) that regulate, amongst others, protection of player funds.

The scope of this Technical Release is to lay down professional requirements with which MIA Members must comply when undertaking such engagements. Although the guidance set out in document may expediently refer to the procedures and the report required, a practitioner shall use professional judgement to tailor these as required for each licensee. Reporting requirements remain solely those embedded in the relevant legislation.

## Introduction

1. The purpose of this Technical Release is to lay down professional requirements, and provide guidance on the agreed-upon procedures to be performed in accordance with the International Standard on Related Services (“ISRS 4400”) [ISRS 4400 (Revised) is effective for agreed-upon procedures for which the terms of engagement are agreed on or after January 1, 2022] ‘Engagements to perform agreed-upon procedures regarding financial information’ to be carried out by the practitioner, when engaged to report on the player funds, the jackpot funds, as well as the portion of player funds account balance falling under the licence issued by the MGA, in response to the requirements of Article 41 (2)(b)(iii) of Directive 3 of 2018 Gaming Authorisations and Compliance Directive.
2. While this Technical Release lays down the Procedures specific to this type of engagement, auditors should familiarise themselves with, and apply the requirements of, ISRS 4400, which is considered to be the relevant Standard for this type of engagement. Requirements, not specified in this Technical Release, shall entail ;
  - Defining the Terms of the Engagement
  - Planning
  - Documentation and
  - Reportingas prescribed within ISRS 4400.

Kindly note that the scope of an ISRS 4400 is that of a report on factual findings based on procedures performed by the practitioner and agreed in advance with the license holder and the MGA. The procedures and tests performed do not constitute an audit or review made in accordance with International Standards on Auditing or International Standards on Review Engagements. Accordingly, the practitioner does not express any opinion or overall conclusion on the procedures and tests performed.

3. The practitioner only reports once he/she has performed the Agreed-Upon Procedures (“AUPs”) as indicated in this Technical Release and has complied with the requirements of ISRS 4400. An engagement to report on the player funds, jackpot funds, as well as the portion of player funds account balance falling under the licence issued by the MGA, in order to enable an operator to fulfil his obligations stemming from Article 41 (2)(b)(iii) of Directive 3 of 2018 Gaming Authorisations and Compliance Directive is separate and distinct from any procedures that the practitioner might have carried out when conducting an audit in his capacity as the statutory or component audit and is therefore subject to the separate terms of a letter of engagement and is required to have, its own planning, its own working papers and its own evidence to enable the practitioner to report accordingly.
4. Throughout this Technical Release, the following terms and abbreviations are used in the context of the connotations set out in this paragraph:
  - *AUPs*: unless otherwise specifically stated, shall be taken to refer to an engagement to report on Player funds including player funds falling under the Maltese licence, and Jackpot Funds, in terms of Article 41 (2)(b)(iii) of Directive 3 of 2018 Gaming Authorisations and Compliance Directive.
  - *Management*: should be read as referring to the directors, or other staff empowered, and to whom the relevant responsibilities are assigned, by the directors, in fulfilling their obligations).
  - *MGA*: the Malta Gaming Authority established under the Malta Gaming Act, 2018 (Cap. 583 of the Laws of Malta).
  - *Player funds*: the ‘player’s money and money’s worth held by an operator under an arrangement made between an operator and the player for the provision of a gaming service and includes, but is not limited to, funds that the player has the right to withdraw, and funds committed directly by players to games, pending determination of the outcome of such games’ in terms of the Gaming Definitions Regulations – S.L. 583.04, 2018.

## General Considerations

5. This section identifies the relevant legislative requirements and the regulated undertakings and services to which the legislative provisions apply. Whilst care has been taken to give a fair representation of the prevailing provisions, it is beyond the scope of this Technical Release to lay down professional requirements on the identification of regulated entities, and the respective legislation remains the sole authority in this context.
6. As stipulated in the MGA Notice dated 25 November 2021, the requirement to provide the report set out in Appendix I is applicable for 31 December 2021 financial year ends, onwards.

## Procedures and Evidence

7. In satisfying these regulations, MIA members shall observe the Agreed-Upon Procedures prescribed below, in accordance with ISRS 4400, for which the MGA shall be the sole user.
  - i. Obtain from management, the reconciliation of the player funds ('Players Funds Reconciliation') prepared by the Company as at [accounting period end] (included in Appendix A1 to our report on findings) reconciling the total player funds as denoted in [refer to the financial statement caption or note comprising the disclosed player funds amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements (upon which we separately reported on [date]), to the total amount of player funds included in the player funds report ['title of the report' - include report name as stated on system] issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'], as at [accounting period end], and check for arithmetical accuracy the addition of the subtotals and totals in that reconciliation;
  - ii. Compare the player funds as included in the Player Funds Reconciliation (referred to in (i) above) to the corresponding amount as disclosed in [refer to the financial statement caption or note comprising the disclosed player funds amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements of the Company as at [accounting period end] upon which we separately reported on [date];
  - iii. Compare the player funds as included in the Player Funds Reconciliation (referred to in (i) above) to the total amount included in the player funds report ['title of the report' - include report name as stated on system] prepared by the Company and provided by management (included in Appendix A2 to our report on findings), issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'], as at [accounting period end];
  - iv. Obtain from management, and attach, the Company's policy for classifying players under the brands in use for remote gaming activities;
  - v. Observe the generation by management of the report ['title of the report'- include report name as stated on system], listing all the gaming brands in operation including the corresponding total player funds, and confirm that the report was issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'] held as at [accounting period end] (included in Appendix A3 to our report on findings), categorising each brand into a Maltese or foreign gaming licences held during the same date and check for arithmetical accuracy the addition of the subtotals and totals in that report;
  - vi. Compare the total player funds included in the report listing all the gaming brands in

- operation [‘title of the report’ - include report name as stated on system] (referred to in (v) above) to the total amount included in the player funds report [‘title of the report’- include report name as stated on system] (referred to in (iii) above);
- vii. Obtain from management the report [‘title of the report’- include report name as stated on system] prepared by the Company, listing the player account identification number and balances, issued from [refer to the production platform responsible for accounting of players’ transactions, or back office of such platform commonly referred to as the ‘back-end’] as at [accounting period end] (extract to be included in Appendix A4 to our report on findings), for all brands;
  - viii. Inspect a sample of 25 (minimum of 5 per brand, where applicable), chosen haphazardly, from the report [‘title of the report’- include report name as stated on system] (referred to in (vii) above) and compare the consistency of the brand allocation of the sample chosen using information recorded on the system with the policy identified in iv) above;
  - ix. Compare the total of the player balances included in the report [‘title of the report’- include report name as stated on system] listing the player funds (as referred to in (vii) above) to the total player funds included in the report listing all the gaming brands in operation [‘title of the report’ - include report name as stated on system] (referred to in (v) above); and
  - x. Compare the total player funds subject to a Maltese gaming licence (referred to in (vii) above) to player funds as at the period end [insert date of period end] as included in the Player Liability Report submitted by the Company to the MGA on [specific date] and provided by management.

## Jackpot Funds

- i. Obtain from management the report [‘title of the report’- include report name as stated on system] prepared by the Company listing all the local jackpot funds categorised by platform provider, distinguishing between local jackpots offered on games hosted by third party game providers, and local jackpots offered on games hosted by the Company, as at [accounting period end] (to be included in Appendix B1 to our report on findings), issued from [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the ‘back-end’], and check for arithmetical accuracy the addition of the subtotals and totals in that report;
- ii. Compare the local jackpot funds included in the list (referred to in (i) above) to the corresponding amount as disclosed in the [refer to the financial statement caption or note comprising the jackpot funds, as applicable amount – this has to be exactly the same wording as that used in the financial statements] in the audited financial statements provided by management, as at [accounting period end] upon which we separately reported on [date];
- iii. *(Procedure (iii)(a) is applicable to local jackpots offered on games hosted by third party jackpot game providers)*
  - a. Observe the generation by management for a sample of 75% chosen haphazardly, of the back-end reports of third party jackpot game providers to the Company, listing the jackpot funds, and confirm that all reports were issued directly from the

[refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the 'back-end'] and check for arithmetical accuracy the addition of the subtotals and totals in those reports;

*(Procedure (iii)(b) is applicable to jackpots offered on games hosted by the Company)*

- b. Observe the generation by management for a sample of 75% chosen haphazardly, of the back-end reports of the jackpots offered by the Company, listing the jackpot funds, and confirm that all reports were issued directly from the [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the 'back-end'] and check for arithmetical accuracy the addition of the subtotals and totals in those reports;
- iv. Compare the totals of the jackpot funds (referred to in (iii)(a) and (iii)(b) above) to the corresponding amounts as disclosed in the report ['title of the report'- include report name as stated on system] of the jackpot funds listing (referred to in (i)) as at [accounting period end].
- v. Compare the total of jackpot funds as per the jackpot funds listing in the report ['title of the report'] (referred to in (i) above) to the jackpot funds as [accounting period end] to the Player Liability Report submitted by the Company to the MGA on [specific date] and provided by management.

### **Player funds account balance which fall under the Maltese licence**

- i. Obtain from management, the listing prepared by the Company showing the player funds account balance falling under the respective gaming licences held by the Company as at [accounting period end] (to be included in Appendix C1 to our report on findings);
  - ii. Reconcile the total player funds account balance as denoted in [refer to the financial statement caption or note comprising the disclosed player funds account balance amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements (upon which we separately reported on [date]), to the total amount of player funds account balance as included in Appendix C1. Identify and report any differences;
  - iii. For each of the player funds account balances included in Appendix C1 indicated as falling under the Maltese licence, obtain letters sent by the respective financial institutions to the MGA acknowledging these accounts to be Player Fund account balances in terms of Regulations 6 and 7 of the Gaming Player Protection Regulations 2018 (L.N. 246 of 2018).
8. These AUPs shall be performed on an annual basis and reported to the MGA within the same submission period as the audited financial statements.
  9. In the interest of ensuring consistency, an illustrative of the concluding report for these AUPs, to be tailored as required for each licensee, is being made available in Appendix I to this Technical Release.

# Appendix I

## Report of the Factual Findings

To the [Addressee]<sup>2</sup>

### Purpose of these Agreed-Upon Procedures

We have performed the procedures agreed with you [Engaging Party] and enumerated below with respect to the player funds, the jackpot funds, as well as the portion of player funds account balance of [Insert Name of Company] (the “Company”) as at [insert financial year end] set forth in the accompanying schedules, which fall under the license (“Maltese licence”) issued by the Malta Gaming Authority (“MGA”). The procedures were performed solely to assist you and the MGA (Intended User) in evaluating the validity of the player funds, the jackpot funds, as well as the portion of player funds account balance of the Company as at [insert financial year end] which fall under the Maltese licence in view of the requirements of Article 41 (2)(b)(iii) of Directive 3 of 2018 *Gaming Authorisations and Compliance Directive*, and are set out below.

### Responsibilities of the Engaging Party

The director(s) has/have acknowledged that the agreed-upon procedures are appropriate for the purposes of the engagement. The director(s) is/are responsible for the subject matter on which the agreed-upon procedures are performed.

### Practitioner’s Responsibilities

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements (“ISRS 4400”)<sup>3</sup> as well as the Audit 02/21 Player Funds and Jackpot Funds Technical Release made available by the Malta Institute of Accountants (“MIA Technical Release”) in November 2021. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Engaging Party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representations regarding the appropriateness of the agreed-upon procedures.

Because the below procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the player funds, the jackpot funds, as well as the portion of player funds account balance of the Company as at [insert financial year end].

<sup>2</sup>In the above example: (a) the engaging party is the responsible party; (b) the intended user is different from the engaging party and is therefore not an addressee in addition to the engaging party - the regulator (MGA) is the intended user albeit the entity is overseen by the MGA.

<sup>3</sup> Insert the words (Revised) as ISRS 4400 (Revised) is effective for agreed-upon procedures for which the terms of engagement are agreed on or after January 1, 2022 (Ref: ISRS 4400 Para 11, A9)

Had we performed additional procedures of the player funds, the jackpot funds, as well as the portion of player funds account balance of the Company as at [insert financial year end] falling under the Maltese license, in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might come to our attention that would be reported to you.

## Professional Ethics and Quality Control

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code<sup>4</sup>

Our firm applies International Standard on Quality Control (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Procedures and Findings

We have performed the procedures described below which were agreed upon with the Engaging Party in the terms of engagement dated [date]:

### *Procedures*

(if applicable)

## Player funds (including player funds falling under the Maltese licence)

- i. We obtained from management, the reconciliation of the player funds ("Players Funds Reconciliation") prepared by the Company as at [accounting period end] (to be included in Appendix A1 to our report on findings) reconciling the total player funds as denoted in [refer to the financial statement caption or note comprising the disclosed player funds amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements (upon which we separately reported on [date]), to the total amount of player funds included in the player funds report ['title of the report' - include report name as stated on system] issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'], as at [accounting period end], and checked for arithmetical accuracy the addition of the subtotals and totals in that reconciliation;

<sup>4</sup>The practitioner has therefore agreed with the engaging party that the practitioner's compliance with the independence requirements applicable to audits of financial statements is appropriate for the purpose of the agreed-upon procedures engagement. The practitioner has also agreed to include, in the terms of engagement, compliance with the independence requirements applicable to audits of financial statements for the purposes of the agreed-upon procedures engagement. (Ref ISRS 4400 (Revised) Para 30)

- ii. We compared the player funds as included in the Player Funds Reconciliation (referred to in (i) above) to the corresponding amount as disclosed in [refer to the financial statement caption or note comprising the disclosed player funds amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements of the Company as at [accounting period end] upon which we separately reported on [date];
- iii. We compared the player funds as included in the Player Funds Reconciliation (referred to in (i) above) to the total amount included in the player funds report [‘title of the report’ - include report name as stated on system] prepared by the Company and provided by management (to be included in Appendix A2 to our report on findings), issued from [refer to the production platform responsible for accounting of players’ transactions, or back office of such platform commonly referred to as the ‘back-end’], as at [accounting period end];
- iv. We obtained from management, and attached, the Company’s policy for classifying players under the brands in use for remote gaming activities;
- v. We observed the generation by management of the report [‘title of the report’- include report name as stated on system], listing all the gaming brands in operation including the corresponding total player funds, and confirm that the report was issued from [refer to the production platform responsible for accounting of players’ transactions, or back office of such platform commonly referred to as the ‘back-end’] held as at [accounting period end] (to be included in Appendix A3 to our report on findings), categorising each brand into a Maltese or foreign gaming licences held during the same date and checked for arithmetical accuracy the addition of the subtotals and totals in that report;
- vi. We compared the total player funds included in the report listing all the gaming brands in operation [‘title of the report’ - include report name as stated on system] (referred to in (v) above) to the total amount included in the player funds report [‘title of the report’- include report name as stated on system] (referred to in (iii) above);
- vii. We obtained from management the report [‘title of the report’- include report name as stated on system] prepared by the Company, listing the player account identification number and balances, issued from [refer to the production platform responsible for accounting of players’ transactions, or back office of such platform commonly referred to as the ‘back-end’] as at [accounting period end] (extract to be included in Appendix A4 to our report on findings), for all brands;
- viii. We inspected a sample of 25 (minimum of 5 per brand, where applicable), chosen haphazardly, from the report [‘title of the report’- include report name as stated on system] (referred to in (vii) above) and compared the consistency of the brand allocation of the sample chosen using information recorded on the system with the policy identified in iv) above;
- ix. We compared the total of the player balances included in the report [‘title of the report’- include report name as stated on system] listing the player funds (as referred to in (vii) above) to the total player funds included in the report listing all the gaming brands in operation [‘title of the report’ - include report name as stated on system] (referred to in (v) above);

- x. We compared the total player funds subject to a Maltese gaming licence (referred to in (vii) above) to player funds as at the period end [insert date of period end] as included in the Player Liability Report submitted by the Company to the MGA on [specific date] and provided by management.

(if applicable)

## Jackpot Funds

- i. We obtained from management the report [‘title of the report’- include report name as stated on system] prepared by the Company listing all the local jackpot funds categorised by platform provider, distinguishing between local jackpots offered on games hosted by third party game providers, and local jackpots offered on games hosted by the Company, as at [accounting period end] (to be included in Appendix B1 to our report on findings), issued from [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the ‘back-end’], and checked for arithmetical accuracy the addition of the subtotals and totals in that report;
- ii. We compared the local jackpot funds included in the list (referred to in (i) above) to the corresponding amount as disclosed in the [refer to the financial statement caption or note comprising the jackpot funds, as applicable amount – this has to be exactly the same wording as that used in the financial statements] in the audited financial statements provided by management, as at [accounting period end] upon which we separately reported on [date];
- iii. *(Procedure (iii)(a) is applicable to local jackpots offered on games hosted by third party jackpot game providers)*
- a. We observed the generation by management for a sample of 75% chosen haphazardly, of the back-end reports of third party jackpot game providers to the Company, listing the jackpot funds, and confirm that all reports were issued directly from the [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the ‘back-end’] and checked for arithmetical accuracy the addition of the subtotals and totals in those reports;
- (Procedure (iii)(b) is applicable to jackpots offered on games hosted by the Company)*
- b. We observed the generation by management for a sample of 75% chosen haphazardly, of the back-end reports of the jackpots offered by the Company, listing the jackpot funds, and confirm that all reports were issued directly from the [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the ‘back-end’] and checked for arithmetical accuracy the addition of the subtotals and totals in those reports;
- iv. We compared the totals of the jackpot funds (referred to in (iii)(a) and (iii)(b) above) to the corresponding amounts as disclosed in the report [‘title of the report’- include report name as stated on system] of the jackpot funds listing (referred to in (i)) as at [accounting period end].

- iv. We compared the total of jackpot funds as per the jackpot funds listing in the report [‘title of the report’] (referred to in (i) above) to the jackpot funds as [accounting period end] to the Player Liability Report submitted by the Company to the MGA on [specific date] and provided by management.

---

(if applicable)

### **Player funds account balance which fall under the Maltese licence**

- i. We obtained from management, the listing prepared by the Company showing the player funds account balance falling under the respective gaming licences held by the Company as at [accounting period end] (to be included in Appendix C1 to our report on findings);
- ii. We reconciled the total player funds account balance as denoted in [refer to the financial statement caption or note comprising the disclosed player funds account balance amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements (upon which we separately reported on [date]), to the total amount of player funds account balance as included in Appendix C1. Identify and report any differences;
- iii. For each of the player funds account balances included in Appendix C1 indicated as falling under the Maltese licence, we obtained letters sent by the respective financial institutions to the MGA acknowledging these accounts to be Player Fund account balances in terms of Regulations 6 and 7 of the Gaming Player Protection Regulations 2018 (L.N. 246 of 2018).

*Findings:*

*We report our findings below:*

---

(if applicable)

### **Player funds (including player funds falling under the Maltese licence)**

- a. With respect to item (i) we obtained from management, the reconciliation of the player funds (‘Players Funds Reconciliation’) prepared by the Company as at [accounting period end] (to be included in Appendix A1 to our report on findings) reconciling the total player funds as denoted in [refer to the financial statement caption or note comprising the disclosed player funds amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements (upon which we separately reported on [date]), to the total amount of player funds included in the player funds report [‘title of the report’ - include report name as stated on system] issued from [refer to the production platform responsible for accounting of players’ transactions, or back office of such platform commonly referred to as the ‘back-end’], as at [accounting period end], and found the addition of the subtotals and totals in that reconciliation to be arithmetically correct;
- b. With respect to item (ii) we found the player funds as included in the Player Funds Reconciliation (referred to in (i) above) to be in agreement with the corresponding amount as disclosed in [refer to the financial statement caption or note comprising the disclosed player funds amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements of the Company as at [accounting period end] upon which we separately reported on [date];

- c. With respect to item (iii) we found the player funds as included in the Player Funds Reconciliation (referred to in (i) above) to be in agreement with the total amount included in the player funds report ['title of the report' - include report name as stated on system] prepared by the Company and provided by management (to be included in Appendix A2 to our report on findings), issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'], as at [accounting period end];
- d. With respect to item (iv) we obtained from management, and attached, the Company's policy for classifying players under the brands in use for remote gaming activities;
- e. With respect to item (v) we observed the generation by management of the report ['title of the report'- include report name as stated on system], listing all the gaming brands in operation including the corresponding total player funds, and confirm that the report was issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'] held as at [accounting period end] (to be included in Appendix A3 to our report on findings), categorising each brand into a Maltese or foreign gaming licences held during the same date and checked for arithmetical accuracy the addition of the subtotals and totals in that report;
- f. With respect to item (vi) we compared the total player funds included in the report listing all the gaming brands in operation ['title of the report' - include report name as stated on system] (referred to in (v) above) to be in agreement with the total amount included in the player funds report ['title of the report'- include report name as stated on system] (referred to in (iii) above);
- g. With respect to item (vii) we obtained from management the report ['title of the report'- include report name as stated on system] prepared by the Company, listing the player account identification number and balances, issued from [refer to the production platform responsible for accounting of players' transactions, or back office of such platform commonly referred to as the 'back-end'] as at [accounting period end] (extract to be included in Appendix A4 to our report on findings), for all brands;
- h. With respect to item (viii) we found the sample of 25 (minimum of 5 per brand, where applicable), chosen haphazardly, from the report ['title of the report'- include report name as stated on system] (referred to in (vii) above) to be in agreement with the brand allocation of the sample chosen using information recorded on the system with the policy identified in iv) above;
- i. With respect to item (ix) we found the total of the player balances included in the report ['title of the report'- include report name as stated on system] listing the player funds (as referred to in (vii) above) to be in agreement with the total player funds included in the report listing all the gaming brands in operation ['title of the report' - include report name as stated on system] (referred to in (v) above);
- j. With respect to item (x) we found the total player funds subject to a Maltese gaming licence (referred to in (vii) above) to be in agreement with the player funds as at the period end [insert date of period end] as included in the Player Liability Report submitted by the Company to the MGA on [specific date] and provided by management;

(if applicable)

## Jackpot funds

- a. With respect to item:
  - i. we obtained the report ['title of the report'- include report name as stated on system] prepared by the Company listing all the local jackpot funds categorised by platform provider, distinguishing between local jackpots offered on games hosted by third party game providers, and local jackpots offered on games hosted by the Company, as at [accounting period end] (to be included in Appendix B1 to our report on findings), issued from [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the 'back-end'], and found the addition of the subtotals and totals in that report to be arithmetically correct;
- b. With respect to item (ii) we found the local jackpot funds included in the list (referred to in (i) above) to be in agreement with the corresponding amount as disclosed in the [refer to the financial statement caption or note comprising the jackpot funds, as applicable amount – this has to be exactly the same wording as that used in the financial statements] in the audited financial statements provided by management, as at [accounting period end] upon which we separately reported on [date];
- c. (Procedure (iii)(a) is applicable to local jackpots offered on games hosted by third party jackpot game providers)
  - a. With respect to item (iii)(a) we observed the generation by management for a sample of 75% chosen haphazardly, of the back-end reports of third party jackpot game providers to the Company, listing the jackpot funds, and found that all reports were issued directly from the [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the 'back-end'] and also found that the addition of the subtotals and totals in those reports to be arithmetically correct;
- d. (Procedure (iii)(b) is applicable to jackpots offered on games hosted by the Company)  
With respect to item (iii)(b) we observed the generation by management for a sample of 75% chosen haphazardly, of the back-end reports of the jackpots offered by the Company, listing the jackpot funds, and found that all reports were issued directly from the [refer to the system responsible for accounting of jackpot funds, or back office of such platform commonly referred to as the 'back-end'] and also found that the addition of the subtotals and totals in those reports to be arithmetically correct;
- e. With respect to item (iv) we found the totals of the jackpot funds (referred to in (iii)(a) and (iii)(b) above) to be in agreement with the corresponding amounts as disclosed in the report ['title of the report'- include report name as stated on system] of the jackpot funds listing (referred to in (i)) as at [accounting period end];
- f. With respect to item (v) we found the total of jackpot funds as per the jackpot funds listing in the report ['title of the report'] (referred to in (i) above) to be in agreement with the jackpot funds as [accounting period end] to the Player Liability Report submitted by the Company to the MGA on [specific date] and provided by management.

---

(if applicable)

## **Player funds account balance which fall under the Maltese licence**

- a. With respect to item (i) we obtained from management, the listing prepared by the Company showing the player funds account balance falling under the respective gaming licences held by the Company as at [accounting period end] (to be included in Appendix C1 to our report on findings);
- b. With respect to item (ii) we found the total player funds account balance as denoted in [refer to the financial statement caption or note comprising the disclosed player funds account balance amount – this has to be exactly the same wording as that used in the financial statements] of the audited financial statements (upon which we separately reported on [date]), to be in agreement with the total amount of player funds account balance as included in Appendix C1. Identify and did not find any differences;
- c. With respect to item (iii) for each of the player funds account balances included in Appendix C1 indicated as falling under the Maltese licence, we obtained letters sent by the respective financial institutions to the MGA acknowledging these accounts to be Player Fund account balances in terms of Regulations 6 and 7 of the Gaming Player Protection Regulations 2018 (L.N. 246 of 2018) and did not receive any exceptions.

## **Restriction on use and distribution**

Our report is solely for the purpose set forth in the first paragraph of this Report and is therefore for your information and the information of the MGA and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the player funds, the jackpot funds, as well as the portion of player funds account balance of the Company specified above and does not extend to any financial statements of the Company, taken as a whole.

[insert name of signatory] as Director/Partner

in the name and on behalf of

**[Insert Audit Firm Name]**

Registered auditor

[Address], Malta

[insert date of report]