
Corporate Governance, Accountability and Financial Performance in the Maltese Gaming Sector

Submitted 26/07/26, 1st revision 15/08/26, 2nd revision 28/08/26, accepted 10/09/26

Lauren Ellul¹, Elisa Dimech², Peter J Baldacchino³, Norbert Tabone⁴,
Simon Grima⁵

Abstract:

Purpose: This study aims to: (i) assess the extent to which accountability and transparency are embedded in the corporate governance frameworks of Maltese gaming companies, (ii) identify the primary challenges in sustaining these principles, and (iii) examine how these principles examine the relationship between these principles and the financial performance of such companies.

Design/Methodology/Approach: A predominantly qualitative research approach was adopted, complemented by quantitative elements. Eighteen semi-structured interviews were conducted with key stakeholders, including gaming company representatives, audit professionals, and the Malta Gaming Authority. A corporate governance index was constructed from interview data, and financial statements for 2020-2023 were analysed to derive revenue figures.

Findings: Accountability and transparency are generally prioritised; however, governance standards vary, with publicly-listed firms adopting more robust frameworks. A positive and statistically significant relationship between governance and financial performance was observed in Business-to-Consumer companies. In Business-to-Business firms, the relationship remained positive but was not statistically significant. Finally, the findings indicate that the main challenges relate to regulatory compliance, the difficulty of safeguarding sensitive information, and people-related issues.

Originality/Value: This study contributes to the corporate governance literature by providing sector-specific evidence from Malta, a highly regulated European gaming jurisdiction. It develops and applies a corporate governance index to examine accountability and transparency practices and provides evidence that the governance–financial performance relationship differs according to business model. In particular, the findings reveal a significant positive association between governance quality and revenue among B2C companies, while no statistically significant relationship is identified among B2B companies. The study further highlights the implications of regulatory fragmentation,

¹University of Malta, Department of Accountancy, Faculty of Economics, Management and Accountancy, ORCID:0000-0002-7504-2235, e-mail: lauren.ellul@um.edu.mt;

²The same as in 1, ORCID: 0009-0008-0673-3666, e-mail: elisa.dimech.20@um.edu.mt;

³The same as in 1, ORCID:0000-0003-3660-3965, e-mail: peter.j.baldacchino@um.edu.mt;

⁴The same as in 1, ORCID: 0000-0003-1329-2922, e-mail: norbert.tabone@um.edu.mt;

⁵University of Malta, Department of Insurance and Risk Management; Dean, Faculty of Economics, Management and Accountancy, ORCID: 0000-0003-1523-5120, e-mail: simon.grima@um.edu.mt;

ownership structure and disclosure constraints for governance within highly regulated industries.

Keywords: *Accountability, Transparency, Corporate Governance, Maltese Gaming Companies.*

Paper Type: *Research Paper*

Acknowledgement: *This article is based on a dissertation submitted in May 2025 by Elisa Dimech, supervised by Lauren Ellul, in partial fulfilment of the requirements for the award of the Master in Accountancy degree in the Department of Accountancy at the Faculty of Economics, Management and Accountancy at the University of Malta.*

1. Introduction

An effective Corporate Governance (CG) framework is generally seen as being grounded in a set of fundamental principles. However, there is still limited consensus on what these principles should be. Some scholars advocate for responsibility, transparency, fairness, and accountability as the key pillars (Sant 2003).

Meanwhile, others include integrity and efficiency alongside accountability and transparency (A&T) (Organisation for Economic Cooperation and Development [OECD] 2024), while some focus more narrowly on accountability, shareholder rights, and transparency (Baldacchino *et al.*, 2020). Despite the established importance of accountability and transparency within corporate governance, limited empirical attention has been devoted to how these principles operate within the gaming industry and, particularly, whether differences in governance quality are associated with financial performance.

This gap is especially relevant in highly regulated and internationally oriented gaming jurisdictions, where firms must reconcile governance and disclosure requirements with commercial confidentiality, consumer protection and multiple regulatory regimes. Malta provides a particularly relevant setting in which to examine these issues because its gaming sector comprises both B2C operators and B2B suppliers operating within an extensive regulatory framework and across multiple international markets.

Examining this setting therefore provides an opportunity to assess not only the prevalence of A&T practices but also whether the governance–performance relationship differs according to firms' business models.

The objectives of this research paper are (i) to establish whether A&T are prevalent features within the CG frameworks of gaming companies, (ii) to identify the key challenges that gaming companies face in maintaining high levels of A&T, and (iii) to investigate how the presence of A&T within CG impacts the financial performance of Maltese gaming companies.

This study focuses on the Maltese context, considering the unique characteristics of the gaming industry and its regulatory environment. By examining the governance environments within which these companies operate, the study provides the necessary backdrop for analysing how A&T practices develop and evolve in practice. Beyond contributing to academic understanding, this study makes three contributions.

First, it extends the corporate governance literature to the relatively underexplored context of the regulated gaming industry by examining accountability and transparency practices within Maltese gaming companies. Second, it develops and applies a sector-specific Corporate Governance Index (CGI), enabling governance practices to be systematically assessed across firms with different ownership structures. Third, it examines whether the association between governance quality and financial performance differs between B2C and B2B gaming companies.

In doing so, the study provides insights relevant not only to the Maltese gaming sector but also to policymakers and firms operating in other highly regulated and internationally exposed industries.

2. Literature Review

2.1 Understanding Accountability and Transparency (A&T)

Gaming involves inherent consumer risks, making responsible gaming a key obligation for operators (NCPG, 2023; Ladouceur *et al.*, 2016). Accountability and transparency (A&T) are therefore central governance principles supporting ethical conduct and safer gaming environments (Wang *et al.*, 2021).

Corporate accountability has traditionally been viewed through Agency Theory as a relationship in which management is answerable to shareholders (Namyanya *et al.*, 2023; Fama and Jensen, 1983). More recent literature extends accountability to a broader stakeholder base, recognising responsibilities towards parties affected by corporate activities (Brennan and Solomon, 2008; Collier, 2008; Sikka, 2008). Corporate transparency refers to the provision of accurate, timely and relevant information regarding organisational performance and decision-making (Das Neves and Vaccaro, 2013; Kim, 2023).

Maintaining A&T is not without challenges. Resistance to organisational change can undermine governance initiatives, although transparent communication and

accountability mechanisms can improve employee acceptance (Rehman *et al.*, 2021). Furthermore, governance requires balancing transparency with confidentiality and accountability with privacy (Goede and Neuwirth, 2014). Excessive disclosure may reduce efficiency, increase managerial costs and expose commercially sensitive information to competitors (Hermalin and Weisbach, 2007; Abed *et al.*, 2022).

2.2 GCG Practices

The literature identifies board effectiveness, ownership structures, shareholder rights, and transparency and disclosure as the principal governance mechanisms supporting A&T (Baldacchino *et al.*, 2015).

Board effectiveness is influenced by board composition, independence and expertise. Independent directors strengthen monitoring and transparency (Jensen and Meckling, 1976; Ajinkya *et al.*, 2005; Erena *et al.*, 2022), while CEO-chair duality may weaken oversight (Freire, 2019). Diversity and professional expertise further enhance governance quality (Haniffa and Cooke, 2002; Upadhyay and Zeng, 2014; Baldacchino *et al.*, 2022; Pisani *et al.*, 2023).

In smaller jurisdictions such as Malta, limited talent pools may constrain board diversity, prompting recommendations for international appointments (Baldacchino *et al.*, 2024). Board committees, particularly audit, nomination and remuneration committees, support effective governance by strengthening oversight, board quality and executive accountability (Cadbury, 1992; Conyon and Peck, 1998; Khanchel, 2007; Kolev *et al.*, 2019; Salehi *et al.*, 2018; Putra, 2024).

Ownership structures also shape governance outcomes. Institutional investors can enhance monitoring and accountability (Donnelly and Mulcahy, 2008; Queiri *et al.*, 2021), although concentrated ownership may create conflicts between majority and minority shareholders (Khan *et al.*, 2020; Batra *et al.*, 2023). Managerial ownership may reduce agency costs by aligning managerial and shareholder interests (McKnight and Weir, 2009; Khan *et al.*, 2020).

Effective governance further depends on strong shareholder rights, including director appointments, proxy voting, one-share-one-vote arrangements and participation in major corporate decisions (Jiang and Anandarajan, 2009; Caton and Goh, 2008; Martynova and Renneboog, 2011; Baldacchino *et al.*, 2015).

Transparency and disclosure remain critical governance tools. Disclosure through annual reporting enhances trust, accountability and ethical conduct (Aboagye-Otchere *et al.*, 2012; Albu and Flyverbom, 2016). Increasingly, organisations disclose governance structures, policies and non-financial information to strengthen accountability and demonstrate compliance with governance standards (OECD, 2023; Kılıç and Kuzey, 2018; Bhasin, 2010).

2.3 The Maltese Gaming Industry

The Maltese gaming sector operates within a highly regulated environment. The Malta Gaming Authority's (MGA's) ESG Code encourages governance-related disclosures, while listed entities must comply with the MFSA Code of Principles of Good Corporate Governance (MGA, 2023; MFSA, 2011). Malta distinguishes between B2C operators and B2B suppliers, with B2C entities generally subject to more intensive regulatory oversight (MGA, 2025; Interserv, 2019). Although a Maltese licence facilitates access to European markets, operators face increasing compliance challenges due to fragmented national regulations and the absence of a harmonised EU framework (EC, 2012; Casabona, 2014; Sheelan, 2025; Curmi, 2019)

2.4 CG and Performance

Prior research provides mixed evidence regarding the relationship between governance and firm performance. Positive associations have been reported by Ullah *et al.* (2017), while Al-Tamimi (2012) found only an insignificant positive relationship and Aboagye and Otioku (2010) reported no association.

Governance is commonly assessed through corporate governance indices, including transparency and disclosure indices and customised measures (Durnev and Kim, 2005; Aksu and Kosedag, 2006; Shahwan, 2015; Farooq *et al.*, 2022).

Firm performance has traditionally been measured using accounting-based indicators, although revenue has been proposed as a particularly relevant metric for technology-driven sectors because it reflects core operating performance more directly (Smirlock *et al.*, 1984; Lev and Zarowin, 1999; Chandra and Ro, 2008; Apreku-Djan *et al.*, 2023; Suryanto and Sujardi, 2020 cited in Yusriani *et al.*, 2023).

Taken together, the literature provides no consistent conclusion regarding the relationship between corporate governance and financial performance. Moreover, much of the existing evidence originates from listed companies and traditional sectors, leaving governance–performance dynamics within highly regulated digital industries comparatively underexplored.

The gaming industry provides a particularly relevant setting because governance requirements coexist with consumer-protection obligations, regulatory scrutiny and commercially sensitive information.

Furthermore, differences between B2C and B2B business models may influence the extent to which governance practices translate into observable financial outcomes. This study addresses these gaps by combining qualitative evidence on accountability and transparency with a sector-specific CGI and financial data from Maltese gaming companies.

3. Research Methodology

3.1 The Theoretical Framework

To evaluate the prevalence and impact of A&T within Maltese gaming companies, this study grounds its analysis in Agency Theory and Stakeholder Theory. Historically, CG research relies on an agency perspective, modelling accountability as a principal-agent relationship focused on safeguarding shareholder value through board oversight and information disclosure.

However, given that gaming operations carry inherent consumer risks and socio-economic implications, an exclusive focus on shareholders is insufficient. This study therefore extends its framework to stakeholder accountability, recognising the industry's broader responsibilities toward consumers, regulatory authorities, and society. By combining these two theoretical lenses, this research establishes a robust baseline to examine how governance principles influence financial performance, while addressing the critical sector-specific challenges of balancing public transparency with strict data privacy and regulatory compliance.

Accordingly, Agency Theory suggests that stronger governance mechanisms should reduce information asymmetry and strengthen managerial accountability, potentially supporting superior organisational outcomes. Stakeholder Theory further suggests that the benefits of accountability and transparency may be particularly relevant where firms interact directly with consumers and face greater external scrutiny. This provides a theoretical basis for expecting the governance–performance relationship to vary between B2C and B2B gaming companies.

3.2 The Research Tool

3.2.1 *Semi-Structured Interviews*

Semi-structured interviews were identified as the most appropriate research tool for collecting the primary data required. Each participant was asked a series of open-ended questions alongside one close-ended question. In particular, the use of open-ended questions encouraged participants to articulate their thoughts and ideas in-depth (Karatsareas 2022), whereas the inclusion of a close-ended question enabled the collection of more objective responses (Saunders *et al.*, 2016).

The semi-structured interviews were conducted in accordance with a detailed interview schedule comprising predetermined questions (Ruslin *et al.*, 2022). Probing questions were subsequently utilised to foster further discussion, allowing the researcher to prompt interviewees to clarify or elaborate on their responses (Mcintosh and Morse, 2015).

For this study, three distinct interview schedules were developed, tailored to three groups of participants: representatives of gaming companies, audit firms, and the

MGA. The interview schedules were broadly similar in structure but varied slightly depending on the participant group. For representatives of gaming companies, the schedules were divided into three sections, whereas for audit firms and the MGA, only the first two sections were applicable. Within each section, the questions were customised to align with the specific roles of the participants.

For the close-ended question, a five-point Likert scale was used with responses ranging from “Strongly Disagree” to “Strongly Agree”.

3.2.2 CGI

Drawing on the information obtained from the interviews, a CGI (*vide Annex*) was constructed for each gaming company interviewed. The 29 provisions comprising the CGI were derived from the governance mechanisms identified in the literature review and were organised around the principal dimensions of board effectiveness, ownership structure, shareholder rights, and transparency and disclosure.

The purpose of the index was therefore not to impose a generic governance measure, but to operationalise the governance characteristics identified in the literature in a form applicable to the organisational structures observed within the Maltese gaming sector.

An unweighted scoring approach was adopted, following Shahwan (2015)’s conclusion that no significant difference exists between weighted and unweighted indices. Each provision was assessed using a binary scoring system, whereby a score of ‘1’ was assigned if the company satisfied the provision and ‘0’ otherwise. Provisions deemed not applicable were excluded from the final computation; consequently, although the index comprised 29 provisions, the maximum achievable score varied depending on their applicability to each company. Ultimately, each company’s CGI score was expressed as a percentage.

It should be clarified that the subsidiary-level financial information was aggregated to correspond with the governance structure represented by each interviewed company.

Accordingly, the 66 subsidiaries do not constitute 66 independent governance observations. Rather, subsidiary revenue data were consolidated at the relevant governance-group level for the purpose of relating financial performance to CGI scores. The resulting observations used in the correlation analyses therefore reflect the governance entities for which comparable CGI and revenue information was available.

3.2.3 Financial Data

Revenue was selected as the financial performance metric for this study. Accordingly, to address the study’s third objective, the researchers analysed the annual reports for the financial years 2020-2023.

3.3 The Sample Population

Participants were selected based on their knowledge, experience, and involvement in the gaming industry. Consequently, purposive sampling was employed to identify such individuals. Additional participants were then recruited through snowball sampling.

A total of eighteen interviews were conducted. Of these, thirteen were held with representatives of gaming companies, most of whom held the position of CFOs, while others occupied other senior executive roles. Collectively, these participants represented ten distinct Maltese gaming companies, as some individuals were affiliated with the same entity. Additionally, four interviews were conducted with representatives of audit firms. Finally, an interview was conducted with a representative of the MGA. By the final interview, the responses indicated that qualitative saturation had been reasonably achieved.

Although interviews were conducted with representatives of only ten gaming companies, each of these entities operated as a holding company overseeing multiple subsidiaries under a unified governance structure. These parent companies typically generate little to no direct revenue and, in some cases, do not hold a licence issued by the MGA. Consequently, relying solely on their financial data would not provide an accurate representation of overall group performance. To address this, the analysis was based on the aggregated revenue of the relevant Maltese subsidiaries associated with each holding company.

From a total population of 291 licensed gaming companies – comprising 152 B2B licensees and 139 B2C licensees – this study analysed financial data from 66 subsidiaries, including 55 B2C and 11 B2B companies. For the purposes of this research, the population is defined as all gaming companies that were both registered and licenced in Malta as at 6 March 2025.

3.4 Data Analysis

Qualitative data was collected from responses to open-ended questions and from additional comments provided alongside Likert scale ratings. This data was analysed using thematic analysis, whereby transcripts were systematically coded to enable comparison across responses and facilitate the identification of recurring patterns and themes (Saunders *et al.*, 2016).

Quantitative data was obtained from one close-ended question, selected open-ended questions on CG practices – used to develop the CGI – and the annual reports of gaming companies. To analyse this data, the Friedman test was first applied to compare mean rating scores relating to the perceived importance of various CG practices and to identify any significant differences. Subsequently, the Shapiro-Wilk test was conducted to assess the normality of the revenue data.

As the data for both B2C and B2B companies was not normally distributed, a non-parametric approach was required. Accordingly, the Spearman correlation test was employed to examine the relationship between GCG, as measured by the CGI, and financial performance, as indicated by revenue.

3.5 Research Limitations

The primary limitation of this study was the limited participation of gaming companies, which may have constrained the depth and comprehensiveness of the findings. Additionally, the availability and completeness of annual reports for the 2020-2023 period were inconsistent, as some reports were inaccessible and certain companies only began operations during this timeframe.

Consequently, where necessary, averages were based on the available data to ensure comparability. In cases of company acquisitions, only post-acquisition financial data were included.

It is also important to note that revenue growth does not necessarily reflect improvements in CG – larger firms with more subsidiaries may naturally report higher revenues, potentially distorting comparisons. Moreover, while revenue was used as the primary financial indicator, it is subject to varying accounting treatments, which may affect its reliability. Finally, CG structures are dynamic and may evolve over time.

4. Findings and Discussion

4.1 GCG Practices in the Maltese Gaming Industry

Gaming company representatives were asked to provide detailed insights into their CG structures. Table 1 below provides an overview of the CG practices implemented across the sampled gaming companies.

Table 1. CG Practices

Category	Indicator	Finding
Board Effectiveness		
<i>Board Size</i>	Average Board Size	2.7
	Distribution of Board Size	1 director (4) 2 directors (2) 3 directors (1) 4 directors (1) 5 directors (1) 7 directors (1)
<i>NEDs</i>	Absence of NEDs	6/10
	Limited NED representation (<50%)	1/10
	Majority NED representation (>50%)	3/10

<i>Role Separation</i>	Combined Chairman and CEO Roles	2/10
	Separation of Chairman and CEO Roles	4/10
	Not applicable due to sole-director structure	4/10
<i>Gender Diversity</i>	Presence of Female Directors	1/10
	Absence of Female Directors	9/10
<i>Ethnic Diversity</i>	Presence of Foreign Directors	7/10
	Boards composed solely of local directors	3/10
<i>Board Expertise</i>	At least one member with accounting and/or business qualifications	9/10
	No members with relevant professional qualifications	1/10
	Diversity of professional backgrounds	4/10
<i>Sub-Committees</i>	Group-level AC	5/10
	No AC	5/10
	Group-level RC/NC	4/10
	No RC/NC	6/10
	Additional sub-committees	5/10
Ownership Structure		
<i>Ownership Type</i>	Minority-owned	3/10
	Fully owned by single UBO	2/10
	Family-owned business	1/10
	Publicly listed group structures	4/10
<i>Minority Shareholder Protection Policy</i>	Not applicable	6/10
	No Policy	1/10
	Policy in Place	3/10
<i>Managerial Ownership</i>	Provided	7/10
	Not applicable	3/10
Shareholder Rights		
<i>Voting Rights</i>	Right to nominate and elect directors	9/10
	No right to nominate directors	1/10
<i>Proxy Voting</i>	Permitted	7/10
	Not applicable – UBO ownership	2/10
	Not permitted	1/10
<i>Voting Structure</i>	One-share-one-vote	6/10
	Not applicable – UBO ownership	2/10
	Differential voting rights	1/10
	Collective decision-making	1/10
<i>Corporate Decision-Making</i>	Power to vote on major proposals	8/10
	Decisions made solely by the board	2/10
<i>Right to Convene EGM</i>	Provided	7/10
	Not provided	3/10
T&D		
<i>Directors' Remuneration Disclosure</i>		10/10
<i>Digital Platforms</i>	Websites	10/10
<i>Non-financial reporting</i>	At group-level only	6/10
	Voluntarily done	1/6
	None	4/10

<i>Responsible Gaming Policy</i>	Publicly available	9/10
	Not publicly available	1/10

Source: *Own study.*

4.2 A&T within the Maltese Gaming Industry

A CGI score for each gaming company interviewed was subsequently developed using a binary scoring system, based on the information presented above. Table 2 presents the results, ranked in descending order by total score and corresponding percentage. The average and quartile values were also calculated.

Table 2. *CGI Scores*

Company Number	Score	Percentage (%)
1.	25/29	86.2069%
2.	25/29	86.2069%
3.	24/29	82.7586%
4.	23/28	82.1429%
5.	21/28	75.0000%
6.	20/29	68.9655%
7.	14/29	48.2759%
8.	12/25	48.0000%
9.	12/25	48.0000%
10.	13/28	46.4286%
Average:		67.1985%
Median:		71.9828%
First Quartile (Q1):		48.0690%
Second Quartile (Q2):		71.9828%
Third Quartile (Q3):		82.6047%

Source: *Own study.*

The average CGI score of 67.20% among the participating companies serves as a useful benchmark for understanding the level of governance demonstrated within the sample. This suggests that, while governance is fairly decent, there is still room for improvement. However, given the potential for extreme values to skew the mean, the median offers a clearer picture of typical governance levels, standing at 71.98%.

This indicates that, within the sample, most companies demonstrate a moderate to strong level of CG. Additionally, The median CGI score of 71.98% indicates that governance performance among the sampled firms is generally moderate to strong, although the wide interquartile range demonstrates substantial heterogeneity across companies.

However, 25% of these companies have a score below 48.07%, indicating significant weaknesses in their governance structures. This reveals a governance gap among the analysed companies, where a subset appear to struggle with A&T.

Conversely, the top 25% of companies analysed have a score above 82.60%, demonstrating strong governance.

As such, the findings derived from the CGI evaluation present a somewhat mixed, yet an overall promising outlook on the state of governance within Maltese gaming companies. While certain entities scored considerably higher than others, indicating differences in the strength and maturity of governance frameworks, the overall picture remains positive. Indeed, these findings suggest that A&T are generally prioritised within the sector, even if practices are not uniformly applied across all entities.

Nonetheless, these findings do not entirely resonate with the perceptions expressed by the companies themselves. With the exception of one company^(1/10) that candidly acknowledged a need for significant improvement, the others^(9/10) asserted that CG is actively prioritised. As such, this suggests that companies generally perceive themselves as upholding strong governance practices.

Yet, the CGI results imply that actual implementation does not reflect this perceived emphasis, indicating a potential overestimation of governance maturity. It is important to recognise, however, that not all companies operate with the same level of resources, as argued by Perry and Rainey (1988). For some, CG may indeed be prioritised, but their capacity to implement more advanced practices may be constrained by operational or financial limitations.

This discrepancy in governance standards across companies may stem from the fact that the industry includes a mix of corporate structures, including privately-held operators, operators within publicly traded corporations, and – in Malta's case – a single standalone publicly traded entity.

Evidence from the interviews suggest that CG frameworks are primarily shaped by external factors, particularly regulatory obligations. Most participants^(6/10) indicated that the CG practices adopted by their companies largely reflect the influence of external factors.

One participant^(1/6) further noted that while certain improvements may originate internally, these are typically driven by the perception that failure to act would hinder the achievement of organisational goals, or by the anticipation that such practices will eventually become mandatory. In this sense, internally driven changes remain closely linked to expected external requirements.

In contrast, the remaining participants^(4/10) reported a more balanced approach, whereby both external influences and internal drivers play a significant role. These participants emphasised the importance of maintaining a proactive stance and positioning the company as a responsible corporate citizen.

Accordingly, the governance frameworks adopted tend to reflect the scope and intensity of the oversight to which each entity is subject.

As illustrated in Table 3 below, companies that are publicly listed or form part of larger listed corporate groups generally demonstrate stronger governance practices. Therefore, it is plausible that subsidiaries of listed groups are required to comply with group-wide policies shaped by the more demanding regulatory standards of listing jurisdictions.

Hence, such affiliations may, in turn, raise governance standards at the local subsidiary level through what may be described as regulatory osmosis. In this context, regulatory osmosis refers to the transmission of governance standards from listed parent companies to subsidiaries that may not themselves be subject to equivalent listing requirements. This suggests that governance standards can diffuse through corporate group structures in addition to being imposed directly through domestic regulation. Additionally, these companies typically possess greater resources than privately-owned operators.

This structural divide between listed and privately-held entities highlights the dual application of Agency Theory and Stakeholder Theory in the gaming sector. For listed subsidiaries (Companies 1 through 5), robust internal metrics, such as board independence, board sub-committees (AC, NC, RC), and strict transparency rules, exist primarily to lower agency costs and shield distant shareholders from management's self-serving manoeuvres, as framed by Jensen and Meckling (1976) and Fama and Jensen (1983).

Conversely, private operations lean less on these formalised structural safeguards. For these private firms, governance mechanisms are increasingly adjusted to address Stakeholder Theory (Collier 2008). They prioritise outward-facing practices like responsible gaming displays, player protection mechanisms, and explicit regulatory compliance matrices to appease external stakeholders (such as the MGA and the broader community) over traditional inner-agency mechanisms.

Indeed, privately-owned firms appear to adopt a more pragmatic and discretionary approach, often implementing governance mechanisms selectively. As shown in Table 3, most such firms achieved CGI scores below 50%, indicating notable weaknesses in their governance frameworks.

This distinction between publicly-listed and privately-owned entities was also emphasised by the MGA official and the audit firm representatives^(4/4), who noted that privately-owned entities generally exhibit less sophisticated governance structures. One audit firm representative^(1/4) explained that smaller companies are frequently integrated within international group structures, resulting in board arrangements being positioned higher within the corporate hierarchy. Consequently, boards at the local level are often either absent or possess limited authority.

Similarly, another audit firm representative^(1/4) remarked that key strategic decisions are commonly taken by parent boards located in other jurisdictions, thereby reducing the effectiveness of local boards despite their formal existence.

The remaining audit firm representatives^(2/4) further highlighted that start-ups and smaller privately-owned entities frequently lack a clear separation of duties, with CEOs often simultaneously occupying board positions. In addition, the same directors commonly hold appointments across multiple subsidiary boards, effectively functioning as figureheads primarily responsible for approving annual reports.

As such, within these entities, the issue appears to lie not only in the comparatively lower adoption of CG practices, but also in the effectiveness of those that are formally implemented. Indeed, governance mechanisms may exist in structure, yet remain largely ineffective in practice where boards possess limited authority, oversight functions are weak, or governance roles are merely symbolic.

Therefore, such findings underscore the need for enhanced governance legislation, particularly in relation to privately-held entities. By introducing more stringent and clearly defined regulatory requirements, it may be possible to elevate governance standards across the sector in a more uniform and systematic manner.

Table 3. *CGI Scores by Entity Classification*

Company Status	CGI (%)
Subsidiary of multinational listed entity	86.2069%
Subsidiary of multinational listed entity	86.2069%
Subsidiary of multinational listed entity	82.7586%
Subsidiary of multinational listed entity	82.1429%
Subsidiary of local listed entity	75.0000%
Private Entity	68.9655%
Private Entity	48.2759%
Private Entity (UBO)	48.0000%
Private Entity (UBO)	48.0000%
Private Entity	46.4286%

Source: *Own study.*

Moreover, as discussed by Sheelan (2025), Maltese-licensed gaming operators are able to leverage their licence to offer services across multiple jurisdictions rather than being confined to Malta alone. Consequently, they are required to comply with a diverse range of international regulations in addition to the domestic regulatory framework. This multi-jurisdictional exposure means that governance practices may be shaped not only by Maltese regulations but also by the legal and compliance requirements of the jurisdictions in which these companies operate.

As a result, variation in governance structures across the industry may arise, as companies adopt their frameworks to align with differing regulatory obligations.

As such, the relatively strong governance standard observed across Maltese gaming companies may, at first glance, be attributed to the highly regulated nature of the industry. Given the sector's exposure to financial, legal, and reputational risks, regulatory compliance is both rigorous and non-negotiable. Consequently, it is perhaps unsurprising that firms tend to exhibit broadly sound governance frameworks, largely shaped by external regulatory pressures. However, regulation alone does not fully explain the level of governance maturity observed.

The competitive environment in which these companies operate appears to act as an additional driver, incentivising firms to adopt robust governance structures not merely for compliance purposes, but also to differentiate themselves and safeguard their long-term credibility. In this respect, some firms appear to go beyond minimum regulatory requirements, particularly in areas critical to operational integrity and reputation, which may explain the variation in CG scores across companies.

For instance, two participants_(2/10) highlighted the role of external auditors in reinforcing effective processes and controls. Similarly, three interviewees_(3/10) referred to the implementation of formal authorisation policies that clearly delineate responsibilities and decision-making boundaries, ensuring that employees understand both their authority and its limits. In addition, four participants_(4/10) described the adoption of an internal transparency approach – often referred to as an 'open-book' policy – which facilitates continuous communication across departments and enables employees to carry out their responsibilities more effectively.

Further governance-enhancing practices were also identified, albeit less frequently. These included the use of annual governance surveys to identify and address areas for improvement_(1/10), targeted training initiatives aimed at strengthening directors' understanding of their responsibilities_(1/10), and the implementation of surveillance and monitoring mechanisms_(1/10).

Such practices appear to be underpinned by an acute awareness of the financial and reputational consequences associated with governance failures. In a sector where regulatory breaches may result in licence revocation or heightened public scrutiny, maintaining high governance standards extends beyond legal compliance and becomes a strategic necessity. Strengthened governance, therefore, not only mitigates risk but also enhances competitive positioning.

These findings extend the application of Agency and Stakeholder theories by suggesting that their relative explanatory relevance may vary according to ownership structure. In listed-group subsidiaries, formal governance mechanisms appear particularly important in addressing agency concerns associated with dispersed

ownership and managerial oversight. In privately held gaming firms, by contrast, governance appears more strongly oriented towards external stakeholder accountability, particularly regulatory compliance and consumer protection.

The findings therefore suggest that governance within the gaming sector is not characterised by a single model, but by different configurations shaped by ownership structure and stakeholder exposure.

4.3 The Relationship between CG and Financial Performance

The CGI scores were also used to assess the effect of CG on financial performance. Tables 4.4 and 4.5 present the relationship between the average revenue of B2C and B2B companies, respectively, over the period of 2020-2023, and the corresponding CGI scores of each company. Given the distinct market environments in which B2C and B2B companies operate, the analysis was conducted separately for each group.

Table 4. *Correlation test for B2C companies*

		CGI
Revenue of B2C companies	Correlation Coefficient	.762
	p-value	.010
	Sample	10

Source: *Own study.*

The results in Table 4 reveal a significant positive relationship between CG and revenue for B2C companies. With a correlation coefficient of 0.762, the data suggests a strong association, indicating that companies with higher CGI scores are more likely to generate higher revenue. Additionally, the p-value of 0.010 confirms the statistical significance of this relationship.

The results in Table 4 reveal a statistically significant positive relationship between CG and revenue for B2C companies. The Spearman correlation coefficient of 0.762 indicates a strong positive association, while the p-value of 0.010 indicates that this relationship is statistically significant.

Thus, within the sampled B2C companies, higher CGI scores are associated with higher levels of revenue. Although the analysis does not establish causality, the result is consistent with the proposition that stronger governance practices and financial performance may be positively related.

This finding is consistent with Ullah *et al.* (2017), who reported a positive relationship between governance practices and financial outcomes. The present findings extend this evidence to the B2C gaming context, suggesting that the governance–performance association may also be relevant within highly regulated digital markets.

Table 5. *Correlation test for B2B companies*

		CGI
Revenue of B2B companies	Correlation Coefficient	.300
	p-value	.624
	Sample	5

Source: *Own study.*

Contrastingly, the relationship between CG and revenue for B2B companies is weaker. As shown in Table 5, although the correlation coefficient of 0.300 indicates a positive relationship, the p-value of 0.624 suggests that this relationship is not statistically significant. The small B2B sample should, however, be considered when interpreting this result, as it limits the statistical power of the analysis.

These results imply that the influence of CG on financial performance in the B2B sector is less pronounced, possibly overshadowed by other factors that play a larger role in determining financial outcomes for B2B companies. This outcome aligns with the findings of Al-Tamimi (2012), who similarly reported an insignificant positive association between governance and financial outcomes.

Ultimately, these findings indicate that the relationship between CG and financial performance is not uniform across all types of gaming companies, but rather, is contingent on the type of business model adopted by the company. One plausible explanation for the variation between B2C and B2B companies lies in the nature of their stakeholder engagement. B2C companies, by virtue of their direct interaction with end-users, are typically subject to heightened scrutiny from investors, regulatory bodies, and the public (Interserv, 2019).

In such contexts, governance mechanisms such as transparency, reputational integrity, and accountability are not merely aspirational principles but necessary tools for fostering trust – an essential driver for consumer loyalty and, in turn, revenue. Accordingly, improvements in governance are likely to have a more tangible and immediate impact on performance outcomes within B2C firms.

By contrast, B2B companies generally operate through long-term contractual relationships with other businesses, where performance may be shaped more significantly by factors such as technological infrastructure, service reliability, and contractual terms – dimensions that are less directly influenced by governance frameworks.

This differentiation highlights the utility of revenue as a core metric for measuring tech-driven performance, echoing Suryanto and Sujardi (2020 cited in Yusriani *et al.* 2023) and Chandra and Ro (2008). In volatile, high-innovation ecosystems, traditional backward-looking accounting variables risk being skewed by sudden structural fluctuations or aggressive short-term cost treatments (Lev and Zarowin 1999; Smirlock *et al.*, 1984).

By assessing financial performance through top-line revenue, this study captures a clearer picture of market demand and operational expansion. This is especially evident in B2C operators. In B2C settings, enhanced operational transparency may serve as an outward signal of organisational credibility, potentially strengthening player confidence and supporting revenue generation.

In light of this, the findings suggest that while CG can be a driver of financial performance, its impact varies according to the operational context and market orientation of the firm. Thus, governance should not be viewed as a universal or guaranteed driver of financial success, but rather as one important element within a broader set of factors that can influence performance.

4.4 Challenges in Maintaining A&T

4.4.1 To What Extent Do Cultural and Human Factors Undermine A&T?

Rehman *et al.* (2021) identify managing personnel in rapidly evolving and innovation-driven sectors as a significant organisational challenge, particularly in the context of organisational change. However, the evidence from Rehman *et al.*'s (2021) study remains inconclusive as to whether such challenges arise when governance-related initiatives are introduced within the industry.

Half the participants_(5/10) reported that these initiatives are implemented with little to no opposition. One respondent_(1/5) explained that the company adheres strictly to regulatory requirements, with governance practices introduced solely to meet mandatory obligations. As a result, such measures are generally accepted as non-discretionary and are not subject to challenge.

Contrastingly, the remaining half of the participants_(5/10) acknowledged that some degree of resistance occurs when new measures are introduced. It was noted that certain governance issues exist within ambiguous domains, where no definitive right or wrong approach can be established. One respondent_(1/5) explained that in such instances, open dialogue is encouraged to ensure that all perspectives are thoroughly evaluated before management reaches a final decision. Nonetheless, it was underscored that certain governance practices are essential and must be incorporated without hesitation.

Meanwhile, three such respondents_(3/5) highlighted that, when resistance arises, it can often be mitigated through direct engagement with employees. By clearly articulating the necessity for change, addressing concerns, and identifying underlying issues, opposition can be significantly reduced.

Consequently, it is imperative that the rationale behind any governance measure is effectively communicated, as the imposition of new rules without adequate explanation is unlikely to yield successful outcomes. Without such communication, even well-intentioned governance measures are unlikely to achieve their desired

impact. Accordingly, this reinforces Rehman *et al.* (2021)'s assertion that shaping employee attitude is essential for successful organisational change.

Additionally, four participants_(4/10) concurred that employees are well-aware of the highly-regulated nature of the industry. Given the sector's dynamic and ever-evolving landscape, employees are accustomed to frequent regulatory changes, which facilitates the adoption of new governance measures. As such, change is not only expected but also seen as a normative part of the working environment.

This perceived familiarity with change indicates a level of cultural readiness for transformation. It also adds depth to Rehman *et al.* (2021)'s argument that resistance typically stems from unfamiliarity and fear. Therefore, in environments where change is routine and anticipated, the potential for resistance may be inherently lower.

Nevertheless, although the findings indicate that people-centric challenges are not universally viewed as problematic, they still do support Rehman *et al.* (2021)'s observation that such issues are becoming increasingly prominent.

4.4.2 How Do Companies Balance A&T with Privacy and Confidentiality?

As Goede and Neuwirth (2014) argue, for governance to be truly effective, accountability must be balanced with privacy, and transparency with confidentiality. In light of this, participants from gaming companies were invited to reflect on how their organisations manage these competing governance demands in practice.

Four participants_(4/10) emphasised that their companies adopt a restrictive approach to disclosure, limiting the release of information to the minimum required by law. Conversely, six participants_(6/10) indicated that their organisations engage in extensive internal and external discussions to determine the appropriate level of disclosure.

Of these, four participants_(4/6) explained that both regulatory obligations and stakeholder expectations are taken into account, ensuring that positive and negative information is communicated when necessary. These respondents highlighted that, particularly in the presence of significant risks or challenges, disclosure becomes essential, as investors require an accurate understanding of the company's position in order to make informed decisions.

The issue of litigation was also raised by six participants_(6/10). Three of these participants_(3/6) explained that significant consideration is given to legal matters, as premature or unnecessary disclosure could mislead stakeholders and potentially affect the company's going concern, which may ultimately result in the loss of its licence. Similarly, the remaining three participants_(3/6) noted that excessive transparency beyond what is required can be counterproductive, this being consistent with the argument advanced by Abed *et al.* (2022).

These concerns also align with those of Hermalin and Weisbach (2007), who argue that excessive transparency may undermine profitability and reduce operational efficiency.

In fact, two of the latter participants^(2/3) further indicated that the immediate disclosure of legal proceedings may place the company at a disadvantage, as such information could encourage opportunistic legal action. For this reason, details relating to ongoing court cases are generally not publicly disclosed. Consequently, the priority is to provide accurate and timely information to the market, while ensuring that transparency remains proportionate and justified.

Three participants^(3/10) also discussed the challenges associated with maintaining confidentiality within the organisation. As companies grow, an increasing number of individuals and departments become involved in decision-making processes, raising the risk that confidential information may be disclosed prior to formal decisions being finalised. According to these respondents, internal communication therefore becomes a significant challenge, particularly in determining the appropriate level of information sharing and identifying effective methods of handling sensitive information.

Similarly, when audit firm representatives were asked whether gaming companies voluntarily disclose information in their FS beyond statutory requirements, all representatives^(4/4) agreed that such disclosures are generally limited. This reluctance was attributed to the high-risk nature of the industry, where companies tend to adopt a cautious stance in order to avoid exposing themselves to competitive disadvantages or increased vulnerability.

Furthermore, audit firm representatives^(4/4) identified several categories of information that are frequently withheld or only partially disclosed, including investigations^(1/4), related party transactions^(1/4), intangible assets and impairment assessments^(1/4), and litigation matters^(4/4).

In relation to litigation matters specifically, it was noted that companies operating across multiple jurisdictions are often involved in a considerable number of legal proceedings. While these cases are typically acknowledged in the FS, firms tend to refrain from disclosing detailed information such as the monetary value of claims or their potential financial implications.

Additionally, the MGA representative confirmed that, of all gaming companies licensed in Malta, only 14 had adopted the ESG Voluntary Code, indicating that while compliance with mandatory regulatory requirements is generally observed, engagement with voluntary or enhanced disclosure frameworks remains limited.

This persistent anxiety surrounding competitive vulnerability and information disclosure clearly highlights the limitations of transparency discussed in the

literature review. While Albu and Flyverbom (2016) observe that transparency fosters external trust, the practical findings from these interviews indicate that gaming firms often actively restrict disclosure to prevent the erosion of competitive advantage (Abed *et al.*, 2022).

Management teams find themselves caught in a structural bind: they must maintain broad disclosure channels to lower information asymmetry under an Agency Theory lens, yet they must tightly restrict specific operational metrics to protect their profit margins from rival firms, matching the dynamics modelled by Hermalin and Weisbach (2007).

Overall, the findings suggest that companies do not pursue transparency through blanket disclosure. Rather, they adopt a context-sensitive approach, balancing competing governance demands in a manner that safeguards legal standing, competitive advantage, and long-term sustainability.

4.4.3 Is Regulatory Compliance an Enduring Challenge?

Building on the arguments advanced by Casabona (2014), who identifies regulatory fragmentation within the EU as a central challenge for the gaming industry, participants were asked to elaborate on the practical implications of navigating divergent legislative frameworks in a globalised context.

Three participants_(3/10) echoed Casabona (2014)'s concerns, emphasising that the fragmented regulatory landscape across Europe imposes significant operational challenges. The existence of distinct national frameworks was described as generating substantial compliance burdens for multinational operators. In this regard, respondents stressed the need for greater regulatory harmonisation, suggesting that policy efforts should prioritise consistency across jurisdictions rather than the introduction of additional layers of regulation.

To manage this complexity, most respondents_(9/10) reported adopting a highly proactive approach, involving dedicated compliance teams responsible for continuously monitoring regulatory developments and disseminating updates across the organisation. This process was characterised as both resource-intensive and inherently complex, requiring specialised expertise, advanced technological systems, and ongoing coordination.

One respondent_(1/9) further noted that the challenge is exacerbated by the constant evolution of local regulations, which must be promptly embedded into operational processes to avoid severe financial penalties or, in extreme cases, licence revocation. Beyond financial consequences, such failures were also recognised as posing significant reputational risks.

This regulatory misalignment not only places operational strain on firms but also increases the likelihood of non-compliance. Notably, three participants_(3/10) indicated

that breaches are often not the result of intentional misconduct, but rather stem from the inherent difficulty of navigating multiple, and at times conflicting, legal frameworks.

In addition, two participants^(2/10) highlighted the competitive imbalance between Maltese-licensed operators and those operating under less stringent jurisdictions, such as Curaçao. From a consumer perspective, little distinction is made between operators licensed in highly regulated markets, such as Malta, and those licensed in jurisdictions with minimal oversight, as both offer comparable services.

However, as compliance requirements for Maltese-licensed operators continue to intensify, unregulated or lightly regulated entities retain significantly greater flexibility. This places compliant firms at a competitive disadvantage and, more critically, undermines the effectiveness of regulatory frameworks by incentivising users to migrate towards less regulated platforms.

One participant^(1/2) argued that, given the enduring nature of gaming activities, regulation should focus on promoting responsible and sustainable practices without becoming overly restrictive. Excessive regulatory burdens risk driving operators away from regulated markets, thereby strengthening the position of unregulated alternatives. This concern was illustrated with reference to the UK, where stringent measures have prompted regulatory reconsideration, as well as Sweden, where declining channelisation rates have become a growing policy concern.

Although the EC (2012) has acknowledged these challenges and expressed intentions to enhance cooperation with third countries, participants consistently indicated that such measures are insufficient in isolation. All respondents^(10/10) emphasised the importance of establishing a level playing field, particularly in light of the persistent presence of black-market operators. A generally proposed solution involved imposing stricter obligations on B2B providers, restricting their ability to supply services to unregulated operators in non-compliant jurisdictions.

Essentially, without dealing with this issue, regulation risks functioning as a barrier rather than a safeguard, pushing responsible operators out of the market and failing to achieve the very protection it aims to uphold.

From a European policy perspective, these findings suggest that the effectiveness of gaming regulation depends not only on the stringency of individual national regimes but also on the degree of regulatory coordination across jurisdictions. Regulatory fragmentation may increase compliance costs for legitimate cross-border operators without imposing equivalent constraints on unregulated competitors.

Greater harmonisation and cooperation may therefore contribute simultaneously to consumer protection, regulatory effectiveness and a more level competitive environment within the European gaming market.

5. Conclusion

This study concludes that A&T are widely embedded within the CG frameworks of gaming companies, and that the industry overall demonstrates mature and well-established governance structures. However, these governance frameworks vary considerably across the sector, with their level of sophistication largely dependent on the ownership structure of each entity. Specifically, a clear distinction emerges between privately-owned firms and those that are part of publicly listed groups.

Consequently, the Maltese gaming industry can be broadly categorised into two distinct governance models. On the one hand, companies that form part of publicly listed groups typically adopt more rigorous and sophisticated governance frameworks. Conversely, privately-owned gaming companies tend to have less robust CG frameworks, primarily this being owing to being subject to less stringent regulatory requirements. Additionally, these companies often have more limited resources to dedicate to governance.

Nonetheless, although regulatory obligations remain the primary driver of CG adoption, internal motivations, particularly the need to remain competitive, also play a meaningful role. Companies increasingly recognise that strong governance frameworks can enhance their reputation, build stakeholder trust, and strengthen operational resilience, all of which are vital in a highly innovative and heavily scrutinised sector.

Consequently, firms are willing to go beyond what is legally required in areas where they deem practical, beneficial, or reputationally advantageous. This points to a flexible and strategic approach to governance, where measures are adopted not merely as a box-ticking exercise but as a means of securing competitive advantage.

This study further concludes that GCG is positively associated with financial performance. However, this relationship is contingent on firm-specific characteristics. Indeed, the link between governance and performance is notably stronger in B2C companies than in B2B firms. Nevertheless, although effective CG can contribute to improved financial performance, it is not a standalone determinant and should be viewed in context.

Accordingly, this relationship between governance and performance cannot be universally applied across all company types and sectors.

The study makes an important contribution by demonstrating that corporate governance within the gaming sector should not be treated as homogeneous. The findings indicate that ownership structure and business model shape both the configuration of governance mechanisms and their association with financial performance. The distinction identified between B2C and B2B firms further suggests that stakeholder exposure may condition the economic relevance of

governance practices. In theoretical terms, the findings support the complementary use of Agency and Stakeholder theories, while the observed transmission of governance practices from listed parent companies to subsidiaries points to a process of regulatory osmosis within corporate groups.

From a managerial perspective, the findings suggest that gaming companies should move beyond compliance-based governance and consider A&T as components of strategic governance, particularly in consumer-facing operations. Private firms may benefit from strengthening board independence, committee structures and formal oversight mechanisms, while all operators should develop clearer processes for balancing disclosure with commercial confidentiality. For regulators, the findings indicate that governance guidance should recognise differences in ownership structure and business model rather than adopting a uniform approach across the sector.

Furthermore, the study also brought to light several key challenges, with regulatory compliance standing out as a major one. Notably, a large number of gaming companies operate across multiple jurisdictions, and since a Maltese gaming licence permits firms to conduct business throughout various EU member states, these companies are inevitably subject to a diverse and complex array of regulatory regimes.

Obviously, managing this regulatory complexity requires substantial resources. As such, the fragmented nature of EU regulations amplifies the compliance burden on gaming companies, which in turn inadvertently strengthens black-market operators, given that they are not subjected to the same level of scrutiny.

Additionally, companies also struggle to balance the demands of A&T with the need to protect commercially sensitive information. While transparency is crucial for accountability, excessive disclosure can expose firms to legal risks, threaten their competitive advantage, and cause stakeholder misinterpretation. Thus, companies must carefully navigate this delicate balance to remain open and accountable without compromising critical information.

Conversely, the study finds that cultural and human factors do not represent a major challenge. Although some resistance to change persists, these issues are generally manageable through effective communication and strong leadership.

Future research could extend this study by examining a larger sample of gaming companies across multiple European jurisdictions and by employing longitudinal designs to assess changes in governance practices over time. Further studies could also incorporate additional measures of financial performance, such as profitability, return on assets or firm value, and control for firm size, ownership structure and other company-specific characteristics. Comparative research across B2C and B2B operators would be particularly valuable in determining whether the different

governance–performance relationships observed in this study persist across other regulated gaming markets.

References:

- Abed, I.A., Hussin, N., Haddad, H., Almubaydeen, T.H., Ali, M.A. 2022. Creative accounting determination and financial reporting quality: The integration of transparency and disclosure. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(1), Article 38. Available at: <https://doi.org/10.3390/joitmc8010038>.
- Aboagye, A.Q., Otioku, J. 2010. Are Ghanaian MFIs' performance associated with corporate governance? *Corporate Governance*, 10(3), 307-320. Available at: <https://doi.org/10.1108/14720701011051938>.
- Aboagye-Otchere, F., Bedi, I., Ossei Kwakye, T. 2012. Corporate governance and disclosure practices of Ghanaian listed companies. *Journal of Accounting in Emerging Economies*, 2(2), 140-161. Available at: <https://doi.org/10.1108/20421161211229817>.
- Ajinkya, B., Bhojraj, S., Sengupta, P. 2005. The association between outside directors, institutional investors and the properties of management earnings forecasts. *Journal of Accounting Research*, 43(3), 343-376. Available at: <https://doi.org/10.1111/j.1475-679X.2005.00174.x>.
- Aksu, M., Kosedag, A. 2006. Transparency and disclosure scores and their determinants in the Istanbul Stock Exchange. *Corporate Governance: An International Review*, 14(4), 277-296. Available at: <https://doi.org/10.1111/j.1467-8683.2006.00507.x>.
- Albu, O.B., Flyverbom, M. 2019. Organizational transparency: Conceptualizations, conditions, and consequences. *Business & Society*, 58(2), 268-297. Available at: <https://doi.org/10.1177/0007650316659851>.
- Al-Tamimi, H.A.H. 2012. The effects of corporate governance on performance and financial distress: The experience of UAE national banks. *Journal of Financial Regulation and Compliance*, 20(2), 169-181. Available at: <https://doi.org/10.1108/13581981211218315>.
- Apreku-Djan, P.K., Ayittah, S.K., Apreku, I.K.O., Ameyaw, F., Opare, E.A. 2023. The mediating effect of corporate social responsibility and corporate accountability in the relationship between corporate governance and value-based financial performance of banks. *International Journal of Business*, 28(2), 1-36. Available at: [https://doi.org/10.55802/IJB.028\(2\).003](https://doi.org/10.55802/IJB.028(2).003).
- Baldacchino, P.J., Baldacchino, J., Bezzina, F.H., Tipurić, D. 2015. Assessing the applicability of a corporate governance index in Maltese listed entities. *International Journal of Transitions and Innovation Systems*, 4(1/2), 43-64.
- Baldacchino, P.J., Camilleri, J., Camilleri, J., Ellul, L., Tabone, N., Grima, S. 2024. Multiple directorships in Maltese listed entities: Implications, determinants, and governance strategies. *Journal of Corporate Governance, Insurance, and Risk Management*, 11(2), 113-125. Available at: <https://doi.org/10.56578/jcgirm110203>.
- Baldacchino, P.J., Duca, N., Tabone, N., Grima, S. 2020. Transparency and corporate governance in small listed entities: The case of Malta. *European Research Studies Journal*, 23(2), 23-44. Available at: <https://doi.org/10.35808/ersj/1578>.
- Baldacchino, P.J., Mercieca, M., Tabone, N., Ellul, L., Grima, S. 2022. Board gender diversity in Maltese equity-listed and large public sector entities. *European Research Studies Journal*, 25(2), 555-586. Available at: <https://doi.org/10.35808/ersj/2973>.

- Batra, S., Saini, M., Yadav, M. 2023. Mapping the intellectual structure of corporate governance and ownership structure: A bibliometric analysis. *International Journal of Law and Management*, 65(4), 333-353. Available at: <https://doi.org/10.1108/IJLMA-01-2023-0001>.
- Bhasin, M.L. 2010. Corporate governance disclosure practices: The portrait of a developing country. *International Journal of Business and Management*, 5(4), 150-167. Available at: <https://doi.org/10.5539/ijbm.v5n4p150>.
- Brennan, N.M., Solomon, J. 2008. Corporate governance, accountability and mechanisms of accountability: An overview. *Accounting, Auditing & Accountability Journal*, 21(7), 885-906. Available at: <https://doi.org/10.1108/09513570810907401>.
- Cadbury, A. 1992. Report of the Committee on the Financial Aspects of Corporate Governance. London: Gee.
- Casabona, S. 2014. The EU's online gambling regulatory approach and the crisis of legal modernity. Working Paper No. 19. EU Centre.
- Caton, G.L., Goh, J. 2008. Corporate governance, shareholder rights, and shareholder rights plans: Poison, placebo, or prescription? *Journal of Financial and Quantitative Analysis*, 43(2), 381-400. Available at: <https://doi.org/10.1017/S0022109000003562>.
- Chandra, U., Ro, B.T. 2008. The role of revenue in firm valuation. *Accounting Horizons*, 22(2), 199-222. Available at: <https://doi.org/10.2308/acch.2008.22.2.199>.
- Collier, P.M. 2008. Stakeholder accountability: A field study of the implementation of a governance improvement plan. *Accounting, Auditing & Accountability Journal*, 21(7), 933-954. Available at: <https://doi.org/10.1108/09513570810907429>.
- Conyon, M.J., Peck, S.I. 1998. Board control, remuneration committees, and top management compensation. *Academy of Management Journal*, 41(2), 146-157. Available at: <https://doi.org/10.2307/257099>.
- Curmi, N. 2019. iGaming and Malta's capital markets. Ganado Advocates. Available at: <https://ganado.com/insights/publications/igaming-and-maltas-capital-markets/>.
- Das Neves, J.C., Vaccaro, A. 2013. Corporate transparency: A perspective from Thomas Aquinas' *Summa Theologiae*. *Journal of Business Ethics*, 113(4), 639-648. Available at: <https://doi.org/10.1007/s10551-013-1682-6>.
- Donnelly, R., Mulcahy, M. 2008. Board structure, ownership, and voluntary disclosure in Ireland. *Corporate Governance: An International Review*, 16(5), 416-429. Available at: <https://doi.org/10.1111/j.1467-8683.2008.00692.x>.
- Durnev, A., Kim, E.H. 2005. To steal or not to steal: Firm attributes, legal environment, and valuation. *The Journal of Finance*, 60(3), 1461-1493. Available at: <https://doi.org/10.1111/j.1540-6261.2005.00767.x>.
- Erena, O.T., Kalko, M.M., Debele, S.A. 2022. Corporate governance mechanisms and firm performance: Empirical evidence from medium and large-scale manufacturing firms in Ethiopia. *Corporate Governance*, 22(2), 213-242. Available at: <https://doi.org/10.1108/CG-11-2020-0527>.
- European Commission. 2012. Towards a comprehensive European framework for online gambling. COM(2012) 596 final.
- Fama, E.F., Jensen, M.C. 1983. Separation of ownership and control. *The Journal of Law & Economics*, 26(2), 301-325. Available at: <https://doi.org/10.1086/467037>.
- Farooq, M., Noor, A., Ali, S. 2022. Corporate governance and firm performance: Empirical evidence from Pakistan. *Corporate Governance*, 22(1), 42-66. Available at: <https://doi.org/10.1108/CG-07-2020-0286>.

- Freire, C. 2019. Duality CEO-chairman and its relation with the effectiveness of the board control. *Problems and Perspectives in Management*, 17(4), 239-251. Available at: [https://doi.org/10.21511/ppm.17\(4\).2019.20](https://doi.org/10.21511/ppm.17(4).2019.20).
- Goede, M., Neuwirth, R.J. 2014. Good governance and confidentiality: A matter of the preservation of the public sphere. *Corporate Governance*, 14(4), 543-554. Available at: <https://doi.org/10.1108/CG-08-2013-0099>.
- Haniffa, R.M., Cooke, T.E. 2002. Culture, corporate governance and disclosure in Malaysian corporations. *Abacus*, 38(3), 317-349. Available at: <https://doi.org/10.1111/1467-6281.00112>.
- Hermalin, B.E., Weisbach, M.S. 2007. Transparency and corporate governance. NBER Working Paper No. 12875. National Bureau of Economic Research. Available at: <https://doi.org/10.3386/w12875>.
- Interserv. 2019. Malta gaming licence. Available at: <https://www.inter-serv.com/remote-gaming-licenses/malta/>.
- Jensen, M.C., Meckling, W.H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305-360. Available at: [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X).
- Jiang, W., Anandarajan, A. 2009. Shareholder rights, corporate governance and earnings quality. *Managerial Auditing Journal*, 24(8), 767-791. Available at: <https://doi.org/10.1108/02686900910986402>.
- Karatsareas, P. 2022. Semi-structured interviews. In: Kircher, R., Zipp, L. (eds.), *Research Methods in Language Attitudes*, 99-113. Cambridge: Cambridge University Press.
- Khan, H.U.R., Khidmat, W.B., Hares, O.A., Muhammad, N., Saleem, K. 2020. Corporate governance quality, ownership structure, agency costs and firm performance: Evidence from an emerging economy. *Journal of Risk and Financial Management*, 13(7), 1-33.
- Khanchel, I. 2007. Corporate governance: Measurement and determinant analysis. *Managerial Auditing Journal*, 22(8), 740-760. Available at: <https://doi.org/10.1108/02686900710819625>.
- Kılıç, M., Kuzey, C. 2018. Determinants of forward-looking disclosures in integrated reporting. *Managerial Auditing Journal*, 33(1), 115-144. Available at: <https://doi.org/10.1108/MAJ-12-2016-1498>.
- Kim, W. 2023. Corporate governance: Upholding transparency, accountability, and ethical standards. *Business Studies Journal*, 15(4), 1-3.
- Kim, Y., Lee, J., Yang, T. 2013. Corporate transparency and firm performance: Evidence from venture firms listed on the Korean stock market. *Asia-Pacific Journal of Financial Studies*, 42(4), 653-688. Available at: <https://doi.org/10.1111/ajfs.12027>.
- Kolev, K.D., Wangrow, D.B., Barker, V.L. III, Schepker, D.J. 2019. Board committees in corporate governance: A cross-disciplinary review and agenda for the future. *Journal of Management Studies*, 56(6), 1138-1193. Available at: <https://doi.org/10.1111/joms.12444>.
- Ladouceur, R., Shaffer, P., Blaszczyński, A., Shaffer, H.J. 2017. Responsible gambling: A synthesis of the empirical evidence. *Addiction Research & Theory*, 25(3), 225-235. Available at: <https://doi.org/10.1080/16066359.2016.1245294>.
- Lev, B., Zarowin, P. 1999. The boundaries of financial reporting and how to extend them. *Journal of Accounting Research*, 37(2), 353-385. Available at: <https://doi.org/10.2307/2491413>.
- Malta Business Registry. 2025. Malta Business Registry. Available at: <https://www.mbr.mt/>.

- Malta Financial Services Authority. 2011. The Code of Principles of Good Corporate Governance. Malta: Malta Financial Services Authority.
- Malta Gaming Authority. 2023. A Voluntary ESG Code of Good Practice for the Remote Gaming Sector in Malta. Malta: Malta Gaming Authority.
- Malta Gaming Authority. 2025. What types of licences are available? Available at: <https://www.mga.org.mt/faqs/>.
- Malta Stock Exchange. 2025. Official list. Available at: https://cdn.borzamalta.com.mt/download/Official_list/official_list.pdf.
- Martynova, M., Renneboog, L. 2011. Evidence on the international evolution and convergence of corporate governance regulations. *Journal of Corporate Finance*, 17(5), 1531-1557. Available at: <https://doi.org/10.1016/j.jcorpfin.2011.08.006>.
- McIntosh, M.J., Morse, J.M. 2015. Situating and constructing diversity in semi-structured interviews. *Global Qualitative Nursing Research*, 2, 1-12. Available at: <https://doi.org/10.1177/2333393615597674>.
- McKnight, P.J., Weir, C. 2009. Agency costs, corporate governance mechanisms and ownership structure in large UK publicly quoted companies: A panel data analysis. *The Quarterly Review of Economics and Finance*, 49(2), 139-158. Available at: <https://doi.org/10.1016/j.qref.2007.09.008>.
- Naminyenya, A., Rwamigisa, P.B., Birner, R. 2024. Strengthening the accountability of agricultural field agents: A principal-agent perspective. *The Journal of Agricultural Education and Extension*, 30(3), 363-386. Available at: <https://doi.org/10.1080/1389224X.2023.2205398>.
- National Council on Problem Gambling. 2023. Internet Responsible Gambling Standards. Available at: <https://www.ncpgambling.org/wp-content/uploads/2024/01/Internet-Responsible-Gambling-Standards-Rev.-12-2023-FINAL.pdf>.
- Organisation for Economic Co-operation and Development. 2023. G20/OECD Principles of Corporate Governance 2023. Paris: OECD Publishing.
- Organisation for Economic Co-operation and Development. 2024. Recommendation of the Council on Principles of Corporate Governance. OECD/LEGAL/0413.
- Perry, J.L., Rainey, H.G. 1988. The public-private distinction in organization theory: A critique and research strategy. *Academy of Management Review*, 13(2), 182-201. Available at: <https://doi.org/10.2307/258571>.
- Pisani, B., Baldacchino, P.J., Tabone, N., Ellul, L., Grima, S. 2023. Board diversity in selected large Maltese family-controlled businesses and its implications on corporate governance. *International Journal of Finance, Insurance and Risk Management*, 13(3), 14-49. Available at: <https://doi.org/10.35808/ijfirm/362>.
- Putra, F. 2024. Good corporate governance, firm performance and COVID-19. *Asian Journal of Accounting Research*, 9(4), 399-421. Available at: <https://doi.org/10.1108/AJAR-07-2023-0227>.
- Queiri, A., Madbouly, A., Reyad, S., Dwaikat, N. 2021. Corporate governance, ownership structure and firms' financial performance: Insights from Muscat Securities Market (MSM30). *Journal of Financial Reporting and Accounting*, 19(4), 640-665. Available at: <https://doi.org/10.1108/JFRA-05-2020-0130>.
- Rehman, N., Mahmood, A., Ibtasam, M., Murtaza, S.A., Iqbal, N., Molnár, E. 2021. The psychology of resistance to change: The antidotal effect of organizational justice, support and leader-member exchange. *Frontiers in Psychology*, 12, Article 678952. Available at: <https://doi.org/10.3389/fpsyg.2021.678952>.
- Ruslin, Mashuri, S., Rasak, M.S.A., Alhabsyi, F., Syam, H. 2022. Semi-structured interview: A methodological reflection on the development of a qualitative research instrument

- in educational studies. *IOSR Journal of Research & Method in Education*, 12(1), 22-29. Available at: <https://doi.org/10.9790/7388-1201052229>.
- Salehi, M., Tahervafaei, M., Tarighi, H. 2018. The effect of characteristics of audit committee and board on corporate profitability in Iran. *Journal of Economic and Administrative Sciences*, 34(1), 71-88. Available at: <https://doi.org/10.1108/JEAS-04-2017-0017>.
- Sant, I. 2003. The New Code of Principles of Good Corporate Governance and its Implications for Maltese Listed Companies. Master's dissertation, University of Malta.
- Saunders, M., Lewis, P., Thornhill, A. 2016. *Research Methods for Business Students*. 7th ed. Harlow: Pearson.
- Shahwan, T.M. 2015. The effects of corporate governance on financial performance and financial distress: Evidence from Egypt. *Corporate Governance*, 15(5), 641-662. Available at: <https://doi.org/10.1108/CG-11-2014-0140>.
- Sheelan, B. 2025. How to get a Malta iGaming licence. SOFTSWISS. Available at: <https://www.softswiss.com/knowledge-base/malta-igaming-license-guide/>.
- Sikka, P. 2008. Corporate governance: What about the workers? *Accounting, Auditing & Accountability Journal*, 21(7), 955-977. Available at: <https://doi.org/10.1108/09513570810907438>.
- Smirlock, M., Gilligan, T., Marshall, W. 1984. Tobin's q and the structure-performance relationship. *The American Economic Review*, 74(5), 1051-1060.
- Ullah, M., Afgan, N., Hashim, M., Khan, M.A. 2017. The impact of corporate governance on financial performance of Pakistan's cement manufacturing firms. *City University Research Journal*, 14-20.
- Upadhyay, A., Zeng, H. 2014. Gender and ethnic diversity on boards and corporate information environment. *Journal of Business Research*, 67(11), 2456-2463. Available at: <https://doi.org/10.1016/j.jbusres.2014.03.005>.
- Wang, R., Bush-Evans, R., Arden-Close, E., Thomas, S., Hodge, S., McAlaney, J., Bolat, E., Phalp, K. 2021. *Transparency in Responsible Gambling: A Systematic Review*. Bournemouth: Bournemouth University.
- Yusriani, S., Suja'i, A., Fadhil, A., Pamungkas, C.R., Nurbaeti, N., Prambudi, I.S., Ismiwati, R., Perangin-angin, D.B., Effendy, A.J. 2023. Performance measurement knowledge: A comprehensive literature review. *Proceeding of the 6th International Seminar on Business, Economics, Social Science, and Technology (ISBEST)*, 3(1), 25-39. Available at: <https://doi.org/10.33830/isbest.v3i1.1260>.