

Legal 500

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Isle Of Man

Gambling Law

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This country-specific Q&A provides an overview of gambling laws and regulations applicable in Isle of Man.

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Isle of Man: Gambling Law

1. What is the legal definition of gambling?

Section 1(1) of the Online Gambling Regulation Act 2001 ("ORGA") defines online gambling as:

- Any gaming where any player enters or may enter the game, or takes or may take any step in the game, by means of an electronic communication,
- The negotiating or receiving of any bet by means of an electronic communication, or
- Any lottery in which any participant acquires or may acquire a chance by means of an electronic communication

Section 1(2) of the Online Gambling Regulation Act 2001 states that a person 'conducts' online gambling where:

- a. In the case of gaming or lottery, he takes part in its organization, management or promotion
- b. In the case of a bet, he carries on any business involving the negotiating or receiving of the bet; or
- c. He maintains, or permits to be maintained, in the Island any computer or other device on or by means of which the game or lottery is operated, or the bet is received, as the case may be

Telecommunications is defined as communication sent, transmitted or received by means of a telecommunication system (which has the same meaning as in the Telecommunications Act 1984)

Gaming is also defined under the Gaming, Betting and Lotteries Act 1998 as the playing of a game of chance for winnings in money or money's worth, whether or not any person playing the game is at risk of losing any money or money's worth.

2. What legislation applies to gambling? Please provide a summary of the legal/regulatory framework.

The Isle of Man gambling legislation is split between two different types of gambling, online and land-based activities. Examples of land-based activities include Casinos, Bookmaking and Lotteries.

Online Gambling

The majority of online gambling is covered by the Online

Gambling Regulation Act 2001 which also makes provisions for other regulations to be made under the Act.

The following regulations in force under Online Gambling Regulations Act 2001 include:

- Online Gambling (Advertising) Regulations 2007
- Online Gambling (Prescribed Descriptions) Regulations 2007
- Online Gambling (Systems Verification) (No 2) Regulations 2007
- Online Gambling (Betting and Miscellaneous Provision) Regulations 2007
- Online Gambling (Disaster Recovery) (No 2) Regulation 2007
- Online Gambling Duty Regulations 2008
- Online Gambling (Registration and Accounts) Regulations 2008
- Online Gambling (Licence Fees) Regulations 2009
- Online Gambling (Exclusions) Regulations 2010
- Online Gambling (Participants Money) Regulations 2010
- Online Gambling (Network Services) Regulations 2011
- Online Gambling (Registration and Accounts) (Amendment) Regulations 2014
- Online Gambling (Exclusions)(Amendment) Regulations 2014
- Online Gambling (Participants Money) (Amendment) Regulations 2014
- Online Gambling (Amendments) Regulation 2016
- Online Gambling (Software Supplier Licensing) Regulations 2019; and
- Online Gambling (Licence Fees) Regulations 2023.

Land-Based Gambling

The majority of land-based gambling is covered by the Gaming, Betting and Lotteries Act 1988, abbreviated as GBLA, and the Gaming (Amendment) Act 1984, abbreviated as GAA. Both pieces of legislation set out legal requirements and restrictions relating to Lotteries and Bookmaking.

- Lotteries – betting, including racecourses
- Bookmaking – controlled machines and totalizers

The GBLA gives power to the Gambling Supervision Commission ("GSC") to make regulations. Other regulations set out under the GBLA include:

- Bingo Nights (Prescribed Conditions) Regulations 2010
- Racing Nights (Prescribed Conditions) Regulations 2010
- Gaming, Betting and Lotteries (Society Lottery Advertisements) Regulations 2011
- Licensed Betting Office (Opening Hours) Regulations 2017

Other relevant legislation includes:

- Pool Betting (Isle of Man) Act 1961
- Pool Betting (Isle of Man) Act 1970
- Betting Act 1970
- Casino Act 1986
- National Lottery Act 1999
 - As lotteries in the Isle of Man also have the availability of UK lotteries, this legislation extends to UK National Lottery.
- Gaming, Betting and Lotteries (Amendments) Act 2001
- Gambling (Amendment) Act 2006
- Gambling Supervision Act 2010
- Casino (Amendment) Act 2018
- Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018

For Casinos, the following regulations are currently in force under Casino Act 1986:

- Casino (Licence Application) Regulations 1986
- Casino Regulations 2011
- Casino (Temporary Premises) Regulations 2013

3. Which body/ies regulate gambling?

The Isle of Man regulator of all gambling activity is the Gambling Supervision Commission, also known as the GSC. The GSC is an independent statutory board of the Isle of Man Government which was established in 1962.

The GSC licences and regulates all land-based gambling operations as well as online gambling activities. The Commission consists of five independent members who are drawn from various professions and backgrounds. These members typically conduct monthly hearings on all matters pertaining to gambling on the Isle of Man.

Regulatory Approach

The GSC adopts a hybrid model of perspective regulatory requirements combined with risk-based oversight. The statutory framework of gambling legislation and underlying regulations provides the skeleton upon which the inspectorate monitors the activities of the operator

through regular compliance reporting and active contact and interaction with the operator and its key staff.

4. Are licences available? If so: a) What is the duration of a licence? b) What types of licences are available? c) Are there different types of licences for B2C and B2B operators? d) Do software suppliers need to be licensed?

a. What is the duration of a licence?

Online Licences

Under Section 7(1) of the Online Gambling Regulation Act 2001 (OGRA 2001) licence, unless it is cancelled or surrendered, shall remain in force for such period, not exceeding 5 years, as may be specified in it, beginning on such date as is so specified. Under Section 8 OGRA 2001, the holder of the licence may, not later than the date of expiry, apply to the Commissioners for the renewal of the licence.

The holder of a licence may surrender the licence by notice in writing to the Commissioners (Section 7(2) OGRA 2001) and the surrender or expiry of the licence shall not affect any liability for anything done or omitted to be done before the date of which it ceases to have effect (Section 7(3) OGRA 2001).

Section 13 OGRA 2001 sets out circumstances where the Commissioner may cancel or suspend a licence holder's OGRA licence. Section 13(3) provides circumstances including, where the holder of the licence is convicted

- By a course in the Island of any offence under the Casino Act 1986
- By any course in the British Island or the Republic of Ireland of an indictable offence; or
- By a course in any country or territory in the world of an offence punishable in the case of an adult by custody for an unlimited period or a term of 2 years or more

Under Section 13(4) OGRA 2001, the Commissioner may cancel a licence, following a consultation with the Treasury, if they are satisfied that one or more grounds are relevant:

- Has failed to pay any sum due under section 5;
- Has failed without reasonable excuse to comply with any condition of the licence;
- Has contravened any provisions of section 12 or of regulations;
- Has failed without reasonable excuse to

comply with a direction under section 6(2)

- Has failed to comply with any requirement of a relevant code of practice under section 157
- Has ceased to conduct online gambling of any description authorised by the licence

Land-Based Gambling

As set out under Section 5(1) Casino Act 1986, a casino licence should remain in force for a period of one year from the date on which it is granted.

As per Section 5(2) Casino Act 1986, the Board has the ability to renew a casino licence for successive periods of one year through the application of the licence holder of the licence. However, the casino licence shall not be renewed after the expiry of 10 years after the date the licence was originally granted, as required under Section 5(3) Casino Act 1986.

The Board may also not renew a casino licence if, after consultation, it is satisfied that the Board shall not renew a casino licence if, after consultation, it is satisfied that the holder of the licence would not be eligible to be granted a licence under one or more grounds set out in Section 3(6) Casino Act 1986.

These grounds include:

- He is a person of integrity
- He has adequate knowledge and financial means available to operate the casino
- He is the occupier of the whole of the casino and any associated premises and has such security of tenure of the casino and any associated premises as the Council of Ministers considers adequate
- He intends to operate all the facilities and amenities to be provided at the casino and any associated premises.

In the case of a licence intended to be granted to a body corporate, –

- The body is incorporated in the Island; and
- That the relevant share capital of the body is beneficially owned by a person or persons of integrity

b. What types of licences are available?

There are two types of gambling licences on the Isle of Man. These are known as Online Gambling Licences and Land-based Gambling Licences. Gambling is a legal licensable activity in the Isle of Man meaning a full range of licences are available for both online and land-based

gambling.

Online Gambling Licence

There are a range of licences available under Online Gambling Licences. The licence type and fee are listed below:

- Online Gambling Regulation Act Full Licence – £36,750
- Online Gambling Regulation Act Sub Licence – £5,250
- Online Gambling Regulation Act Services Licence – £52,500
- Online Gambling Regulation Act Token Based Software Licence – £52,50
- Online Gambling Regulation Act Software – £36,750

There are four different licences under the Online Gambling Regulations Act 2001 which are namely:

- Full Licence
 - This is the most popular licence and provides operators with a full licence which can offer technology such as games, software and network access to sub-licensees
- Network Licence
 - This carries the same privileges as a Full Licence, but these are often obtained where the applicant wishes to operate exclusively with a technology provider with a full OGRA licence regulated by the GSC
- Sub-Licence
 - This licence is obtained where the operator wishes to allow one or more foreign registered players on to its Isle of Man server without re-registering the player details
- Software Supplier Licence
 - This operates on two regimes known as Basic regime and Licensed regime
 - Basic Regime: no license is required before supplying software to an IOM operator
 - Licensed Regime: GSC maintains a register of software providers and products

Land Based Licences

There are also a number of Land Based Licences which include:

- Bookmaker Permit Holders
- Licensed Betting Offices
- Controlled Machine Suppliers
- Casino Licence Holders

As set out under Section 5(6), the Board shall not refuse to renew a casino licence unless the holder satisfies one of the following circumstances:

- Is convicted of an offence under section 39 of the Gaming, Betting and Lotteries Act 1988;
- Is convicted of an indictable offence by any court in the British Islands or the Republic of Ireland;
- Is convicted twice within any period of 12 months of an offence under section 30(9) of the Liquor Licensing and Public Entertainments Act 2021;
- Has failed without reasonable excuse to comply with the conditions of the licence;
- Has ceased to be the occupier of the whole of the casino or has ceased to control the operation or management of all the facilities of the casino; or
- Has failed without reasonable excuse to comply with any provision of this Act or regulations thereunder relating to the management or operation of the casino.

c. Are there different types of licences for B2C and B2B operators?

B2C Online Gambling Licences

An advantage of the Isle of Man over other jurisdictions is the sheer simplicity of its licensing system and the proactive and helpful way to regulator works with the operators to create a business-friendly environment. Most operators only require one licence for all of their business requirements and the complex web of licences, fees and regulations found in other jurisdictions simply does not exist on the Island.

A standard online gambling licence allows the operator to conduct almost all forms of online gambling on a B2C basis under one licence. Operators can be divided into those that specialise in bookmaking, those that specialise in gaming and those that provide a full suite of different gambling products on a global basis. An operator can also use the same licence for its B2B operations as long as those operations do not fall within the requirements of a network licence, discussed below.

There are no restrictions on where the operator may take play from and it is up to the operator to obtain its own legal advice to determine the legal position of its operations. In practice, operators will combine the Isle of Man licence with licences in jurisdictions where a local operator's licence is required.

B2B Online Gambling Licences (Suppliers, Software, etc)

Network Licence

Where operators wish to operate within a gambling network and take place from the customers of operators based off the Island without having to register those players as their own when they require a network licence. The network licence combines all the powers of a standard licence but adds in the ability to operate within a gambling network. Network licences are used by a variety of operators and, for example, give access to greater liquidity for poker networks and slot tournaments.

Software Supplier Licence

A new software supplier licence is not available that enables the suppliers of software to be licensed and to have their games listed on a central register on the Gambling Commission website. The licence is attractive to software suppliers that wish to operate in a safe, regulated, tax-neutral environment.

Exclusions from licensing

The majority of B2B activities that would potentially be licensable under the Online Gambling Act 2001 are excluded from licensing by the Online Gambling (Exclusions) Regulations 2010. This enables support services to the online gambling industry to operate on the Island without the need for a special licence or any licensing fees.

d. Do software suppliers need to be licensed?

The OGRA 2001 has introduced a new variant of an OGRA licence, being a software supplier licence a token-based software supplier licence. While the licence is not mandatory to supply software to Isle of Man licensed operators, obtaining the type of licence will create a simpler process for operators seeking to deploy games content. Suppliers' software will be listed on a central register.

Maintaining a central register of software provides a number of benefits:

- It creates an easier and simpler process for operators seeking to deploy games content by

- listing readily available content
- It creates a more streamlined process for the GSC to approve games
- It will create a more time effective procedure as software suppliers is able to certify games in anticipation of their operators
- It reduces the risk of duplications therefore making a more time and cost-efficient process

Any software or service listed on the central register will be deemed certified to the GSC standard, and any Isle of Man operator wishing to deploy those games or services will be permitted to do so without requiring notice to, or permission from, the GSC. Operations will not be required to obtain testing certificates for software that is listed on the central register. In order to list software or services on the register, the software company will be required to supply its certification directly to the GSC and not via an operator.

A token-based software supplier licence will be necessary for any licensee that wishes to make available software or related services that depend upon a blockchain-dependent token as the primary means of exchanging value. Token-based software suppliers are entities that have created blockchain based tokens for use as currency in a gambling ecosystem.

5. Are any types of gambling products prohibited?

Spread Betting.

6. What is the headline application procedure? Please include any eligibility and other application requirements, including approximate application costs and any need to establish a local presence.

Online Gambling

The application process for online gambling is easily accessed and supported by comprehensive guidance notes.

Where an operator intends to establish in the Isle of Man and provide certain forms of online gambling, it must hold a licence under the Online Gambling Regulation Act. To be eligible for an OGRA licence, and be regarded as having a genuine presence in the Isle of Man, the operator must satisfy the following criteria:

- It must establish an Isle of Man Company;

- It must have at least 2 local directors, who must be individuals and not corporate entities;
- It must appoint at least 1 resident Designated Official, or, where that Designated Official cannot reside in the Isle of Man, an Operations Manager.
- It must either register players on Isle of Man servers or they must operate under a network services licence, which obliges them to establish the network services in the Isle of Man; and
- It must hold any player fund protection accounts in a bank in the Isle of Man, unless otherwise agreed.

The application process also requires details of the shareholder and beneficial owners of the applicant to be included and such parties are also required to complete application forms, provide references and complete a vetting process. The requirements for due diligence for shareholders vary slightly for publicly listed companies.

Investors who provide a prescribed level of investment to the applicant are also required to complete application forms, provide references and complete a vetting process.

The application forms and supporting documentation are submitted to the GSC together with the application fee. After completion of a vetting process, the applicant is invited to a licensing hearing before the Commission. If successful, the applicant must pay the licence fee before going live.

There will be a formal hearing after the application has been accepted with notification of the outcome provided shortly after the hearing. It therefore typically takes 10-12 weeks for the GSC to process the application.

Online Gambling Costs

The current costs include GBP 5,250 government administration fee payable with the initial application for a network services, full or sub-licence, or software supplier licence.

The current annual costs are as follows:

- GBP 52,500 per annum thereafter, for a network services licence
- GBP 36,750 per annum thereafter, for a full licence
- GBP 5,250 per annum thereafter for a sub-licence
- GBP 36,750 per annum thereafter for a software supplier licence; and

- GBP 52,500 per annum thereafter for a token-based software supplier licence

Land Based Gambling

Please refer to the GSC website.

7. Do individuals within the business need to be personally licensed or authorised? If so, please provide headline requirements.

No.

8. Is advertising of gambling permitted and, if permitted, how is it regulated?

The GSC is the regulatory authority for advertising by operators.

"Advertisement" includes every form of advertising or promotion, whether by means of the internet, in a radio or television programme, or message (whether broadcast or not) in a written or printed publication, by the display of notices, signs, labels or showcards, by means of circulars or other documents, or through any other medium.

Land-Based

It is an offence for a person to issue, or cause to be issued, any advertisement that:

- Informs the public that gaming takes place, or is to take place, on the premises;
- Invites the public to participate in any such gaming;
- Invites the public to subscribe money or money's worth to be used in gaming on the Island or elsewhere; or
- Invites the public to apply for information about facilities for subscribing any money or money's worth

This wide-ranging prohibition on the advertising of gaming is subject to an equally wide set of exemptions, the key ones of which are as follows:

- Casinos – land-based casino can advertise itself and its games
- Prize Machines – controlled machines, more commonly known as slot machines, may be advertised

Online

Operations of online gambling sites must comply with the Online Gambling (Advertising) Regulations 2007. Every advertisement must comply with the following general requirements:

- It shall not be indecent or offensive;
- It shall be based on fact;
- It shall not be false, deceptive or misleading in any material particular;
- It shall not contain any statement as to the legality or otherwise of online gambling or any kind of online gaming, online betting or the like in any other jurisdiction;
- It shall not be directed at any jurisdictions in which online gambling, or any kind of online gaming, online betting or the like is prohibited;
- It shall not be directed at persons under 18;
- It shall not contain any material in breach of copyright; and
- If it makes any claim as to the potential payout or win in relation to any online gambling, it shall contain sufficient information to enable a person to determine readily and easily the expected percentage return to them over a period of time, disregarding any exercise of skill by them

Section 7 of Gaming Betting and Lotteries Act 1988 sets out restrictions on advertising relating to gaming. This includes:

- a. Informing the public that any premises in the Island are premises on which gaming takes place or is to take place; or
- b. Inviting the public to take part as players in any gaming which takes place, or is to take place, on any such premises, or to apply for information about facilities for taking part as players in any gaming which takes place, or is to take place, in the Island; or
- c. Inviting the public to subscribe any money or money's worth to be used in gaming whether in the Island or elsewhere, or to apply for information about facilities for subscribing any money or money's worth to be so used.

Following Section 7(1) GBLA any person who contravenes these restrictions shall be guilty of an offence which may result in a custodial sentence or fine, or both.

The advertising of a land-based betting office is also restricted and must comply with GSC guidelines and the GBLA. Any person who publishes an advertisement or causes or permits it to be published – or, in the case of an advertisement in connection with the office or offices

of a particular licensee, that licensee – in contravention of such provisions shall be guilty of an offence, which may result in a custodial sentence or a fine, or both.

In respect of a breach of advertising rules for online gambling, the operator and the designated official can be subjected to a fine of up to GBP 5,000.

9. Are marketing affiliates permitted? If so, are they licensed or regulated?

The provision of affiliate services is not a regulated activity on the Isle of Man.

10. What are the penalties for offering, facilitating or marketing unlawful gambling, and can the gambler be penalised for participating in unlawful gambling?

This is not regarded as a regulated activity on the Isle of Man.

11. Briefly detail key requirements for licensees.

Under Section 3(6) Casino Act 1986 the Council of Ministers shall not grant a casino licence to any person unless it is satisfied that:

- a. He is a person of integrity;
- b. That he has adequate knowledge and financial means available to operate the casino;
- c. That he is the occupier of the whole of the casino and any associated premises and has such security of tenure of the casino and any associated premises as the Council of Ministers considers adequate;
- d. That he intends to operate all the facilities and amenities to be provided at the casino and any associated premises

If the licence is intended to be granted to a body corporate, then Section 3(6) Casino Act 1986 requires

- e. The body corporate to be incorporated in the Island; and
- f. That the relevant share capital of the body is beneficially owned by a person or persons of integrity

Notably, subsection (9) requires the casino licence to specify the rooms in the casino which may be used as gaming rooms and for the sale or supply of liquor.

Equally under Section 5(6) Casino Act 1986 states that the Board may not refuse to renew a casino licence unless the holder of the licence satisfies one of the following:

- a. Is convicted of an offence under section 39 of the Gaming, Betting and Lotteries Act 1988
- b. Is convicted of an indictable offence by any court in the British Islands or Republic of Ireland
- c. Is convicted twice within any period of 12 months of an offence under section 30(9) of the Liquor Licensing and Public Entertainments Act 2021
- d. Has failed without reasonable excuse to comply with the conditions of the licence
- e. Has ceased to be the occupier of the whole of the casino or has ceased to control the operation or management of all the facilities of the casino; or
- f. Has failed to without reasonable excuse to comply with any provision of this Act or regulations thereunder relating to the management or operation of the casino.

12. Briefly detail key anti-money laundering requirements.

- A risk-based approach to customer due diligence, including enhanced customer due diligence for higher-risk customers. There must be a business risk assessment, customer risk assessment and a technology risk assessment
- Identification and verification of identity of applicants for business and beneficial owners; e.g. through satisfactory evidence of name, date of birth, address and nationality
- Provisions dealing with relationships involving politically exposed persons (PEPs) including determining whether any applicant for business, beneficial owners or existing customer is a PEP and requiring approval of senior management to continue or commence a business relationship with a PEP based on the level of risk they pose
- Identification of any sanctioned individuals or entities – any detection of which will require reporting to the relevant authorities
- Identify customers source of funds and wealth where appropriate
- Provisions with respect to foreign branches and subsidiaries – ensuring measures taken by foreign branches and subsidiaries are consistent with the Code
- Ongoing monitoring of existing business relationships

- including reviews of customer due diligence information and scrutiny of transactions
- Report suspicious transactions – when merited, following a robust assessment of the circumstances
- Maintain adequate records – in terms of completeness, format, location and period of retention, including a register of all enquiries made to the institution by the investigating authorities
- Adopt internal controls and communication procedures – written procedures for preventing money laundering, and a register of all disclosures made by the relevant person to the investigating authorities
- Maintain procedures and controls to prevent the misuse of technological developments for money laundering or terrorist financing.
- Screening staff – in order to be satisfied as to the integrity of new directors or partners and new appropriate employees
- Provide appropriate training for employees – to educate them on a regular basis about money-laundering techniques, their obligations under the law, the internal procedures to forestall and prevent money laundering, and the procedures to follow where money laundering is known or suspected.
- Establish internal reporting procedures – relevant businesses must establish written internal reporting procedures covering:
 - Whom staff should report suspicious transactions to;
 - The establishment of a reporting chain;
 - The appointment of the MLRO;
 - The MLRO having access to relevant information and that the MLRO will take account of it;
 - The prompt reporting of suspicious activity to the MLRO as soon as is reasonably practicable to the Financial Intelligence Unit; and
 - the establishment of a register recording certain minimum information

13. Briefly detail key responsible gambling (or safer gambling) requirements.

It is the responsibility of the designated official to ensure that the operator remains socially responsible in its operations by excluding youth, crime, unfairness and problem gambling from its operations. The operator's terms and conditions must include rules on self-exclusion for problem gamblers.

All OGRA licence holders are required to produce

evidence of their commitment and support in the field of problem gambling by making a proportionate contribution to organisations that focus on research into the prevention and treatment of gambling related harm; develop harm prevention approaches; and/or identify and fund treatment to those harmed by gambling. The evidence must be provided to the GSC on an annual basis throughout the duration of the licence.

14. Briefly detail shareholder reporting and approval threshold(s).

Disclosure Requirements

The GSC must be notified when any of the following occur:

- A designated official cease to be a director of the licence holder;
- A new director is to be appointed to the company;
- The beneficial ownership or ownership structure of the operator is to be changed;
- The beneficial ownership or ownership structure of the operator is to be changed;
- An official (DO, OM or MLRO) dies; or
- The licence holder is being targeted for a merger or a takeover bid where the beneficial owners or officials are likely to be reviewed or changed

Beneficial owners and new directors may not become involved in an Isle of Man licensed gambling operation until the GSC has conducted and concluded its diligence checks. All changes in ownership must be notified to the GSC. Any changes to a shareholding interest that is over 5% where the licence holder is a private limited company requires prior approval from the GSC. A 20% threshold applies where the licence holder is a publicly listed company.

Casino Act 1986

Section 4(3)(b) – the holder of the licence is a body corporate, shall notify the Board of any change in the beneficial ownership of any relevant share capital in the body

Section 4(3)(c) – where the holder of the licence is a body corporate, no person shall be appointed to be a director of the body unless the Board is satisfied that he is a person of integrity.

Gaming, Betting and Lotteries Act 1988

Section 16 – Schedule 1 shall have effect in relation to the grant, transfer and renewal of, and other matters relating to, bookmakers' permits and betting office licences

Schedule 1 paragraph 15 sets out

(1) Where the holder of a permit is a body corporate

(a) No person shall be appointed as a director, thereof, except with the prior approval of the Commission; and]

(b) The body corporate shall not permit the acquisition by any person of a majority of its issued share capital, except with the prior approval of the Commission, and, where the person acquiring such share capital is a body corporate, shall have effect as if that person were the holder of a bookmaker's permit.

(2) If the holder of a permit is a body corporate and any person is appointed a director, or the holder of the permit fails to comply with (1)(b), that person or the holder of the permit, as the case may be, shall be guilty of an offence.

15. Briefly detail the regulator's enforcement powers, including sanctions.

The GSC's powers of enforcement include:

- suspending, varying or cancelling the online gambling licence;
- removing approval of key officials of the operator;
- obtaining an order from the High Court for disclosure of the beneficial owner of an operator;
- the power to enter any premises that it has reasonable cause to believe are, or have been, used, for any purpose connected with the conduct of online gambling;
- requiring any person to produce any documents or other records relating to, or connected with, the conduct of online gambling, and to take copies of such documents or records;
- requiring any person to provide them with access to any computer program used, or to be used, in connection with the conduct of online gambling; and
- obtaining a warrant from a justice of the peace to enter and search premises.

Sanctions

Proceedings with offences under OGRA or the gambling

regulations can only be instituted by, or with the consent of, the Attorney General. The proceedings would then be instituted through the Island's criminal courts.

Financial Penalties

These are enforced by the Isle of Man Courts as court fines.

16. What is the tax rate?

Tax Rate by Sector

Corporate Tax – Isle of Man companies are subject to tax on their worldwide income. The standard rate of corporate income tax in the Isle of Man is 0%.

VAT – Online gambling is exempt from VAT, which means that while no VAT is due on income, VAT is not recoverable on expenses and overheads, however VAT efficient structuring for gaming companies is available. The current VAT rate is 20%.

Online Gambling Duty – this is charged as a percentage of gross gaming yield. Reference should be made to the Gambling Duty Act 2012 and Customs and Excise practice notes when considering this technical area.

The rates of online gambling duty are as follows:

- For gross gaming yield not exceeding £20 million per annum = 1.5%
- For gross gaming yield more than £20 million, but not exceeding £40 million per annum = 0.5%
- For gross gaming yield exceeding £40 million per annum = 0.1%
- For gross gaming yield from pool betting = 15%

17. Are there any proposals for changing gambling laws and regulations in the next 12-24 months? If so, please provide an overview of the proposed changes and likely timing.

None at present.

18. What key regulatory developments are proposed or on the horizon in the next 12-24 months?

None at present.

19. Do you foresee any imminent risks to the growth of the gambling market in your jurisdiction?

None at present.

20. If a gambling start-up was looking for a jurisdiction in which to commence its activities, why would it choose yours?

An Isle of Man online gambling licence provides an operator with a well-regulated, safe and reputationally secure jurisdiction from which to conduct its business. While the online business has moved on from the days when an operator could comfortably conduct its international business with just a handful of licences, the Isle of Man continues to be a central cog in any credible

international online gambling operation.

While the Island is similar to other offshore locations in that it has low gambling duty and an attractive tax system, what attracts the experienced operator to the Island's shores is the lack of corruption, no organised crime, political stability, family safety and an excellent, healthy lifestyle.

With the international push towards substance and tax transparency, it is expected that the Island will continue to have a key role to play as it has the capacity to provide substance and tax transparency as the norm. The Island's regulator, the Gambling Supervision Commission (GSC), acts as watchdog, protecting not only the Island's reputation by maintaining high regulatory standards, but ensuring that those that operate on the Island do so in a compliant manner.

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