



**COUNTRY  
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# **The Legal 500 Country Comparative Guides**

## **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 ("OGRA") defines online gambling as:

Gaming, where a player enters or may enter the game, or takes or may take any step in the game, by means of telecommunication (see below);

- betting that is negotiated or received by means of telecommunication; and
- lotteries in which any participants acquire a chance by means of telecommunication.

For the purposes of OGRA, Section 1(2) of OGRA provides that a person "conducts" online gambling where:

"(a) in the case of gaming or a lottery, he takes part in its organisation, 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."

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

The Gaming Betting and Lotteries Act 1988 defines gaming 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 gambling that takes place online and land-based activities, such as casinos, bookmaking and lotteries.

#### Online Gambling

The regulation of online gambling is primarily covered by OGRA, which also makes provision for regulations to be made under the Act.

Currently the following regulations are in force under OGRA:

the Online Gambling (Advertising) Regulations 2007;

the Online Gambling (Prescribed Descriptions) Regulations 2007;

the Online Gambling (Systems Verification) (No 2) Regulations 2007;

the Online Gambling (Betting and Miscellaneous Provisions) Regulations 2007;

the Online Gambling (Disaster Recovery) (No 2) Regulations 2007;

the Online Gambling Duty Regulations 2008;

the Online Gambling (Registration and Accounts) Regulations 2008;

the Online Gambling (Registration and Accounts) (Amendment) Regulations 2014;

the Online Gambling (Licence Fees) Regulations 2009;

the Online Gambling (Exclusions) Regulations 2010;

the Online Gambling (Exclusions) (Amendment) Regulations 2014;

the Online Gambling (Participants' Money) Regulations 2010;

the Online Gambling (Participants' Money) (Amendment) Regulations 2014;

the Online Gambling (Network Services) Regulations 2011;

the Online Gambling (Amendments) Regulations 2016;

the Online Gambling (Software Supplier Licensing) Regulations 2019; and

the Online Gambling (Licence Fees) Regulations 2023.

### **Land-Based Gambling**

The principal legislation for land-based gambling is the Gaming Betting and Lotteries Act 1985 ("GBLA") and the Gaming (Amendment) Act 1984 ("GAA"), which set out legal requirements and restrictions relating to:

Lotteries: – betting (including at racecourses);

Bookmaking: – controlled machines; and totalisator (ie, a computer that registers bets and divides the total amount of the bet among those who won).

The GBLA also gives power to the Gambling Supervision Commission ("GSC") to make regulations. Regulations under the GBLA include:

the Bingo Nights (Prescribed Conditions) Regulations 2010, which prescribe the conditions to be complied with where bingo is played as part of a fundraising event;

the Racing Nights (Prescribed Conditions) Regulations 2010, which prescribe the conditions to be complied with by a lottery forming part of a fundraising event;

the Society Lottery Advertisements Regulations 2011, which provide how a registered charity (as defined) may advertise its fundraising lotteries; and

the Licensed Betting Office (Opening Hours) Regulations 2017, which amend the days and times when licensed betting offices may be open.

Other relevant legislation includes:

the Pool Betting (Isle of Man) Act 1961;

the Pool Betting (Isle of Man) Act 1970;

the Betting Act 1970;

the Casino Act 1986;

the National Lottery Act 1999;

the Gaming, Betting and Lotteries (Amendment) Act 2001;

the Gambling (Amendment) Act 2006;

the Gambling Supervision Act 2010;

the Casino (Amendment) Act 2018; and

the Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018.

The following regulations are currently in force under the Casino Act 1986:

the Casino (Licence Application) Regulations 1986, which set out to whom an application for a casino licence should be made and matters that should be included in such a licence application;

the Casino Regulations 2011, which, in addition to prescribing the games that may be played, also provides for the administration, operation, financial provision, and enforcement and licensing of casinos; and

the Casino (Temporary Premises) Regulations 2013, which describe the procedures and requirements in respect of temporary certificated premises.

The GAA, and the regulations made thereunder, set out the provisions relating to the keeping for use, and the sale and supply of controlled machines.

The following regulations are currently in force under the GAA:

the Controlled Machines Regulations 1985;

the Controlled Machines (Exemption) Order 1992;

the Certification of Premises (Application Fees) Order 2003;

the Controlled Machines (Suppliers Licences) (Fees) Order 2003;

the Controlled Machines (Prescribed Amounts and Percentages) Regulations 2014; and

the Controlled Machines (Exemption) Order 2016.

the Controlled Machines (Exemption) (Amendment) Order 2020

The National Lottery Act 1999 extends the UK National Lottery to the Isle of Man.

### **3. Which body/ies regulate gambling?**

The Isle of Man regulator of all gambling activity is the GSC, an independent statutory board established in 1962. The GSC comprises the Inspectorate and the Commission.

The Inspectorate is managed by its chief executive.

The Commission comprises five independent members of the public, who are appointed by the Isle of Man Treasury. Typically, the Commission sits once a month to consider regulatory matters and licence applications.

### Regulatory Approach

The GSC adopts a hybrid model of prescriptive 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.

##### The online gambling licence

Subject to Section 7(1) of OGRA, an OGRA licence, unless it is cancelled or surrendered, remains in force for a period (specified in the licence) of up to five years. Licensees can apply to the Commissioners for renewal of the licence at any time before the expiry date, for subsequent five-year periods (Section 8, OGRA).

The licensee who holds an OGRA licence may surrender the licence by notice in writing to the Commissioners. The surrender or expiry of a licence does not affect liability for anything done or omitted under the licence (Section 7, OGRA).

Section 13 of OGRA sets out circumstances in which the Commissioners may cancel or suspend an OGRA licence.

A licence can be cancelled or suspended by the authorities where a holder:

is convicted of an offence under the Casino Act 1986, OGRA, GBLA or any other indictable offence;

fails to pay fees due; or

for any other reason, ceases to be eligible.

##### Licences Issued under GBLA

Licences issued to persons under the GBLA who are conducting gambling activities will continue in force for the period stated in the licence, unless they are cancelled or surrendered.

Schedule 1 of the GBLA sets out the circumstances in which the Commission may refuse to grant or renew a licence.

##### Licences Issued under GAA

A licence to site controlled machines must be renewed on an annual basis. A licence to supply controlled machines is renewed on a five-year basis.

##### Land-Based Casino Licence

A casino licence remains in force for a period of one year from the date on which it is granted, unless it is cancelled or surrendered (Section 5 (1), Casino Act 1986).

Subject to Section 5(3) and Section 5(4) of the Casino Act 1986, the Board may renew a casino licence for successive periods of one year on the application of the holder of the licence (Section 5(2), Casino Act 1986).

Section 5(3) of the Casino Act 1986 provides: "A casino licence shall not be renewed so as to be in force after the expiry of 10 years after the date on which it was originally granted."

Section 5(4) of the Casino Act 1986 provides: "The Board shall not renew a casino licence if, after consultation with the Council of Ministers, it is satisfied that the holder of the licence would not be eligible to be granted a licence anew on one or more of the grounds specified in section 3(6)."

Section 3(6) of the Casino Act 1986 provides:

"(6) The Council of Ministers shall not grant a casino licence to any person unless it is satisfied –

(a) that 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;

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

(e) that the body is incorporated in the Island; and

(f) that the relevant share capital of the body is beneficially owned by a person or persons of integrity.”

In addition, Section 5(6) of the Casino Act 1986 provides:

“(6) Subject to subsections (3) and (4), the Board shall not refuse to renew a casino licence unless the holder of the licence –

(a) is convicted of an offence under section 39 of the Gaming, Betting and Lotteries Act 1988 (cheating);

(b) is convicted of an indictable offence by any court in the British Islands or the Republic of Ireland;

(c) is convicted twice within any period of 12 months of an offence under section 134(1) of the Licensing Act 1961 (drunkenness in licensed premises);

(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 without reasonable excuse to comply with any provision of this Act or regulations thereunder relating to the management or operation of the casino”.

b.

### Online Gambling licences

There are a number of different licences under OGRA, including:

a full OGRA licence – operators with a full licence can offer technology such as games, software and network access to sub-licensees;

sub-licences under OGRA – these are obtained where the applicant wishes to operate exclusively with a technology provider with a full OGRA licence regulated by the GSC;

a network services licence – this 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; and

a software supplier licence (software supply and software supply (token-based)) – see 2.1 Online for

further details.

### Land Based licenses

Bookmakers permit

Betting office licence

Casino licence

c.

### 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 the 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 with the requirements of a network licence, which is 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 operation. 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)

#### The Network Licence

Where operators wish to operate within a gambling network and take play from the customers of operators based off the Island without having to register those players as their own then 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 slots tournaments.

#### Software supplier licence

A new software supplier licence is now 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.

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

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. Operators 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 is easily accessed and supported by comprehensive guidance notes.

The applicant for an OGRA licence must be an Isle of Man company and must have at least two local directors. The applicant must also appoint at least one designated official. If the designated official is not resident in the Isle of Man, the applicant must, in addition, appoint an operations manager.

Details of all directors of the application together with details of the applicant's designated official (DO) and operations manager (OM) must be included in the application; such persons are also required to complete personal declaration forms, provide references and complete a vetting process.

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. It typically takes ten to 12 weeks for the GSC to process the application.

### Online Gambling

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

### Land-Based

Please refer to the GSC website.

### Ongoing Annual Fees, Online Gambling

The current 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.

## 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 (Section 7, GBLA):

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 – a land-based casino can advertise itself and its games. The advertising is controlled and subject to specific casino advertising regulations.

Prize machines – controlled machines, more commonly known as slot machines, may be advertised.

### Online

Operators 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 have any sexual content;

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 the GBLA sets out restrictions on advertising relating to gaming.

Any person who contravenes Section 7(1) of the GBLA 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 the advertising rules for online gambling, the operator and the designated official can



be subjected to a fine of up to GBP5,000.

If subsection (6) is contravened, any person who published the advertisement or caused or permitted it to be published – or, in the case of an advertisement in connection with the office or offices of a particular licensee, that licensee – shall be guilty of an offence.

### **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?**

The legislation provides for a detailed list of penalties for unlawful gaming, which range from fines through to imprisonment.

### **11. Briefly detail key requirements for licensees.**

Section 3(6) of the Casino Act 1986 (for land based casinos) provides:

“(6) The Council of Ministers shall not grant a casino licence to any person unless it is satisfied –

(a) that 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;

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

(e) that the body is incorporated in the Island; and

(f) that the relevant share capital of the body is beneficially owned by a person or persons of integrity.”

In addition, Section 5(6) of the Casino Act 1986 provides:

“(6) Subject to subsections (3) and (4), the Board shall not refuse to renew a casino licence unless the holder of the licence –

(a) is convicted of an offence under section 39 of the Gaming, Betting and Lotteries Act 1988 (cheating);

(b) is convicted of an indictable offence by any court in the British Islands or the Republic of Ireland;

(c) is convicted twice within any period of 12 months of an offence under section 134(1) of the Licensing Act 1961 (drunkenness in licensed premises);

(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 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; eg, 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 owner 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 that they pose.

Identification of any sanctioned individuals or entities – any detection of which will require reporting to the relevant authorities.

Identify customer 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 adequate 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.

Screen 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.

Appointment of an MLRO who is sufficiently senior in the organisation and has full access to the board. The MLRO is responsible for the reporting procedures and maintaining all internal and external disclosures in relation to money laundering and terrorist financing. Consideration of a deputy MLRO should also be made.

Establish internal reporting procedures – relevant businesses must establish written internal reporting procedures covering:

- to whom staff should report suspicious transactions;
- the establishment of a reporting chain;
- the appointment of an MLRO;
- the MLRO having access to all relevant information, and that the MLRO takes account of it
- the prompt reporting of suspicious transactions by the MLRO as soon as 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;
- 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) of the Casino Act 1986 provides: "(b) that

the holder of the licence, if a body corporate, shall notify the Board (GSC) of any change in the beneficial ownership of any relevant share capital in the body”.

Section 4(3)(c) of the Casino Act 1986 provides that: “(c) where the holder of the licence is a body corporate, that no person shall be appointed to be a director of the body unless the Board (GSC) is satisfied that he is a person of integrity”.

#### Gaming Betting and Lotteries Act 1988

Section 16 of the GBLA provides: “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 provides:

“(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, sub-paragraph (a) 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 in contravention of sub-paragraph (1)(a), or the holder of the permit fails to comply with sub-paragraph (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 for 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

Financial penalties 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

Online Gambling duty 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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