

# THE PREMIER EGAMING LICENSING JURISDICTION

A GUIDE TO EGAMING  
IN THE ISLE OF MAN

# CONTENTS

1.	Why License in the Isle of Man?	3
2.	Factors to consider when basing an eGaming business in the Isle of Man	7
3.	The Regulator – The Isle of Man Gambling Supervision Commission	11
4.	Licensing Options	12
5.	Disaster Recovery	14

## ISLE OF MAN. WHERE YOU CAN FIND A WORLD CLASS BASE FOR YOUR EGAMING BUSINESS

The Isle of Man has established itself as the premier jurisdiction for the location, regulation and administration of online gaming companies. As the home to some of the most influential companies in the industry, the Isle of Man has proven itself to be the perfect location for headquarters and the ideal jurisdiction in which to start-up and grow, or relocate.

Whether you are a start-up, SME or multinational there are a vast number of reasons to locate or license your business on the Island, including access to a dedicated account manager through our Strategic Partnerships team who are on hand to support your business every step of the way. Combine this with low Corporation Tax, low Gambling Duty (0.1% – 1.5%) and no Capital Gains Tax, you will be pleased to base your company in the highly respected Isle of Man.

The Island's stance on player protection has significantly contributed to the Island's excellent reputation. By taking an Isle of Man licence, you are demonstrating to your players and potential investors alike that you are a prudent operator with strong ethical standards.

An agile jurisdiction that always has one eye on the future, the Isle of Man is the first top tier jurisdiction to create legislation allowing digital currency, and virtual items such as skins, to be used as a stake and prize. This legislation has been in place since January 2017, allowing our licensees to be proactive and gain early mover advantage over operators regulated elsewhere.

In a global industry that is increasingly competitive and where consumers are demanding better services all the time, the Isle of Man offers an unbeatable combination: reputation, quality and business efficiency.

# MEET THE TEAM

## LYLE WRAXALL CHIEF EXECUTIVE

Lyle is the Chief Executive of Digital Isle of Man. He is a highly experienced management and technology consultant who has worked across the whole digital and fintech space. Most recently he was Head of the New York office for Pcubed – a significant international management consultancy practice with offices around the world.

Lyle has worked extensively with large private sector and public sector clients in London and America including RBS, Deutsche Bank, IMF, US Federal Reserve and UK Cabinet Office.



## ABBY KIMBER

Abby joined Digital Isle of Man in April 2019, bringing with her over ten years' experience working with the eGaming, technology and professional services sectors in the Isle of Man and Gibraltar.

Abby is responsible for leading our strategic partnership team in partnering with businesses to facilitate their growth in the Isle of Man, as well as providing expert advice and guidance to help companies understand the legislation and advantages of being licensed and regulated by the Isle of Man GSC.



# THE STRATEGIC PARTNERSHIP TEAM



NATHAN  
LUNT



TARA  
LENEGHAN



CHRIS  
REILLY



GARETH  
PRYCE-JONES

Contact us at [digital@gov.im](mailto:digital@gov.im)

# 1. WHY LICENSE IN THE ISLE OF MAN?

## INNOVATIVE REGULATIONS FOR THE 21ST CENTURY

The Isle of Man has earned the reputation of being an innovative regulator, always at the forefront of new developments. Recent examples include:

- Bringing digital currency under AML and Proceeds of Crime legislation (April 2015)
- Legislation allowing digital currencies and other digital assets and virtual goods to be deposited, withdrawn and gambled (Jan 2017)
- The licensing of the first blockchain powered lottery, run on Ethereum using smart contracts
- The licensing of the first operator to offer skins betting under regulations protecting RNG integrity and preventing under-age gambling
- Introduction of elective B2B Software Suppliers Licence, including blockchain token platforms
- The launch of the Digital Accelerator Programme, providing support and guidance to businesses utilising innovative technologies, such as blockchain, through current and future regulatory environments
- The first International Business Centre in the world to create a regulatory structure and licence for debt and investment based crowdfunding platforms

Developments like these allow our licensed operators to take advantage of cutting edge developments. Other jurisdictions will undoubtedly follow the Isle of Man, but why wait? Gain early mover advantage with a licence from the Isle of Man!

## LICENSING

The Regulator is known as the Gambling Supervision Commission and offers a simple and clear licensing regime. All verticals can fit under one licence and come with an uncomplicated fee arrangement. Operator licences are available at three levels; Network Licence, Full Licence and Sub-Licence and also allow for White Label activities. In addition a Software Supplier's Licence is available which covers a range of activities. Further details and features of these licence types can be found beginning on page 10.

Potential licence holders can check the requirements of the Regulator by visiting the Gambling Supervision Commission's website: [www.gov.im/gambling](http://www.gov.im/gambling). The website is practical and easy to use, with links to guidance notes covering all of the activities required of the licence holder. For assistance with information regarding licensing requirements, interested parties can contact the Digital Isle of Man team at [contact-digital@gov.im](mailto:contact-digital@gov.im)

We have a quick and simple licence application process that aims to provide you with a decision between 10 and 12 weeks from submission of the application; this speedy process ensures your business will be fully operational in a timely manner.

## FINANCIAL BENEFITS

The benefits of the Island from a financial view point can be compelling, with low betting duty on a sliding scale between 0.1% and 1.5% on gross gaming yield (based on profit, not turnover) demonstrating the Island's competitive position in today's market.

What's more, the Island has 0% Corporation Tax, 0% Capital Gains Tax and 0% Inheritance Tax, attractive personal tax rates with high tax allowances and with annual income tax payable capped for individuals, it is clear to see why the Isle of Man is highly desirable as a place to live and do business.

Relocation incentives are available for staff moving to the Isle of Man.

In addition, licence holders may apply for generous grant assistance for businesses looking to relocate or base their business on the Island. Further financial assistance is available through our Enterprise Development Scheme whereby investment is available to businesses that seek to create jobs in the Island. Funding includes grants, loans and equity purchase with an exit plan.

## INFRASTRUCTURE

The Island has the capability to generate over 70% of its peak electricity demand from a variety of sources. On average the Island exports 20-25% of the energy that it generates to the UK via a sub-sea two-way cable. This means that the Island's energy is not reliant on any single or external energy source. Furthermore, it is not at risk of flooding or natural disasters and is not located close to any known fault lines, meaning that licence holders on the Island are ensured of a safe and secure environment where the lights always remain switched on.

The Island's ICT infrastructure is world-class with leading edge fixed and mobile telecoms. The Island was amongst the first nations to switch on 4G and benefits from highly resilient bandwidth connectivity with ultrafast fibre broadband available to over 99% of the Island's premises by 2024.

The Island's legislation allows temporary operation for disaster recovery (DR) servers under the terms of the operator's home jurisdiction. So should a disaster befall the operator, and sadly from time to time the worst does happen, operators who DR in the Isle of Man can invoke their DR licence for up to 90 days without payment of additional licensing fees, and protect against infrastructure issues elsewhere that may cause disruption to gameplay, thus preserving turnover and importantly, retention of the player base.

The Isle of Man benefits from seven undersea cables which now offer direct connectivity to Europe and the USA.

## PROFESSIONAL SUPPORT

There is a vast array of professional support providers available to any start-up businesses or businesses looking to relocate to the Island. These experienced and knowledgeable professionals can assist companies at every stage of development or relocation.

The Isle of Man's cluster of eGaming businesses includes:

- Advocates
- Banking services
- Financial advisers and planners
- Company administration and Corporate Service Providers
- World-class data hosting centres
- Investment groups
- IP and software providers
- Marketing consultancies
- Payment services
- Recruitment and relocation services
- Serviced offices
- Crypto service providers
- Digital Accelerator Programme and Innovation Sandbox

The Isle of Man Government provides ongoing support and guidance to the eGaming sector by having a hands-on approach and guiding every potential new licensee through the licensing process and beyond, it prides itself on having an open door policy at all times.

## CONCLUSION

With strengths such as these it's easy to see why the Island has such an impeccable reputation, why it's considered to be extremely well placed, and why it comes so highly recommended.

So why not join the many leading eGaming companies that have already chosen the Isle of Man, come and see for yourself what it has to offer... you will not be disappointed.



## 2. FACTORS TO CONSIDER WHEN BASING AN EGAMING BUSINESS IN THE ISLE OF MAN?

Digital Isle of Man has established a specialist team that is responsible for providing hands-on support to companies and individuals who want to do business in the sector. The team can be contacted at contact – [digital@gov.im](mailto:digital@gov.im)

In order to gain an Isle of Man Online Gambling Regulations Act 2001 (OGRA) Licence, the following conditions must be met:

- A company must be incorporated in the Isle of Man
- There must be two local Directors
- A resident Designated Official or if the D.O. is not resident then there must be a resident Operations Manager. These can be the same person as the resident Directors and if necessary can be sourced locally from a service provider
- All player registration must take place on servers located on the Isle of Man for B2C licensees
- An application fee of £5,000 is paid and all relevant application forms are completed
- Player funds must be protected at all times for B2C licensees
- All games, RNGs and gambling systems must be certified by an approved test house. A list of approved testing companies is available on the Gambling Supervision Commission's website: [www.gov.im/gambling](http://www.gov.im/gambling)
- Directors, D.O., Money Laundering Reporting Officers and beneficial owners owning 5% or more of the company will be subject to Due Diligence obligations

### APPLICATION PROCESS

Once the GSC is satisfied that a complete application has been received, it will typically process the application within 10–12 weeks. This period officially begins when the GSC issues a letter stating that your application has been accepted and the process is underway. All application forms are available on the GSC's website: [www.gov.im/gambling](http://www.gov.im/gambling)

### COMPANY ADMINISTRATION

Lawyers, advisory services and Corporate Service Providers (CSPs) can help with many aspects of company administration, including company incorporation, filing company returns, payroll, recruitment, company structuring and providing on-Island Directors, MLROs, Designated Officials and Operation Managers. Please contact the eGaming team if you would like a list of service providers with experience in the eGaming sector in the Isle of Man.



## COMPANY FORMATION AND STRUCTURE

Companies can be opened through the Isle of Man Company Registrar. If one wishes to incorporate the required structure oneself, the fee per company incorporated is either £100 for within 48 hours, £250 for within two hours or £500 for a while-you-wait service. Professional service providers can help with this process, advising on optimal company structuring and, if required, provide assistance with Memorandum of Association and Articles.

## TAX AND VAT SOLUTIONS

Corporation Tax in the Isle of Man is 0%, companies should also be aware of VAT and Gambling Duty. It is recommended that potential licensees seek professional tax advice for a full understanding of tax implications.

## GAMBLING DUTY

Gambling Duty on the Isle of Man is based on profit, NOT turnover. Duty is paid on either 'stakes minus winnings' or 'retained profit' depending on the type of gambling activity. With written approval from Customs and Excise, an operator may be authorised to exclude affiliate payments from their duty calculation. The Gambling Duty rates are:

GROSS GAMING YIELD (GGY) (MILLIONS)	DUTY PAYABLE
<£20m	1.5%
>£20m – <£40m	0.5%
>£40m	0.1%

## BANKING

The Isle of Man has a number of specialist banks that will work with the operator to provide international banking services to meet both their operational needs and regulatory requirements for player funds.

Banking outside of the Isle of Man is permitted with the basic requirement being the bank is Basel 2 compliant.

## SOFTWARE TESTING

All RNG gambling software must receive testing certificates of compliance from an approved testing company before a licence will be awarded. The Isle of Man has played a pivotal role in developing cooperation between jurisdictions to promote common testing standards. The IOM GSC has recently introduced regulatory changes that will allow it to accept test certificates issued to other gambling regulators by approved testing laboratories, if the regulatory authority has entered into a Memorandum of Understanding with GSC. The Isle of Man has MoUs in place with Alderney, Denmark, Estonia, Jersey, Malta, Seychelles and United Kingdom which will allow it to accept certificates which have been issued following testing to the standards set down by those other regulatory jurisdictions. A full list of approved testing companies can be found on the GSC's website, [www.gov.im/gambling](http://www.gov.im/gambling)

## SERVER HOSTING/PLATFORM

Player registration must be hosted on the Isle of Man. Gameplay will preferably be hosted in the Isle of Man, although the GSC will be pragmatic and allow hosting elsewhere if there are sound business reasons for doing so. There is a selection of world-class highly advanced data centres, greatly experienced in hosting eGaming companies, to choose from on the Island.

## FUNDING/INVESTMENT

Funds will need to be secured for the many costs that an eGaming operator will undoubtedly incur, including marketing, hosting, software, hardware, legal fees etc. Operators should be fully aware of the costs involved in setting up and running an eGaming operation, through the development of a thorough business plan.

Private sector funding can be secured via venture capitalists or partnering with investors. Our Strategic Partnerships team can facilitate introductions to investment groups located on Island. There is also financial assistance available from the Isle of Man Government's Department for Enterprise.

## FINANCIAL ASSISTANCE AND RELOCATION

The Isle of Man offers a wide variety of financial assistance schemes, including loan and equity schemes to accelerate or relocate your business. Investments must come with an exit strategy within around five years, although applications will be considered on a case by case basis. Other financial assistance available includes up to 40% of the cost of a variety of items such as office rent, initial set up costs of the business (including professional fees and relocation costs) office fit outs

and furnishings, training, equipment, implementing quality standards and off-Island marketing.

The Department for Enterprise also runs a scheme whereby any newly created roles with staff being sourced off-Island are eligible for a grant of 20% of the first year's salary (capped at £10,000) – paid to the employing company. Further to this, employees moving to the Island are also eligible to apply to the IOM Income Tax Division for a refund of their National Insurance paid during their first year of employment on the Island under the National Insurance Holiday Scheme.

Further information is available online at [www.iomdfenterprise.im](http://www.iomdfenterprise.im) or you can contact the Business Support Team via telephone: **+44 (0) 1624 687333** or via e-mail: [enterprisesupport@gov.im](mailto:enterprisesupport@gov.im)

Alternatively, you can ask the Department directly about what funding you may be eligible for by using the online portal hosted at [www.gov.im/businessenquiries](http://www.gov.im/businessenquiries)

## PREMISES

There is no shortage of office space or business premises on Island. The Strategic Partnerships team can help you source premises to buy or rent, including shared office spaces.

## LEGAL ADVICE

Legal advice should be sought regarding the legality of an operator's offering. You must ensure that your activities are legal, and that you are targeting appropriate markets. The GSC may request a written legal opinion via a board minute to confirm that markets you are targeting are legal.



**Isle of Man  
Government**

*Reillys Ellan Vannin*

# ISLE OF MAN. FIND SUPPORT TO START AND GROW YOUR BUSINESS

For further information, please contact:

Enterprise Support  
Department for Enterprise  
Isle of Man Government  
St George's Court, Upper Church Street  
Isle of Man, IM1 1EX, British Isles

[www.gov.im/enterprise](http://www.gov.im/enterprise)

Tel: +44 (0) 1624 687333

## How our Enterprise Support Schemes can help your business:

- A range of loan options
- Micro business grants
- Business training and mentoring
- Grants for research and development
- Funding towards business improvement projects
- Financial assistance to support job creation and employee relocations
- Funding towards capital and operating items

Find out more and register your interest in  
our schemes: [www.iomdfenterprise.im](http://www.iomdfenterprise.im)

# 3. THE REGULATOR - THE ISLE OF MAN GAMBLING SUPERVISION COMMISSION

## GAMBLING SUPERVISION

eGaming in the Isle of Man is legislated by the Online Gambling Regulation Act 2001 (OGRA) and regulated by the Isle of Man Gambling Supervision Commission (GSC).

The regulations set out by the GSC are both general and company specific and set out to ensure the governing principles are adhered to.

The core principles that govern the legislation are to:

- Keep gambling crime free
- Protect the young and vulnerable; and
- Ensure that the facilities offered by licensees are fair and that players receive their true winnings

## GAMBLING VERTICALS PERMITTED

The Online Gambling Regulation Act 2001 is flexible enough to allow all types of gambling under one licence. One licence will cover all operations, whether that be:

- p2p games like poker, mah-jong and bingo
- Casino games including slots
- Sportsbooks including exchanges
- Esports betting platforms
- Live dealer
- Lottery including messengers and re-sellers
- Pari-mutuel
- Fantasy sports
- Financial betting
- Mobile/desktop/tablet
- Cryptocurrency and digital assets permitted stakes across all verticals
- New models, verticals and games can always be accommodated through discussion with the GSC

## GAMBLING SUPERVISION COMMISSION RESOURCES

The Gambling Supervision Commission's website, [www.gov.im/gambling](http://www.gov.im/gambling) hosts information such as guidance notes for applicants, application forms, eGaming legislation and contact details. This information may well be useful to you but it is advised that if you are interested in making an application to contact Digital Isle of Man initially, at [contact-digital@gov.im](mailto:contact-digital@gov.im)

## 4. LICENSING OPTIONS

All of the Gambling Supervision Commission's licences operate under the same piece of legislation – the Online Gambling Regulation Act 2001. As such all of the licences are consistent in many aspects, and the following is true of all of the licences offered –

- All licences cover all gaming verticals
- Applications are processed in 10-12 weeks if there are no unexpected issues
- There is a £5,000 application fee
- Cryptocurrency and digital assets viable as stakes/deposits/withdrawals across all licences
- Gaming Duty is applied at the following rates –

---

<£20m = 1.5%

---

>£20m – <£40m = 0.5%

---

>£40m = 0.1%

---

Note – duty is based on gross gaming yield/profit, not turnover

---

### LICENCES

If your business model involves registering players and taking bets, you will require one of the three following licences.

#### FULL LICENCE

The Full licence could be considered the 'standard' licence. Full licence holders register their own players and keep their player data, and are responsible for anti-money laundering (AML) and know your customer (KYC) requirements relating to them. The Full licence costs £35,000 per annum, and Full licence holders can also allow other businesses to either Sub-licence or White Label under them.

#### SUB LICENCE

Sub licensees must enter into an agreement with a Full licence holder in order to operate, and they can only offer games they have either produced in-house and/or games the Full licensee has the rights to offer. However, the Sub-licence fee is only £5,000 per annum, White Labels can be offered, and Sub-licensees keep their players data – although they are responsible for their AML and KYC compliance as though they were a Full licence holder.

#### NETWORK LICENCE

Network licences operate the same as Full licences, however Network licence holders have more B2B options to complement their opportunities to Sub-licence and White Label. Network licence holders can enter into agreements with other operators located in other jurisdictions, who become known as Network partners once these agreements are in place. Network licence holders can then allow the Network partner's registered players to play their games without being required to reregister them, and they also do not have any AML or KYC responsibilities for these players, as this lies with the Network partner. No fees are due to the Gambling Supervision Commission (GSC) for adding Network partners; however they do need to be reassured about the Network partner's controls before being added. Network partners are not liable to pay any duty or fees to the GSC. A revenue sharing agreement between the Network licence holder and Network partner is generally in place and normal practice. The Network licence costs £50,000 per annum.

## **B2B SOFTWARE SERVICES LICENSING**

If your business model involves selling services to other eGaming businesses, you can elect to apply for the Software Supplier licence.

### **SOFTWARE SUPPLIER LICENCE**

Due to industry demand the GSC released its Software Supplier licence in February 2019. This licence is elective rather than mandatory, however many software businesses choose to become licensed in order to demonstrate adherence to top-tier Isle of Man standards, thus giving reassurance to B2B partners such as operators, banks, payment processors, investors, shareholders and others. Further to this, a software supplier holding a licence can have their products listed as approved on the GSC's website, and any IOM B2C operator can then deploy these games on their site without needing to acquire RNG testing certificates, as the GSC will have already received these from the software supplier.

As well as software developers, the licence can also be applicable to other service providers in the gaming industry such as affiliates, who may also benefit from the reputation of the Isle of Man's regulatory standards, along with their B2B partners.

Some of the standard licence conditions do not apply to the Software Supplier licence, i.e. those which relate to player registration such as server location, KYC and AML, as no player data is held. If player data is held you will require a B2C licence. No gaming duty is due as no bets are taken, however other requirements such as having directors located on-Island still apply.

There are two types of Software Supplier licence –

1. **Standard fiat platforms/software** – £35,000 per annum
2. **Token/blockchain enabled platforms/software** – £50,000 per annum

For blockchain enabled platforms, applicants must meet further conditions not applied to fiat platform applications –

- Applicants must prove their understanding of their technology
- Tokens must be available and not in development
- A news blackout will be enforced throughout the application process in order to prevent attempts to inflate the value of tokens

### **NON-LICENSABLE BUSINESS**

Even if your business is not deemed as licensable by the GSC, the Isle of Man can also be a strong base for your business. The most common form of non-licensable business is a White Label.

### **WHITE LABEL**

As White Labels are treated as non-licensable, there are no licence fees or gaming duty due. Also, as no player data is held, there are no AML or KYC responsibilities to take care of. These duties would generally be performed by the licensee offering the White label. Under a White Label arrangement your business would market a website, from which the services provided are processed by a licence holder, and thus all regulatory responsibility would lie with this licence holder. A revenue sharing agreement would generally be in place between this operator and your business. At times and where pre-agreed, an exit strategy may be arranged whereby the White Label can take the player data they have generated with them when their relationship comes to an end with the licensed operator. White Labels can typically go live within 4 to 8 weeks and can be a good introduction to the sector. For a list of operators in the Isle of Man please visit [www.gov.im/gambling/licensees](http://www.gov.im/gambling/licensees)

## 5. DISASTER RECOVERY

### A DISASTER RECOVERY PLAN CAN SAVE YOUR BUSINESS.

When your business is online, you need it to stay online no matter what's going on in the physical or technical environment.

A well prepared operator will have a contingency plan should a disaster strike in their primary jurisdiction. The main points to consider when preparing a disaster recovery plan are the infrastructure, the power, the connectivity, the speed and ease of activating your DR and the regulations of your chosen jurisdiction.

The Isle of Man places a big tick in all these boxes, providing a resilient and reliable environment in which to host. With legislation in place that allows temporary operation under the terms of your home jurisdiction for up to 90 days, with milestone permissions required every 30 days, you will not need to pay additional licensing fees by invoking your DR servers based here.

Hosting your disaster recovery in the Isle of Man as part of your business continuity plan prevents disruption to your customers and potential loss of profit.

Basing your disaster recovery provision in the Isle of Man will ensure you are receiving a service fully supported by a jurisdiction which specialises in online gambling. Disaster recovery planning and preparation can be your lifeline to retaining your customers and staying in business!

For a list of approved disaster recovery providers please refer to <https://www.digitalisleofman.com/services/disaster-recovery/>

### MORE REASONS TO BASE YOUR DR IN THE ISLE OF MAN:

- Secure geographical environment with very low natural environmental risks
- Cloud AWS
- Excellent infrastructure
- High-tech, high capacity, world-class data centres
- Self-generated, fully backed up power supplies
- Specialist technicians, standby generators, fuel supplies, fire suppression and early warning systems on site at data centres
- Servers can be switched on quickly without difficulty



# SCAN THE BELOW

FOR A GUIDE TO  
MOVING YOUR BUSINESS  
TO THE ISLE OF MAN



ISLE OF  
OPEN MINDS



**THE ISLE OF MAN IS HOME TO MANY OF THE  
WORLD'S LEADING GAMING BRANDS AND  
SOFTWARE DEVELOPERS, WHICH IS NO SURPRISE  
WHEN YOU CONSIDER THAT THE ISLAND OFFERS:**

- Government support and commitment to the gaming sector
- 6 world-class data centres
- LOW corporation tax & NO capital gains tax
- Gaming Duty between 0.1% & 1.5% based on profit or yield, not turnover
- Public/Private sector collaboration via Digital Isle of Man
- Cryptocurrency and skins betting legislation enacted and ready for business
- Blockchain based betting products and RNGs licensable
- Financial assistance through grants and loans
- World-class resilient IT, data and power infrastructure with sub-sea cable connectivity to the Europe and the USA
- Daily flights to major transport hubs in the UK and Ireland

Contact the Digital Isle of Man team at:

Tel: **+44 (0) 1624 686400**

Email: **[contact-digital@gov.im](mailto:contact-digital@gov.im)**

**[www.digitalisleofman.com](http://www.digitalisleofman.com)**