

# DIGIT:L ISLE OF MAN

ANNUAL REPORT 2022









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# CHAIR'S OPENING REMARKS

Since its formation in 2018, Digital Isle of Man's mission has been to develop and implement a strategy to support sustainable economic growth, which promotes innovation and ambition across the Isle of Man's digital sectors – establishing the Island as a centre of international excellence for the digital economy.

Collaboration between Government and the private sector continues to be key in achieving this aspiration and is reflected in the way in which Digital Isle of Man is structured. Not only do we have a Board of industry members which represents a diverse set of experience and skills across our digital industries, but over the last three years, we have developed and implemented a successful Strategic Partnership Programme. A Programme that ensures we engage regularly with our industry

stakeholders, providing a consistent touch point to Government, which fosters a productive, mutually beneficial, and long-term relationship.

This structure ensures industry has a voice and grants us the opportunity to leverage our collective expertise to identify new and exciting opportunities, knock down barriers to growth, and influence Government policy. Ultimately, this public-private partnership has allowed us to shape and drive forward the Island's digital economy together over the last four years.

The sector was presented with many challenges and opportunities in 2022. The world has changed considerably over the past few years; with profound changes to the global economic landscape and the Covid pandemic and associated lockdowns now a distant memory. In terms of the industry, Board and investor decisions are increasingly being informed by Environmental, Social and Governance (ESG) considerations, and our Government has set out an ambitious economic strategy to meet the challenges of the next decade. The Agency has remained responsive to these changes, and this has been reflected in our approach and plans for the coming year.

These plans were highlighted at our annual Digital Isle conference, which was held in November. A fantastic platform to discuss the Agency's ambitions for 2023 and beyond, the event gave us





the opportunity to collaborate with, and receive feedback from industry on our strategy for the sector.

At the event, we also discussed collaborations with our sister jurisdictions; Jersey, Guernsey, and Gibraltar, and the potential to develop a Digital Academy across the four jurisdictions. We explored how we can work with industry to shape and improve the Island's digital infrastructure and future workforce to support these initiatives. The notion of a Smart Island was also reviewed, an ambitious concept that leverages the Internet of Things (IoT) to drive innovation and digitally transform Government, business, and society. Established and emerging digital sectors were discussed in depth and how Government and industry can work together to evolve our eGaming and esports propositions to meet future challenges.

With so much on the horizon, my ambition as Digital Board Chair is to keep building momentum. The Agency has taken many steps forward, but we need to keep pushing to accelerate the pace as plenty more work remains. In 2022 we delivered 268 new jobs across the digital industry, developed a FinTech strategy, and launched a FinTech Innovation Challenge in collaboration with Finance Isle of Man, and supported by the Isle of Man Financial Services Authority and Deloitte, whilst supporting our eGaming operators: increasing live licences to the highest number to date. Significant progress



PHIL ADCOCK, DIGITAL BOARD CHAIR

was made across the Agency's infrastructure pillar, as we supported the delivery of a new fibre optic cable to the Island and expanded the reach of 1Gb capable fibre as part of the National Broadband Plan. We also supported the Island's regulatory approach to esports and explored the opportunities to create an innovative strategy around data.

Of course, none of this would have been possible without the support of our industry. Their opinion and sentiment are a hugely important part of this process, working collaboratively throughout 2022 to identify and remove barriers to growth and shaping our efforts for the coming years.



# CEO'S FORWARD

The last year has presented its challenges, but also many opportunities and subsequent successes for Digital Isle of Man and the Island's digital sector.

With 268 new jobs worth an exchequer benefit of £4.1million generated across the digital sector in 2022, the Isle of Man is certainly on its way to becoming a digital destination of choice. 194 of these roles can be attributed to the eGaming sector, which continues to grow by the year, with 75 licences now live – the highest number of live licences to date. The total exchequer benefits generated from the new roles, gaming licences and any associated duty equates to £10.5million.

In 2022 the Agency evolved our blockchain proposition, expanding our focus to the FinTech space, which saw 66 new roles this year and many exciting new developments, including the proposal of a FinTech Innovation Hub and associated FinTech Innovation Challenge.

The Agency's Internet of Things (IoT) proposition continues to gain momentum, with the successful delivery of eight new IoT projects in 2022, ranging from active travel capture devices to solar powered gateways. The proposition has also been refreshed with a renewed focus on creating a Smart Island strategy in 2023.

Following the success of our inaugural event in 2021, we held a second Digital Isle in November. The event brought together over 375 delegates from across the Island's digital sector and its supporting industries to share information, exchange ideas and plan the way ahead for the sector. Not only did we discuss what we as an Agency should be doing, but also, how we should be doing it. The Agency's plan to develop an on-Island Digital Academy was discussed, along with sessions covering our ESG (Environmental, Social and Governance) strategy for the Island, trends and developments in eGaming, the data economy and our FinTech proposition. It was certainly clear that we have a lot of engagement from individuals



**LYLE WRAXALL**  
CHIEF EXECUTIVE OFFICER, DIGITAL ISLE OF MAN

and businesses from across the digital sector, and the successful event will be repeated next year.

For those that missed the event, videos of each session are now available within the Content Library on the Digital Isle of Man website and a detailed report on Digital Isle will be issued in the New Year.

As we look to the future, the Agency has an ambitious programme for 2023 and beyond to ensure the Isle of Man becomes the global jurisdiction of choice for tech businesses and entrepreneurs. The road towards this goal includes many significant initiatives, and these are outlined in our Digital Isle of Man Programme 2023 which has recently been published on our website following our request for industry feedback at Digital Isle.

In pursuing this ambitious goal, we continue to strengthen our partnerships with industry across a range of sectors and areas of Government, whilst developing strategies and delivering exciting initiatives across our six workstreams – more of which you can find out about in this report.

Undoubtedly, none of this would be possible without the dedication and tenacity of my team, our stakeholders, and the Digital Isle of Man Board. And I'd like to take this opportunity to thank them for their continued commitment to driving forward the Agency's digital aspirations for the Island – making it an outstanding place for all of those who live, learn and work here, both economically and socially.







# 2022 IN REVIEW



# EGAMING

The Agency's aim in 2022 was to create 180 new jobs in the eGaming sector, a target that was exceeded with 194 new roles established this year. 70% of these vacancies were attributed to existing businesses, and 30% to new businesses to the Island, which perfectly illustrates the sector's continued growth. Around 50% of these roles can be ascribed to one eGaming company which has enjoyed a considerable period of growth since relocating to the Island from South-East Asia. eGaming is a truly worldwide sector and still plays a key role in encouraging inward relocation to the Isle of Man, with 75% of new recruits having relocated to the Island, bringing with them specialist technical and language skills.

Roles filled across the sector are generally of a specialist nature and range from compliance and risk, digital marketing, and eGaming product knowledge to software engineering, language, and accountancy skills. Level of seniority is also across the board, ranging from entry to executive level. Given the level of inward migration to the Island, immigration is presenting us with some challenges. The Agency's Strategic Partnership Team continues to work closely with businesses and areas of Government to create an easy glide path to landing in the Isle of Man. Support is provided in areas including immigration, introductions into the local ecosystem and guidance on living and working in the Isle of Man, to ensure a smooth transition to the Island.

Our aim in 2022 was to grow the total number of Gambling Supervision Commission (GSC) licences to 70, once again we exceeded this, with 75 licences now live – up 15% from the end of 2021. A full eGaming licence remains the most popular, however, we have seen an increase across our Network Services and Software Supply

licences. The pipeline remains strong for 2023, with interest in the Isle of Man offering still high.

One of the Agency's main objectives for 2022 was to identify and scope out three new target jurisdictions. The Agency is keen to diversify the Island's eGaming offering and in 2022 a piece of work was undertaken to explore the opportunities within the Latin America (LATAM) region given the size and potential opportunities across these markets. Working alongside our Industry Partners we have developed an offering, with a view to creating a values-based proposition that benefits both the Island and the operators in our target areas. In 2023 we will continue to explore opportunities in new markets.

In 2022, we also revisited the potential for an Isle of Man Lottery product. This concept was initially considered in 2019, where operators were invited to submit their interest via a prior information notice exercise. However, the proposition was put on-hold as further investigation was needed around the benefits and challenges of running a national lottery product. A review was conducted by KPMG earlier in 2022 and their report was considered by the Digital Isle of Man Board and a working group from the eGaming Strategic Advisory Board. It was concluded that we would not pursue the proposition for the foreseeable future as further investigation was needed to clarify what an appropriate product would look like for the Island, and such an investigation would require additional and significant financial and people resources.

As we look towards 2023, the Agency will continue to focus on diversifying the Island's eGaming offering. This will involve reviewing our current product set and the licensing products we can offer the global eGaming sector.

**194 NEW ROLES  
ESTABLISHED**

**15% INCREASE IN  
NEW LICENCES**





# FINTECH

In 2022 we evolved our proposition for blockchain, expanding our focus to the FinTech space. Blockchain is an enabling technology, for which there is a multitude of uses – many of which are within the financial services industry. This creates a global challenge to define the correlation between blockchain-supported systems and the form of regulation required, which will often emanate or be adaptations of existing financial regulation. As a jurisdiction, we have extensive experience from both sides of this equation, and so the Agency saw an opportunity to direct our blockchain focus to its finance-related applications.

In 2022 we worked on developing a wider FinTech strategy for the Island, which addresses a range of elements within the FinTech space and seeks to demonstrate our jurisdictional capabilities and appetite in each.

In early 2022 the Agency proposed the development of a FinTech Innovation Hub in collaboration with the Financial Services Authority (FSA) and Finance Isle of Man. This was successfully completed and is now progressing to a full launch in early 2023. The FinTech Innovation Hub encompasses an FSA sandbox (managing regulated propositions) and an Agencies observatory (managing potential future regulated propositions) and is intended to provide a clear pathway for new and innovative FinTech propositions coming to the Island, with consideration of possible regulatory change if required. The Hub will provide us with invaluable data and will undoubtedly help us to shape the Island's FinTech proposition over the coming years, whilst strategically preparing us for a greater number of eventualities in what is a very dynamic and complex space.

The Agency also led the launch of the FinTech Innovation Challenge in 2022 alongside Finance

Isle of Man, the FSA and supported by Deloitte. The competition, which is due to finish in Q2 2023, invites innovative FinTech businesses from around the world to present their solutions to core challenges that have been identified across the Isle of Man business community. The challenge will not only enable businesses to pursue development opportunities in the Isle of Man but will encourage collaboration with local business communities to produce sustainable and innovative technologies. Designed to showcase the Isle of Man's strengths in supporting new growth and opportunities in the FinTech sector, the challenge aims to develop the Isle of Man's FinTech ecosystem and enhance our profile as a FinTech-friendly jurisdiction for the future.

Our aim in 2022 was to create 40 new jobs in the blockchain and FinTech space, a target that was exceeded with 66 new positions created this year, with many diverse businesses choosing to make the Isle of Man their home. A prime example is PoundToken, an Isle of Man regulated deposit-backed Stablecoin, which became the first ever GBP denominated Stablecoin in 2022. Stablecoins are essential to supporting a more mature and regulated Crypto ecosystem, stabilising payments in the increasing use of Decentralised Finance (DeFi). The setup, support, and regulation of this type of activity are fundamental in the progression of FinTech ecosystems and was a real coup for the Island.

An ongoing priority for the Agency is skills acquisition, which has become a global issue. The Agency continues to work on solutions to address the digital skills shortage and encourage innovation on Island and initiatives such as the FinTech Innovation Hub and a future Digital Academy, will play a big part in this.

**66 NEW POSITIONS  
CREATED**

**FINTECH INNOVATION  
CHALLENGE LAUNCHED**



**50 KEY INDUSTRY  
STAKEHOLDERS ENGAGED  
TO DOCUMENT REGULATORY  
REQUIREMENTS**

**100 ATTENDEES AT THREE  
ON-ISLAND WORKSHOPS**



## ESPORTS

2022 kicked off with two new additions to the Digital Isle of Man esports team, bringing with them a wealth of esports industry expertise to drive the Agency's esports strategy forward. Throughout 2022 the esports team represented the Isle of Man at several leading esports exhibitions, panel discussions, and conferences. One of the Agency's objectives for the year was to document the sector's regulatory needs. These events were a fantastic platform to engage with key stakeholders in assessing the types of governance products needed to support the development of a safe, workable, and profitable esports industry in the Isle of Man.

One such event was the esports Insider flagship conference, ESI London, where over 50 key industry stakeholders took part in a workshop session hosted by Digital Isle of Man in collaboration with the Esports Integrity Commission, focused on codifying the current needs for regulatory and legislative support, and the level of demand for that support across different sectors in the esports landscape.

Following the esports team's documentation efforts, the Agency concluded that the Island's current regulatory environment and product propositions did not engage the sector sufficiently to meet our objective of creating 20 new jobs by the end of 2022. As such, the Agency will continue to work

with industry on a revised approach to attracting future esports skills and businesses to the Island.

Closer to home, the Agency partnered with several on-Island businesses preparing to enter the esports market, as well as a range of businesses looking to expand and grow existing esports products. The Agency hosted three workshops as part of an esports for Business event held in June. With over 100 attendees, we showcased several existing Isle of Man esports business case studies and demonstrated areas where services are in demand from our business sectors.

Sector partnership is key to developing the Island's esports proposition and our partner network continues to be nurtured following the development of an industry facing esports Catalogue of Services. This will include Corporate Service Providers, banking, financial services, marketing, event production, broadcast, blockchain, eGaming, and data security companies.

As we enter 2023, a new Digital Isle of Man esports strategy will be finalised and published, taking a fresh approach to the esports industry, with a defined value proposition in partnership with Isle of Man businesses.



# INTERNET OF THINGS (IOT)

In 2022 the Agency met one of its major IoT objectives, which was to deliver eight new IoT projects. The projects, the majority of which are still at the concept trial stage, are wide-ranging, but all promote the use of IoT for the social and economic development of the Island:

1. The development of an active travel data capture device, which allows for gamification trials in schools and businesses. The purpose of the device is to test and understand the impact of behavioural change motivators in relation to active travel.
2. The Agency has also created and tested a bin level monitor, which is now ready to be deployed to a charity partner to reduce the number of car trips required to monitor resources.
3. Our rain gauges and weather data collection points which have been previously deployed across the Island, have been well received and been deemed useful for many areas of Manx life, and so we are testing and deploying more of these as we move into the New Year.
4. People counting is another popular IoT use case, and the Agency's outdoor grade break beam counters have been tested at several large-scale Island events this year, including the Isle of Man Food and Drink Festival. Following successful testing, we will continue to demo the product across the Island as an alternative and more accurate solution to clicker counters.
5. The development of asset trackers and beacon readers was explored for deployment in environments such as Nobles Hospital, where it is critical that monitors and specialist beds are utilised efficiently.
6. We are trialling different types of parking sensors to determine which work most efficiently, and cost effectively.
7. The concept of a solar powered air quality monitoring backpack is in development and will help us to facilitate ad-hoc experiments in this area. The concept could be aimed at school science lessons or citizen science

programmes including Environmental, Social, and Governance (ESG) initiatives within business.

8. Sustainability in IoT network deployment continues to be an important consideration for the Agency, and in 2022 we developed solar powered gateways that we are testing for effectiveness against the more traditional wired option.

The testing stage is imperative and fundamental to ensuring that we can get as many of these initiatives deployed into real life scenarios. Continued analysis and case studies provide vital insight into what needs further development, but also the tangible societal benefits these initiatives can bring to our Island including time, cost, and carbon savings.

The Agency was unable to secure a funding mandate to deliver the new IoT data platform and Smart Island visualisation we had originally planned for this year. This required us to reconsider the strategy, and it became apparent that a switch in approach from technology conversations to outcomes and benefits-focused ones was needed. Attending the IoT Week Conference in Dublin in June gave the Agency further encouragement as to how we can most effectively sell the IoT vision, and several relationships were made with other jurisdictions working on Smart City and Smart Nation plans.

Looking forward to 2023 with our refreshed and refocused Smart Island strategy, we are already working closely with our colleagues in Government Technology Services (GTS) to complete the documentation of our requirements for a flexible data distribution platform, and to get that prioritised for delivery by the end of the year – along with a Smart Island visualisation.

A network of Government IoT Champions is currently being formalised under a GTS sponsored user group, with representation from each of the eight Government Departments. In 2023, the Agency aims to work on several larger scale proof of concept IoT projects, which will be developed alongside the IoT Champion user group and will be aligned with the Government's 10-year economic strategy.

**8 NEW IOT PROJECTS  
DELIVERED**

**REFRESHED SMART  
ISLAND STRATEGY  
APPROVED**





# SKILLS

The demand for digital skills is a global challenge, and this is no different for the Isle of Man following a period of rapid growth across our digital industries, with digital transformation accelerating in every sector and area of life. Throughout 2022 the Agency worked closely with the Department for Enterprise's Workforce and Skills Strategy Group, focusing on two of our key objectives for 2022 – the development of a centralised tech careers hub and standardised digital skills framework for the Island. There is a renewed focus on addressing the Island's skill shortages following the release of the Government's 10-year economic strategy, and the Agency is confident that we can acquire further funding in 2023 to implement these two initiatives.

In 2022 the Agency was awarded funding to organise STEMfest 2022, and many of our Board Members and industry stakeholders were instrumental in the coordination of this ambitious event. The two-day event was attended by over 800 primary school students and included interactive activities and presentations focusing on the areas of Science, Technology, Engineering and Maths (STEM). Students and teachers also had the chance to engage and discuss STEM career opportunities with a range of tech organisations from across the Isle of Man. Following positive post-event feedback, the Agency has plans to host a similar event in 2023.

In 2022 the Agency also ran a successful digital skills campaign to attract digitally skilled workers to the

Isle of Man – one of our main objectives for the year. Working alongside Locate Isle of Man and members of industry, the 'Tech Jobs in Demand' marketing campaign included career stories and relocater video interviews. The campaign targeted individuals from a range of digitally skilled professions, driving interested parties to register with the Locate Isle of Man Talent Portal, a skills-matching platform that matches local businesses with potential recruits.

In 2022, 249 individuals registered for the Agency's Digital Literacy Course, with 28% of participants successfully completing some or all the Foundation Learning Path. Although the Programme was not fully utilised, feedback collated from registrants suggests that blended learning combining face-to-face tutoring and online course materials would be more beneficial. The Agency has taken these learnings into account and is considering developing a modified Programme for 2023.

In terms of incentivising learning, the Agency collated feedback to support the Vocational Training Assistance Scheme (VTAS) Consultation which took place in 2022. The results of the consultation are yet to be published, so we have been exploring other avenues. This includes our aspiration to create a Digital Academy on Island. In 2023 we will continue to work with stakeholders and similar jurisdictions to set out a clearer vision for this exciting project.

**SUCCESSFUL DIGITAL  
SKILLS CAMPAIGN  
DELIVERED**

**249 REGISTERED  
FOR DIGITAL  
LITERACY COURSE**





# INFRASTRUCTURE

The Island's National Broadband Plan continues to progress at pace and is two and a half years into the now accelerated four-year programme. The Agency's objective for 2022 was to ensure 70% of homes had been passed, which was exceeded with over 75% of the Island's premises now having access to ultrafast fibre broadband. We hope to reach 80% by the end of 2022 and will continue to push forward to hit 90% of premises passed by the end of 2023.

In 2022, the Isle of Man moved into the top 25 jurisdictions globally for broadband speed. The move placed the Isle of Man in the top 10% of 220 countries tested - the highest the Island has ever ranked on this measure. The move up the league table reflects a near doubling of the Isle of Man's average broadband speeds, which over the last 12 months have increased from 52.10 mps to 91.97 mps.

In early 2022 the Agency launched a dedicated 'ThinkFibre' website and supporting marketing campaign, actively promoting the National Broadband Plan and the benefits of fibre broadband. Local businesses and consumers can also use the website to check whether their premises are fibre ready or when fibre will be available in their area by using an intuitive postcode lookup tool. The marketing campaign received significant levels of engagement and we have taken this opportunity to refresh the campaign messaging to address some of the questions raised by the Island's community.

Our goal is to ensure that every address on the Island can benefit from superfast broadband speeds and superior internet connections. Therefore, as we head into 2023 one of our main priorities is to develop a plan to address the 1% of premises that cannot be reached by the fibre network.

Earlier this year the final connections were completed for the new subsea cable linking the east of the Island to the UK and the west to Ireland. The Celtix-connect 2 cable is part of a multi-million-pound direct investment by Aqua Comms and will improve the Isle of Man's access to global data networks, ultimately delivering faster internet speeds and more resilient off-Island connectivity. The cable is part of a wider strategy to develop the North Atlantic loop and will provide access to continental Europe and the US.

In 2022 we continued to monitor 5G development on the Island, working closely with local telecom companies on how 5G is evolving. Earlier in the year the Communication and Utility Regulators Authority (CURA) concluded the auction and licensing of spectrum, which will permit the development of commercial 5G on the Island. Following this exciting development, the Agency has committed to publishing a further review in 2023 on the predicted timelines for 5G implementation and potential benefits for businesses and consumers.

**75% OF ISLAND PREMISES PASSED WITH FIBRE BROADBAND**

**SUBSEA CABLE COMPLETED - IMPROVING ACCESS TO GLOBAL NETWORKS**



**268 NEW ROLES  
CREATED**

**139 NEW  
OPPORTUNITIES  
IDENTIFIED**



## STRATEGIC PARTNERSHIPS

The Agency's Strategic Partnership Team continue to work closely alongside our stakeholders, ensuring digital businesses have everything they require to flourish in the Isle of Man. Throughout 2022 the team worked with over 150 local businesses across the digital industry and its supporting sectors to remove barriers to business and stimulate organic economic growth, whilst also attracting new business and opportunities to the jurisdiction.

In 2022 there were 268 new roles created across the digital sector and the team has been busy working together with our stakeholders and areas of Government to review and identify areas for improvement on role glide paths. We also facilitated closer working relationships with industry to support them as the demand for skilled worker visas across our sectors grows.

139 new opportunities were identified in 2022. Opportunities are potential business leads that benefit the Isle of Man and include businesses considering an Isle of Man licence or registrations through the Gambling Supervision Commission (GSC) or Financial Services Authority (FSA); businesses looking to relocate in part or full to the Isle of Man; and growth opportunities for existing businesses on-Island through the creation of new roles, or the relocation of existing staff. The team's

robust pre-prospecting approach proved successful, as many of these opportunities were nurtured at high-profile industry events throughout the year.

In November we held our second Digital Isle event which focused on growth and innovation in the Island's digital sector, and how the Agency, wider Government, and industry can work together to create a digital destination of choice for international businesses. The event featured over 60 speakers and panellists from across the Island's digital sector, along with a range of tech experts from further afield. The event proved incredibly successful, attracting more than 375 attendees, and provided an excellent platform to launch the Agency's FinTech Innovation Challenge.



In 2021 the Agency launched eClub, a quarterly networking event for anyone working in or with the Isle of Man's tech and supporting sectors. In 2022 we hosted four networking events sponsored by industry, which are set to continue throughout 2023.

Growth of our existing businesses on-Island remains a priority for 2023, as we continue to support the development of the Isle of Man's digital proposition, with the objective of creating 290 new digital roles on the Island next year.



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# ISLE OF MAN OPENS