

# ISLE OF MAN REMOTE GAMING LICENSE

Setting up in the Isle of Man

## REMOTE GAMING LICENCES

49

## REMOTE GAMBLING MARKET SHARE

17%

## REGULATOR

Gambling Supervision Commission

## APPLICABLE LAW

Online Gambling Regulation Act 2001

## TECHNOLOGY

Emerging technologies - cryptocurrency





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## ISLE OF MAN

The Isle of Man is a self-governed dependency of Great Britain found in the Irish Sea. The largest sectors by gross national product of the Isle of Man are insurance and egaming with 17% of the GNP each and ICT and banking with 9% GNP.

The gaming industry in the Isle of Man tripled in size between 2006 and 2011 and became one of the largest industries, apart from insurance, of the Isle of Man. Due to its independent status, the Isle of Man offers a number of incentives for companies to move their business there, such as VAT exemption, 0% corporate tax and low tax on gross gaming yield.

The Isle of Man is emerging as one of the foremost pro-cryptocurrency jurisdictions, with the Department of Economic Development announcing that a framework shall be introduced regulating digital currencies and promoting business opportunities.

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## TYPES OF LICENSES

The GSC provides operators with four types of licences:

- (1) Full- Licence: with this license the operator may offer the platform to other operators as sub-licensees.
- (2) Sub-license: the operator would carry out activities exclusively with a technology provider who is in possession of a Full License.
- (3) Network Services Licence: this license is required if the operator wishes to allow one or more foreign registered players onto the Isle of Man server without re-registering the player details.

- (4) Software Supplier License (B2B): the license is not mandatory to supply software to Isle of Man licensed operators, but provides a host of benefits.

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## LEGAL BASIS

Whilst the Gambling Supervision Commission (GSC) was established in 1962 to protect the interests of gamblers, in 2001, the Isle of Man was one of the first jurisdictions to regulate online gambling. The status and constitution of the GSC are set out under the Gambling Supervision Act 2010. The main regulatory objectives of the GSC are:

- To ensure that gambling is conducted in a fair and open way;
- To protect minors and other vulnerable person from being harmed, influenced or exploited by gambling; and
- To prevent gambling from being a source of crime or used to support crime.

The main legislative framework that governs online gambling in the Isle of Man is the Online Gambling Regulation Act (OGRA) of 2001. All forms of online gambling and gaming are potentially licensable under OGRA except for spread betting, as set out in the Online Gambling (Prescribed Descriptions) Regulations 2007. The Online Gaming Exclusions Regulations of 2010 further enlists the list of activities which would not require a licence under the OGRA.

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## BENEFITS



0% VAT for non-EU gaming



0% Corporate Tax



Cryptocurrency Accepted



Payment Solution Providers Approved



## KEY REQUIREMENTS

To be able to obtain a gambling licence in the Isle of Man, one needs to undertake a licensing process through the Gambling Supervision Commission and provide due diligence information and documentation in line with the Anti-Money Laundering and Financing of Terrorism Legislation. Documentation includes proof of identity as well as other supporting documents relating to the business structure and set up.

### REQUIREMENTS

- The gaming operator must be a company incorporated in the Isle of Man.
- No restriction on the nationality of the ultimate beneficial owners of the company.
- Must appoint 2 local directors, who must be individuals and not corporate directors.
- Must appoint at least one resident Designated Official
- Must maintain Isle of Man servers or operate under a network services license
- Gambling and trading accounts located in a bank in the isle of Man.

### LICENSE FEES

A company undertaking licensable gambling activities with a full license would pay £35,000 per annum and such licence would be valid for 5 years. If the company shall be operating using a sub-licence the fee is that of £5,000 per annum. With the reduced licence fee, a sub-licensee is aimed at smaller operators or start-ups. Additionally, a one time application fee of £5,000 shall apply.

### TAXES

The standard rate of corporate income tax for Isle of Man companies is that 0%.

Online gaming is exempt from VAT which means that while no VAT is due on income VAT is not recoverable on expenses and overhead. The VAT rate for Isle of Man is 20% however, upon proper structuring VAT may be mitigated.

Gambling duty is charged as a percentage of gross gaming yield which are regulated through progressive rates as follows:

Income not exceeding £20 million p/a	1.5%
Income exceeding £20 million but not exceeding £40 million p/a	0.5%
Income exceeding £40 million p/a	0.1%
Pool Betting	15%

## KEY REQUIREMENTS



Incorporation of Isle of Man Company



Two Local Directors + one Designated Official



Servers in Isle of Man



Application and Annual Fees



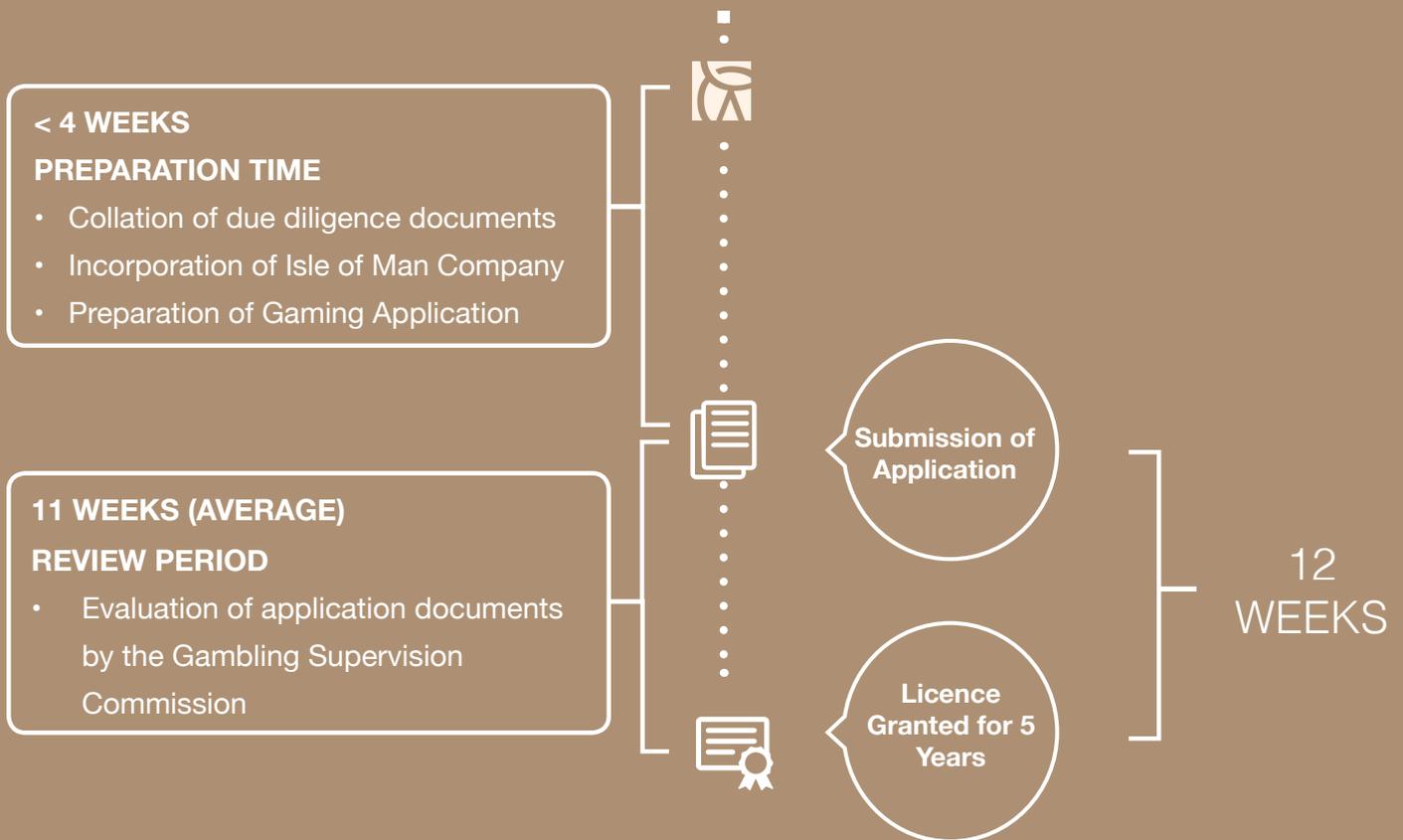
Standard Documents and Information



Full License

# ISLE OF MAN REMOTE GAMBLING LICENCE

## Application Process - Timeline



## WHY WORK WITH US?



**Success Rate:**  
Problem Solving,  
Integrity, Honesty



**12+ Years:** of  
Experience in the  
Gaming Sector



**We're Lawyers:**  
Lawyer-Client  
Privilege Guaranteed



**Dedicated Gaming**  
Law Practice



**Our Ethos:**  
Big Firm Expertise,  
Small Firm Personal



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