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ISLE OF MAN ONLINE CASINO LICENSE



GAMING LICENSES IN ISLE OF MAN

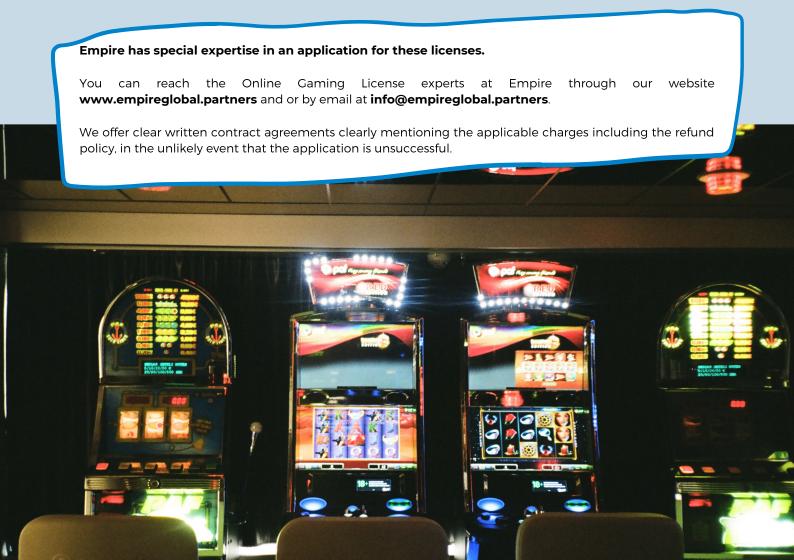


Isle of Man Online Gaming Licenses are normally divided into four groups:

- The OGRA License
- Sub- Licenses
- (Network Services License
- Licenses for Economic and Political DR

Out of these forms, the OGRA License, Sub- Licenses and Network Services License is normally the most relevant.

All Licenses and Sub-licenses have an application Fee of £ 5,000 in addition to the annual fee/ taxes.



TYPES OF IOM ONLINE GAMING LICENSES

The OGRA License

The OGRA License is the single most preferred license for online gaming activities in Isle of Man as it allows the conduct of almost all forms of games. A common list of games provided is:

- Sportsbooks
- Betting exchanges
- Online casino games (roulette, blackjack, slots, etc)
- Live to deal
- Peer to peer games (poker, bingo, backgammon, Mah-jong, etc)
- Mobile phone betting
- Fantasy football (or similar)
- Financial trading (but not spread betting)
- · Pari-mutuel and pool betting
- Network gaming
- Selected forms of Lotteries
- Certain spot-the-ball style games

An OGRA License holder is also allowed to provide services to Sub-License holders. An OGRA License holder has to pay **a fee of £ 35,000 per annum** and the license is valid for 5 years.

Sub-licenses

Operators who wish to offer the games offered by a full OGRA License holder without making any investment itself can apply for sub-licenses. A Sub-license holder is tied to a particular full license holder and must only offer the games of the main licensee. An upgrade to a full license is required if it wishes to offer its games. A change from one Service provider to another is allowed only under exceptional circumstances or may require a new sub-license. The **fee for a sub-license is £5,000 per annum**.

Network Services License

A network services license is required for operators who wish to allow gamer registered in foreign jurisdictions to join games in Isle of Man servers without requiring any re-registration. A network Services License holder automatically holds an OGRA License meaning he can host the same games as an OGRA Licensee and also has the same privileges as tying up with sub-licensees. The primary difference which lies here is that a Network Services License holder would also be able to sign agreements with foreign gaming operators who can then send their customers to the Isle of Man licensee without any need for new registration. The License fee for a Network Services License is £ 50,000 per annum plus £ 5,000 for every foreign operator who joined it in the past year. For example, in Year 1 a New Network Services License holder (X) starts operations by paying £ 50,000. In that year, it has entered into agreements with two foreign gaming operators for allowing their referrals. Now, in the following year when X seeks to pay its license fee, it has to pay £ 60,000 as it had two foreign operators linking to its network. X, however, does not need to pay any charges for any domestic sub-license holder linking to its network.

Licenses for Economic and Political DR

A 'License for Economic and Political DR' is similar to an OGRA License except that the license holder is not required to start operations in the Isle of Man until it desires and hence is not liable to pay any duties. The license holder, however, needs to inform the Commission before it decides to start operations and the commission will check if any circumstances have changed. The Licenses for Economic and Political DR are also valid for 5 years.



CONDITIONS

The basic conditions which need to be fulfilled for an Isle of Man Gaming License are:

- a) The Company must be registered in the Isle of Man
- b) The Company must have at least two local directors who are not corporate entities
- c) The Company must have one resident Designated Official (DO). In case the DO does not reside in the Isle of Man, there must be an Operations Manager resident in the country.
- d) The servers for player registration must be located in the Isle of Man
- e) The bank accounts used for gambling and trading must be located in the Isle of Man

The actual application for any kind of license has to be made to the Gaming Commission with the following details:

- Application Fee (£ 5,000) and Form
- Personal Declaration Form containing information from all shareholders of applicant companies holding more than 5% shares, Operations Manager, Directors, and Designated Officials
- One referee for every official/ director with a different referee for every official
- List of key officials
- Business Plan The business plan normally should contain the rules of the games, financial accounts, ownership, website look and feel, business model and banking arrangements

The applications are normally approved within 3 months. Once approved, the websites can go live after tests conducted by the inspectorate. Just before the license is approved, a hearing is conducted where all key officials, operations managers, and island directors have to attend. The operations have to go live within 9 months of the grant of license.

A duty is charged from betting operators at the following rate:

For gross gaming yield less than £20 million per annum	1.5%
For gross gaming yield between £20 and 40 million per annum	0.5%
For gross gaming yield above 40 million per annum	0.1%
For pool betting	15%