

PUBLIC STATEMENT

26 June 2025

Regulatory investigation by the Isle of Man Gambling Supervision Commission in respect of SK IOM Limited ("**SK IOM**") and the associated outcomes

Action

The Isle of Man Gambling Supervision Commission (the "**Commission**") makes this public statement in accordance with powers conferred on it under section 19 of the Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018 (the "**Act**").

The making of such public statement supports the Commission's statutory objectives of, among other things, securing an appropriate degree of protection for customers of persons carrying on a regulated activity, reducing financial crime and maintaining confidence in the Isle of Man's gambling industry.

Consequential to undertaking a regulatory inspection of SK IOM which identified prima facie contraventions of the Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Code 2019 (the "**Code**") the Commission opened an investigation into SK IOM. This Public Statement details the conclusions and outcomes of that investigation.

In light of the same, the Commission has determined that it would be reasonable and proportionate, in all the circumstances, that SK IOM be required to pay a discretionary civil penalty in connection with these contraventions in the sum of £100,000 discounted by 30% to £70,000 (the "**Civil Penalty**").

The level of the Civil Penalty reflects the accepted contraventions but also that SK IOM undertook comprehensive remediation and the fact that the SK IOM directors fully co-operated with the Commission and agreed settlement at an early stage.

Background

SK IOM was licensed by the Commission pursuant to the Online Gambling Regulation Act 2001 ("**OGRA**") on 13 May 2016.

In July 2024, the Commission undertook a supervisory inspection in respect of SK IOM in accordance with its statutory powers ("the **Inspection**"). The Inspection, based on a sample of files, identified prima facie contraventions of the Code ("the **Contraventions**").

The investigation identified that:

- SK IOM did not ensure their MLRO and AML/CFT Compliance Officer had seniority, expertise, competency or sufficient time and resources to properly discharge the responsibilities of the position in line with Paragraph 21 (2) (a) and (c) of the Code.
- SK IOM did not demonstrate monitoring and testing compliance in line with paragraph 25 (3) and (4) (a) – (c) of the Code.

- SK IOM did not demonstrate the recording, maintaining and operation of appropriate procedures and controls for monitoring and testing compliance with the AML/CFT legislation to ensure they meet Paragraph 25 (1) (a) (b) and (c) and
- SK IOM did not demonstrate that they undertook Annual AML/CFT Reports to demonstrate compliance with Paragraph 25 (2) of the Code.

A range of issues were accepted by SK IOM which caused the Commission to conclude that, in all the prevailing circumstances, the imposition of a Discretionary Civil Penalty was appropriate.

Statement

The Commission is satisfied that imposing the Civil Penalty on SK IOM appropriately reflects the level of the identified non-compliance. Additionally, the Commission is assured that the directors of SK IOM acknowledge and accept that there were contraventions of the mandatory provisions of the Code.

It was noted that SK IOM engaged in settlement discussions with the Commission promptly. SK IOM further identified that remediation was required to resolve the issues and took steps to rectify these issues and engaged an independent third-party consultant to assist them. SKIOM promptly submitted a comprehensive remediation plan which was agreed with the Commission. SKIOM has certified that all remediation was actioned and submitted within the timeframes agreed with the GSC.

Key Takeaways

In determining the appropriate regulatory response when identifying non-compliance, the Commission will have regard, amongst a range of other facts, to an Operator's prior supervisory history. Operators must operate their compliance framework proactively and ensure that any weaknesses and vulnerabilities it may be exposed to, have been identified, analysed, understood and mitigated and not merely be reactive to such issues following inspections.

It is essential that the Board of an Operator ensures the appointment of individuals to appropriate roles, confirming that such individuals possess the requisite expertise and can dedicate sufficient time to fulfil their responsibilities. This is critical to ensure that the framework and controls are adequately structured to effectively manage and mitigate risks related to money laundering, terrorist financing or proliferation financing.

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