Gambling Supervision Commission

Executive summary

Overview

Between 23rd March 2026 and 25 May 2026, the GSC conducted a stakeholder engagement exercise to seek views on the proposed Fitness and Propriety guidance (the "F&P guidance").

The F&P guidance will underpin the upcoming reforms to suitability requirements under the Online Gambling Regulation Act 2001, being introduced to by the Gambling Legislation (Amendment) Bill 2025.

Feedback received

There were 7 substantive responses received from a range of respondents, including licence holders, professional bodies and corporate service providers.

The GSC is grateful for all persons who engaged and submitted comments. We have carefully reviewed all responses, which has enabled us to clarify issues raised and make targeted changes as outlined below.

Key changes made following feedback

Following feedback, the following changes have been made to the draft F&P guidance:

- Further detail has been included regarding how the levels of due diligence the GSC may require for Regulated Persons, having regard to their role and ability to influence the Regulated Entity;
- The section on "Associates Integrity" has been expanded on, and now also includes practical examples to help illustrate how the GSC may take into account the integrity of associates;
- Further clarity has been added to the list of integrity risks and red-flags, specifically in relation to the entry regarding Regulated Persons or Entities that are the subject of an ongoing regulatory investigation;
- Further clarity has been added to the section on Role-Specific Expectations section, specifically detailing how the GSC may consider the capacity of a Regulated Person;
- A correction has been made to the Designated Official row in the Competency Table in Appendix 2, to correct an erroneous reference which set out that DO's are required to devote 100% of their available time to that appointment.

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Next steps

As a result of the feedback received, the F&P guidance has been updated. The GSC is therefore issuing this revised version to provide stakeholders with an opportunity to review the changes.

To support timely finalisation of the guidance Regulations, stakeholders are requested to submit any further comments by 12 October 2026 to Consultations.GSC@gov.im

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Summary of consultation responses

To ensure anonymity of respondents, responses have been grouped by common sentiments and issues raised.

1. A point was raised regarding whether the competency expectations for an AML/CFT Compliance Officer required the individual to be able to provide AML/CFT reports which "audit" the company's AML/CFT arrangements.

The GSC acknowledges that the use of the term "audit" could imply a broader or more formal assurance function than is required under the Gambling Code. Paragraph 25 of the Code requires an AML/CFT Compliance Officer to submit a report to the operator's senior management at least annually, covering matters such as the operator's AML/CFT environment, developments to policies and controls, compliance activities undertaken, and the results of any monitoring and testing performed.

The intention of the competency table was to reflect this statutory reporting obligation, rather than to suggest that the AML/CFT Compliance Officer must undertake or provide a formal audit of the operator's AML/CFT framework. To avoid any potential ambiguity, the wording in the guidance has been amended to align more closely with the language and requirements of paragraph 25 of the Code.

2. A question was raised as to whether the GSC would consider implementing a new approach regarding the approval of MLRO's, whereby the GSC would approve individuals for MLRO roles, following an interview process which sought to establish whether the GSC was satisfied or not as to the individual's competence to undertake that MLRO role

MLROs perform a critical function within an operator's AML/CFT framework and are expected to possess the competence, experience and authority necessary to discharge their responsibilities effectively. The GSC must also be satisfied that individuals performing key AML/CFT roles meet the required fitness and propriety standards.

However, the GSC does not consider it appropriate to introduce a formal approval regime for MLROs through this guidance. Unlike certain positions under the Online Gambling Regulation Act 2001, such as company directors and designated officials, which are expressly subject to prior approval requirements, there is currently no legislative requirement for MLROs to obtain the GSC's approval before appointment.

The GSC's role is to satisfy itself that operators are managed and controlled by fit and proper persons. In carrying out that role, the GSC must strike an appropriate balance between effective regulatory oversight and becoming involved in the day-to-day management of a licence holder's business.

In the first instance, responsibility for assessing the fitness and propriety of an MLRO rests with the operator making the appointment. The current legislative framework places that responsibility on the operator whilst reserving prior approval requirements to specific roles, such as directors and designated officials.

That said, the GSC does engage directly with MLROs as part of its supervisory approach and may conduct interviews prior to MLRO appointments where appropriate. Where the GSC has reasonable grounds to believe that an individual is not fit and proper to perform the role, it has statutory powers to direct an operator not to appoint, or not to continue the appointment of, that individual. These powers are contained within section 25 of the Gambling (AML/CFT) Act 2018 and may be exercised in respect of senior managers, or any other role specified in a direction. The GSC may also prohibit individuals from performing functions in relation to regulated activities where they are not considered fit and proper.

The GSC therefore considers that the existing legislative framework already provides appropriate safeguards to address concerns regarding the suitability of MLROs, without the need for a formal pre-approval process. Should prior approval of MLROs be considered desirable in future, the appropriate mechanism for introducing such a requirement would be through legislative amendment rather than through regulatory guidance.

3. A comment was stated that in relation to the Designated Official's entry in the Competencies table in Appendix 2, that DO's are expected to give 100% of their time to a licence holder

The GSC acknowledges that this wording did not accurately reflect the intended position. The intention was not to imply that every Designated Official role must be a full-time position. Rather, the GSC expects a Designated Official to be able to devote sufficient time and attention to fulfil the responsibilities and duties associated with the role, having regard to the nature, scale and complexity of the operator's business.

In some circumstances, this may require the Designated Official to dedicate substantially all of their available working time to the role. In other cases, where the operator's business is less complex or resource-intensive, a lower time commitment may be appropriate. The key consideration is whether the individual has sufficient capacity to effectively discharge the responsibilities of the position.

The operator remains responsible for ensuring that its Designated Official has adequate time and resources to perform the role effectively. As part of its assessment of competency, the GSC may consider whether the proposed time commitment is reasonable and proportionate in the context of the operator's particular circumstances.

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The reference to DO's being expected to give 100% of their time to a licence holder, stated in Appendix 2 to the Guidance has been amended to correctly reflect the intended policy position.

4. Comments were received regarding the proportionality of the definition of "Regulated Person", particularly in relation to minority shareholders (for example, holdings below 5%) and other individuals who may technically fall within the scope of the definition but have little or no practical ability to influence the activities of a Regulated Entity.

The GSC acknowledges that the definition of "Regulated Person" is intentionally broad and captures a wide range of individuals connected to a Regulated Entity. However, the inclusion of a person within that definition does not mean that every individual will be subject to the same level of scrutiny or due diligence.

The GSC applies a risk-based approach to fitness and propriety assessments. Depending on the nature of the individual's role, their ability to influence or control the Regulated Entity, and any relevant risk factors, the GSC may apply a full assessment, a simplified assessment, or, where appropriate, determine that no individual assessment is required.

The GSC considers it important to retain a broad definition because the international nature of the online gambling sector can make the identification of ultimate ownership, control and influence complex. The GSC has encountered circumstances where there may have been attempts to obscure the identity and true nature of ownership and control of those exerting influence over a gambling business. A broad definition assists the GSC in ensuring that it can look beyond formal structures where necessary and identify the individuals who are able to influence the conduct of a Regulated Entity.

Regulated Entities should identify persons who fall within the definition of a Regulated Person in accordance with the guidance. However, the GSC recognises that some individuals may technically fall within the definition despite having little or no practical ability to influence or control the Regulated Entity. In such cases, the GSC will apply a risk-based approach when determining whether any fitness and propriety assessment, including the completion of an SPDF, is required.

Wording has been added to Part 2 of the F&P guidance in order to make this point clearer.

5. Some comments received raised concerns regarding the degree of discretion available to the GSC to identify additional individuals as Regulated Persons, and the uncertainty this may create for licence holders when determining who should be subject to fitness and propriety requirements.

The GSC acknowledges these concerns. The purpose of the relevant definitions is to ensure that persons who are capable of exercising significant influence, control or managerial responsibility in relation to a Regulated Entity cannot avoid scrutiny solely because they do not hold a formal title or position within the business.

However, the GSC's discretion in this area is not unlimited. Any person identified by the GSC as a Regulated Person must fall within the scope of the relevant statutory definitions, most commonly the definitions of "controller" or "senior manager". Those definitions are themselves framed around concepts such as ownership, voting power, significant influence, control, managerial responsibility and decision-making authority, and therefore require a reasonable connection between the individual and the management, control or operation of the Regulated Entity.

Where the GSC forms the view that an individual may be a Regulated Person and that individual has not been identified as such by the licence holder, the GSC will ordinarily explain the basis upon which it considers that the relevant definition may apply. Any request for further information or due diligence will therefore include the reasons why the GSC considers the individual to fall within the relevant category of Regulated Person.

This approach ensures that licence holders have an opportunity to respond to the GSC's concerns, provide additional context, challenge factual assumptions, and correct any inaccuracies before the GSC reaches a final view. For example, a licence holder may be able to demonstrate that the individual does not possess the level of influence, control or responsibility initially believed by the GSC to exist.

6. A point was raised in relation to the competency indicators within Part 4 of the guidance, specifically the reference to individuals taking on roles without sufficient time or capacity to fulfil them effectively. It was also noted that individuals employed by a TCSP may, in some cases, be appointed to multiple positions across different licence holders with little or no direct control over the number of appointments they are asked to undertake.

The GSC acknowledges that such circumstances might arise and that an individual employee may not be responsible for decisions concerning the allocation of clients or appointments within a TCSP.

The purpose of this indicator is not to suggest that a competency concern automatically arises simply because an individual holds multiple appointments. Rather, the concern arises where the cumulative effect of those appointments creates a risk that the individual is unable to discharge their responsibilities effectively.

The GSC would expect the Regulated Entity to consider whether the Regulated Person has sufficient capacity to perform their functions effectively. This should form part of the operator's wider risk assessment. Where an operator has identified capacity constraints, but is satisfied that appropriate measures are in place to mitigate those risks, the GSC will take those factors into account.

The key consideration for the GSC is whether the arrangement remains effective in practice. The existence of multiple appointments will not, of itself, give rise to a competency concern. However, where a Regulated Person is unable to fulfil the requirements of their role, or a regulatory contravention occurs, due to insufficient capacity, and that risk has been accepted by the Regulated Entity without appropriate mitigations being put in place, the GSC may take this into account. In such circumstances, the GSC may consider the matter when assessing the fitness and propriety of the Regulated Entity overall.

The guidance has been amended in order to better communicate the purpose of the capacity reference, as well as how the GSC will consider the capacity of a Regulated Person.

7. Some comments received raised concern over the broadness of the term "associate", and in particular the fairness of remote associations, or associations that the applicant has no control over, being factored into the applicant's own integrity.

The GSC acknowledges these concerns. The purpose of the associates provision is not to hold a Regulated Person responsible for the actions of another individual, nor does the GSC intend to conduct fitness and propriety assessments or due diligence checks on every associate of every Regulated Person.

The concept of an associate is included because, in some circumstances, the nature of a person's associations may be relevant to understanding their own judgement and therefore suitability to be connected with a Regulated Entity. This is particularly important in an international sector where individuals may maintain extensive personal and business relationships across multiple jurisdictions and industries.

The GSC recognises that individuals may from time to time be associated with persons whose conduct, criminality, regulatory history, or other circumstances would not satisfy the integrity standards expected of a Regulated Person. However, the existence of a single such association will not, of itself, mean that the Regulated Person lacks integrity.

When considering this aspect of the integrity assessment, the GSC will generally look at the overall pattern of a Regulated Person's associations rather than any individual association in isolation. The purpose of this assessment is to determine whether the cumulative effect of those associations raises concerns regarding the Regulated Person's own judgement and, therefore, their fitness and propriety.

Where a Regulated Person maintains a pattern of associations with individuals who themselves would not satisfy the GSC's integrity standards, the GSC may consider that those associations are capable of reflecting on the integrity of the Regulated Person. Conversely, the GSC is unlikely to draw such an inference solely because a Regulated Person has a single association with an individual of concern. Each case will be assessed on its own facts and circumstances, having regard to the overall context, including the number, nature and duration of the relevant associations.

The guidance has been amended to provide additional clarification and practical examples illustrating the circumstances in which an associate's integrity may, and may not, be relevant to the assessment of a Regulated Person's own integrity.

8. Some comments received raised concerns regarding the proportionality of the GSC taking into account any ongoing regulatory investigation involving a Regulated Person, including investigations being conducted by non-gambling regulators or regulators outside the Isle of Man.

The existence of an ongoing regulatory investigation is not, in and of itself, evidence that a Regulated Person lacks integrity or competence. Equally, the fact that a person is the subject of an investigation does not imply wrongdoing, nor does it create a presumption that a finding against that individual will ultimately be made, however it does introduce a risk that must be managed.

Nevertheless, the GSC considers it important, and requires, that Regulated Persons disclose any ongoing regulatory investigation of which they are aware. Regulated Persons will not be adversely affected by a failure to disclose an investigation that they were not aware of.

The purpose of requiring disclosure is to enable the GSC to understand whether information may exist which is relevant to its own assessment of the individual's fitness and propriety. Depending on the circumstances, the GSC may engage with the relevant regulatory authority in order to better understand the nature of the concerns being examined and whether they are relevant to the individual's role within the Regulated Entity.

The GSC will consider any information obtained objectively and impartially. The GSC's focus will be on whether the matters under investigation, if substantiated, could reasonably be relevant to the individual's integrity or competence.

The relevance of an investigation may therefore vary considerably depending on its nature.

For example, an investigation concerning allegations of dishonesty, regulatory non-compliance, financial misconduct or governance failings may be capable of informing the GSC's assessment.

An amendment to the guidance has been made in order to better clarify the purpose of this requirement, as well as how the GSC will consider any related information.

9. Some comments received raised concerns that the integrity assessment described within the guidance is too vague, particularly in relation to concepts such as "honesty", "ethical conduct" and "moral judgement"

The GSC acknowledges that integrity is, by its nature, a broader and less prescriptive concept than competency or financial standing. Unlike technical competence, which may often be demonstrated through qualifications, experience or performance, integrity requires the GSC to consider a wider range of behaviours and circumstances in order to assess whether a person can be trusted to perform their role honestly and responsibly.

The intention of the guidance is not to provide an exhaustive list of circumstances that would, or would not, demonstrate integrity. The guidance instead explains the principles the GSC considers relevant and to provide practical illustrations through the accompanying red flags and indicators.

The GSC considers that the red flags and indicators included within the guidance provide useful examples of the types of behaviour that may be relevant to an integrity assessment. These examples are intended to assist Regulated Persons and Regulated Entities in understanding how the GSC may approach integrity concerns in practice, without being overly rigid and prescriptive.

10. Some comments received raised doubts as to the scope and applicability of the fitness and propriety guidance to non-licensed B2B suppliers.

The fitness and propriety regime set out within the guidance applies to Regulated Entities and Regulated Persons. A non-licensed B2B supplier that is neither a Regulated Entity nor a Regulated Person is not itself subject to the GSC’s fitness and propriety requirements.

However, this does not mean that the conduct or circumstances of a non-licensed B2B supplier will always be irrelevant to the GSC's assessment of a Regulated Entity or Regulated Person. The GSC expects Regulated Entities and Regulated Persons to exercise good judgement regarding the persons and businesses with whom they choose to associate or conduct business.

For example, where a non-licensed B2B supplier has a significant operational role within the delivery of gambling services for a Regulated Entity, and that otherwise gives rise to concerns regarding criminality, the GSC may consider whether that relationship is relevant to the fitness and propriety of the Regulated Entity who has chosen to do business with that B2B supplier.

The focus of the assessment in such cases remains on the judgement of the Regulated Entity or Regulated Person, which informs the GSC’s view of their integrity and competence, rather than on applying the fitness and propriety requirements directly to the non-licensed B2B supplier.

11. A question was raised as to how the fitness and propriety regime relates to the reforms which place liability for civil penalties on some Regulated Persons.

There is a degree of overlap between the 2 regimes, as both may involve consideration of an individual's conduct. However, the fitness and propriety regime and the civil penalty regime serve different regulatory purposes and are subject to different legal tests.

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Following the amendments made by the Gambling Legislation (Amendment) Bill 2025, both operators and certain individuals may be liable for civil penalties in respect of contraventions of AML/CFT legislation. In the case of individuals, liability arises only where the contravention is attributable to the individual's consent, connivance, or negligence.

When considering whether a civil penalty should be imposed on an individual, the GSC's primary focus is on establishing the facts surrounding the contravention and the extent to which the individual was responsible for causing or contributing to that contravention. The purpose of the investigation is therefore to determine culpability in relation to the alleged breach, rather than to assess the individual's fitness and propriety.

However, where a civil penalty investigation concludes that the contravention was caused due to the individual’s consent, connivance or negligence, the underlying findings may also be relevant to the GSC's separate assessment of that individual's fitness and propriety.

For example, a finding that an individual knowingly permitted a serious regulatory breach may raise questions regarding integrity, while repeated failures to discharge responsibilities competently may be relevant to an assessment of competency. Any such consideration would be undertaken separately and on its own merits, having regard to the individual circumstances of the case.

The GSC therefore considers that the two regimes should be viewed as complementary but distinct.

12. A question was raised as to whether the GSC can rely solely on the regulatory, civil or criminal findings of another jurisdiction when assessing the fitness and propriety of a Regulated Person or Regulated Entity.

The existence of a regulatory sanction, civil judgment, criminal conviction, investigation, or other adverse finding in another jurisdiction will not automatically determine the GSC's assessment of a Regulated Person's or Regulated Entity's fitness and propriety.

The GSC's role is to assess fitness and propriety independently and on the basis of all relevant information available to it. Findings made by other regulators, courts or competent authorities may form part of that assessment, but the weight attached to those findings will depend on the particular circumstances of the case and their relevance to the criteria of integrity, competence and financial standing.

For example, a recent conviction for a serious financial crime may be highly relevant to the GSC's assessment of integrity. Equally, findings by another regulator relating to serious governance failures may be relevant to the GSC's assessment of competency.

Conversely, a minor technical breach of regulatory requirements, particularly where it was promptly disclosed and remediated may carry significantly less weight in the GSC's assessment.

The GSC will also always take into account the age of the matter, the surrounding circumstances, the steps taken to address any failings, and whether the conduct remains relevant to the regulated role being performed under the GSC’s supervision.

13. A question asked whether the GSC would be publishing any further guidance or case studies to support the sector’s understanding of, and compliance with, the fitness and propriety requirements.

The Fitness and Propriety Guidance is intended to serve as the primary source of guidance regarding how the GSC assesses the fitness and propriety of Regulated Entities and Regulated Persons.

The GSC recognises that fitness and propriety assessments often involve consideration of a wide range of factual circumstances and that, over time, additional examples or clarification may be beneficial. Accordingly, the guidance will be kept under continual review and may be amended from time to time to reflect developments in legislation, policy, supervisory experience, or areas where further clarification would assist the sector.

In addition to updates to the guidance itself, the GSC may publish case studies where it considers it appropriate and in the public interest to do so. The GSC already publishes public statements in respect of enforcement matters on the GSC's website, which can provide insight into the types of conduct, governance failures and regulatory concerns that may be relevant to fitness and propriety assessments.