



Quarterly Returns Guidance

Contents

- 1. Introduction 3
- 2. Format of Return..... 3
- 3. When you should send a return..... 3
- 4. General Compliance Quarterly Return Guide 3
- 5. AML/CFT Quarterly Return Guide 4
- 6. General Compliance & AML Quarterly Return Sign Off Guide 6
- 7. Late or inaccurate regulatory returns 6

Version Control

This guidance is effective from the 01/05/2024

Version	Date published	Comments
1.0	May 2024	Creation and publication of the Quarterly Returns Guidance.

1. Introduction

Companies who hold a licence under the Online Gambling Regulations Act 2001 (OGRA) are subject to the compliance regime of the Gambling Supervision Commission and as such, are required to submit quarterly returns.

All licence holders are required to submit the Online Gambling Quarterly Return to provide information regarding Notifications, Player Fund Protection, Funding, Employment, Suspicious Activity Reports and to provide their Balance Sheet and Profit & Loss Account.

In addition, licence holders are required to submit the AML/CFT Quarterly Return with the exception of those companies who are purely licenced for Software Supply / Token Based Software Supply.

The Quarterly Return forms are primarily required for supervisory purposes although certain industry statistics may be collated from them.

2. Format of Return

A standard excel template for the return is available on the GSC's website. This form is to be completed and emailed to gscgeneralsupervision@gov.im copying in the 2 signatories to confirm their declaration. The latest return version is available on the GSC's website and licence holders should ensure that the current version is provided to the GSC. We are unable to accept a return provided on the incorrect format. A hard copy is not required.

3. When you should send a return

Returns are due on or before the 21st of the month following the quarter end as follows:

Quarter	Date From	Date To	Return Due
Q1	1 January	31 March	21 April
Q2	1 April	30 June	21 July
Q3	1 July	30 September	21 October
Q4	1 October	31 December	21 January

The requirement to submit the returns is effective from the date the licence is issued to, and including, the date the licence ceases to have effect. For avoidance of doubt, where a licence holder has not gone live or has ceased trading during a licenced period it must submit a return reflecting the financial position of the licence holder. Furthermore, a return is due upon licence surrender up to and including the effective date of licence surrender.

4. General Compliance Quarterly Return Guide

Notifications

This area is intended to capture a number of potential risk issues. Licence holders should supply further information including date of event, date advised to GSC and a brief outline of the circumstances for those that were not reported to the GSC.

Player Fund Protection

The objective of this section is to determine whether the licence holder has a surplus or shortfall of funds to cover the player funds over the period.

The return should also be accompanied by supporting documentation aligned with the player protection mechanism (bank statements etc.) as verification of the reported balances.

Funding, Employment, & SARs

The GSC is required to ensure that licence holders continue to have adequate financial means available to support the licence activity.

A SAR reporting section is available here for licence holders offering Software Supply only.

If you offer something other than Software Supply, please move on to Balance Sheet and continue to provide this information on the AML/CFT quarterly return as usual.

Balance Sheet

In order to ensure compliance with OGRA S.4 ss.2 (d) the GSC requests information relating to the licence holder's financial performance during the period.

This section should be reported in GBP only.

If there are any major changes from previous balance sheets, please provide commentary in the box on this sheet or Sign-Off sheet.

P&L

Please use positive numbers for Income/Profit and negative numbers for Expense/Loss

This section should be reported in GBP only.

If there are any major changes from the previous quarter's P&L, please provide commentary in the box on this sheet (or Sign-Off sheet if not enough room).

Licence holders should ensure that the activity is recorded under the correct licence category and any use of 'Other Revenue' is thoroughly explained.

Currency convention, rounding, and sign convention

The forms must be completed in sterling.

5. AML/CFT Quarterly Return Guide

Fiat

In this tab please confirm the total number of customers that have transacted per jurisdiction in the relevant quarter, the number and the values of deposits and withdrawals for Fiat only which must be reported in GBP (the exchange rate used should be as at the quarter end).

If you do not see a specific country consider if it may be officially known by another name (i.e. Vatican = Holy See, Holland = Netherlands, North Korea = Democratic People's Republic of Korea etc).

In the event that the licence holder has entered a new jurisdiction, it is recommended that commentary is provided to the Lead Inspector along with the submission of the quarterly return.

Commentary is also welcomed on any information that would provide a 'better picture' of the particulars, this could include for example rationale as to why deposit vs withdrawal ratio has a noticeable difference. A comment box is available in the Sign-Off section of the return.

VC

In this tab please confirm the total number of customers that have transacted per jurisdiction in the relevant quarter, the number and the values of deposits and withdrawals for virtual currency only, this must be reported in GBP (the exchange rate used should be as at the quarter end).

Similarly to the Fiat section of the return where you do not see a country on the list, please consider if that country may be known by another name. Commentary is also welcomed on any information that would provide a 'better picture' of the particulars, this could include for example what specific crypto currencies are accepted (BTC, ETH, USDT etc.).

VG

In this tab please confirm the total number of customers that have transacted per jurisdiction in the relevant quarter, the number and the values of deposits and withdrawals for virtual goods only, this must be reported in GBP (the exchange rate used should be as at the quarter end, where this is not possible please provide the most up to date value and confirm the same in the comments section – see Sign-Off subparagraph of this Guidance).

Similarly to the Fiat section of the return where you do not see a country on the list, please consider if that country may be known by another name. Commentary is also welcomed on any information that would provide a 'better picture' of the particulars, this could include for example what virtual goods are used and how the GBP equivalent value has been established.

Total

This section is used to establish further information relating to active customers, disclosures and the value of funds held (blocked/frozen) for AML/CFT purposes. Information relating to certain fields throughout the return can be found in the Instructions & Glossary section of the return and are referenced accordingly.

This section is also used to enable validation to occur in the Sign-Off tab of the return, this is done by validating the information stated in the previous 3 sections. Where 'Incomplete' or 'Invalid' boxes are present in the Sign-Off section after all of the fields have been completed, it is likely that this is due to this section 'Total' being inconsistent with the information provided earlier.

A sense check is recommended during this stage of the return's completion for any disparities. These could be for example having activity in a jurisdiction not previously ever recorded, or stating that the licence holder has 1,000 active customers however 2,000 new customers were on-boarded in the last quarter.

6. General Compliance & AML Quarterly Return Sign Off Guide

Declaration Statement

The declaration statement at the end of each regulatory return needs to be signed by a senior member of staff with finance responsibility, such as the Chief Financial Officer, in addition to a Director or Designated Official.

We expect the signatories to make reasonable enquiries to ensure that the submitted regulatory return is accurate and complete.

Validation

Errors within the return and highlighted by the validation fields should be addressed prior to sending to the GSC. Returns that are submitted with errors will be rejected.

Commentary

Licence holders are expected to anticipate areas that would give obvious cause for queries and provide relevant commentary alongside the reporting information contained within the return. Should we require any further information or clarification of the information submitted to us we expect that responses are received in full and do not generate additional queries.

The GSC will give overall consideration to areas such as:-

- Ensuring activity is reported under the correct category;
- Whether the licence holder is profitable not profitable and the availability of funding;
- Whether activity is in line with that projected;
- Stage in the licence holders business life cycle;
- The latest financial statements/audited financial statements; and
- Wider considerations and trends (for example, large sporting events and seasons).

The GSC will also consider previous questions and responses and expect commentary where the return information contradicts that previously provided.

7. Late or inaccurate regulatory returns

Correct and full submission of regulatory returns is indicative of the compliance culture of the licence holder.

Most licence holders submit their returns on time and accurately. Where returns are submitted late, incomplete, or are inaccurate, we will contact the licence holder. If we do not receive an up-to-date, accurate regulatory return after we have contacted the licence holder, we will consider the compliance culture of the organisation in line with our enforcement strategy.

If a licence holder misrepresents or fails to reveal information that it is asked to provide, unless it has a reasonable excuse, it will have committed an offence under section 16(4) of the Online Gambling Regulation Act 2001. In addition, AML returns are required under Section 6 of Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018. We may prosecute gambling licence holders that provide us with information which is false or deliberately misleading.

Ground Floor, St George's Court | Myrtle Street, Douglas | Isle of Man, IM1 1ED

 +44 (0)1624 694331

 gscgeneralsupervision@gov.im

www.isleofmangsc.com